



**Danone sets terms for continued partnership with Fonterra
and initiates legal proceedings**

Paris, January 8, 2014 -- On August 2, 2013, Fonterra issued an alert concerning a possible contamination of certain ingredients supplied to Danone. Additional tests revealed later on that it was in fact a false alert.

This affair illustrates serious failings on Fonterra's part in applying the quality standards required in the food industry.

Danone is terminating its existing supply contract with Fonterra and making any further collaboration contingent on a commitment by its supplier to full transparency and compliance with the cutting-edge food safety procedures applied to all products supplied to Danone.

Danone is also initiating proceedings in the New Zealand High Court, as well as arbitration proceedings in Singapore to bring all facts to light and to obtain compensation for the harm it has suffered.

As a leading food company, Danone makes food safety an absolute priority and is committed to working only with suppliers that share and respect the same demanding professional standards.

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About Danone

Danone is an international company present on five continents. The group holds top positions in healthy food through four businesses: Fresh Dairy Products, Waters, Baby Nutrition and Medical Nutrition. Its mission is to bring health through food to as many people as possible. Danone has more than 190 production plants and around 102,000 employees. In 2012, the company generated sales of over €20 billion, with more than 50% in emerging countries.

Listed on NYSE Euronext Paris, Danone is a component stock of leading social responsibility indexes including the Dow Jones Sustainability Indexes, ASPI Eurozone, the Ethibel Sustainability Index and the ATNI index.

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