

## PRESS RELEASE



**DANONE**

Paris, May 29th 2009

### **Danone launches a € 3 bn capital increase through a rights issue**

Danone, today, announces the launch of a € 3.048 bn capital increase via an offering of preferential subscription rights to existing shareholders. The proceeds of the Rights Issue will be used principally for the reduction of Danone's net financial debt thereby enabling Danone

- to strengthen its capital structure, reduce its financial leverage and improve its credit metrics;
- to increase its financial and strategic flexibility, with a view to support its organic growth model and finance potential add-on acquisitions.

Eurazeo has expressed its intention to subscribe in its press release of May 28th, 2009; Sofina and Predica have committed themselves vis à vis the Company to subscribe in proportion to their existing shareholding.

#### **Terms of the capital increase**

Each shareholder of Danone will receive one preferential subscription right per existing share held at the close of trading on May 29th, 2009. The subscription price for the new shares has been set at € 24.73 per new share (nominal value of € 0.25 and issue premium of € 24.48) on the basis of 4 new shares for 17 existing shares, resulting in the issuance of 123,236,352 new shares. The subscription price represents a 31.4% discount to the closing price of the Company's shares on May 28th, 2009 and a 27.0% discount to the theoretical ex-rights price (TERP).

New shares received by Danone shareholders pursuant to the option to receive the 2008 dividend in kind are eligible for attribution of preferential subscription rights.

Shareholders may also submit additional subscription orders, subject to reduction in case of oversubscription. To the extent that new shares are available for subscription as a result of unexercised rights, each holder will be allocated additional new shares in proportion to the number of rights each holder has exercised and up to the number of additional new shares for which each holder has submitted subscription orders.

The offer will be open to the public in France and Switzerland and is fully underwritten (excluding the commitments of Sofina and Prédica) by a syndicate of banks. CALYON and J.P. Morgan are acting as Joint Bookrunners, BNP PARIBAS, Citi, Lazard-NATIXIS and Société Générale Corporate & Investment Banking as Joint-Lead Managers and ABN AMRO, BANCO SANTANDER, Barclays Capital and HSBC as Co-Lead Managers.

#### **Indicative timetable**

The subscription period will start on June 1st, 2009 and will end on June 12th, 2009 (inclusive). During this period, the preferential subscription rights will be listed and traded on Euronext Paris (ISIN code FR0010764605). Settlement and delivery of the new shares is scheduled to take place on June 25th, 2009.

The new shares are expected to be listed on Euronext Paris and on the SIX Swiss Exchange on June 25th, 2009. They will be fully fungible with the Company's existing shares and will be traded under the same ISIN code as the Company's existing shares, FR0000120644.

### **Information available to the public**

A prospectus approved by the French securities regulator, Autorité des marchés financiers (the "AMF") under No. 09-165 on May 28th, 2009 is available free of charge at the head office of Danone, through the above-named joint bookrunners, as well as on the websites of Danone ([www.danone.com](http://www.danone.com)) and the AMF ([www.amf-france.fr](http://www.amf-france.fr)). The prospectus consists of (i) the annual report, the "*document de référence*", filed with the AMF on March 20th, 2009 under D.09-0143, (ii) an update of this "*document de référence*" filed with the AMF on May 28th, 2009 under No D.09-0143-A01, and (iii) a securities note, *Note d'Opération*, (including a summary).

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### **About Danone**

Danone is a Fortune 500 company and one of the most successful healthy food companies in the world. Its mission is to bring health through tasty, nutritious and affordable food and beverage products to as many people as possible. Fulfilling this mission is a major contributor to Danone's continuous fast growth. Danone with 160 plants and around 80,000 employees has a presence in all five continents and over 120 countries. In 2008, Danone recorded € 15.2 billion sales. Danone enjoys leading positions on healthy food in four businesses: fresh dairy products (n°1 worldwide), waters (n°2 on the packaged water market), baby nutrition (n°2 worldwide) and medical nutrition. Listed on Euronext Paris, Danone is also ranked among the main index of social responsibility: Dow Jones Sustainability Index Stoxx and World, ASPI Eurozone and Ethibel Sustainability index.