



DANONE

June 19, 2012

Danone decides to adjust operating margin target and reiterates sales growth and free cash flow targets for 2012

In February this year, Danone set clear priorities for 2012: developing its product categories, pursuing investment in countries with high growth potential, particularly those that Danone calls “MICRUB^[1]” and supporting operations and brands in Western Europe.

Since the end of the first quarter, the Group has faced a swift deterioration in consumption in Southern Europe that has proven steeper than anticipated, especially in Spain.

In these markets, Danone has chosen to respond with a combination of support for its brands and steps to make its products more competitive.

In addition, inflation in the Group’s raw material costs has been stronger than anticipated since the beginning of the year.

As a result, the Group has decided to adjust its targets for 2012 as follows:

- the target for sales growth is unchanged at +5-7% on a like-for-like basis, with the robust performance of operations in Asia, the Americas, Africa/Middle East and the CIS continuing to help offset pressure on Western Europe,
- the target for trading operating margin is reduced from “stable” to “down 50 basis points on a like-for-like basis”. This adjustment is aimed at deploying initiatives needed in Southern Europe, while continuing to develop Group sales and profitability in the rest of the world,
- the free cash flow target is unchanged at €2 billion, with the Group continuing to make progress, in particular in its management of working capital.

[1] Mexico, Indonesia, China, Russia, the US and Brazil

Our presentation to analysts and investors will be broadcast live from 9.30 a.m. on Tuesday, June 19, 2012. Related slides will be available on our website (www.finance.danone.com) from 7.30 a.m. today.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements concerning Danone. Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the "Risk Factors" section of Danone's Registration Document (available on www.danone.com)