

FULL YEAR RESULTS 2018

SOLID PERFORMANCE IN 2018: ACCELERATING SALES GROWTH AND EFFICIENCIES



2018 KEY HIGHLIGHTS

- Very strong recurring EPS growth at constant exchange rate⁽³⁾, in line with guidance
- Sales growth acceleration vs. 2017, with contribution of all reporting entities
- ✓ Recurring operating margin improvement, with record-high efficiencies, at above €900 million in 2018, including Protein efficiency program delivering ahead of plan (around €300 million during the year)
- Operating margin adversely impacted by impairment of Centrale Danone in first half (-€ 662 million)
- ✓ Capital gain from reduction in Yakult's stake:
 €701 million
- ✓ Strong free cash-flow delivery
- ✓ Proposed dividend: €1.94 payable in cash

2019 GUIDANCE

- Like-for-like sales growth of around 3%
- Recurring operating margin above 15%



CHAIRMAN AND CEO COMMENT ON RESULTS

"I am proud of the results achieved by our teams at Danone in 2018. Our company is becoming more agile every day. We keep adjusting our ways of working and delivering efficiency. And we adapt to the ever changing world around us. With Specialized Nutrition, Waters and our global plant-based brands from WhiteWave continuing to post strong growth despite a very volatile environment, the year has seen the encouraging progress of our EDP business in Europe, which stabilized in Q4 last year. This could not have happened without the multi-faceted reinvention of *Activia*, which shows that after years of decline, embracing with no fear the new paradigms can turn around a large global brand.

I would like to thank our teams for their demonstrated ability last year to both deliver on our short-term commitments, and simultaneously walk the path to our 2020 commitments and prepare the future, an imperative for those companies, like ours, that have a true ambition to thrive through the food revolution, with the support of many partners."

Emmanuel Faber

MID TERM OBJECTIVES

LFL sales growth	Recurring operating margin	Net debt / EBITDA	ROIC
4 to 5%	> 16%	< 3.0 x	~ 12%
2020			2022

1 Like-for-like New Danone | 2 On a reported basis | 3 Excluding Yakult Transaction Impact and IAS29 | 4 Proportion of Danone female managers, directors and executives



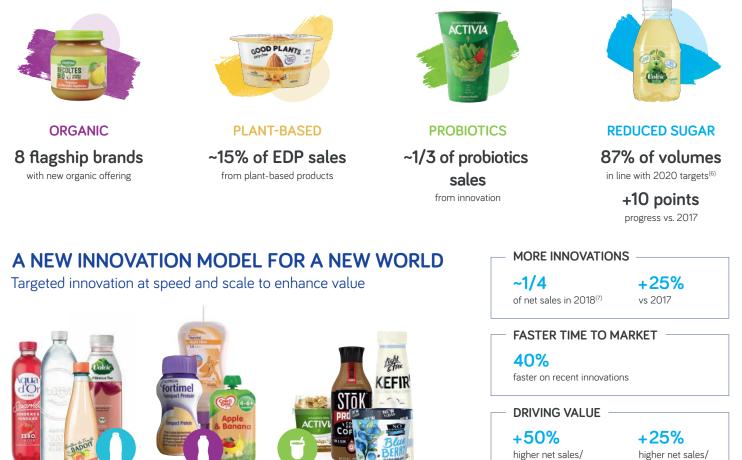
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	WATERS	SPECIALIZED NUTRITION	EDP NORAM	
NET SALES	€4.5 bn	€7.1 bn	€5.0 bn	€8.0 bn
CHANGE ⁽⁵⁾	+5.3%	+5.9%	+1.5%	+0.1% excl. Morocco boycott +2.1%

DEVELOPING STRATEGIC CATEGORIES IN 2018

Targeted investment in higher-return categories



DRIVING RETURNS FROM HIGHEST-GROWTH CHANNELS

Accelerating in 2018 impulse and e-commerce, outperforming market

е-соммексе €1 bn sales in 2018 +40% vs 2017	IMPULSE CHANNELS ⁽⁹⁾ ~2/3 of EDP growth in 2018	
 5 Like-for-like New Danone 6 Added sugars targets are defined for most of our product categories, and summarized in the publicly available leafter "Danone Nutritional Targets 2020". These Targets are maximum values, and are expressed in terms of grams of added sugars per 100g or per 100 kcal. 7 Innovations over the last 24 months 8 Compared to core range. 	For more information, please contact: Corporate Communications: +33 1 44 35 20 75 - Investor Relations: +33 1 44 35 20 76 Danone: 17, Boulevard Haussmann, 75009 Paris, France ©Danone 2019. All rights reserved.	

kg in EDP⁽⁸⁾

liter in Waters⁽⁸⁾

8 Compared to core range9 Defined as Small stores, on-the-go and on-premise