First quarter in line with expectations
Guidance reaffirmed for 2019

- Consolidated sales up by +0.9% on a reported basis to €6,138m
- Start of the year as anticipated: like-for-like sales growth at +0.8%; growth set to accelerate from Q2
- All reporting entities contributing to growth despite tough comparisons and calendar phasing
- Sale of Earthbound Farm reflects disciplined capital allocation and portfolio focus
- 2019 guidance confirmed: like-for-like sales growth of around 3% and recurring operating margin > 15%

Emmanuel Faber: Chairman and Chief Executive Officer statement

“The first quarter showed a start of the year in line with expectations and further progress in our transformation journey. This performance has coincided with continued action to deliver sustainable profitable value growth, including the sale of Earthbound Farm, alongside the roll-out of value-added innovations across businesses and geographies to make our portfolio more local, more appealing to younger generations, and better suited to fast-changing consumer trends. We are pleased with the momentum of the business, which will become increasingly visible from the second quarter. This gives us every confidence that we will meet our full-year guidance. We also remain totally committed to creating a company aligned with the food revolution, harnessing the collective voice of our 100,000 Danoners and realizing the vision of One Planet. One Health”.

2019 First-quarter sales

<table>
<thead>
<tr>
<th>€ million except %</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
<th>Reported change</th>
<th>LFL Sales Growth</th>
<th>Volume Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>BY REPORTING ENTITY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Essential Dairy &amp; Plant-based</td>
<td>3,296</td>
<td>3,308</td>
<td>+0.4%</td>
<td>+0.2%</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Specialized Nutrition</td>
<td>1,812</td>
<td>1,828</td>
<td>+0.9%</td>
<td>+0.4%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Waters</td>
<td>976</td>
<td>1,002</td>
<td>+2.7%</td>
<td>+3.9%</td>
<td>+1.0%</td>
</tr>
<tr>
<td>BY GEOGRAPHICAL AREA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe &amp; Noram1</td>
<td>3,311</td>
<td>3,381</td>
<td>+2.1%</td>
<td>-0.8%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>2,774</td>
<td>2,757</td>
<td>-0.6%</td>
<td>+3.0%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,085</td>
<td>6,138</td>
<td>+0.9%</td>
<td>+0.8%</td>
<td>-2.2%</td>
</tr>
</tbody>
</table>

All references in this document to Like-for-Like (LFL) changes of Sales, recurring operating income and margin, correspond to financial indicators not defined in IFRS. Their definitions, as well as their reconciliation with financial statements, are listed on pages 3 and 4.

1North America (Noram): United States and Canada

In the first quarter 2019, consolidated sales stood at €6,138m, up +0.8% on a like-for-like basis, with a +3.0% rise in value, driven by premium innovations and resilient pricing, and a -2.2% decline in volume. Excluding Morocco,
which was impacted by a boycott that started in April last year, sales were up +1.5% on a like-for-like basis with volumes down -1.0%. Argentina, which has been excluded from like-for-like comparison from this quarter, contributed to company reported growth by +0.3%. Overall, reported sales were up +0.9% including currency impact of -0.2%.

**ESSENTIAL DAIRY & PLANT-BASED (EDP)**

As previously announced, Danone is reporting Essential Dairy & Plant-based Noram and International as a single EDP entity from the first quarter. Under the new reporting structure, Europe and Noram represents around two thirds of the entity.

**Essential Dairy & Plant-based** reported sales up +0.2% on a like-for-like basis in the first quarter, including -3.8% decrease in volume and +4.0% rise in value. While the quarter confirmed the good fundamentals of the business, growth was impacted by one less trading day for our fresh activities in Europe and North America.

In **North America**, while category dynamics remained unchanged, sales grew at lower rate than Q4, impacted by portfolio pruning and a one-off effect from the final stage of IT integration. In U.S. yogurts, Danone is investing in growing segments such as plant-based, probiotics and low-sugar yogurts. The quarter confirmed the stabilization of Europe, supported by value-added innovation momentum and investments in fast growing trends such as organic, probiotics shots, plant-based and on-the-go. The **CIS** registered solid sales growth, supported by further results from its product diversification strategy, in **Latin America**, **Mexico** posted strong sales growth. In **Morocco**, sales continued to be impacted by the consumer boycott, decreasing in line with Q4 2018.

Overall, the **Plant-based** segment, which represents around 15% of EDP sales, posted mid-to-high single digit growth, with all brands growing and extending their market presence, with the exception of Vega.

**SPECIALIZED NUTRITION**

**Specialized Nutrition** reported sales up +0.4% on a like-for-like basis in the first quarter, including a +1.3% rise in value and a -0.9% decline in volumes, against a very tough base of comparison (with sales up +14% on a like-for-like basis in Q1 2018).

Sales growth was led by **Advanced Medical Nutrition**, which registered a mid-single digit increase, with strong sales growth in pediatrics. Growth in Europe was enhanced by strong momentum in Poland and the Netherlands. Sales in China increased at a double-digit rate.

In **Early Life Nutrition**, as anticipated, growth was adversely impacted by decreasing sales in China compared with the very strong +50% growth in Q1 2018. Outside of China, performance was strong as Early Life Nutrition generated mid-single digit growth driven primarily by South-East Asia. Sales in Europe continued to be impacted by Aptamil in the UK where recovery plan is ongoing. During the quarter, Danone inaugurated a new plant in the Netherlands to support the expansion of Danone’s range of specialized infant formula products.

**WATERS**

**Waters** delivered a solid broad-based sales growth of +3.9%, driven by volume (+1.0%) and value (+2.9%). All regions contributed to this growth.

**Europe** posted moderate growth and particularly strong in Poland and Denmark. In the **U.S.**, **evian** delivered strong growth as a result of expanded distribution and market share gains in convenience stores. Sales rose solidly in **Asia** supported by Indonesia. Growth was solid across **Latin America** where the biggest brand in the region, **Bonafont**, was supported in Mexico by strong category momentum and successful consumer activations.
2019 OUTLOOK

(From press release issued on February 19, 2019)

Macroeconomic outlook
In 2019, Danone expects further cost inflation with a mid-to-high single digit inflation in the costs of raw and packaging materials, including:
- milk price inflation high-single digit overall, on the back of a rebalancing supply and demand dynamic,
- continued inflation in PET cost driven by sustained market demand,
- inflationary conditions in other raw materials, including sugar and fruits.

2019 guidance
In 2019, Danone will continue to progress towards its 2020 objectives by strengthening its operating model through its priorities: accelerate growth, maximize efficiencies and allocate capital with discipline. Delivery of its agenda of sales growth acceleration and improved recurring operating margin will be supported by valorized innovations, active portfolio management, and further savings from the €1 billion Protein efficiency program and WhiteWave integration synergies. For the year, Danone is targeting like-for-like sales growth around 3% and recurring operating margin above 15%.

FINANCIAL TRANSACTIONS AND DEVELOPMENTS OVER THE PERIOD

- On April 1st, 2019, Danone increased its ownership and became the majority shareholder of the French company Michel et Augustin, which was the first investment of Danone Manifesto Ventures in 2016. As a result, from April 1st, 2019, Danone will fully consolidate the results of Michel et Augustin, which designs and markets innovative, premium range of biscuits, dairy products, fresh desserts and beverages.

- On April 11th, 2019, Danone completed the sale of the U.S. organic salads business Earthbound Farm to Taylor Farms, in line with its portfolio management and capital allocation optimization strategy. The transaction will contribute to the improvement of the recurring operating margin in 2019 and will lead to a non-recurring loss of net income of around 100 million dollars, to be fully recognized in H1 2019. Earthbound Farm had annual sales of about 400 million dollars in 2018.

OTHER INFORMATION

IAS29 impact on reported data
Danone is applying IAS 29 in Argentina from July 1st, 2018 with effect from January 1st, 2018. Adoption of IAS 29 in this hyperinflationary country requires its non-monetary assets and liabilities and its income statement to be restated to reflect the changes in the general pricing power of its functional currency, leading to a gain or loss on the net monetary position included in the net income. Moreover, its financial statements are converted into euro using the closing exchange rate of the relevant period.

<table>
<thead>
<tr>
<th>IAS29 impact on reported data</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (€ million)</td>
<td>-9</td>
</tr>
<tr>
<td>Sales growth (%)</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

FINANCIAL INDICATORS NOT DEFINED IN IFRS
Due to rounding, the sum of values presented may differ from totals as reported. Such differences are not material.

Financial indicators not defined in IFRS
Like-for-like changes in sales and recurring operating margin reflect Danone’s organic performance and essentially exclude the impact of:
- changes in consolidation scope, with indicators related to a given fiscal year calculated on the basis of previous-year scope and, starting January 1st, 2019, previous-year and current-year scope excluding Argentinian entities;
- changes in applicable accounting principles;

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

- 3 -
changes in exchange rates with both previous-year and current-year indicators calculated using the same exchange rates (the exchange rate used is a projected annual rate determined by Danone for the current year and applied to both previous and current year).

**Bridge from reported data to like-for-like data**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Impact of changes in scope of consolidation</th>
<th>Argentina organic contribution to growth</th>
<th>Impact of changes in exchange rates and others, including IAS29</th>
<th>Like-for-like growth</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (€ million except %)</td>
<td>6,085</td>
<td>0.0%</td>
<td>+0.3%</td>
<td>-0.2%</td>
<td>+0.8%</td>
<td>6,138</td>
</tr>
</tbody>
</table>

**Recurring operating income** is defined as Danone’s operating income excluding Other operating income and expenses. Other operating income and expenses is defined under Recommendation 2013-03 of the French CNC (format of consolidated financial statements for companies reporting under international reporting standards), and comprises significant items that, because of their exceptional nature, cannot be viewed as inherent to its recurring activities. These mainly include capital gains and losses on disposals of fully consolidated companies, impairment charges on goodwill, significant costs related to strategic restructuring and major external growth transactions, and costs related to major crisis and major litigations. Furthermore, in connection with IFRS 3 (Revised) and IAS 27 (Revised) relating to business combinations, the Company also classifies in Other operating income and expenses (i) acquisition costs related to business combinations, (ii) revaluation profit or loss accounted for following a loss of control, (iii) changes in earn-outs relating to business combinations and subsequent to acquisition date.

**Recurring operating margin** is defined as Recurring operating income over Sales ratio.

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**FORWARD-LOOKING STATEMENTS**

This press release contains certain forward-looking statements concerning Danone. In some cases, you can identify these forward-looking statements by forward-looking words, such as “estimate”, “expect”, “anticipate”, “project”, “plan”, “intend”, “objective”, “believe”, “forecast”, “guidance”, “foresee”, “likely”, “may”, “should”, “goal”, “target”, “might”, “will”, “could”, “predict”, “continue”, “convinced” and “confident,” the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, predictions of future activities, operations, direction, performance and results of 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 Factor” section of Danone’s Registration Document (the current version of which is available on www.danone.com).

Subject to regulatory requirements, Danone does not undertake to publicly update or revise any of these forward-looking statements. This document does not constitute an offer to sell, or a solicitation of an offer to buy Danone securities.

The presentation to analysts and investors, held by CFO Cécile Cabanis, will be broadcast live today from 9.00 a.m. (Paris time) on Danone’s website (www.danone.com). Related slides will also be available on the website in the Investors section.

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