DANONE
ONE PLANET. ONE HEALTH

FULL-YEAR **2019** RESULTS

February 26, 2020

Emmanuel Faber
Cécile Cabanis

Disclaimer

- *This presentation 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", "outlook", "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 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.*

- *All references in this presentation to Like-for-like (LFL) changes, recurring operating income, recurring operating margin, recurring net income, recurring income tax, recurring EPS and free cash flow correspond to financial indicators not defined in IFRS. Please refer to the FY 2019 results press release issued on February 26, 2020 for further details on IAS29 (Financial reporting in hyperinflationary economies), the definitions and reconciliation with financial statements of financial indicators not defined in IFRS. Finally, the calculation of ROIC and Net Debt/Ebitda is detailed in the annual registration document.*

- *Due to rounding, the sum of values presented in this presentation may differ from totals as reported. Such differences are not material.*

CEO introduction
What you will hear from us today

We…

- made strong progress in 2019 with the execution of our strategic priorities despite headwinds
- close a 5-year cycle with a strong strategic and financial track record
- start a new cycle towards our 2030 goals
- massively accelerate our investments to shape a fully climate-powered business model
- update our 2020 objectives, recognizing this year as pivotal towards 2030
- are committed to disciplined capital allocation to create and share long-term sustainable value
- **are fully confident we are taking the right steps to create a virtuous cycle that fuels a superior growth model and unlocks sustainable value further and faster**

DANONE
ONE PLANET. ONE HEALTH

Highlights

Emmanuel Faber
Chairman and CEO

2019 performance aligned to our business, brand and trust model
Committed to responsible value creation

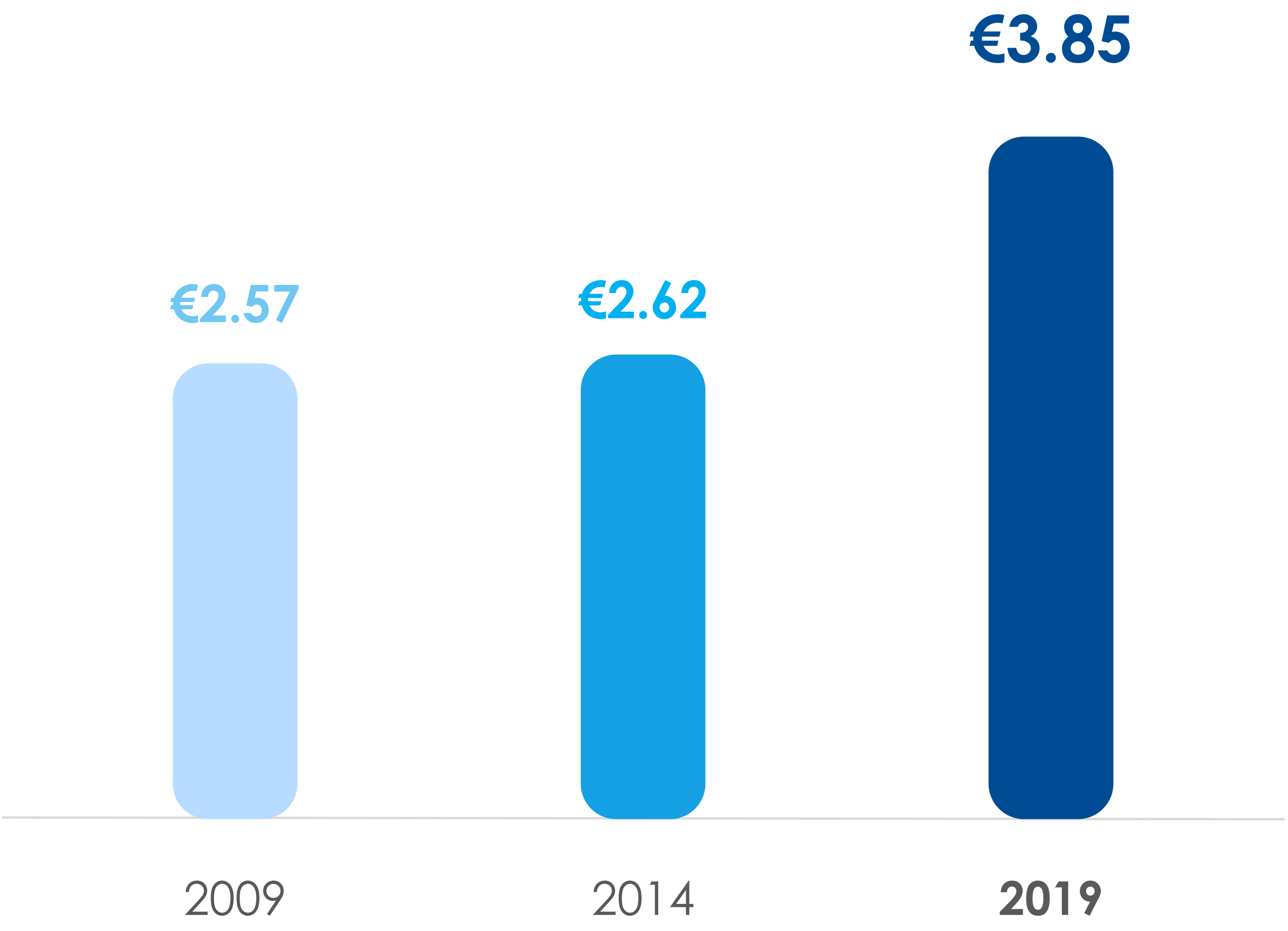
Our business model	Our brand model	Our trust model
Earnings delivery	Recognized superior environmental performance	Unlocking people power
+8.3%	AAA	>86%(1)
recurring EPS growth in 2019	CDP ranking among top-6 worldwide	Strong sustainable employee engagement

(1) % of Danone people saying "I will work beyond what is required in my job to help Danone succeed"

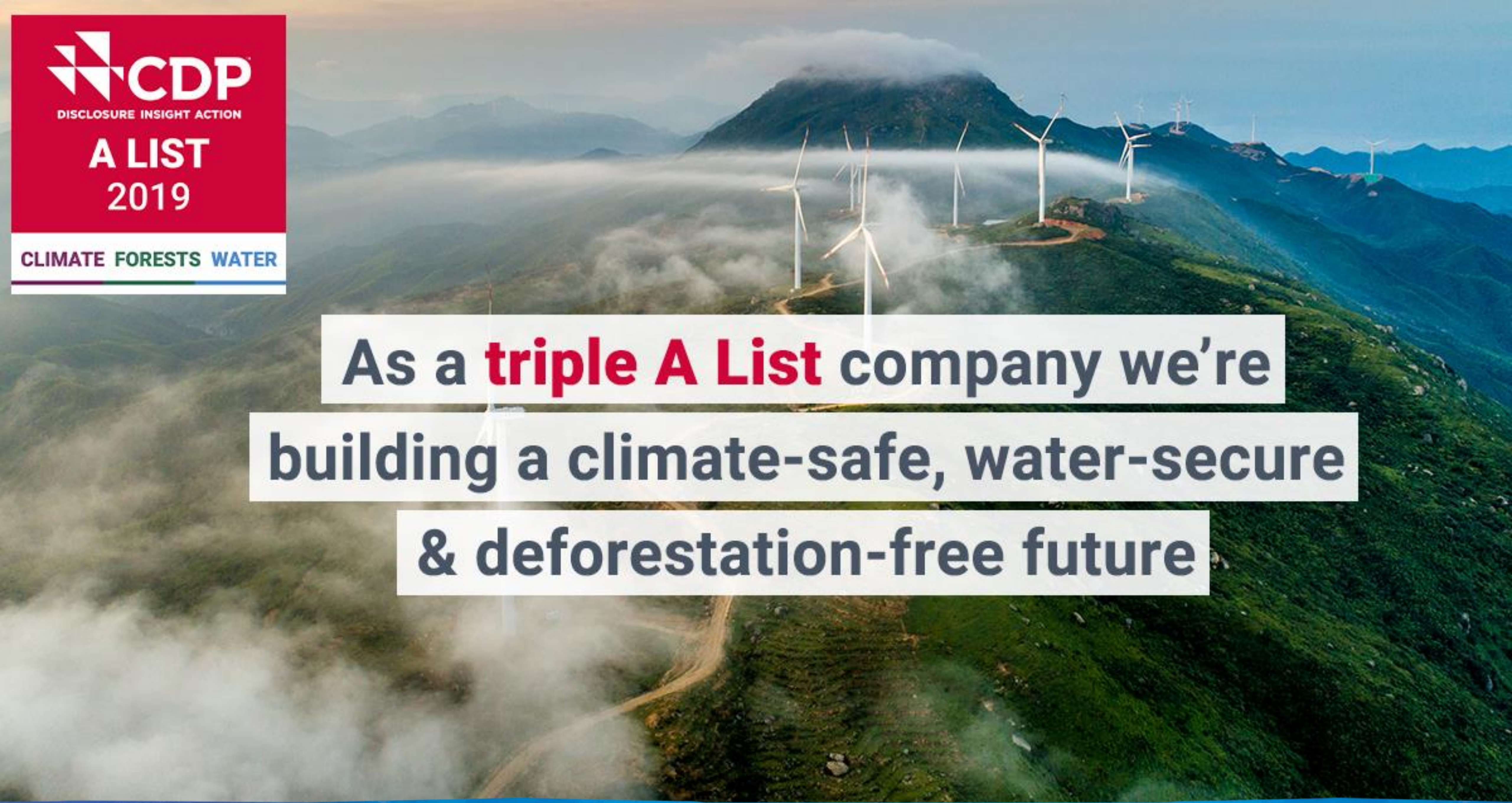
Strong progress in 2019

Broad-based LFL sales growth	Step change in recurring operating margin	Record recurring EPS level	All-time high cash conversion	Strong balance sheet, one year ahead of plan
+2.6%	**15.2%**	**3.85€**	**9.9%**	**2.8x**
€25.3bn	+76bps	+8.3%	FCF / net sales	Net debt / EBITDA

Closing 2019 with strong financial track record
Strong recurring EPS growth delivery



~+50%
Recurring EPS growth in 5 years



CDP
DISCLOSURE INSIGHT ACTION
A LIST
2019
CLIMATE FORESTS WATER

As a triple A List company we're building a climate-safe, water-secure & deforestation-free future

Leading the battle against climate change

Pioneering and taking bold commitments to transition to low-carbon economy

2017	2019	2020	2025	2030	2050
Carbon emissions reduction targets officially recognized by Science Based Targets (2°C)[1]	Signature of Business Ambition for 1.5°C pledge	Carbon neutrality evian and Volvic	Peak full scope emissions	-50% reduction in carbon emissions intensity full scope[2]	Carbon neutrality for the total Company

(1) The Science Based Targets is a coalition defining and promoting best practices for companies' transition to the low-carbon economy; (2)Compared to 2015 baseline, based on constant scope of consolidation and constant methodology

Peak full scope carbon emissions reached in 2019

Peak full scope carbon emissions reached in 2019

5 years ahead of plan

95%
emissions related to scope 3 activities

~60%
emissions from agriculture

27mT
absolute emissions in full-scope (1, 2, and 3 [1])

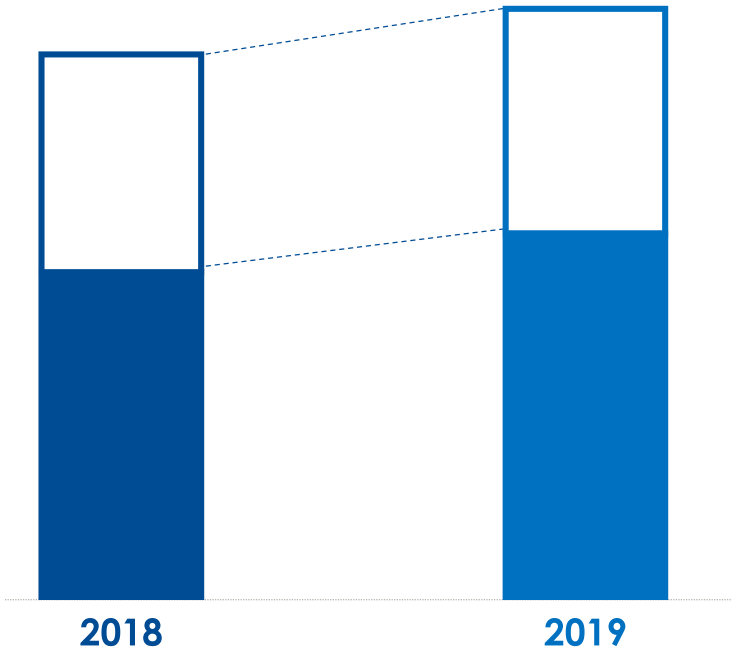
-9.4%
in carbon emissions intensity vs. 2018 on a like-for-like basis

(1) The GreenHouse Gas protocol defines three scopes for carbon footprint assessment: Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream.

Leading the battle against climate change
Providing visibility into the cost of carbon emissions to our earnings

Pre-carbon peak: making carbon trajectory visible in 2018 and 2019 results

Recurring EPS: +8%



cost of carbon/share[1]
+2%

'carbon-adjusted' EPS
+12%

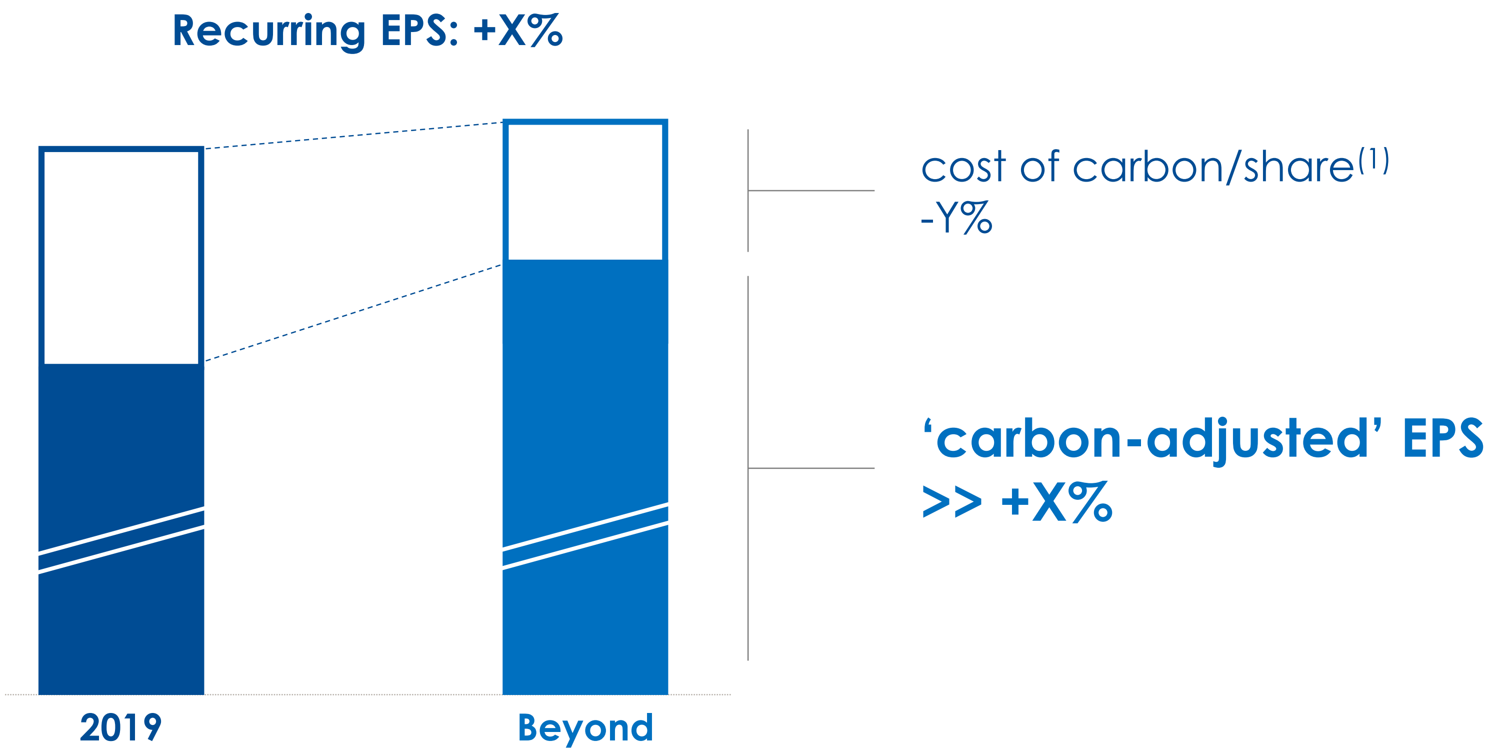
'Carbon-adjusted' EPS growing faster than EPS in 2019 thanks to 9% carbon productivity

(1) Based on a cost estimate of 35€/ton of carbon (CDP disclosure) and on Danone full scope carbon emissions
Note: CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts

Leading the battle against climate change

Providing visibility into the cost of carbon emissions to our earnings

Post-carbon peak: 2020 onwards



Starting 2020, 'carbon-adjusted' net income set to grow faster than recurring net income as carbon emissions decrease after peaking in 2019

(1) Based on a cost estimate of 35€/ton of carbon (CDP disclosure) and on Danone full scope carbon emissions
Note: CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts

Entrusting Danone people to create new futures
One Person, One Voice, One Share

April 2019
an AGM like no other

May 2019
each employee is granted one Danone share and paid €78 dividend-sharing scheme[1]

(1) Representing 40x the €1.94 dividend paid to Danone's shareholders

Financial review

Cécile Cabanis
Chief Financial Officer

A year of progress

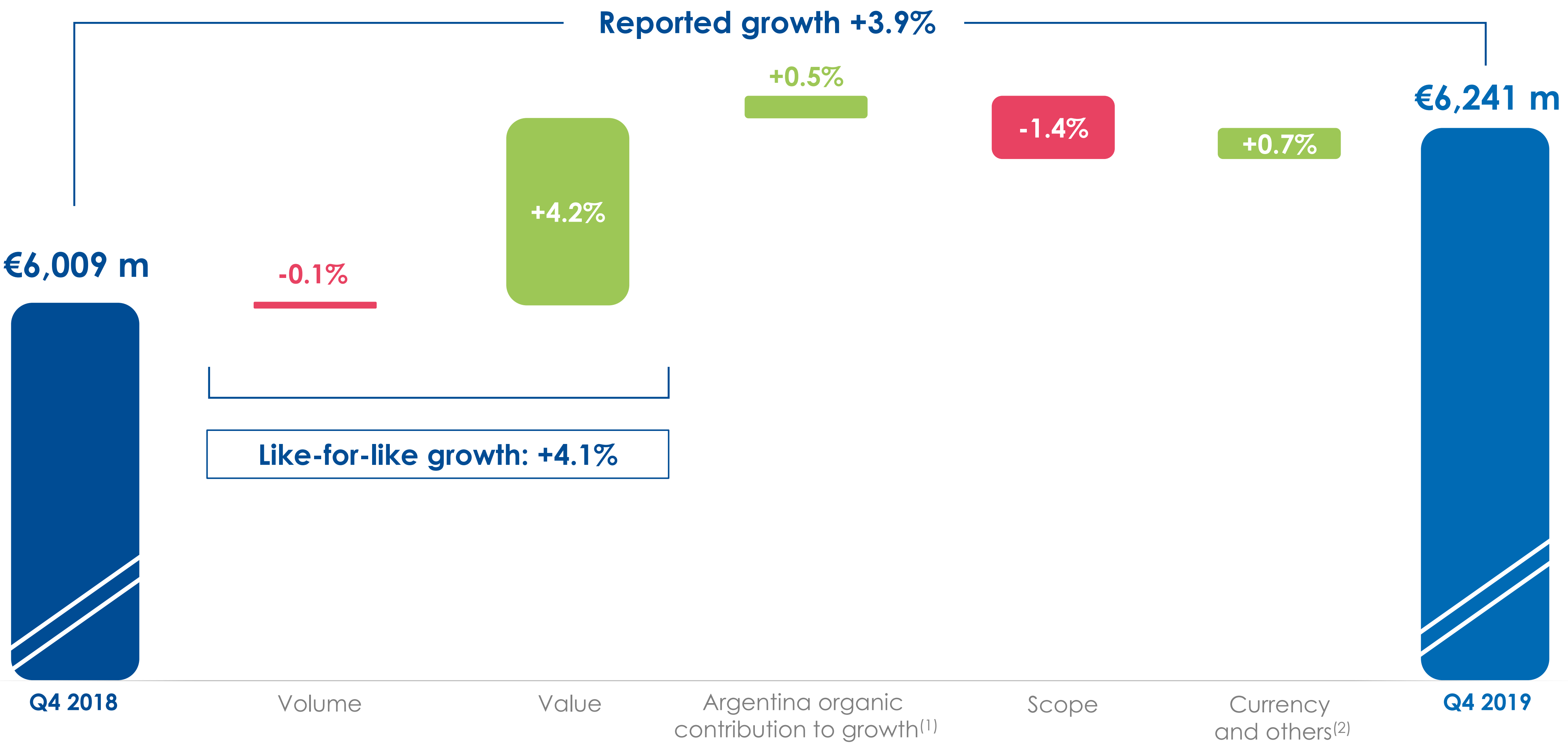
Strategic priorities	2019 highlights
1 Sales growth acceleration	▪ All businesses growing ▪ Acceleration throughout the year despite headwinds in H2 ▪ Exited the year at 4%+ rate
2 Efficiency maximization	▪ Gross margin improvement after 2 years decline ▪ Continued record productivity and savings at ~900m€ ▪ Sustained investments behind brands
3 Disciplined capital allocation	▪ Net Debt / EBITDA at 2.8x ▪ ROIC improvement: ~70bps

2019 financial review

Net sales	Recurring operating margin	Recurring EPS	Free cash flow	Balance sheet
+2.6%(1)	15.2%	3.85€	9.9%	2.8x
€25.3bn	+76bps	+8.3%	FCF / net sales	Net debt / EBITDA

(1) Like-for-like growth

Q4 LFL sales growth > +4%
Improved volumes driving growth acceleration



(1) As a reminder, starting from January 2019, all like-for-like data exclude the contribution of Argentinian entities; (2) Including IAS 29

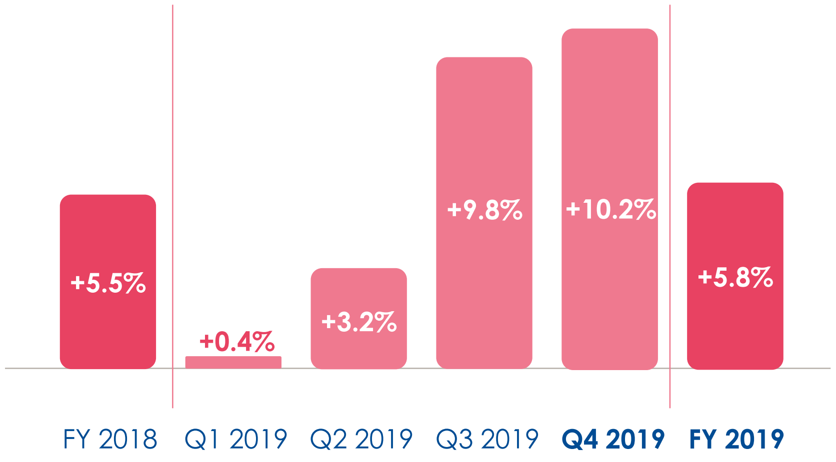
SPECIALIZED NUTRITION

Specialized Nutrition: +10.2% in Q4
Another year of strong sales growth with record-high profitability

FY2019 key figures

Sales	**€7.6bn**
Like-for-like change	**+5.8%**
Volume / Value	-0.1% / +6.0%
Recurring operating margin	**25.3%**
Change	+49bps

Quarterly LFL sales growth[1]



Advanced Medical Nutrition: steady mid-single digit growth

Early Life Nutrition: >10% sales growth

- **Total China**: high-single-digit growth for the full-year, with Q4 >20%
  - Sales phasing from Chinese New Year timing and excellent 11/11
  - Mid-single-digit category growth in 2019
- **Other geographies:** mid-single digit growth led by rest of Asia

(1) Like-for-like sales growth excluding Argentina

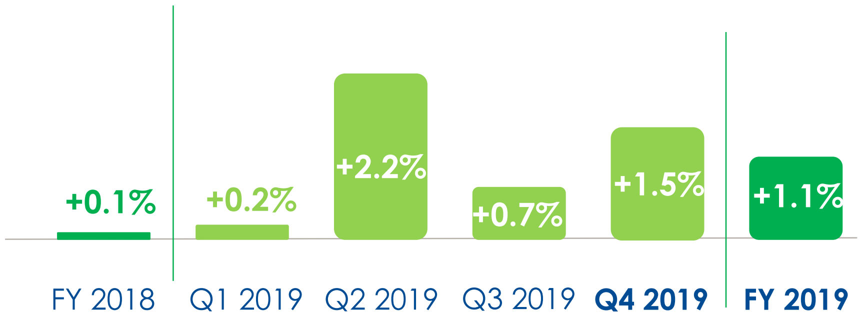
ESSENTIAL DAIRY & PLANT-BASED

Essential Dairy & Plant-based: +1.5% in Q4
Strong Plant-based, Essential Dairy flat

FY2019 key figures

Sales	**€13.2bn**
Like-for-like change	**+1.1%**
Volume / Value	-2.2% / +3.3%
Recurring operating margin	**10.2%**
Change	+13bps

Quarterly LFL sales growth(1)



Europe: 3rd consecutive quarter of growth

North America improving to slightly positive growth in Q4

- Improving U.S. Yogurt
- Strong growth from top-3 brands *International Delight*, *Silk* and *Horizon*
- *Vega* under pressure

Rest of the world

- CIS: decline in line with Q3; working on revitalizing traditional dairy
- Strong growth in Mexico, Brazil and Morocco

Plant-based: ~ €1.9bn sales in 2019, strong growth in Q4

(1) Like-for-like sales growth excluding Argentina


AQUA
REFLECTIONS
SPARKLING
Sacred Mt Salak


Volvic
ESSENTIEL
Bio
Citron, Pamplemousse & Romarin
Concombre, Menthe & Basilic
Aux extraits de Citron, Pamplemousse & Romarin
Aux extraits de Concombre, Menthe & Basilic
Sans sucres
AB


100% hecha
de botellas
BONAFONT
el agua ligera
1lt

WATERS


BONAFONT
JUIZZY
AGUA FRESCA DE GUAYABA


Loop
evian

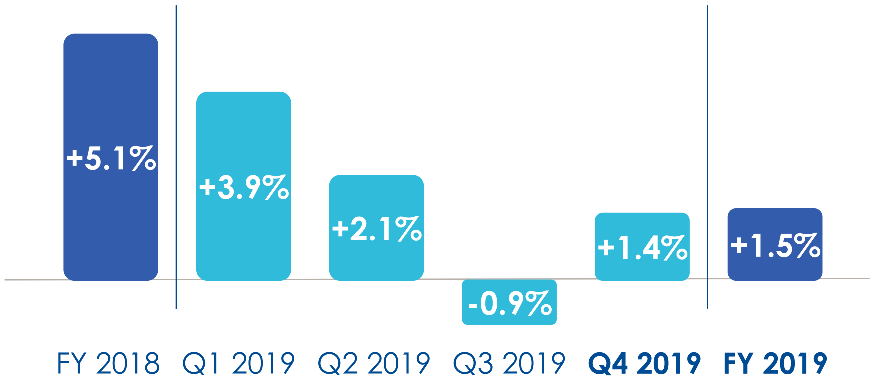

SALUS
LIMONADAS
CERO
CLÁSICA
VERANO
ATL

Waters: +1.4% in Q4
Solid growth in emerging markets and large formats

FY2019 key figures

Sales	**€4.6bn**
Like-for-like change	**+1.5%**
Volume / Value	-0.4% / +1.8%
Recurring operating margin	**13.0%**
Change	+219bps

Quarterly LFL sales growth[1]



Europe

- Return to growth driven by Spain and Poland

Asia

- Consistent strong growth in Indonesia and Turkey
- *Mizone*: paused investment, steep double-digit decline

Latam

- Strong growth in plain waters

(1) Like-for-like sales growth excluding Argentina

2019 financial review

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(1) Like-for-like growth

Overall ~€900m sustainable gross savings in 2019
Accelerating in second half of the year

FY2019
efficiency delivery

~€900m

Protein program: ahead of plan

~€400m gross savings in 2019

~€700m cumulated savings since program launch

From SG&A reduction to more efficient operations

Over-delivery in Waters

Productivities

Procurement

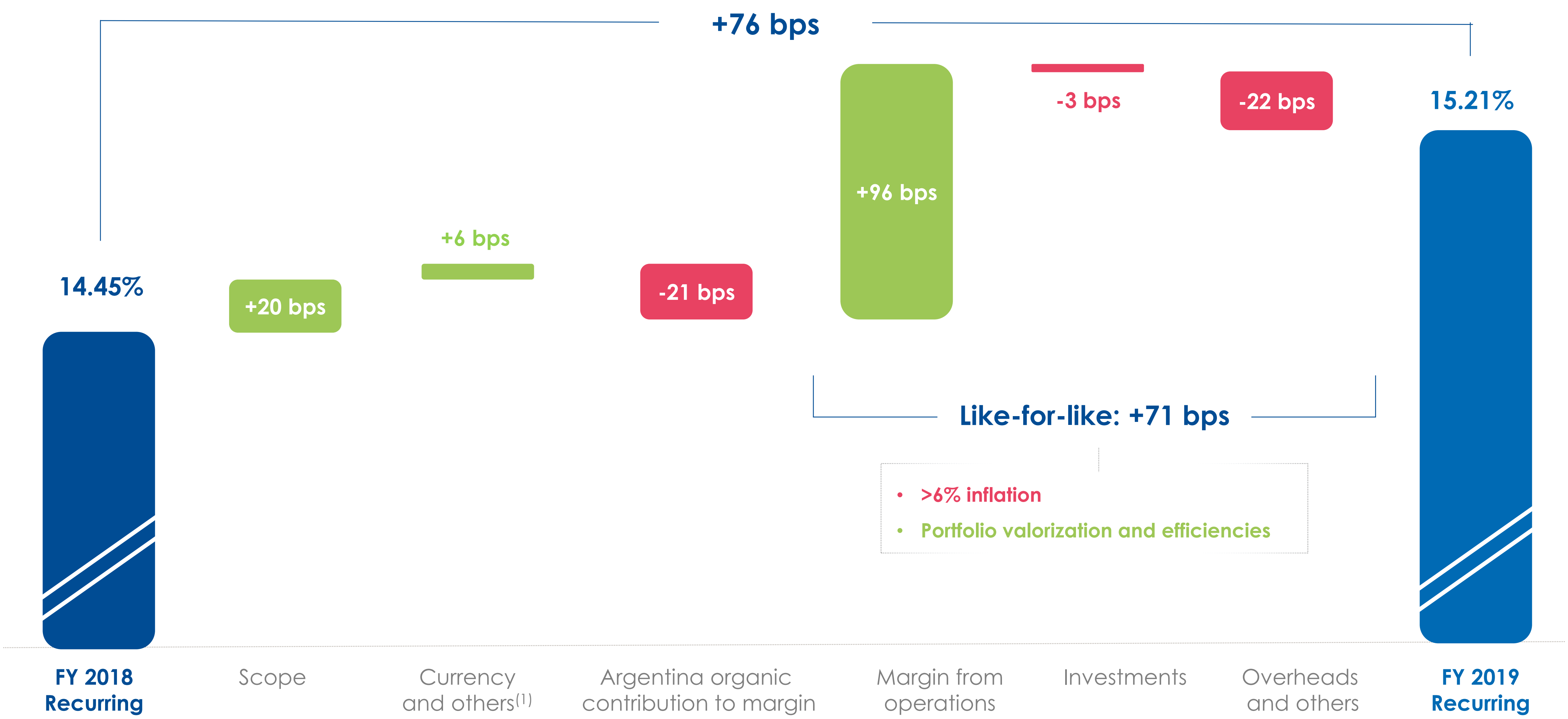
Product re-engineering

Supply-chain optimization

Organization adaptation

Specialized Nutrition integration and review of regional footprint

Very strong margin improvement despite raw materials inflation
Margin from operations up after 2 years of decline



(1) Including IAS 29

2019 financial review

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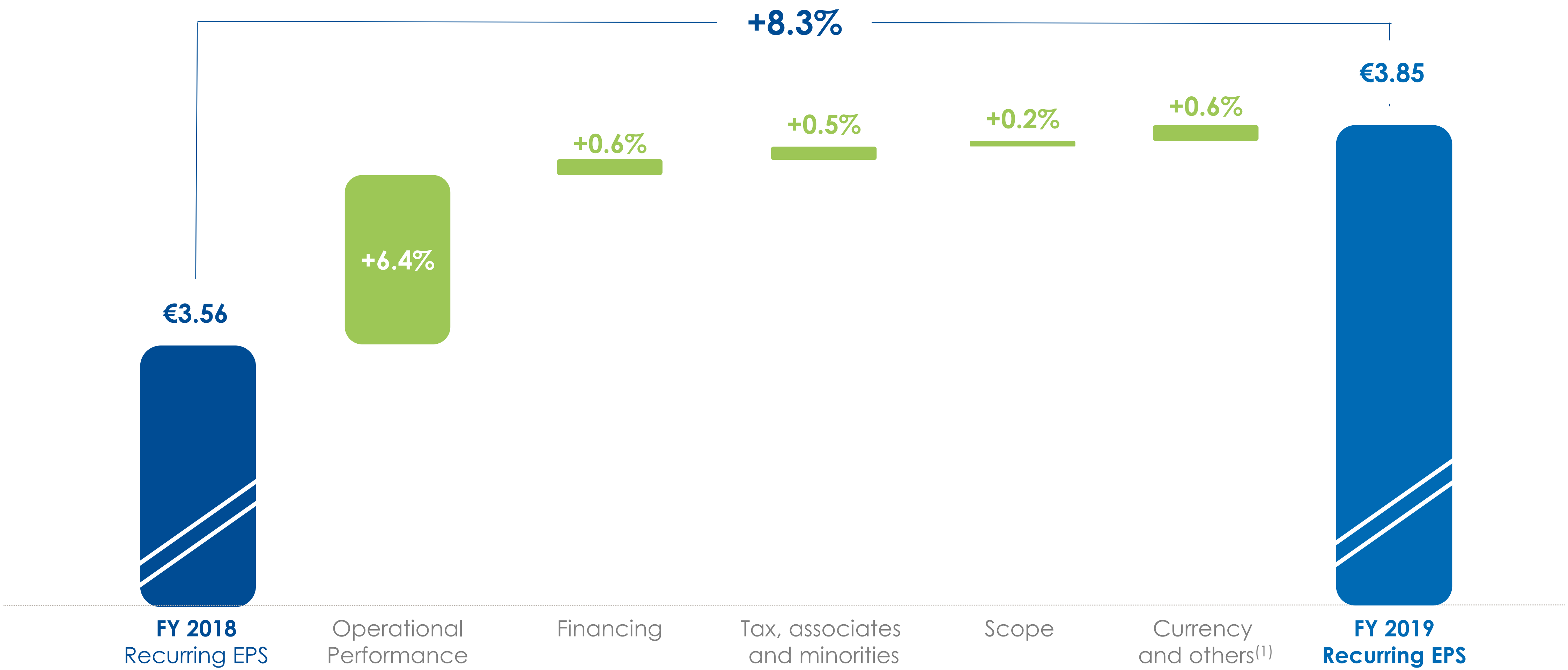
(1) Like-for-like growth

Recurring EPS bridge
Operational performance driving strong recurring EPS growth



(1) Including IAS 29 impact

Bridging reported and recurring performance

Earthbound Farm divestiture and SN integration driving non-recurring expenses

		2018	2019	Change 2019 vs 18
Recurring net income (m€)		2,304	2,516	**+9.2%**
NON-RECURRING ITEMS	**Non-recurring net income (€m)**	**46**	**(586)**	**(632)**
	Operating income	**(821)**	**(609)**	+212
	Total Financial expenses	2	(0)	(2)
	Income tax	179	163	(16)
	Net income from associates	**683**	**(144)**	(827)
	Non-controlling interests	3	4	(1)
Reported net income (m€)		2,349	1,929	**-17.9%**

(821) Impairment of Centrale Danone goodwill

(609) Earthbound Farm[1] divestiture loss and restructuring costs

683 Capital gain from stake reduction in Yakult

(144) Impairment of Yashili goodwill

Note: Net income group share; (1) Divestiture of Earthbound Farm on April 2019

2019 financial review

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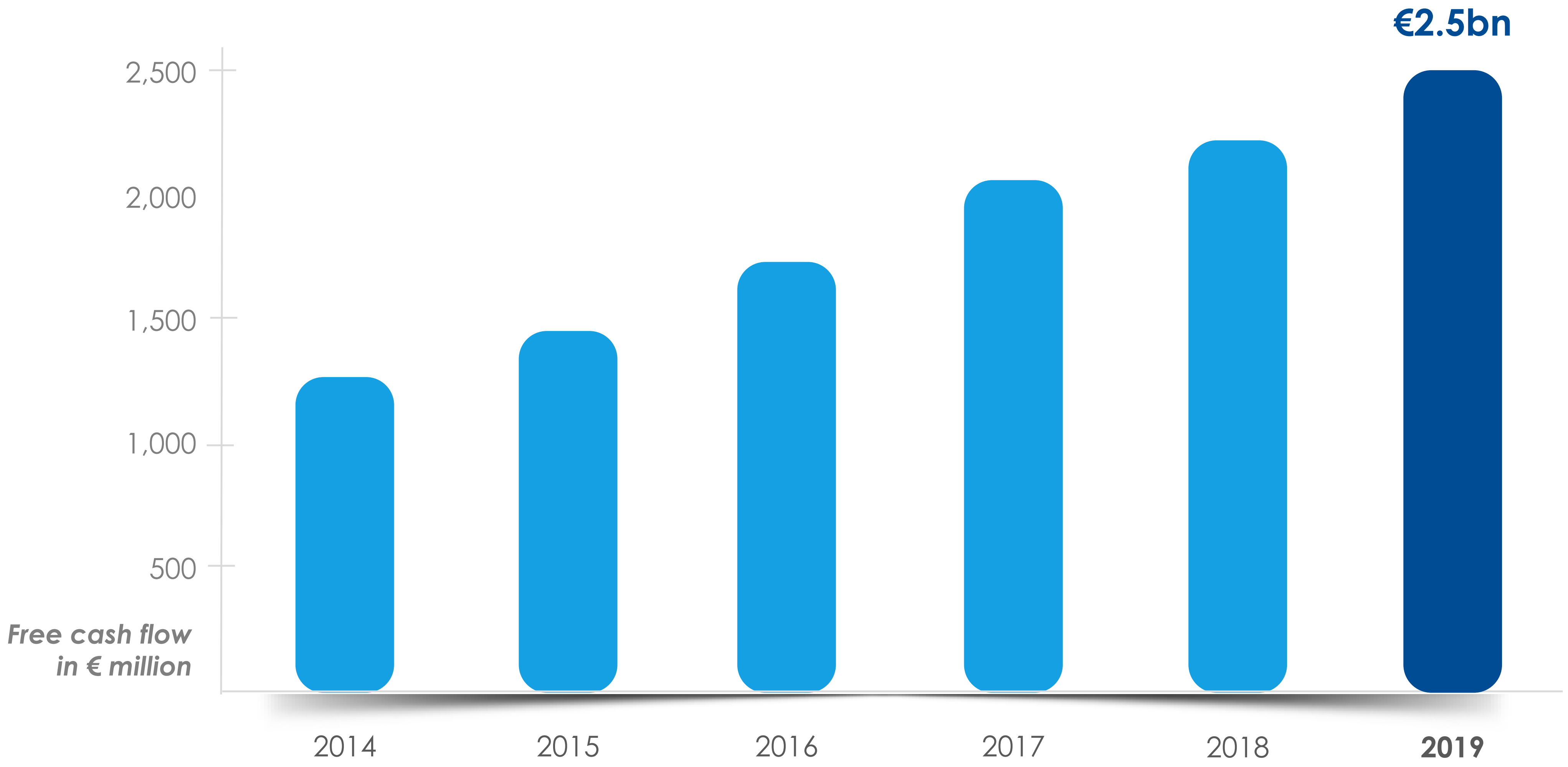
(1) Like-for-like growth

Another year of cash conversion increase
Driven by earnings growth



	2014	2015	2016	2017	2018	**2019**
Free cash flow /net sales (%)	6.0%	6.6%	8.0%	8.4%	9.1%	**9.9%**

2019 financial review

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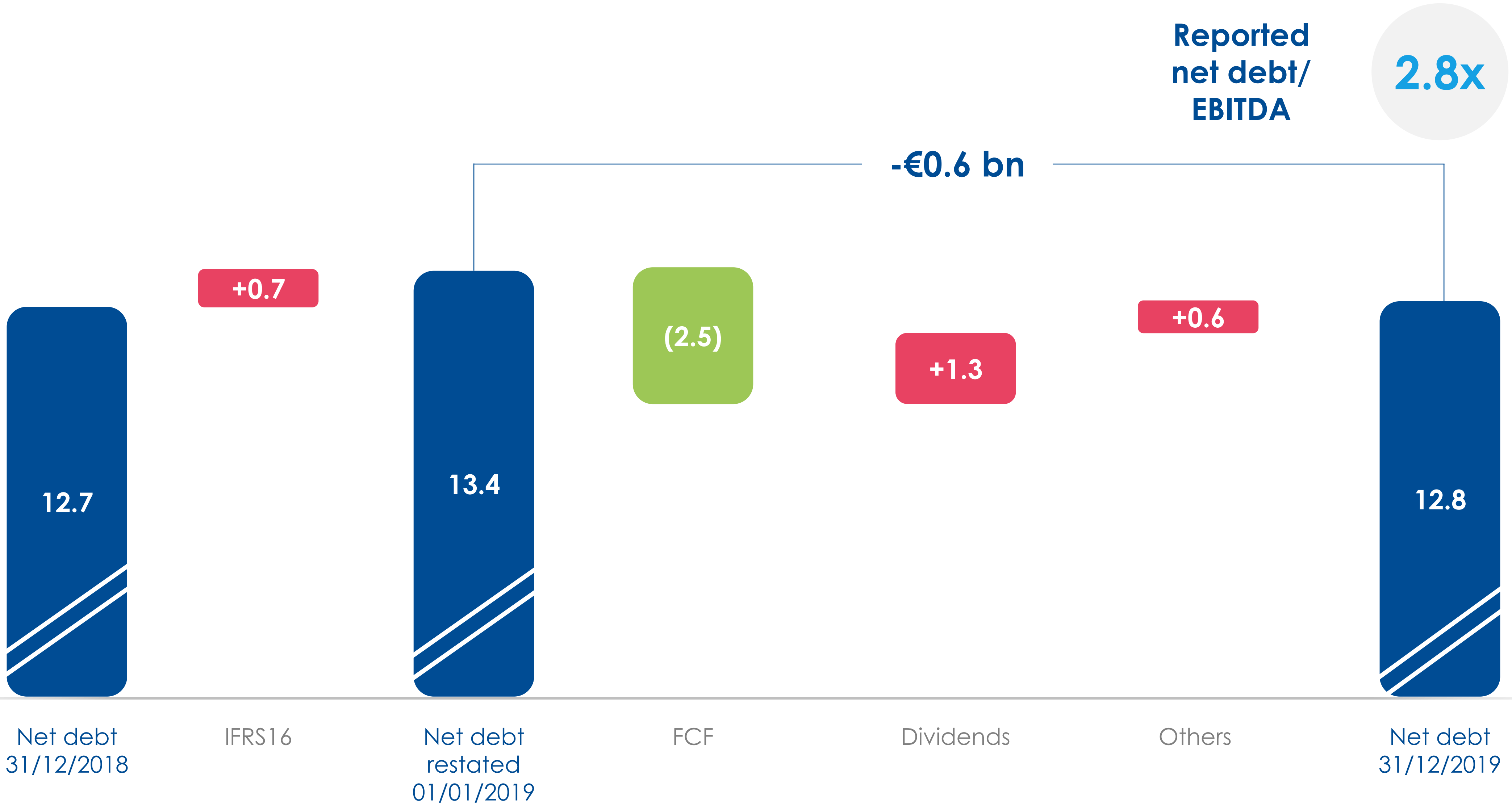
(1) Like-for-like growth

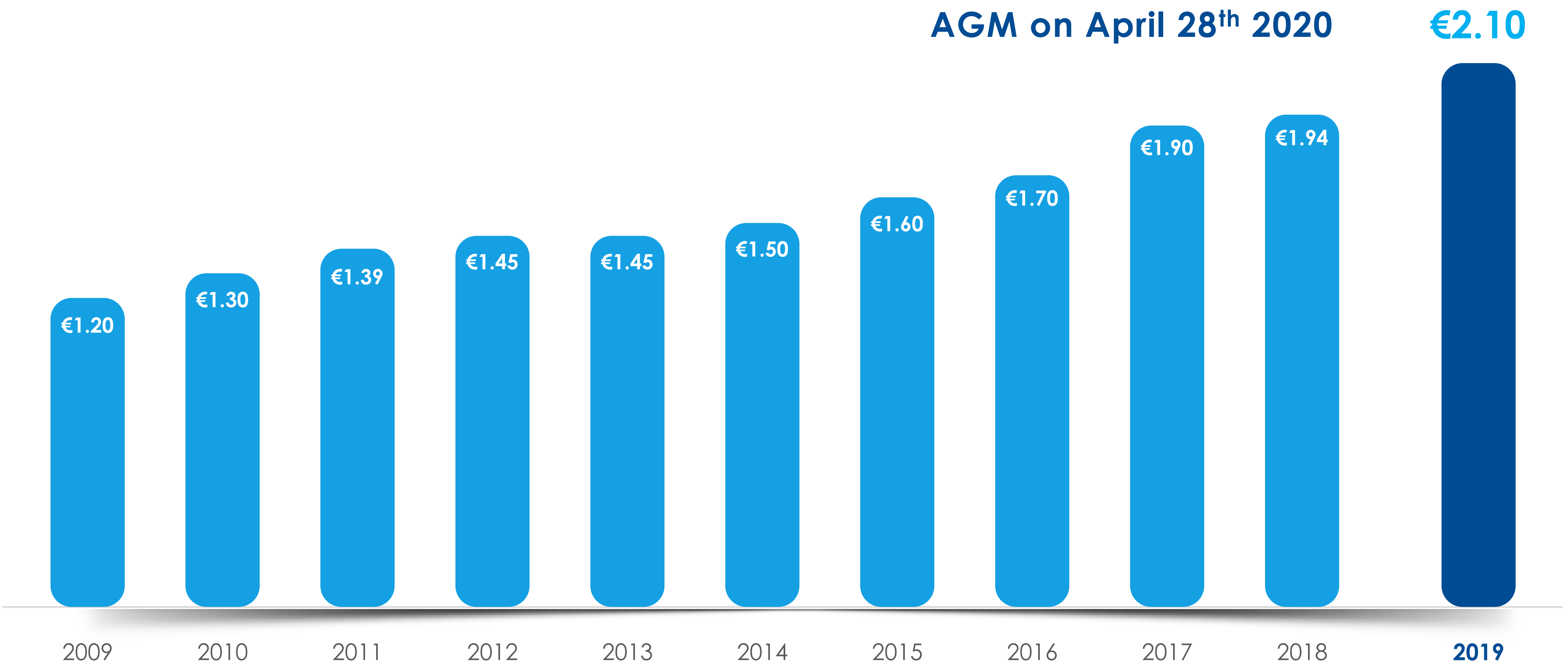
Change in net debt
Reaching net debt/EBITDA < 3x, one year ahead of plan



Note: data in € billion

Raising dividend by +8%
Reflecting confidence and resilience

€2.10 dividend per share in cash to be proposed at next AGM on April 28th 2020



DANONE
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Strategic Priorities

Investment to accelerate climate action of our brands and strengthen our growth model

Emmanuel Faber
Chairman and CEO

Transformation in motion
Adapting to quickly changing behavior and social norms

2014 -19	2020	2025
DANONE 2020*		
Adapting to anticipate the food revolution	Climate accelerating industry disruption	Staying ahead of the curve

Transformation acceleration required in 2020
to stay ahead of the curve

We invest to act now

Leveraging climate action to generate resilient growth models for our brands

Brand model

Joining people's fight for the planet with the **power of our brands**

Sourcing model

Climate-efficient sourcing for planetary diets and regenerative agriculture

Operating model

Putting climate-efficiency and resilience at the core of our **business model**

Technology and Data

Unlocking growth, efficiency and sustainability with the **power of data**

We invest to act now
Doubling-down on our climate-impact investments

Faster pace of transformation

2020-2022

around

€2bn

accelerated investment

of which ~€900m on Packaging

Innovation
next frontiers

Brands
activist

Certified B Corporation

Sourcing
climate-efficient

Packaging
responsible

Value-chain
end-to-end connected

Fueling a superior Growth model

through **Superior**

Categories

Value propositions

End-to-end reach

People engagement

We invest to act now

Diets and agriculture

Packaging circularity

Digital End to end

We invest to act now

Diets and agriculture

Packaging circularity

Digital
End to end

We invest to act now

Regenerative agriculture as a key driver for climate resiliency of food supply

Eroding soils from carbon extraction:
carbon c. 60% of the soil organic matter content

Use of **pesticides, carbon-intensive and polluting, expensive intrants**

Water availability and erosion
dependent on soil carbon structure

Adaptation of agriculture practices as a remedy to current temperatures elevation

We invest to act now

Support regenerative agriculture for preferred and climate-efficient sourcing

Peak reached for full scope carbon emissions in 2019

~60% of carbon emissions from agriculture

9% carbon productivity in 2019

Accelerate

- regenerative agriculture
- local provenance
- biodiversity and diversity of ingredients
- traceability and trust

Save carbon emissions and water

We invest to act now

Pivot large brands to biodiversity protection and climate-efficient sourcing, driving preference

Promoting regenerative agriculture since 2018

invested €40 m since 2018: ~60% conversion to regenerative agriculture

Accelerating towards biodiversity protection

Regenerative and Organic line launched in Feb 2020

Industry pioneer USA Segregated Palm Oil

Pollinator Conservation Program

We invest to act now

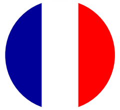
Diets and agriculture

Packaging circularity

Digital
End to end

Renewed materials are driving consumer preference in and out of home

Purchase intent of rPET significantly above PET

	At home		Out of home	
				
	rPET (1,5L)	PET (1,5L)	rPET (50cl)	PET (50cl)
	6,8	6,2	6,7	5,7
	6,5	5,9	6,5	5,4
	6,9	6,5	6,7	5,7
	Purchase Intent (/10)		Purchase Intent (/10)	

Source: proprietary quantitative consumer research across France, Germany and UK (Q4 2019)

Packaging circularity
100% rPET in Europe by 2025, starting with France, UK and Germany in 2020

Starting April 2020

100% rPET

- France: all small and XXL formats (evian, Volvic)
- Germany: full range (Volvic)
- UK: all on the go formats (evian)

climate

evian, Volvic: **End-to-end climate neutral** through reduction of emissions, watershed, wetlands and ecosystems protection projects

Packaging circularity
Innovating beyond plastic and beyond single-use

Glass, metal and carton

Home and new on-the-go models

Packaging circularity
Zero PS by 2025, Europe by 2024

PET and rPET

PLA in 2020

Paper

Packaging circularity
Zero PS by 2025, Europe by 2024

2020

PET and rPET Clear labelling

POT
Widely Recycled

LID
Not Yet Recycled

We're working on this

Recycled cardboard

BOX
Widely Recycled

Terracycle partnership

recycle with
TERRACYCLE

First reusable glass pot

we pick up & refill
Loop

Packaging circularity
Zero PS by 2025, Alpro by 2021

Paper-cup

Plant-based drinks cartons

Increasing share of renewable and sustainable components in cartons (e.g. plant-based plastic)

rPET bottles

Packaging circularity

Our nearly €1bn packaging acceleration plan for brand superiority

Zero PS worldwide by 2025

Zero PS in Europe by 2024

25bn cups

100% rPET in Europe by 2025

5bn bottles

Outside Europe, 60% volumes sold in reusable packaging in 2020

Packaging circularity

Our nearly €1bn packaging acceleration plan for brand superiority

Plastic packaging[1]: 0.7mT (around 50% of total)

	2019		2025
Recyclable content	60%	►	95%
Recycled content	<10%	►	>50%
Carbon footprint[2]	Global	►	-30%
	Europe	►	-50%

Total packaging[1]: 1.6 mT

	2025
Recyclable content	95%
Recycled content	>50%
Fossil origin	cut by c. 2 to <25%

(1) Assumes sufficient availability of rPET on the market; (2) Packaging production

We invest to act now
Invest in innovative companies, new materials and models

Future growth businesses

MANIFESTO VENTURES

€200m to be invested by 2025

Next generation of materials & models

PACKAGING TRANSFORMATION ACCELERATOR

€200m to be invested by 2025

NEW MODELS	Innovative [reusable, refillable] solutions and business models
MATERIALS	New materials and breakthrough technologies
RECYCLING	Collection & Recycling models, Consumer engagement platforms

We invest to act now

Diets and agriculture

Packaging circularity

Digital End to end

Strengthen execution through end-to-end connected value chain

Better serve people needs, anytime and anywhere, in a cost and climate efficient way

Data, tech & agile transformation

End to end transparency & traceability
—
Digital manufacturing
—
Smart demand planning & forecast accuracy
—
Service level

Integrated Business Services

Lower costs-to-serve
—
Added business value
—
Ways of working

Increasing flexibility of EDP Operations to seize growth opportunities

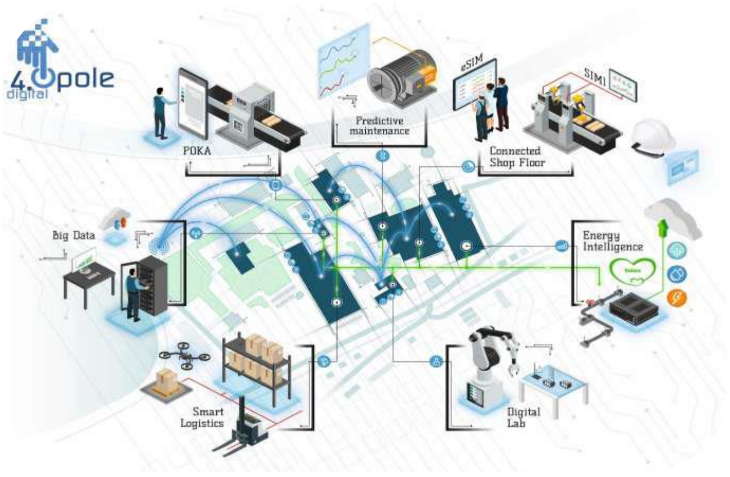
Hybrid dairy-vegetal production
—
From mass production to flex-plants
—
Co-manufacturing

Omni-channel: adapted formats for impulse channels, discounters, and e-commerce

Late differentiation
—
Offline packaging solutions

Investing in a "data, tech and agile" enabled execution
Unlocking growth and efficiency, enabling sustainability: concrete proof points

Opole: People powered and data enabled factory



8,000 hours of training

0 paper factory

+6% batch size flexibility

+10% cost efficiency

-12% CO_2 emissions

Evian: End-to-end flows unlocking growth & productivity

E2E system managing fleet of laser guided vehicles

+12% additional capacity

-10% supply chain costs

-16% distance by road, switching to rail

200,000 hours training on 5 years

evian factory certified carbon neutral

Towards an organization fit for the future
Shifting ways to work, live, engage with company strategy

Entrust Danone's people to

- Create new futures
- Accelerate company transformation
- Boost performance and resilience

Collective volunteers working within yearly "OPOVOS" routine

Lean and locally empowered

Sustainably highly engaged

Collaborative and personally empowered: Danone people able to contribute to OPOH vision in their own way

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Outlook and guidance

Cécile Cabanis
Chief Financial Officer

Starting a new cycle towards our 2030 goals
Scale investment to embed climate change at the heart of our growth model

2020

2022

2030 GOALS

2020-2022

around

€2bn

accelerated investment

of which ~€900m on Packaging

Innovation
next frontiers

Brands
activist

Sourcing
climate-efficient

Packaging
responsible

Value-chain
E2E connected

Advanced commitments

Accelerating our investments
on brands, climate and agriculture, packaging and digitalization

around

€2bn

over 2020-22

Recurring costs

~€600m

- ~€200m costs in 2020
- Innovation support
- Activist brands
- Climate-efficient sourcing
- Responsible packaging

Capex

~€1bn

- Connected end-to-end value chain
- Packaging transformation
- Flexible plants

2020 One-Off

~€500m

- Fixed costs
- Operations
- Agility and resilience
- Write-offs

2020: starting a new cycle towards our 2030 goals
Renewed long-term financial priorities

1 Accelerate growth
- Pre-empt and effectively respond to people's trends and concerns
- Execute local competitive plans
- Plant-based acceleration towards €5 bn ambition in 2025

2 Continue maximization of efficiencies
- Increase agility and strengthen execution
- Reduce fixed costs
- Build an efficient end to end supply chain

3 Allocate capital with discipline
- Further increase agility and resilience
- Sound balance between short, mid and long-term
- Disciplined resource allocation including portfolio management

Focus on COVID-19 outbreak
Status to date

Danone in China

- 2nd largest market of Danone
- 10% of company sales in 2019
- ~8,200 people
- 8 factories *(7 for Waters, 1 for Medical Nutrition)*
- Business partners

~1/3 of sales

~2/3 of sales (1)

Status to date

Waters *(Mizone)*

- Operations: production resumed since Feb 17th except Wuhan factory in Hubei, affected distribution across supply chain
- Market demand: severe demand slowdown, on-the-go channels more affected
- Brand relaunch delayed to Q2

Specialized Nutrition

- No disruption on supply ('guaranteed supply status')
- Travel limitations impacting indirect sales
- Innovations' registration delayed

~€100m estimated sales loss in Q1 2020, H1 margin impacted as a consequence

(1) Based on FY 2019 sales

2020 outlook and guidance
Combination of strategic choices and external factors

Recurring EPS growth
Mid-single digit

Sales growth set to accelerate as the year progresses

- Strong innovation pipeline; plant-based expansion
- Coronavirus outbreak impact – current estimate: ~€100m sales loss in Q1

LFL sales growth
2% - 4%
vs. previous 4% - 5%

Sustaining margin level

- Continued efficiency maximization
- Invest in transformation for growth: 1st year of 2020-2022 accelerated investment plan
- Mix impacted by current situation in China

Recurring operating margin
>15%
vs. previous >16%

Mid-term financial objectives
Targeting consistent strong recurring EPS growth

	Mid-term objectives
Recurring EPS growth	Mid-to-high single digit
LFL sales growth	3% - 5%
Net debt / EBITDA	2.5x – 3.0x range

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Appendix

Q4 2019 sales by reporting entity - breakdown volume/value

	Essential Dairy & Plant-based	Specialized Nutrition	Waters	Company
Net sales	€3,335m	€1,943m	€962	€6,241m
Like-for-like growth	+1.5%	+10.2%	+1.4%	+4.1%
Volume	-0.9%	+0.9%	+0.9%	-0.1%
Value	+2.4%	+9.3%	+0.5%	+4.2%

Q4 2019 sales by reporting entity and by geographical area

	Essential Dairy & Plant-based	Specialized Nutrition	Waters	Company
Europe and Noram				
Sales	€2,186m	€794m	€427m	€3,408m
LFL growth	*+0.7%*	*-1.2%*	*+3.2%*	*+0.6%*
Rest of the world				
Sales	€1,149m	€1,149m	€535m	€2,833m
LFL growth	*+3.0%*	*+20.1%*	*-0.1%*	*+9.0%*
Company				
Sales	€3,335m	€1,943m	€962	€6,241m
LFL growth	*+1.5%*	*+10.2%*	*+1.4%*	*+4.1%*

Q4 & FY 2019 impact of currencies & scope

Q4 2019	Essential Dairy & Plant-based	Specialized Nutrition	Waters	Total
Reported sales growth	+0.6%	+10.8%	+2.5%	**+3.9%**
Argentina organic contribution to growth	+0.6%	+0.5%	+0.2%	**+0.5%**
Currency and others(1)	+1.2%	+0.2%	+0.6%	**+0.8%**
IAS 29 impact	-0.1%	-0.0%	+0.3%	**-0.0%**
Scope	-2.5%	+0.0%	-	**-1.4%**
Like-for-like sales growth	**+1.5%**	**+10.2%**	**+1.4%**	**+4.1%**

FY 2019	Essential Dairy & Plant-based	Specialized Nutrition	Waters	Total
Reported sales growth	+0.8%	+6.2%	+2.0%	**+2.6%**
Argentina organic contribution to growth	+0.4%	+0.4%	+0.2%	**+0.4%**
Currency and others(1)	+1.0%	-0.1%	+0.0%	**+0.5%**
IAS 29 impact	+0.2%	+0.0%	+0.3%	**+0.1%**
Scope	-1.9%	+0.0%	-	**-1.0%**
Like-for-like sales growth	**+1.1%**	**+5.8%**	**+1.5%**	**+2.6%**

(1) Excluding IAS29 impact

Changes in exchange rates

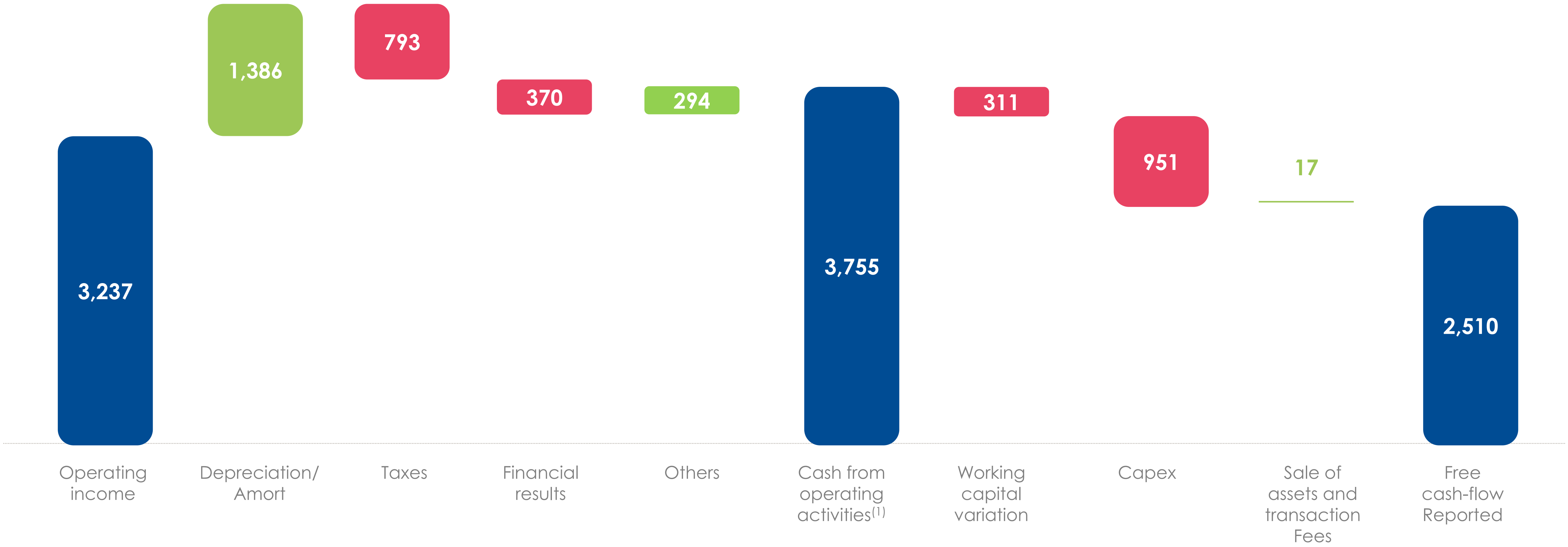
	% total FY 2019	FY 19 vs FY 18 (avg)	Q4 19 vs Q4 18 (avg)
United States Dollar	20.4%	+5.5%	+5.0%
Chinese Renminbi	7.0%	+0.9%	+1.4%
Russian Ruble	6.4%	+2.2%	+8.0%
Indonesian Rupiah	5.9%	+6.1%	+9.1%
British Pound	5.1%	+0.8%	+3.7%
Mexican Peso	4.6%	+5.3%	+3.4%
Brazilian Real	3.0%	-2.4%	+0.8%
Hong Kong Dollar	2.5%	+5.5%	+5.2%
Polish Zloty	2.4%	-0.9%	+0.4%
Argentine Peso	2.1%	-38.8%	-43.6%
Canadian Dollar	1.9%	+3.0%	+4.0%
Turkish Lira	1.7%	-10.9%	+1.4%
Australian Dollar	1.7%	-1.9%	-1.8%
Moroccan Dirham	1.7%	+2.9%	+2.9%

Recurring operating margin

Recurring operating profit (€m) and margin (%)	FY 2018		FY 2019		Change	
	€m	Margin (%)	€m	Margin (%)	Reported	Like-for-like
Essential Dairy & Plant-based	1,317	10.09%	1,345	10.22%	**+13 bps**	**-7 bps**
Specialized Nutrition	1,762	24.77%	1,908	25.26%	**+49 bps**	**+94 bps**
Waters	483	10.79%	593	12.98%	**+219 bps**	**+189 bps**
Europe & Noram	1,928	14.12%	1,999	14.58%	**+46 bps**	**+47 bps**
Rest of the world	1,634	14.86%	1,847	15.96%	**+109 bps**	**+96 bps**
Total	**3,562**	**14.45%**	**3,846**	**15.21%**	**+76 bps**	**+71 bps**

Cash bridge

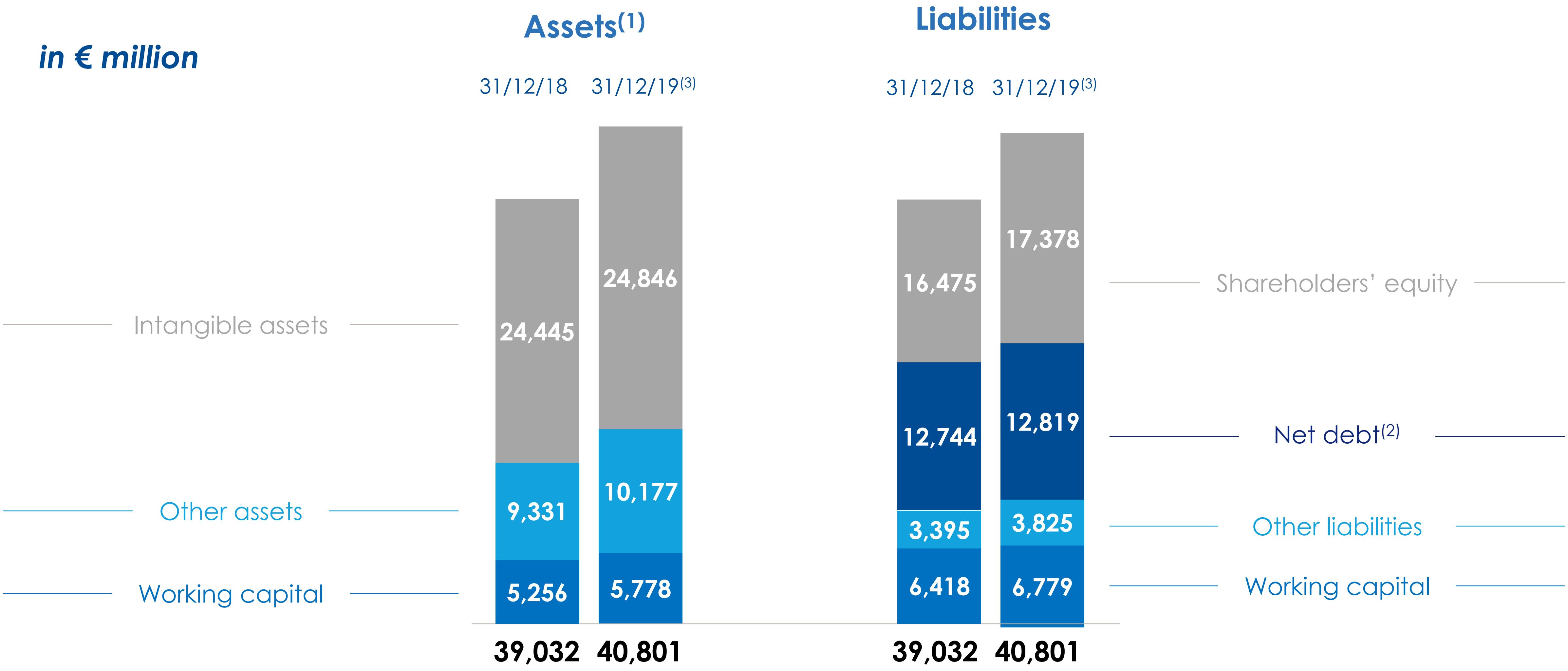
in € million



(1) Excluding working capital variations

Balance sheet

in € million



(1) Excluding assets included in net debt

(2) Net of cash, cash equivalents, marketable securities, other short-term investments and financial instrument asset

(3) The application of IFRS16 increased Danone's net debt as of January 1, 2019 by €664 million; 2018 comparative information has not been restated.

Tax rate development

€ mln	2018	2019
Total income tax (reported)	(716)	**(793)**
Reported tax rate	29.9%	**27.7%**
Non-current income tax[1]	179	**163**
Current income tax	**(895)**	**(956)**
Underlying tax rate	27.9%	**27.5%**

(1) Tax related to non-current items

Cash-flow statement

	2018	2019
Operating income	3,562	3,846
Financial income	(350)	(370)
Income tax on operating and financial income	(895)	(956)
Non-current income net of tax	(640)	(446)
Depreciation and amortization	1 601	1 386
Net change in provisions / Deferred taxes	(122)	151
Dividend received from equity accounted affiliates	33	53
Net change in interest income (expense)	13	8
Expense related to stock options and GPS	24	30
(Gains) losses on disposal of property, plant and equipment and financial investments	(12)	14
Other components of net income with no cash impact	(44)	39
Cash flow provided by operating activities, excluding changes in net working capital	**3,170**	**3,755**

Cash-flow statement

	2018	2019
Cash flow provided by operating activities, excluding changes in net working capital	**3,170**	**3,755**
Change in working capital	(59)	(311)
Cash flow from operations	**3,111**	**3,444**
Capital expenditure	(941)	(951)
Proceeds from the sale of industrial assets	22	16
Business acquisitions and other investments, net of cash and cash equivalent acquired	(52)	(112)
Proceeds from the sale of business	1,305	58
Change in long-term loans and other long-term assets	(9)	(19)
Cash flow used in investing activities and disposals	**326**	**(1,008)**

Cash-flow statement

	2018	2019
Cash flow used in investing activities and disposals	**326**	**(1,008)**
Increase in capital and additional paid-in capital	47	55
Purchases of treasury stock (net of disposal)	-	-
Perpetual subordinated notes issued or repaid during the period	(14)	(22)
Dividends paid to Danone shareholders	(431)	(1,256)
Transactions with non controlling interests*	(199)	(209)
Net cash flows on hedging derivatives	(8)	(7)
Bonds issued or raised during the period	300	0
Bonds repaid during the period	(2,157)	(1,899)
Increase (decrease) in other current and non-current financial debt	27	354
Increase (decrease) in other short-term investments	(815)	584
Cash flow used in financing activities	**(3,251)**	**(2,400)**
Effect of exchange rate and other changes	14	(231)
Increase (decrease) in cash	**200**	**(195)**

** Including dividends and capital increase*

EBITDA calculation

	2018	2019
Operating income	**2,741**	**3,237**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	1,601	1,386
EBITDA	**4,342**	**4,623**