

From innovation to market



DANONE

**Food with enhanced
nutritional properties
How we develop and
communicate**

Food for Life
meeting consumers' needs

Health and nutrition, at the core



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1 - History and Brands

Discovery of the benefits of Evian natural mineral water



1789

1st LU biscuits rich in cereals



1846

1st Danone yoghurts sold in Barcelona chemists



1919

Isaac Carasso draws on the work of Elie Metchnikoff and the Institut Pasteur on lactic cultures

1st fat-free 'fromage frais'



1964

Founding of first Danone Institute



1991

16 Danone Institutes around the world today

Refocusing on 3 product categories with a strong nutrition/health positioning



1996

Regular launches of products with nutrition/health benefits



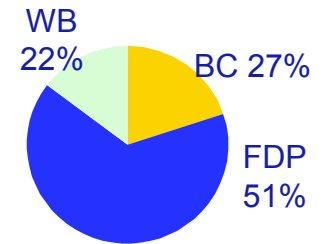
Today

Mission

“Providing health through food to the greatest number of people”

Strategy

Focus on 3 healthy food categories
 Adapt offers to local nutritional needs & tastes and to the public health context: from weight management to nutritional deficiencies



...Eating consumers' needs

Development of value added products

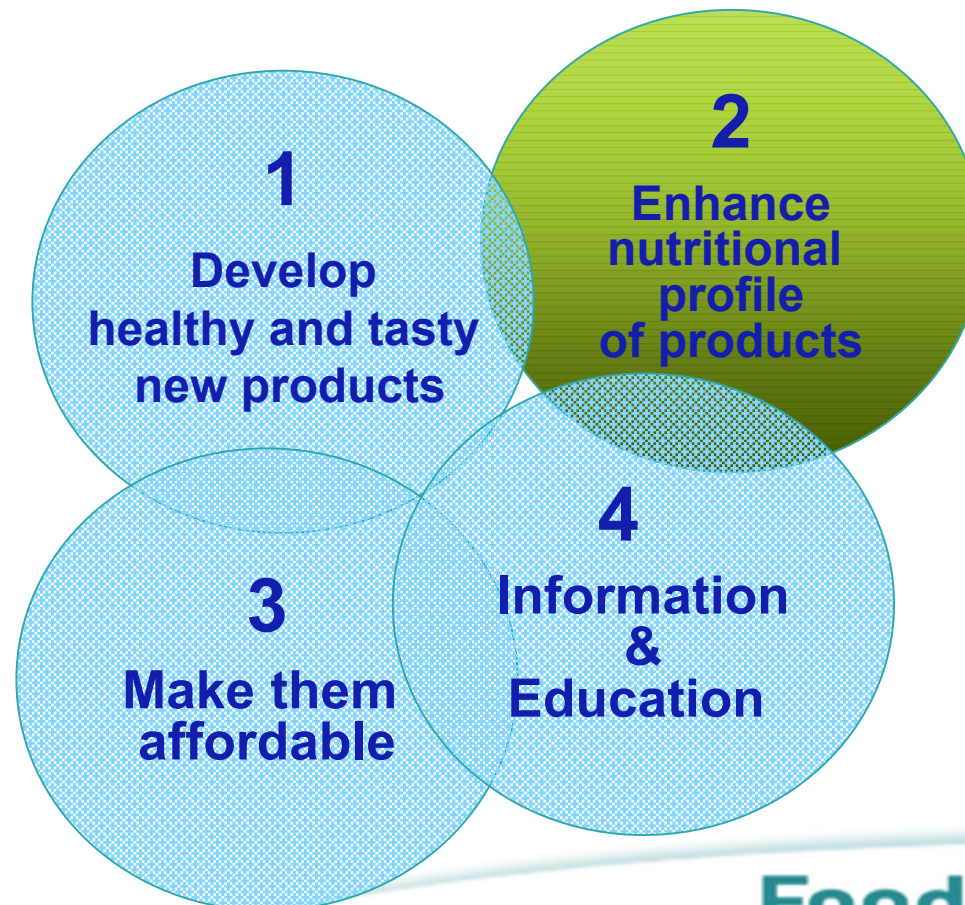
Our actions and commitments

Our actions and commitments for Health and Nutrition

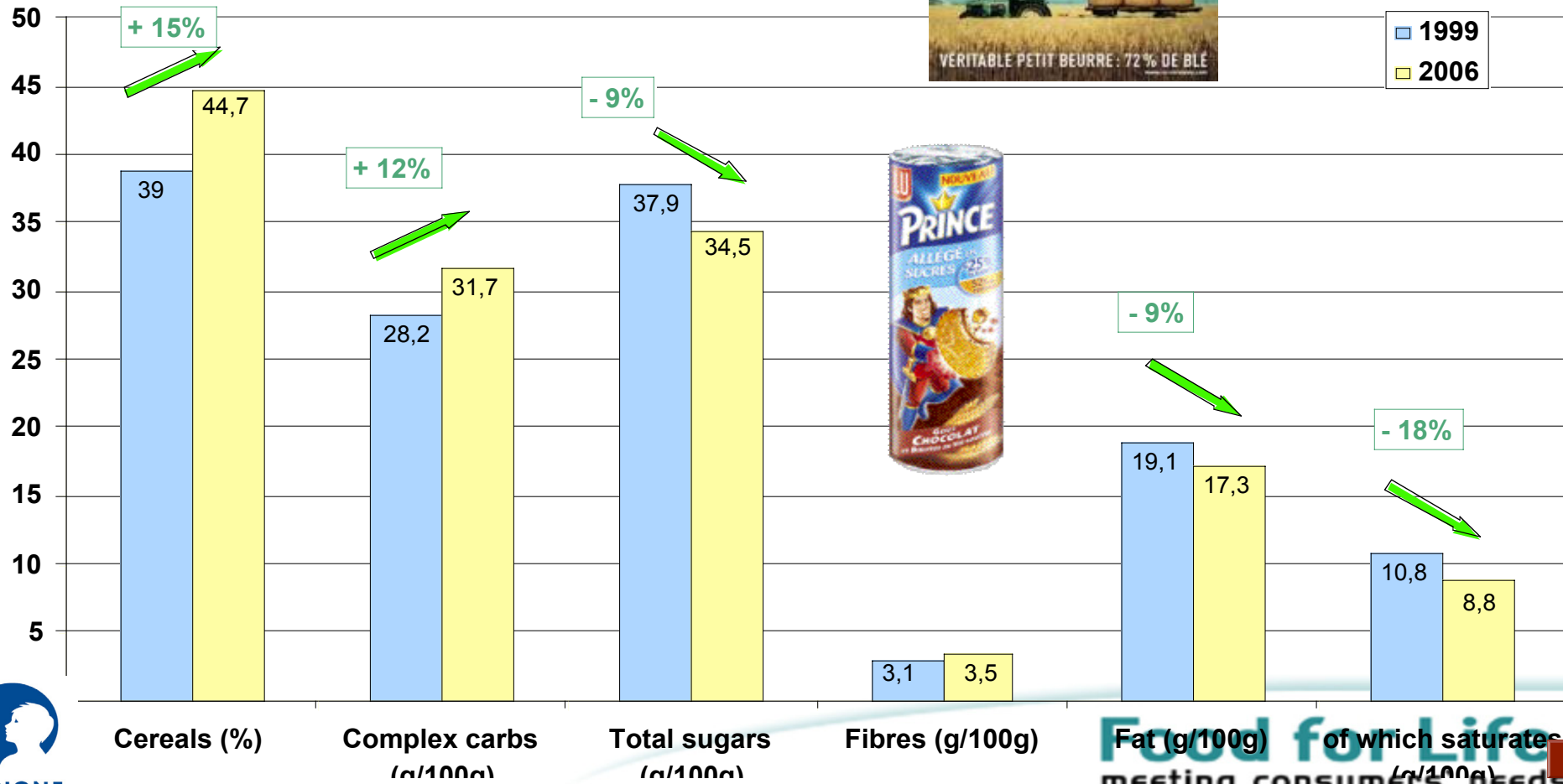




Our actions and commitments for Health and Nutrition



Enhance Nutritional Profile: LU France 1999-2006 : less sugar, less fat, more cereals and more fibres



Our actions and commitments for Health and Nutrition



Affordable nutrition: a few examples

Poland
Mleczny Start

Vit B6, C, D, E & minerals - developed with mother & child institute



China
Milk Biscuits

7 Vit B + Ca



Morocco - Moufid

Vit A & D



Indonesia
Milkkuat & Biskuat

e.g. biscuits enriched with 9 vit & 6 min, recommended by WFP and Nutrition Institute of Indonesia



India - Tiger

Vit B1, B2, B3, B5, B6, B12, Ca

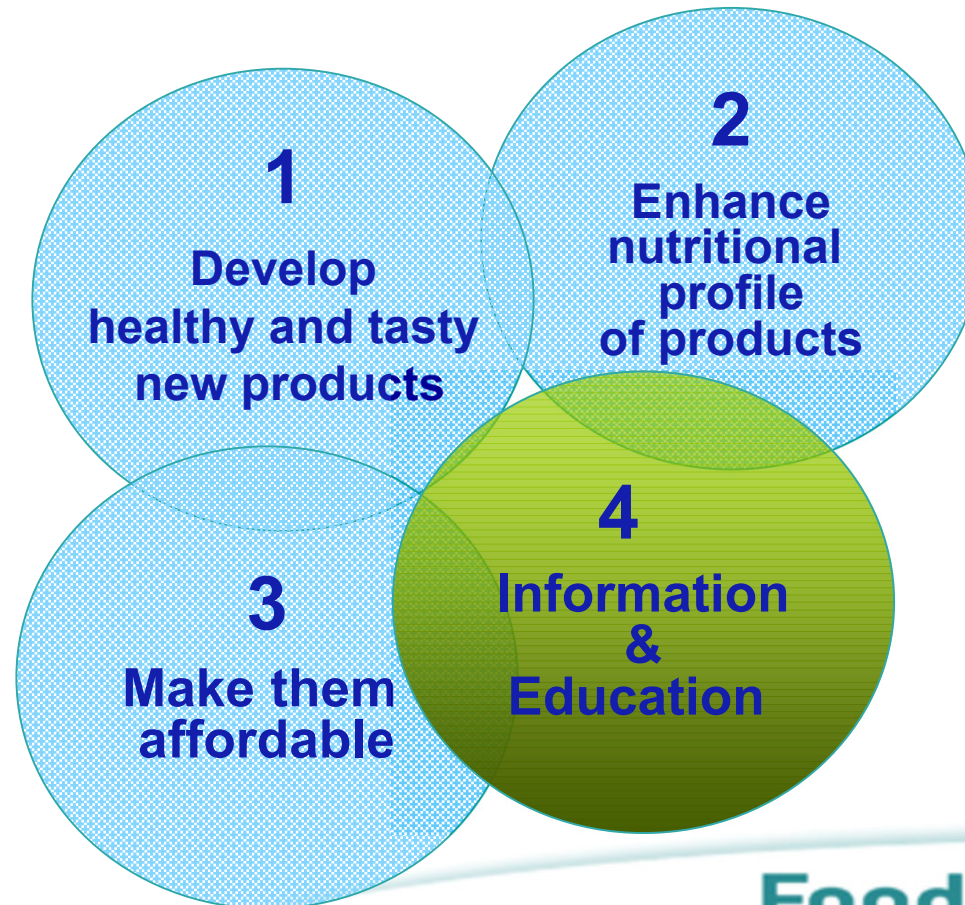


South Africa
Danimal

Ca, Vit A, Iron, Zn



Our actions and commitments for Health and Nutrition



Development of value added products

Nutrition Gouvernance

⇒ Our Fundamentals:

- ⇒ **Self Regulation** : Charter
Corporate Culture sharing good practices
- ⇒ **Consultation between stakeholders**
- ⇒ **Supporting responsible initiatives** Health Claims regulation
CIAA labelling scheme

⇒ **Internal Committees**, from CEO and COO to local subsidiaries

⇒ **Informing Consumers**

Development of value added products

Science and Research

1 - The health and nutrition strategic assertion

- ⇒ A focus on core scientific expertises
- ⇒ An innovation funnel process at the heart of our strategic focus

2 - Building credibility through scientific networking and partnerships with the best experts throughout the world

A strategic balance between internal and external research expertises;
over 200 International Research Collaborations

Work with the best experts

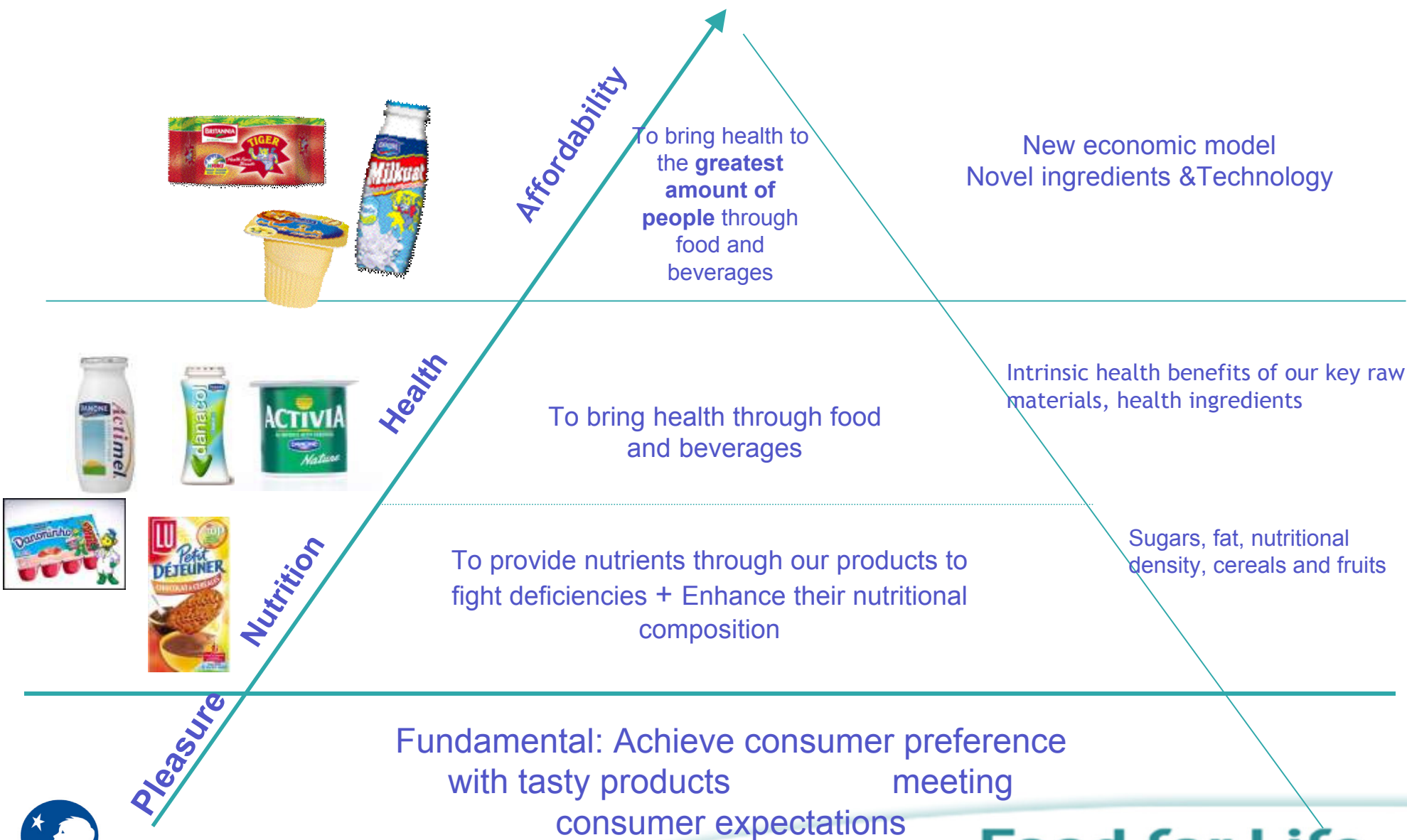
Stay open and up-dated

In-tune with society's expectations & market needs

3 – Innovative R&D Tools

DANONE Research focuses on core scientific expertises

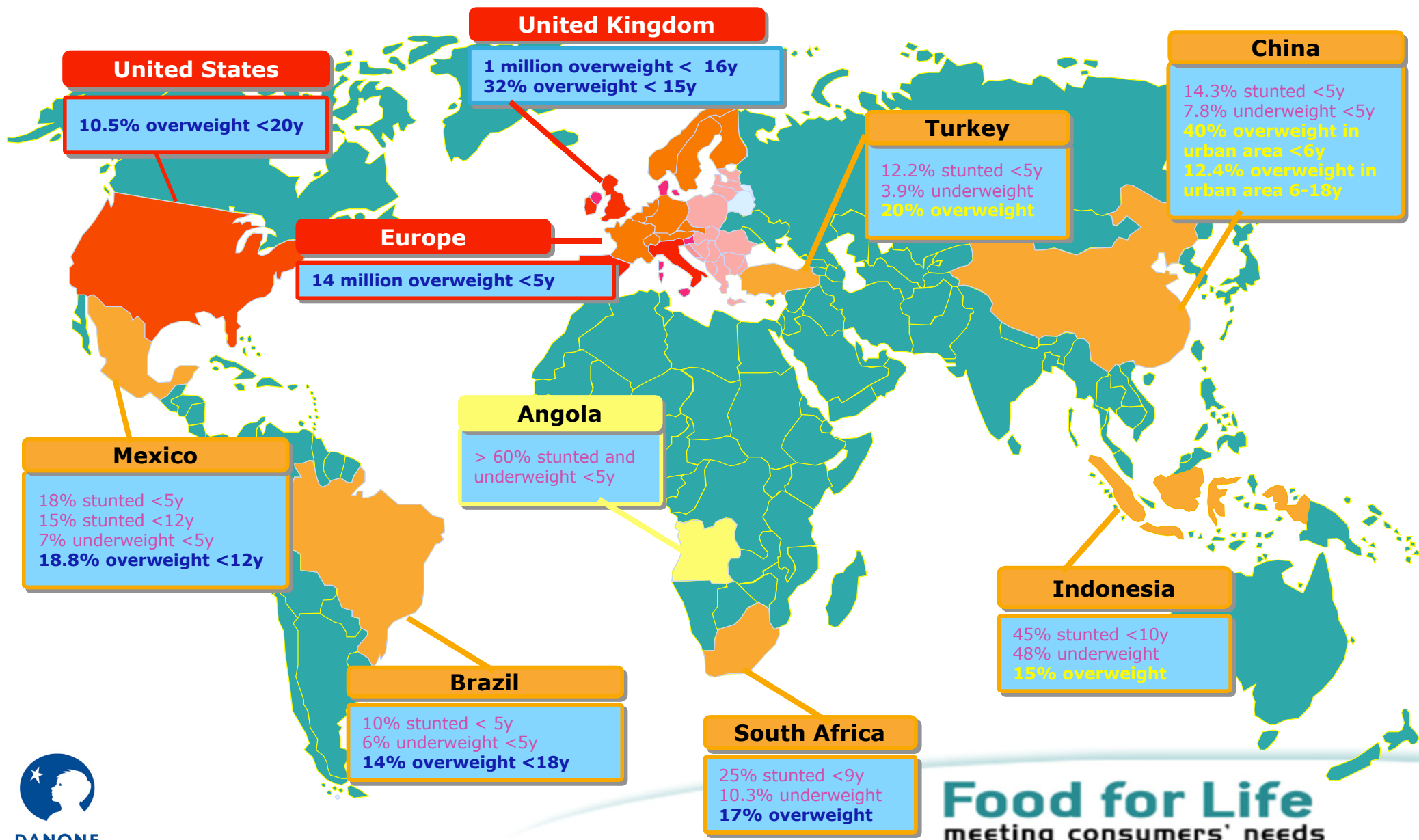




3 innovative R&D tools developed to serve « governance »

- ◆ **DANONE Nutripack:** Science-based mappings of health and nutritional information to understand and meet local public health issues (17 countries)
- ◆ **International Nutritional Framework:** Guidelines for all products categories with nutritional recommendations, aligned on WHO & FAO requirements, regarding sugar, fat, vitamins, minerals to give adaptation guidance to our teams
- ◆ **Brand Nutritional Platform:** Brands' identity fact sheets - identity card **and** nutritional card for ensuring global coherence to local brand products

Nutripack: a unique local approach to a global health challenge



Example of Danonino's compositions adapted to local micronutrient deficiencies





R&D organisation



Key R&D capabilities

Centre Daniel Carasso, an innovation catalyser for all the Groupe's brands

500 people = 60% of the Groupe's R&D resources

- **200** scientists = 100% Groupe's research dedicated to advanced applied research

- **250** engineers dealing with Development, Food Safety, Quality and services

- **100** people from purchasing and marketing in order to boost innovation

- A complete range of specialists in the fields of Science and Technology to deliver scientifically proven health benefits, always associated with superior taste preference:

Nutritionists; physicians; gastro-enterology - cardiovascular - immunity specialists; microbiologists; molecular biologists; biochemists; food engineers; food safety experts; consumer behaviour and sensory evaluation specialists...etc

Danone Research

- A R&D community of **800** people worldwide

- R&D Budget: 1% of Groupe sales or **130 m€** / year

- **110** Nutrition and Health professionals deployed worldwide

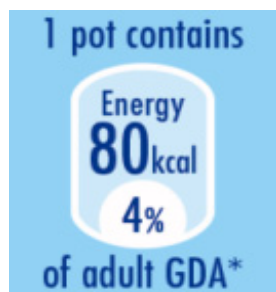


**How do we communicate
the benefits
of those value added products
to the consumers**

Information and education: going forward through new labelling

◆ 2007-08: A new Groupe DANONE Nutritional Labelling Scheme

- Implementing the CIAA labelling scheme, and beyond
- Responding to WHO recommendations
- Complying with EU regulations
- In priority in EU countries
- Targeting dairy, cereal products and beverages



More on pack nutritional information

- Front of pack: Energy value in kcal and % of GDA (Guideline Daily Amount) per serving
- Back of pack: Table of energy and nutrient contents (at least protein, carbohydrates of which sugars, total fat of which saturates, fibre, sodium) in (m)g and % of GDAs per serving

Composition nutritional regime	Appareils per liter	%GDA* sugars per 1 liter	Appareils per 100g	%GDA* sugars per 100g
Energy (kcal)	138	13%	145	13%
Protein	30	22%	30	22%
Carbohydrates (g)	19	10%	19	10%
of which sugars (g)	1	2%	1	2%
Fats (g)	0,3	4%	0,3	4%
of which saturated fat (g)	0,3	2%	0,3	2%
Fibres (g)	20	2%	20	2%
Sodium (mg)	0,8	6%	0,8	6%
Calcium (mg)	-	-	-	-

Complementary information and educational programs

- Teaser on pack inviting consumers to develop their knowledge in nutrition through complementary programs of information and education on healthy lifestyle
- Teaser on pack inviting consumers to contact the local consumer service or refer to the local web site



Information and education: promoting good dietary habits and physical activity



Food for Life
meeting consumers' needs

How do we communicate

Communication Charter

5 PRINCIPLES OF OUR FOOD, NUTRITION AND HEALTH CHARTER

◆ BALANCE

‘A balanced diet combined with regular physical activity are essential to everyone’s health’

◆ VARIETY

‘Only variety in food choices can meet all nutritional requirements’

◆ PLEASURE

‘Eating and drinking, in addition to being vital, should also be a source of pleasure’

◆ CONVIVIALITY

‘The social and convivial dimensions of mealtimes, which vary according to different cultures and lifestyles, are an essential aspect of food’

◆ INFORMATION

‘Individuals must feel free to choose their own foods and beverages. Equally, they need ready access to relevant and clear information’



A charter to reaffirm our convictions and commitments to health and nutrition

1 Propose products adapted to needs and tastes

Groupe DANONE uses its competencies in nutrition, technology, and sensory sciences together with its understanding of consumer needs to develop and improve its range of products: selection of the most appropriate raw materials; development of products adapted to a diversity of tastes and nutritional needs; development of products with specific health benefits; continuous improvement to the taste and nutritional properties of existing products. The Groupe also uses its expertise in order to develop products across the globe which take into account local needs, with a commitment to making such products available to as many people as possible.

2 Dialogue with scientists

Groupe DANONE undertakes to remain in regular contact with the scientific community, interacting with specialists and tracking current and emerging issues in food, nutrition, and health in order to stay at the forefront of progress.

3 Support research

Groupe DANONE undertakes to support and promote research in nutrition and health.

4 Promote knowledge sharing

Groupe DANONE undertakes to share its knowledge and findings with scientists, health professionals, and the public.

5 Heed public opinion

Groupe DANONE undertakes to maintain an ongoing dialogue with public institutions and organizations involved in nutrition and health issues, including consumer associations. This gives the Groupe the opportunity to explain its approach, and to better respond to public questions and expectations.

6 Communicate with clarity and transparency

Groupe DANONE undertakes to provide clear and transparent information to consumers, timely through the gradual introduction of nutritional labels on all products and development of consumer information services.

7 Guarantee the scientific validity of the claimed benefits

Groupe DANONE undertakes to make nutrition or health claims only with the backing of sound scientific evidence. No nutrition or health claims, other than nutritional content information, will be made for "purely indulgent" products.

8 Promote responsible advertising

Groupe DANONE undertakes to develop a responsible approach concerning health and nutrition advertising.

9 Encourage physical activity

Groupe DANONE undertakes to encourage consumers and staff members to take part in regular physical exercise.

