

Dormir es crecer



Sabías que... Es durante el sueño cuando se segrega la hormona del crecimiento Gh?

BRILLA en la oscuridad



A YEAR OF GROWTH

Sales rose 6.7% in 2005, setting consolidated net sales at €13,024 million—on target for the sixth year running.

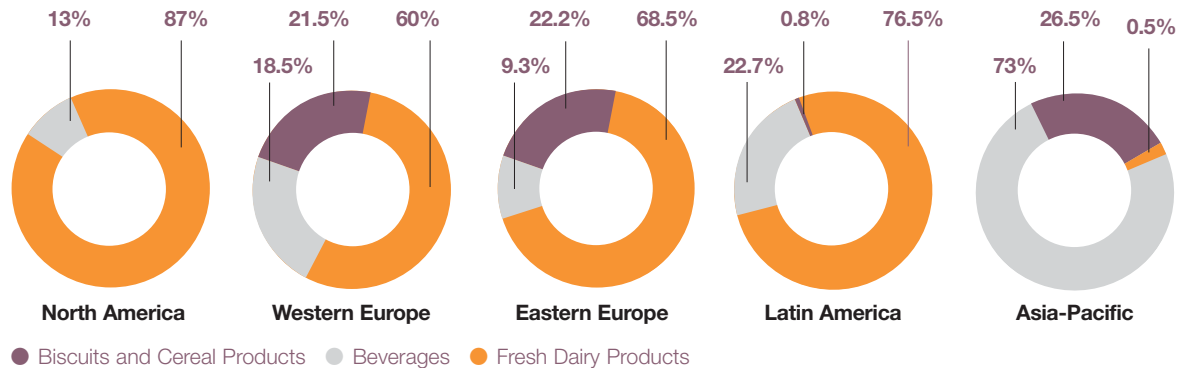
+6.7%

organic growth for Groupe DANONE in 2005

→ LIKE-FOR-LIKE SALES GROWTH OF 6.7%

Organic growth of 6.7% and a further rise in operating margin against a backdrop of sluggish consumer demand in France and pressure on some raw materials bore out our choice of strategic priorities in 2005. These called for reinforcement of our positioning in healthy eating, growth in markets identified as new frontiers, a major drive in innovation, and worldwide deployment of key brands with sales potential of €1 billion. Consolidated net sales thus reached €13,024 million full year, up 6.1% on the reported figure for 2004.

→ NET SALES BY BUSINESS LINE AND BY REGION

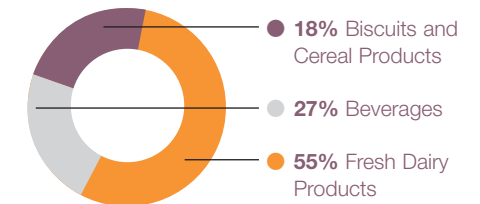


→ KEY FINANCIAL HIGHLIGHTS	2004	2005	CHANGES
€ millions			
Income statement data			
Net sales	12,273	13,024	+ 6.1%
Organic growth	-	+ 6.7%	
Trading operating income	1,608	1,738	
Trading operating margin	13.1%	13.35%	25 bp
Net income (excl. non current items)	910	1,031	+ 13.3%
Net income (attributable to the Group)	449	1,464	
Cash flow data			
Cash flow provided by operations	1,574	1,716	
Capital expenditures	520	607	
Purchase of businesses and other investments	98	636	
Free cash-flow ¹	1,204	1,303	
Financial position			
Net debt	4,538	3,572	
Stockholder's equity's (including minority interests)	4,506	5,621	
Debt/equity ratio	100.7%	63.5%	
Current per share data (€)			
EPS (fully diluted)	3.57	4.14	+ 15.9%
Dividend per share	1.35	1.72	+ 26.0%
Market			
No. of shares at Dec. 31 ('000)	268,095	264,235	
Share price at Dec. 31 (€)	68	88	
Market capitalization at Dec. 31	18,230	23,252	
Personnel			
Total employees	89,449	88,184	
Western Europe	22,492	20,985	
Outside Western Europe	66,957	67,199	

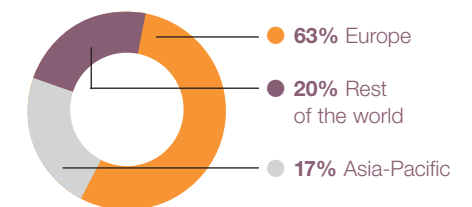
(1) Cash flow from operations less capital expenditures (net of disposals) and change in working capital.

(2) Subject to the approval of the General Meeting of shareholders.

→ NET SALES BY BUSINESS LINE	2004	2005
€ millions		
Fresh Dairy Products	6,510	7,184
Beverages	3,201	3,473
Biscuits and Cereal Products	2,562	2,367
GROUP TOTAL	12,273	13,024



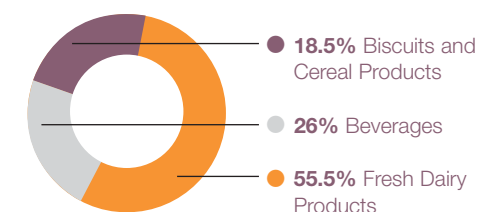
→ NET SALES BY REGION	2004	2005
€ millions		
Europe	8,096	8,179
Asia-Pacific	1,965	2,235
Rest of the world	2,212	2,610
GROUP TOTAL	12,273	13,024



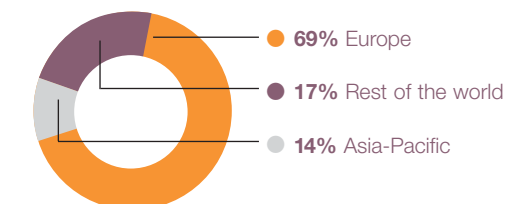
+18%

DANONE's "new frontiers" continued to drive growth, with sales up 18% (25% of total sales).

→ TRADING OPERATING INCOME BY BUSINESS LINE	2004	2005
€ millions		
Fresh Dairy Products	917	1,019
Beverages	493	474
Biscuits and Cereal Products	278	343
Unallocated expenses	- 80	- 98
GROUP TOTAL	1,608	1,738



→ TRADING OPERATING INCOME BY REGION	2004	2005
€ millions		
Europe	1,209	1,266
Asia-Pacific	259	256
Rest of the world	220	314
Unallocated expenses	- 80	- 98
GROUP TOTAL	1,608	1,738



13.35%

Trading operating margin rose for the 11th year in a row despite an increase in raw material prices linked to oil.

→ TRADING OPERATING MARGIN BY BUSINESS LINE

	2004	2005
Fresh Dairy Products	14.1%	14.2%
Beverages	15.4%	13.7%
Biscuits and Cereal Products	10.9%	14.5%
GROUP TOTAL	13.1%	13.35%

→ TRADING OPERATING MARGIN BY REGION

	2004	2005
Europe	14.9%	15.5%
Asia-Pacific	13.2%	11.5%
Rest of the world	10.0%	12.0%
GROUP TOTAL	13.1%	13.35%

→ WORKFORCE AT DEC. 31, 2005

32,228

people in Europe

41,137

people in Asia-Pacific

14,819

people in the rest of the world

For a total of

88,184

employees worldwide

→ CAPITAL EXPENDITURES

Capital expenditures reached €607 million in 2005 (4.7% of sales) up from €520 million in 2004 (4.2% of sales), reflecting expansion of production and logistics capacity in high-growth countries. Net financial debt was down from €4,538 million at the end of 2004 to €3,572 million on December 31, 2005.

CAPITAL EXPENDITURES (€ millions)



target

Groupe DANONE is on target to meet projections. For 2006, these call for net sales growth to reach 5 to 7% once again.

→ CURRENT EARNINGS PER SHARE (DILUTED)

+15.9%

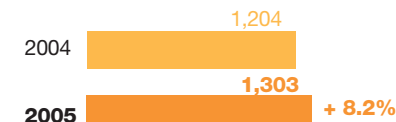
Current earnings per share (diluted) rose 15.9%, from €3.57 in 2004 to €4.14 in 2005.

Current income, excluding minority interests, totalled €1,031 million compared with €910 million in 2004, a rise of 13.3%.

Groupe DANONE bought back own shares for a total of €685 million during the year.

→ FREE CASH-FLOW (€ millions)

Free cash-flow showed a further improvement, rising 8.2% on 2004, reflecting the combined impact of increased cash flow provided by operations and optimization of working capital.



→ PRESENCE WORLDWIDE

Sales teams in

120

countries. 201 plants around the world.

→ NET SALES IN TOP TEN COUNTRIES:

- France: €2,883 million → Spain and Canary Islands: €1,463 million
- China: €1,186 million → US: €893 million → Mexico: €613 million
- Germany: €543 million → Benelux: €537 million → United Kingdom and Ireland: €476 million → Italy: €433 million → Argentina: €374 million.

→ ANNUAL PER CAPITA CONSUMPTION

BISCUITS (KG/YEAR)

- 2.4: world average
- 9: Western Europe
- 2.9: Eastern Europe
- 9.1: North America
- 4.8: Latin America
- 1.1: Asia-Pacific
- 0.4: North Africa & Middle East

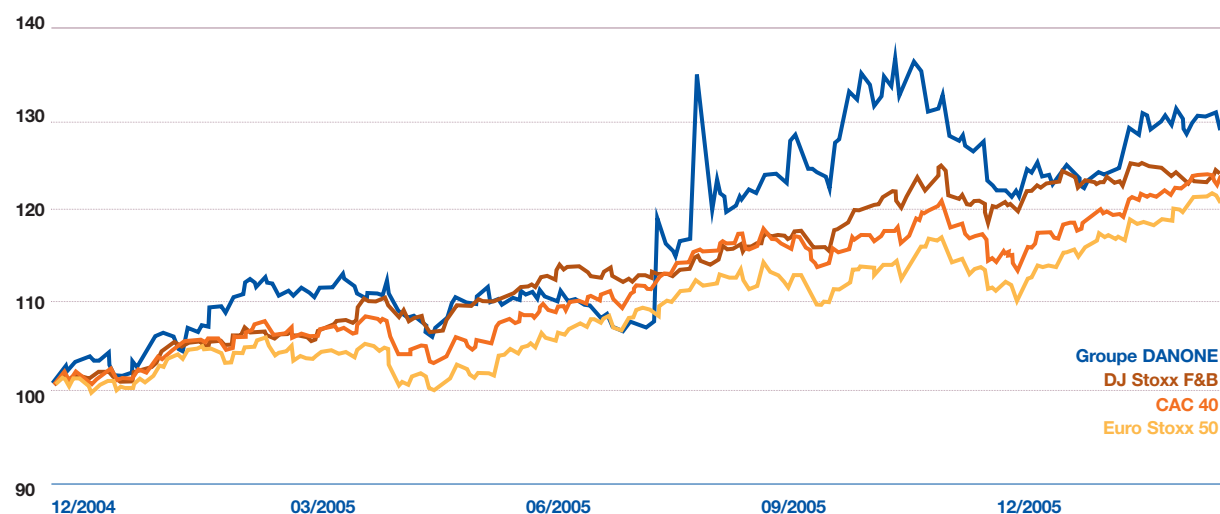
BOTTLED WATER (LITERS/YEAR)

- 26: world average
- 107: Western Europe
- 26: Eastern Europe
- 79: North America
- 51: Latin America
- 11: Asia-Pacific
- 12: North Africa & Middle East

FRESH DAIRY PRODUCTS (KG/YEAR)

- 4.3: world average
- 24.8: Western Europe
- 4.8: Eastern Europe
- 14.7: North America
- 4.4: Latin America
- 1.5: Asia-Pacific
- 1.3: North Africa & Middle East

→ MAJOR STOCKMARKET INDEXES FROM JAN. 1, 2000 TO DEC. 31, 2005



→ KEY MARKET DATA

	2001	2002	2003	2004	2005
€ thousands					
Market capitalization at Dec. 31	19,322	17,606	17,466	18,230	23,252
€					
Closing price for the year	69	64	65	68	88
High for the year	82	75	69	73	96
Low for the year	62	55	52	62	68
€ thousands					
Average number of shares traded daily	1,180	1,574	1,599	1,271	1,427

→ PER SHARE DATA

	2001	2002	2003	2004	2005
in thousands of shares					
Number of shares representing capital stock	282,066	274,670	269,950	268,095	264,235
€					
Net dividend per share (excluding tax credit) ²	1.03	1.15	1.22	1.35	1.70¹

(1) Subject to the approval of the annual General Meeting – (2) Depending on legislation applicable to beneficiary; calculation based on 50% rate.

→ DIVIDEND AND SHARE BUYBACK PROGRAM

Stock prices picked up sharply in 2005.

Danone shares rose 29.9%, outperforming major stockmarket indexes including the CAC 40 (+ 23.4%), the Euro Stoxx 50 (21.3%) and the DJ Stoxx Food & Beverage (+ 24.8%).

deliver one of the best financial performances in its sector.

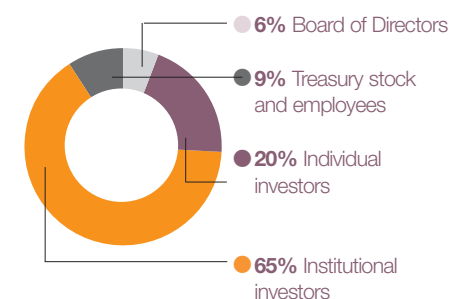
In view of sound finances, the company plans to buy back shares for an amount of between €600 and 800 million.

The Board of Directors will propose to the General Meeting of shareholders held on April 27, 2006, a dividend of €1.70 per share for 2005, up 26% on the payment for 2004. This dividend will be payable from May 10, 2006. The Board's recommendation reflects our confidence that the Danone model will continue to

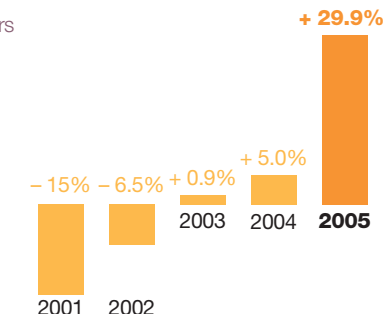
→ SHARE OWNERSHIP AT DEC. 31, 2005

Groupe DANONE share ownership:

Institutional investors:	65%
- France	28%
- US	11%
- UK	9%
- Other	17%
Individual investors	20%
Board of Directors	6%
Treasury stock and employees	9%



→ SHARE PRICE 2001-2005



→ GROUPE DANONE SHARE DATA

Nominal value: €0,50 per share at Dec. 31, 2005

Number of shares listed: 264,235,190 at Dec. 31, 2005

Listings: Euronext Paris, SWX SWISS Exchange and the New York Stock Exchange in the form of American Depositary Shares (ADS)

→ MAIN SHAREHOLDERS

at Dec. 31, 2005	% of capital	% of voting rights
Eurazeo	3.7%	7.3%
Caisse des dépôts et consignations	3.5%	3.4%
Sofina and Glaces de Moustier	2.0%	2.9%
Predica	1.7%	1.7%

For more information
www.danone.com

17, bd Haussmann, 75009 Paris

Toll-free information number for investors calling in France: 0800 320 323

E-mail: finance@danone.com

Share buybacks and cancellations
4.6 million shares canceled in April 2005

9.1 million shares bought back in 2005

19,715,829 own shares held at Dec. 31, 2005

An 18 million share buyback program has been authorized by the Ordinary and Extraordinary Annual General Meeting.

A company may not hold more than 10% of its own shares at any time.

No more than 10% of shares may be canceled in any period of 24 months; cancellation is subject to approval of the Ordinary and Extraordinary Annual General Meetings.