

PRESS RELEASE For immediate release

Danone invests \$50 million in Quebec

DANONE'S BOUCHERVILLE PLANT TO PRODUCE DANACTIVE FOR ENTIRE CANADIAN MARKET

Boucherville, September 28, 2010 – Thanks to an investment of \$50 million, Danone's Boucherville plant will produce the DanActive probiotic drink for the entire Canadian market following its acquisition of equipment at the cutting edge of technology.

"Up until now, the DanActive found on store shelves in Canada was entirely produced at our plant in the United States as we conducted studies aimed at gauging Canadians' interest toward this new generation of probiotic drinks developed by Danone Research. After completing our analysis, we're proud that DanActive will be produced in Canada by local workers using local products," said Louis Frenette, President and CEO of Danone Canada, who also wished to acknowledge the support of Investissement Québec to the amount of two million dollars.

This investment, responsible for the creation of 31 direct jobs and more than 500 indirect jobs, confirms Danone's role as a champion of social causes and an agent of major economic development in Canada and around the world. The Boucherville plant now occupies a total area of 223,000 square feet, or 25,500 square feet more than before work began, and that it now operates 24 hours a day, 7 days a week.

In light of the fact that several million litres of milk are required to produce the DanActive consumed annually in Canada, we understand the significant effect this news will have on local producers, who stand to share in economic benefits amounting to several millions of dollars.

"At Danone, we think that corporate social responsibility is about more than what's in fashion. We took action several years ago to limit the impact of our operations on the environment and to maximize their social and economic benefits. We're also currently working on an innovative sustainable development project with the help of a First Nations community in Quebec, always with the goal of having a direct positive effect on people's lives," Frenette added.

Consequently, Danone joined forces with the Breakfast Clubs of Quebec by donating more than 1.5 million yogurt servings annually in addition to providing financial support for the organization as well as mentoring and business coaching for its directors. Danone also allows thousands of young Canadians to develop their passion for soccer as part of the Danone Nations Cup, the world's largest soccer competition for 10- to 12-year-olds.

Franck Riboud, Chairman and Chief Executive Officer of the Danone Group, stated: "The consolidation of our operations in Boucherville reaffirms the place that Quebec and Canada have in the growth of the Danone Group. We're firmly established here and are proud to contribute to the area's economic and social development."

About Danone Inc. in Canada

Danone Inc. in Canada is a member of the Danone Group, a world agrifood leader. As a manufacturer and distributor of quality products that combine good taste and healthy ingredients, Danone is currently the largest Canadian producer of yogurt and other fresh dairy products. Danone believes that its actions should be aimed directly at improving the lives of Canadians both today and tomorrow. For more information, visit www.danone.ca.

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