



Centrale Laitière

PROSPECTUS SUMMARY

MANDATORY PUBLIC TENDER OFFER FOR THE SHARES OF CENTRALE LAITIÈRE COMPANY

Upon the initiative of
Compagnie Gervais Danone



DANONE

A MANDATORY PUBLIC TENDER OFFER FOR THE SHARES OF CENTRALE LAITIÈRE

NUMBER OF THE CONCERNED SHARES	588 208 shares
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PRICE PER SHARE	MAD 1 500
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MAXIMUM AMOUNT OF THE OFFER	MAD 882 312 000
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OFFER TIME LIMITS	FROM APRIL 10TH TO APRIL 26TH 2013 INCLUSIVE
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Counseling and global coordinator agency

**Agency in charge of the registration of the
transactions**



Attijariwafa bank
CORPORATE FINANCE



Attijariwafa bank
BOURSE

Approval of CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES (Financial authority)

In accordance with the provisions of Section 14 of the Decree n° 1-93-212 of September 21st, 1993 related to the Conseil Déontologique des Valeurs Mobilières (CDVM) and to the information required from legal entities issuing securities to the public, as amended and extended, and Section 36 of the Law n°26-03 related to public offers of the stock market as amended and extended by the law n°46-06, the original copy of the present prospectus has been approved by the CDVM on March 27th, 2013 under the reference VI/EM/004/2013.

SECTION I. WARNING

The CDVM approval neither implies the approval of the price, the appropriateness of the transaction, nor the authentication of the information presented. It was granted after reviewing adequacy and consistency of the information given in the context of the offer presented to the shareholders of Centrale Laitière Company.

The CDVM has signed on a prospectus related to the mandatory public tender offer concerning the shares of Centrale Laitière Company upon the initiative of Compagnie Gervais Danone.

The prospectus signed by the CDVM is available at any time:

- At the headquarters of Centrale Laitière seated in la Tour A, Twin Center, Angle Bd. Zerktouni et Bd. Al Massira Al Khadra., Casablanca;
- At the headquarters Attijari Finances Corp. Sated at 163, Boulevard Hassan II, 20000, Casablanca
- In institutions in charge of collecting purchase orders of shareholders, namely all banks and all companies of the stock market.
- On the website of the CDVM (www.cdvm.gov.ma) ;
- At the headquarters of the Stock Exchange of Casablanca and on its website.

SECTION II. PRESENTATION OF THE TRANSACTION

I. STRUCTURE OF THE OFFER

I.1 NUMBER OF THE CONCERNED SHARES

The mandatory public tender will concern the entirety of the shares not held by the transaction initiator, Compagnie Gervais Danone (Danone Groupe), that is 588 208 shares representing 6.24% of the capital and voting rights of the company shares, provided that the SNI has undertaken to not bring its securities to the offer.

I.2 PRICE OF THE OFFER

The initiator proposed on the shareholders of Centrale Laitière to purchase its Centrale Laitière shares at the unit price of MAD 1 500 per share.

I.3 AMOUNT OF THE OFFER

The mandatory public tender will concern the entirety of Centrale Laitière shares not held by the transaction initiator, Compagnie Gervais Danone (Danone Groupe), that is 588 208 shares at the price of MAD 1 500 per share, provided that the SNI has undertaken to not bring its securities to the offer. The maximum amount of the transaction is MAD 882 312 000 excluding the ancillary costs.

I.4 FIRST ENTITLEMENT OF SHARES SUBJECT OF THE OFFER

The first entitlement date of the Centrale Laitière shares shall be on January 1st, 2012.

I.5 OPENING DATE OF THE OFFER

The transaction start date shall be on April 10th, 2013.

I.6 CLOSING DATE OF THE OFFER

The transaction will be closed on April 26th, 2013.

I.7 DURATION OF THE OFFER

The duration of the offer is the period between the opening date and closing date of the transaction according to the schedule of the transaction subject of the present prospectus, which is 13 market days.

I.8 DATE OF PAYMENT AND DELIVERY

The date of payment and delivery shall be on May 13th, 2013.

I.9 INSTITUTION IN CHARGE OF THE OFFER CENTRALIZATION

The institution in charge of the transaction's centralization is Attijariwafa bank.

I.10 PURCHASE OF CENTRALE LAITIÈRE S.A. SHARES OUTSIDE THE SCOPE OF OPA

Compagnie Gervais Danone (Danone Group) plans to proceed to the purchases of Centrale Laitière shares.

I.11 SYNTHESIS OF VALUING

The offered price of MAD 1 500 per Centrale Laitière share presents the following rates in comparison to the different analyzed valuation methods:

In MAD (precise if otherwise)	Initial valuation					Discounted valuation				
	Enterprise Value	Net debt and Liabilities of debt nature*	Value of capital equity	Value per share (in MAD)	Rate**	Enterprise Value	Net debt and Liabilities of debt nature*	Value of capital equity	Value per share (in MAD)	Rate**
Approach by the stock market price	-	-	13 668	1 451	+3.4%	-	-	13 668	1 451	+3.4%
Last price on 02-20-2013	-	-	13 989	1 485	+1.0%	-	-	13 989	1 485	+1.0%
weighted average 1 months	-	-	13 810	1 466	+2.3%	-	-	13 810	1 466	+2.3%
Weighted average 3 month	-	-	13 800	1 465	+2.4%	-	-	13 800	1 465	+2.4%
weighted average 6 month	-	-	13 593	1 443	+3.9%	-	-	13 593	1 443	+3.9%
weighted average 12 month	-	-	13 141	1 395	+7.6%	-	-	13 141	1 395	+7.6%
Stock market price on 06-27-2012***	-	-	11 945	1 268	+18.3%	-	-	11 945	1 268	+18.3%
Present value of future cash flows	14 372	572	13 799	1 465	+2.4%	14 498	626	13 872	1 473	+1.9%
stock market comparable	12 443	572	11 871	1 260	+19.0%	12 443	626	11 817	1 254	+19.6%
Comparable transactions	13 418	572	12 845	1 364	+10.0%	12 881	626	12 255	1 301	+15.3%

* Net debts and liabilities of debt nature = current financial debts + non-current financial debts + current account of the unconsolidated subsidiaries – Cash and cash equivalent + Employee benefits liabilities

The employee benefits liabilities estimated at the end of 2012 amounted to MMAD 170

** The implicit price premium offered in comparison to the value per Centrale Laitière share.

*** Date of Danone and SNI announcement of the conclusion of the memorandum of understanding related to the transaction.

The price of MAD 1 700/share paid by Compagnie Gervais Danone (Danone Group) for purchasing a unit of 37,78% of Centrale Laitière will not constitute a pertinent valuation reference because (i) this price includes a premium for exclusive control due to the majority interest gained (ii) the seller has granted guarantees for the assets and liabilities to the purchaser.

The price per withheld share is MAD 1 500.

II. TRANSACTION SCHEDULE

Classification	Stages	Deadline
1	Reception of the full file of the transaction by Casablanca Stock Market	March 27 th , 2013
2	Issue of the approval notice of the Casablanca Stock Market about the mandatory public tender offer	March 27 th , 2013
3	Reception of the prospectus approved by the CDVM	March 27 th , 2013
4	Publishing the notice related to the mandatory public tender offer in the Official list	March 28 th , 2013
5	Publishing the extract of the prospectus	April 2 nd , 2013
6	Opening the mandatory public tender offer duration	April 10 th , 2013
7	Closing the mandatory public tender offer duration	April 26 th , 2013
8	Reception, by the Casablanca Stock Market, of the orders' files of the contributions of Centrale laitrière shares	April 29 th , 2013 at 12:00
9	Centralization, consolidation and processing of orders of contributions of securities by the Casablanca Stock Market	April 30 th , 2013
10	Sending a summary of orders of the contributions of securities to the CDVM	May 2 nd , 2013
11	-Continuation of the CDVM of the mandatory public tender offer (positive or closed) -Announcement, in the Official list, in the event the CDVM declares the transaction closed	May 3 rd , 2013
12	Delivery, by the Casablanca Stock Market, of the mandatory public tender offer to order-collecting bodies	May 6 th , 2013
13	- Recording the transactions related to the mandatory public tender offer - Announcing the mandatory public tender offer results by the Stock market in the Official list	May 8 th , 2013
14	Publishing the mandatory public tender offer results in the legal announcements newspaper by the transaction initiator	May 10 th , 2013
15	Payment/delivery of shares subject of this transaction	May 13 th , 2013

SECTION III. GENERAL PRESENTATION OF COMPAGNIE GERVAIS DANONE

I. INFORMATION ABOUT THE SHAREHOLDING OF COMPAGNIE GERVAIS DANONE

Since 1984, more than 99.9% of the share capital of Compagnie Gervais Danone has been held by Danone SA (formerly called BSN Then Danone Group), the capital balance being held by six shareholders in accordance with the law.

II. CONSTITUTION OF THE BOARD OF DIRECTORS

The Board of directors of the Company Gervais Danone was constituted on June 30th, 2012 as follows:

Members of the board of Directors	Major office	Start date of the term of office of directors	End date of the term of office (Date of the General Meeting)
Olivier BOULAY (<i>intuitu personae</i>)	Chief Executive Officer	09/26/2011	General Meeting called to approve the 2012 financial statements
Yves PELLEGRINO (<i>intuitu personae</i>)	Managing Director and Director	02/09/2012	General Meeting called to approve the 2013 financial statements
DANONE Company (represented by Cécile CABANIS)	Director	02/09/2012	General Meeting called to approve the 2013 financial statements
Antoine GUTTINGER (<i>intuitu personae</i>)	Director	02/09/2012	General Meeting called to approve the 2013 financial statements

Source: Compagnie Gervais Danone

SECTION IV. GENERAL PRESENTATION OF DANONE

I. INFORMATION ABOUT THE SHAREHOLDING OF DANONE

The changes of the shareholding of the Company Danone over the period 2009-2011 are as follows:

Shareholder	2009			2010			2011		
	Number of shares	% of the capital	% of net voting rights *	Number of shares	% of the capital	% of net voting rights *	Number of shares	% of the capital	% of net voting rights *
Eurazeo Group	26 915 746	4.2%	4.2%	16 433 370	2.5%	4.9%	16 433 370	2.6%	4.9%
Caisse des Dépôts et Consignations Group	23 271 322	3.6%	3.6%	22 051 312	3.4%	3.4%	11 688 114	1.8%	1.8%
Sofina & Henex Group	13 584 541	2.1%	3.8%	13 584 541	2.1%	3.7%	13 584 541	2.1%	4.2%
Crédit Agricole Assurances Group	11 178 709	1.7%	1.7%	2 455 102	0.4%	0.4%	815 000	0.1%	0.1%
FCPE “ Danone Funds ”	8 740 760	1.4%	2.5%	8 858 900	1.4%	2.5%	8 804 680	1.4%	2.6%
The Danone company and its subsidiary in Spain	33 507 225	5.2%	0.0%	36 853 957	5.7%	0.0%	41 605 465	6.5%	0.0%
Other shareholders	529 792 547	81.8%	84.2%	547 684 658	84.5%	85.2%	549 315 403	85.5%	86.4%
Total	646 990 850	100%	100%	647 921 840	100%	100%	642 246 573	100%	100%

Source: Danone

*This percentage excludes the shares held by the Company and treasury shares, which are deprived of voting right.

I.1.1 Constitution of the Board of Directors

The Board of directors of Danone was constituted on February 28th, 2013 as follows:

Members of the Board of Directors	Major office	Start date of the term of office of directors	End date of the term of office (Date of the General Meeting)
Franck RIBOUD	Chief Executive Office of Danone	1992	General Meeting called to approve the 2012 financial statements
Emmanuel FABER	Vice-Chairman of the Board of Directors of Danone and Managing Director	2002	General Meeting called to approve the 2012 financial statements
Bernard HOURS	Vice-Chairman of the Board of Directors of Danone and Managing Director	2005	General Meeting called to approve the 2013 financial statements
Bruno BONNELL	President of Awabot	2002	General Meeting called to approve the 2013 financial statements
Richard GOBLET D'ALVIELLA	Executive President of Sofina SA	2003	General Meeting called to approve the 2014 financial statements
Yoshihiro KAWABATA	Senior Managing Director – Manager of International Affairs Division and Administration of Management pole Support of Yakult Honsha Co., Ltd.	2010	General Meeting called to approve the 2013 financial statements
Jean LAURENT	Chairman of the Board of Directors and Foncière des Régions	2005	General Meeting called to approve the 2014 financial statements
Benoît POTIER	Chief Executive Officer of Air Liquide SA	2003	General Meeting called to approve the 2014 financial statements
Isabelle SEILLIER	General Manager Europe, Middle East, Africa, for the Financial Institutions of J.P. Morgan	2011	General Meeting called to approve the 2013 financial statements
Jean-Michel SEVERINO	Manager, “Investisseur et Partenaire Conseil”	2011	General Meeting called to approve the 2013 financial statements
Jacques VINCENT	President of Compassionart	1997	General Meeting called to approve the 2013 financial statements
Jacques-Antoine GRANJON	Chief Executive Officer of venteprivee.com	2012	General Meeting called to approve the 2014 financial statements
Mouna SEPEHRI	Member of the Executive Committee, Senior Vice President of RENAULT SAS	2012	General Meeting called to approve the 2014 financial statements
Virginia A. STALLINGS	Professor of Pediatrics in the Children Hospital of de Philadelphia	2012	General Meeting called to approve the 2014 financial statements

Source: Danone

SECTION V. GENERAL PRESENTATION OF CENTRALE LAITIÈRE

I. INFORMATION ABOUT THE SHARE CAPITAL OF CENTRALE LAITIÈRE

I.1 CHANGES OF THE SHAREHOLDING BETWEEN 2009 AND 2011

The shareholding of Centrale Laitière over the last three financial years is represented as follows:

Shareholders	12/31/2009		12/31/2010		12/31/2011	
	Number of shares	% of the capital	Number of shares	% of the capital	Number Of shares	% of the capital
ONA Group	519 037	55.10%	-	-	-	-
SNI	-	-	597 228	63.40%	6 061 165	64.34%
Compagnie Gervais Danone	275 278	29.22%	275 278	29.22%	2 752 780	29.22%
FINANCIERE D'INVEST. INDUST ET IMMOBILIER	78 186	8.30%	-	-	-	-
AXA ASSURANCE MAROC	18 641	1.98%	-	-	-	-
MAMDA	6 230	0.66%	-	-	-	-
MCMA	3 665	0.39%	-	-	-	-
CAISSE DE RETRAITE ET DE PREVOYANCE	239	0.03%	239	0.03%	2 390	0.03%
Wafa ASSURANCE	-	-	10 786	1.15%	107 860	1.15%
Other shareholders	40 724	4.32%	58 469	6.21%	495 805	5.26%
Total	942 000	100.00%	942 000	100.00%	9 420 000	100.00%

Source: Centrale Laitière SA

I.2 CHANGES OF THE SHAREHOLDING SINCE 12/31/2011

a. Transfer by the SNI of a controlling interest of 37.78% of the share capital and voting rights in the Company of Gervais Danone (Danone Group)

As of February 22nd, 2013, the Company Gervais Danone (Danone Group) has been the majority shareholder of Centrale Laitière with 67.0% of the share capital and voting rights in this latter.

Following this transaction, the SNI has been holding a participating interest of 26.75% of the share capital and voting rights of Centrale Laitière.

The shareholding of Centrale Laitière on 12/31/2012, before and after the transfer transactions is presented as follows:

Shareholders	12/31/2012		Before the transaction		After the transaction	
	Number of shares	% of the capital	Number of shares	% of the capital	Number of shares	% of the capital
Compagnie Gervais Danone	2 752 780	29.22%	2 752 780	29.22%	6 311 656	67.00%
SNI	6 079 012	64.53%	6 079 012	64.53%	2 520 136	26.75%
Other shareholders	588 208	6.24%	588 208	6.24%	588 208	6.24%
Total	9 420 000	100.00%	9 420 000	100.00%	9 420 000	100.00%

Source: Centrale Laitière SA

II. CONSTITUTION OF THE BOARD OF DIRECTORS

The constitution of the Board of directors of Centrale Laitière SA on March 18th, 2013 comes in the following manner:

Members of the Board of Directors	Current office	Appointment date	Date of OGM ratifying the appointments	Expiry date of the term of office
Jacques PONTY <i>(intuitu personae)</i>	Chief Executive Officer	03/18/2013*	General Meeting called to approve the 2012 financial statements	General Meeting called to approve the 2012 financial statements
SOCIETE NATIONALE D'INVESTISSEMENT, <i>[Represented by Aymane TAUD]</i>	Director	-	05/25/2011	General Meeting called to approve the 2016 financial statements
COMPAGNIE GERVAIS DANONE, <i>[Represented by Catherine LEWKO]</i>	Director	05/25/2011	05/25/2011	General Meeting called to approve the 2013 financial statements
DANONE, <i>[Represented by Stanislas DE GRAMONT]</i>	Director	05/25/2011	05/25/2011	General Meeting called to approve the 2013 financial statements
Karim KHETTOUCH <i>(intuitu personae)</i>	Director	02/22/2012	General Meeting called to approve the 2012 financial statements	General Meeting called to approve the 2016 financial statements
Bertrand AUSTRUY <i>(intuitu personae)</i>	Director	02/16/2012	General Meeting called to approve the 2012 financial statements	General Meeting called to approve the 2013 financial statements
Aymane TAUD <i>(intuitu personae)</i>	Director	02/22/2012	General Meeting called to approve the 2012 financial statements	General Meeting called to approve the 2015 financial statements
Cécile CABANIS <i>(intuitu personae)</i>	Director	02/22/2012	General Meeting called to approve the 2012 financial statements	General Meeting called to approve the 20123 financial statements
Thomas KUNZ <i>(intuitu personae)</i>	Director	03/18/2013	General Meeting called to approve the 2012 financial statements	General Meeting called to approve the 2013 financial statements

Source: Centrale Laitière S.A.

* Jacques PONTY was appointed as Director on February 22nd, 2013. His appointment as Managing Director was decided during the Board of Directors on March 18th, 2013.

III. FINANCIAL STRUCTURE OF CENTRALE LAITIÈRE

III.1 INCOME AND EXPENDITURE ACCOUNT – CONSOLIDATED ACCOUNTS

The following table shows the historical data of the consolidated result statement of Centrale Laitière Group for the period 2009 – S1 2012:

In Million MAD	2009	2010	2011	Var. 10/09	Var. 11/10	S1 11	S1 12	Var. S1 12/ S1 11
Turnover	5 707	6 174	6 609	8.2%	7.0%	3 045	3 232	6.1%
Other operating revenues	36	15	4	-58.3%	-73.3%	90	44	-51.1%
Ordinary operating revenues	5 743	6 189	6 613	7.8%	6.9%	3 135	3 276	4.5%
Purchases	3 372	3 734	4 132	10.7%	10.7%	1 962	1 971	0.5%
Other external costs	658	721	830	9.6%	15.1%	388	433	11.6%
Staff costs	497	548	570	10.3%	4.0%	295	308	4.4%
Taxes and duties	19	4	4	-78.9%	0.0%	3	3	0.0%
Depreciation and operating provisions	277	320	374	15.5%	16.9%	174	219	25.9%
Other net income and operating costs	-1	-8	-40	<-100.0%	<-100.0%	-41	-11	73.2%
Current operating costs	4 822	5 319	5 870	10.3%	10.4%	2 781	2 923	5.1%
Current operating result	921	870	743	-5.5%	-14.6%	354	353	-0.3%
<i>Current operating result (REXC/CA)</i>	<i>16.1%</i>	<i>14.1%</i>	<i>11.2%</i>	<i>-2.0 pts</i>	<i>-2.8 pts</i>	<i>11.6%</i>	<i>10.9%</i>	<i>-0.7 pts</i>
Disposals of assets	2	-1	-7	Ns	<-100.0%	-1	21	Ns
Disposals of subsidiaries and investments	-	-	-	Ns	Ns	-	-	Ns
Result on financial instruments	-	-	-	Ns	Ns	-	-	Ns
Other non-current income and operating costs	-7	-28	-35	<-100.0%	-25.0%	-16	-29	-81.3%
Other income and operating costs	-5	-29	-42	<-100.0%	-44.8%	-17	-8	52.9%
Income from operating activities	916	841	701	-8.2%	-16.6%	338	345	2.1%
Net cost of financial debt	5	8	20	60.0%	>100.0%	7	10	42.9%
Other financial income	6	7	3	16.7%	-57.1%	3	1	-66.7%
Other financial costs	2	-10	4	Ns	Ns	2	-30	Ns
Financial result	-1	9	-21	Ns	Ns	-6	21	Ns
Pre-tax profit	915	850	680	-7.1%	-20.0%	332	366	10.2%
<i>Pre-tax margin (RAI/CA)</i>	<i>16.0%</i>	<i>13.8%</i>	<i>10.3%</i>	<i>-2.3 pts</i>	<i>-3.5 pts</i>	<i>10.9%</i>	<i>11.3%</i>	<i>0.4 pts</i>
Taxes on profits	273	258	215	-5.5%	-16.7%	102	124	21.6%
Deferred taxes	-19	-14	-4	26.3%	71.4%	-2	16	Ns
Net profit	623	578	461	-7.2%	-20.2%	227	258	13.7%
<i>Net margin (RN/CA)</i>	<i>10.9%</i>	<i>9.4%</i>	<i>7.0%</i>	<i>-1.6 pts</i>	<i>-2.4 pts</i>	<i>7.5%</i>	<i>8.0%</i>	<i>-0.5 pts</i>
Share of profit of associates	-	-	-	Ns	Ns	-	-	Ns
Net income from continuing operations	623	578	461	-7.2%	-20.2%	227	258	13.7%
Net income from discontinued operations	-	-	-	Ns	Ns	-	-	Ns
Consolidated income	623	578	461	-7.2%	-20.2%	227	258	13.7%
Minority interests	-2	-6	3	<-100.0%	Ns	1	-4	Ns
Net income – Share of the group	625	584	458	-6.6%	-21.6%	226	262	15.9%

Source: Centrale Laitière SA

III.2 BALANCE – CONSOLIDATED ACCOUNTS

The following table provides the details of the balance sheet items of Centrale Laitière Group during the surveyed period:

Assets

In Million MAD	2009	2010	2011	Var.10/09	Var.11/10	S1 2012	Var. S1 12/2011
ASSETS							
Goodwill				Ns	Ns		Ns
Net intangible assets				Ns	Ns		Ns
Net tangible assets	2 337	2 587	2 734	10.7%	5.7%	2 713	-0.8%
Biological assets	23	36	52	56.5%	44.4%	44	-15.4%
Net investment properties	2	2	2	0.0%	0.0%	2	0.0%
Investments in associates				Ns	Ns		Ns
Other financial assets	14	12	12	-14.3%	0.0%	11	-8.3%
- Hedging derivatives				Ns	Ns		Ns
- Financial assets at fair value through profit or loss				Ns	Ns		Ns
- Loans and receivables	7	5	5	-28.6%	0.0%	5	0.0%
- Financial assets held till maturity date				Ns	Ns		Ns
- Assets available for sale	7	7	7	0.0%	0.0%	6	-14.3%
Debts of corporate taxes				Ns	Ns		Ns
Assets deferred taxes				Ns	Ns	-	Ns
Other non-current debtors	-3	-7	-8	<-100.0%	-14.3%	-10	-25.0%
Non-current assets	2 373	2 630	2 792	10.8%	6.2%	2 760	-1.1%
Other financial assets	11	13	18	18.2%	38.5%	13	-27.8%
- Hedging derivatives				Ns	Ns		Ns
- Financial assets at fair value through profit or loss				Ns	Ns		Ns
- Assets available for sale				Ns	Ns		Ns
- Financial assets held till maturity date				Ns	Ns		Ns
- Loans, receivables and investment	11	13	18	18.2%	38.5%	13	-27.8%
Non-current assets held for sale				Ns	Ns		Ns
Stocks and work in progress	349	494	429	41.5%	-13.2%	793	84.8%
Trade receivables	180	199	213	10.6%	7.0%	254	19.2%
Other current debtors	268	192	474	-28.4%	>100.0%	259	-45.4%
Cash and cash equivalents	210	172	199	-18.1%	15.7%	385	93.5%
Current assets	1 018	1 070	1 333	5.1%	24.6%	1 704	27.8%
TOTAL OF ASSETS	3 391	3 700	4 125	9.1%	11.5%	4 464	8.2%

Source: Centrale Laitière SA.

Liabilities

In Million MAD	2009	2010	2011	Var.10/09	Var.11/10	S1 2012	Var. S1 12/2011
PASSIF							
Capital	94	94	94	0.0%	0.0%	94	0.0%
Issue and merger premiums				Ns	Ns		Ns
Reserves	1 082	1 184	1 212	9.4%	2.4%	1 180	-2.6%
Conversion rate adjustment				Ns	Ns		Ns
Net result group' share	625	584	459	-6.6%	-21.4%	262	-42.9%
Equities attributable to common shareholders of the parent company	1 801	1 862	1 765	3.4%	-5.2%	1 536	-13.0%
Minority interests	67	52	47	-22.4%	-9.6%	34	-27.7%
Consolidated shareholders equity	1 868	1 914	1 812	2.5%	-5.3%	1 570	-13.4%
Provisions				Ns	Ns	1	Ns
Employee benefits	199	210	228	5.5%	8.6%	236	3.5%
Non-current financial debts	10	183	199	>100.0%	8.7%	182	-8.5%
- Hedging derivatives				Ns	Ns		Ns
- Amounts owed to credit institutions		176	199	Ns	13.1%	182	-8.5%
- Debts represented by a security				Ns	Ns		Ns
- Debts related to financial lease contracts	10	7	-	-30.0%	-100.0%	-	Ns
Debts of corporate taxes				Ns	Ns		Ns
Deferred tax liabilities	216	230	234	6.5%	1.7%	217	-7.3%
Non-current debts to suppliers				Ns	Ns		Ns
Other non-current creditors	1	1	1	0.0%	0.0%	-	-100.0%
Non-current liabilities	426	624	662	46.5%	6.1%	636	-3.9%
Provisions	35	31	52	-11.4%	67.7%	52	0.0%
Current financial debts	146	27	187	-81.5%	>100.0%	364	94.7%
- Hedging derivatives				Ns	Ns		Ns
- Amounts owed to credit institutions	146	27	187	-81.5%	>100.0%	364	94.7%
- Debts represented by a security				Ns	Ns		Ns
- Debts related to financial lease contracts				Ns	Ns		Ns
Current debts to suppliers	597	805	916	34.8%	13.8%	1 022	11.6%
Liabilities related to non-current assets held for sale				Ns	Ns		Ns
Other current creditors	319	299	496	-6.3%	65.9%	820	65.3%
Current liabilities	1 097	1 162	1 651	5.9%	42.1%	2 258	36.8%
TOTAL of liabilities	3 391	3 700	4 125	9.1%	11.5%	4 464	8.2%

Source: Centrale Laitière SA.

III.3 TABLE OF CONSOLIDATED CASH FLOW

The financing table of Centrale Laitière Group over the period surveyed is presented as follows:

In Million MAD	2009	2010	2011	Var.10/09	Var.11/10	S1 2011	S1 2012	Var S1.12/11
Net consolidated income	623	578	461	-7.2%	-20.2%	227	258	13,7%
Adjustments for:								
Deduction of depreciations and provisions	281	314	391	11.7%	24.5%	167	197	18,0%
Deduction of reevaluation profits/losses (fair value)	-	-5	-10	Ns	100.0%	-2	1	Ns
Transfer profits and dilution profits and losses	-2	1	7	Ns	>100.0%	1	-21	Ns
Dividend income	-	-1	-1	Ns	0.0%	-	-31	Ns
Cash flow after net cost of debt and tax	902	887	848	-1.7%	-4.4%	393	404	2,8%
Deduction of income taxes	292	273	219	-6.5%	-19.8%	105	107	1,9%
Deduction of the net financial debts cost	5	8	20	60.0%	>100.0%	6	10	66,7%
Cash flow before net cost of debt and tax	1 199	1 168	1 087	-2.6%	-6.9%	504	521	3,4%
Impact of changes of the need for working capital	118	-10	69	Ns	Ns	-188	-205	-9,0%
Deferred taxes	-	-	-	Ns	Ns	-	-	Ns
Paid taxes	-273	-258	-215	5.5%	16.7%	-102	-124	-21,6%
Net cash flow related to operational activities	1 044	900	941	-13.8%	4.6%	214	192	-10,3%
Impact of changes in scope	11	-	-	-100.0%	Ns	-	-	Ns
Acquisition of tangible and intangible assets	-587	-571	-514	2.7%	10.0%	-288	-200	30,6%
Acquisition of financial assets	-	-	-	Ns	Ns	-	-	Ns
Change in other financial assets	12	-1	-5	Ns	<-100.0%	3	5	66,7%
Investment grants received	1	-	-	-100.0%	Ns	14	-	-100,0%
Transfers of tangible and intangible assets	3	5	4	66.7%	-20.0%	1	59	>100,0%
Transfers of financial assets	-	-	-	Ns	Ns	-	-	Ns
Received dividends	-	1	1	Ns	0.0%	-1	31	Ns
Financial interests paid	-4	-8	-20	100.0%	<-100.0%	-6	-10	-66,7%
Net cash flow related to investment activities	-564	-574	-534	-1.8%	7.0%	-277	-115	58,5%
Capital increase	47	-	-	-100.0%	Ns	-	-	Ns
Dividends paid to shareholders of the parent company	-461	-523	-556	-13.4%	-6.3%	-556	-439	21,0%
Dividends paid to minority	-4	-9	-8	<-100.0%	11.1%	-8	-8	0,0%
Issue of new borrowings	-	176	23	Ns	-86.9%	-	-	Ns
Repayment of borrowings	-	-	-	Ns	Ns	-25	-17	32,0%
Repayment of debts resulting from lease contract	-5	-4	-6	20.0%	-50.0%	-	-	Ns
Net decrease (increase) of loans	-	-	-	Ns	Ns	-	-	Ns
Net decrease (increase) of investments	-	-	-	Ns	Ns	-	-	Ns
Changes of current accounts	-	-	-	Ns	Ns	45	447	>100,0%
Dividends paid to minority	-	-	-	Ns	Ns	-	-	Ns
Other flows related to financing operations	-	117	7	Ns	-94.0%	-	-52	Ns
Net cash flows resulting from financing activities	-423	-243	-540	42.6%	<-100.0%	-544	-69	87,3%
Impact of changes of exchange rates	-	-	-	Ns	Ns	-	-	Ns
Impact of changes of accounting methods and principles	-	-	-	Ns	Ns	-	-	Ns
Change of cash and cash equivalent	57	83	-133	45.6%	Ns	-607	8	Ns
Net cash and cash equivalent at the opening	6	63	146	>100.0%	>100.0%	146	13	-91,1%
Net cash and cash equivalent at the closing	63	146	13	>100.0%	-91.1%	-461	21	Ns
Change of cash and cash equivalent	57	83	-133	45.6%	Ns	-607	8	Ns

Source: Centrale Laitière SA

IV. FINANCIAL STRUCTURE OF THE COMPANY GERVAIS DANONE

IV.1 INCOME STATEMENT OVER THE PERIOD 2009-2011

Change of the income statement of the Company Gervais Danone over the last three financial years is presented as follows:

In million Euros	2009	2010	2011	Var. 10/09	Var. 11/10
Other operating income	267	276	182	3.4%	-34.2%
Total of operating income	267	276	182	3.4%	-34.2%
Other purchases and operating costs	-162	-170	-208	4.4%	22.5%
Depreciation and provisions	-2	-2	-2	0.1%	-0.1%
Total of operating costs	164	171	210	4.4%	22.2%
Operating result	103	105	-28	1.8%	Ns
Income from investments	659	627	959	-4.9%	53.1%
Interest receivable and similar income	14	18	24	35.5%	27.4%
Interest receivable and similar costs	-68	-81	-110	19.1%	36.0%
Other costs and financial income	391	125	-280	-68.0%	Ns
Financial income	995	690	593	-30.7%	-14.0%
Pre-tax current income	1 098	794	566	-27.7%	-28.8%
Exceptional income	5	595	-23	>100%	Ns
Tax on profits	0	0	0	Ns	-15.2%
Net income	1 103	1 390	543	25.9%	-60.9%

Source: Compagnie Gervais Danone

IV.2 BALANCE SHEET OVER THE PERIOD 2009-2011

The change of the balance sheet of the company Gervais Danone over the last three financial years is as follows:

In million Euros	2009	2010	2011	Var. 10/09	Var. 11/10
Fixed tangible and intangible assets	33	31	29	-5.6%	-6.1%
<i>Investment securities</i>	4 617	5 894	5 740	27.7%	-2.6%
<i>Other financial fixed assets</i>	375	294	396	-21.7%	34.6%
<i>Financial fixed assets</i>	4 992	6 188	6 136	23.9%	-0.8%
Fixed assets	5 026	6 219	6 165	23.7%	-0.9%
Liabilities	55	102	84	87.0%	-18.2%
Investment securities	0	0	0	-30.0%	-100.0%
Cash in hand	0	0	0	-61.1%	-94.9%
Current assets	55	103	84	85.9%	-18.4%
Accruals	1	1	0	2.3%	-57.3%
Total of assets	5 081	6 322	6 249	24.4%	-1.2%
Capital	843	843	843	0.0%	0.0%
Share issue, merger and contribution premium	58	58	58	0.0%	0.0%
Reserves	743	1 015	1 526	36.5%	50.3%
Financial year income	1 103	1 390	543	25.9%	-60.9%
Regulated provisions	0	0	0	0.0%	0.0%
Equity capital	2 748	3 306	2 971	20.3%	-10.1%
Provisions	32	17	159	-45.9%	829.6%
Financial debts	2 016	2 673	2 673	32.6%	0.0%
Other debts	283	325	445	14.8%	36.9%
Accruals	2	1	1	-417%	-35.0%
Total of liabilities	5 081	6 322	6 249	24.4%	-1.2%

Source: Compagnie Gervais Danone

V. FINANCIAL STRUCTURE OF DANONE

V.1 INCOME STATEMENT OVER THE PERIOD 2009-2011

The change of the consolidated income statement of Danone over the last three financial years is as follows:

En M€	2009	2010 ⁽¹⁾	Var. 10/09	2011	Var. 11/10
Net turnover	14 982	17 010	13.5%	19 318	13.6%
Cost of sales	-6 749	-7 957	17.9%	-9 541	19.9%
Selling expenses	-4 212	-4 663	10.7%	-5 092	9.2%
Overhead expenses	-1 356	-1 494	10.2%	-1 564	4.7%
Research and development expenditures	-206	-209	1.5%	-233	11.5%
Other income costs	-165	-90	45.5%	-45	50.0%
Current operational income	2 294	2 597	13.2%	2 843	9.5%
Other income and operational costs	217	-80	Ns	-114	-42.5%
Operational income	2 511	2 517	0.2%	2 729	8.4%
<i>Cash and cash equivalent income</i>	76	87	14.5%	67	-23.0%
<i>Gross cost of financial debt</i>	-340	-230	-32.4%	-241	4.8%
<i>Net s cost of financial debt</i>	-264	-143	-45.8%	-174	21.7%
Other income and financial costs	-225	123	Ns	-120	Ns
Pre-tax income	2 022	2 497	23.5%	2 435	-2.5%
Profit taxes	-424	-578	36.3%	-626	8.3%
Income of integrated companies	1 598	1 919	20.1%	1 809	-5.7%
Income of equity affiliates	-77	121	Ns	46	-62.0%
Net income	1 521	2 040	34.1%	1 855	-9.1%
Share of the group	1 361	1 875	37.8%	1 671	-10.9%
Non-controlling share interests	160	165	3.1%	184	11.5%

Source: Danone
(1) Restated data

V.2 BALANCE SHEET OVER THE PERIOD 2009-2011

The change of the consolidated balance sheet of Danone over the last three financial years is as follows:

En M€	2009 ⁽¹⁾	2010 ⁽¹⁾	Var. 10/09	2011	Var. 11/10
<i>Trade marks</i>	3 903	4 267	9.3%	4 258	-0.2%
<i>Other intangible fixed assets</i>	355	546	53.8%	531	-2.7%
<i>Goodwill</i>	10 227	11 311	10.6%	11 289	-0.2%
Intangible assets	14 485	16 124	11.3%	16 078	-0.3%
Tangible assets	3 180	3 810	19.8%	3 916	2.8%
Investments in associates	801	941	17.5%	1 030	9.5%
Other non-consolidated securities	521	125	-76.0%	123	-1.6%
Loans exceeding one year	27	42	55.6%	53	26.2%
Other fixed financial assets	127	138	8.7%	166	20.3%
Hedging derivatives – assets	134	236	76.1%	257	8.9%
Deferred taxes	648	700	8.0%	691	-1.3%
Non-current assets	19 923	22 116	11.0%	22 314	0.9%
Stocks	765	975	27.5%	1 061	8.8%
Trade accounts receivable	1 682	1 924	14.4%	1 981	3.0%
Other debtors accounts	645	767	18.9%	820	6.9%
Loans due within one year	41	34	-17.1%	40	17.6%
Short term investments	454	1 111	>100.0%	1 114	0.3%
Cash in hand	644	1 054	63.7%	1 027	-2.6%
Assets held for transfer	176	39	-77.8%	69	76.9%
Current assets	4 407	5 904	34.0%	6 112	3.5%
Total of assets	24 330	28 020	15.2%	28 426	1.4%
Capital	162	162	0.0%	161	Ns
premiums	3 596	3 627	0.9%	3 452	Ns
Retained profits	8 437	9 251	9.6%	10 192	Ns
Conversion rate adjustment	-869	30	Ns	-23	Ns
Other income recorded directly in equity	197	-117	Ns	-118	Ns
Own shares and stock option of DANONE	-1 027	-1 216	-18.4%	-1 564	Ns
Shareholder equity (share of the group)	10 496	11 737	11.8%	12 100	3.1%
Non-controlling interest shares	54	47	-13.0%	98	>100.0%
Shareholder equity	10 550	11 784	11.7%	12 198	3.5%
Non-current financial debts	6 092	6 946	14.0%	7 166	3.2%
Provisions for pensions and other long term benefits	313	412	31.6%	458	11.2%
Deferred taxes	937	1 129	20.5%	1 108	-1.9%
Other provisions and non-current liabilities	582	545	-6.4%	534	-2.0%
Non-current liabilities	7 924	9 032	14.0%	9 266	2.6%
Current financial debts	1 702	2 529	48.6%	1 865	-26.3%
Suppliers and related accounts	1 981	2 417	22.0%	2 706	12.0%
Other current liabilities	2 173	2 240	30.8%	2 354	5.1%
Liabilities related to assets held for transfer	-	18	Ns	37	>100.0%
Current liabilities	5 856	7 204	23.0%	6 962	-3.4%
Total of liabilities and shareholders' equity	24 330	28 020	15.2%	28 426	1.4%

Source: Danone

(1): Restated data

V.3 TABLE OF CASH FLOWS OVER THE PERIOD 2009-2011

The change of the table of consolidated cash flow over the financial years 2009 – 2011 is as follows:

In M€	2009	2010 ⁽¹⁾	Var. 10/09	2011	Var. 11/10
Net income – Share of the group	1 361	1 875	37.8%	1 671	-10.9%
Share of third parties holding non-controlling interests in the profits of consolidated companies	160	165	3.1%	184	11.5%
Income of equity affiliates	77	-121	Ns	-46	62.0%
Depreciation	549	592	7.8%	637	7.6%
Dividends received from equity affiliates	174	52	-70.1%	30	-42.3%
Other resources (jobs) having an impact on cash	-157	-78	50.3%	-96	-23.1%
Other resources (jobs) not impacting cash	-72	-86	-19.4%	63	Ns
Cash flow	2 092	2 399	14.7%	2 443	1.8%
<i>Changes of stocks</i>	37	-63	Ns	-92	-46.0%
<i>Trade accounts receivable</i>	-112	-54	51.8%	-125	<-100.0%
<i>Change in trade payable</i>	-127	275	Ns	306	11.3%
<i>Changes of other debtors and creditors accounts</i>	110	-81	Ns	73	Ns
Changes of need for working capital interest	-92	77	Ns	162	>100.0%
Cash from operations	2 000	2 476	23.8%	2 605	5.2%
Industrial investments	-699	-832	-19.0%	-885	-6.4%
Transfers of industrial assets	126	44	-65.1%	152	>100.0%
Net financial investments of the acquired cash	-40	-327	<-100.0%	-60	81.7%
Transfers of financial assets (including the indebtedness of the companies transferred at the date of transfer)	899	562	-37.5%	23	-95.9%
Net change in borrowings and other fixed assets	36	1	-97.2%	3	>100.0%
Cash from investment/ disinvestment operations	322	-552	Ns	-767	-38.9%
Increase of capital and premiums	2 977	36	-98.8%	37	2.8%
Acquisition of own shares (nets of transfer) and stock option of DANONE	100	-233	Ns	-659	<-100.0%
Dividends paid to the shareholders of Danone	-221	-737	<-100.0%	-783	-6.2%
Transactions with third parties holding non-controlling interest shares	-338	-155	54.1%	-214	-38.1%
Net flow of hedging derivatives	-154	-47	69.5%	-20	57.4%
Net change of financial debts	-4 581	151	Ns	-248	Ns
Change of short term investments	-60	-601	<-100.0%	23	Ns
Cash allocated to finance transactions	-2 277	-1 586	30.3%	-1 864	-17.5%
Impact of changes of the exchange rate	8	72	>100.0%	-1	Ns
Total change in cash	53	410	>100.0%	-27	Ns
Cash in hand on January 1st	591	644	9.0%	1 054	63.7%
Cash in hand on December 31st	644	1 054	63.7%	1 027	-2.6%
Supplementary information					
Cash flow related to the payment					
Of net financial interests	272	112	-58.8%	195	74.1%
Taxes on profits	413	433	4.8%	548	26.6%

Source: Danone

(1): Restated data

VI. RISK FACTORS

Centrale Laitière is also exposed, in the same way as Danone Group, to the risks exposed hereinafter.

VI.1.1 Operational risks related to the business scope of the group

a. Risks related to the volatility of the prices and the availability of raw materials

The changes of the offer and demand at the international or regional level, climate conditions, the state controls, the change of the law and the geopolitical events may have an important effect on the prices and availability of raw materials and the materials need for the package on the concerned products, which may have a negative effect on the results of the group. Especially, a prospective increase of their prices may not be reflected, totally or partially, on the sale prices of the products of the group and will be in all events susceptible to have an important negative effect on the business of the group and its results.

Risks related to the distribution concentration and client's bankruptcy

Although the final customers of the products of the group are the individual consumers, the group sells its products mainly to distribution channels. However, the distribution sector is getting more focused. The follow-up of the distribution concentration move is reflected in a more restricted number of customers and may lead the customers to request a decrease of prices and more promotions. This may affect the operational margin of the group, modify its market shares and/or represent a risk of counterpart in the event of failure of a major customer and therefore, have an important negative effect on the business of the group and its results.

Risks related to competitiveness

The group is present in highly competitive markets, in which operate big international groups and a number of local actors from different sizes.

Thus, the group is faced with international and national competitors that may lead it to reduce its prices to defend its market share, and this may have an important negative impact on the income of the group.

b. Risks related to the geopolitical environment

The business and employees of Danone may directly or indirectly bear the effects of a period of economic, political or social instability in several countries that may leave or have recently lived such a period.

Risks related to the economic situation in the countries constituting the major markets for the group

The group sales depend on the economic situation in the major markets. During the periods of economic downturn which may affect some countries, the group may be faced with a shrink of purchases of consumers whose purchasing power would have decreased and a change of consumption manners due to the economic situation. These changes may have negative effects on the business of the group and its income.

c. Risks related to climate conditions and seasonality

The seasonal consumption cycles facing some products of the group and the climatic changes may affect the group income.

d. Risks related to the consequences of restructuring

The restructuring decisions (site closing, restructuring plan with abolition of posts...), carried out by Danone may affect the relationships of the group with the employees, lead to social conflicts, mainly

work stoppages, strikes, disruptions and; therefore, may have in addition to financial impacts some negative effects on the image, business and income of the group.

e. **Risks related to the group notoriety**

The group is exposed to critics of any kind and source, justified or not, in good or bad faith, which may damage its image and reputation. Therefore, group is likely to face a negative publicity which may result in a risk situation, even a mere allegation, about its business or products.

VI.1.2 Operational risks specific to the business and group organization

a. **Risks related to the concentration of purchases of some products and services with a limited number of suppliers**

As a part of its policy of optimizing its purchases, the group centralizes the purchase of some goods, mainly the raw materials and some services from a limited number of carefully selected suppliers

If some suppliers are unable to provide the group with the specified quantities and qualities of the products or goods it needs in accordance with agreed terms, or perform the services in accordance with the terms and within the time limit required, the business and income of the group may be significantly affected.

b. **Risks related to the position of the group in some markets**

The group occupies the first local Positions in some markets. Therefore it may be challenged by third parties alleging abuse of dominant position. Such allegations may affect the notoriety of the group and eventually lead to legal proceedings, or even eventual sanctions. This may have negative effects on the business of the group and its income.

c. **Risks related to external growth operations**

Acquisitions

Within the context of continued concentration in the food and beverage industry, this strategy involves the pursuit of external growth through joint ventures or acquisitions. The acquisitions may have a negative effect on the business and income of the group if this latter fails to integrate the acquired companies, provide the necessary resources and/or if the synergies and the anticipated savings are not totally achieved.

The important acquisitions may cause, during the integration stage, the existence of risks related to organizations and historical practices.

Partnerships

The relationships with the group partners in some institutions are regulated by contracts and documents that may provide that some decisions are taken with the consent of these partners or without the consent of the group. These restrictions may make the implementation of the group strategy in these institutions difficult, which may have a negative effect on the business of the group.

d. **Risks related to the adverse change of the business predictions and its impact on the tests of impairment of assets**

An adverse change of the business predictions and hypotheses used for the cash flow projection during the impairment tests, the goodwill and trademarks, may be reflected in the recognition of impairment losses. These losses may have important effects on the group income.

e. **Risks related to products**

Danone is exposed because of its business to a proven or only alleged risk of contamination and noxiousness of its products, which may have, in addition to its immediate financial impact, a negative effect on the group reputation and sales.

f. Risks related to human resources

The availability, quality and commitment of the employees of Danone are a crucial factor in the group success. If the attractiveness of the group for attracting and maintaining the persons having the necessary skills and talents decreases, the achievement of the goals of Danone will be affected and this may have a negative effect on the income.

g. Risks related to information systems

The group is increasingly depending on common information technology infrastructures and applications on all of its business activities. The major risks are related to the availability of information technology services and the integrity and confidentiality of data.

Any failure of the infrastructures, applications or data communication networks, any break down related to a defect of securing data-centers or networks, as any data accidental or intentional loss and any use of data by a third party may block or slow down the production or sales, delay or prevaricate some decision takings and, more generally, have a negative effect on the business activities of the group and its income.

h. Risks of internal control failure

The risk of internal control failure is a risk related to the achievement of the following major objectives: reliability of financial information; compliance with the applicable law, regulations and internal policies; effectiveness and efficiency of internal processes, including those related to the protection of assets.

If the group internal control systems should be exposed to failure or turned to be insufficient, mainly in the event of fraud, the quality of its financial information, the capacity of its managers to take the right decisions and more generally its income may be affected negatively.

i. Risks related to failure of insurance coverage

The group insurance coverage may be insufficient and /or the group may be unable to renew the insurance programs in the acceptable terms, which may have a negative effect on the financial situation of the group.

VI.1.3 Legal risks

a. Risks related to the intellectual property

The group is the owner all over the world, of trademarks, drawings and models, copyrights and domain names. The group is also owner of patents, licenses, own revenues and an important experience related to its products and packaging and their manufacturing processes. The intellectual property represents a substantial share in the group assets. Danone cannot guarantee that third parties will not attempt to divert it intellectual property rights. In addition, some employees have access to confidential documents within the frame of their work. The loss or spreading sensitive and /or confidential information may damage the group interests and image, and may also have a negative effect on its income.

b. Risks related to regulations

As an operator in the food and beverage industry present in numerous countries, the group is subject to regulations enacted by many authorities and national and international organizations, mainly regulations with respect to company governance, taxation and customs duties, labor law, hygiene, food security, quality and water sources exploitation. The group is also subject to codes of good practices like that of the WHO (World Health Organization), related to the marketing of breast milk substitutes, and its variations in the different local regulations.

Any change of these laws and regulations, any authority decision about these law and regulations, any other event challenging the nutrition or health claims related to some products, may have an important effect on the business activities of the group, raise its costs, reduce the consumers' demand and may result in disputes.

VI.1.4 Industrial and environment Risks

a. Industrial risks

The manufacturing, storage and transportation of the group products induce risks including natural disasters, fires, explosions, failure of systems, terrorism, epidemics, strikes or other factors which may affect the ability of the group to manufacture or sell its products. These operating risks may, if they happen, cause damages to persons, goods and affect the carrying out of the group operations, which may have a negative effect on the business activities and the financial situation of the group.

b. Risks related environment regulations

The group may not guarantee that it will always be in conformity with the multiple regulations concerning the environment (which mainly concerns water, air, the use of natural resources, noise and waste). They are complicated and constantly evolving. These activities are, in particular, subject to obtaining authorizations or making prior declarations, pursuant to legislation applicable in Europe concerning installations and classified as for the protection of the environment and pursuant to equivalent regulations in other countries.

In addition, compliance of the group business activities with the new regulations or amendments of the existing regulations could be costly or limit the Group's ability to carry out or develop its business activities.

c. Risks related to the choice or preferences or environment considerations of the consumers

Consumers' purchasing preferences, especially in the most developed countries, are increasingly influenced by environmental concerns. If the group is unable to anticipate the evolutions in consumer preferences, in particular through the implementation of measures associated with reduction and communication on environmental consequences, its income may be negatively affected.

d. Other environment risks

The other major risks are water pollution (essentially organic and biodegradable pollution), risks related to refrigerating installations (ammonia and other refrigerating liquids), and risks related to the storage of raw materials or products for the cleaning and disinfection of the plants (acid or basic products), especially when these installations are located in inhabited areas. In the event that the group's environmental responsibility is called into question, resulting from a significant accident or case of pollution, the income and reputation of the group may be negatively affected.

VI.1.5 Market risks

Within the scope of its business, the group is exposed to financial risks, mainly to currency exchange, financing, and liquidity risks, to interest rate risks, counterparty risk, as well as shares risks.

a. **Currency exchange risk**

Due to its international presence, the group may be exposed to three types of currency exchange rate fluctuations:

- Within the framework of its operating activity;
- Within the framework of financing activities;
- During the process of conversion in Euros of the financial statements of subsidiaries transacting in a foreign currency ;

b. **Risk of financing and liquidity**

Generally, the group may not be able, in the context of the world's financial crisis, to get the necessary financing or refinancing in the credit or capital market, or to get them at satisfactory terms, which may have a negative effect on its financial situation.

c. **Risk of interest rate**

The group is exposed to interest rate on its financial liabilities as well as its liquidity. In fact, through the interest rate on its debt, the group is exposed to interest rate fluctuations that have an impact on the amount of its financial costs.

d. **Risk of counter party**

The group is exposed to the counterparty risk, in particular the banking counterparty risk, with respect to its financial management.

e. **Risk related to securities**

Risks related to the shares of the Company

Pursuant to its share repurchase policy, and within the framework of the authorizations granted by the General Meeting, the Company could choose to repurchase its shares. The fluctuation in the share price of the Company's treasury shares repurchased in this way does not have any impact on the Company's results. A decrease in the share price could have a limited impact on the portion of the potential cash amount paid out with respect to the financing of external growth transactions.

Risk related to the shares of other companies

The Company holds equity interests in listed companies. Concerning these securities, a significant and/or extended stock market price may have an adverse effect on the group income.

Moreover, Centrale Laitière is also subject to the risk related to non-alignment of Upstream-Downstream growth. In fact, as the major business activity of Centrale Laitière is producing and commercializing milk and dairy products, there is a risk of shortage in raw materials, especially raw milk in the quantity and in conformity with the objective and the market requirements.

Warning

The above information only represents a part of the prospectus approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) under the reference number VI/EM/004/2013 on March 27th, 2013.

The CDVM recommends reading the full prospectus available to public in French.