



THE MARKET

Yogurt is one of the fastest-growing and most dynamic food categories in today's Canadian retail market. It boasts one of the highest household penetration levels, with almost 90% buying yogurt on a regular basis at an average rate of 6.5 kg a year. Danone leads the category in Canada with annual growth averaging 15%. The company, based in Boucherville (Quebec), produces and distributes a wide range of delicious and nutritious yogurt brands across Canada.

ACHIEVEMENTS

As Canadian subsidiary of the Danone Group, Danone Canada benefits from this multinational company's vision as world leader in the fresh dairy products category. Danone Canada also enjoys its own successes, thanks to its expertise in the Canadian market and commitment to offering products that ultimately improve Canadians' quality of life. The Silhouette brand is a great example of Danone's success. This yogurt paved the way to the important segment of fat-free yogurts in Canada more than 30 years ago. In 2004, the company



HISTORY

The story of Danone Canada cannot be told without referring to its ancestor, Delisle, a company founded by Jude Delisle in the early 1930s. This visionary entrepreneur literally brought yogurt to Canada, after discovering its health benefits during a trip to France. Two years later, with help from the Pasteur Institute, he acquired some culture starter and launched his business in a small workshop in Montreal.

Moving into bigger quarters in 1951 allowed Delisle to increase production from 20 tubs of yogurt a day to 4,000. His first buyers were doctors who prescribed yogurt as a medication and Montrealers of

European descent, who were soon enthusiastically spreading the word. By 1967, Delisle had become the leading yogurt producer in Canada, with industrial production being handled by the company's modern facility in Boucherville. Competition was fierce, but the business was kept on a solid growth trajectory by continually introducing new products and going into new markets.

In 1993, Delisle joined the Danone Group and began its quest to conquer the market outside Quebec.

Today, with brands such as Danimals, Danino, DanActive, Activia, Silhouette, Danone Creamy, Naturalia and Danissimo, Danone is the top yogurt producer across Canada.

THE PRODUCT

Danone Canada believes that actions taken today must result in improved quality of life for Canadians tomorrow. This commitment has helped the company become Canada's innovation leader in the yogurt category and has led to the introduction of a variety of products that can be divided into two main categories: the family favourites, which are designed to please everyone's taste buds, and the yogurts offering specific health attributes, such as probiotic yogurts.

Danone Canada was the first company to raise awareness among consumers of the benefits of probiotic yogurts on the digestive system. In fact, the company literally created the category with the launch of Activia in 2004. The culture in Activia is unique to Danone and consists of BL Regularis™ strain (*Bifidobacterium lactis* DN-173 010), a friendly bacteria unique to Danone and scientifically proven to have



launched probiotic yogurt Activia, a product perceived in the Canadian food industry as one of the biggest successes in the past few years. It has quickly become the yogurt brand with the highest growth rate in the country. Danone Canada also innovated with the development and launch of Danino, the first yogurt enriched with DHA, an omega-3 fatty acid essential for the development of children's brains, nerves and eyes. This is a world first within the Danone Group.





positive health benefits. A new fat-free version of Activia as well as a fiber-enriched version have recently been introduced to the Canadian market.

In the fall of 2007, Danone Canada launched DanActive, a probiotic drink with scientifically proven immune benefits. Backed by 37 scientific studies, DanActive has been shown to strengthen the body's natural defences when consumed daily. The company rounds out this category with Danino, a yogurt for children enriched with DHA, an essential omega-3 fatty acid that contributes to the normal development of the brain, eyes and nerves. Danino also comes in a drinkable version called Danino Go.

Danone Canada is also known for its wide offering of tasty, nutritious yogurts meant to please every taste bud. One of its top-sellers, Silhouette, leads the way in the fat-free category. It also comes in a whipped version, Silhouette



enjoy a product designed for them with Danimals, a fresh cheese that's a good source of calcium, perfect for a snack or dessert.

One of the more recent products on the market, the new Naturalia contains only natural ingredients and is made from quality milk, flavourful fresh fruits, with no preservatives, gelatin, artificial colors or flavours. It is also an excellent source of calcium.

Finally, Danone Canada recently introduced the Stonyfield Farm family of organic yogurts to the Canadian market, made here with Canadian organic whole milk.

RECENT DEVELOPMENTS

There have been two major developments for Danone Canada since August 2007. In the Fall, the company launched DanActive. This probiotic drink is

designed to counteract today's stress-filled lifestyle and reinforce the body's natural defences. This drink, which is marketed under the name Actimel in Europe, is already available in 35 countries, with 10 million people consuming it each day.

Danone Canada also expanded its offering in late 2007 by launching Stonyfield Farm organic yogurts in Canada, a New Hampshire-based company founded in 1983 that is now part of Group Danone. The yogurt is produced in Boucherville, Quebec, with Canadian organic milk and fine certified organic ingredients. Each serving contains a unique blend of five active cultures as well as inulin, a natural dietary prebiotic fiber derived from chicory root. Ten percent of the profits from Stonyfield products go to Eco initiatives. Stonyfield Farm also comes in a version for toddlers, called YoBaby. Both can be found in health food stores and in the organic food sections of major grocery stores across Canada.



Mousse. A special treat, the Danissimo yogurt contains a touch of real cream, which gives it a unique texture. Its Mousse version offers unique flavours in a whipped texture.

Danone Creamy, with its soft texture, is a good source of calcium, vitamin B2, phosphorus and vitamin B12. Infants and toddlers also get to

PROMOTION

Canada has some of the strictest guidelines regarding health claims made by food manufacturers. This can pose quite a challenge in terms of product advertising. Danone Canada has opted for creativity to produce memorable concepts and promote its products' health benefits with its long-time partner agency Saint-Jacques Vallée Y&R.

For example, TV viewers have become familiar with the Activia ads, which show people dancing around with their bare tummies. Another great example is the Danino ads, which show kids bearing Einstein-like hair and moustaches to demonstrate the link between the DHA-enriched yogurt and the notion of brain development. Danone has also turned to other outlets, such as public relations, micro sites and in-store strategies, as a way to get the word out and communicate their products' health benefits to consumers.

BRAND VALUES

At the very heart of the Danone Group is a core belief that food plays a major role in promoting well-being and health. As a result, the company continually strives to enhance the nutritional quality of its products, invests in research, and develops information and educational programs aimed at promoting the virtues of physical activity and a balanced diet.

Danone Canada is committed to contributing to the health and well-being of the communities it serves. That's why the company is involved in two major community activities: the Danone Nations Cup and the Quebec Breakfast Club. The Danone Nations Cup offers children aged 11-12 the opportunity to take part in soccer camps all across the country and the chance to be selected to represent Canada at the Cup finals in France. Closer to home, Danone

Canada donates over one million individual yogurt servings every year and is a major financial supporter of the Quebec Breakfast Club and the Breakfast for Learning non-profit organizations (NPOs).

In addition, any funds raised by its employees through various voluntary activities for these NPOs are matched by Danone Canada.



THINGS YOU DIDN'T KNOW ABOUT DANONE

- How did Danone get its name? The founder, Isaac Carasso, named his company after his son Daniel, or Danon in Catalan.
- In the US, Danone is called Dannon to ensure the correct pronunciation of the company name.
- The Danone Group employs 90,000 people on five continents around the globe.