

● **Joint ventures:** Danone has made extensive use of joint ventures to enter new markets and develop new areas of business. These have allowed it to access local knowledge and distribution capability, economize on its limited managerial resources, and achieve rapid market penetration. By 2009, joint ventures accounted for almost 30% of its sales. Partners have included Chiquita Brands in the US, Al Safi in Saudi Arabia, Yakult and Avesthagen in India, Alqueria in Colombia, and Grameen in Bangladesh, as well as Mengniu, Bright Foods, Weight Watchers, and the Wahaha Group in China. In 2010, Danone created its biggest joint venture when it announced the merger of its Russian and CIS dairy business with that of Unimilk to create the region's largest supplier of fresh dairy products. Several of these joint ventures have involved Danone in conflicts with its partners: its troubled Chinese joint venture with Wahaha being the most contentious. In some cases, Riboud first built a global business, and then sold it off: in 2007, Danone sold its biscuits (cookies and crackers) division to Kraft Foods and invested the proceeds in acquiring the Dutch-based Numico, thereby creating Danone's medical nutrition division.

Figures 1 and 2 show the transformation of Danone's business and geographical scope under Franck Riboud's leadership.

FIGURE 1 Danone's sales by business lines, 1996–2011

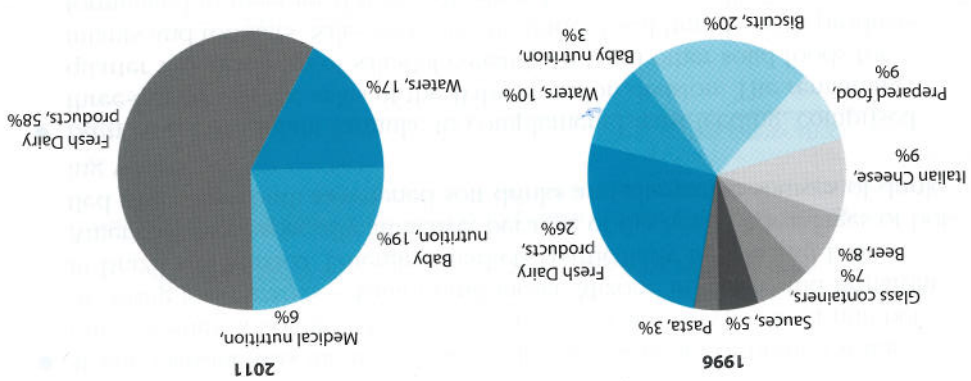
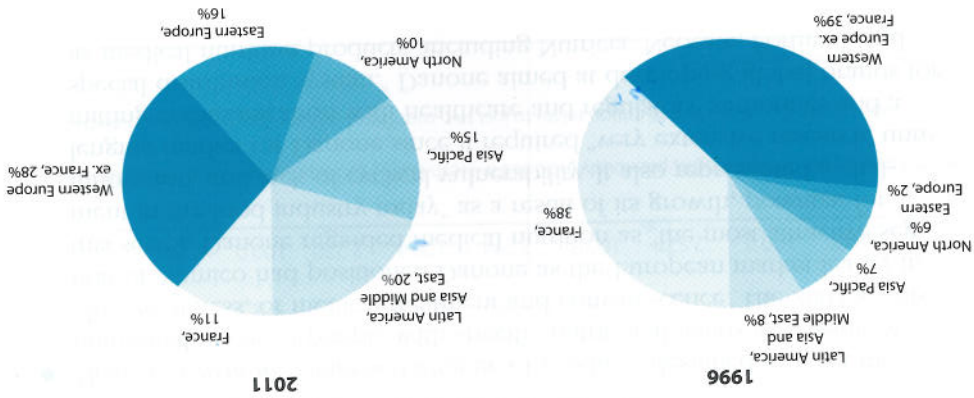


FIGURE 2 Danone's sales by geographical area, 1996–2011



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