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UPDATE 3-Danone sees growth in 2009 despite recession

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* Q4 sales rise 6 pct like-for-like

* 2008 underlying net income rises 15 pct

* EPS to rise 10 pct like-for-like in 2009

* 2008 dividend 1.20 euros, vs 1.10 euros for 2007

* Shares down 4 pct, broader market down 0.3 pct

By James Regan

PARIS, Feb 11 (Reuters) - French food group Danone (DANO.PA) expects consumers to keep buying yoghurts, waters and babyfood despite a recession, and maintained its goal of 10 percent growth in earnings per share.

The maker of Actimel drinking yoghurt, Evian water and Nutricia and Bledina baby nutrition on Wednesday reported a 15 percent rise in 2008 net income. It said sales growth would continue to be driven by its blockbuster brands and it expected to gain market share in its key markets.

This is in contrast with Anglo-Dutch consumer goods group Unilever (ULVR.L) (UNc.AS), which last week scrapped targets due to global uncertainty.

"As anticipated ... the global economic environment has further deteriorated in the past three months, resulting in a slowdown in most markets in which the group operates, including in a number of emerging countries," Danone said on Wednesday.

"Our scenario for 2009 remains that current consumption patterns in our key emerging and developed markets will continue over the balance of the year, with no significant improvement or dramatic breakdown."

Underlying net profit rose to 1.31 billion euros ($1.70 billion) in 2008 from 1.19 billion the previous year, Danone said in a statement, broadly in line with the average of analysts' forecasts based on Reuters Estimates.

Earnings per share rose 15.1 percent to 2.74 euros as like-for-like sales at constant exchange rates grew 8.4 percent to 15.22 billion. Fourth-quarter sales growth slowed to 6 percent.

Danone reiterated its target for 10 percent like-for-like percentage growth in underlying fully-diluted earnings per share this year.

But the target was now based on constant currency exchange rates as it was impossible to predict the impact of currency volatility over the remainder of the year, Co-Chief Operating Officer Emmanuel Faber told journalists.

Currencies would have had a negative impact of 6 percentage points in January, he said.

Shares in Danone were 4.7 percent lower at 37.75 euros by 1204 GMT, underperforming a 0.5 percent decline in the French benchmark CAC 40 index .FCHI.

BABY BOOST

The company also said it still expected like-for-like sales growth of a few points below its medium-term guidance of 8 percent to 10 percent, and a like-for-like continued improvement of the trading operating margin this year.

The operating margin rose to 14.91 percent in 2008 from 13.27 percent in the previous year, Danone said.

Faber would not give any guidance for 2010.

Unilever, the world's third-biggest food and consumer goods group, last week scrapped its targets because of global economic uncertainty and said it was planning on the basis it would not see a significant improvement in economies around the world in the next 18-24 months. [ID:nL31980]

"Like all other food companies to date, Danone experienced a weakening of sales growth in the final quarter of the year. But growth has remained strong," independent analyst James Amoroso said.

The French group generated 57 percent of sales from its dairy business last year, where like-for-like growth was 7.7 percent. Baby food sales leapt to 2.8 billion euros from 809 million in 2007 after the purchase of Dutch group Numico.

Medical nutrition sales jumped to 854 million euros from 133 million. But water sales dropped 19 percent to 2.87 billion as consumers in France, Spain, the UK and Japan were less willing to pay for bottled water.

Danone stock has fallen 8.3 percent so far this year, giving the company a market value of some 20 billion euros. Unilever shares have lost 11 percent. Shares in Nestle (NESN.VX), the world's largest food company, have fallen 7.5 percent. ($1=.7716 Euro)

(Editing by Simon Jessop and Rupert Winchester)