



FAGE INTERNATIONAL S.A.

PRESS RELEASE: MARCH 28, 2019

FAGE ANNOUNCES 2018 RESULTS IN REPORT TO SENIOR NOTE HOLDERS

FAGE International S.A. (the “Company” or “FAGE”) today announced its financial results prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2018 in an annual report (the “Annual Report”) to the holders of its 5.625% Senior Notes due 2026 (the “Senior Notes”).

Our sales in value for the year ended December 31, 2018 amounted to \$551.9 million, a decrease of \$67.7 million, or 10.9%, compared to sales in value of \$619.6 million for the year ended December 31, 2017. This resulted from decreases in sales in value in the United States, Greece and the United Kingdom by 15.9%, 7.4% and 1.2%, respectively, which were partially offset by an increase in sales in value in Italy by 3.3%.

Gross profit for the year ended December 31, 2018 was \$231.6 million, a decrease of \$62.1 million, or 21.1%, from \$293.7 million for the year ended December 31, 2017. Gross profit as a percentage of sales for 2018 was 42.0%, compared to 47.4% for 2017. The main reasons for this decrease were: first, the increase in the prices of milk used in the U.S. facility by 18.2%; and second, the negative impact on cost of goods sold (0.8% of sales) of the weakening of the U.S. dollar against the Euro and the British Pound. This decrease was partially offset by the decrease in the prices of milk used in the Greek facilities by 19.3%.

Operating profit for 2018 was \$58.6 million, a decrease of \$57.1 million, or 49.4%, as compared to operating profit of \$115.7 million in 2017. As a percentage of sales, operating profit was 10.6% for the year ended December 31, 2018 as compared to 18.7% for the year ended December 31, 2017. This is mainly due to the decrease in gross profit and the increase in SG&A as a percentage of sales.

Profit before income taxes for the year ended December 31, 2018 was \$32.3 million, as compared to profit before income taxes of \$97.5 million for the year ended December 31, 2017.

Income tax expense for the year ended December 31, 2018 was \$10.1 million, as compared to \$11.1 million for the year ended December 31, 2017.

Net profit for the year ended December 31, 2018 was \$22.1 million, as compared to net profit of \$86.4 million for the year ended December 31, 2017.

On August 3, 2016, the Company and FAGE USA Dairy Industry, Inc. (“FAGE USA”) issued \$420,000,000 principal amount of their 5.625% Senior Notes due 2026 under an indenture dated as of August 3, 2016 (the “Indenture”) by and among the Company and FAGE USA, as issuers, FAGE Dairy Industry S.A., as guarantor, The Bank of New York Mellon, acting through its London Branch, as trustee, The Bank of New York Mellon, as U.S. paying and transfer agent, and The Bank of New York Mellon (Luxembourg) S.A., as registrar.

The Annual Report is being provided to Holders of the Senior Notes pursuant to Section 4.02 of the Indenture. The Annual Report is also available on FAGE’s website at home.fage.

FAGE International S.A.

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FAGE is a leading international dairy company with a focus on yogurt. FAGE has significant sales in the U.S. yogurt market, growing international sales outside of the United States, and leading market positions in the Italian, U.K. and Greek yogurt markets. FAGE has grown from its origins in Greece in 1926 to become an international company with sales in approximately 44 countries in Europe, the Americas, Asia and Africa.

Inquiries regarding the Company's financial results should be directed to Christos Koloventzos, the Company's Chief Financial Officer, at +352 27873333 or Christos.Koloventzos@mail.fage.

The Senior Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Senior Notes were offered and sold only to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) and pursuant to offers and sales occurring outside of the United States within the meaning of Regulation S under the Securities Act.