



## FAGE DAIRY INDUSTRY S.A

PRESS RELEASE: AUGUST 13, 2010

### FAGE ANNOUNCES UNAUDITED HALF-YEARLY RESULTS FOR THE SIX AND THREE MONTHS ENDED JUNE 30, 2010 IN REPORT TO SENIOR NOTE HOLDERS

FAGE Dairy Industry S.A. (the "Company" or "FAGE") today announced its financial results prepared in accordance with International Financial Reporting Standards for the six months and three months ended June 30, 2010 in a Half-yearly report (the "Half-yearly Report") (i) to the holders of its 7½% Senior Notes due 2015 (the "2015 Senior Notes") and (ii) to the holders of its 9% Senior Notes due 2020 (the "2020 Senior Notes").

*The Group's sales* in volume for the six months ended June 30, 2010 increased by 1.1%, compared to the respective period of 2009. The Group's sales in value increased by 5.4%, or €8.5 million, from €158.6 million in the first six months of 2009 to €167.1 million in the first six months of 2010.

The main factors that had a positive impact on the Group's sales in value were:

- firstly, the Group's net sales were positively affected by the significant increase in volume and value of the Company's sales in the US market, by 59.5% in volume and 52.1% in value; and
- secondly, the strengthening of the US\$ against the Euro also had a positive impact on the Group's net sales.

These factors were partially offset by the decrease of 7.5% in the Group's sales in volume and 8.5% in value in the domestic Greek market mainly due to the economic crisis in Greece, which has negatively impacted consumption.

*Gross profit* for the six months ended June 30, 2010 was €71.0 million, an increase of €5.6 million, or 8.6%, from €65.4 million for the six months ended June 30, 2009. Gross margin for the six months ended June 30, 2010 was 42.5% compared to 41.2% for the respective period of 2009. The main reasons for this improvement were:

- firstly, the contribution to the Group's gross profit and, consequently, the gross margin from the US operations where the volume in the US market increased by 59.5% comparing the six months ended June 30 of the years 2010 and 2009; and
- secondly, the new price policy that the Company had applied in the Greek market in its yoghurt and milk products gradually since March 2010, by stopping aggressive promotional activities, had a positive impact on the Group's and the Company's gross profit and gross margin.

*Net profit* for the six months ended June 30, 2010, was €3.1 million, as compared to a profit of €6.2 million for the respective period of 2009. This decrease is mainly due to the increase in net financial expenses by €4.2 million, from €7.2 million in the first six months of the year 2009 to €11.4 million in the first six months of the year 2010.

On January 25, 2005, the Company issued €130,000,000 principal amount of its 2015 Senior Notes under an indenture (the "2015 Indenture"), dated as of January 21, 2005, by and among the Company, as issuer, FAGE USA Holdings, Inc. and FAGE USA Dairy Industry, Inc., as guarantors, The Bank of New York, as trustee, and AIB/BNY Fund Management (Ireland) Limited, as Irish paying agent (the "Irish Paying Agent").

On January 29, 2010, the Company and FAGE USA Dairy Industry, Inc. issued \$150,000,000 principal amount of their 2020 Senior Notes due 2020 under an indenture (the "2020 Indenture"), dated as of January 29,

2010, by and among the Company and FAGE USA Dairy Industry, Inc., as issuers, The Bank of New York Mellon, acting through its London Branch, as trustee, The Bank of New York Mellon, as U.S. registrar and paying agent, and the Bank of New York Mellon (Luxembourg) S.A., as Luxembourg registrar.

The Half-yearly Report is being provided (i) to Holders of the 2015 Senior Notes pursuant to Section 4.02 of the 2015 Indenture and (ii) to Holders of the 2020 Senior Notes pursuant to Section 4.02 of the 2020 Indenture. The 2015 Senior Notes are listed on the Irish Stock Exchange and the Half-yearly Report is also being made available at the office of the Irish Paying Agent pursuant to the rules of the Irish Stock Exchange. The Half-yearly Report is also available on the Company's website at [www.fage.gr](http://www.fage.gr).

FAGE is one of the leading Greek dairy companies in Greece and sells a wide range of branded dairy products, including yogurt and dairy desserts, milk and milk creams, and packaged cheese. These products are produced and sold in Greece and the United States, and exported from Greece to 28 other markets globally, including the United Kingdom and Italy.

Inquiries regarding the Company's financial results should be directed to Christos Koloventzos, the Company's Chief Financial and Administrative Officer, at (+30) 210 28 92 555 or [Koloventzos.Christos@fage.gr](mailto:Koloventzos.Christos@fage.gr).

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The 2015 and the 2020 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 2015 and the 2020 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.

FAGE • DAIRY INDUSTRY S.A. • 35 HERMOU STR. • 144 52 METAMORFOSSI, GREECE  
TEL.: (+30) 210 28 92 555 • FAX : (+30) 210 28 28 386 • e-mail : [info@fage.gr](mailto:info@fage.gr) • [www.fage.gr](http://www.fage.gr)