



THE MARKET

FAGE is Greece's leading yogurt company, producing milk, cheese, and yogurt for customers worldwide. Owned and strategically led by the Filippou family since its founding in 1926, FAGE features traditional-style Greek yogurt known for its famous taste and texture. FAGE first distributed its products in the United States in 1998. FAGE's U.S. plant in Johnstown, New York, opened its doors in early 2008, officially making FAGE the first Greek company producing Greek yogurt in the United States. Select FAGE products are currently available in Greece, the United Kingdom, Italy, the United States, Germany, and Cyprus, among 25 other countries. Americans are now coming to appreciate the benefits of this old-world yogurt, and the market for FAGE Total is thriving.

ACHIEVEMENTS

FAGE has received many accolades for its product and is consistently rated the best-tasting yogurt. FAGE Total garnered high marks from the International Taste & Quality Institute in Brussels, Belgium; was named the Best Plain Yogurt under 100 Calories and one of the Best Foods for Men by *Men's Health* magazine; and *Sante*, the magazine for restaurant professionals, honored FAGE with its Gold Star Award.

FAGE Total Greek strained yogurt is pure and simple, and uses only raw, 100 percent natural milk and cream supplied from rBGH-free cows. All the calcium-rich benefits of real dairy ingredients, with nothing artificial.

FAGE is committed to a healthy environment. FAGE sets an internal waste goal far



more stringent than industry standards, and is constantly searching for less polluting forms of energy in its office and production facilities. Recycling and water-saving measures are also part of the brand's green focus.



HISTORY

In 1926 Athanassios Filippou opened a small dairy shop at 213 Patision Street in Athens, Greece. At the time, the shop's location was part of the countryside and had only a single train station nearby. Little by little as travelers would come and go, Filippou's store became known for its delicious, creamy, one-of-a-kind yogurt.

With great care and passion, Athanassios nurtured the business and his authentic Greek strained yogurt recipe. He brought in his sons, Ioannis and Kyriakos, and thus was born a family business named FAGE (pronounced "fa-yeh").

In 1954 guided by his father, Ioannis Filippou helped to create the first wholesale distribution network for yogurt in Greece. Within a decade, Ioannis and his brother, Kyriakos, opened the company's first yogurt production facility in Galatsi, Athens.

From its inception until the mid-1970s, FAGE was involved primarily in the small-scale production and distribution of traditional Greek

yogurt. During that time, retail outlets typically sold yogurt as a commodity product in bulk quantities, and the consumer often was unaware of the manufacturer. However, in 1975, when the FAGE yogurt plant was relocated from Galatsi to the Metamorfoosi area of Athens, FAGE was the first company to introduce branded yogurt products to the Greek market. These products, which carried the FAGE trademark, were sold in smaller, sealed tubs and presented in attractively designed packaging — similar to the designs still used today.

From its roots as a local Athens dairy producer, the brand expanded throughout Greece as well as internationally. Exports to the United Kingdom began in 1980, to Italy in 1983, and to the United States in 1998. FAGE continues to enjoy growth in these countries as well as many others.

In June 2000 the company established the subsidiary, FAGE USA Corp., to import and further promote FAGE Total in the United States. People started tasting this authentic Greek strained yogurt with its famous taste and texture and the demand grew. After only four years of sales in the United States, and with sales of over 2,000 tons of imported yogurt in 2004, the brand recognized an opportunity.

In February 2005 construction began on a state-of-the-art production facility for FAGE Total in Johnstown, New York, and FAGE began



manufacturing its products in the United States in 2008. The 220,000-square-foot facility north of New York City represents a \$200 million investment into creating a highly automated, state-of-the-art plant that produces the famous FAGE Total with the highest standards of product quality, hygiene, and safety.



GREEN FOCUS

FAGE's presence in Johnstown, New York, has proven to be a win-win for the company and its chosen locale. For a gauge of the company's success, yogurt sales have gone from 2,000 imported tons in 2004 to presently being able to produce up to 85,000 tons. And as with any yogurt factory process, such activity creates whey, but in this case it is not wasted.

Whey from the burgeoning FAGE plant in Johnstown is pipelined to the town's wastewater treatment facility to produce methane gas that runs that facility's generators. When operations began in 2008, the town's plant was producing 30 percent of its own power. With the increased activity resulting from FAGE's success, the town's plant is now producing close to 80 to 100 percent of its electricity, saving Johnstown \$600,000 annually in electric bills. Moreover, because of the cost savings, Johnstown has been able to reduce its sewer rates for town residents.



THE PRODUCT

FAGE Total Greek strained yogurt is a yogurt like no other. Made from an authentic family recipe that dates back to 1926, FAGE Total uses 100 percent natural ingredients and contains no added sweeteners, thickeners, or preservatives, and no powdered milk, powdered cream, or powdered protein. Approximately four pounds of raw milk are needed to make just one pound of FAGE Total Greek Yogurt. That's because FAGE Total is authentic Greek strained yogurt, made using a natural straining technique that removes excess water, dissolved salts, and sugars. The result is a unique, 100 percent natural, thick and creamy yogurt with more protein and fewer carbohydrates than common yogurt.

Nothing resembles the delicious taste and versatility of FAGE Total Greek strained yogurt. For people around the world, FAGE Total is more than Greek yogurt. It's part of life. When they eat FAGE Total, they are part of the ancient Greek tradition of "good living," and by cooking with it, they are bringing the healthy Mediterranean lifestyle into their diet.

In Greece, it's eaten at all hours of the day. Tossed with cucumbers and garlic, it's the traditional dish of Tzatziki, and a perfect complement to lunch or dinner. Drizzled with honey, FAGE Total is a simple yet indulgent dessert. It tastes simply amazing.

RECENT DEVELOPMENTS

FAGE has come a long way from its humble beginnings. The corporate headquarters and largest production facility remain to this day in Metamorfosi, Athens, but the company is now producing milk, cheese, and yogurt for customers worldwide. In fact, FAGE is now Greece's leading yogurt company and operates three production facilities in Greece.

In 2006 Athanassios Filippou, son of Ioannis Filippou, became chief executive officer, and his brother Dimitrios Filippou became vice chairman. Athanassios-Kyros Filippou, son of Kyriakos, became chairman in 2010. Ioannis and

Kyriakos remain as lifelong honorary chairmen and nonexecutive directors.

In January 2012 FAGE expanded its line of luxuriously rich and creamy Total 0% yogurt with new flavors, including raspberry. FAGE Total 0% Raspberry features ripe raspberries alongside delicious nonfat, authentic Greek strained yogurt. In addition to Total 0% Raspberry, new Total 0% flavors include Strawberry, Cherry, Peach, and Blueberry — the first time FAGE's original fruit flavors were available in the Total 0% option.

Most recently, FAGE has started major expansions that will double the size of its plant in Johnstown. As a part of this initiative, the company is looking to add 150 employees to the current workforce of 250. This growth represents an investment of \$120 million in the Johnstown area, including \$100 million at the plant and \$20 million at a pretreatment whey facility.

PROMOTION

As any company in the age of social media knows, the most effective promotion comes from passionate fans of the product. FAGE Total's Face-



book page already has over 1 million fans. From film and TV celebrities to chefs and moms across the United States, all share a common passion for FAGE Total. Their desire to introduce FAGE Total to their friends has been instrumental in the growth of the brand. This phenomenal "word of mouth" endorsement has helped established FAGE Total as the first Greek yogurt brand in the United States.

FAGE has built upon this growth with an extensive track record of successful product innovations and brand marketing. The recent launch of the "Some People" TV campaign and the FAGE Total Plain Kitchen with Bobby Flay exemplify the brand's commitment to its unique premium positioning in the market. The FAGE Total brand continues to lead with innovative integrated marketing that spans dynamic social marketing programs to extensive, national TV and print campaigns.

BRAND VALUES

For thousands of years, Greek cuisine has been built around two ideas: the freshest possible ingredients and simple preparation. That tradition has been at the center of FAGE since its founding in 1926, and it's the key reason Greek cooking is considered one of the healthiest diets in the world. FAGE Total is proud to be part of that Greek heritage, offering a thick, healthy, and uniquely delicious taste with every bite. FAGE Total isn't Greek-style yogurt. It is authentic Greek yogurt, made by the same Greek family and with the same family recipe for over 85 years.

With its 85-plus years of history, FAGE is dedicated to this vision: To be a dairy company that contributes, through continuous development of innovative and high-quality products, to the balanced nutrition and healthy lives of consumers around the world.

FAGE is guided by the principle of providing the very best to its consumers. The original Filippou family motto, "We would never make a product that we would not give to our children," is just as relevant today it was at the company's inception in 1926.

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THINGS YOU DIDN'T KNOW ABOUT FAGE

- The family recipe that started it all off for FAGE Total has remained unchanged for more than 85 years.
- FAGE Total has 29 products in the U.S. and also recently launched Tzatziki and Feta.
- The U.S. FAGE plant — a round-the-clock operation — currently has more than 250 full-time employees.
- The FAGE Plant in upstate New York is "state of the art," with the highest standards of product quality, hygiene, and safety possible.