WINSTON & STRAWN LLP

NEWS

# Winston & Strawn Advises FAGE Group on Major Restructuring and Refinancing

DECEMBER 20, 2012

Winston & Strawn recently represented the FAGE Group, a leading international dairy company, in connection with a major corporate restructuring and a subsequent refinancing of the Group's external debt.

On October 1, 2012, the FAGE Group completed an internal restructuring designed to enhance the efficiency of its corporate structure and to better reflect the increasingly international nature of its business. As a result of the restructuring, FAGE International S.A., a newly formed Luxembourg corporation ("FAGE International"), became the parent company for all of the FAGE Group's subsidiaries, replacing the former parent company, FAGE Dairy Industry S.A., a corporation organized under the laws of Greece ("FAGE Greece"). The Group's operations in Greece are conducted through FAGE Greece and its operations outside of Greece are conducted through a newly formed Luxembourg subsidiary, FAGE Luxembourg S.à r.l., which is a holding company for the Group's subsidiaries in the United States, the United Kingdom, Italy and Germany.

On December 17, 2012, FAGE International and the Group's U.S. operating subsidiary, FAGE USA Dairy Industry, Inc. ("FAGE USA"), completed their offering of an additional US$250,000,000 aggregate principal amount of their 9.875% Senior Notes due 2020 (the "Additional Senior Notes"), which were issued jointly and severally by FAGE International and FAGE USA as co-issuers. The offering increases the total principal amount of the outstanding 2020 Senior Notes to US$400,000,000. The co-issuers will use the net proceeds from the sale of the Additional Senior Notes: (a) to redeem all of the Group's outstanding 7.5% Senior Notes due 2015; (b) to repay the FAGE Group's other indebtedness outstanding on the date of issuance; and (c) for capital expenditures and other general corporate purposes, including the expansion of the FAGE Group's U.S. manufacturing facility in Johnstown, New York.

The Additional Senior Notes were offered in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act and outside the United States pursuant to Regulation S under the Securities Act. The initial purchaser of the Additional Senior Notes was Citigroup Global Markets Inc.

Concurrently with the launch of the offering of the Additional Senior Notes, on December 3, 2012, the FAGE Group commenced a consent solicitation to the existing holders of the 2020 Senior Notes to amend certain of the existing restrictive covenants and events of default in the indenture governing the 2020 Senior Notes and to add certain new restrictive covenants to the indenture. The consent solicitation expired on December 11, 2012 with holders of a majority of the outstanding principal amount of the existing 2020 Senior Notes having consented to the

amendments. Accordingly, the indenture for the 2020 Senior Notes was amended and restated to give effect to the amendments as of December 17, 2012, the closing date of the offering of the Additional Senior Notes. The solicitation agent for the consent solicitation was Citigroup Global Markets Limited.

The Winston & Strawn corporate team for the restructuring of the FAGE Group, the offering of the Additional Senior Notes and the consent solicitation was led by New York partner David Sakowitz together with London associate Anna Evangelou. Continuing litigation support for the FAGE Group has been provided by partner Kimball Anderson.

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## Related Locations

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## Related Capabilities

Transactions

# Related Professionals

Kimball Anderson

David A. Sakowitz

Rachel Ingwer

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