

CHOBANI

Date Closed

- April 2014

TPG Investment

- Investment: \$671 Million (TPG VI - \$336M; TOP II - \$168M; TOP III - \$168M)
- Total Valuation: \$728 Million (1.1x Gross MoM)
 - \$17M Realized; \$711M Unrealized

TPG Ownership

- 35%¹

Company

- Market leader in the fast-growing US Greek yogurt category

1. TPG ownership includes controlled co-investment vehicles and is fully diluted based on the treasury stock method
Note: Valuation and ownership as of September 30, 2014 is estimated, unaudited and subject to change

Traditional Yogurt



- Semi-liquid, runny texture
 - 1 cup of milk makes 1 cup of yogurt
- Less protein, more calories

Chobani Greek Yogurt



- Thick, creamy texture
 - 3 cups of milk make 1 cup of yogurt
- More protein, fewer calories

Greek is marketed as more natural and better for you

The Yogurt Category Undergoes Tremendous Change CHOBANI

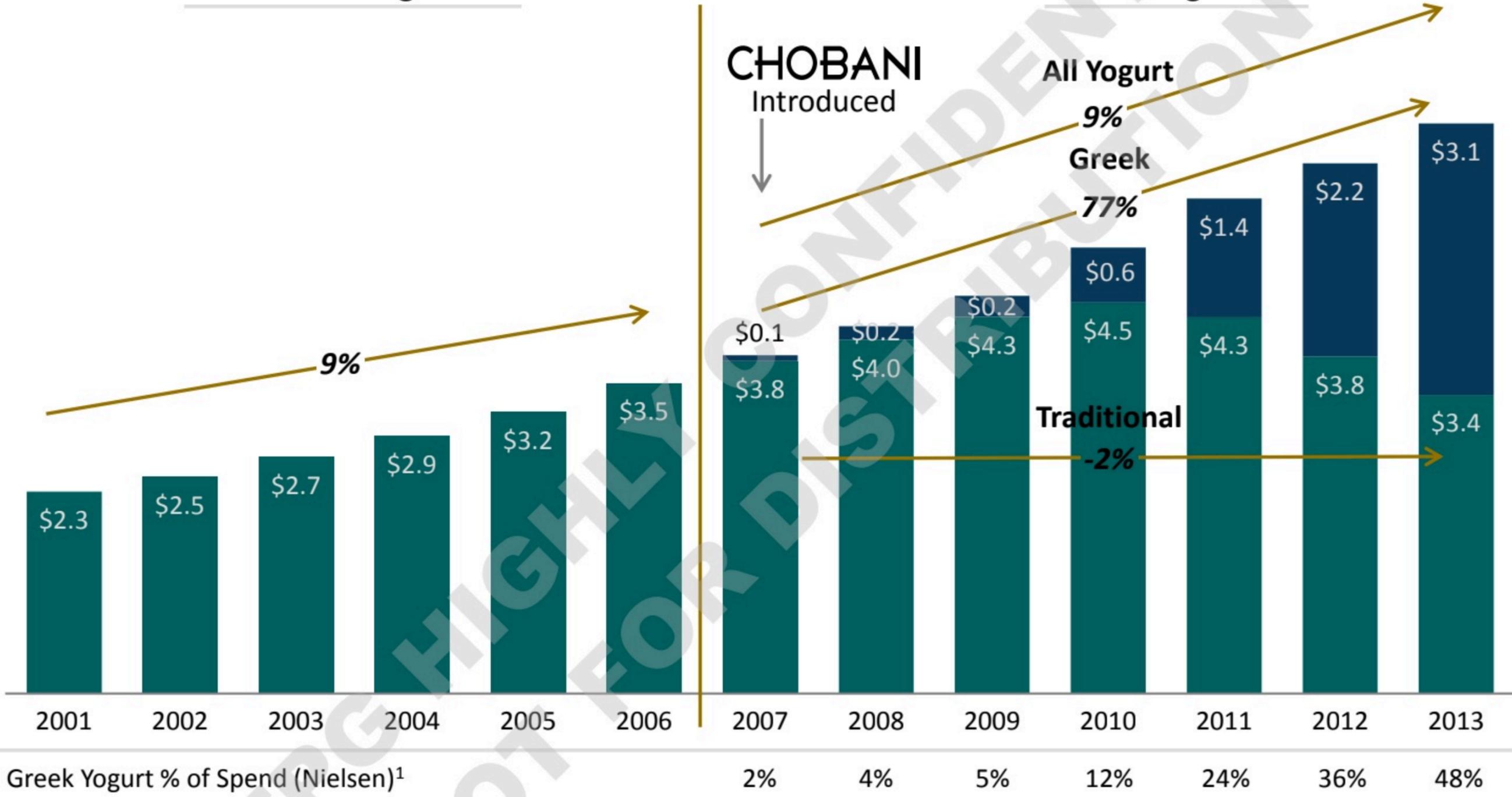
Total US Yogurt Spend (Retail)

\$ Billions

Traditional Yogurt Era

Greek Yogurt Era

CHOBANI Introduced



1. Based on Nielsen estimate of Greek yogurt retail spend as % of total yogurt retail spend
 Note: Past performance is not an indicator of future results
 Source: Euromonitor, Nielsen, Mintel, Analyst Estimates, Company Projections as of April 2014

Chobani was the category innovator in Greek yogurt

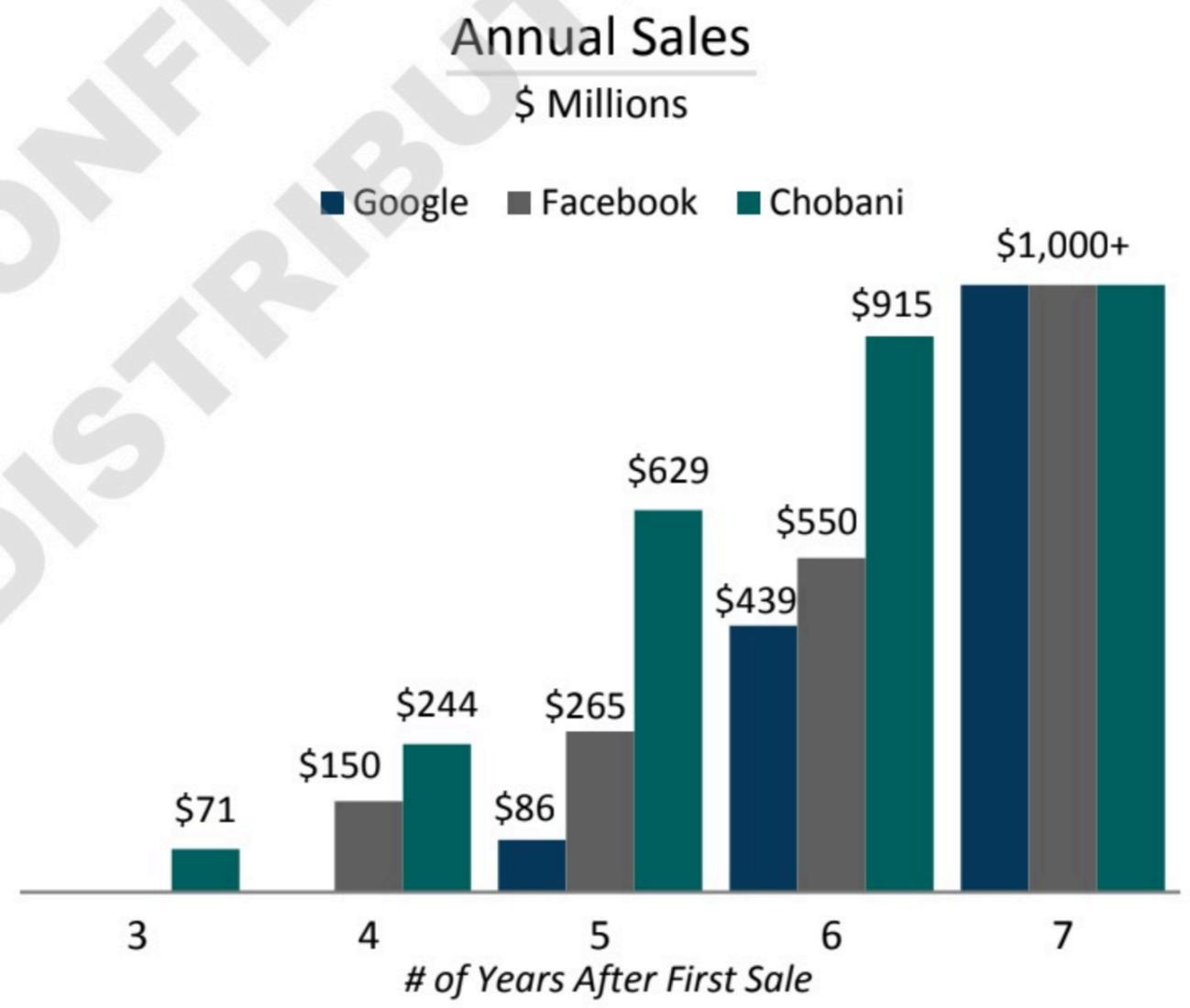
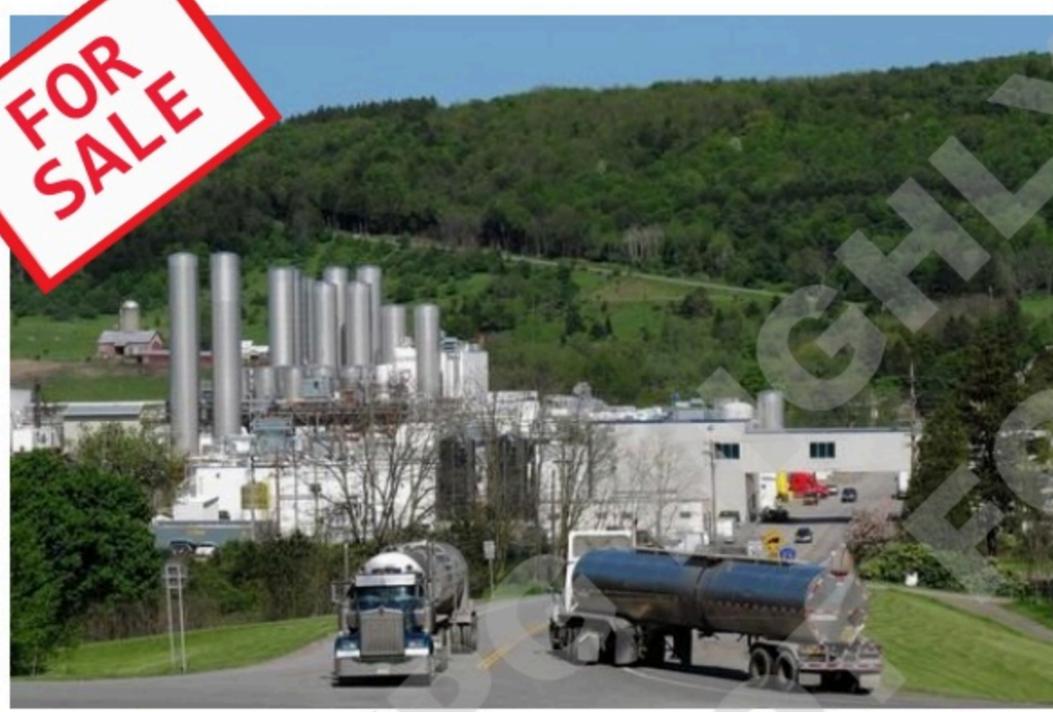
Chobani's Start-up Story



Incubation in Abandoned Kraft Factory

- Founder secures an \$800K Federal SBA loan to buy an abandoned Kraft yogurt factory in NY
- First cup of yogurt sold in 2007

Explosive Growth to >\$1B in Sales



Note: Past performance is not a guarantee of future results
 Source: Company financials and public filings as of September 30, 2014

Tremendous growth to \$1+ billion revenue

Refusal to Take Outside Investment

HBR.ORG **Harvard Business Review**

OCTOBER 2013
REPRINT R310A



“Chobani’s Founder on Growing a Start-up Without Outside Investors”

– HBR

Leverage Funded Growth Capex



“US Hunger for Yogurt Leads to Gigantic Factory – Chobani opens \$450M Idaho facility”

– NY Times

Chobani largely financed its growth through debt

'Perfect Storm' in 2013

Intensifying Competition

Danone / Yoplait / Fage
Combined Media Spend

\$ Millions



Milk Prices at All-time Highs

US Milk Prices

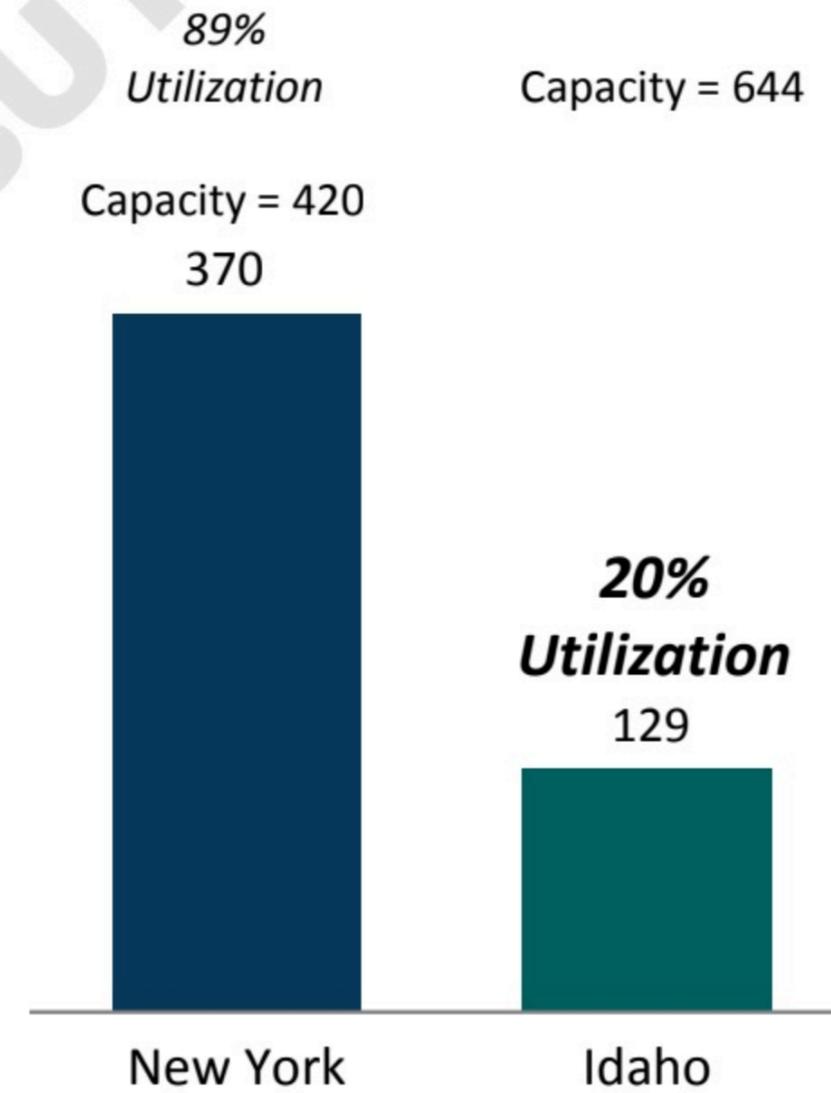
\$ / CWT; Median Class II Prices



Facility Start-up Challenges

2013 Production

Millions Pounds

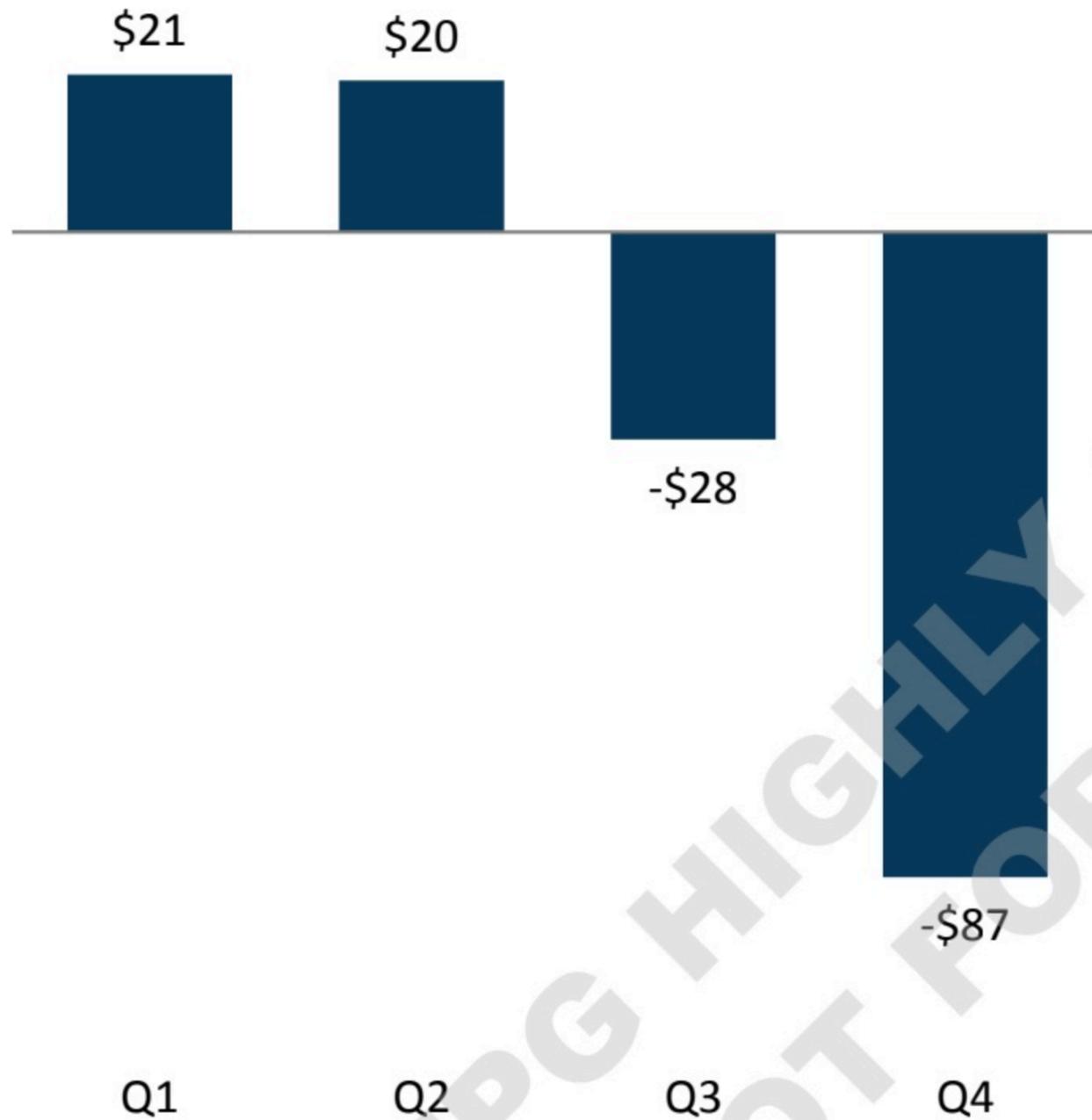


1. 2014 YTD is through April (pre-TPG investment)
Source: Company financials and public filings as of September 30, 2014

Competition, milk price, and Idaho start-up created a 'perfect storm' in 2013

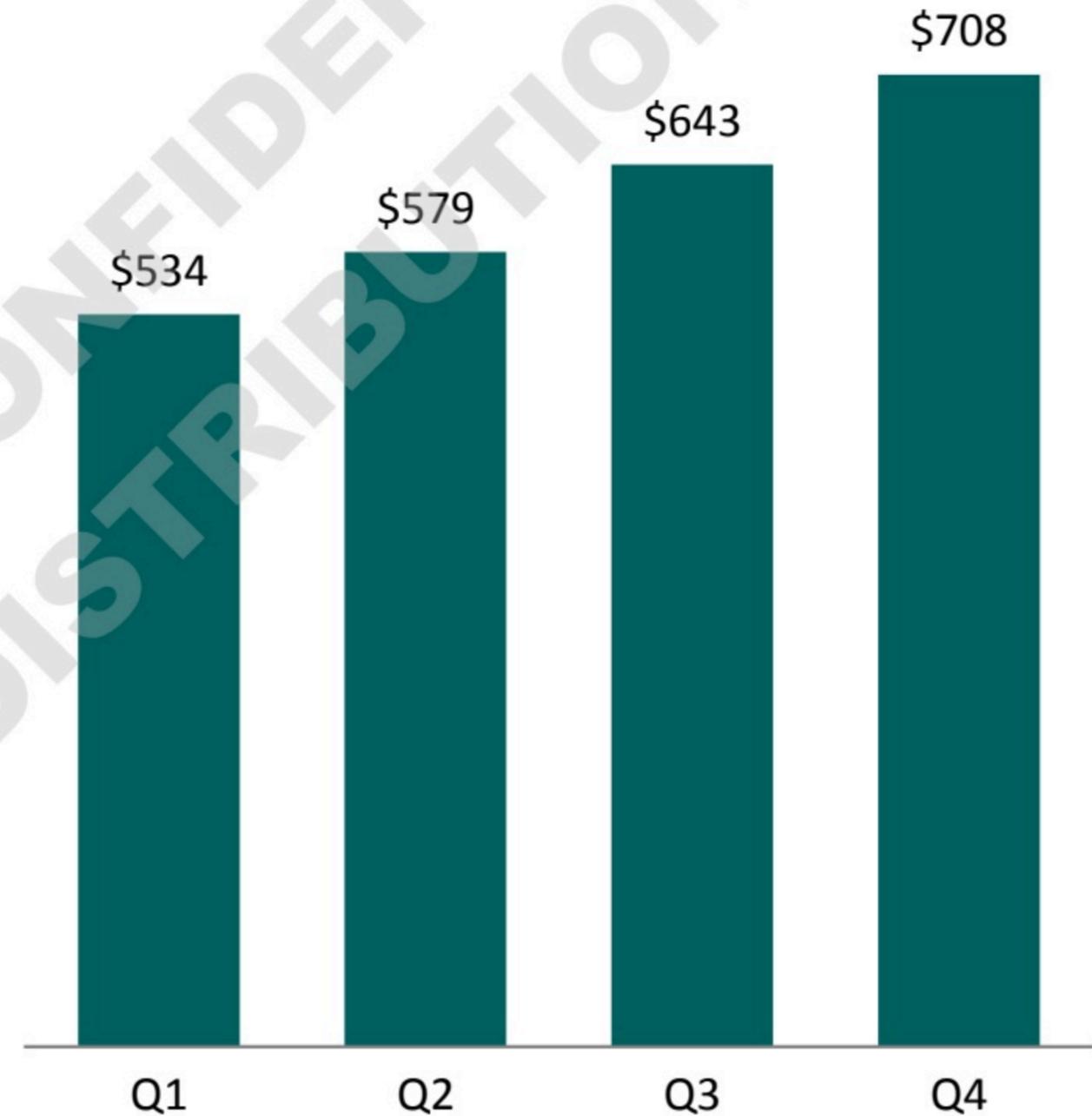
2013 Quarterly EBITDA

\$ Millions



2013 Quarterly Net Debt

\$ Millions



Source: Company financials as of April 2014

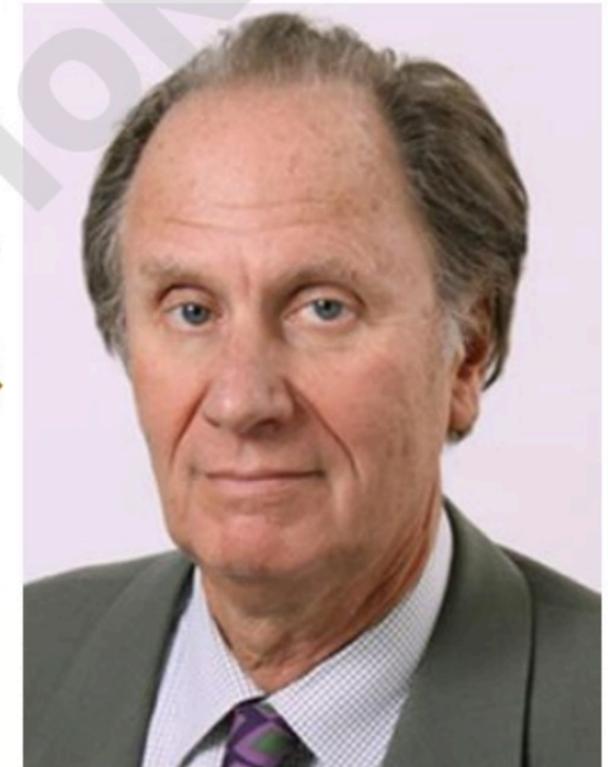
Earnings declines forced Chobani to restructure its balance sheet



Hamdi Ulukaya



Cuneyd Zapsu



David Bonderman

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Power of our global network

One of three parties contacted by BAML for a minority equity deal



Structured creative deal with lots of iterations along the way

Submitted first term sheet for convertible preferred equity with minority protections

Selected as 1 of 2 parties to continue

Summary of Key Terms

INITIAL TERM SHEET

- Investment Size and Security** • \$50 million convertible preferred, 10% coupon rate to cash during certain exit scenarios and 10% floor maturity
- Ownership and Conversion Price** • (1) 5% ownership or as converted; Conversion price based on 10x of EBITDA
- Strike Price Adjustments** • Conversion price shall decrease if underperforms 2017/18 plan (2018 and 2019); Conversion price price if Company goes public or if we make our consent exercise in the future
- Minimum Guaranteed Return** • In a liquidation, TPG receives the conversion amount or the minimum of: Minimum Return defined as at least 1.5x the cash on hand at the time of exit and 2x net proceeds
- Redemption** • Company has the right to redeem the shares from above 2018 for a period of 12 months; TPG has the right to put the company back after Year 7 if the company is not a public company
- Issuer Call Options** • Company can call \$20 million of our shares within 12-18 months; We can premium, plus accrued dividend; TPG receives 1:1 warrant coverage of its conversion price for a period of 12 months
- Board** • Number of TPG Board seats: 1/3

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Firm B

~~Firm C~~

Structured creative deal with lots of iterations along the way

Liquidity becoming tight – clock was ticking – and shifted to structured security



45-60 days



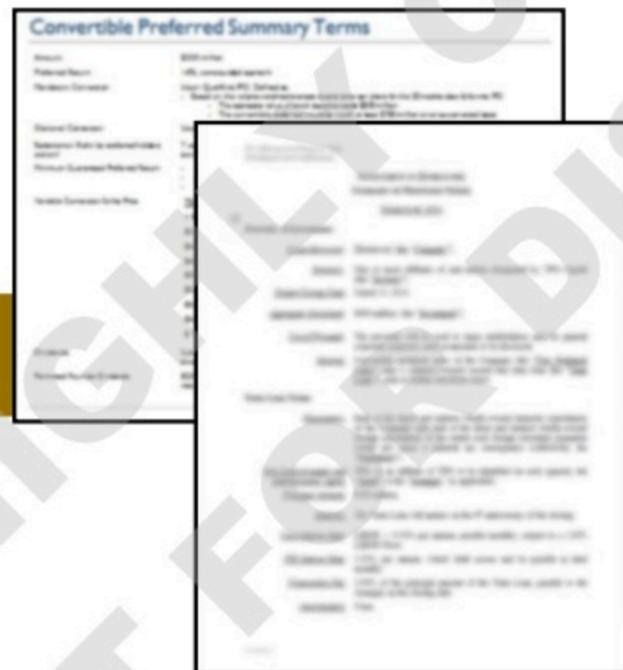
Liquidity Deadline

Structured creative deal with lots of iterations along the way

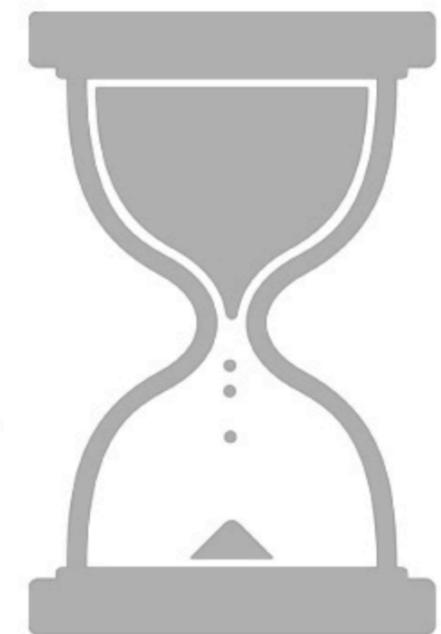
Liquidity becoming tight – clock was ticking – and shifted to structured security

Re-indicated as secured debt and preferred equity deal

45-60 days



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Liquidity Deadline

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