Investor Update
June 25, 2012
Forward Looking Statements

This presentation contains statements that are forward-looking. These statements are made based upon current expectations that are subject to risk and uncertainty because actual results may differ materially from those contained in the forward-looking statements. You should not place undue reliance on the forward looking statements when deciding whether to buy, sell or hold the Company’s securities. Factors that could cause results to differ materially include, but are not limited to: issues or concerns related to the quality and safety of our products, ingredients or packaging; changes in raw material and other costs; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; disruption to our supply chain; failure to successfully identify, execute and integrate acquisitions, divestitures and joint ventures; changes in governmental laws and regulations, including taxes; political, economic, and/or financial market conditions; risks and uncertainties related to our international operations and related growth targets; disruptions, failures or security breaches of our information technology infrastructure; the impact of future developments related to the investigation by government regulators of alleged pricing practices by members of the confectionery industry, including risks of subsequent litigation or further government action; pension cost factors, such as actuarial assumptions, market performance and employee retirement decisions and funding requirements; the ability to implement our supply chain realignment initiatives within the anticipated timeframe in accordance with our cost estimates and our ability to achieve the expected ongoing annual savings from these initiatives; and such other matters as discussed in our Annual Report on Form 10-K for 2011. All information in this presentation is as of June 25, 2012. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.
Agenda

J.P. Bilbrey  
President & CEO  
Hershey Overview

Michele Buck  
Senior Vice President, 
Chief Growth Officer  
Strategic Vision

Mike Wege  
Senior Vice President, 
Chief Commercial Officer  
Commercial Expansion

Jane Xu  
General Manager, 
Hershey China  
China Update

Dan Vucovich  
Senior Vice President, U.S.  
U.S. Strength

Bert Alfonso  
Executive Vice President, CFO 
& Chief Administrative Officer  
Building Shareholder Value

J.P. Bilbrey  
President & CEO  
Wrap-up
Key Messages

- Hershey’s business model is fundamentally advantaged
- We are leveraging knowledge, intellectual capital, brand building and innovation capabilities around the world
- We are financially disciplined with resources to successfully compete globally
- Well-positioned to capture the opportunities ahead
- We are focused on increasing shareholder value... on our aspirational path to $10 billion in net sales
Hershey, a global company...

- $6.1 billion net sales in 2011
- ~13,000 employees around the world
- Products available in over 70 countries around the world
- Hershey products manufactured in 14 countries
...delivering solid results...

- Knowledge and intellectual capital is central to our success
- Predictable and consistent net sales and earnings growth
- U.S. business profitable for Hershey and retailers
- Strong operating cash flow
- Disciplined approach to global expansion
...driven by knowledge & intellectual capital

Integrated Business Management

Marketing

Sales

Customer Service

Category Insights

Innovation

R&D

Finance

IBM
Building on our strengths in U.S. and key international markets
Hershey Overview
Key drivers of increased shareholder value

- Deliver predictable, profitable and sustainable N. America business
- Expand our geographical footprint in focus markets
- Create and expand a consumer-centric portfolio across key geographies
- Win with talent & knowledge to create a capable, high performance culture
- Execute with excellence
Confectionery is large, growing globally

+4.9%*  
2006-2011 CAGR

*Source: Euromonitor, Hershey estimates

$160b
U.S. confectionery is attractive...

$80b Snack Market

Confectionery 41%

- Salty Snacks 26%
- Cookies/Crackers 16%
- Breakfast Bars 10%
- Meat Snacks 1%
- Bakery Snacks 6%

Confectionery is the largest snack segment

Snacking on trend with consumer behavior

Source: Data Monitor 2012 Projections, Hershey estimates
...and has channel ubiquity

Hershey % of Net Sales by Channel

- Supermarkets: 25%
- Mass Merchandisers: 33%
- Specialty Channels: 5%
- Dollar Stores: 4%
- Wholesale Clubs: 8%
- Drug Stores: 10%
- C-stores: 15%

Source: Hershey sales
Leadership in U.S. Chocolate...

Source: Nielsen/IRI, Hershey custom database, xAOC+C 52-Weeks 12/31/11

xAOC+C data includes the following channels: Food, Drug, MassX, Convenience, Walmart, partial Dollar Store, partial Club, and Military store channels.
... and strong overall category position...

<table>
<thead>
<tr>
<th>Mars/ Wrigley</th>
<th>Hershey</th>
<th>Kraft</th>
<th>Nestle</th>
<th>P/L</th>
<th>R. Stover</th>
<th>Lindt</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>29%</td>
<td>6%</td>
<td>5%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

In the largest, most profitable market in the world

Source: Nielsen/IRI, Hershey custom database xAOC+C 52-Weeks 1/1/11
xAOC+C data includes the following channels: Food, Drug, MassX, Convenience, Walmart, partial Dollar Store, partial Club, and Military store channels.
...with great purchasing dynamics

1. Household penetration
2. Impulse purchases
3. Merchandising responsiveness
4. Checkout conversion rate

Source: IRI Builders
## Hershey Channel Growth

<table>
<thead>
<tr>
<th>Channel</th>
<th>% Chg 2010 vs. 2011</th>
<th>Market Share Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>+4.2%</td>
<td>+0.2 pts</td>
</tr>
<tr>
<td>Drug</td>
<td>+12.2%</td>
<td>+1.3 pts</td>
</tr>
<tr>
<td>Mass x</td>
<td>+5.7%</td>
<td>+0.5 pts</td>
</tr>
<tr>
<td>Convenience</td>
<td>+11.1%</td>
<td>+1.4 pts</td>
</tr>
<tr>
<td>xAOC+C*</td>
<td>+8.3%</td>
<td>+0.9 pts</td>
</tr>
</tbody>
</table>

*xAOC+C data includes the following channels: Food, Drug, MassX, Convenience, Walmart, partial Dollar Store, partial Club and Military store channels.

Source: Nielsen, Hershey estimates as of year-end
Consistent category growth...

**FDMxC—CMG Retail Sales ($B)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$12.4</td>
</tr>
<tr>
<td>2007</td>
<td>$12.4</td>
</tr>
<tr>
<td>2008</td>
<td>$12.4</td>
</tr>
<tr>
<td>2009</td>
<td>$12.4</td>
</tr>
<tr>
<td>2010</td>
<td>$14.8</td>
</tr>
<tr>
<td>2011</td>
<td>$14.8</td>
</tr>
</tbody>
</table>

3.6% 5-yr CAGR

*Source: Nielsen/IRI, Hershey custom database estimates*
...driven by solid chocolate performance

Chocolate—FDMxC Retail Sales ($B)

$6.5
$8.0

2006 2007 2008 2009 2010 2011

Source: Nielsen/IRI, Hershey custom database estimates
Hershey has a portfolio of iconic brands

The brands on this slide are registered trademarks® of The Hershey Company
Hershey has a portfolio of iconic brands

Global Brands

Reese's
Kisses
Jolly Rancher
Ice Breakers
Hershey Tops Forbes Brand Rankings

Most Ethical Leadership
Honest and Trustworthy Brands
#5 Overall Brand Ranking

Source: Forbes, October 2011
Global footprint increasing...

**Hershey International Net Sales % of Total Company**

<table>
<thead>
<tr>
<th>Year</th>
<th>RoW</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>9.8%</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>13.8%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>14.6%</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>15.6%</td>
</tr>
</tbody>
</table>
Global footprint increasing...

The Hershey Company Net Sales

% Chg 2011 vs. 2010

<table>
<thead>
<tr>
<th>Region</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>+6%</td>
</tr>
<tr>
<td>MBCI*</td>
<td>+26%</td>
</tr>
<tr>
<td>Canada</td>
<td>+1%</td>
</tr>
<tr>
<td>Export &amp; all other</td>
<td>+20%</td>
</tr>
<tr>
<td>Total Hershey</td>
<td>+7.2%</td>
</tr>
</tbody>
</table>

* Mexico, Brazil, China & India
...a big opportunity in emerging markets...

Chocolate & Non-Chocolate Candy
2011 Estimated Retail Sales ($b)

<table>
<thead>
<tr>
<th>Region</th>
<th>Non-Chocolate Candy</th>
<th>Chocolate</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>$6.3</td>
<td>$1.5</td>
</tr>
<tr>
<td>India</td>
<td>$0.7</td>
<td>$1.0</td>
</tr>
<tr>
<td>E. Europe</td>
<td>$4.3</td>
<td>$15.3</td>
</tr>
<tr>
<td>Latin America</td>
<td>$9.2</td>
<td>$10.3</td>
</tr>
</tbody>
</table>

Source: Euromonitor
...and growing rapidly

Chocolate & Non-Chocolate Candy
2006-2011 % CAGR

Source: Euromonitor
Knowledge & Intellectual Capital drive results...

- **The WHY**
  - Knowledge & Intellectual Capital

- **The WHAT**
  - Strategy
  - Demand Chain

- **The HOW**
  - IDP Activation

**Hershey**
- Marketing
- Sales
- Logistics
- Manufacturing

**Customers**
- Trip Mission
- Buyer
- Supply Chain
- Profitable Transaction
...managed by an experienced and proven management team

- Experienced management team
- Global knowledge
- Processes in place to develop high potential employees
- Matrix working environment enabling exposure to other functions and geographies

Talent and knowledge will continue to facilitate our growth objectives
“Doing well, by doing good”

Corporate Social Responsibility...a 100 year legacy:

“One is only happy in proportion as he makes others feel happy, and only as useful as he contributes his influences for the finer callings in life.”

-Milton S. Hershey
Our strategy is working

- Predictable
- Consistent
- Achievable

- Market Share
- Net Sales
- Margins
- EPS
Revenue growth accelerated

Net Sales YoY % Increase

- 2008: +3.8%
- 2009: +3.2%
- 2010: +7.0%
- 2011: +7.2%
- 2012E: +7-9%
A balanced approach

“Healthy” investment in brand building while growing EBIT margin

- Advertising-to-sales ratio
- EBIT margin*

*Adjusted, excludes business realignment and impairment charges & NSRPE
Strong EPS growth

Adjusted EPS-Diluted*

2008: $1.76
2009: $2.23
2010: $2.57
2011: $2.83
2012: $3.11 to $3.17

+10% to +12%

*Adjusted, excludes business realignment and impairment charges & NSRPE
International Opportunities
Confections is fragmented globally...

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kraft</td>
<td>14.8%</td>
</tr>
<tr>
<td>Mars/Wrigley</td>
<td>14.1%</td>
</tr>
<tr>
<td>Nestle</td>
<td>7.9%</td>
</tr>
<tr>
<td>Hershey</td>
<td>4.7%</td>
</tr>
<tr>
<td>Ferrero</td>
<td>4.5%</td>
</tr>
<tr>
<td>Perfetti Van Melle</td>
<td>3.1%</td>
</tr>
<tr>
<td>Lindt</td>
<td>2.0%</td>
</tr>
<tr>
<td>Lotte</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Source: Euromonitor 2010 global market share (retail sales)
Will accelerate growth via M&A, with an emphasis on focused geographies
Robust global chocolate category growth

Expected chocolate category size 2017 ($b)

<table>
<thead>
<tr>
<th>Country</th>
<th>2017 ($b)</th>
<th>Est. CAGR 2011-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$10</td>
<td>+11%</td>
</tr>
<tr>
<td>China</td>
<td>$3</td>
<td>+9%</td>
</tr>
<tr>
<td>India</td>
<td>$3</td>
<td>+21%</td>
</tr>
<tr>
<td>Mexico</td>
<td>$1.4</td>
<td>+4%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>$10</td>
<td>+7%</td>
</tr>
<tr>
<td>Latin America</td>
<td>$9</td>
<td>+12%</td>
</tr>
<tr>
<td>Russia</td>
<td>$13</td>
<td>+8%</td>
</tr>
</tbody>
</table>

Source: Euromonitor, Hershey estimates
Non-chocolate candy, a large global category

Expected NCC category size 2017 ($b)

<table>
<thead>
<tr>
<th>Country</th>
<th>Estimated 2017 Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$7</td>
</tr>
<tr>
<td>China</td>
<td>$9</td>
</tr>
<tr>
<td>India</td>
<td>$2</td>
</tr>
<tr>
<td>Mexico</td>
<td>$3</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>$3</td>
</tr>
<tr>
<td>Latin America</td>
<td>$7</td>
</tr>
<tr>
<td>Russia</td>
<td>$3</td>
</tr>
</tbody>
</table>

Est. CAGR 2011-2017

- Brazil: +8%
- China: +6%
- India: +16%
- Mexico: +5%
- Eastern Europe: +6%
- Latin America: +9%
- Russia: +3%

Source: Euromonitor, Hershey estimates
Outside U.S. & Canada net sales will continue to accelerate with profitability to follow

<table>
<thead>
<tr>
<th></th>
<th>2012E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales (organic)</td>
<td>~$700m</td>
<td>$1.5b - $2.0b</td>
</tr>
<tr>
<td>CAGR (organic)</td>
<td>~20%</td>
<td></td>
</tr>
<tr>
<td>M&amp;A</td>
<td>--</td>
<td>Additive</td>
</tr>
<tr>
<td>Profitability</td>
<td>Build out/ Invest mode</td>
<td>Low/ Mid-teens %</td>
</tr>
</tbody>
</table>
Long-term Targets
### Long-term Net Sales Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>Expected YoY% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. CMG Category</td>
<td>4%+</td>
</tr>
<tr>
<td>Hershey U.S. &amp; Canada</td>
<td>~4%</td>
</tr>
<tr>
<td>Hershey ROW</td>
<td>~20%</td>
</tr>
<tr>
<td>Total Hershey</td>
<td>+5-7%</td>
</tr>
</tbody>
</table>

- Leveraging U.S. scale
- Expect innovation to deliver at least a point of overall growth per year
- Continued investment in international go-to-market capabilities
- Consumer-centric driven innovation (globally)
Long-term Adjusted Earnings Per Share

Previous
+6-8%

As of 6/25/12
+8-10%
Cash Flow Priorities

#1 M&A Opportunities

#2 Dividend

#3 Cap-ex *

#4 Sh. Buyback and Debt Reduction

* Cap-ex for volume / capacity expansion and cost reduction
Solid Shareholder Returns

Total Shareholder Return (%)

HSY
S&P Food Group
S&P 500
DJIA
Hershey, a solid business investment

- Predictable and consistent top-line growth
- Profitable category for both manufacturers and retailers
- Strong operating cash flows
- Solid balance sheet
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Agenda Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.P. Bilbrey</td>
<td>President &amp; CEO</td>
<td>Hershey Overview</td>
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<tr>
<td>Michele Buck</td>
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<td>Jane Xu</td>
<td>General Manager, Hershey China</td>
<td>China Update</td>
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<td>U.S. Strength</td>
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<tr>
<td>Bert Alfonso</td>
<td>Executive Vice President, CFO &amp; Chief Administrative Officer</td>
<td>Building Shareholder Value</td>
</tr>
<tr>
<td>J.P. Bilbrey</td>
<td>President &amp; CEO</td>
<td>Wrap-up</td>
</tr>
</tbody>
</table>
Vision and Strategic Priorities

Michele Buck, SVP Chief Growth Officer
Key messages

- We have built an advantaged business model proven to deliver sustainable growth
- Our vision and 5 year plan will drive accelerated growth
- We will seize further US confectionery opportunity
- Our brands and capabilities are transferable as we expand our geographic footprint and portfolio in a disciplined manner
- We will win with advantaged knowledge, investment and continued operational excellence
Advantaged Business Model

Knowledge & Intellectual Capital
Strategy
Demand Chain
IDP Activation

Brand Building
Innovation
Retail Execution

Consumer / Shopper Solutions

Financial Discipline & Operating Excellence
We have transformed... Consumer-Centric
Consumers
Hershey’s Demand Landscape

Brands

Shoppers
Precision Shopper Landscape

Transformed... Insights
Transformed... Advertising

$414M
6.8% of Net Sales ‘11

$108M
2.2% of Net Sales ‘06
## Transformed... Global Brands

<table>
<thead>
<tr>
<th>BULL’S EYE TARGET</th>
<th>BRAND ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSUMER INSIGHT</td>
<td>BRAND VALUES</td>
</tr>
<tr>
<td>BRAND IDEA</td>
<td>REASON TO BELIEVE</td>
</tr>
<tr>
<td>KEY BENEFIT</td>
<td>BRAND PERSONALITY</td>
</tr>
</tbody>
</table>

**BRAND IDEA**
Genuine Chocolate
Genuine Happiness
Anytime Anywhere
Transformed... Innovation

ONE-OFF ITEMS

STRATEGIC PLATFORMS
Transformed... Customer Relationship

TRANSACTIONAL ➔ VALUE ADDED, CONSULTATIVE

CATEGORY GROWTH FOCUS
Model has demonstrated results

YoY Revenue Growth and EBIT Margin*

*Adjusted, excludes business realignment and impairment charges & NSRPE
HERSHEY VISION FOR GLOBAL GROWTH

Disciplined, Sustainable Growth
Hershey Vision

**Disciplined, Sustainable Growth**

**CORE BUSINESS:** Leadership in North America

**GLOBAL EXPANSION:** Scale player in select global emerging markets

**BEYOND CHOCOLATE:** Participate in on-trend consumer segments

**DIFFERENTIATOR:** Advantaged Knowledge & Insights

- Consumer / shopper insights / knowledge
- Brands
- Taste & nutrition science
- Supply chain
- Go-to-market
- M&A
- Talent
Hershey Vision - Destination

WHERE TO PLAY

GEOGRAPHIES

#1 North America

Emerging Markets

Among the Top 3

CATEGORIES

Confectionery & Snacking

Convenience Oriented

Snacking Continuum

BFY Indulgence

HOW TO WIN

CORE CAPABILITIES

Deliver Consumer and Shopper Solutions Through Insights and Knowledge
**Strong growth aspirations**

**Revenue**
- **Today:** $6.5B
- **2017 Goal:** $10B

**% Revenue International (ex US/Canada)**
- **Today:** 10%
- **5 Year Goal:** 25%

**Gross Margin**
- **5 Year Goal:** ~43%
5 Strategies translate Vision to Plan

- Deliver predictable, profitable & sustainable NA business
- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies
- Win with talent and knowledge and create a capable, high performance culture
- Execute with excellence
Create and expand a consumer centric portfolio across key geographies

Expand our geographical footprint in focus markets

Create and expand a consumer centric portfolio across key geographies

Win with talent and knowledge and create a capable, high performance culture

Execute with excellence

Deliver predictable, profitable & sustainable NA business

Drive advantaged business model

Investment in Core, Disciplined Innovation, Retail excellence

Mid Single Digit Growth
Deliver predictable, profitable & sustainable NA business

Expand our geographical footprint in focus markets

Create and expand a consumer centric portfolio across key geographies

Win with talent and knowledge and create a capable, high performance culture

Execute with excellence

- Focused expansion with transferable, winning business model
- Big Bet in China
- M&A as enabler
Strategic highlights

- Create and expand a consumer centric portfolio across key geographies
- Expand our geographical footprint in focus markets
- Win with talent and knowledge and create a capable, high performance culture
- Execute with excellence

- 5 global brands
- Two $2B Brands; One $1B Brand; One $500M Brand
- Sweets & Refreshment and Adjacencies accelerate
Strategic highlights

- Deliver predictable, profitable & sustainable NA business
- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies
- Grow global talent
- Invest in R&D, M&A, Go-to-market, and IDP capabilities
- Win with talent and knowledge and create a capable, high performance culture
- Execute with excellence
Create and expand a consumer centric portfolio across key geographies

Expand our geographical footprint in focus markets

Strategic highlights

- Gross margin expansion
- Investment in capital infrastructure
- Supporting processes and aligned compensation

Deliver predictable, profitable & sustainable NA business

Win with talent and knowledge and create a capable, high performance culture

Execute with excellence
5 Strategies translate Vision to Plan

**Fuel**
- Deliver predictable, profitable & sustainable NA business

**Growth planks**
- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies

**Enablers**
- Win with talent and knowledge and create a capable, high performance culture
- Execute with excellence

Best-in-class shareholder return
Scale North America is foundation

#1 Chocolate
#2 in CMG

Source: Nielsen/IRI, Hershey custom database xAOC+C 52-Weeks 1/1/11
xAOC+C data includes the following channels: Food, Drug, Mass, Convenience, Walmart, partial Dollar Store, partial Club, and Military store channels.
North America sustainability funds growth

The “Virtuous Cycle”

Invest in Brands

Build Scale, Realize Price

6% CAGR Margin Expansion

Fuel $

Focused & Disciplined Expansion

International Expansion

Portfolio Expansion

Capability Building

Invest in Knowledge, Insights & Capabilities

Leverage Capability & Scale to Control Cost
Built around a robust business model

Fundamentals

- Consumer
- Core
- Customer
- Capability

Balanced Growth Drivers

- Advertising
- Innovation
- Seasons
- Distribution
- Merchandising
Expand replicable US business model globally
5 Strategies translate Vision to Plan

Fuel
Deliver predictable, profitable & sustainable NA business

Growth planks (organic & via M&A)
Expand our geographical footprint in focus markets
Create and expand a consumer centric portfolio across key geographies
Win with talent and knowledge and create a capable, high performance culture
Execute with excellence

Enablers
Best-in-class shareholder return
Confections is fragmented globally...

Source: Euromonitor 2010 global market share ($ retail sales)
Focus on high growth emerging markets

- High GDP growth 4-10%
- Middle Class
- 2/3 of World Population
- High Confectionary growth 5-20%
GDP vs. CMG Growth

YoY % Change - World GDP & World CMG Retail Sales

Source: IMF, Euromonitor
Strong GDP Growth

2011 - 2016 CAGR

<table>
<thead>
<tr>
<th>Country</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>9.4%</td>
</tr>
<tr>
<td>India</td>
<td>8.0%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6.8%</td>
</tr>
<tr>
<td>Africa</td>
<td>5.0%</td>
</tr>
<tr>
<td>Middle East</td>
<td>4.4%</td>
</tr>
<tr>
<td>Brazil</td>
<td>4.1%</td>
</tr>
<tr>
<td>Russia</td>
<td>4.0%</td>
</tr>
<tr>
<td>Mexico</td>
<td>3.5%</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.8%</td>
</tr>
<tr>
<td>Canada</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

--- World Avg. 3.8%

Source: IMF
Increasing Wealth from Rising Middle Class

Middle Class People (Million)

Source: Goldman Sachs "The Expanding Middle: The Exploding World Middle Class and Falling Global Inequality"
Highly populous

% of World Population - 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>% of World Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>19.0%</td>
</tr>
<tr>
<td>India</td>
<td>17.7%</td>
</tr>
<tr>
<td>Africa</td>
<td>15.6%</td>
</tr>
<tr>
<td>US</td>
<td>4.5%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3.5%</td>
</tr>
<tr>
<td>Mid-East</td>
<td>3.3%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.8%</td>
</tr>
<tr>
<td>Russia</td>
<td>1.9%</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: IMF
Prioritized by attractiveness & HSY ability to win

- Market attractiveness
- Confectionery attractiveness
- Snack/Beverage attractiveness

- Win Now
- Expand
- Participate

- Existing market position/talent
- Customer/cost sharing

- Now
- Hershey Ability to Win
- Future
Roles and pacing key to profitable growth

Win Now - Scale to profitability

- China
- Contiguous North America

Expand

- Middle-East & North Africa
- Brazil
- South East Asia

Participate for future growth

- India
- Emerging West & S. Africa
- Eastern Europe
Leverage Density Strategy

- Broaden Distribution
- Expand Portfolio
- Increase Media
- Deepen Distribution

Pop./GDP

Drive Efficiency
Building momentum in China...

- Distribution Density
- Advertising
- Portfolio

6x-7x Revenue Growth Over Next 5 Years

#2 Hershey’s Market
Leveraging learnings to win

China experience has been good

- Disciplined media investment
- Methodical and aggressive city expansion
- Building blocks approach to planning

Building a foundation in India

- Underinvestment in brand building
- Lack of differentiated portfolio
- Entered with increasing sugar costs
Healthy margins allow for profitability

Indexed to Current US Gross Margin

Today

US: 100
China: 88

5 Yr Outlook
Investing in Infrastructure to support growth

- Leverage local talent
- Cross-pollinate innovation between Asia and US
- Location: Shanghai

Asia R&D and Innovation Center
Capacity expansion for international growth

- Mexico
- Brazil
- North America
- India
- China / Asia

Additional Asia manufacturing facility
Geographic Expansion will be key to growth

Growth Contribution

RoW

US/Canada

Today

2017 Goal

30%  70%

50%  50%
Role of Hershey M&A

- Grow internationally (especially in Win Now markets)
- Expand Portfolio
- Bolster the core US business

Build Strength  Leverage Strength
...with Financial flexibility to achieve

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA* ($m)</th>
<th>Operating Cash Flow ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>913</td>
<td>520</td>
</tr>
<tr>
<td>2009</td>
<td>1,064</td>
<td>1,066</td>
</tr>
<tr>
<td>2010</td>
<td>1,195</td>
<td>901</td>
</tr>
<tr>
<td>2011</td>
<td>1,273</td>
<td>581</td>
</tr>
</tbody>
</table>

*Adjusted, excludes business realignment and impairment charges & NSRPE
Disciplined approach to M&A opportunity

Total Confectionary Market Growth %

Select Size of M&A Opportunities

Approximate net sales($) of potential acquisition targets in billions

Source: Hershey Estimates, Euromonitor

Note: Eastern Europe includes CIS states
Market growth rates are chocolate confectionary market nominal 2011-2016E CAGRs at year on year exchange rates

Approximate net sales($) of potential acquisition targets in billions

Source: Hershey Estimates, Euromonitor

Note: Eastern Europe includes CIS states
Market growth rates are chocolate confectionary market nominal 2011-2016E CAGRs at year on year exchange rates
M&A focus on geographical bolt-ons

**Strategic Preference**

- **Confections**
  - Chocolate
  - Sweets and Refreshment

- **Snacks**
  - Adjacencies
  - White spaces

- **Distribution**
  - Acquisitions, JVs and alliances
5 Strategies translate Vision to Plan

**Fuel**
- Deliver predictable, profitable & sustainable NA business

**Growth planks** (organic & via M&A)
- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies

**Enablers**
- Win with talent and knowledge and create a capable, high performance culture
- Execute with excellence

Best-in-class shareholder return
Drive Core Brands

- Impulse Category
- Expandable Consumption
- Highly responsive to advertising
- Drives scale profitability
- International & Portfolio Expansion

Advertising as % NS

<table>
<thead>
<tr>
<th>Today</th>
<th>5 Yr Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.0%</td>
<td>High Single Digit</td>
</tr>
</tbody>
</table>

1-2x Sales Growth

Top Quartile of Peer Group
Expand 5 Core brands globally

The brands on this slide are registered trademarks® of The Hershey Company
Innovate around Core

Sweets & Refreshment

Hand to Mouth, Refreshment

Chocolate

Hand to Mouth, Better For You

The brands on this slide are registered trademarks® of The Hershey Company
Capture untapped S&R opportunity

**Target Markets**

- Sweets & Refreshment
  - Twizzlers, Jolly Rancher, Ice Breakers

**Hershey**

- 35% S&R
- 20 pt Opportunity

**Source:** Euromonitor

The brands on this slide are registered trademarks® of The Hershey Company
5 Strategies translate Vision to Plan

Fuel
- Deliver predictable, profitable & sustainable NA business

Growth planks (organic & via M&A)
- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies

Win with talent and knowledge and create a capable, high performance culture

Enablers
- Execute with excellence
Organization structured for global growth

- **New structure implemented in 2011**
- **SBUs build and leverage Hershey’s global brands**
- **COEs disseminate best practices around the world**
Growing Global Talent

- Critical positions filled with top talent

<table>
<thead>
<tr>
<th></th>
<th>Today*</th>
<th>5 Yr Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>28%</td>
<td>+ 30%</td>
<td>40%</td>
</tr>
</tbody>
</table>

* Excludes manufacturing headcount
Knowledge Agenda will be Differentiator

Knowledge & Intellectual Capital - The WHY

Strategy - The WHAT

Demand Chain

IDP Activation - The HOW

Hershey

Customers

Marketing
Sales
Logistics
Manufacturing

Trip Mission
Buyer
Supply Chain
Profitable Transaction
Advantaged Knowledge Tools - Example

- Mind Modeling
- Palate Mapping
- Trip Missions
- Proprietary Media Mix
- Unmet Portfolio Demand
- Precision Loyalty
- Hershey's Demand Landscape
- IDP
- Precision Shopper Landscape
IDP Capability applied to optimize formulas in geographic expansion

**Palate Mapping**

- Drivers of Liking
- Preferred bundle of benefits
- Product developed to local taste
Advancing capabilities to deliver IDP globally

Capability Ladders

Knowledge Agenda
Retail as a Competitive Advantage
Category Advisor

Shopper Trip Missions
Building Sales Competency
Planogram and Assortments

Consumer Demand Landscape
Distributor & Wholesale Management
Share of Shelf

Insights
Go-to-Market
Category Management
5 Strategies translate Vision to Plan

**Fuel**
- Deliver predictable, profitable & sustainable NA business

**Growth planks (organic & via M&A)**
- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies
- Win with talent and knowledge and create a capable, high performance culture

**Enablers**
- Execute with excellence
Integrated Business Processes central to success

Key Metric Targets

- Growth from Innovation: 1+pts (‘08-'11)
- WMAPE: ~7pt improvement vs. ’09
- Inventory: ~20% improvement vs.’08
- Case fill: 1+pt improvement vs. YAG
- Forecast Accuracy (NS): Improved to +/- 1.5%
Measure progress against 7 core capabilities

<table>
<thead>
<tr>
<th>Consumer/ shopper insights</th>
<th>Example Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1+pts of Growth from Innovation</td>
<td></td>
</tr>
</tbody>
</table>

| Taste & nutrition science | 30% Innovation from Tech platforms |

<table>
<thead>
<tr>
<th>Brands</th>
<th>5 Scale Global Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>~65% Utilization</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supply Chain</th>
<th>~190k Distribution Points (US)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Go-to-market</th>
<th>100% Replicable PMO Capability</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>M&amp;A</th>
<th>80% Critical Roles w/ Top Talent</th>
</tr>
</thead>
</table>

| Talent                     |                                  |
|----------------------------|                                  |
Focused Strategies and Initiatives

Strategic Initiatives

- North America
- Global Footprint: China Growth, Mexico Growth, India Growth
- Portfolio Expansion: S&R Expansion / Acceleration, Portfolio Expansion
- M&A Pipeline & Execution
- Capital, Asia Tech Center / R&D Capab.
- Asia, Sourcing, Project

Linked to Individual performance goals

ST R A T E G I E S

Execute with Excellence
Talent & Knowledge
Portfolio Expansion
Global Footprint
North America
Hershey will deliver predictable growth

- Strong North American Foundation with Replicable Business Model
- Aggressive, yet Disciplined Expansion
- Strong Top Line & Cost Management Deliver Bottom Line Performance
Agenda

J.P. Bilbrey  President & CEO  Hershey Overview
Michele Buck  Senior Vice President, Chief Growth Officer  Strategic Vision
Mike Wege  Senior Vice President, Chief Commercial Officer  Commercial Expansion
Jane Xu  General Manager, Hershey China  China Update
Dan Vucovich  Senior Vice President, U.S.  U.S. Strength
Bert Alfonso  Executive Vice President, CFO & Chief Administrative Officer  Building Shareholder Value
J.P. Bilbrey  President & CEO  Wrap-up
Global Expansion through Commercial Excellence

Mike Wege, Senior Vice President, Chief Commercial Officer
Commercial Leadership

Strategic Business Units/“SBUs”
- Global Chocolate
- Global Sweets & Refreshment

Global Centers of Excellence
- Selling & Customer
- Marketing
Key Messages

- Our structure and integrated capabilities are delivering strategic goals and priorities
- Our brands are strong and proven, and we have the capability to expand them globally
- A disciplined, insights-based approach to innovation is delivering
- World-class selling and customer capabilities are accelerating global growth
- Our commercial model is working across focus countries with China advancing rapidly
“Transforming our commercial capabilities into a world-class, knowledge-driven organization of brand builders and category leaders...
...who inspire consumers with uniquely compelling brand experiences, applications and category innovation
...who partner with customers to expand category growth and profitability through industry-leading (IDP) expertise and tools
...and who consistently deliver top tier financial performance and shareholder value.”
# Commercial Teams

- Knowledge/Insight-Driven
- Consumer-Centric
- Customer-Connected
- Financially Focused
- Solutions-Oriented
Organization structured for global growth

<table>
<thead>
<tr>
<th></th>
<th>Choc SBU</th>
<th>S&amp;R SBU</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Americas</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Asia</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
INTEGRATION
Synchronized 18-month delivery (IBM)
Synchronized 5-year business planning (IBP)

IBP = INTTEGRATED BUSINESS PLANNING
Key Strategies drive our 5-year plan

- **Fuel**
  - Deliver predictable, profitable & sustainable NA business

- **Growth planks** (organic & via M&A)
  - Expand our geographical footprint in focus markets
  - Create and expand a consumer centric portfolio across key geographies

- **Enablers**
  - Win with talent and knowledge and create a capable, high performance culture
  - Execute with excellence

Best-in-class shareholder return
Hershey has iconic brands...

The brands on this slide are registered trademarks® of The Hershey Company.
... loved by consumers

2012 Harris Poll - U.S. All Categories

Hershey's Kisses #1
Reese's Peanut Butter Cups #3
Hershey's #6
Our brands are media responsive...
Our brands win at retail
U.S. brands driving sustained growth...

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5.1%</td>
</tr>
<tr>
<td>2010</td>
<td>6.5%</td>
</tr>
<tr>
<td>2011</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

Nine year average: 3.9%
... and expanded market share

Hershey US CMG Share Change (pts) FDMxC

<table>
<thead>
<tr>
<th>Year</th>
<th>Share Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>0.1</td>
</tr>
<tr>
<td>2010</td>
<td>0.3</td>
</tr>
<tr>
<td>2011</td>
<td>0.8</td>
</tr>
<tr>
<td>2012 YTD</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: Nielsen/IRI, Hershey custom database estimates
Opportunity =
Building our brands globally

The brands on this slide are registered trademarks® of The Hershey Company
Insights build “Demand Landscape”

Consumer Insights ➔ Hershey Demand Landscape (HDL)
Insights build “Demand Landscape”

Consumer Insights ≥ 2012 UPDATE! (HDL)
2012 Demand Landscape starts with “Who” is buying confection?
Updated Need States drive the “Why”

<table>
<thead>
<tr>
<th>Comfort</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>Social Confidence</th>
</tr>
</thead>
</table>

More Emotional | More Physical/Functional
Combining “Who” and “Why” together...

Segments

- Engaged Exploring Munchers
- Deal Seekers
- Loyal Indulgers
- Confection Loving Moderators
- Guilty Controllers
- Detached Occasionalists

Need States

- Comfort
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- Social Confidence

Total Confection Demand Landscape
...defines economic potential

Portfolio Choices

- $ Brand A
- $ Brand B (Relaunch)
- $$$ Brand B
- $$ Brand C
- $ Brand D
- White Space
- White Space
- $$ Brand E

Diagram representing the portfolio choices with economic potential definitions.
New 2012 segment landscapes will sharpen U.S. decisions.
Expanding advantaged understanding of consumer demand

<table>
<thead>
<tr>
<th></th>
<th>Chocolate</th>
<th>Sweets &amp; Refreshment</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>2012 (update)</td>
<td>2012</td>
</tr>
<tr>
<td>China</td>
<td>2012</td>
<td>2012</td>
</tr>
<tr>
<td>Mexico</td>
<td>2014 (update)</td>
<td>2012</td>
</tr>
<tr>
<td>Brazil</td>
<td>2012</td>
<td>TBD</td>
</tr>
</tbody>
</table>
Global Tools: Brand Building Framework

A
AUDIENCE

B
BRAND

C
CONNECTIONS
Global Tools: Global Brand Architecture

<table>
<thead>
<tr>
<th>BULL’S EYE TARGET</th>
<th>BRAND PROMISE:</th>
<th>BRAND ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSUMER INSIGHT</td>
<td><em>A one-of-a-kind chocolate experience to savor and share everyday</em></td>
<td>BRAND VALUES</td>
</tr>
<tr>
<td>KEY BENEFIT</td>
<td>REASON TO BELIEVE</td>
<td>BRAND PERSONALITY</td>
</tr>
</tbody>
</table>
Global Tools: Global Visual Identity System
Kisses Global Brand Evolution
Global Tools: Market Mix Modeling

- TV
- FSI
- Price
- Digital Media
- Trade
- Macro Trends
- Seasonality
- Other Mktg
- Radio
- Competition
- Print
- Distribution
- RETAIL SALES
Global Tools: Ad Development System

“5 Steps to Success”

1. Mind Modeling Insights
2. Focused Creative Brief
3. Creative Tissue Session
4. Animatic Production: 4-5 Ideas
5. Millward Brown Copy Testing

Full Production: Business Building Advertising
Our ads test among the very best

Millward Brown’s “Effectiveness Index” (EI)
Global Tools: Continuity Media Model

Illustrative Graph
Global Tools: Continuity Media Model

Media plans - Weeks on Air

Ad Delivery Minimum Growth Threshold Level

(GrPs)

(Weeks)

Illustrative Graph
Global Tools: Continuity Media Model

Media plans with dark periods
- “Ad Stock” drops to zero-

Illustrative Graph

Ad Delivery Minimum Growth Threshold Level

(Weeks)

(GRPs)

GRPs
Ad Stock (Awareness)
Global Tools: Continuity Media Model

Media delivery above “growth” thresholds

Illustrative Graph
Global Tools: Digital Efficiency

Traditional TV and Digital Media Delivery Curves

100% Traditional TV

XX% Traditional TV + YY% Digital Media

Equivalized GRPs on TV and Paid Digital

Illustrative Graph
Holistic Digital - Reese’s NCAA

Reese’s and NCAA team up for March Madness in 2013

Paid

Owned

Earned

Shared

facebook

YouTube

Jolly Rancher

Reese’s

Ice Breakers

miols

HERSHEY’S

Kisses
Meaningful positioning & great execution

BRAND PROMISE:
A one-of-a-kind chocolate experience to savor and share everyday
Kisses is delivering as a Global Brand

- ASEAN +55%
- Greater China +120%
- Latin America +18%

Kisses 2011 Net Sales Growth %

Outside US

Source: Hershey Financials
Hershey’s is also delivering

- ASEAN +59%
- Greater China +45%
- Latin America +29%

Hershey’s 2011 Net Sales Growth %

Outside US

Source: Hershey Financials
Filling in the geographic landscape

<table>
<thead>
<tr>
<th></th>
<th>USA</th>
<th>Canada</th>
<th>Mexico</th>
<th>China</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HERSHEY'S</strong></td>
<td>Leadership</td>
<td>Growing</td>
<td>Growing</td>
<td>Launch</td>
<td>Growing</td>
</tr>
<tr>
<td><strong>Reese's</strong></td>
<td>Leadership</td>
<td>Leadership</td>
<td>Launch</td>
<td>Launch</td>
<td></td>
</tr>
<tr>
<td><strong>Kisses</strong></td>
<td>Growing</td>
<td>Growing</td>
<td>Growing</td>
<td>Growing</td>
<td></td>
</tr>
<tr>
<td><strong>Ice Breakers</strong></td>
<td>Leadership</td>
<td>Growing</td>
<td>Growing</td>
<td>Launch</td>
<td>Launch</td>
</tr>
<tr>
<td><strong>Jolly Rancher</strong></td>
<td>Growing</td>
<td>Growing</td>
<td>Growing</td>
<td>Launch</td>
<td></td>
</tr>
</tbody>
</table>
Insights/Knowledge-based innovation

Disciplined Stage Gate Process

Trends & Consumer Insights

Advanced Confectionery Taste Science

Sustainable Winning Innovation
Delivering predictable, sustaining innovation

US Net Innovation Sales Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1.8%</td>
</tr>
<tr>
<td>2009</td>
<td>1.4%</td>
</tr>
<tr>
<td>2010</td>
<td>1.7%</td>
</tr>
<tr>
<td>2011</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Source: Hershey Financials, Net of cannibalization
Strong innovation ahead
Robust global innovation pipeline

Exploration

- Chocolate Strategic Opportunity
- Chocolate Strategic Opportunity
- Chocolate Strategic Opportunity

Definition

Stage 1
- Chocolate Strategic Opportunity
- Chocolate Strategic Opportunity
- Chocolate Strategic Opportunity
- 34 Projects

Stage 2
- Sweets & Refreshment Strategic Opportunity
- Sweets & Refreshment Strategic Opportunity
- 22 Projects

Stage 3
- Sweets & Refreshment Strategic Opportunity
- Sweets & Refreshment Strategic Opportunity
- 11 Projects

Launch

Commercialization

Stage 1
- Chocolate Strategic Opportunity
- 15 Projects

Stage 2
- Chocolate Strategic Opportunity
- 12 Projects

Stage 3
- Sweets & Refreshment Strategic Opportunity
- 8 Projects

1

A

B

1

2

3
Expanding our geographical footprint

Fuel

Deliver predictable, profitable & sustainable NA business

Growth planks
(organic & via M&A)

Expand our geographical footprint in focus markets
Create and expand a consumer centric portfolio across key geographies

Win with talent and knowledge and create a capable, high performance culture

Enablers

Execute with excellence

Best-in-class shareholder return
Expanding IDP and world-class selling and customer capabilities

Hershey’s Sales Center of Excellence:
Focus Capabilities

<table>
<thead>
<tr>
<th>CAPABILITY</th>
<th>Market Entry Modern/Traditional</th>
<th>Retail Sales Force</th>
<th>Trade Funding</th>
<th>Pricing</th>
<th>Category Management</th>
<th>Customer Development</th>
<th>Industry Affairs</th>
</tr>
</thead>
</table>
## Best In Class
- **Developed**
- **Market Entry**

### CAPABILITY
- **Market Entry Modern/Traditional**
- **Retail Sales Force**
- **Trade Funding**

- **Rapid national distribution**
- **Retail as a competitive advantage**
- **Advantageous assortment**
- **Advanced analytics**
- **Category advisor**
- **IDP Application**
- **Affecting industry policy**

### Trade managed
- **Building Sales Force competency**
- **Trade managed annually**
- **Pricing models**
- **Planogram & assortments**
- **Customer planning cycle**
- **Involved as leader**

### Distributor & wholesale management
- **Distributor model**
- **Trade managed**
- **Hershey indexed**
- **Share of shelf**
- **Top accounts managed**
- **Member**

### Tradewinds
- **Planogram & assortments**
- **Category management**
- **Customer Development**
- **Industry Affairs**

- **Retail as a competitive advantage**
- **Building Sales Force competency**
- **Trade managed annually**
- **Pricing models**
- **Planogram & assortments**
- **Customer planning cycle**
- **Involved as leader**

- **Rapid national distribution**
- **Retail as a competitive advantage**
- **Advantageous assortment**
- **Advanced analytics**
- **Category advisor**
- **IDP Application**
- **Affecting industry policy**

- **Rapid city distribution**
- **Building Sales Force competency**
- **Trade managed annually**
- **Pricing models**
- **Planogram & assortments**
- **Customer planning cycle**
- **Involved as leader**

- **Distributor model**
- **Trade managed**
- **Hershey indexed**
- **Share of shelf**
- **Top accounts managed**
- **Member**

- **Market Entry Modern/Traditional**
- **Retail Sales Force**
- **Trade Funding**
- **Pricing**
- **Category Management**
- **Customer Development**
- **Industry Affairs**

---

**Right knowledge, right time, right place**
Asia/Middle East region has grown rapidly

- Region up 85% from 2007
- China +100% vs year ago
- Kisses and Hershey’s leading growth
- Building regional scale in supply chain and route to market

Source: Hershey Financials
China Update

Jane Xu, General Manager, Hershey China
An exciting time in China
China Key Messages

- China’s confection market is attractive and expanding
- Hershey’s disciplined, insights-based approach to brand building is driving growth
- Our “density” route-to-market focus creates scale in high GDP regions
- In-country manufacturing has enabled a cost-effective, responsive supply chain
- China’s new R&D center will strengthen innovation and cost capability
- Strategic investments are aligned to deliver strong growth and a scaled business
China market is large and growing

China CMG ($B)

Source: Euromonitor

Top 5 Global CMG market by 2016

2007  2008  2009  2010  2011  2016 Est

$14.1

7.5% CAGR
China has been a growth engine

Hershey's China Net Sales

4-yr CAGR 88%

Source: Hershey Financials, USD
Consumer-centric brand building

China Net Sales - Kisses

Localized media adaptation
Focused distribution expansion
In store and seasonal support

Source: Hershey Financials, USD
Knowledge and insights-based approach

- Consumer Understanding
- Optimized Product Experience
- Optimized Packaging
Chinese New Year in-store activation
Density-based distribution model

Focused portfolio by channel

Driving density of distribution and media in distribution cities

Prioritizing coverage on highly productive channels
Building world-class capabilities

**Best In Class**
- Rapid national distribution
- Rapid city distribution
- Distributor model

**Developed**
- Retail as a competitive advantage
- Building Sales Force competency
- Distributor & wholesale management
- Trade managed annually

**Market Entry**
- Tradewinds
- Hershey indexed

**CAPABILITY**
- Market Entry Modern/Traditional
- Retail Sales Force
- Trade Funding
- Pricing
- Category Management
- Customer Planning Cycle
- Top accounts managed
- Member

- IDP Application
- Affecting Industry Policy
- Involved as Leader

- Jolly Rancher
- Reese's
- Ice Breakers
- Hershey's Kisses
Local investments for growth

Established Manufacturing

Adding China R&D
Expanding Knowledge Capability

China Chocolate Demand Landscape 2012

Chocolate 2012

China S&R Demand Landscape 2012

S&R 2012
Expanding success to fuel growth

The brands on this slide are registered trademarks® of The Hershey Company
An exciting time in China
Model in action - Americas progress

- Mexico and Central/South America +12% CAGR since 2007
- Kisses and Hershey’s leading growth
- Sweets & Refreshment gaining in Canada and Mexico
- Mexico and Brazil accelerating to scale
Mexico and Brazil are driving growth for the region
Core brand portfolio fueling growth
Knowledge and insights-based approach

- Integrated planning and management
- Brand building
- Innovation
- Selling and customer management
Commercial model delivering strategies

Fuel
- Deliver predictable, profitable & sustainable NA business

Growth planks
(organic & via M&A)
- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies

Enablers
- Win with talent and knowledge and create a capable, high performance culture
- Execute with excellence
<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>J.P. Bilbrey</td>
<td>President &amp; CEO</td>
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<td>Senior Vice President, Chief Growth Officer</td>
<td>Strategic Vision</td>
</tr>
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<td>Mike Wege</td>
<td>Senior Vice President, Chief Commercial Officer</td>
<td>Commercial Expansion</td>
</tr>
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<td>Jane Xu</td>
<td>General Manager, Hershey China</td>
<td>China Update</td>
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<td>Bert Alfonso</td>
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</tr>
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<td>J.P. Bilbrey</td>
<td>President &amp; CEO</td>
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</tbody>
</table>
U.S. Strength

Dan Vucovich, SVP, President U.S. Region
Key messages

- In a challenging economy, confection has grown above its historical average and performed better than other “center of store” categories

- Hershey’s investments in Knowledge, Insights and Customer Solutions have helped accelerate confection’s growth

- Insights Driven Performance is a systematic and repeatable model that has produced balanced growth across our Strategic Business Units and Channels

- Exciting opportunities across our brands, customers, acquisitions and adjacencies have been identified and are being aggressively worked
US is foundational to Hershey’s growth strategy

**Fuel**

- Deliver predictable, profitable & sustainable NA business

**Growth planks (organic & via M&A)**

- Expand our geographical footprint in focus markets
- Create and expand a consumer centric portfolio across key geographies
- Win with talent and knowledge and create a capable, high performance culture
- Execute with excellence

**Enablers**

Best-in-class shareholder return
CMG is a Top 10 food and drink category...

Retail Sales ($b)

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales ($b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carb Bev</td>
<td>$22</td>
</tr>
<tr>
<td>Bread / Bkd Goods</td>
<td>$21</td>
</tr>
<tr>
<td>Snacks</td>
<td>$21</td>
</tr>
<tr>
<td>CMG</td>
<td>$17</td>
</tr>
<tr>
<td>Pkgd Meat</td>
<td>$17</td>
</tr>
<tr>
<td>Milk</td>
<td>$17</td>
</tr>
<tr>
<td>Cheese</td>
<td>$16</td>
</tr>
<tr>
<td>Prepared Frzn Foods</td>
<td>$14</td>
</tr>
<tr>
<td>Beer</td>
<td>$13</td>
</tr>
<tr>
<td>Juice</td>
<td>$11</td>
</tr>
</tbody>
</table>

Source: Nielsen xAOC Syndicated Database (52 Weeks Ending 5/12/2012)
...enjoyed by just about every US household

Household Penetration

<table>
<thead>
<tr>
<th>Category</th>
<th>Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salty Snacks</td>
<td>98%</td>
</tr>
<tr>
<td>CMG</td>
<td>98%</td>
</tr>
<tr>
<td>Carb Bev</td>
<td>95%</td>
</tr>
<tr>
<td>Cereal</td>
<td>95%</td>
</tr>
<tr>
<td>Soup</td>
<td>95%</td>
</tr>
<tr>
<td>Crackers</td>
<td>94%</td>
</tr>
<tr>
<td>Juice</td>
<td>94%</td>
</tr>
<tr>
<td>Cookies</td>
<td>92%</td>
</tr>
<tr>
<td>Snack Bars</td>
<td>72%</td>
</tr>
</tbody>
</table>

Source: Nielsen US Homescan Panel
...helped in part by its broad availability

% CMG Sales By Channel

- Mass: 27%
- Food: 24%
- C-Store: 24%
- Dollar: 5%
- Club: 6%
- Drug: 14%

Source: Nielsen Hershey Custom Database xAOC+C (52 Weeks Ending 5/19/2012)
In addition to being big, Confection is growing

<table>
<thead>
<tr>
<th>Category</th>
<th>2 Yr CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>8%</td>
</tr>
<tr>
<td>Cheese</td>
<td>6%</td>
</tr>
<tr>
<td>Snacks</td>
<td>5%</td>
</tr>
<tr>
<td>Pkgd Meat</td>
<td>5%</td>
</tr>
<tr>
<td>CMG</td>
<td>4%</td>
</tr>
<tr>
<td>Beer</td>
<td>3%</td>
</tr>
<tr>
<td>Bread / Bkd Goods</td>
<td>3%</td>
</tr>
<tr>
<td>Prepared Frzn Foods</td>
<td>2%</td>
</tr>
<tr>
<td>Juice</td>
<td>1%</td>
</tr>
<tr>
<td>Carb Bev</td>
<td>1%</td>
</tr>
</tbody>
</table>

...and has attractive retailer gross margins

![Retailer Margin Chart](Image)

Hershey’s outpaced category and channel growth

Growth by Channel - 2 Yr CAGR

- CMG: 6.8%
- Hershey CMG: 4.4%
- xAOC+C: 6.5%
- xAOC: 4.4%
- FDMxC: 6.3%
- FDMx: 4.3%
- Food: 5.4%
- Drug: 4.6%
- Massx: 6.8%
- C-Store: 6.3%
- Massx: 4.4%
- C-Store: 4.3%

...by leveraging Insights Driven Performance
...to create & satisfy demand for our iconic brands

KitKat
Reese's
AlmondJoy
HERSHEY'S
Cookies’n’Creme

Milk Duds
Rolo
PayDay
HERSHEY’S

Mounds
Kisses
HEATH

Twizzlers
Whoppers
York

Jolly rancher
Good & Plenty
ICE BREAKERS

The brands on this slide are registered trademarks® of The Hershey Company
IDP’s disciplined investment approach

Brand Growth Potential

- Protect and Maintain
- Manage for Margin
- Review Role
- Fuel Strategic Growth Engines
- Build High Potential Brands
- Learn and Prove

Brand Economics

High
Low
High
...and deep consumer Insights

- Consumer Segments
- Need States
- Demographics
- Benefits/Attributes
- Usage Occasions

“Perfect Combination”
...have generated sustained Reese’s performance

Reese’s Franchise - Retail Dollar % Change

Source: Nielsen FDMxC
“Perfect” was activated across the marketing mix.
...starting with strong advertising and media levels

Reese’s Franchise - TV Media Related Lift

Source: FDMxCW; Hershey Marketing Mix Modeling; Lift = Incremental sales from TV during weeks of support/Total Franchise sales for same period
...then activated across Hershey’s growth levers

Reese’s Franchise - Easter Example
Advertising has added to Easter’s growth

Reese’s Franchise - Easter Average TV Media Related Lift

11%

2008-2011

Source: FDMxCW; Hershey Marketing Mix Modeling; Lift = Incremental sales from TV during weeks of support/Total Franchise sales for same period
...customization became a source of innovation

**Core Insight**
Seasonally wrapped/shaped items in consumer’s favorite brands are important for the Easter Hunt & Party

**2012 Innovation**
Reese’s Franchise - Easter Innovation

**2012 Easter Growth**
- Reese Bunny: 28%
- All Other HSY Easter Sales: 72%

Source: Nielsen FDMx 9 Weeks Ending 04/14/12
...distribution expanded seasons in c-stores

Reese’s Franchise - Easter ACV

Source: MSA
...and merchandising improvements benefitted all

Reese’s Franchise - Easter % ACV, Any Display

Source: Nielsen FDMxC
...today 10 Chocolate Brands are being advertised
...with impressive advertising lifts

**HSY Chocolate Advertised Brands* - TV Media Related Lift**

<table>
<thead>
<tr>
<th>Year</th>
<th>Lift</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>11%</td>
</tr>
<tr>
<td>2009</td>
<td>14%</td>
</tr>
<tr>
<td>2010</td>
<td>16%</td>
</tr>
<tr>
<td>2011</td>
<td>17%</td>
</tr>
</tbody>
</table>

Lift = Incremental sales from TV during weeks of support/Total Franchise sales for same period

*HSY Chocolate Advertised Brands = Overall Lift across advertised Chocolate Segment Franchises in the given year

i.e., 2008: RSE, HSY, Kisses, Bliss
2009: RSE, HSY, Kisses, Bliss, Kit Kat, Cadbury
2010: RSE, HSY, Kisses, Bliss, Kit Kat, Cadbury, York, MAJ
2011: RSE, HSY, Kisses, Bliss, Kit Kat, Cadbury, York, MAJ

Source: FDMxCW; Hershey Marketing Mix Modeling
Insights also led to successful chocolate innovation.

- **Hand-to-Mouth Platform**
  - 2009: Reeses Pieces, Almond Joy, York Peppermint Patty
  - 2010: Almond Joy, York Peppermint Patty, Hershey's Pieces
  - 2011: Reeses Pieces, Almond Joy, York Peppermint Patty, Hershey's Drops of Wisdom
  - 2012: Reeses Pieces, Almond Joy, York Peppermint Patty, Hershey's Drops of Wisdom
  - 2013: Reeses Pieces, Almond Joy, York Peppermint Patty, Hershey's Drops of Wisdom

- **Brand Extension**
  - 2009: None
  - 2010: None
  - 2011: None
  - 2012: Hershey's Air Delights
  - 2013: Hershey's Air Delights

- **Functional Benefit**
  - 2009: None
  - 2010: None
  - 2011: None
  - 2012: None
  - 2013: None
Next, we applied IDP to Sweets & Refreshment

CORE

Additional Chocolate Brands

Sweets & Refreshment

Twizzlers
JOLLY rancher
ICE BREAKERS
New Landscape revealed unique Twizzler insights
...which shaped the activation plan
...producing strong lifts on Twizzlers advertising

Twizzlers Franchise - Average TV Media Related Lift

10%

2009-2011

Source: FDMxCW; Hershey Marketing Mix Modeling; Lift = Incremental sales from TV during weeks of support/Total Franchise sales for same period
...significant C-Store distribution gains

Distribution

Twizzlers Franchise - King Size C-Store ACV

Source: Nielsen 5/19/12
...and robust growth during summer

Merchandising

Twizzlers Franchise - Summer Retail Dollar % Change

Source: Nielsen xAOC
IDP model is also being leveraged with acquisitions

**CORE**
- Additional Chocolate Brands
- Sweets & Refreshment
- Adjacencies & Acquisitions
Insights are driving Brookside’s activation plan
...to introduce Brookside to new US consumers

TODAY

Club

2017

Club

Food

Drug

Mass

C-Store

Specialty
IDP connects Retailers & Hershey to shoppers

Insights

Consumer Proposition

Shopper Proposition

Retailer Proposition

Driven

Collaborative Approach

Retailer

Performance

Capture Demand
...leveraging Hershey’s proprietary Insights & Tools

**Insight**
- Engaged Exploring Munchers
- Deal Seekers
- Confection Loving Moderators
- Loyal Indulgers
- Guilty Controllers
- Detached Occasionalists

**Tools**
- Store Clustering
- Media
- Advanced Analytics
- Navigator
- Nielsen Answers
- Nielsen HH Panel

**Expertise**
- Take Home
- Seasons
- Research Methodology
- Front End
- Shopper Insights
- Consumer Insights
...resulting in an aligned Strategic Plan

Customer Priorities
Example

- Relevant assortment
- Improved value perception
- Differentiated Private Brands
- Supply Chain Solutions
- Aggressive Cost Reductions

Collaborative Partnership
3 Year Strategy
Aligned Metrics
Long-term growth

HERSHEY’S

- Sustainable innovation platforms
- Connect with shoppers
- Drive loyalty
- Create special moments in seasons
- Re-invent the retail experience
...and specific short and long term objectives

<table>
<thead>
<tr>
<th>Category</th>
<th>2012P</th>
<th>2011-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category POS $</td>
<td>$1.39B</td>
<td>CAGR +7.1%</td>
</tr>
<tr>
<td>HSY POS $</td>
<td>$315.1M</td>
<td>CAGR +8.4%</td>
</tr>
<tr>
<td>Category Share vs. Channel</td>
<td>46.6</td>
<td>+680bps</td>
</tr>
<tr>
<td>HSY Share</td>
<td>22.69</td>
<td>+207 bps</td>
</tr>
<tr>
<td>Retail GM%</td>
<td>Confidential</td>
<td>+232 bps</td>
</tr>
<tr>
<td>DC Days of Supply</td>
<td>34.4 days</td>
<td>-15% vs PY</td>
</tr>
<tr>
<td>Store Excess Inventory</td>
<td>22%</td>
<td>-30% vs PY</td>
</tr>
</tbody>
</table>
...driven by our Retail Team’s Execution Excellence
Resulting in superior performance

2011 Gross Dollar Sales % Change vs YA

IDP Customers: 9%
All Other Customers: 6%

Source: Hershey Financials
...and many exciting opportunities remain for IDP

Continuous Improvement

- Robust Innovation Pipeline
- Sweets & Refreshment Roadmap to $1.5B
- Brookside Expansion
- Fair Share with Hispanic Consumers
- Expand IDP Customers
- Execution Excellence - Summer Season

New Opportunity Areas

- Precision Shopper Marketing - “Social/Local/Mobile”
- E-Commerce Space
- Create New Usage Occasions
Sweets & Refreshment plan adds $450m by 2016

Twizzlers

#1 Sweets BRAND

ICE BREAKERS

#1 MINT

JOLLY rancher

#1 in GROWTH
Hispanic consumer fair share potential is $400m

Source: Nielsen US Homescan Panels; The Cambridge Group Assessment
Key Messages

- In a challenging economy, confection has grown above its historical average and performed better than other “center of store” categories.

- Hershey’s investments in Knowledge, Insights and Customer Solutions have helped accelerate confection’s growth.

- Insights Driven Performance is a systematic and repeatable model that has produced balanced growth across our Strategic Business Units and Channels.

- We’ve built a robust pipeline of future growth opportunities.
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<td>Commercial Expansion</td>
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<td>Jane Xu</td>
<td>General Manager, Hershey China</td>
<td>China Update</td>
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Building Shareholder Value

Bert Alfonso, Executive Vice President, CFO & Chief Administrative Officer
Key Messages

- Solid overall financial position
- Focused on gross margin and productivity
- Disciplined approach to global expansion (organic and M&A)
- Balanced approach to cash usage
# Drivers of financial success

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Price realization</td>
<td>✔</td>
</tr>
<tr>
<td>Aggressive productivity</td>
<td>✔</td>
</tr>
<tr>
<td>Investment in brand building initiatives</td>
<td>✔</td>
</tr>
<tr>
<td>Expanding go-to-market capabilities</td>
<td>✔</td>
</tr>
</tbody>
</table>
Net Sales drivers: Balanced growth between volume and pricing

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Volume</th>
<th>Price</th>
<th>Fx</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>3.8%</td>
<td>0.2%</td>
<td>3.7%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2009</td>
<td>3.2%</td>
<td>0.2%</td>
<td>-5.8%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2010</td>
<td>7.0%</td>
<td>3.7%</td>
<td>2.4%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2011</td>
<td>7.2%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
Focused on gross margin

Gross Margin*

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>+35.1%</td>
</tr>
<tr>
<td>2009</td>
<td>+39.2%</td>
</tr>
<tr>
<td>2010</td>
<td>+42.8%</td>
</tr>
<tr>
<td>2011</td>
<td>+42.4%</td>
</tr>
<tr>
<td>2012E</td>
<td>~43.4%</td>
</tr>
</tbody>
</table>

*Adjusted, excludes business realignment and impairment charges & NSRPE
Commodity Cost Inflation

- Expectation is for increasing commodities over strategic plan timeframe
- Volatility / major swings in price creates opportunity
- Productivity, net price realization focused

Approximate year-over-year increase ($m) input costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>~$70m</td>
</tr>
<tr>
<td>2011</td>
<td>~$145m</td>
</tr>
<tr>
<td>2012E</td>
<td></td>
</tr>
</tbody>
</table>
## Supply chain optimization

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2010</th>
<th>2012*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities</td>
<td>17</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Distribution Centers</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

- GSCT delivered ~$185m in savings
- Project Next Century to deliver ~$65-$80m in savings

*Excludes Brookside Facilities and Distribution Centers
Next Century of Chocolate in Hershey
Productivity visibility exists beyond Project Next Century

Manufacturing OVHD & Distribution ~$1.3 billion. Productivity/continuous improvement, historically, about 3-4% of manufacturing overhead and distribution
Productivity targets

- Annual productivity target ~$40 to $50 million, primarily driven by improvements in COGS
- Opportunities exist outside normal “4 walls” in strategic partnerships
- Goal is for gross margin to increase over the next few years
Hershey & Ferrero distribution on track

- Ferrero Distribution Center
- Hershey Distribution Center

[Map showing locations of Hershey and Ferrero distribution centers in the US]
Solid pipeline of cost savings & productivity

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Productivity</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Increm. GSCT Productivity</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Project Next Century</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Strategic Procurement Partnerships</td>
<td>WIP</td>
<td>WIP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A Leverage</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
Net debt to EBITDA

- LTD refinanced to “fixed” at favorable rates
- A / A2 debt rating
- $1.1b (unused) credit revolver in place
- No outstanding commercial paper
Targeted Capital Structure

- Target range 1.5x to 2.0x debt/EBITDA
- For “right” strategic acquisition would consider debt/EBITDA of 2.0x to 2.5x
- Investment grade rating preferred at all times
- “A” is preferred rating
Cash Flow Priorities

#1 M&A Opportunities
#2 Dividend
#3 Cap-ex * Sh. Buyback and Debt Reduction
#4 Sh. Buyback and Debt Reduction

* Cap-ex for volume / capacity expansion and cost reduction
M&A focus on geographical bolt-ons

- Accelerating top-line growth
- Preference to be EPS accretive by year 2. For “right” strategic acquisition would accept EPS accretion by year 3.
- Bolt-ons with low integration risk
- Experience and disciplined
  - Lotte (2007)
  - Bauducco (2008)
  - Brookside (2012)
  - SAP IT upgrades / installation
Cash Returned to Shareholders

- Solid track record of returning cash to shareholders
- $4.5b in dividends and share repurchases *over last 10 years
- Committed to a dividend payout ratio of at least 50%

*Excludes option replenishment of $1.3b

Annual Cash Dividend

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$0.72</td>
</tr>
<tr>
<td>2004</td>
<td>$0.84</td>
</tr>
<tr>
<td>2005</td>
<td>$0.93</td>
</tr>
<tr>
<td>2006</td>
<td>$1.03</td>
</tr>
<tr>
<td>2007</td>
<td>$1.14</td>
</tr>
<tr>
<td>2008</td>
<td>$1.19</td>
</tr>
<tr>
<td>2009</td>
<td>$1.19</td>
</tr>
<tr>
<td>2010</td>
<td>$1.28</td>
</tr>
<tr>
<td>2011</td>
<td>$1.38</td>
</tr>
<tr>
<td>2012</td>
<td>$1.52</td>
</tr>
</tbody>
</table>

+9.2% 10 Year CAGR
New Asia manufacturing facility
Capital Expenditures

Cap-ex $ and % of Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Cap-ex $</th>
<th>% of Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$283m</td>
<td>5.5%</td>
</tr>
<tr>
<td>2009</td>
<td>$145m</td>
<td>2.7%</td>
</tr>
<tr>
<td>2010</td>
<td>$201m</td>
<td>3.6%</td>
</tr>
<tr>
<td>2011</td>
<td>$348m</td>
<td>5.7%</td>
</tr>
<tr>
<td>2012</td>
<td>$305m to $320m</td>
<td>~4.5%E</td>
</tr>
<tr>
<td>2013-2017</td>
<td>~$300m per yr</td>
<td>~3.5%E</td>
</tr>
</tbody>
</table>

Peer Group Avg. ~4%
Long-term growth rates

- Achievable, consistent and predictable, while allowing for growth and investment

**Long-term Objectives**

- Net Sales: +5-7%
- Adjusted Earnings Per Share-Diluted*: +8-10%
A path for continued growth

Visible Growth Opportunities

Operational Excellence

Financial Strength
# Agenda

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.P. Bilbrey</td>
<td>President &amp; CEO</td>
<td>Hershey Overview</td>
</tr>
<tr>
<td>Michele Buck</td>
<td>Senior Vice President, Chief Growth Officer</td>
<td>Strategic Vision</td>
</tr>
<tr>
<td>Mike Wege</td>
<td>Senior Vice President, Chief Commercial Officer</td>
<td>Commercial Expansion</td>
</tr>
<tr>
<td>Jane Xu</td>
<td>General Manager, Hershey China</td>
<td>China Update</td>
</tr>
<tr>
<td>Dan Vucovich</td>
<td>Senior Vice President, U.S.</td>
<td>U.S. Strength</td>
</tr>
<tr>
<td>Bert Alfonso</td>
<td>Executive Vice President, CFO &amp; Chief Administrative Officer</td>
<td>Building Shareholder Value</td>
</tr>
<tr>
<td>J.P. Bilbrey</td>
<td>President &amp; CEO</td>
<td>Wrap-up</td>
</tr>
</tbody>
</table>
Summary

- Hershey has great brands and our U.S. business is fundamentally advantaged
- Gaining traction in international markets...and will remain disciplined in our approach to global expansion
- New long-term targets achievable and allow us to deliver predictable and consistent results
- Will continue to create shareholder value...
- ...on the path to our aspirational goal of $10 billion in net sales
Financial flexibility...

Path to International Profitability

- Increasing International scale
- Reinvest
- Top-line Growth + Margin Enhancement

U.S. Business “virtuous cycle”

- N. America & International top-line growth
Business model with multiple levers for continued success...

**Net Sales**
- List price
- Vol/mix shifts
- Exposure to multiple fast-growing channels

**Supply Chain**
- Continuous productivity (inside)
- Outside “4 wall” productivity

**SG&A**
- U.S. sales force
- Trade promotion effectiveness (globally)
- Insights Driven Performance
...that will deliver low double digit TSR returns

<table>
<thead>
<tr>
<th><strong>Long-term Targets</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>+5 - 7%</td>
</tr>
<tr>
<td>Adjusted EPS-diluted</td>
<td>+8 - 10%</td>
</tr>
<tr>
<td>Dividend Payout Ratio</td>
<td>~50%</td>
</tr>
<tr>
<td>Total Shareholder Return</td>
<td>+10 - 12%</td>
</tr>
</tbody>
</table>
### Year is on track

**Hershey U.S. Retail Takeaway (CMG)**

<table>
<thead>
<tr>
<th>Category</th>
<th>% Chg 5/19/12 YTD</th>
<th>Market Share Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>+1.5%</td>
<td>+0.1pts</td>
</tr>
<tr>
<td>Drug</td>
<td>+3.0%</td>
<td>+0.3 pts</td>
</tr>
<tr>
<td>Mass x</td>
<td>+3.8%</td>
<td>+0.1 pts</td>
</tr>
<tr>
<td>Convenience</td>
<td>+10.4%</td>
<td>+0.4 pts</td>
</tr>
<tr>
<td>FDMxC</td>
<td>+4.9%</td>
<td>+0.3 pts</td>
</tr>
<tr>
<td>xAOC+C*</td>
<td>+5.8%</td>
<td>+0.2pts</td>
</tr>
</tbody>
</table>

* Food, Drug, Mass X, Convenience, Walmart, Sam’s, BJ’s, partial Dollar Channel, partial Club channel and Military

Source: Nielsen, Hershey estimates
Reaffirming 2012 outlook

Solid net sales and adjusted EPS-diluted growth

Net Sales 7 - 9%

Adjusted earnings per share-diluted* 10 - 12%

*Excludes business realignment and impairment charges
Non-GAAP Income Measures

In this presentation, Hershey references income measures that are not in accordance with U.S. generally accepted accounting principles (GAAP) because they exclude business realignment and impairment charges, business acquisition closing and integration costs, certain gains and losses, and non-service related pension costs. These non-GAAP financial measures are used in evaluating results of operations for internal purposes. These non-GAAP measures are not intended to replace the presentation of financial results in accordance with GAAP. Rather, the Company believes exclusion of such items provides additional information to investors to facilitate the comparison of past and present operations.

On June 25, 2012, the Company reaffirmed its outlook for full year 2012 net sales growth of about 7 to 9 percent, including the expected impact of foreign currency exchange rates, and full year adjusted earnings per share-diluted growth of 10 to 12 percent. In 2011, the Company recorded GAAP charges of $43.4 million, or $0.11 per share-diluted, attributable to Project Next Century and $5.8 million, or $0.02 per share-diluted related to the Global Supply Chain Transformation (GSCT) program and $1.3 million, or $0.01 per share-diluted of NSRPE. Additionally, in the third quarter of 2011, the Company recorded a pre-tax gain on the sale of certain trademark licensing rights of $17.0 million, or $0.05 per share-diluted. In 2012, acquisition closing and integration costs related to the Brookside acquisition are expected to be $0.04 to $0.05 per share-diluted. Additionally, the Company expects to record total GAAP charges of about $55 million to $65 million, or $0.16 to $0.19 per share-diluted, attributable to Project Next Century and $19.0 million, or $0.05 per share-diluted, of NSRPE. Below is a reconciliation of GAAP and non-GAAP items to the Company's 2011 adjusted earnings per share-diluted and projected adjusted earnings per share-diluted for 2012:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 (Projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EPS-Diluted</td>
<td>$1.36</td>
<td>$1.90</td>
<td>$2.21</td>
<td>$2.74</td>
<td>$2.82 - $2.92</td>
</tr>
<tr>
<td>Acquisition closing &amp; integration charges</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.04 - 0.05</td>
</tr>
<tr>
<td>Gain on sale of trademark licensing rights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(0.05)</td>
<td>—</td>
</tr>
<tr>
<td>Total Business Realignment and Impairment Charges, net</td>
<td>0.52</td>
<td>0.27</td>
<td>0.34</td>
<td>0.13</td>
<td>0.16 - 0.19</td>
</tr>
<tr>
<td>NSRPE</td>
<td>(0.12)</td>
<td>0.06</td>
<td>0.02</td>
<td>0.01</td>
<td>0.05</td>
</tr>
<tr>
<td>Adjusted EPS-Diluted</td>
<td>$1.76</td>
<td>$2.23</td>
<td>$2.57</td>
<td>$2.83</td>
<td>$3.11 - $3.17</td>
</tr>
</tbody>
</table>
### Appendix I

Reconciliation of GAAP and Non-GAAP Information

For the years ended December 31, 2011

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results in accordance with GAAP</td>
<td>$2,531.9</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Business realignment charges included in</td>
<td></td>
</tr>
<tr>
<td>cost of sales</td>
<td>45.1</td>
</tr>
<tr>
<td>Non-service related pension expense included</td>
<td></td>
</tr>
<tr>
<td>in cost of sales</td>
<td>-</td>
</tr>
<tr>
<td>Business realignment charges included in</td>
<td></td>
</tr>
<tr>
<td>selling, marketing and administrative</td>
<td>-</td>
</tr>
<tr>
<td>(&quot;SM&amp;A&quot;)</td>
<td>5.0</td>
</tr>
<tr>
<td>Non-service related pension expense included</td>
<td></td>
</tr>
<tr>
<td>in SM&amp;A</td>
<td>-</td>
</tr>
<tr>
<td>Gain on sale of trademark rights included in</td>
<td></td>
</tr>
<tr>
<td>SM&amp;A</td>
<td>-</td>
</tr>
<tr>
<td>Business realignment and impairment charges/</td>
<td></td>
</tr>
<tr>
<td>(credits), net</td>
<td>-</td>
</tr>
<tr>
<td>Tax impact of credits/(charges)</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Non-GAAP results</td>
<td>$2,577.0</td>
</tr>
</tbody>
</table>
# Appendix I
Reconciliation of GAAP and Non-GAAP Information

For the years ended December 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Gross Profit</th>
<th>EBIT</th>
<th>Net Income</th>
<th>Income Per Share- Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results in accordance with GAAP</td>
<td>$2,415.2</td>
<td>$905.3</td>
<td>$509.8</td>
<td>$2.21</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges included in cost of sales</td>
<td>13.7</td>
<td>13.7</td>
<td>13.7</td>
<td>0.04</td>
</tr>
<tr>
<td>Non-service related pension expense included in cost of sales</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>Business realignment charges included in selling, marketing and administrative (&quot;SM&amp;A&quot;)</td>
<td>-</td>
<td>1.5</td>
<td>1.5</td>
<td>-</td>
</tr>
<tr>
<td>Non-service related pension expense included in SM&amp;A</td>
<td>-</td>
<td>5.0</td>
<td>5.0</td>
<td>0.02</td>
</tr>
<tr>
<td>Gain on sale of trademark rights included in SM&amp;A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Business realignment and impairment charges/(credits), net</td>
<td>-</td>
<td>83.4</td>
<td>83.4</td>
<td>0.30</td>
</tr>
<tr>
<td>Tax impact of credits/(charges)</td>
<td>-</td>
<td>-</td>
<td>(22.8)</td>
<td></td>
</tr>
</tbody>
</table>

Adjusted Non-GAAP results | $2,429.8   | $1,009.8 | $591.5    | $2.57                      |
## Appendix I
Reconciliation of GAAP and Non-GAAP Information

### For the years ended December 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>Gross Profit</th>
<th>EBIT</th>
<th>Net Income</th>
<th>Income Per Share-Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results in accordance with GAAP</td>
<td>$2,053.2</td>
<td>$761.6</td>
<td>$436.0</td>
<td>$1.90</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges/(credits) included in cost of sales</td>
<td>10.1</td>
<td>10.1</td>
<td>10.1</td>
<td>0.03</td>
</tr>
<tr>
<td>Non-service related pension expense/(credit) included in cost of sales</td>
<td>14.7</td>
<td>14.7</td>
<td>14.7</td>
<td>0.04</td>
</tr>
<tr>
<td>Business realignment charges included in SM&amp;A</td>
<td>-</td>
<td>6.1</td>
<td>6.1</td>
<td>0.02</td>
</tr>
<tr>
<td>Non-service related pension expense/(credit) included in SM&amp;A</td>
<td>-</td>
<td>6.8</td>
<td>6.8</td>
<td>0.02</td>
</tr>
<tr>
<td>Business realignment and impairment charges, net</td>
<td>-</td>
<td>82.9</td>
<td>82.9</td>
<td>0.22</td>
</tr>
<tr>
<td>Tax impact of credits/(charges)</td>
<td>-</td>
<td>-</td>
<td>(46.5)</td>
<td></td>
</tr>
<tr>
<td>Adjusted Non-GAAP results</td>
<td>$2,078.0</td>
<td>$882.2</td>
<td>$510.1</td>
<td>$2.23</td>
</tr>
</tbody>
</table>
# Appendix I
Reconciliation of GAAP and Non-GAAP Information

For the years ended December 31, 2008

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>Gross Profit</th>
<th>EBIT</th>
<th>Net Income</th>
<th>Income Per Share-Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results in accordance with GAAP</td>
<td>$1,757.7</td>
<td>$589.9</td>
<td>$311.4</td>
<td>$1.36</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment charges/(credits) included in cost of sales</td>
<td>77.8</td>
<td>77.8</td>
<td>77.8</td>
<td>0.23</td>
</tr>
<tr>
<td>Non-service related pension expense/(credit) included in cost of sales</td>
<td>(35.6)</td>
<td>(35.6)</td>
<td>(35.6)</td>
<td>(0.09)</td>
</tr>
<tr>
<td>Business realignment charges included in SM&amp;A</td>
<td>-</td>
<td>8.1</td>
<td>8.1</td>
<td>0.02</td>
</tr>
<tr>
<td>Non-service related pension expense/(credit) included in SM&amp;A</td>
<td></td>
<td>(10.3)</td>
<td>(10.3)</td>
<td>(0.03)</td>
</tr>
<tr>
<td>Business realignment and impairment charges, net</td>
<td>-</td>
<td>94.8</td>
<td>94.8</td>
<td>0.27</td>
</tr>
<tr>
<td>Tax impact of credits/(charges)</td>
<td>-</td>
<td>-</td>
<td>(43.9)</td>
<td></td>
</tr>
<tr>
<td>Adjusted Non-GAAP results</td>
<td>$1,799.9</td>
<td>$724.7</td>
<td>$402.3</td>
<td>$1.76</td>
</tr>
</tbody>
</table>