FORWARD LOOKING STATEMENTS

This presentation contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Many of these forward-looking statements can be identified by the use of words such as “intend,” “believe,” “expect,” “anticipate,” “should,” “planned,” “projected,” “estimated,” and “potential,” among others. 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, along with the availability of adequate supplies of raw materials; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; disruption to our manufacturing operations or supply chain; failure to successfully 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; disruptions, failures or security breaches of our information technology infrastructure; our ability to hire, engage and retain a talented global workforce; our ability to realize expected cost savings and operating efficiencies associated with strategic initiatives or restructuring programs; and such other matters as discussed in our Annual Report on Form 10-K for the year ended December 31, 2016. All information in this presentation is as of March 1, 2017. 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.
~$7.4B
NET SALES

~18,000
EMPLOYEES AROUND THE WORLD

PRODUCTS AVAILABLE IN OVER 70 COUNTRIES AROUND THE WORLD

PRODUCTS MANUFACTURED IN 7 COUNTRIES
WHAT IS TIMELESS

THE HERSHEY COMPANY IS A CONSUMER CENTRIC, BRAND-BUILDING, CUSTOMER-ADVANTAGED COMPANY THAT CREATES OPPORTUNITIES TO PROSPER, BRINGING GOODNESS TO ONE ANOTHER AND THE WORLD.

“DOING WELL, BY DOING GOOD”
A 100+ YEAR LEGACY

INVESTMENT IN ICONIC BRANDS

CREATING GREAT OPPORTUNITIES

CONSUMER- CENTRICITY

CUSTOMER-ADVANTAGED
WE ARE A PURPOSE-DRIVEN ORGANIZATION

Bringing Goodness TO THE WORLD through our iconic brands, remarkable people and helping children in need

DELIVER THE BUSINESS

FOSTER A COMPELLING WORKPLACE

BUILD FOR A SUSTAINABLE FUTURE
WE ARE A PURPOSE-DRIVEN ORGANIZATION
CORE BRANDS DRIVING GROWTH

U.S. RETAIL SALES PERFORMANCE OF TOP 5 CORE BRANDS 2011-2016

RETAIL SALES CAGR
+4.0%

CMG SHARE
+1.7pts

Source: Nielsen Custom Database xAOC + C
STRONG FINANCIAL PERFORMANCE

NET SALES
- 2011: $6,081
- 2016: $7,440
- CAGR +4.1%

ADJ. OPER. INC. MARGIN
- 2011: 17.9%
- 2016: 20.4%
- +250 bps

ADJUSTED EPS
- 2011: $2.83
- 2016: $4.41
- CAGR +9.3%

Source: Hershey Financials
See Appendix for a Reconciliation from GAAP to Adjusted Operating Income and EPS
Evolving with a Changing World

Consumer

Business Environment

Global Trends

Technology
OUR VISION:
AN INNOVATIVE SNACKING POWERHOUSE
OUR VISION:

AN INNOVATIVE SNACKING POWERHOUSE

Delighting consumers across snacking occasions

Operating with an advantaged business model and leading-edge capabilities

Guided by a strong sense of purpose

Winning with a compelling workplace of remarkable people

Delivering top performing growth and shareholder return
ADVANTAGED BUSINESS MODEL

ADVANTAGED CATEGORY

- Highly Impulsive
- Ubiquitous
- Expandable Consumption

ADVANTAGED BRANDS

- HERSHEY'S
- REESE'S
- KitKat

ADVANTAGED CAPABILITIES

- Analytics & Insights
- Commercial Capabilities
- Enterprise Connectivity
DEPLOYING INNOVATIVE SNACKING LEADERSHIP

- REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING
- INVEST
- GROW
- INCREASE SHAREHOLDER VALUE
- EXPAND MARGINS
- REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH
- STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE
DELIVERING INNOVATIVE SNACKING LEADERSHIP

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

INVEST

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE

INCREASE SHAREHOLDER VALUE

EXPAND MARGINS

REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH
GLOBAL SNACKING IS A ~$1 TRILLION OPPORTUNITY

LATIN AMERICA
SNACKING MKT SIZE: $110b
SNACKING GROWTH: +2%

US / CANADA
SNACKING MKT SIZE: $200b
SNACKING GROWTH: +2%

WESTERN EUROPE
SNACKING MKT SIZE: $250b
SNACKING GROWTH: +1%

ROW
SNACKING MKT SIZE: $225b
SNACKING GROWTH: +2%

CHINA/INDIA/SE ASIA
SNACKING MKT SIZE: $130b
SNACKING GROWTH: +6%

Source: Euromonitor 2016 Sales Estimates; 5 Year Future Growth Projections
CONSUMERS ARE SNACKING MORE

TRADITIONAL SNACKING MODEL

BREAKFAST — LUNCH — DINNER

MODERN SNACKING MODEL

MORNING SNACKS — LIGHT LUNCH — SNACK — LIGHT DINNER — SNACK

Source: The Hartman Group
GROWTH ACROSS SNACKING CONTINUUM

U.S. CATEGORY GROWTH | 2 YEAR CAGR

BETTER FOR YOU SNACKING | CENTER OF PLATE | INDULGENT SNACKING

Produce: 5.2  | 2.8  | 2.0
Yogurt: 1.3  | 3.3  |
Dairy Snacks: 1.0  |
Nuts: 1.0  |
Snack Bars: 0.8  | 0.4  |
Snack Mix: 0.4  | 0.0  |
Cookies/Ice Cream: 1.6  | 1.7  |
Salty Snacks: 0.1  |
Snack Cakes: 0.4  |
Candy: 0.0  |

Source: Nielsen AOD xAOC + C
Note: Negative values not shown
Hershey Scale in Large, Growing U.S. Snack Market

Hershey is #2 in U.S. Snacking

<table>
<thead>
<tr>
<th>Brand</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>PepsiCo</td>
<td>14.6%</td>
</tr>
<tr>
<td>Hershey</td>
<td>7.5%</td>
</tr>
<tr>
<td>Mars</td>
<td>7.3%</td>
</tr>
<tr>
<td>Mondelez</td>
<td>6.6%</td>
</tr>
<tr>
<td>Kellogg</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

$103B U.S. Snack Market

- Confection (CMG) $24B
- Salty Snacks $24B
- Cookies $7B
- Ice Cream/Novelty $11B
- Desserts/Snack Cakes $12B
- Crackers $7B
- Snacks Bars $6B
- Nuts $6B
- Meat Snacks $3B
- Other $3B

4 Yr CAGR +2.6%

Source: Nielsen AOD xAOC + C
CONFECTION REMAINS A LARGE & ADVANTAGED CATEGORY

$24B CATEGORY

- High household penetration / purchase frequency
- Expandable consumption
- Highly impulsive
- Responsive to investment support (media, merchandising)
- Channel ubiquity
- Seasonal destination

Source: Nielsen Custom Database xAOC + C, 2016
WITH SOLID GROWTH WHEN SUPPORTED

U.S. CONFECTION CATEGORY SALES ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>YOY % Chg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$21.7</td>
<td>+5.0%</td>
</tr>
<tr>
<td>2012</td>
<td>$22.5</td>
<td>+3.7%</td>
</tr>
<tr>
<td>2013</td>
<td>$23.1</td>
<td>+2.4%</td>
</tr>
<tr>
<td>2014</td>
<td>$23.5</td>
<td>+2.0%</td>
</tr>
<tr>
<td>2015</td>
<td>$24.1</td>
<td>+2.6%</td>
</tr>
<tr>
<td>2016</td>
<td>$24.3</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

CAGR +2.2%

PLATFORM INNOVATION
PRICING
MEDIA INCREASES

MACROECONOMIC HEADWINDS
KEY RETAILERS REDUCED DISPLAYS
SHORT EASTER IN '16

Source: Nielsen Custom Database xAOC + C

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING
CONFECTION IS CORE TO HERSHEY’S BUSINESS AND TOP PRIORITY

Confection (CMG) % OF U.S. NET SALES

Snacks

Baking, Syrup & All Other

Source: Hershey 2016 Net Sales
WE HAVE A PORTFOLIO OF ICONIC BRANDS

POWER BRANDS

HERSHEY’S
Reese’s
Kit Kat
Kisses

ICEBREAKERS

BROAD & DIVERSE BRAND PORTFOLIO

York
Cadbury
Almond Joy
Mounds
Brookside
Kit Kat

PAYDAY
Rolo
Jolly Rancher
Twizzlers

barkTHINS
HEATH

WHOPPERS
Milk Duds

Good & Plenty
TAKE5
**Diversified Usage Occasions**

<table>
<thead>
<tr>
<th>Single Serve</th>
<th>On-the-go</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HERSHEY'S</td>
</tr>
<tr>
<td></td>
<td>Kit Kat</td>
</tr>
<tr>
<td></td>
<td>REESE'S</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Take Home</th>
<th>Sharing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hershey's</td>
</tr>
<tr>
<td></td>
<td>Twizzlers</td>
</tr>
<tr>
<td></td>
<td>Brookside</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Celebrations</th>
<th>Rituals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REESE'S</td>
</tr>
<tr>
<td></td>
<td>HERSHEY'S</td>
</tr>
<tr>
<td></td>
<td>Twizzlers</td>
</tr>
</tbody>
</table>
CHANNEL ADVANTAGES

% OF U.S. SALES

- Mass Merchandisers: 30%
- Food: 27%
- C-Stores: 13%
- Drug Stores: 9%
- Specialty Channels: 8%
- Club: 7%
- Dollar: 6%

Source: Hershey 2016 Net Sales
HERSHEY IS THE CONFECTIONERY CATEGORY LEADER

U.S. CONFECTION MARKET SHARE (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Hershey 2011</th>
<th>Hershey 2016</th>
<th>Peer A 2011</th>
<th>Peer A 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>29.3%</td>
<td>31.2%</td>
<td>31.4%</td>
<td>29.1%</td>
</tr>
</tbody>
</table>

Source: Nielsen Custom Database xAOC + C

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING
## Hershey Leadership Across Segments

### Hershey Market Share

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016</th>
<th>Market Share Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chocolate</td>
<td>45.7%</td>
<td>#1</td>
</tr>
<tr>
<td>Non Chocolate</td>
<td>9.6%</td>
<td>#2</td>
</tr>
<tr>
<td>Mint</td>
<td>39.0%</td>
<td>#1</td>
</tr>
<tr>
<td>Gum</td>
<td>7.2%</td>
<td>#3</td>
</tr>
<tr>
<td>Total CMG</td>
<td>31.2%</td>
<td>#1</td>
</tr>
</tbody>
</table>

Source: Nielsen Custom Database xAOC + C
WE INVEST TO FUEL GROWTH WITH PROVEN RESULTS

2016 ADVERTISING % OF NET SALES

- Hershey: 7.0%
- Food Average: 4.8%

TV ROI INDEX

- Hershey: 200 (2x)
- Food Average: 100

Source: Company 10-K’s, Nielsen 2016 Marketing Mix
REIGNITE CORE CONFECTION

Deepen CONSUMER CONNECTIONS

Meaningful INNOVATION

Reinvent the SHOPPING EXPERIENCE
KEYS TO REIGNITING GROWTH

DEEPEN CONSUMER CONNECTIONS
- Higher Brand Engagement
- Top of Mind Awareness

INNOVATION
- New Users/Occasions
- Incrementality

REINVENT SHOPPING EXPERIENCE
- Products Easier to Find
- Omni-Channel Availability
INCREASE CONSUMER ENGAGEMENT
INCREASE CONSUMER ENGAGEMENT

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REESE'S @ReesesPBCups
They look just like their father. #AllTreesAreBeautiful

Jim Van Buren @J_Van93 · Dec 12
I will never tree shame again. sorry @ReesesPBCups #AllTreesAreBeautiful

Vanessa Desiree @vanessadesiree · Dec 3
I don't care what they look like. They are still the best candy out there! 😊😊
#AllTreesAreBeautiful #ReesesPBCups

REESE'S @ReesesPBCups · Dec 13
@J_Van93 Jim, the trees have spoken. They still love you, and they're still delicious. #AllTreesAreBeautiful

Vanessa Desiree @vanessadesiree · Dec 3
I don't care what they look like. They are still the best candy out there! 😊😊
#AllTreesAreBeautiful #ReesesPBCups

Josh Michaels @Josh Michaels96 · Dec 3
Reese's 1 Crazy Christmas Psychos 0 #AllTreesAreBeautiful

REESE'S @ReesesPBCups
Woke up like this. #ThankYou #AllTreesAreBeautiful

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REIGNE CORE CONFECTION & EXPAND BREADTH IN SNACKING
INCREASE CONSUMER ENGAGEMENT

Hunter Jobbins @jabbins – Oct 30
Left my car for maybe 15 minutes in front of the dorms and I come back to this. College man

642M+
EARNED IMPRESSIONS

Saw Kit-Kat in your cup holder
door and it was unlocked. Did not
steal anything other than the
Kit-Kat. I am sorry and hungry

@jabbins Who steals someones Kit Kat?! WHO DOES THAT?! Shoot us a DM and we'll replace it for you 🍫
DEEPEN BRAND EMOTIONAL CONNECTIONS
THROUGH MEANINGFUL MOMENTS

TRADITIONAL CELEBRATIONS
Valentine | Easter | Halloween | Holiday

EVERYDAY MOMENTS
S’mores | Birthdays | Appreciations

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING
### INNOVATE CONFECTION PORTFOLIO TO CAPTURE NEW OCCASIONS

#### NEW PLATFORMS

- New textures and snacking portions
- Relevance with new users
- Incrementality

#### MEANINGFUL CORE BRAND NEWS

- Excitement
- Variety
- Increased Merchandising

---

**HERSHEY**

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING
INNOVATE CONFECTION PORTFOLIO TO CAPTURE NEW OCCASIONS

NEW PLATFORMS

MEANINGFUL CORE BRAND NEWS

HERSHEY'S COOKIE LAYERCRUNCH

Reese's Pieces

KitKat BigKat

 breath savers PROTECT

298 copies

NET WT 1.5 OZ (42 G)

NET WT 8 OZ (227 G)

NET WT 1.0 OZ (28 G)

NET WT 8 OZ (227 G)

NET WT 1.5 OZ (42 G)

Hershey's Chocolate Bar

Hershey's Cookie Layer Crunch

Hershey's Cookie Layer Crunch

Hershey's Cookie Layer Crunch

Hershey's Chocolate Bar

Hershey's Cookie Layer Crunch

Hershey's Cookie Layer Crunch
SIMPLE INGREDIENTS
CHOICE & TRANSPARENCY

PACK SIZES
Portionable choices to fit consumers’ lifestyles

SMART LABEL
Info for full portfolio of 2,200 ITEMS available on-line by 2018

SOURCE MAP
Transparency into origin of ingredients from field to production
REINVENT THE SHOPPING EXPERIENCE

CURRENT SHOPPING EXPERIENCE
PACKAGING INNOVATION WILL IMPROVE SHOPPER EXPERIENCE IN AISLE COMING THIS MONTH!

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING
PIPELINE OF EXPERIENTIAL SOLUTIONS
REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

LEADER IN ECOMMERCE CONFECTION

~45% CMG SHARE IN KEY OMNI-CHANNEL RETAILERS

#1 CHOCOLATE SHARE

INCREMENTAL OCCASIONS

INNOVATING VIA TEST AND LEARN

“Alexa order Hershey’s Halloween candy.”
REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REESE’S: STRONG GROWTH ON $2B BRAND

Source: Nielsen xAOC + C

~$1.9b
2016 RETAIL SALES +4.7%
CMG SHARE +0.3PTS
HERSHEY’S: EXPANDING TO NEW OCCASIONS & USERS

Source: Nielsen xAOC + C

~$1.5b

RETAIL SALES GROWTH

4.9%

-2.4%

2016 Nov

2016 Dec

YTD

2017E

Source: Nielsen xAOC + C
KIT KAT: CONTEMPORIZING FOR NEW CONSUMERS

~$700m
2016 RETAIL SALES +5.7%
CMG SHARE +0.1PTS

Source: Nielsen xAOC + C
ICE BREAKERS: LEVERAGING PROPRIETARY PRODUCT

~$475m
2016 RETAIL SALES +7.7%
CMG SHARE +0.1PTS

Source: Nielsen xAOC + C
KISSES: DEEPENING CONNECTIONS

SAY WITH A 🍫

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

~$460m

2016 RETAIL SALES +2.0%

CMG SHARE FLAT

Source: Nielsen xAOC + C
**BROAD PORTFOLIO**
DELIVERING AGAINST RANGE OF CONSUMER PREFERENCES

<table>
<thead>
<tr>
<th>Licorice</th>
<th>PREMIUM SNACKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twizzlers</td>
<td>barkTHINS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chocolate &amp; Mint</th>
<th>COCONUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>York</td>
<td>AlmondJoy &amp; Mounds</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chocolate &amp; Fruit</th>
<th>TOFFEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brookside</td>
<td>Heath &amp; Skor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hard Candy</th>
<th>MALT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jolly Rancher</td>
<td>Whoppers</td>
</tr>
</tbody>
</table>
EXPAND BREADTH IN SNACKING

Extend Confection Brands to NEW SNACKING USAGE OCCASIONS

LEVERAGE M&A in On-Trend Categories
Snackfection: A multi-textural and sensorial fusion of chocolate and other snacks, such as nuts, cookies and popcorn, that delivers a distinct eating experience for snacking occasions.
LEVERAGE DEMAND LANDSCAPE TO IDENTIFY OPPORTUNITIES

- M&A
- INNOVATE
- GROW CORE
- BRANDING

LARGER
INCREMENTALITY
SMALLER
LOWER FIT
HIGHER FIT
SNACKFECTION PLATFORMS
CRUNCH-IFICATION – INTEGRATION OF SALTY SNACK ATTRIBUTES WITH CHOCOLATE

CRUNCHERS

POPPED SNACK MIX

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING
M&A TO BOLSTER SNACKING PRESENCE

**HIGH GROWTH**
- Typically smaller
- On trend, differentiated brands
- Leverage advantaged Hershey capabilities to scale

**BUILD SCALE**
- Brands for category leadership
- Enhance existing capabilities
- Financial synergies

**PORTFOLIO DIVERSIFICATION**
BARKTHINS: CAPTURE PREMIUM USERS & NEW OCCASIONS

ADVANCES HERSHEY PORTFOLIO STRATEGY

- On trend, high growth brand
- Premium, high income consumer
- Clean label, simple ingredients
- Fair trade and Non-GMO certifications

WELL POSITIONED TO LEVERAGE HERSHEY SCALE

- Increase distribution with perimeter focus
- Drive awareness with media and field marketing
- Expand margins behind Hershey scale and chocolate expertise
### KRAVE: FAST GROWING MEAT SNACKS CATEGORY

#### U.S. ACV %

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18%</td>
<td>32%</td>
<td>59%</td>
</tr>
</tbody>
</table>

**2016**
- Scale via distribution growth and category management expertise

**2017**
- Build awareness and drive trial
- Culinary inspired innovation to reach new consumer usage occasions

Source: Nielsen xAOC + C
DELIVERING INNOVATIVE SNACKING LEADERSHIP

REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

INVEST

EXPAND MARGINS

INCREASE SHAREHOLDER VALUE

GROW

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE

REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

HERSHEY
MARGIN EXPANSION

- Reset International Investment
- Heighten SG&A Discipline
- Continue COGS Optimization
- Streamline Operating Model

ADJUSTED OPERATING INCOME MARGIN

2016: 20.4%
2019E: 22 - 23%

See Appendix for 2016 Reconciliation of GAAP to Adjusted Operating Income Margin
RESET INTERNATIONAL INVESTMENT

FOR PROFITABILITY & LONG TERM GROWTH
INTERNATIONAL & OTHER SEGMENT

SEGMENT NET SALES

$731m to $907m
CAGR 4.4%

2011 to 2016

GEOGRAPHIC SEGMENTATION

PORTFOLIO: Chocolate-focus
CHANNEL: Modern trade

Global Retail & Licensing
Export Markets
China
Mexico
Brazil
India

Source: Hershey estimates; includes acquisition of Shanghai Golden Monkey, and exit of India edible oil business.
CHINA

TRANSFORMING BUSINESS AND CREATING A SUSTAINABLE LONG-TERM MODEL

<table>
<thead>
<tr>
<th>TRANSFORMING PORTFOLIO</th>
<th>FOCUSED ROUTE-TO-MARKET</th>
<th>COST STRUCTURE IMPROVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Chocolate as primary growth driver</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SKU rationalization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Focused DME investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Focus on eCommerce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Prioritization of key provinces &amp; high growth cities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Channel reprioritization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Drive COGS and network efficiencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• SG&amp;A efficiencies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

OTHER KEY MARKETS TO BE OPERATED MORE PROFITABLY

GROSS MARGIN EXPANSION

OPTIMIZED MARKETING SPEND

SG&A EFFICIENCIES
SEGMENT PROFITABILITY EXPECTED TO IMPROVE

- Price, Packtype, Innovation Maximization
- Right-size infrastructure relative to size of opportunity
- Focus on cost savings and productivity

INTERNATIONAL & OTHER SEGMENT OPERATING INCOME ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$40</td>
</tr>
<tr>
<td>2015</td>
<td>-$98</td>
</tr>
<tr>
<td>2016</td>
<td>-$29</td>
</tr>
<tr>
<td>2019E</td>
<td>++</td>
</tr>
</tbody>
</table>

Not to scale
DELIVERING INNOVATIVE SNACKING LEADERSHIP

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

INVEST

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE

INCREASE SHAREHOLDER VALUE

GROW

EXPAND MARGINS

DELIVERING INNOVATIVE SNACKING LEADERSHIP

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE
INTEGRATED INSIGHTS PERFORMANCE ENGINE

TECHNOLOGY-ENABLED ENTERPRISE CONNECTIVITY

INTEGRATED, HARMONIZED DATA

TRANSFORMATIONAL ANALYTICS & INSIGHTS
- Precision Insights
- Real-time and Predictive Analytics
- Proprietary Snacking Demand Landscape
- Role-based Data and Insights Delivery

ADVANCED COMMERCIAL CAPABILITIES
- Precision Execution
- Strategic Category & Total Store Leadership
- Dynamically Routed Retail Sales Force
- Supply Chain Scale and Agility

ADVANTAGED SOLUTIONS & PERFORMANCE

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE
INTEGRATED, HARMONIZED DATA

INTEGRAL DATA

SYNDICATED DATA

EXTERNAL DATA

Integrated, Harmonized, Single Source of Truth

Customized Applications & Role Based Data & Insights Delivery

Marketing  Sales  Supply Chain  ...
INTEGRATED, HARMONIZED DATA

INTERNAL DATA
- SAP S4 HANA
- McLane

SYNDICATED DATA
- Nielsen
- IRI

EXTERNAL DATA
- United States Census
- FRED

Enables:
- Transformational, Real Time Analytics
- Precision Applications
- Agile, Integrated Execution

Integrated, Harmonized, Single Source of Truth

Customized Applications & Role Based Data & Insights Delivery

Marketing
Sales
Supply Chain
...
TRANSFORMATIONAL ANALYTICS & INSIGHTS

PRECISION INSIGHTS

REAL TIME & PREDICTIVE ANALYTICS

PROPRIETARY SNACKING DEMAND LANDSCAPE

ROLE BASED DATA & INSIGHTS DELIVERY

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE
STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE

ROBUST SNACKING CONSUMER DEMAND LANDSCAPE

Total Snacking View

Category and Brand Level Insights

Guiding Branding, Innovation & M&A Efforts

HERSHEY

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE
ADVANCED COMMERCIAL CAPABILITIES

- **PRECISION EXECUTION**
- **STRATEGIC CATEGORY & TOTAL STORE LEADERSHIP**
- **DYNAMICALLY ROUTED RETAIL SALES FORCE**
- **SUPPLY CHAIN SCALE & AGILITY**
ADVANTAGED SOLUTIONS & PERFORMANCE
STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE

HOLISTIC FRONT END LEADERSHIP
PROPRIETARY INSIGHTS, TOTAL STORE ANALYTICS & RETAILER COLLABORATION

Happiness
Balance
Well-being
Moderation

FRONT END SALES LIFT

2X

Hershey Optimized
Original Experience
STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE

PRECISION RETAIL EXECUTION
PRECISION INSIGHTS, TECHNOLOGY & PROPRIETARY RETAIL SALES FORCE

STORE LEVEL ANALYTICS & PRIORITIZATION

EXECUTION & DOCUMENTATION

REAL TIME EVALUATION

WHICH STORE?
Store 52

STORE 52 PRIORITIES:
1. Easter
2. Reese NCAA
3. Krave

EXECUTION:
- Entrance
- In Aisle
- Endcap
- Produce

REAL TIME EVALUATION:
- +15%
- +5%

Back of Store Display
Produce Display

PRODUCE
Display

HERSHEY
ATTACKING SUPPLY CHAIN COSTS
REAL TIME & HARMONIZED DATA, ADVANCED ANALYTICS & SUPPLY CHAIN AGILITY

US SUPPLY CHAIN

VISIBILITY INTO INEFFICIENCY

# OF TOUCHES

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE
DELIVERING INNOVATIVE SNACKING LEADERSHIP

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

GROW

INCREASE SHAREHOLDER VALUE

EXPAND MARGINS

REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

INVEST

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE
INCREASE SHAREHOLDER VALUE

TOP QUARTILE SALES GROWTH & TOP QUARTILE MARGINS
OUR NET SALES PERFORMANCE

REFLECTS A CHALLENGING ENVIRONMENT

2011: 7.2%
2012: 9.3%
2013: 7.6%
2014: 3.9%
2015: -0.5%
2016: 0.7%

Source: Hershey Financials
### WE HAVE ACHIEVED TOP QUARTILE SALES PERFORMANCE

#### U.S. RETAIL SALES

<table>
<thead>
<tr>
<th></th>
<th>4 Year $ % CAGR</th>
<th>2016 $ % CHG VS YA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hershey</td>
<td>3.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Hormel</td>
<td>2.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Mead Johnson</td>
<td>2.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Mondelez</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>McCormick</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Campbells</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Tyson</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Smuckers</td>
<td>-0.8</td>
<td></td>
</tr>
<tr>
<td>Kraft-Heinz</td>
<td>-1.1</td>
<td></td>
</tr>
<tr>
<td>General Mills</td>
<td>-1.9</td>
<td></td>
</tr>
<tr>
<td>Kellogg</td>
<td>-2.4</td>
<td></td>
</tr>
<tr>
<td>Conagra</td>
<td>-2.8</td>
<td></td>
</tr>
<tr>
<td>Conagra</td>
<td>-5.0</td>
<td></td>
</tr>
<tr>
<td>General Mills</td>
<td>-5.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nielsen AOD xAOC + C
SOLID TRACK RECORD OF OPERATING MARGIN EXPANSION

ADJUSTED OPERATING INCOME MARGIN

Source: Hershey Financials

15.0% 16.2% 17.7% 17.9% 18.5% 19.2% 19.6% 20.0% 20.4% ++


See Appendix for a Reconciliation of GAAP Operating Income Margin to Adjusted Operating Income Margin
FOCUSED ON GROSS AND OPERATING MARGIN EXPANSION

ADJUSTED GROSS MARGIN %
- 2011: 42.4%
- 2016: 45.6%
- 2019e: 46%+

ADJUSTED OPER. INCOME MARGIN %
- 2011: 17.9%
- 2016: 20.4%
- 2019e: 22% - 23%

Source: Hershey Financials
Not to Scale
See Appendix for a Reconciliation of GAAP to Adjusted Gross and Operating Income Margin
OUR EPS REMAINS STRONG

ADJUSTED EPS-DILUTED

CAGR 9.3%

Source: Hershey Financials
Not to Scale
See Appendix for a Reconciliation of GAAP EPS to Adjusted EPS
# Long Term Targets

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>+2–4%</td>
</tr>
<tr>
<td>Adjusted Diluted EPS</td>
<td>+6–8%</td>
</tr>
<tr>
<td>Dividend Yield</td>
<td>2–3%</td>
</tr>
<tr>
<td>Total Shareholder Return</td>
<td>~10%</td>
</tr>
</tbody>
</table>

**Leveraging U.S. Scale**

**Margin Improvement via COGS and SG&A**

**Profitable International Growth**
DELIVERING INNOVATIVE SNACKING LEADERSHIP

REIGNITE CORE CONFECTION & EXPAND BREADTH IN SNACKING

INVEST

STRENGTHEN CAPABILITIES & LEVERAGE TECHNOLOGY FOR COMMERCIAL ADVANTAGE

INCREASE SHAREHOLDER VALUE

EXPAND MARGINS

REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH
IT ALL STARTS WITH GROSS MARGIN

HERSHEY ADJUSTED GROSS MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>46.0%</td>
<td>44.9%</td>
<td>46.0%</td>
<td>45.6%</td>
<td>~45.8%</td>
</tr>
</tbody>
</table>

S&P FOOD GROUP*

<table>
<thead>
<tr>
<th>Company</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mead Johnson</td>
<td>N/A</td>
</tr>
<tr>
<td>Hershey</td>
<td>45.6%</td>
</tr>
<tr>
<td>McCormick</td>
<td>41.5%</td>
</tr>
<tr>
<td>Mondelez</td>
<td>39.8%</td>
</tr>
<tr>
<td>Kellogg</td>
<td>39.2%</td>
</tr>
<tr>
<td>Kraft-Heinz</td>
<td>38.8%</td>
</tr>
<tr>
<td>Smuckers</td>
<td>38.0%</td>
</tr>
<tr>
<td>Campbells</td>
<td>37.1%</td>
</tr>
<tr>
<td>General Mills</td>
<td>35.6%</td>
</tr>
<tr>
<td>Conagra</td>
<td>29.1%</td>
</tr>
<tr>
<td>Hormel</td>
<td>22.7%</td>
</tr>
<tr>
<td>Tyson</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

*Per Credit Suisse estimate/model for the latest year end

See Appendix for a Reconciliation of Hershey GAAP Gross Margin to Adjusted Gross Margin
<table>
<thead>
<tr>
<th>Levers for Gross Margin Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Cost Leverage</td>
</tr>
<tr>
<td>New Manufacturing Capabilities / Technology</td>
</tr>
<tr>
<td>Product Mix</td>
</tr>
<tr>
<td>Net Price Realization</td>
</tr>
<tr>
<td>Packaging Optimization</td>
</tr>
<tr>
<td>Productivity</td>
</tr>
</tbody>
</table>
BENEFITS OF SCALE IN NORTH AMERICA

CAPACITY UTILIZATION 65%

MANUFACTURING FACILITIES: 11

DISTRIBUTION CENTERS: 5

Ashland, OR
Robinson, IL
Monterrey, Mex
Memphis, TN
St. Hyacinthe, QC
Granby, QC
Hershey, PA (2)
Lancaster, PA
Hazleton, PA
Stuarts Draft, VA

BUILDING SHAREHOLDER VALUE
INTERNATIONAL OPPORTUNITY

CAPACITY UTILIZATION 40%

MANUFACTURING FACILITIES: 8

DISTRIBUTION CENTERS: 8
FOCUS ON COGS

~$4.0b

ANNUAL PRODUCTIVITY 2017-19

~$100m

Source: Hershey Financials
MAINTAINING COMMITMENT TO RESPONSIBLE SOURCING...

COMMITMENT TO 100% CERTIFIED AND SUSTAINABLE COCOA

INVESTING IN COCOA COMMUNITIES

ENSURING THE INTEGRITY OF OUR SUPPLY CHAIN
...AND MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

PROGRESS AGAINST OUR EFFICIENT OPERATIONS GOALS

NEW AMERICAN BUSINESS CLIMATE ACT GOALS

CLIMATE SMART COCOA INITIATIVES
SOLID OPERATING CASH FLOW

$B

2012: $1.1
2013: $1.2
2014: $0.85
2015: $1.2
2016: $1.0
2017-19E: +++

Source: Hershey Financials
SOLID TRACK RECORD OF RETURNING CASH TO SHAREHOLDERS

~$5b IN DIVIDENDS AND SHARE REPURCHASES* OVER THE LAST 10 YEARS

COMMITTED TO A DIVIDEND PAYOUT RATIO OF AT LEAST 50%

CASH RETURNED TO SHAREHOLDERS

$M

Source: Hershey Financials

*Excludes shares repurchased in connection with the exercise of stock options
CASH FLOW PRIORITIES

1. Business Growth (incl. M&A)
2. Dividend
3. Share Buyback
4. Debt Reduction

Finanical Flexibility
CAPITAL EXPENDITURES

$M

2013: $351, 4.9% of net sales
2014: $371, 5.0% of net sales
2015: $357, 4.8% of net sales
2016: $270, 3.6% of net sales
2017e: $270-$290, <4% of net sales
2018 to 2019: $$

Source: Hershey Financials
M&A FOCUSED ON EXTENDING SNACKING BREADTH

- Growth categories
- Preference to be EPS accretive after 2 years
- Continue to build on execution / implementation experience
<table>
<thead>
<tr>
<th>Company</th>
<th>Payout Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kraft-Heinz</td>
<td>61.9%</td>
</tr>
<tr>
<td>General Mills</td>
<td>59.0%</td>
</tr>
<tr>
<td>Kellogg</td>
<td>52.7%</td>
</tr>
<tr>
<td><strong>Hershey</strong></td>
<td><strong>51.7%</strong></td>
</tr>
<tr>
<td>Mead-Johnson</td>
<td>51.3%</td>
</tr>
<tr>
<td>McCormick</td>
<td>46.1%</td>
</tr>
<tr>
<td>Campbell</td>
<td>44.8%</td>
</tr>
<tr>
<td>Conagra</td>
<td>44.2%</td>
</tr>
<tr>
<td>Hormel</td>
<td>39.9%</td>
</tr>
<tr>
<td>Smuckers</td>
<td>38.5%</td>
</tr>
<tr>
<td>Mondelez</td>
<td>36.2%</td>
</tr>
<tr>
<td>Tyson</td>
<td>19.0%</td>
</tr>
</tbody>
</table>

*Solid cash flow enables commitment to at least a 50% payout.

*Last dividend payments X 4 divided by forward consensus estimates at 2/16/17.
COMMITMENT TO SHARE BUYBACKS

$M

- Option Replenishment
- Buyback / Share Count Reduction

<table>
<thead>
<tr>
<th>Year</th>
<th>Option Replenishment</th>
<th>Buyback / Share Count Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$124</td>
<td>$125</td>
</tr>
<tr>
<td>2013</td>
<td>$159</td>
<td>$159</td>
</tr>
<tr>
<td>2014</td>
<td>$252</td>
<td>$454</td>
</tr>
<tr>
<td>2015</td>
<td>$107</td>
<td>$510</td>
</tr>
<tr>
<td>2016</td>
<td>$69</td>
<td>$489</td>
</tr>
</tbody>
</table>

STOCK BUYBACKS IN PLACE TO REDUCE SHARE COUNT (EXCLUDES OPTIONS)

REPURCHASE OPTIONS IN THE OPEN MARKET AS A MATTER OF PRACTICE

PART OF CAPITAL DEPLOYMENT PHILOSOPHY

Source: Hershey Financials
NET DEBT TO ADJUSTED EBITDA

As of December 31, 2016

A / A1
DEBT RATING
(S&P / Moody’s)

$1.0b (UNSECURED)
CREDIT REVOLVER
IN PLACE

OUTSTANDING
U.S. COMMERCIAL
PAPER $474m

Source: Hershey Financials
LONG-TERM DEBT, MOSTLY FIXED ... AND LONG DATED

AVERAGE FIXED RATE

~3.5%

$0.7b

$0.6b

$1.1b

2018 to 2020

2021 to 2025

2026 to 2046

Source: Hershey Financials
TARGETED CAPITAL STRUCTURE

• Target range of **1.5x to 2.0x** Net Debt/Adjusted EBITDA

• For “right” strategic acquisition would consider **Net Debt/Adjusted EBITDA greater than 2.0x**

• Given strong cash flow LTD trades at a value better than current “A” rating
PRODUCTIVITY INITIATIVES DRIVING
3 YEAR OPERATING INCOME MARGIN EXPANSION

$300M

$150M to $175M

$450M - $475M
3 YEAR TARGET

2016 Adj. Oper. Income Margin
Sales Leverage
Normal Productivity
“Margin For Growth”
Inflation (Materials, Benefits)
Technology / Go to Market Capabilities
2019E Adj. Oper. Income Margin

20.4%

$300M

22% - 23%

See Appendix for a Reconciliation of GAAP to Adjusted Operating Income Margin
## SAVINGS PRIMARILY ACHIEVED IN 2018/2019

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2019 “Run Rate”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Productivity</td>
<td>$100M</td>
<td>$100M</td>
<td>$100M</td>
<td>$300M</td>
</tr>
<tr>
<td>“Margin For Growth”</td>
<td>$15M</td>
<td>$135M - $160M</td>
<td>$150M - $175M</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A % of Sales (ex Adv/Mkt)</td>
<td>[↑]</td>
<td>[↓]</td>
<td>[↓]</td>
<td>~100 bps lower than 2016</td>
</tr>
<tr>
<td>Advertising, Marketing &amp; Trade % of Sales</td>
<td></td>
<td></td>
<td></td>
<td>~25%</td>
</tr>
</tbody>
</table>
## Restructuring Pre-Tax Charge of $375M–$425M

### Impacting COGS and SG&A

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Charges $M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant &amp; Office Closures</td>
<td>$125 – 140</td>
</tr>
<tr>
<td>Intangibles</td>
<td>$100 – 110</td>
</tr>
<tr>
<td>Employee Separation</td>
<td>$80 – 100</td>
</tr>
<tr>
<td>All Other</td>
<td>$70 – 75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$375 – 425</strong></td>
</tr>
</tbody>
</table>

### Total Charges

<table>
<thead>
<tr>
<th></th>
<th>Total Charges $M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$175 – 200</td>
</tr>
<tr>
<td>Non Cash</td>
<td>$200 – 225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$375 – 425</strong></td>
</tr>
</tbody>
</table>
LONG TERM GROWTH OBJECTIVES

- Net Sales: +2-4%
- Adjusted Earnings Per Share-Diluted: +6-8%
2017 OUTLOOK REAFFIRMED

CHG. VS. 2016

Net Sales  +2.0% to +3.0%

Adjusted Gross Margin  +15bps to +25bps

Adjusted EPS  +7.0% to +9.0%

See Appendix for a Reconciliation of GAAP to Adjusted EPS
HERSHEY, A SOLID LONG TERM INVESTMENT

TOTAL SHAREHOLDER RETURN

1.9X THE S&P 500

OVER THE LAST 20 YEARS

Source: Bloomberg
PATH FOR CONTINUED GROWTH

LEADERSHIP IN CMG, EXPANDING IN SNACKING

ICONIC BRANDS

ADVANTAGED CAPABILITIES

STRONG FINANCIALS
KEY MESSAGES

GROW
Reignite core confection & expand breadth in snacking

EXPAND MARGINS
Reallocate resources to expand margins & fuel growth

INVEST
Strengthen capabilities & leverage technology for commercial advantage

Increase shareholder value

Wrap Up
Reconciliation of GAAP and Non-GAAP Information

Below is a reconciliation of projected 2017 earnings per share-diluted calculated in accordance with GAAP to non-GAAP adjusted earnings per share-diluted:

<table>
<thead>
<tr>
<th>Item</th>
<th>2017 (Projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EPS – Diluted</td>
<td>$3.19 - $3.45</td>
</tr>
<tr>
<td>Derivative Mark-to-Market Losses</td>
<td>—</td>
</tr>
<tr>
<td>Business realignment activities</td>
<td>0.10 - 0.12</td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>—</td>
</tr>
<tr>
<td>Non-service related pension expense</td>
<td>0.06</td>
</tr>
<tr>
<td>Settlement of SGM liability</td>
<td>—</td>
</tr>
<tr>
<td>Goodwill and other intangible asset impairment charges</td>
<td>—</td>
</tr>
<tr>
<td>“Margin for Growth” program costs</td>
<td>1.20 – 1.35</td>
</tr>
<tr>
<td>Adjusted EPS – Diluted</td>
<td>$4.72 - $4.81</td>
</tr>
</tbody>
</table>

Adjusted Gross Margin and Adjusted Operating Income Margin for 2017 to 2019 are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability, including the impact of changes in foreign currency exchange rates, business realignment costs, NSRPE and restructure charges. We are not able to reconcile these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates, business realignment costs, NSRPE and restructure charges. The unavailable information could have a significant impact on our full year 2017 to 2019 GAAP financial results.

Source: Hershey Financials
Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>Gross Profit</th>
<th>Operating Income</th>
<th>Interest Expense, net</th>
<th>Net Income</th>
<th>Income Per Share-Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP results</td>
<td>$3,157.9</td>
<td>$1,205.8</td>
<td>$90.1</td>
<td>$720.0</td>
<td>$3.34</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative mark-to-market adjustment</td>
<td>163.2</td>
<td>163.2</td>
<td>--</td>
<td>142.7</td>
<td>0.66</td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>--</td>
<td>6.5</td>
<td>--</td>
<td>4.0</td>
<td>0.02</td>
</tr>
<tr>
<td>Business realignment activities</td>
<td>58.1</td>
<td>107.6</td>
<td>--</td>
<td>88.4</td>
<td>0.42</td>
</tr>
<tr>
<td>NSRPE(1)</td>
<td>12.0</td>
<td>27.2</td>
<td>--</td>
<td>16.9</td>
<td>0.08</td>
</tr>
<tr>
<td>Goodwill and other intangible asset impairment</td>
<td>--</td>
<td>4.2</td>
<td>--</td>
<td>3.0</td>
<td>0.01</td>
</tr>
<tr>
<td>Settlement of Shanghai Golden Monkey Liability</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(26.7)</td>
<td>(0.12)</td>
</tr>
<tr>
<td>Non-GAAP results</td>
<td>$3,391.2</td>
<td>$1,514.4</td>
<td>$90.1</td>
<td>$948.5</td>
<td>$4.41</td>
</tr>
</tbody>
</table>

GAAP Depreciation & Amortization               | 301.8        |                  |                      |            |                        |
Accelerated Depreciation                        | (48.6)       |                  |                      |            |                        |
Adjusted Non-GAAP EBITDA                       | $1,767.6     |                  |                      |            |                        |

* Primarily accelerated depreciation related to the Operational Optimization Program, included in business realignment adjustment

For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>As reported gross margin</th>
<th>42.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP gross margin (1)</td>
<td>45.6%</td>
</tr>
<tr>
<td>As reported operating income margin</td>
<td>16.2%</td>
</tr>
<tr>
<td>Non-GAAP operating income margin (2)</td>
<td>20.4%</td>
</tr>
</tbody>
</table>

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

Source: Hershey Financials
### Reconciliation of GAAP and Non-GAAP Information

<table>
<thead>
<tr>
<th>Income</th>
<th>Gross Profit</th>
<th>Operating Income</th>
<th>Interest Expense, net</th>
<th>Net Income</th>
<th>Income Per Share-Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP results</strong></td>
<td>$3,382.7</td>
<td>$1,037.8</td>
<td>$(105.8)</td>
<td>$513.0</td>
<td>$2.32</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>7.3</td>
<td>20.9</td>
<td>1.6</td>
<td>14.2</td>
<td>0.05</td>
</tr>
<tr>
<td>Business realignment activities</td>
<td>8.8</td>
<td>121.0</td>
<td>--</td>
<td>79.3</td>
<td>0.36</td>
</tr>
<tr>
<td>NSRPE(I)</td>
<td>2.5</td>
<td>18.1</td>
<td>--</td>
<td>11.1</td>
<td>0.05</td>
</tr>
<tr>
<td>Goodwill and other intangible asset impairment</td>
<td>--</td>
<td>280.8</td>
<td>--</td>
<td>280.8</td>
<td>1.28</td>
</tr>
<tr>
<td>Loss on early extinguishment of debt</td>
<td>--</td>
<td>--</td>
<td>28.3</td>
<td>17.6</td>
<td>0.09</td>
</tr>
<tr>
<td>Gain on sale of trademark</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>(6.3)</td>
<td>(0.03)</td>
</tr>
<tr>
<td><strong>Non-GAAP results</strong></td>
<td>$3,401.3</td>
<td>$1,478.5</td>
<td>$(75.9)</td>
<td>$909.6</td>
<td>$4.12</td>
</tr>
<tr>
<td><strong>GAAP Depreciation &amp; Amortization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated Depreciation</td>
<td></td>
<td></td>
<td></td>
<td>(5.9)</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Non-GAAP EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
<td>$1,717.5</td>
<td></td>
</tr>
</tbody>
</table>

*Primarily accelerated depreciation related to other international restructuring programs, included in business realignment adjustment*

### For the year ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>As reported gross margin</td>
<td>45.8%</td>
</tr>
<tr>
<td>Non-GAAP gross margin (1)</td>
<td>46.0%</td>
</tr>
<tr>
<td>As reported operating income margin</td>
<td>14.0%</td>
</tr>
<tr>
<td>Non-GAAP operating income margin (2)</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.
Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31, 2014

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>Gross Profit</th>
<th>Operating Income</th>
<th>Interest Expense, net</th>
<th>Net Income</th>
<th>Income Per Share-Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP results</td>
<td>$3,336.2</td>
<td>$1,392.3</td>
<td>$(83.5)</td>
<td>$846.9</td>
<td>$3.77</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>--</td>
<td>14.9</td>
<td>(1.6)</td>
<td>10.3</td>
<td>0.05</td>
</tr>
<tr>
<td>Business realignment, including PNC</td>
<td>1.6</td>
<td>12.0</td>
<td>--</td>
<td>8.3</td>
<td>0.03</td>
</tr>
<tr>
<td>NSRPE(I)</td>
<td>(2.7)</td>
<td>(1.8)</td>
<td>--</td>
<td>(1.3)</td>
<td>(0.01)</td>
</tr>
<tr>
<td>India impairment</td>
<td>--</td>
<td>15.9</td>
<td>--</td>
<td>14.3</td>
<td>0.06</td>
</tr>
<tr>
<td>Loss on anticipated Mauna Loa divestiture</td>
<td>--</td>
<td>22.2</td>
<td>--</td>
<td>17.4</td>
<td>0.08</td>
</tr>
<tr>
<td>Non-GAAP results</td>
<td>$3,335.1</td>
<td>$1,455.5</td>
<td>$(85.1)</td>
<td>$895.9</td>
<td>$3.98</td>
</tr>
<tr>
<td>GAAP Depreciation &amp; Amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Non-GAAP EBITDA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For the year ended December 31, 2014

| As reported gross margin                     | 45.0%        |
| Non-GAAP gross margin (1)                    | 44.9%        |
| As reported operating income margin          | 18.8%        |
| Non-GAAP operating income margin (2)         | 19.6%        |

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.  
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

Source: Hershey Financials
Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31, 2013

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>Gross Profit</th>
<th>Operating Income</th>
<th>Interest Expense, net</th>
<th>Net Income</th>
<th>Income Per Share-Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP results</td>
<td>$3,280.8</td>
<td>$1,338.1</td>
<td>$(88.4)</td>
<td>$820.5</td>
<td>$3.61</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>0.3</td>
<td>4.0</td>
<td>--</td>
<td>5.4</td>
<td>0.03</td>
</tr>
<tr>
<td>Business realignment, including PNC</td>
<td>0.4</td>
<td>19.1</td>
<td>--</td>
<td>11.8</td>
<td>0.05</td>
</tr>
<tr>
<td>NSRPE(I)</td>
<td>5.4</td>
<td>10.9</td>
<td>--</td>
<td>6.6</td>
<td>0.03</td>
</tr>
<tr>
<td>Non-GAAP results</td>
<td>$3,286.9</td>
<td>$1,372.1</td>
<td>$(88.4)</td>
<td>$844.3</td>
<td>$3.72</td>
</tr>
</tbody>
</table>

GAAP Depreciation & Amortization: 201.0
Accelerated Depreciation: -
Adjusted Non-GAAP EBITDA: $1,573.1

For the year ended December 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>As reported gross margin</td>
<td>45.9%</td>
</tr>
<tr>
<td>Non-GAAP gross margin (1)</td>
<td>46.0%</td>
</tr>
<tr>
<td>As reported operating income margin</td>
<td>18.7%</td>
</tr>
<tr>
<td>Non-GAAP operating income margin (2)</td>
<td>19.2%</td>
</tr>
</tbody>
</table>

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

Source: Hershey Financials
# Reconciliation of GAAP and Non-GAAP Information

**For the year ended December 31, 2012**

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>Gross Profit</th>
<th>Operating Income</th>
<th>Interest Expense, net</th>
<th>Net Income</th>
<th>Income Per Share- Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP results</td>
<td>$2,859.9</td>
<td>$1,111.1</td>
<td>$(95.6)</td>
<td>$660.9</td>
<td>$2.89</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>4.1</td>
<td>13.4</td>
<td>--</td>
<td>9.2</td>
<td>0.04</td>
</tr>
<tr>
<td>Business realignment, including PNC</td>
<td>36.4</td>
<td>83.8</td>
<td>--</td>
<td>57.2</td>
<td>0.25</td>
</tr>
<tr>
<td>NSRPE(I)</td>
<td>8.6</td>
<td>20.6</td>
<td>--</td>
<td>12.7</td>
<td>0.06</td>
</tr>
<tr>
<td>Non-GAAP results</td>
<td>$2,909.0</td>
<td>$1,228.9</td>
<td>$(95.6)</td>
<td>$740.0</td>
<td>$3.24</td>
</tr>
<tr>
<td>GAAP Depreciation &amp; Amortization</td>
<td></td>
<td></td>
<td></td>
<td>210.0</td>
<td></td>
</tr>
<tr>
<td>Accelerated Depreciation*</td>
<td></td>
<td>(15.3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Non-GAAP EBITDA</td>
<td></td>
<td></td>
<td></td>
<td>$1,423.6</td>
<td></td>
</tr>
</tbody>
</table>

* Primarily accelerated depreciation related to the Project Next Century (PNC) program, included in business realignment adjustment above.

For the year ended December 31, 2012:

- **As reported gross margin**: 43.0%
- **Non-GAAP gross margin (1)**: 43.8%
- **As reported operating income margin**: 16.7%
- **Non-GAAP operating income margin (2)**: 18.5%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

Source: Hershey Financials
Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31, 2011

<table>
<thead>
<tr>
<th>In millions of dollars except per share amounts</th>
<th>2011</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$2,531.9</td>
<td>$1,055.0</td>
<td>$(92.2)</td>
<td>$629.0</td>
<td>$2.74</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business realignment, including PNC</td>
<td>45.1</td>
<td>49.2</td>
<td>--</td>
<td>30.9</td>
<td>0.13</td>
</tr>
<tr>
<td>NSRPE(I)</td>
<td>--</td>
<td>2.8</td>
<td>--</td>
<td>2.0</td>
<td>0.01</td>
</tr>
<tr>
<td>Gain on sale of trademark rights</td>
<td>--</td>
<td>(17.0)</td>
<td>--</td>
<td>(11.1)</td>
<td>(0.05)</td>
</tr>
<tr>
<td>Non-GAAP results</td>
<td>$2,577.0</td>
<td>$1,090.0</td>
<td>$(92.2)</td>
<td>$650.8</td>
<td>$2.83</td>
</tr>
<tr>
<td>GAAP Depreciation &amp; Amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated Depreciation*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Non-GAAP EBITDA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Primarily accelerated depreciation related to the Project Next Century (PNC) program, included in business realignment adjustment above.

For the year ended December 31, 2011

| As reported gross margin                | 41.6% |
| Non-GAAP gross margin (1)               | 42.4% |
| As reported operating income margin    | 17.4% |
| Non-GAAP operating income margin (2)    | 17.9% |

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.