



Your Retirement Benefits at Hershey

WorkLife Invest:

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The Hershey Company's success is driven by the commitment and dedication of our employees. Hershey's long-term growth depends on continued investment—in our people, through attractive wages, incentives and benefits, and in our business, through developing new products, building our brands and pursuing key capital projects.

The Hershey Executive Team and Board of Directors continually examine our benefits programs to ensure they balance Hershey's need to remain competitive over the long term with employees' needs for attractive wages and benefits. WorkLife Invest positions Hershey to continue delivering superior results while providing a competitive retirement benefit to employees. We encourage you to read this brochure thoroughly to learn more about the WorkLife Invest program.

Retirement Benefits Aligned with Hershey's Value-Enhancing Strategy

WorkLife Invest provides employees' retirement benefits through the ESSIOP 401(k) plan—a defined contribution plan—giving our employees control and flexibility in saving for retirement. WorkLife Invest also helps Hershey to effectively manage and predict the future expenses associated with providing competitive retirement benefits—which, in turn, contributes to the Company's financial strength and allows us to drive future growth through investment in key areas of our business.

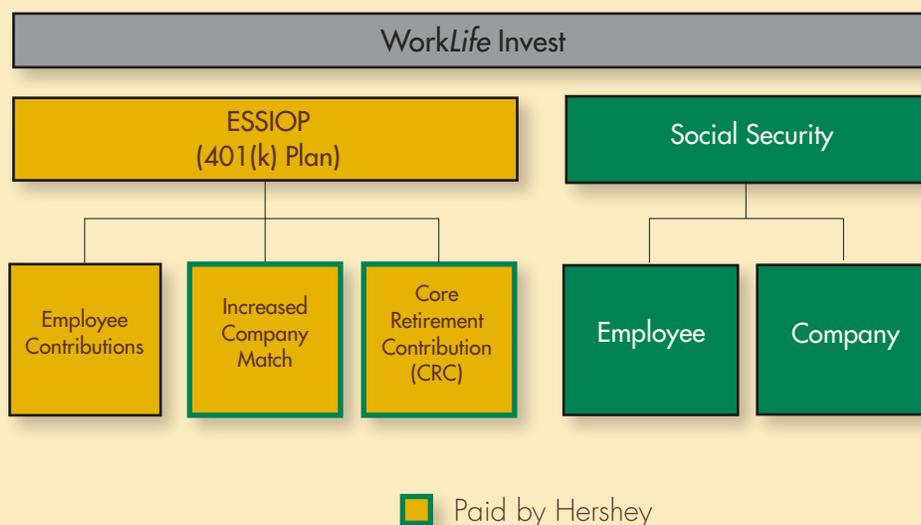
When you become eligible for WorkLife Invest on or after January 1, 2007, Hershey will:

- provide an automatic Company-paid Core Retirement Contribution (CRC) to your Hershey Company Employee Savings Stock Investment and Ownership Plan (ESSIOP) account, whether or not you contribute a portion of your own pay to the ESSIOP 401(k) plan,
- provide a Company match on your contributions to the ESSIOP 401(k) plan, and
- include annual cash incentives in ESSIOP eligible wages.

While Hershey will help you build a secure retirement by contributing to your 401(k) plan account balance, your financial goals are unique to you and reaching them is ultimately your responsibility. Hershey will support you with comprehensive information, educational programs, tools and retirement resources to help you maximize the value of WorkLife Invest.

What is a defined contribution (DC) plan?

A defined contribution plan provides a benefit equal to the balance of the participant's plan account, which consists of contributions to the account and investment return. In a DC plan, employees can set aside money and invest it for retirement. A specific retirement benefit is not guaranteed. Employers often make additional contributions to match all or a portion of employee contributions. Employees typically make all investment decisions and assume all investment risk. The ESSIOP, Hershey's 401(k) plan, is a defined contribution plan.



How the CRC minimum contribution works

The minimum contribution from Hershey — \$1,500 for full-time employees — ensures a level of retirement security for all employees.

If your annual pay (calculated as annual base salary plus any annual cash incentives) is less than \$50,000, the annual minimum contribution exceeds 3% of your pay — therefore you would receive the minimum contribution instead. (For employees who are considered “continuous part-time,” the annual minimum contribution will be \$500.)

Your 2007 CRC contribution will be calculated using your 2007 annual pay (annual base salary plus any annual cash incentives). Your contribution will be deposited in your account in early 2008.

The ESSIOP 401(k) Plan, under WorkLife Invest

The Core Retirement Contribution (CRC)

Hershey will provide an annual Core Retirement Contribution in the ESSIOP 401(k) plan—whether or not you contribute your own pay. Once you become eligible, you will receive an automatic contribution of 3% of your annual pay (subject to IRS compensation limits), or a minimum of \$1,500 for full-time employees and \$500 for continuous part-time employees, whichever is greater. To receive the CRC contribution for a given calendar year, you must be employed on December 31 of that year (or you retire, become disabled or die during the plan year).

The annual minimum contribution amount for the first calendar year of your employment with Hershey will be pro-rated based on the month in which you were hired. For example, if you are a full-time employee hired in July, the minimum contribution amount applicable to you is \$750 (six months’ pro-ration of

the \$1,500 minimum, for July through December). After December 31 of your first calendar year of employment, the minimum contribution amount applicable to you will not be pro-rated (except if you retire, become disabled or die during the plan year).

Your CRC contribution for a given year will be credited to your ESSIOP 401(k) plan account early in the following calendar year. All annual cash incentives paid during the calendar year will be included in the pay used to calculate your CRC contribution amount.

You are fully vested in the value of your CRC contribution after you complete three years of service or reach age 55 while employed by Hershey, whichever comes first. In addition, participants become automatically vested upon death or disability while employed by Hershey, regardless of age or years of service.

Remember that the value of your annual CRC contributions at retirement depends on the actual performance of the investments you choose—**and investment return can be positive or negative.**

The Core Retirement Contribution, At a Glance

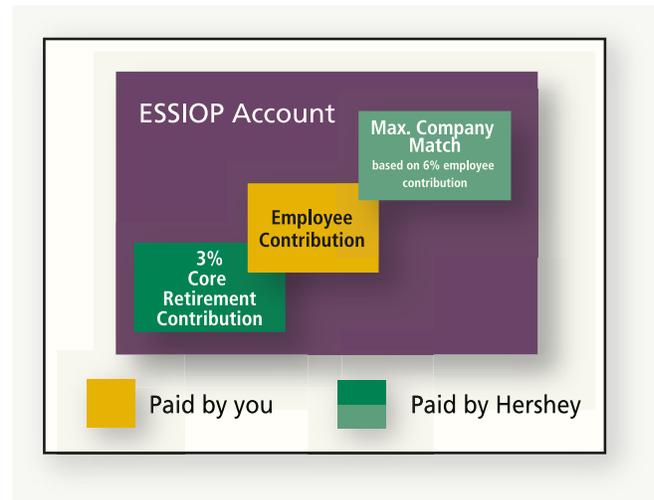
Features	Core Retirement Contribution
Contribution amount	3% of pay, with an annual minimum of: <ul style="list-style-type: none"> ■ \$1,500 for full-time employees, and ■ \$500 for continuous part-time employees
Definition of pay	Annual base salary plus annual cash incentives paid during the calendar year are included in ESSIOP eligible wages <i>Annual cash incentives are those paid under the Annual Incentive Plan (AIP), Sales Incentive Plan (SIP), Manufacturing Incentive Plan (MIP) and Passion for Winning.</i>
Investment return	Varies based on the performance of the investments you choose
Vesting in CRC	100% vested in the CRC after three years of service with Hershey, reaching age 55 while employed by Hershey, or upon death or disability while employed by Hershey, whichever occurs first

Your Contributions to the ESSIOP 401(k) Plan, and the Company Match

To encourage and support you in saving for retirement, Hershey:

- provides a Company match on your ESSIOP 401(k) plan contributions, and
- includes annual cash incentives paid during the calendar year in the pay used to calculate your ESSIOP 401(k) plan contributions and the Company match.

Hershey will match 75% of the first 6% of pay that you contribute. To receive the full Company match contribution equivalent to 4.5% of pay, you will need to contribute 6% of pay—however, you may contribute more than 6% if you wish. You may elect to contribute (in whole-number percentages) up to 50% of your annual pay to the ESSIOP 401(k) plan, subject to IRS limits.



The Company Match, At a Glance

Features	Company Match under WorkLife Invest
Company match	75% on first 6% of pay
Maximum Company match	A contribution equivalent to 4.5% of pay when 6% or more of pay is contributed
Definition of pay	Includes annual cash incentives paid during the calendar year <i>Annual cash incentives are those paid under the Annual Incentive Plan (AIP), Sales Incentive Plan (SIP), Manufacturing Incentive Plan (MIP) and Passion for Winning.</i>
Vesting in Company match	100% vested after three years of service with Hershey, reaching age 55 while employed by Hershey, or upon death or disability while employed by Hershey, whichever occurs first

Vanguard – Hershey’s ESSIO Partner

Vanguard, Hershey’s partner in providing the ESSIO 401(k) plan, offers diverse and high-quality investment options supported by a range of customized educational programs, personalized tools and retirement resources. Hershey encourages all 401(k) plan participants to use Vanguard’s resources—particularly Financial Engines—to ensure that you are preparing appropriately today to reach your unique financial goals.

Vanguard’s Personal Online Advisor, Powered by Financial Engines

All participants in the ESSIO 401(k) plan have access to Vanguard’s Personal Online Advisor, powered by Financial Engines. **There is no fee** for participants to use the Advisor, and it is accessible 24 hours a day at www.vanguard.com.

The Personal Online Advisor will project your current account balance using assumptions from thousands of realistic investment scenarios, to determine the level of retirement income your current balance—and current level of savings—could provide in each. By comparing the projections against your desired income at retirement, the Advisor will determine the likelihood that you’ll reach your stated retirement income goal in each scenario—and provide you with a “Forecast.”

Note also that you can include other non-ESSIO investments in your Forecast data, such as a spouse’s 401(k) plan. See the insert entitled “Getting Started: How to Access Financial Engines,” included in this mailing, for instructions on including your other personal investments in your Forecast.

After determining your Forecast, Financial Engines considers inflation, taxes, fund expenses and future income from other retirement investments to help you build an ESSIO 401(k) plan portfolio that fits your tolerance for risk. And, implementing the Personal Online Advisor’s recommendations is simple.

Vanguard’s Managed Account Program

Beginning in 2007, participants can also choose to let a financial professional manage their ESSIO 401(k) plan investments, for a fee. Vanguard’s Managed Account Program offers:

- **Expertise.** Backed by the forecasting power of Financial Engines, a Vanguard investment expert will help you build an investment portfolio tailored to your needs and those of your family.
- **Insight.** You’ll receive a Personal Plan Preview, showing you the performance potential of your new investment strategy—and quarterly progress reports to tell you how your ESSIO 401(k) plan account is performing.
- **Flexibility.** You can make changes to your account elections as often as you wish; Vanguard will handle the transactions and monitor your account activity for you.

Watch your mail for further information from Vanguard about Financial Engines and the Managed Account program—or, you can visit www.vanguard.com to learn more.

Hershey is committed to providing you with the tools, educational resources and information you need to get the most from your retirement benefits. It is up to you to take the time to understand the WorkLife Invest program, and to take full advantage of its benefits.

Your right to receive a benefit depends on the actual facts and rules in the legal documents that govern The Hershey Company Employee Savings Stock Investment and Ownership Plan, or "ESSIOP" (Plan documents). The Hershey Company reserves the right to modify or terminate the provisions of the *WorkLife* Invest program, and to amend the relevant Plan document(s) at any time. While every effort has been made to ensure the accuracy and applicability of the information in this brochure, the possibility of error always exists. If there is any inconsistency between this brochure and the Plan document(s) governing the ESSIOP, the provisions of the applicable Plan document(s) will prevail.

If you have any questions, please contact the *WorkLife* Center at 717-534-8170 inside the Hershey area or 1-800-878-0440 outside the Hershey area.



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