



Hershey and Barry Callebaut Announce Strategic Supply and Innovation Partnership

- **Barry Callebaut to supply a minimum of 80,000 tons per year of chocolate and finished products to Hershey under long-term global agreement**
- **Hershey to leverage Barry Callebaut's premium chocolate expertise, cocoa and origin know-how and extensive chocolate innovation capabilities**

Hershey, PA, USA/Zurich, Switzerland, April 26, 2007 – The Hershey Company (NYSE:HSY), North America's leading manufacturer of quality consumer chocolate and confectionery products, and Barry Callebaut, the world's largest manufacturer of high-quality cocoa, industrial chocolate and confectionery products, today announced a strategic supply and innovation partnership. The cooperation will enable the companies to work together to drive long-term growth in the global chocolate market.

The companies will partner on a wide range of research and development activities with a focus on driving innovation in new chocolate taste experiences, premium chocolate, health and wellness, ingredient research and optimization.

Under the agreement, Barry Callebaut will construct and operate a facility to provide chocolate for Hershey's new plant in Monterrey, Mexico. Barry Callebaut will also lease a portion of Hershey's Robinson, Ill., plant, and operate chocolate-making equipment at the facility. The partnership includes a long-term global agreement under which Barry Callebaut will supply Hershey with a minimum of 80,000 tons per year of chocolate and finished products.

The agreement will significantly increase Barry Callebaut's production capacity in the Americas. Over the next three years, production capacities will increase by 130,000 tons, with a significant portion of this production dedicated to supplying Hershey. The total investment by Barry Callebaut will amount to USD 50 million (CHF 65 million).

The two companies also will work together on efforts aimed at building a sustainable cocoa supply, including the World Cocoa Foundation's Sustainable Tree Crops Program, the International Cocoa Initiative Foundation and industry efforts to implement a certification system in West Africa. Hershey will also participate in Barry Callebaut's proprietary corporate social responsibility and sustainable cocoa-bean sourcing programs.

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Richard H. Lenny, Chairman, President and Chief Executive Officer, The Hershey Company, said, “Barry Callebaut is a global leader in high-quality chocolate, and we’re pleased with this opportunity to expand our relationship. This partnership provides Hershey with immediate access to broad expertise in premium chocolate and builds on our strong research and development capabilities. We will work together on research involving unique cocoa flavors and formats to enable superior new product innovation. Barry Callebaut and Hershey will also work together on corporate social responsibility efforts, with an emphasis on bringing about sustainable, positive change benefiting cocoa farmers and their families.”

Patrick De Maeseneire, CEO of Barry Callebaut, said, “This long-term agreement with Hershey marks a milestone for Barry Callebaut. The transaction will transform our business in the Americas by doubling our production capacities of chocolate in the region. On a group level, it will increase our volumes by 10 percent over three years. We will be able to significantly strengthen our factory network, bringing us closer to our customers and making us more competitive in North America. Thanks to our innovative strength and cost leadership, we have succeeded in firmly establishing ourselves as a partner of choice on both sides of the Atlantic Ocean.”

The two parties expect the final agreements to be signed by the end of May 2007.

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The Hershey Company:

The Hershey Company (NYSE: HSY) is the largest North American manufacturer of quality chocolate and sugar confectionery products. With revenues of nearly \$5 billion and more than 13,000 employees worldwide, The Hershey Company markets such iconic brands as *Hershey's*, *Reese's*, *Hershey's Kisses*, and *Ice Breakers*. Hershey is the leader in the fast-growing dark and premium chocolate segment, with such brands as *Hershey's Special Dark*, *Hershey's Extra Dark* and *Cacao Reserve by Hershey's*. *Hershey's Ice Breakers* franchise delivers refreshment across a variety of mint and gum flavors and formats. In addition, Hershey leverages its iconic brands, marketplace scale and confectionery and nut expertise to develop and deliver substantial snacks, including *Hershey's* and *Reese's* single-serve cookies and brownies, and value-added snack nuts, including *Hershey's Milk Chocolate Covered Almonds* and *Hershey's Special Dark Chocolate Covered Almonds*. Hershey also offers a range of products to address the health and well-being needs of today's consumer. *Hershey's* and *Reese's Snacksters* offer consumers great-tasting snacks in portion-controlled servings, while Hershey's dark chocolate offerings provide the benefits of flavanol antioxidants. In addition, Artisan Confections Company, a wholly owned subsidiary of The Hershey Company, markets such premium chocolate offerings as *Scharffen Berger*, known for its high-cacao dark chocolate products, *Joseph Schmidt*, recognized for its fine, handcrafted chocolate gifts, and *Dagoba*, known for its high-quality natural and organic chocolate bars. Visit us at www.hersheynewsroom.com.

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Barry Callebaut (www.barry-callebaut.com):

With annual sales of more than CHF 4 billion (USD 3.4 billion) for fiscal year 2005/06, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa, chocolate and confectionery products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut operates more than 30 production facilities in 24 countries and employs approximately 7,500 people. The company serves the entire food industry, from food manufacturers to professional users of chocolate (such as chocolatiers, pastry chefs or bakers), to global retailers. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

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