

THE HERSHEY COMPANY
CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31,	2007	2006	2005
In thousands of dollars except per share amounts			
Net Sales	<u>\$4,946,716</u>	<u>\$4,944,230</u>	<u>\$4,819,827</u>
Costs and Expenses:			
Cost of sales	3,315,147	3,076,718	2,956,682
Selling, marketing and administrative	895,874	860,378	912,986
Business realignment and impairment charges, net	276,868	14,576	96,537
Total costs and expenses	<u>4,487,889</u>	<u>3,951,672</u>	<u>3,966,205</u>
Income before Interest and Income Taxes	458,827	992,558	853,622
Interest expense, net	118,585	116,056	87,985
Income before Income Taxes	340,242	876,502	765,637
Provision for income taxes	126,088	317,441	277,090
Net Income	<u>\$ 214,154</u>	<u>\$ 559,061</u>	<u>\$ 488,547</u>
Net Income Per Share—Basic—Class B Common Stock	<u>\$.87</u>	<u>\$ 2.19</u>	<u>\$ 1.85</u>
Net Income Per Share—Diluted—Class B Common Stock	<u>\$.87</u>	<u>\$ 2.17</u>	<u>\$ 1.84</u>
Net Income Per Share—Basic—Common Stock	<u>\$.96</u>	<u>\$ 2.44</u>	<u>\$ 2.05</u>
Net Income Per Share—Diluted—Common Stock	<u>\$.93</u>	<u>\$ 2.34</u>	<u>\$ 1.97</u>
Cash Dividends Paid Per Share:			
Common Stock	\$ 1.1350	\$ 1.030	\$.9300
Class B Common Stock	1.0206	.925	.8400

The notes to consolidated financial statements are an integral part of these statements.