

Hershey Reaches an Agreement to Acquire Brookside Foods Ltd.

HERSHEY, Pa.--(BUSINESS WIRE)--Dec. 8, 2011-- The Hershey Company (NYSE: HSY) today announced that it has reached an agreement to purchase Brookside Foods Ltd., a privately held confectionery company based in Abbotsford, British Columbia.

Brookside is a chocolate confectionery company with great-tasting products based on a unique formula for making chocolate-covered fruit juice pieces. Brookside holds patents that enable it to make the centers of these distinctive products from real fruit juice. The company also makes traditional chocolate-covered nuts and dried fruit. The products are made at two facilities in British Columbia and Quebec. The Brookside product line is primarily sold in the U.S. and Canada in a take home re-sealable pack type. Annual net sales of the business are approximately \$85 million Canadian dollars.

“The acquisition of Brookside is an opportunity for Hershey to expand our portfolio in this category,” said John P. Bilbrey, President and Chief Executive Officer. “Brookside pairs dark chocolate with exotic fruit-juice centers, such as goji, acai, blueberry and pomegranate, to create great-tasting treats, while delivering the benefits of flavanols and antioxidants. We look forward to building Brookside by leveraging Hershey’s scale at retail.”

“We’re pleased that a company of Hershey’s stature and excellence appreciates Brookside’s growth, brand equity and people, as well as the great taste and potential of the Brookside product line,” said Ken Shaver, President and Chief Executive Officer, Brookside Foods Ltd.

Hershey expects the acquisition to be slightly accretive in the year subsequent to closing. The acquisition is subject to regulatory approval, customary closing adjustments and Brookside shareholder approval.

[Avrio Ventures held a significant equity stake in Brookside.]