



Hershey in Asia

Facts About The Hershey Company's Regional Growth and Operations in Malaysia

About	<p>The Hershey Company is building a high-tech candy manufacturing plant in Johor, Malaysia, to meet the growing consumer demand for its products in Asia, the company's fastest growing region.</p>
Asia: Tremendous Market Opportunities	<p>Driven by a growing, thriving middle class, consumers across Asia are discovering a range of Hershey confectionery products:</p> <ul style="list-style-type: none"> • The middle class population in Asia and the Middle East will grow to 3.3B by 2030¹ • Asia will account for almost 70% of global middle class consumption by 2050² • Confectionery growth outlook is robust across the region, significantly outpacing the U.S. market³ <ul style="list-style-type: none"> ◦ Growth forecast for Chocolate category (2012-2017): China (12%), India (18%), Southeast Asia (7%) ◦ Growth forecast for Sweets & Refreshment category (2012-2017): China (9%), India (12%), Southeast Asia (7%) • As part of its expansion of consumer product portfolios around the world, Hershey anticipates the region will drive \$1 billion in international sales by the end of 2014.
Hershey's Asia Regional Strategy	<p>Hershey is investing in its Asia business and, building its presence across the region:</p> <ul style="list-style-type: none"> • The Malaysia plant will be one of the largest factories in Hershey's global manufacturing network, which also includes plants in India and China. • The Malaysia plant will help meet increasing consumer demand across the region including China, which is on pace to become Hershey's second largest market in the world. • In May 2013, Hershey also announced the opening of a new Asia Innovation Center in Shanghai, a R&D hub that will enable Hershey to quickly develop, test and launch new products customized to the tastes of consumers in China and across the region. • Hershey also announced in May 2013 the launch of its first new candy brand in 30 years and first outside the United States. Called "Lancaster," the milk candy was released in select Chinese cities with plans for wider distribution over the next year.
Why Malaysia?	<p>The plant's location in Johor, Malaysia, is a strategic choice that provides Hershey with a number of benefits, including:</p> <ul style="list-style-type: none"> • Geographically situated to allow for easy distribution to markets across Asia. • A well-educated workforce, with plans to hire more than 400 local employees. • A business-friendly environment that is welcoming of multinational companies. • A stable political system and a strong supply chain infrastructure. • A globally recognized Halal food manufacturing certification that is an advantage for products sold in the region.
Commitment to the Community	<p>Hershey is committed to supporting the local community beginning with the construction process and continuing long after the plant is fully operationalized:</p> <ul style="list-style-type: none"> • The plant, a \$250 million investment (RM816 million), represents the company's single largest investment in Asia. • The building will be constructed using local contractors and construction companies and with more than 80% of local/regional construction materials. • New job opportunities for local residents, with plans to hire locally to staff a number of positions and management roles. • Plans to work with local nonprofits and community organizations to support the company's long-standing commitment to helping women and children in need.

¹ United Nations Population Fund

² OECD Development Centre

³ Euromonitor; AC Nielsen