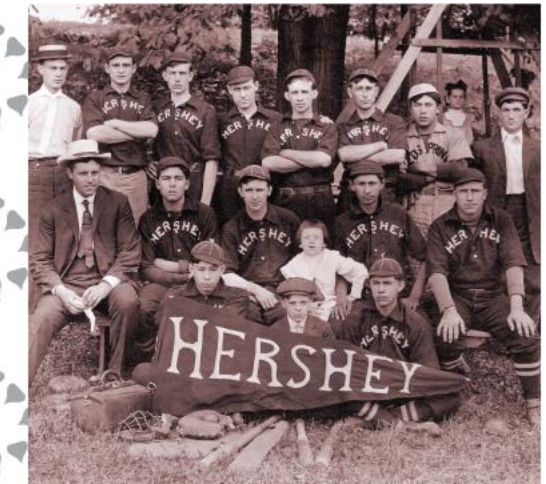


HERSHEY

CAGNY CONFERENCE

FEBRUARY 21, 2018



SKINNY POP POPCORN

MICHELE BUCK

CHIEF EXECUTIVE OFFICER

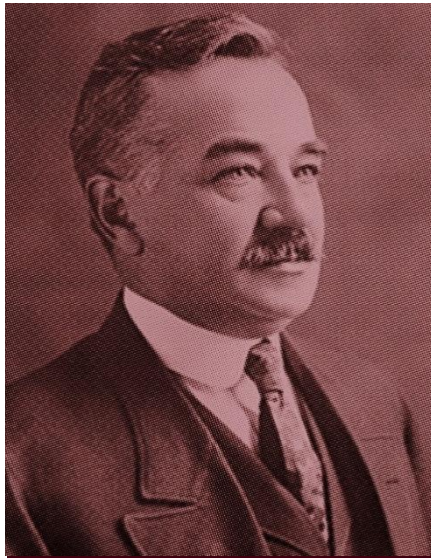
FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Many of these forward-looking statements can be identified by the use of words such as “intend,” “believe,” “expect,” “anticipate,” “should,” “planned,” “projected,” “estimated,” and “potential,” among others. These statements are made based upon current expectations that are subject to risk and uncertainty. Because actual results may differ materially from those contained in the forward-looking statements, you should not place undue reliance on the forward-looking statements when deciding whether to buy, sell or hold the company's securities. Factors that could cause results to differ materially include, but are not limited to: issues or concerns related to the quality and safety of our products, ingredients or packaging; changes in raw material and other costs, along with the availability of adequate supplies of raw materials; selling price increases, including volume declines associated with pricing elasticity; market demand for our new and existing products; increased marketplace competition; disruption to our manufacturing operations or supply chain; failure to successfully execute and integrate acquisitions, divestitures and joint ventures; changes in governmental laws and regulations, including taxes; political, economic, and/or financial market conditions; risks and uncertainties related to our international operations; disruptions, failures or security breaches of our information technology infrastructure; our ability to hire, engage and retain a talented global workforce; our ability to realize expected cost savings and operating efficiencies associated with strategic initiatives or restructuring programs; complications with the design or implementation of our new enterprise resource planning system; and such other matters as discussed in our Annual Report on Form 10-K for the year ended December 31, 2016 and our Quarterly Report on Form 10-Q for the quarter ended July 2, 2017. All information in this presentation is as of February 21, 2018. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

TODAY'S KEY TAKEAWAYS

- Leadership in Large, Growing Category
- Strengthening Advantaged Business Model
- Growing and Investing in Iconic Brands
- Transforming the Business for Sustainable, Profitable Growth
- Driving Long-Term Shareholder Value

HERSHEY'S 100+ YEAR LEGACY



"DOING WELL, BY DOING GOOD"

ICONIC BRANDS

HERSHEY'S

Reese's

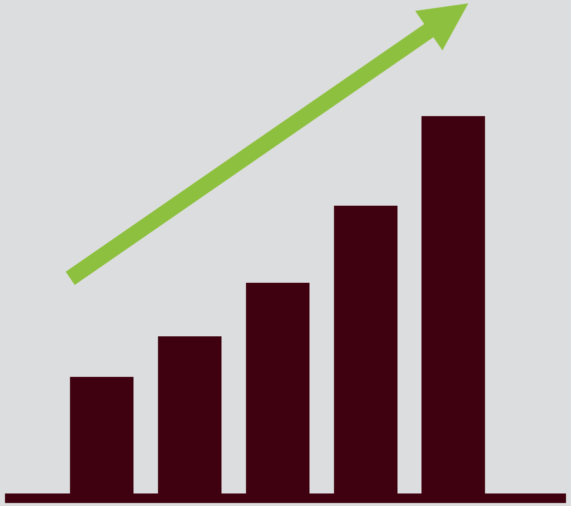
HERSHEY'S Kisses brand

KitKat

ICE BREAKERS

CONSUMER- CENTRIC

FINANCIAL STRENGTH



HERSHEY IS THE ORIGINAL PURPOSE DRIVEN COMPANY

SHARED COMMUNITIES

Treats for Texas

Employee Directed Hurricane Relief

HELPING CHILDREN IN NEED

Milton Hershey School

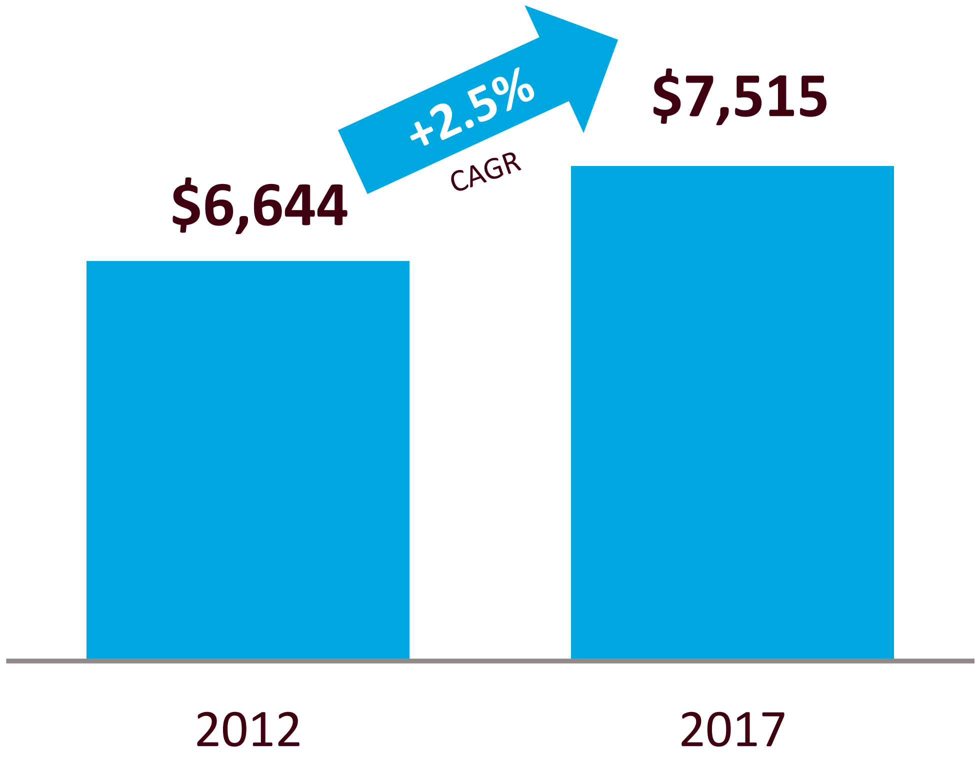
Nourishing Minds

OUR VISION:

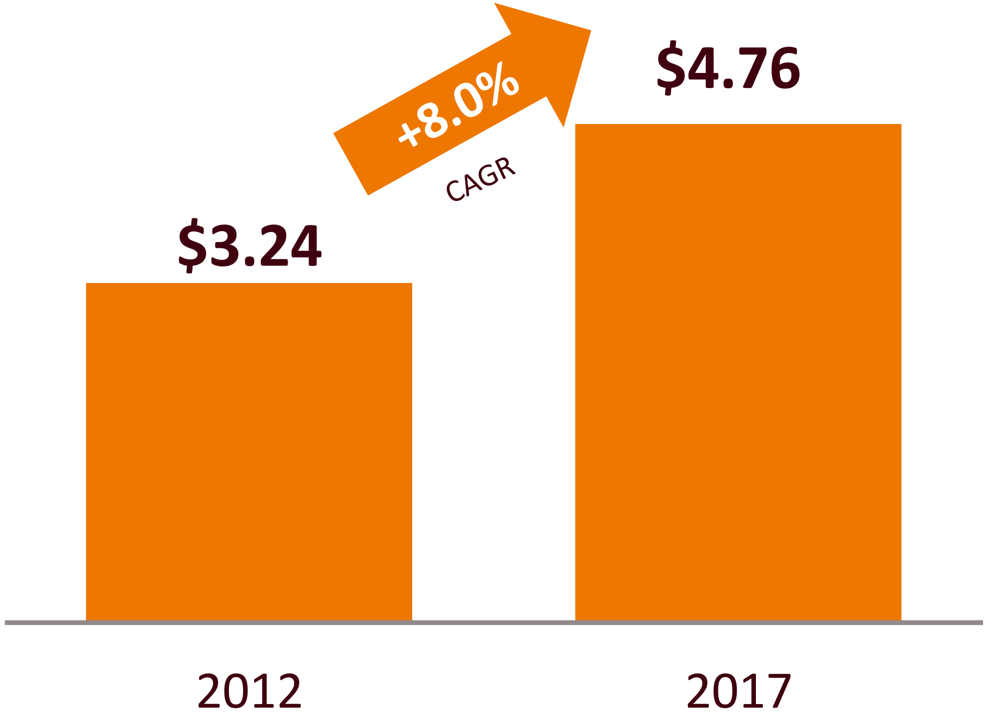
AN INNOVATIVE SNACKING POWERHOUSE

STRONG FINANCIAL PERFORMANCE

NET SALES ($M)



ADJUSTED EPS



Source: Hershey Financials
See Appendix for a Reconciliation from GAAP to Adjusted Operating Income and EPS

CORE BRANDS DRIVING GROWTH

HERSHEY'S

Reese's

KitKat

HERSHEY'S Kisses brand

ICE BREAKERS

U.S. RETAIL SALES PERFORMANCE OF TOP 5 CORE BRANDS
2013-2017

RETAIL SALES CAGR

+4.3%

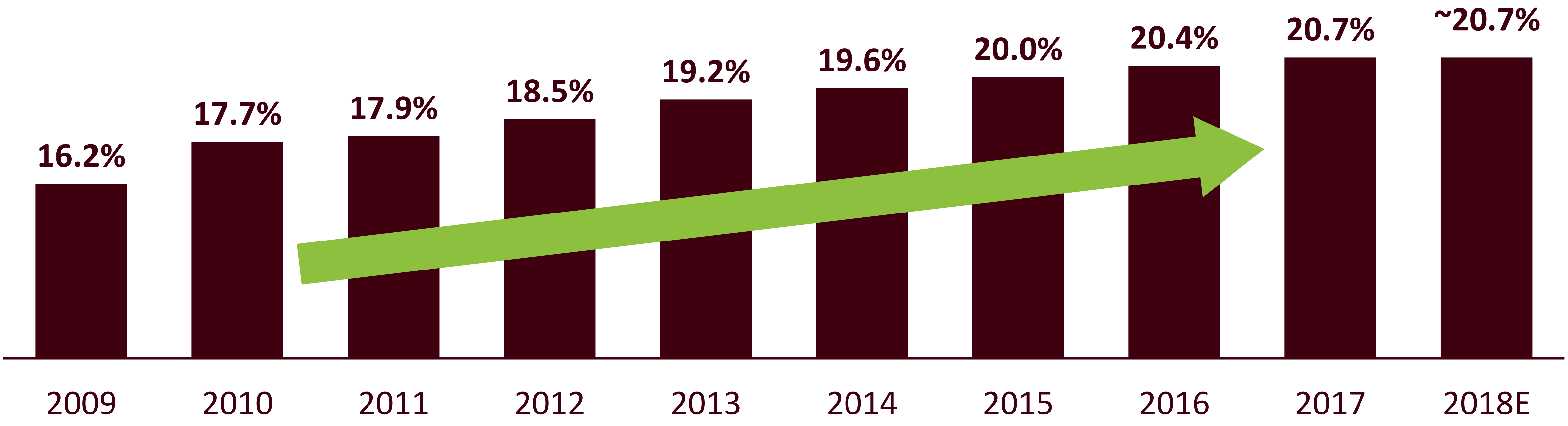
CMG SHARE

+2.1pts

Source: IRI MULO + C ending 12/31/17

SOLID TRACK RECORD OF OPERATING MARGIN EXPANSION

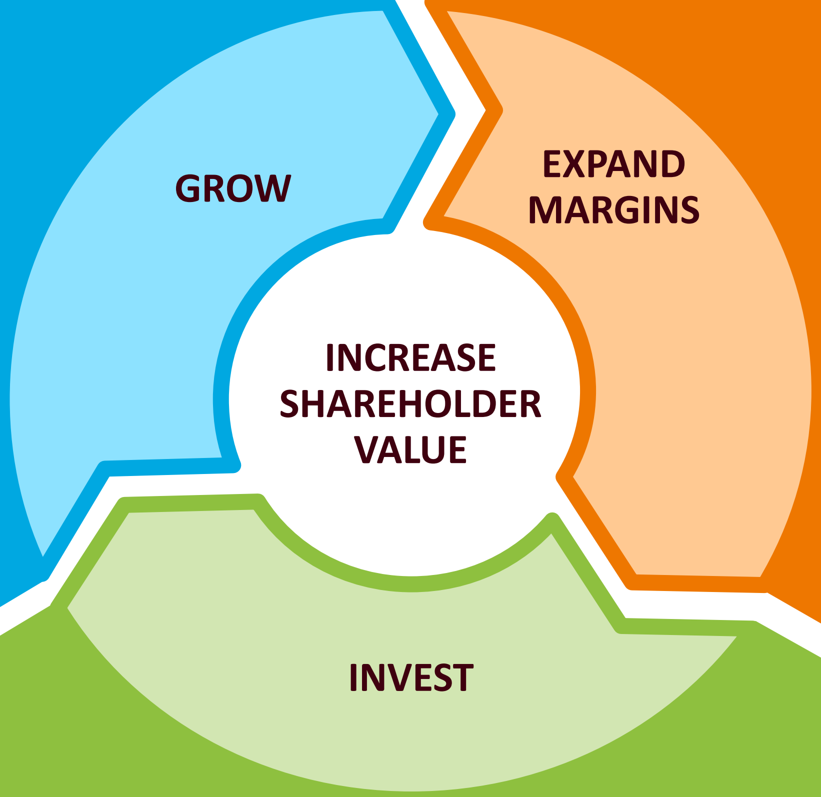
ADJUSTED OPERATING INCOME MARGIN
% OF NET SALES



Source: Hershey Financials
See Appendix for a Reconciliation of GAAP Operating Income Margin to Adjusted Operating Income Margin

A PATH FOR CONTINUED VALUE CREATION

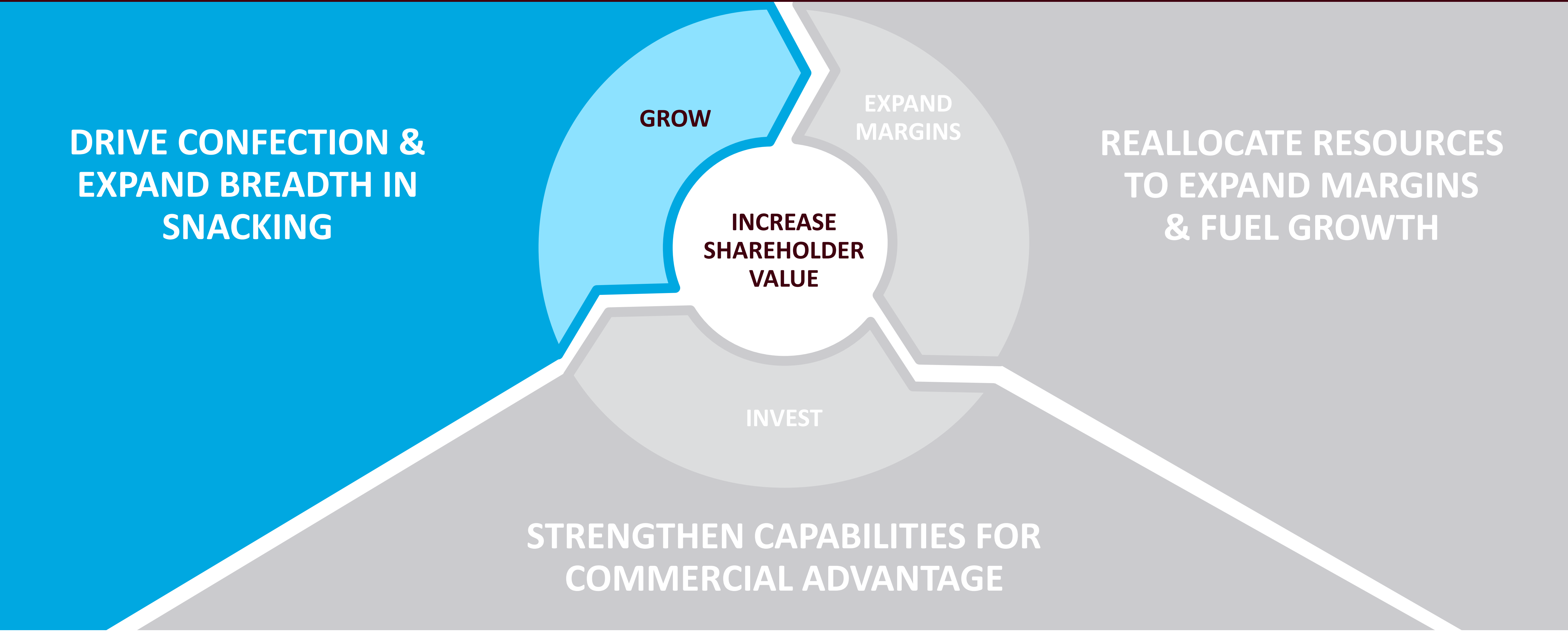
DRIVE CONFECTION & EXPAND BREADTH IN SNACKING



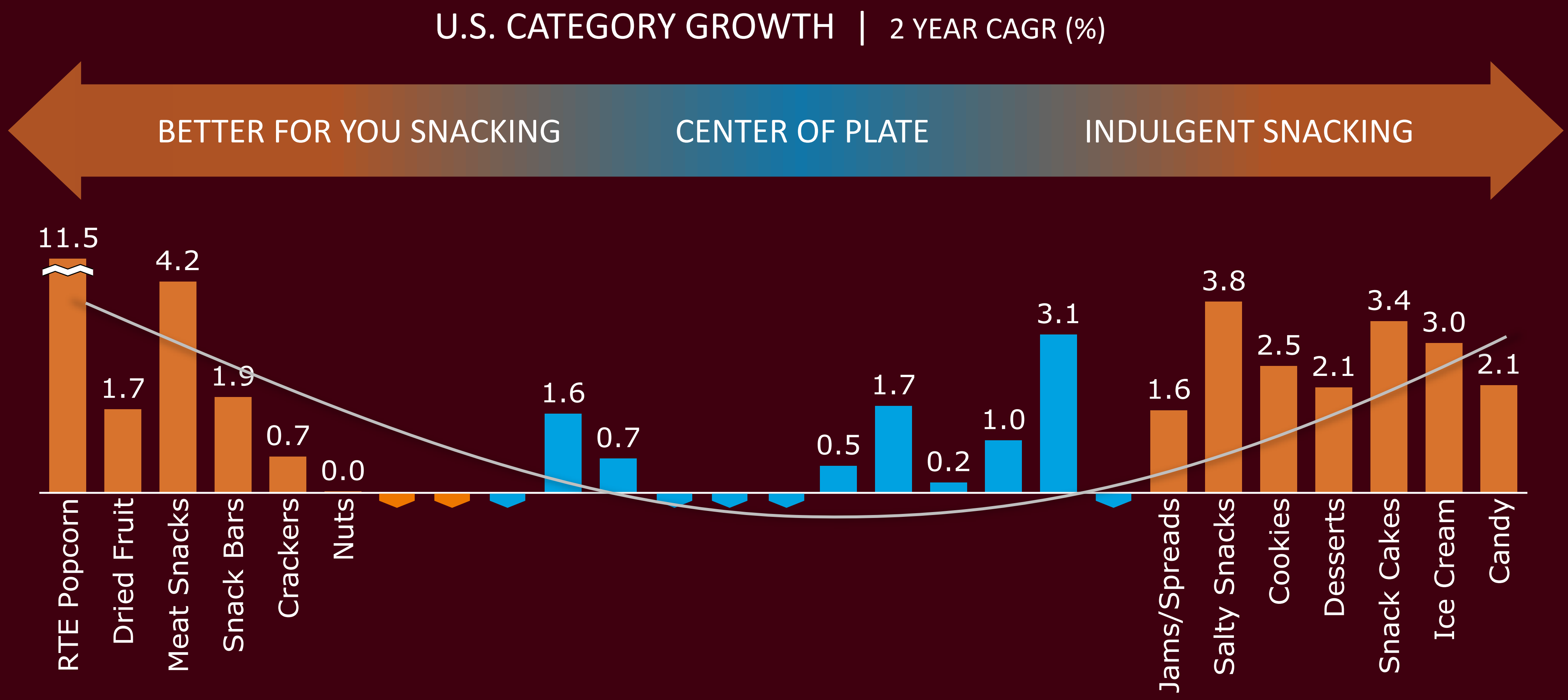
REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

STRENGTHEN CAPABILITIES FOR COMMERCIAL ADVANTAGE

DELIVERING INNOVATIVE SNACKING LEADERSHIP

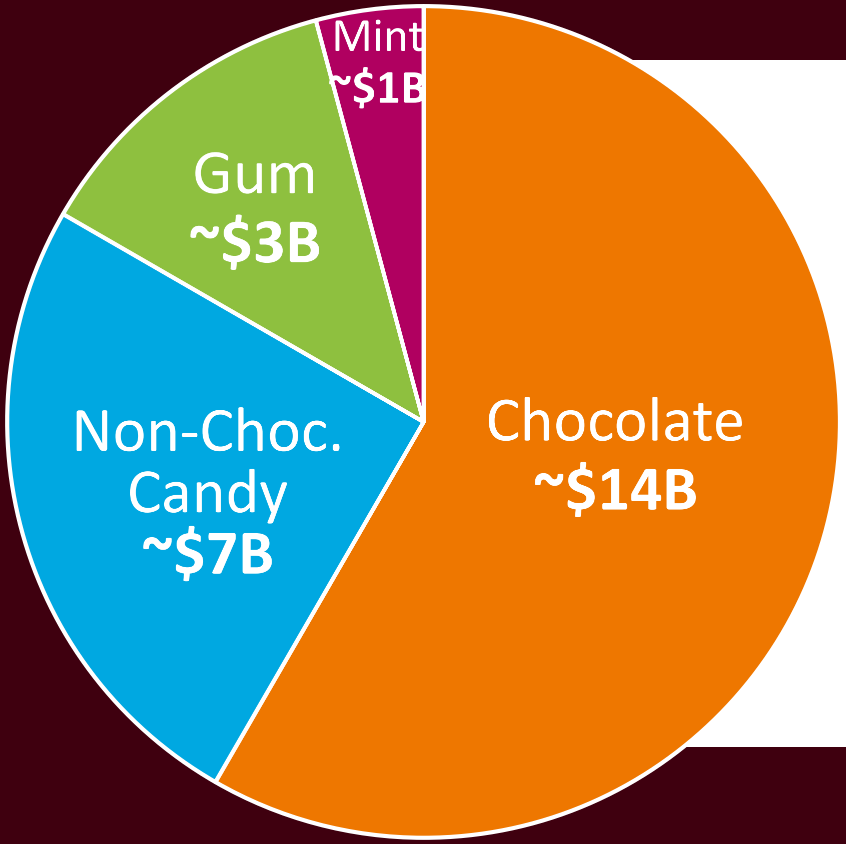


CONSUMERS CONTINUE TO SNACK MORE, WITH GROWTH ACROSS CONTINUUM



Source: IRI MULO + C, 2015-2017
Note: Negative values not shown

CONFECTION REMAINS A LARGE & ADVANTAGED CATEGORY



- High household penetration / purchase frequency
- Expandable consumption
- Highly impulsive
- Responsive to investment support (media, merchandising)
- Channel ubiquity
- Seasonal destination

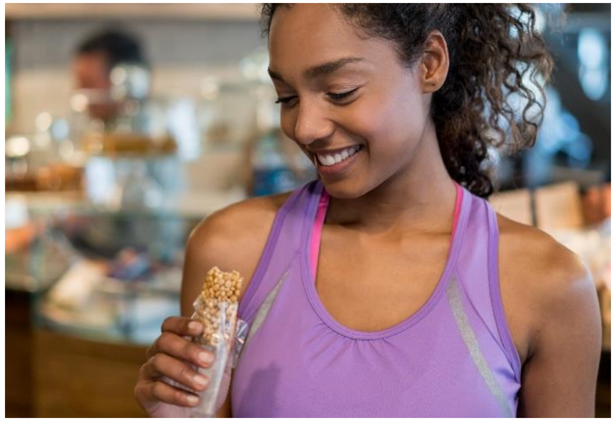
$25B CATEGORY, 4YR CAGR +2.0%

Source: IRI MULO + C 2017




OUR PLAN IS TO
gain larger share of snacking occasions






EXPANDING BREADTH ACROSS THE SNACKING SPECTRUM

CREATING A SNACKING POWERHOUSE THROUGH INNOVATION AND M&A

CHOCOLATE / CANDY | *SNACKFECTION* | *SALTY SNACKS*

SkinnyPop is now Hershey's 6th largest brand!

4 KEY PILLARS TO OUR GROWTH FRAMEWORK

MORE FROM THE CORE

FEWER, BIGGER, BETTER, FASTER INNOVATIONS

THE BOX AND BEYOND

EXPAND ACROSS THE SNACKWHEEL

MORE FROM THE CORE

MORE FROM THE CORE

1 CONSUMERS

2 CUSTOMERS

3 BRANDS

DEVELOP BREAKTHROUGH CONTENT ACROSS TOUCHPOINTS

STRONG APPETITE APPEAL & PARTNERSHIPS

Reese's®

2017 GROWTH

+6%

BILLIONS OF EARNED IMPRESSIONS!

NEW INNOVATION MODELS

Reese's's Post

Yonathan Samuelson
You guys are going to sell out in two days and im going to be the reason
14m Like Reply

Ma Offour
Shut UP and feed me! I can already taste it!
1h Like Reply

Kristy Saputo
Looks YUMMY, I'm going to keep my eyes open for it! 😀
3h Like Reply

REALSIMPLE

DESSERTS

We Tried Reese's New "Outrageous" Bars—And They're As Good As They Sound

Source: IRI

LEVERAGING BREADTH OF PORTFOLIO

DRIVE BRAND EQUITY

Full Year 2018 Activation

Almond Joy
MILK CHOCOLATE, COCONUT & ALMOND

Mounds
DARK CHOCOLATE & COCONUT

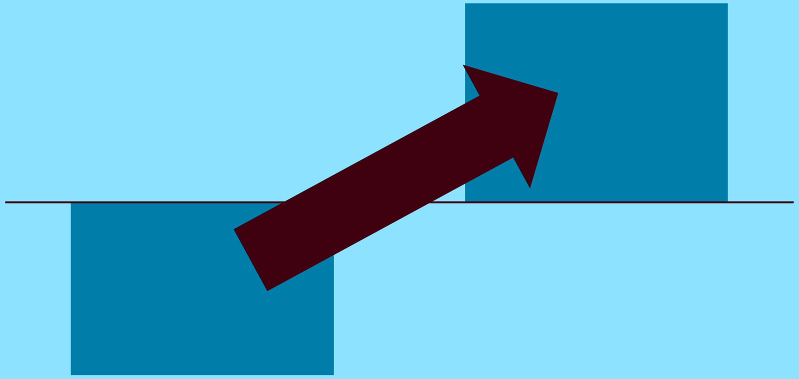
York

Twizzlers

PAYDAY

...AND REVERSE THE TREND

Sales % Chg vs PY



Pre-Activation   Post-Activation

FEWER, BIGGER, BETTER, FASTER INNOVATIONS

FEWER, BIGGER, BETTER, FASTER INNOVATIONS

1 VALIDATED PIPELINE

2 SUSTAINABLE IDEAS

3 SPEED TO MARKET

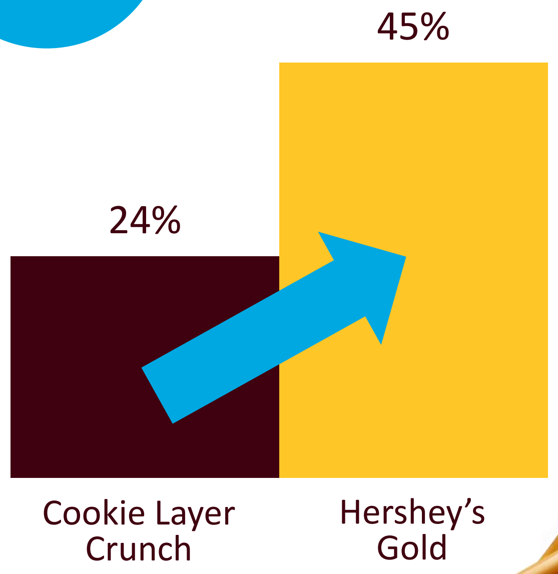
STRONG HERSHEY'S GOLD ACTIVATION

PRE-BUZZ

500+ placements resulting in 2B+ earned impressions!

ENHANCED SPEED TO MARKET

% ACV Distribution After First Month



360 ACTIVATION

Source: IRI MULO + C

THE BOX AND BEYOND

THE BOX AND BEYOND

1

DIGITAL COMMERCE

2

EMERGING CHANNELS

ADVANCING DIGITAL COMMERCE

KNOW THEM

BE SHAREABLE

BE FOUND

BE ACCESSIBLE

BE LOVED

EXPAND ACROSS THE SNACKWHEEL

EXPAND ACROSS THE SNACKWHEEL

1 M&A

2 SNACKFECTION

3 EMERGING BRANDS

M&A IN CORE CMG & BROADER SNACKING

DELIVERING INCREMENTAL CONSUMERS, OCCASIONS AND CHANNELS

2017 growth ~30%

Focus on core, building awareness and equity

Precision targeting for distribution, media and in-store activation

Scale acquisition; ~$378M Net Sales

#2 share position within growing RTE popcorn category

Leading consumer metrics

Strong core margins

Source: : IRI; Company Financials 12/31/17

SKINNY POP - OUR 6TH LARGEST BRAND

#1

RTE POPCORN FOR

Brand Loyalty

Item Productivity

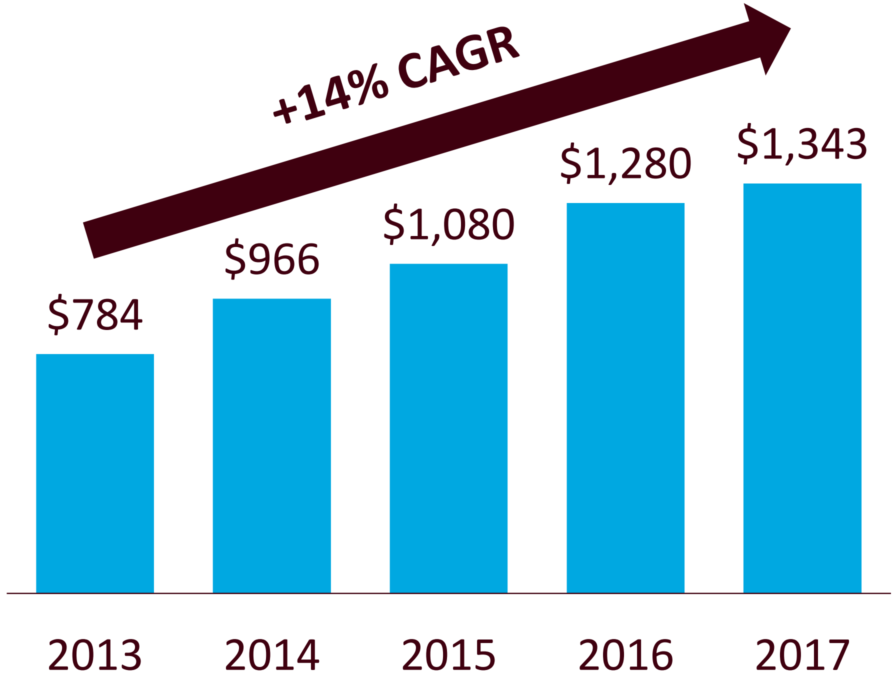
Aided Awareness

Source: IRI 2017

RTE POPCORN IS AN ATTRACTIVE, GROWING CATEGORY

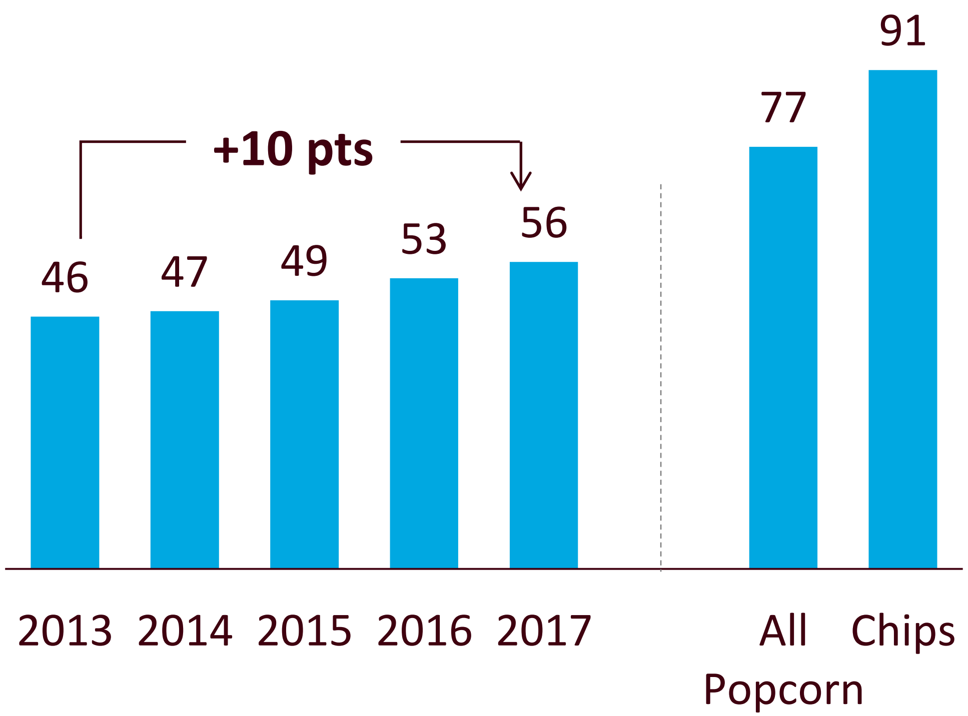
HIGH GROWTH CATEGORY

RTE Popcorn Sales 2013-2017 ($M)



HIGH HOUSEHOLD PENETRATION

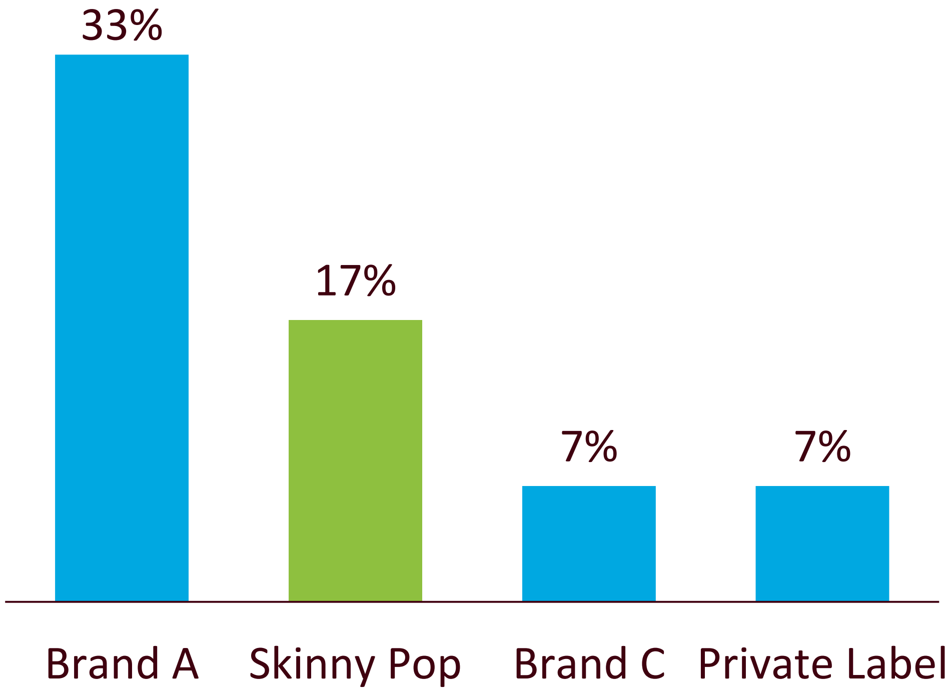
RTE Popcorn Household Penetration



Source: : IRI ending 12/31/17

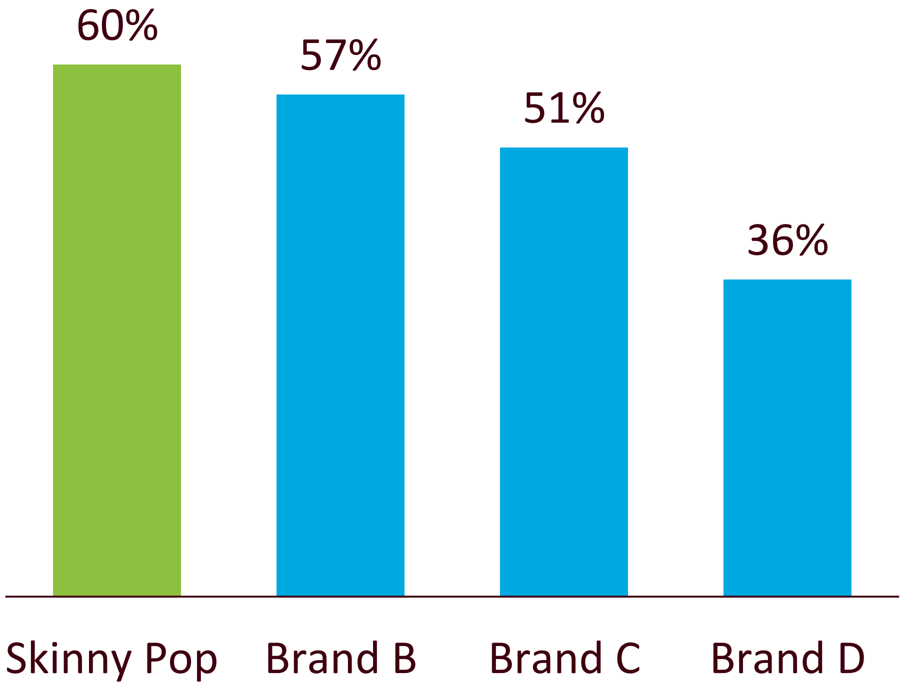
SKINNY POP HAS SCALE AND HIGH CONSUMER LOYALTY

MARKET SHARE



BRAND LOYALTY

% of customers repeat purchasing

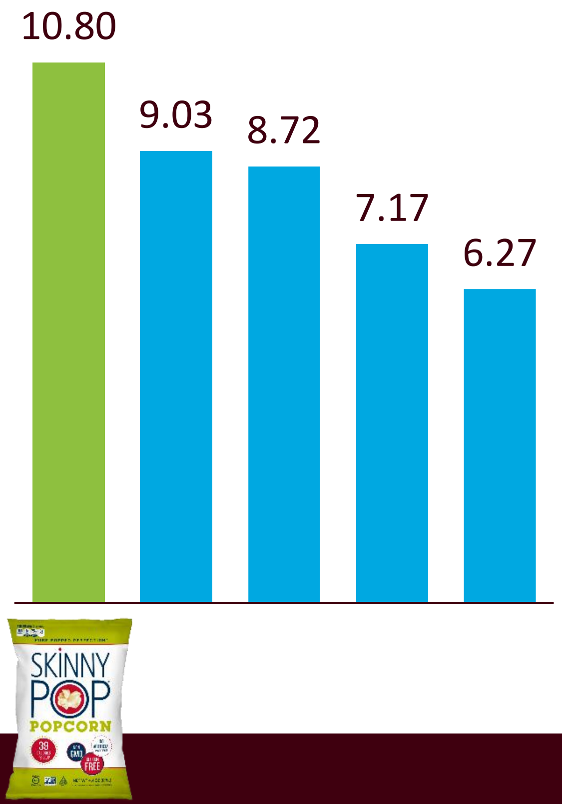


Source: IRI ending 12/31/17

AND LEADING RETAIL METRICS

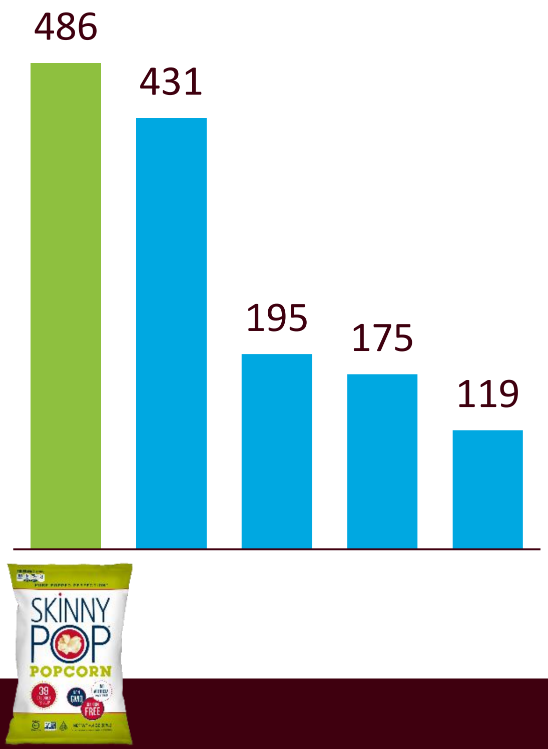
PREMIUM PRICE

Price Per Pound (Volume)



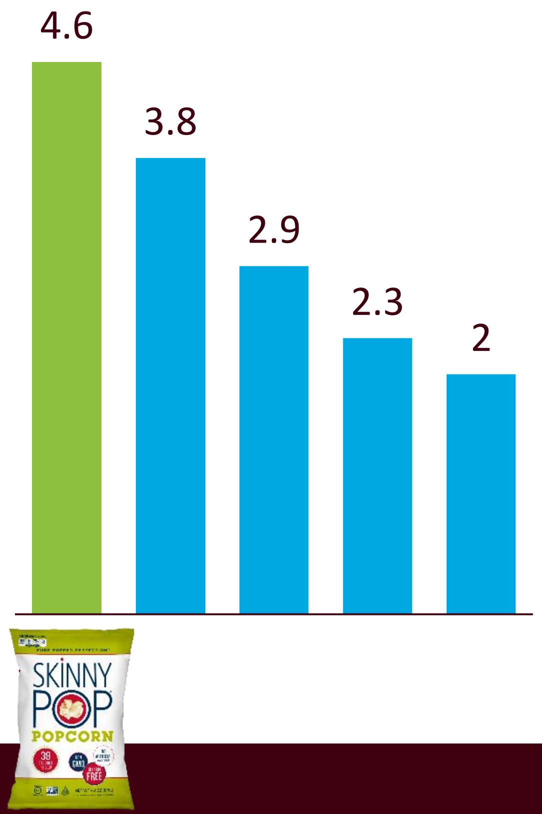
STRONGEST VELOCITY

Thousand Dollars per TDP



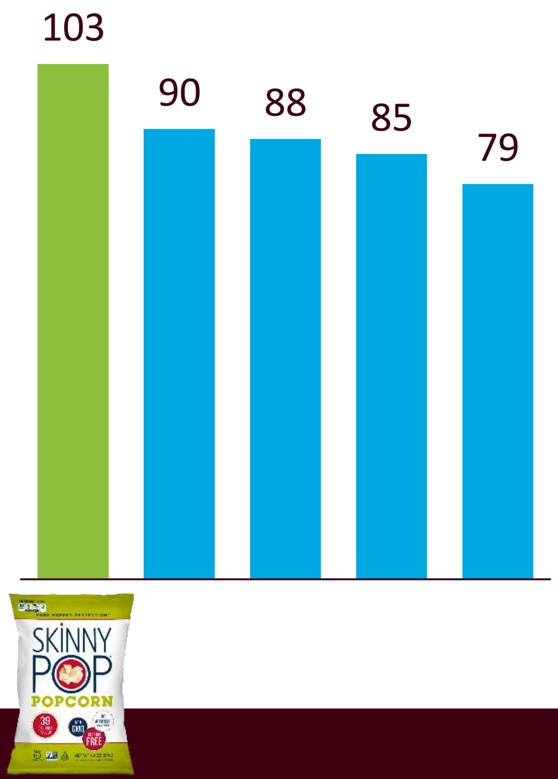
GREATEST PURCHASE FREQUENCY

Trips per Buyer per Year



HIGHEST BASKET SPEND

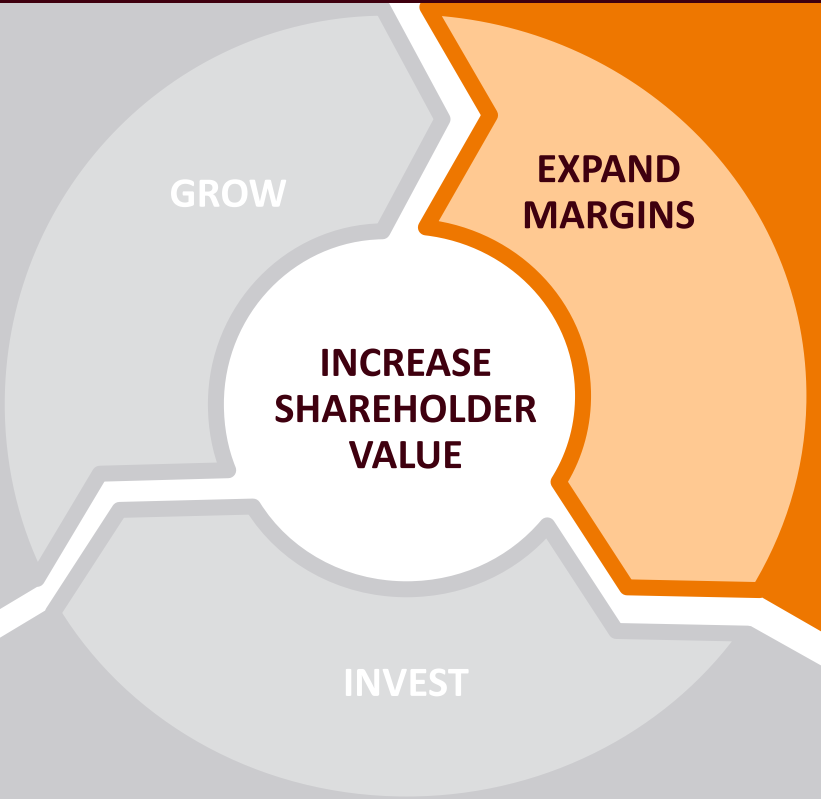
In Basket Dollars



Source: IRI ending 12/31/17

DELIVERING INNOVATIVE SNACKING LEADERSHIP

DRIVE CONFECTION & EXPAND BREADTH IN SNACKING



REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

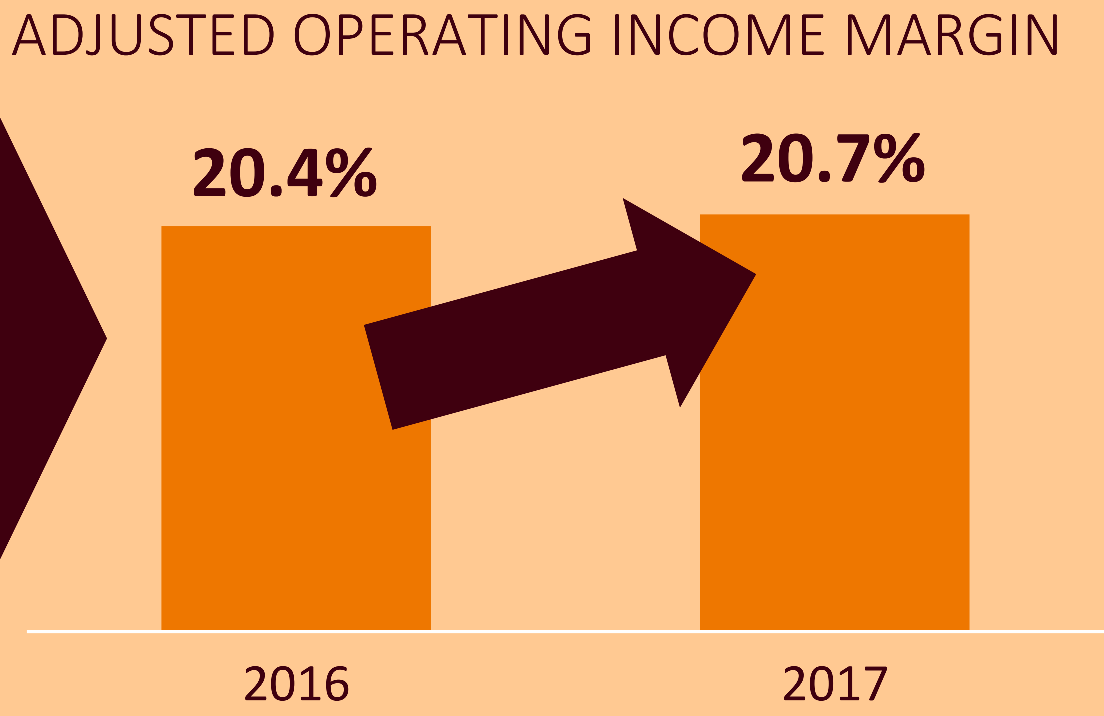
STRENGTHEN CAPABILITIES FOR COMMERCIAL ADVANTAGE

MARGIN EXPANSION
…in challenging environment

Reset International Investment

Heighten SG&A Discipline

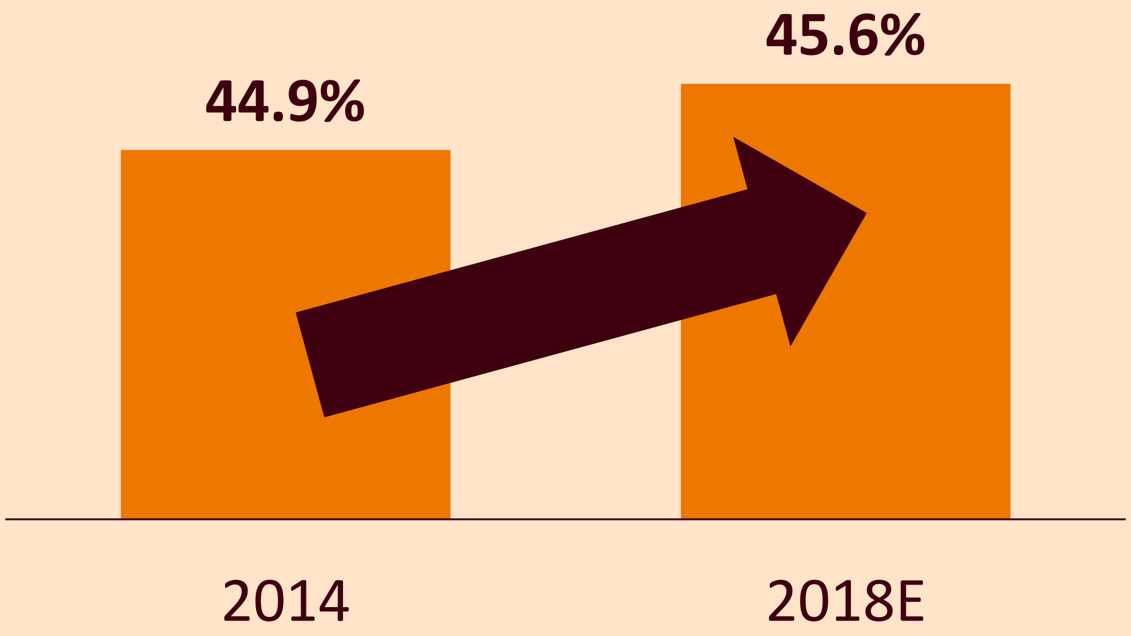
Streamline Operating Model



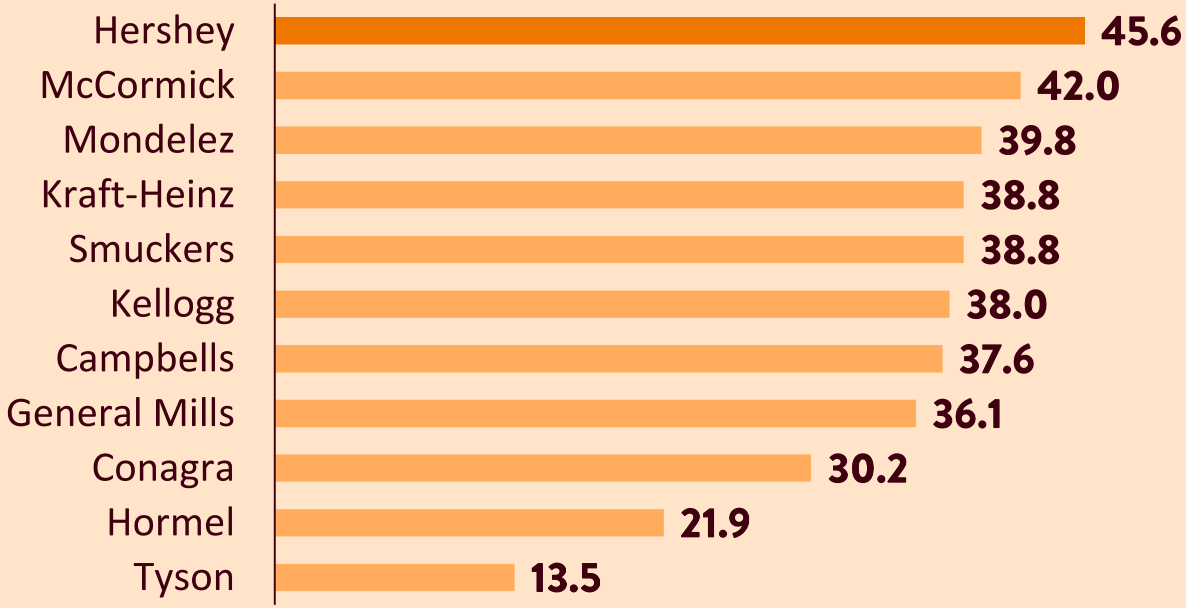
See Appendix for 2016-17 Reconciliation of GAAP to Adjusted Operating Income Margin

GROSS MARGIN FOCUSED

HERSHEY ADJUSTED GROSS MARGIN



S&P FOOD GROUP



*Per Credit Suisse estimate/model for the latest year end

See Appendix for a Reconciliation of Hershey GAAP Gross Margin to Adjusted Gross Margin

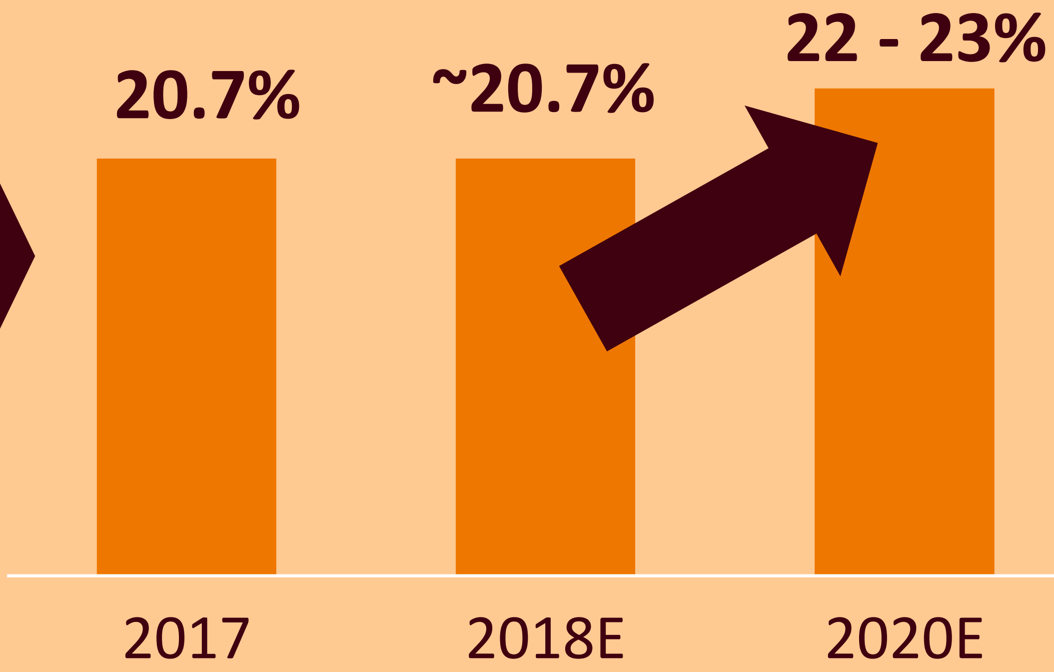
LEVERS FOR GROSS MARGIN EXPANSION

FIXED COST LEVERAGE	INTERNATIONAL IMPROVEMENT
INCREASED CAPACITY ON GROWING CORE CHOCOLATE BRANDS	NET PRICE REALIZATION
NETWORK OPTIMIZATION	PACKAGING OPTIMIZATION
	PRODUCTIVITY

COMMITTED TO OPERATING INCOME MARGIN

- ➕ Continued International OI improvement
- ➕ SG&A discipline and streamlined operating model enables investments in capabilities and margin expansion
- ➕ COGS / Gross Margin improvement
- ➖ Accelerated capability investment in 2018 due to U.S. Tax Reform

ADJUSTED OPERATING INCOME MARGIN



See Appendix for 2017 Reconciliation of GAAP to Adjusted Operating Income Margin

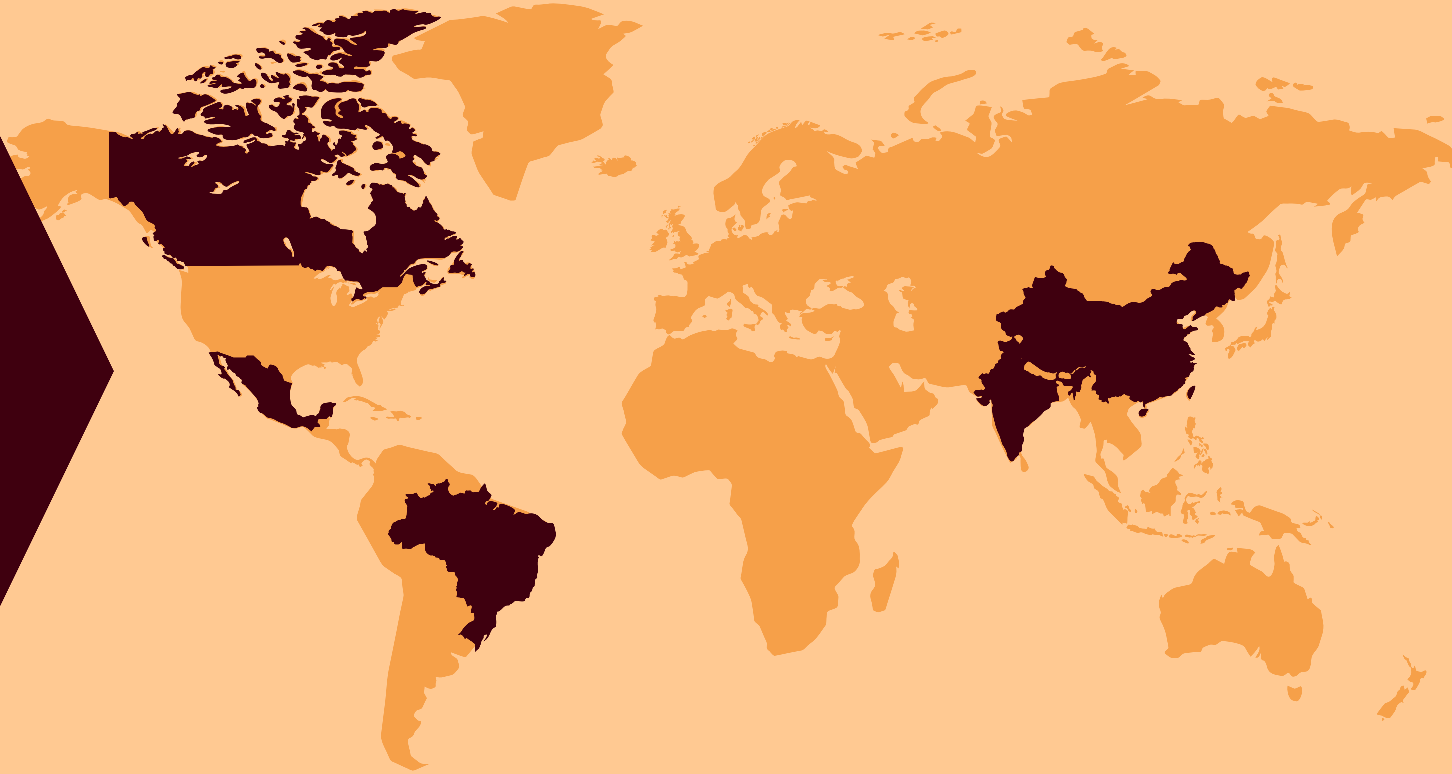
PURSUING PROFITABLE LONG-TERM INTERNATIONAL GROWTH

Increase gross margins

Win with Hershey's brand

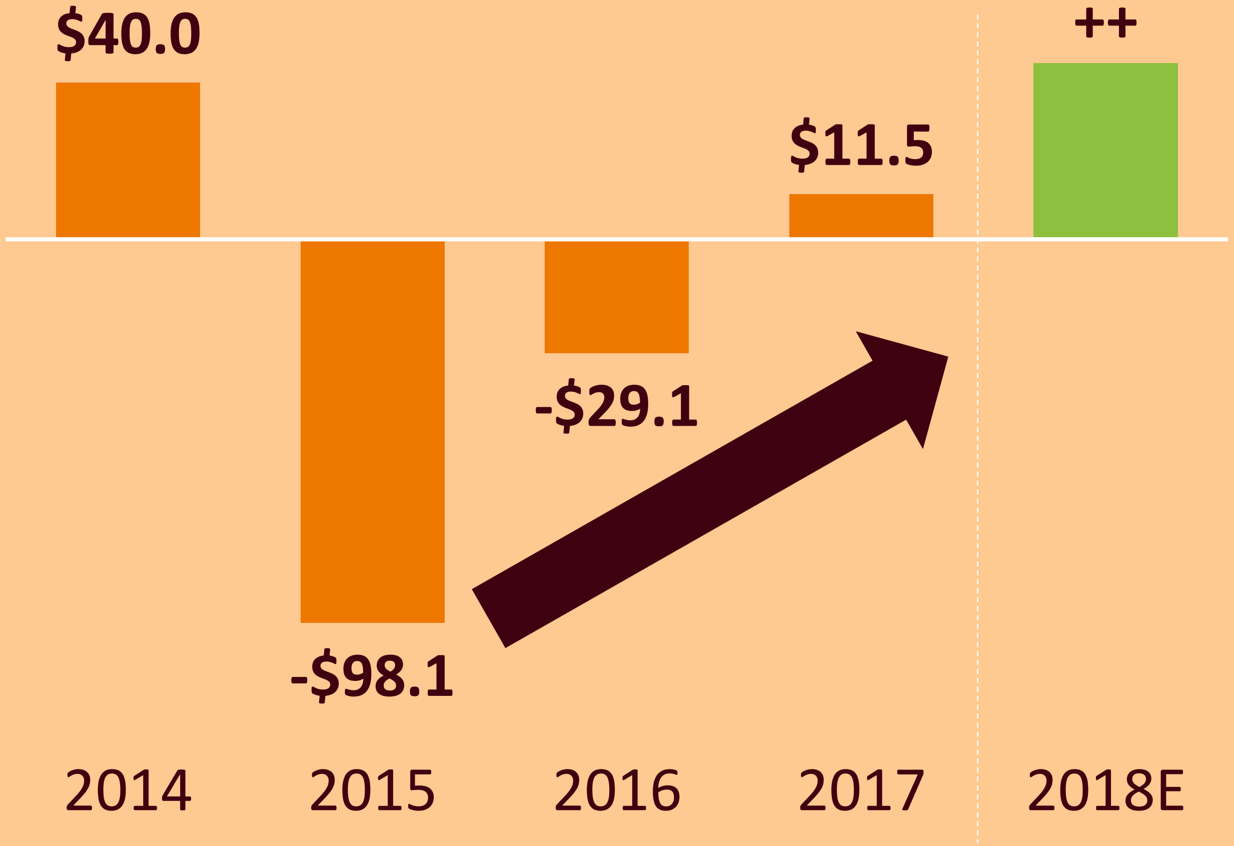
Optimize channel mix, product mix, and trade planning

Focused distribution expansion



SEGMENT PROFITABILITY WILL CONTINUE TO IMPROVE

INTERNATIONAL & OTHER SEGMENT OPERATING INCOME ($M)



Source: Hershey Financials

DELIVERING INNOVATIVE SNACKING LEADERSHIP

CAPACITY EXPANSION AND SUPPLY CHAIN FLEXIBILITY

ACTIVATE
TARGETED CAPACITY SOLUTIONS

Reese's & KitKat

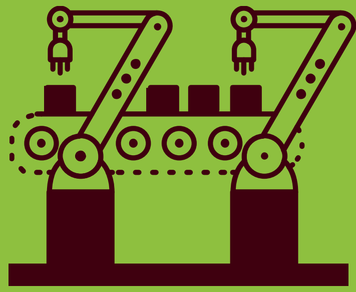
CAPACITY EXPANSION

ENHANCE
CUSTOMER SERVICE

OPTIMIZED PLANNING ACROSS VALUE CHAIN

INVEST IN
TRANSFORMATIONAL CAPABILITIES

ADVANCED MANUFACTURING AND DISTRIBUTION SOLUTIONS



ERP TRANSFORMATION

PROVIDE
REAL TIME INSIGHTS

INCREASE
ENTERPRISE CONNECTIVITY

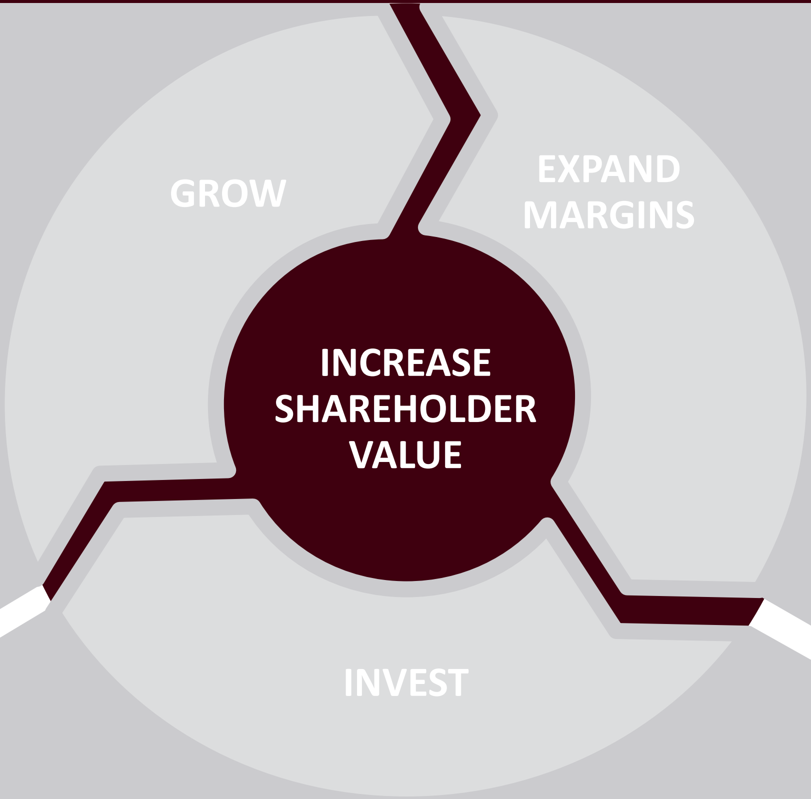
ENABLE
MORE EFFICIENT BUSINESS PROCESSES

REDUCE
BUSINESS AND CYBERSECURITY RISK

New ERP Platform: SAP S/4 HANA

DELIVERING INNOVATIVE SNACKING LEADERSHIP

DRIVE CONFECTION & EXPAND BREADTH IN SNACKING



REALLOCATE RESOURCES TO EXPAND MARGINS & FUEL GROWTH

STRENGTHEN CAPABILITIES FOR COMMERCIAL ADVANTAGE

HERSHEY

INCREASE SHAREHOLDER VALUE

TOP QUARTILE SALES GROWTH & TOP QUARTILE MARGINS

LONG-TERM TARGETS

NET SALES	+2-4%
ADJUSTED DILUTED EPS	+6-8%
DIVIDEND YIELD	2-3%

TARGET TOTAL SHAREHOLDER RETURN

~10%

Organic Net Sales

2017: A CHALLENGING YEAR WITH WINS TO LEARN FROM

2017

- Solid core chocolate brand growth
- Maintained CMG market share
- Expanded our snacks portfolio
- EBIT margin expansion and EPS growth

- Unplanned gross margin headwinds
- 4Q17 market place performance
- Insufficient instant consumable innovation
- Variety & emerging brands a headwind

2018

Reese's
KitKat

Almond Joy
Mounds
York
Twizzlers
PAYDAY

PATH TO TOPLINE ACCELERATION

2017-2018	2019 & BEYOND
Transitioning U.S. business model, marketing mix	Capacity expansion and supply chain flexibility
Resetting International	Strong, validated innovation pipeline
Maintaining or increasing U.S. CMG share in competitive environment	Greater organic snacks contribution
	Digital commerce acceleration

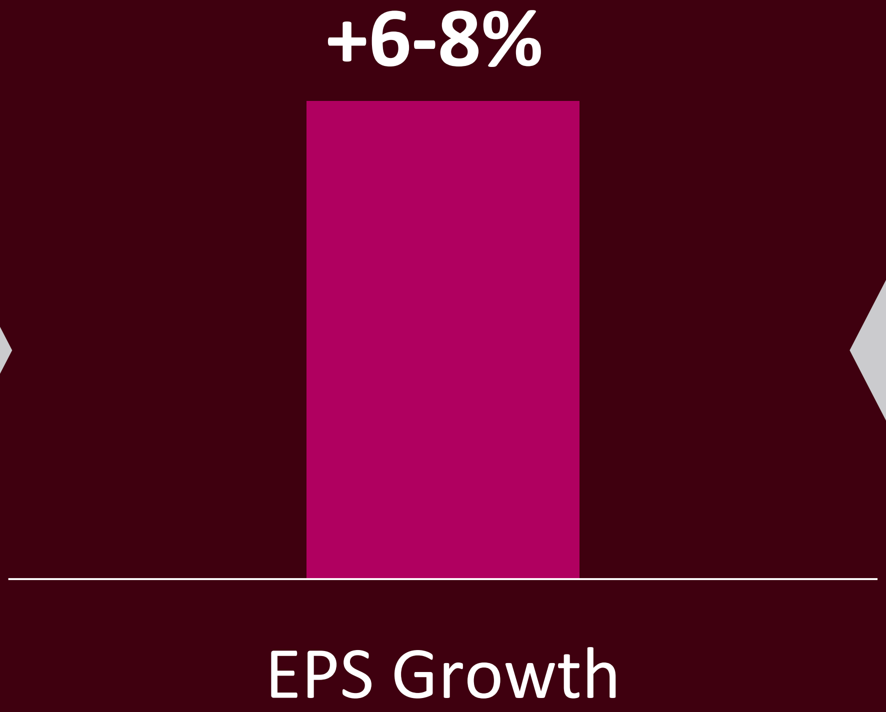
GROWTH ALGORITHM

	GROWTH	CONTRIBUTION
U.S. CMG	+1.5-2.0%	~+1.5%
N.A. SNACKS	+6-8%	~+0.5%
INTERNATIONAL	+4-5%	~+0.5%

~2.5%

GOOD VISIBILITY INTO SOLID EPS GROWTH

MARGIN IMPROVEMENT VIA COGS AND SG&A



PROFITABLE INTERNATIONAL GROWTH

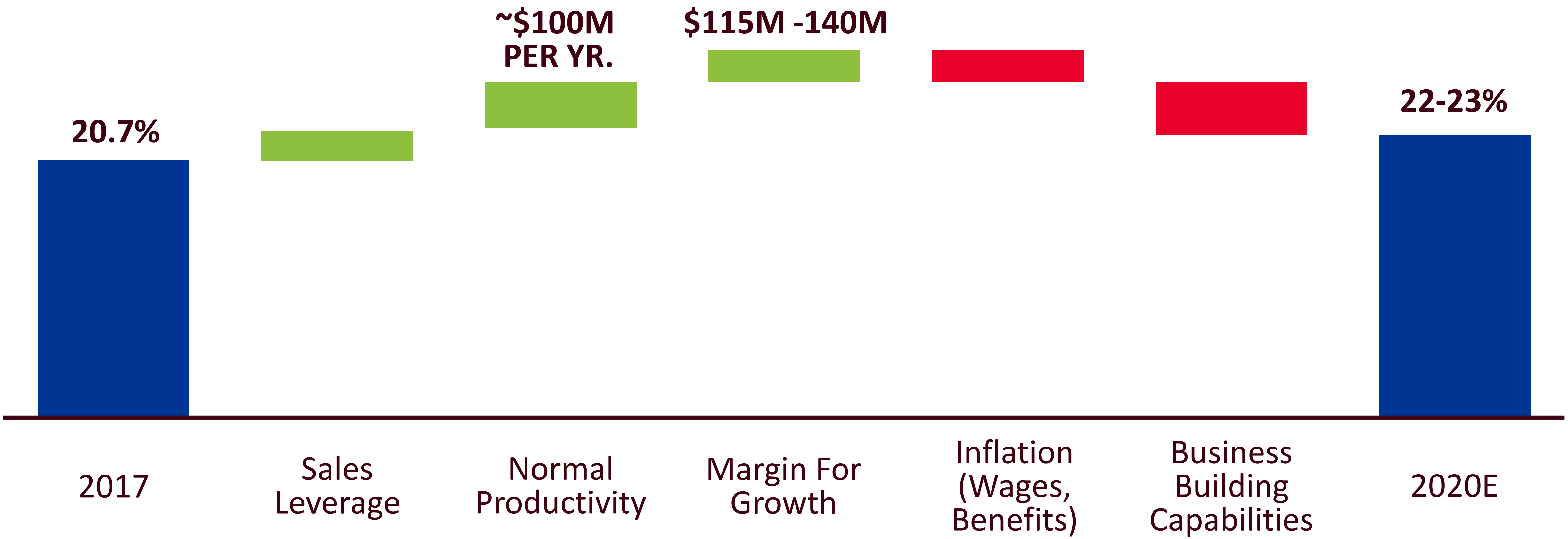
PATRICIA LITTLE

CHIEF FINANCIAL OFFICER

A PATH FOR CONTINUED VALUE CREATION

PRODUCTIVITY INITIATIVES DRIVING MARGIN GAINS

Adjusted Operating Income Margin



Not to Scale

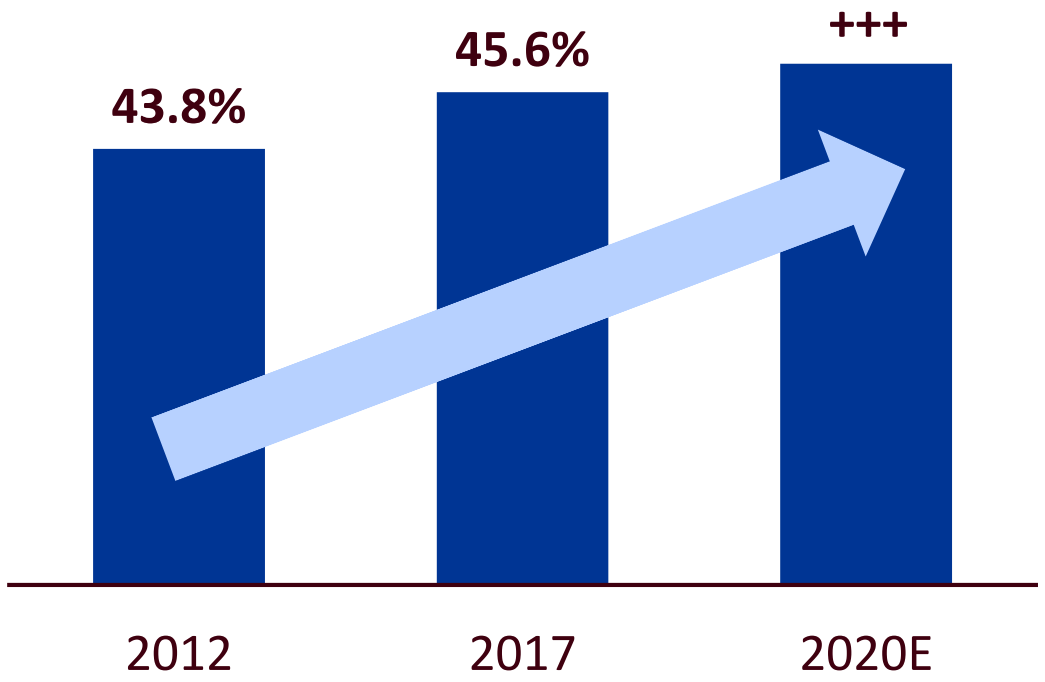
See Appendix for a Reconciliation of GAAP to Adjusted Operating Income Margin

IDENTIFIED COST SAVINGS

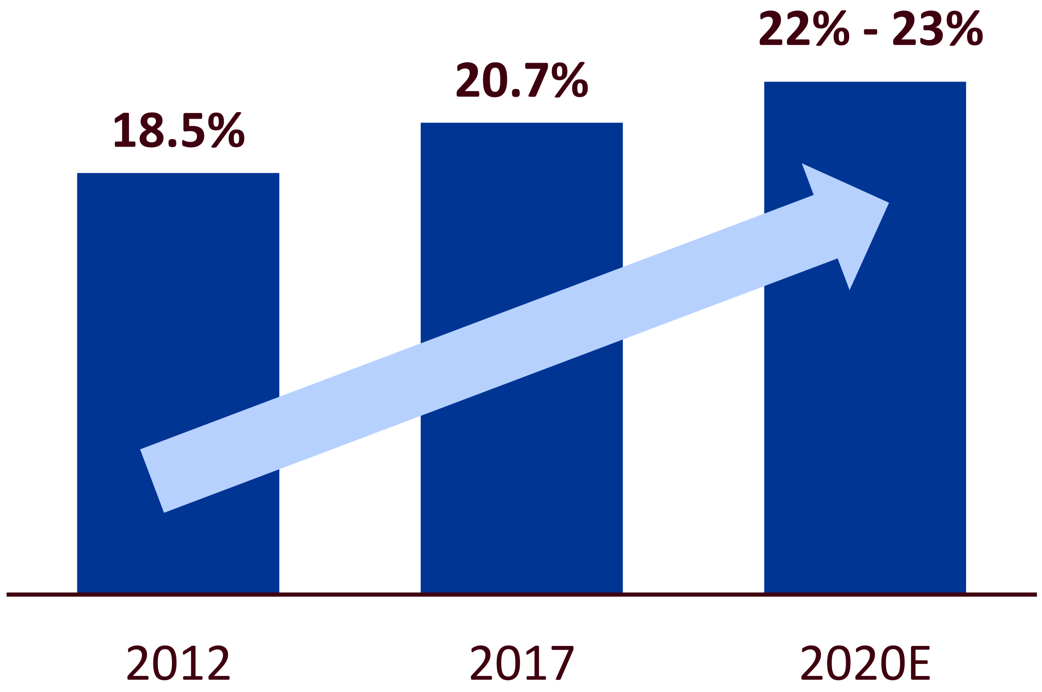
	2017A	2018E	2019E	2020E	2020E "RUN RATE"
Normal Productivity	$100m	$100m	$100m	$100m	$400m
Margin For Growth	$35m	$55-65m	$60-75m	--	$150-175m
SG&A % of Sales (ex Adv/Mkt)	15.7%	↑	↓	↓	~ 100 bps lower than 2016 (15.9%)
Advertising, Marketing & Trade % of Sales	24.3%	|--------------- ~24% to 25% ---------------|			

DRIVES GROSS AND OPERATING MARGIN EXPANSION

ADJUSTED GROSS MARGIN %



ADJUSTED OPER. INCOME MARGIN %



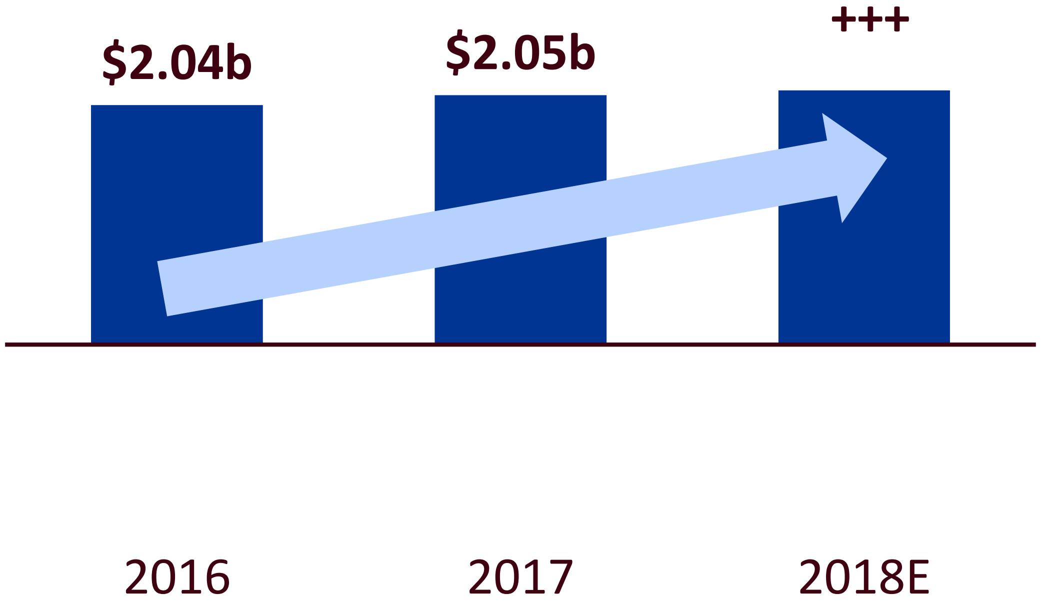
Source: Hershey Financials

Not to Scale

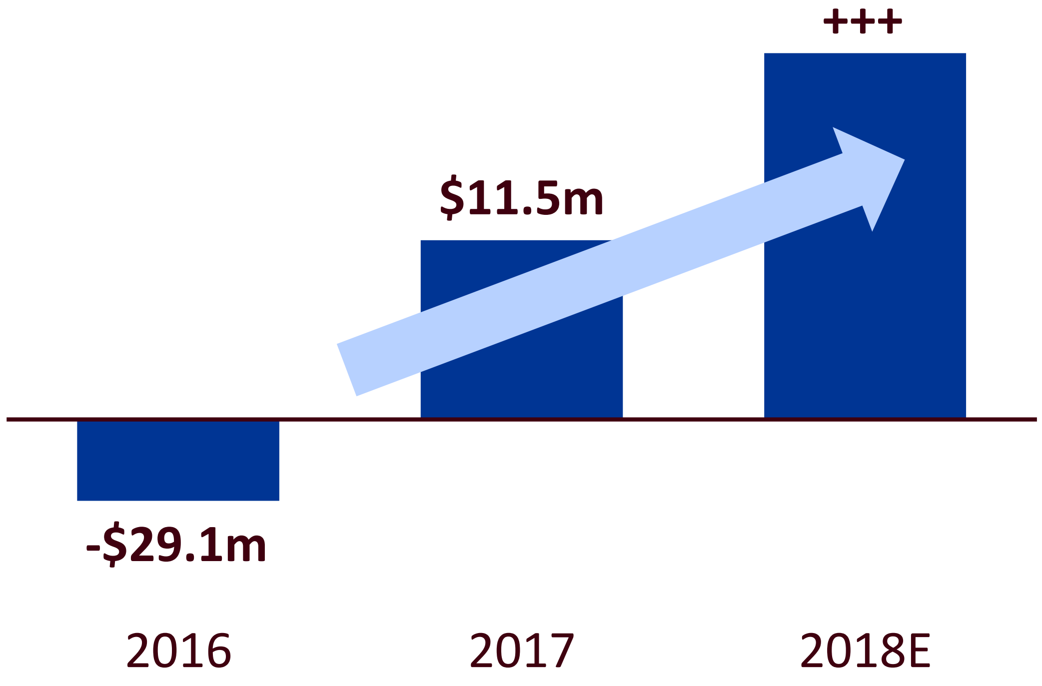
See Appendix for a Reconciliation of GAAP to Adjusted Gross and Operating Income Margin

OPERATING INCOME BY SEGMENT INCREASING…

NORTH AMERICA
(excluding Amplify)



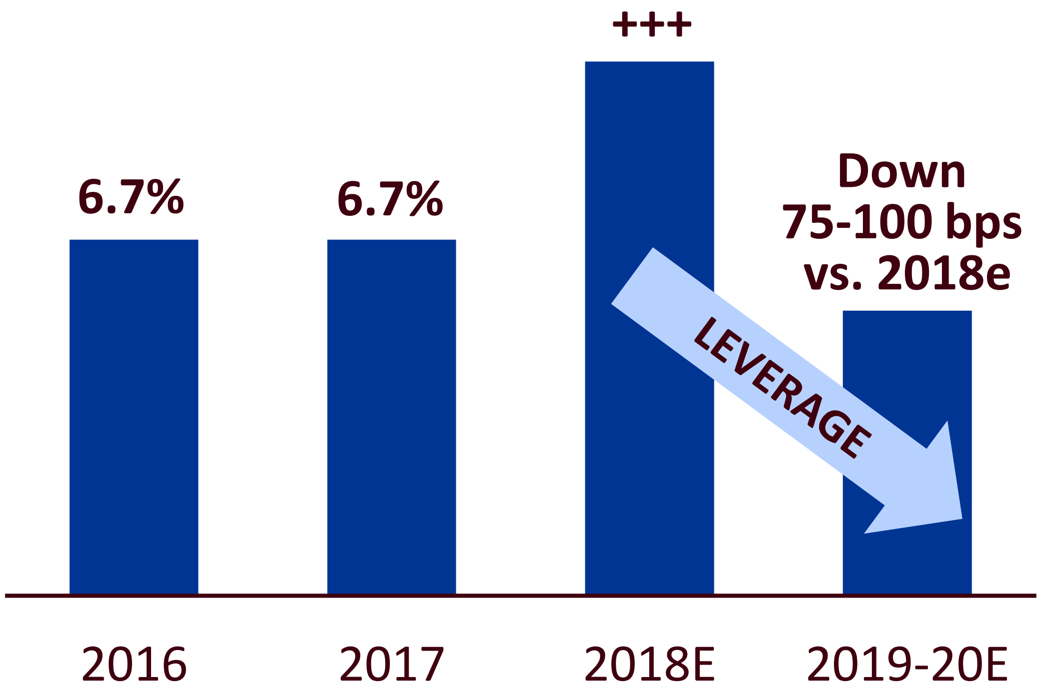
INTERNATIONAL & OTHER



Source: Hershey Financials
Not to Scale
See Appendix for a Reconciliation of GAAP to Adjusted Gross and Operating Income Margin

…OFFSET BY CAPABILITY INVESTMENTS WITHIN CORPORATE EXPENSE

CORPORATE EXPENSE
(as a percent of net sales)



Accelerated capability investment in 2018 due to U.S. Tax Reform

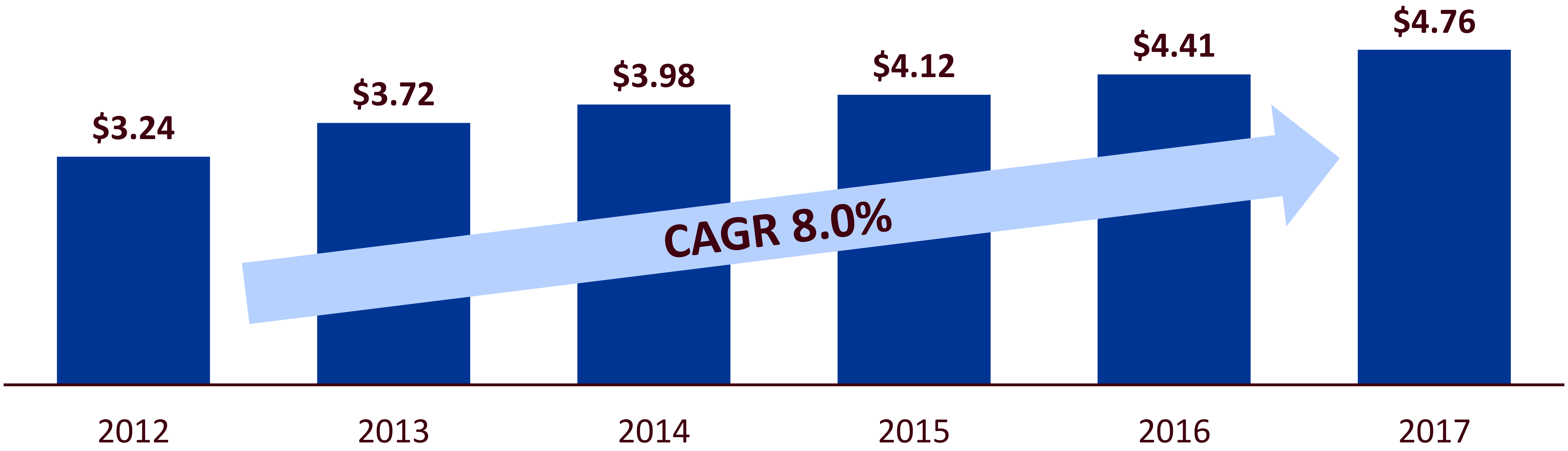
Investing in initiatives that will benefit company over the long term

Post Margin-for-Growth corporate expense to decline on a dollar basis and as a percent of sales

Source: Hershey Financials
Not to Scale

EPS…WILL CONTINUE TO DELIVER ON OUR COMMITMENT

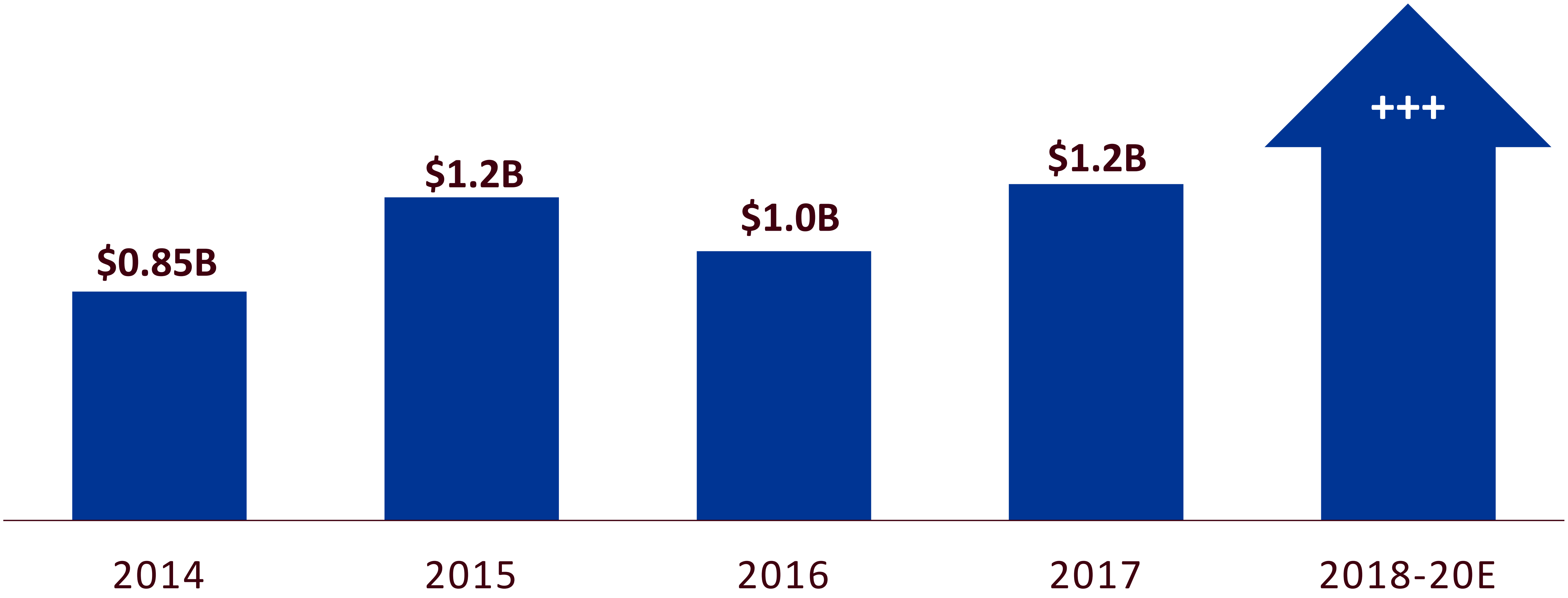
ADJUSTED EPS



See Appendix for a Reconciliation of GAAP EPS to Adjusted EPS

CASH FLOW PRIORITIES

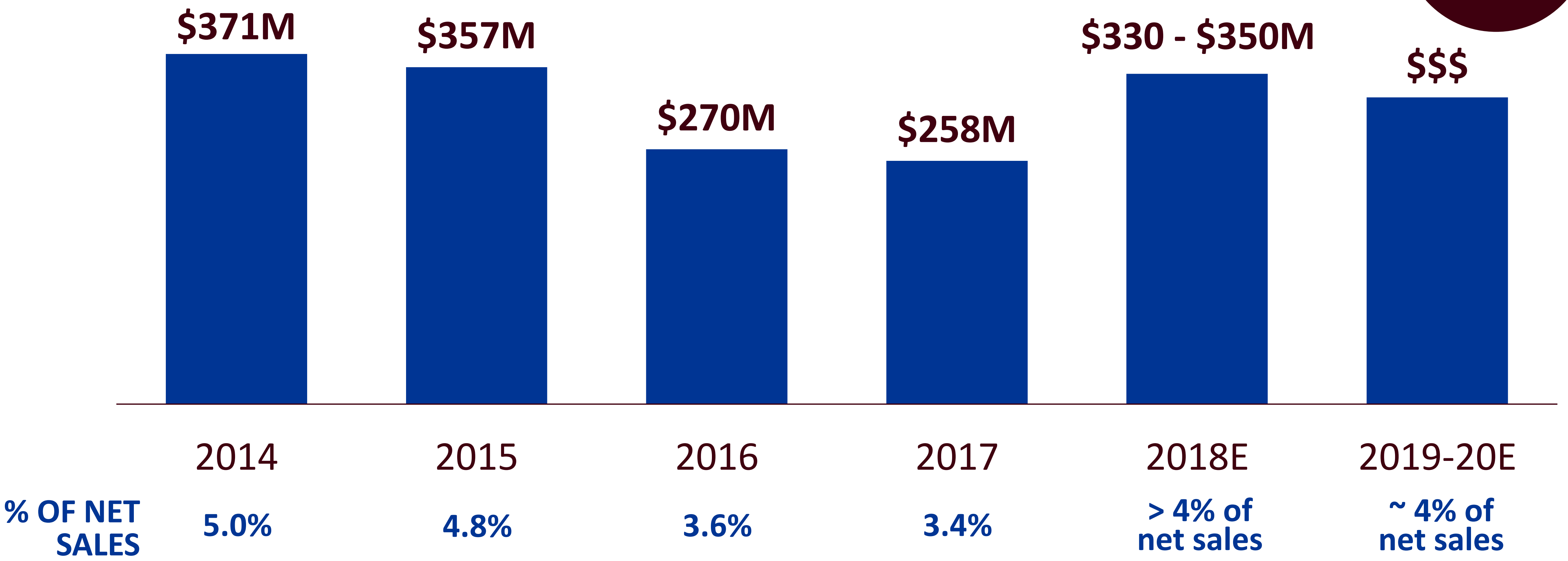
SOLID OPERATING CASH FLOW



Source: Hershey Financials

CAPITAL EXPENDITURES

#1
BUSINESS GROWTH
(INCL. M&A)



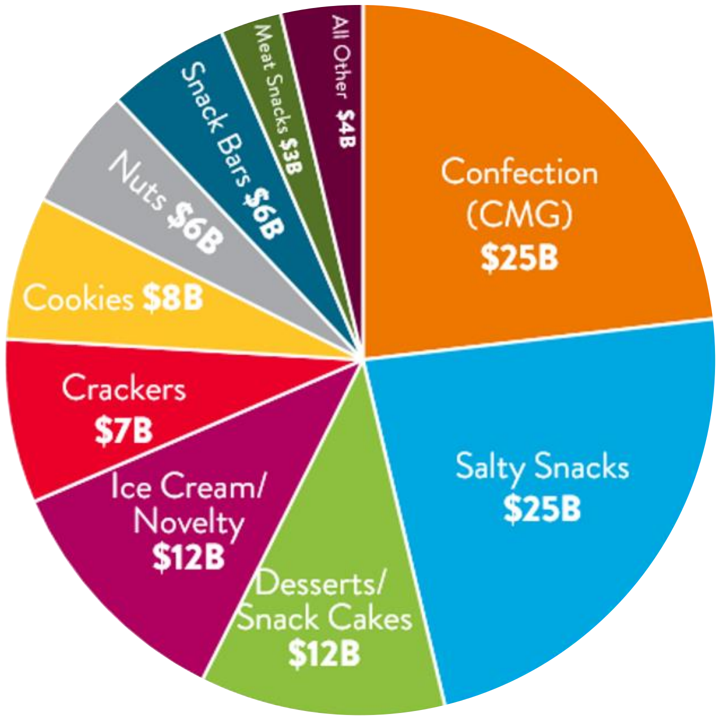
Source: Hershey Financials

M&A FOCUSED ON N. AMERICA CMG / SNACKING

#1 BUSINESS GROWTH (INCL. M&A)

- Growth categories
- Incremental Consumers / Occasions
- Preference to be EPS accretive after 2 years

$108B U.S. SNACK MARKET



Source: IRI MULO + C ending 12/31/17

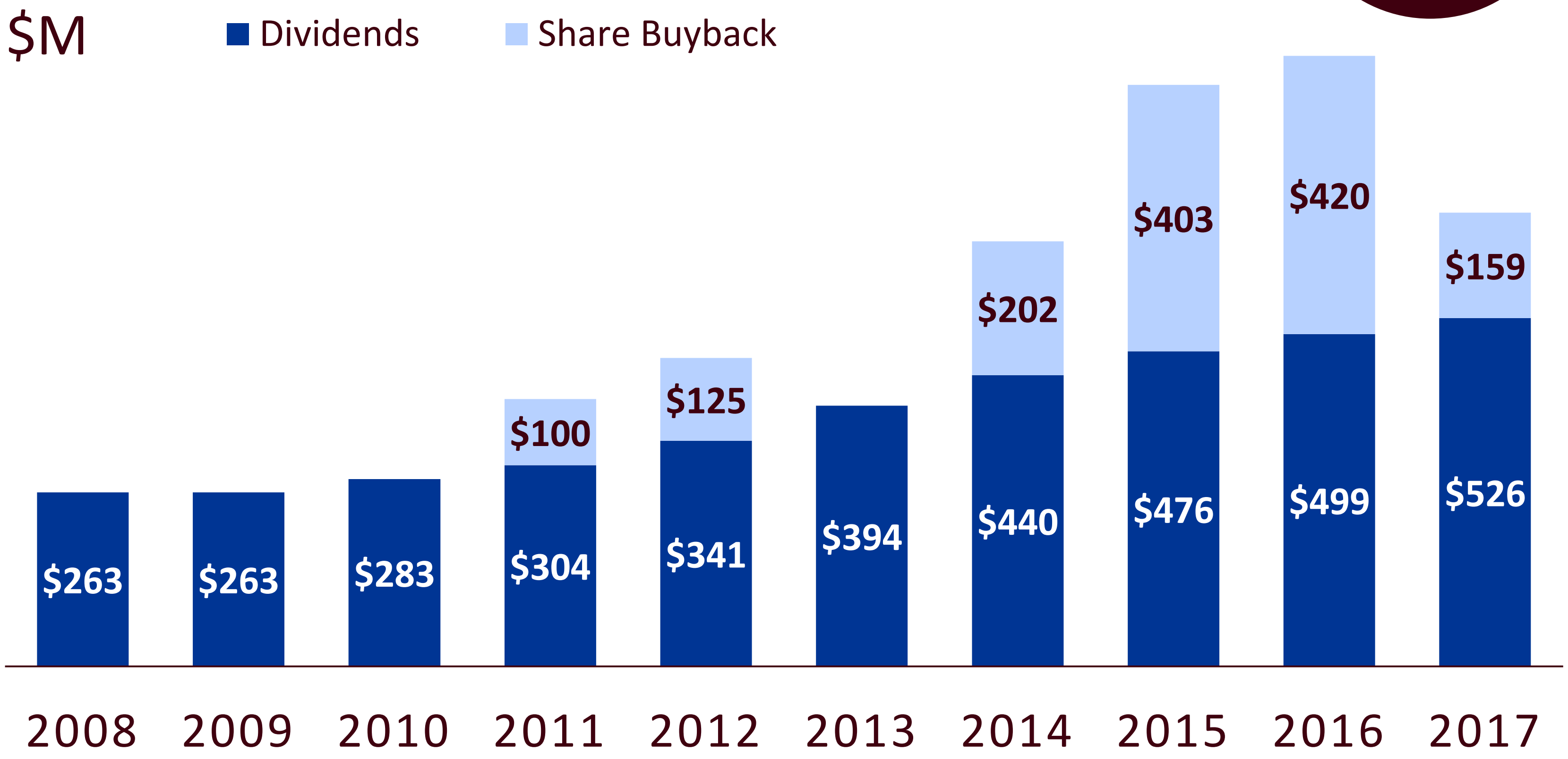
CASH RETURNED TO SHAREHOLDERS

#2 & #3
SHARE BUYBACK & DIVIDENDS

SOLID TRACK RECORD OF RETURNING **CASH TO SHAREHOLDERS**

~$5b IN DIVIDENDS AND SHARE REPURCHASES*
OVER THE LAST 10 YEARS

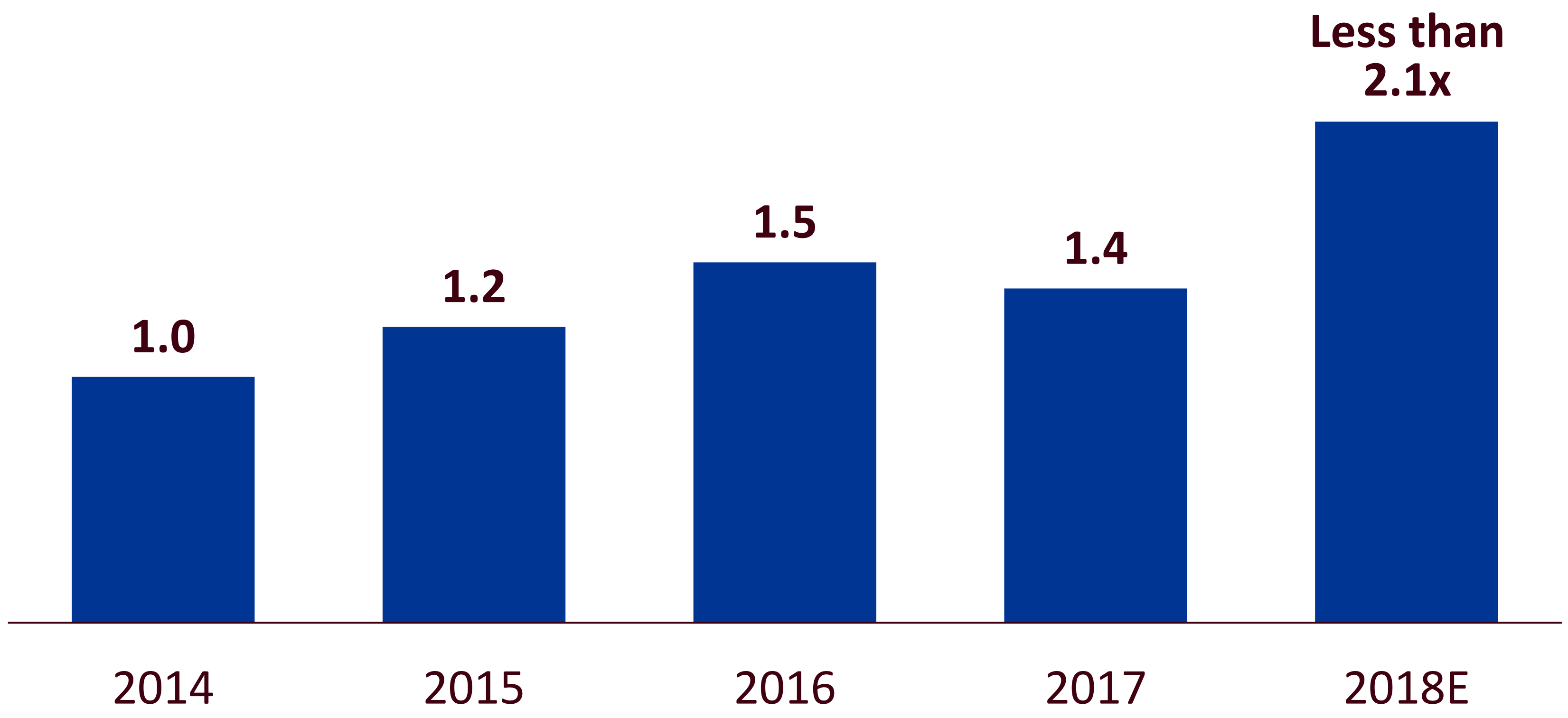
COMMITTED TO A DIVIDEND PAYOUT RATIO **OF AT LEAST 50%**



*Excludes shares repurchased in connection with the exercise of stock options

NET DEBT TO ADJUSTED EBITDA

#4
DEBT REDUCTION



As of February 2, 2018

A/A1
DEBT RATING (S&P/MOODY'S)

$2.5B
UNSECURED CREDIT REVOLVER IN PLACE

OUTSTANDING
U.S. COMMERCIAL PAPER $2.1B – INCLUDES AMPLIFY

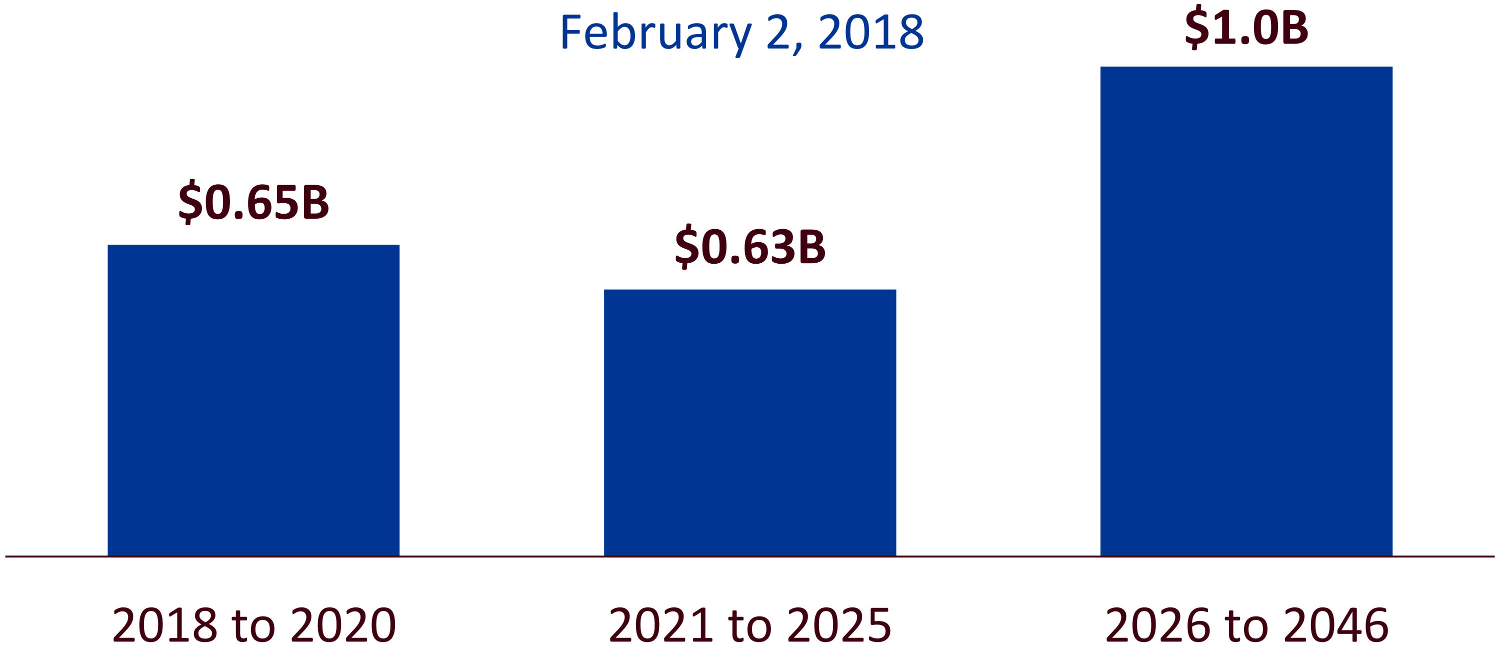
Source: Hershey Financials

LONG-TERM DEBT

AMPLIFY ACQUISITION TEMPORARILY FINANCED WITH COMMERICAL PAPER

AVERAGE FIXED RATE

~3.4%



Source: Hershey Financials

*Excludes Amplify

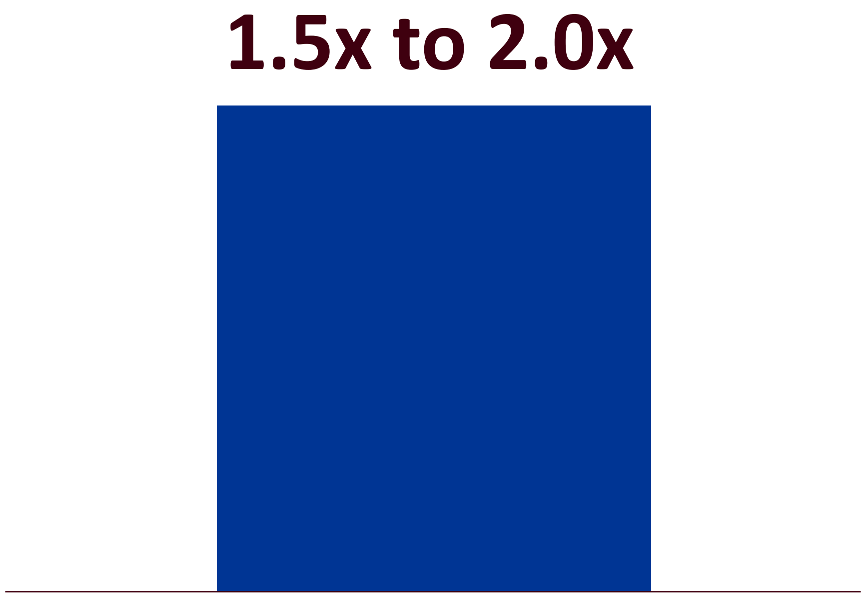
TARGETED CAPITAL STRUCTURE

Target range of 1.5x to 2.0x Net Debt/ Adjusted EBITDA

Would consider Net Debt/Adjusted EBITDA greater than 2.0x for strategic acquisition

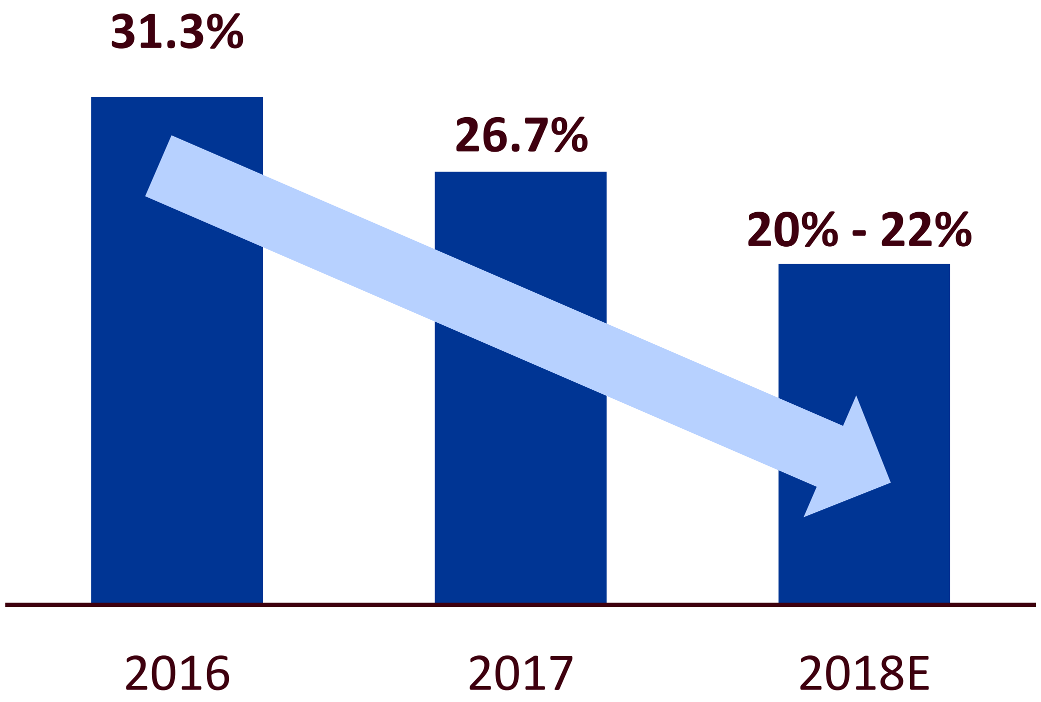
Given strong cash flow LTD trades in line with our “A” rating

DEBT / ADJ. EBITDA

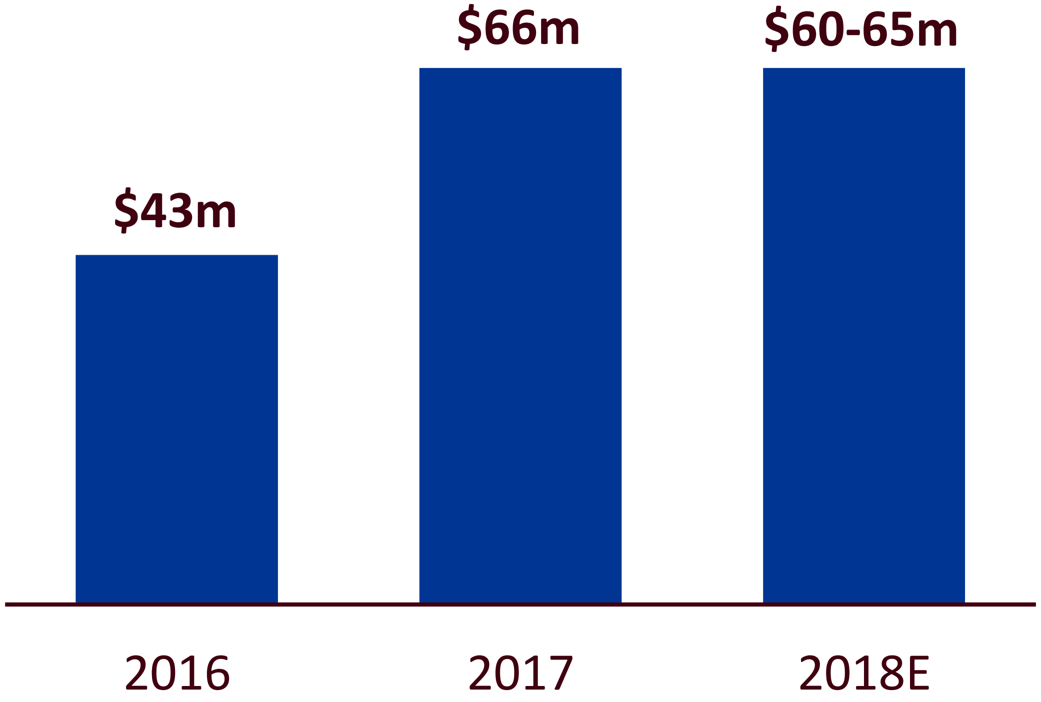


SUSTAINABLE TAX RATE

NET EFFECTIVE INCOME TAX RATE

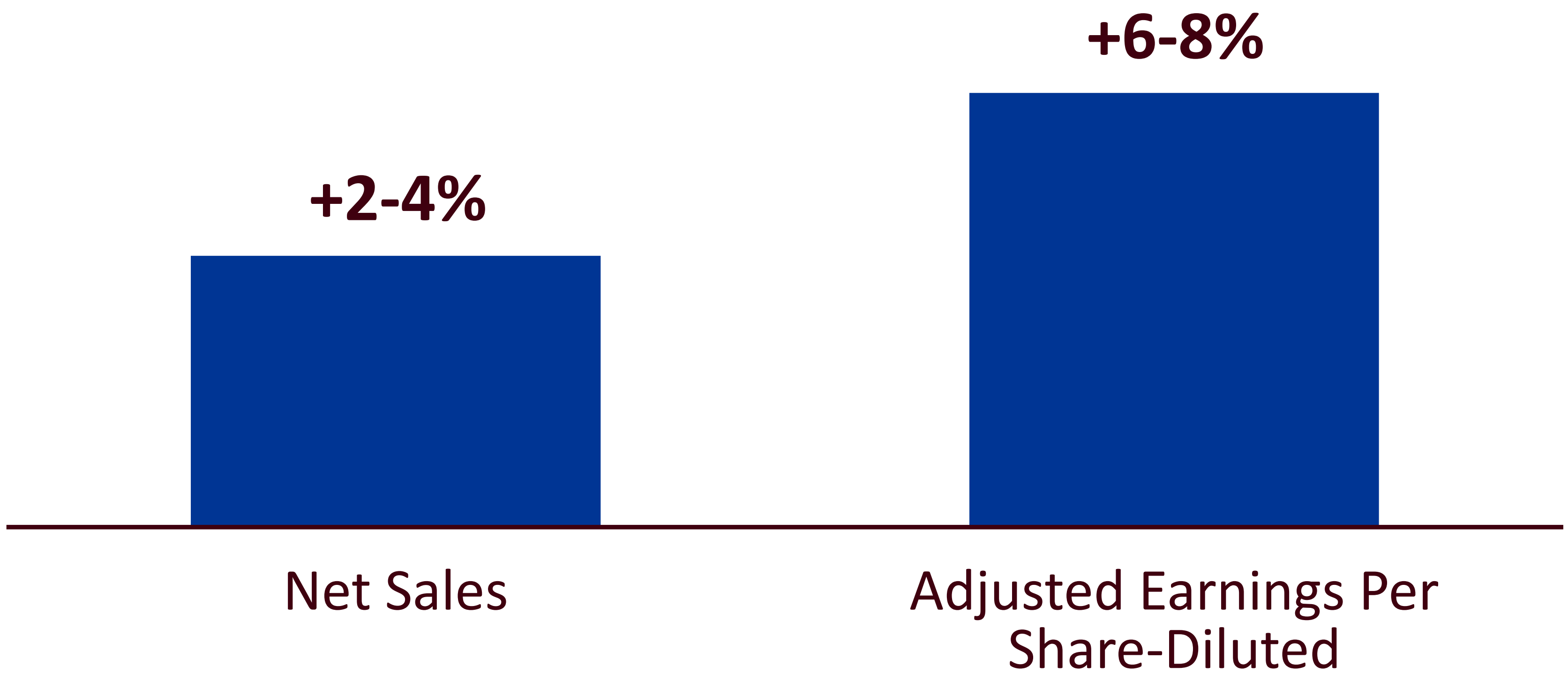


TAX CREDIT - OTHER INC/EXP



Source: Hershey Financials
Not to Scale

LONG-TERM SALES & EPS TARGET



Net Sales in Constant Currency

2018 OUTLOOK REAFFIRMED

	CHG. VS. 2017
NET SALES	+5% to +7%
ADJUSTED EPS	+12% to +14%

See Appendix for a Reconciliation of GAAP to Adjusted EPS

TODAY'S KEY TAKEAWAYS

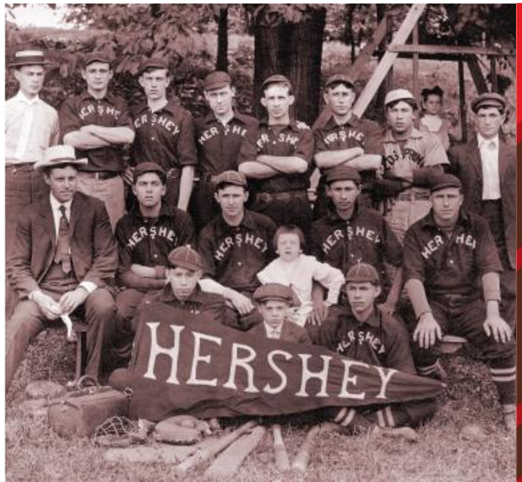
Leadership in Large, Growing Category	Strengthening Advantaged Business Model	Growing and Investing in Iconic Brands	Transforming the Business for Sustainable, Profitable Growth	Driving Long-Term Shareholder Value
Path to 2% Net Sales growth	New capability investments to maintain leadership	Core always a priority; variety activation an opportunity	Ongoing productivity; Int'l transformation	Consistent Margin and EPS Growth



HERSHEY

CAGNY CONFERENCE

FEBRUARY 21, 2018

APPENDIX

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

Below is a reconciliation of projected 2018 earnings per share-diluted calculated in accordance with GAAP to non-GAAP adjusted earnings per share-diluted:

	2018 (Projected)
Reported EPS – Diluted	$4.71 - $4.96
Business realignment costs	0.30 - 0.40
Acquisition integration costs	0.17 - 0.22
Adjusted EPS – Diluted	$5.33 - $5.43

Adjusted Gross Margin and Adjusted Operating Income Margin for 2018 to 2020 are non-GAAP financial measures that exclude or have otherwise been adjusted for items impacting comparability, including the impact of changes in foreign currency exchange rates, business realignment costs, NSRPE and restructure charges. We are not able to reconcile these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of changes in foreign currency exchange rates, business realignment costs, NSRPE and restructure charges. The unavailable information could have a significant impact on our full year 2018 to 2020 GAAP financial results.

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2017				
In millions of dollars except per share amounts	Gross Profit	Operating Profit	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$ 3,444.5	$ 1,274.6	$ 98.3	$ 783.0	$ 3.66
Adjustments:					
Derivative mark-to-market adjustment	(35.3)	(35.3)	--	(30.5)	(0.14)
Business realignment activities	5.1	69.4	--	51.5	0.25
Acquisition and integration costs	--	0.3	--	0.2	--
NSRPE(I)	11.1	35.0	--	21.8	0.09
Long-lived asset impairment charges	--	208.7	--	185.4	0.87
Impact of U.S. tax reform	--	--	--	32.5	0.15
Noncontrolling interest share of business realignment and impairment charges	--	--	--	(26.8)	(0.12)
Non-GAAP results	$ 3,425.5	$ 1,552.8	$ 98.3	$ 1,016.9	$ 4.76
GAAP Depreciation & Amortization		261.9			
Accelerated Depreciation		(6.9)			
Adjusted Non-GAAP EBITDA		$ 1,807.7			

* Primarily accelerated depreciation related to the Operational Optimization Program, included in business realignment adjustment

For the year ended December 31,	2017
As reported gross margin	45.8%
Non-GAAP gross margin (1)	45.6%
As reported operating profit margin	17.0%
Non-GAAP operating profit margin (2)	20.7%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating profit as a percentage of net sales for the period presented.

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2016				
In millions of dollars except per share amounts	Gross Profit	Operating Income	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$3,157.9	$ 1,205.8	$ 90.1	$720.0	$ 3.34
Adjustments:					
Derivative mark-to-market adjustment	163.2	163.2	--	142.7	0.66
Acquisition and integration costs	--	6.5	--	4.0	0.02
Business realignment activities	58.1	107.6	--	88.4	0.42
NSRPE(l)	12.0	27.2	--	16.9	0.08
Goodwill and other intangible asset impairment	--	4.2	--	3.0	0.01
Settlement of Shanghai Golden Monkey Liability	--	--	--	(26.7)	(0.12)
Non-GAAP results	$3,391.2	$ 1,514.4	$ 90.1	$948.5	$ 4.41
GAAP Depreciation & Amortization		301.8			
Accelerated Depreciation		(48.6)			
Adjusted Non-GAAP EBITDA		$ 1,767.6			

* Primarily accelerated depreciation related to the Operational Optimization Program, included in business realignment adjustment

For the year ended December 31,	2016
As reported gross margin	42.4%
Non-GAAP gross margin (1)	45.6%
As reported operating income margin	16.2%
Non-GAAP operating income margin (2)	20.4%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2015				
In millions of dollars except per share amounts	Gross Profit	Operating Income	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$3,382.7	$ 1,037.8	$ (105.8)	$513.0	$ 2.32
Adjustments:					
Acquisition and integration costs	7.3	20.9	1.6	14.2	0.05
Business realignment activities	8.8	121.0	--	79.3	0.36
NSRPE(l)	2.5	18.1	--	11.1	0.05
Goodwill and other intangible asset impairment	--	280.8	--	280.8	1.28
Loss on early extinguishment of debt	--	--	28.3	17.6	0.09
Gain on sale of trademark	--	--	--	(6.3)	(0.03)
Non-GAAP results	$3,401.3	$ 1,478.5	$ (75.9)	$909.6	$ 4.12
GAAP Depreciation & Amortization		244.9			
Accelerated Depreciation		(5.9)			
Adjusted Non-GAAP EBITDA		$ 1,717.5			

* Primarily accelerated depreciation related to other international restructuring programs, included in business realignment adjustment

For the year ended December 31,	2015
As reported gross margin	45.8%
Non-GAAP gross margin (1)	46.0%
As reported operating income margin	14.0%
Non-GAAP operating income margin (2)	20.0%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2014				
In millions of dollars except per share amounts	Gross Profit	Operating Income	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$3,336.2	$ 1,392.3	$ (83.5)	$846.9	$ 3.77
Adjustments:					
Acquisition and integration costs	--	14.9	(1.6)	10.3	0.05
Business realignment, including PNC	1.6	12.0	--	8.3	0.03
NSRPE(I)	(2.7)	(1.8)	--	(1.3)	(0.01)
India impairment	--	15.9	--	14.3	0.06
Loss on anticipated Mauna Loa divestiture	--	22.2	--	17.4	0.08
Non-GAAP results	$3,335.1	$ 1,455.5	$ (85.1)	$895.9	$ 3.98
GAAP Depreciation & Amortization		211.5			
Accelerated Depreciation		-			
Adjusted Non-GAAP EBITDA		$1,664.3			

For the year ended December 31,	2014
As reported gross margin	45.0%
Non-GAAP gross margin (1)	44.9%
As reported operating income margin	18.8%
Non-GAAP operating income margin (2)	19.6%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2013				
In millions of dollars except per share amounts	Gross Profit	Operating Income	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$3,280.8	$ 1,338.1	$ (88.4)	$820.5	$ 3.61
Adjustments:					
Acquisition and integration costs	0.3	4.0	--	5.4	0.03
Business realignment, including PNC	0.4	19.1	--	11.8	0.05
NSRPE(l)	5.4	10.9	--	6.6	0.03
Non-GAAP results	$3,286.9	$ 1,372.1	$ (88.4)	$844.3	$ 3.72
GAAP Depreciation & Amortization		201.0			
Accelerated Depreciation		-			
Adjusted Non-GAAP EBITDA		$1,573.1			

For the year ended December 31,	2013
As reported gross margin	45.9%
Non-GAAP gross margin (1)	46.0%
As reported operating income margin	18.7%
Non-GAAP operating income margin (2)	19.2%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.

APPENDIX

Reconciliation of GAAP and Non-GAAP Information

For the year ended December 31,	2012				
In millions of dollars except per share amounts	Gross Profit	Operating Income	Interest Expense, net	Net Income	Income Per Share-Diluted
GAAP results	$2,859.9	$ 1,111.1	$ (95.6)	$660.9	$ 2.89
Adjustments:					
Acquisition and integration costs	4.1	13.4	--	9.2	0.04
Business realignment, including PNC	36.4	83.8	--	57.2	0.25
NSRPE(I)	8.6	20.6	--	12.7	0.06
Non-GAAP results	$2,909.0	$ 1,228.9	$ (95.6)	$740.0	$ 3.24
GAAP Depreciation & Amortization		210.0			
Accelerated Depreciation*		(15.3)			
Adjusted Non-GAAP EBITDA		$1,423.6			

* Primarily accelerated depreciation related to the Project Next Century (PNC) program, included in business realignment adjustment above.

For the year ended December 31,	2012
As reported gross margin	43.0%
Non-GAAP gross margin (1)	43.8%
As reported operating income margin	16.7%
Non-GAAP operating income margin (2)	18.5%

(1) Calculated as non-GAAP gross profit as a percentage of net sales for the period presented.
(2) Calculated as non-GAAP operating income as a percentage of net sales for the period presented.