

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 29, 2003

HERSHEY FOODS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	1-183	23-0691590
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
100 Crystal A Drive, Hershey, Pennsylvania		17033
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(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (717) 534-6799

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INFORMATION TO BE INCLUDED IN REPORT

Item 9. REGULATION FD DISCLOSURE

On January 29, 2003, Hershey Foods Corporation (the "Corporation") announced sales and earnings for the fourth quarter and full year ended December 31, 2002. A copy of the Corporation's press release is furnished herewith as Exhibit 99.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 29, 2003

HERSHEY FOODS CORPORATION

By /s/ Frank Cerminara

Frank Cerminara
Senior Vice President,
Chief Financial Officer

Exhibit Index

Exhibit No.	Description
99	Hershey Foods Corporation Press Release dated January 29, 2003

HERSHEY FOODS ANNOUNCES
FOURTH QUARTER AND FULL YEAR RESULTS

HERSHEY, Pa., January 29, 2003--Hershey Foods Corporation (NYSE:HSY) today announced sales and earnings for the fourth quarter ended December 31, 2002. Consolidated net sales for the fourth quarter were \$1,156,028,000 compared with \$1,152,980,000 for the fourth quarter of 2001. Net income was \$130,320,000, or \$.96 per share-diluted, compared with a loss of (\$44,951,000), or (\$.33) per share-diluted, in 2001.

The results for the fourth quarter of 2002 included a pre-tax charge of \$13.3 million, or \$.06 per share-diluted, associated with the business realignment initiatives announced in October 2001. The results for the fourth quarter of 2001 included a one-time charge of \$278.4 million, or \$1.25 per share-diluted, related to the realignment process, as well as the amortization of goodwill.

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Excluding the one-time items, net income for the fourth quarter of 2002 was \$138,690,000, or \$1.02 per share-diluted, compared with \$130,523,000, or \$.95 per share-diluted, a gain of 7.4 percent.

For the full year 2002, consolidated net sales were \$4,120,317,000 compared with \$4,137,217,000 for 2001. Net income for 2002 was \$403,578,000, or \$2.93 per share-diluted, compared with \$207,156,000, or \$1.50 per share diluted, the prior year.

Results for 2002 included cumulative pre-tax realignment charges of \$34.0 million, or \$.16 per share-diluted, and pre-tax expenses of \$17.2 million, or \$.08 per share-diluted, related to the exploration of the sale of the Company; and in 2001, results included the pre-tax charge of \$278.4 million, or \$1.25 per share-diluted, related to the realignment initiatives, the gain on the sale of the Luden's business in the third quarter, and the amortization of goodwill.

Excluding one-time items, net income for 2002 was \$435,994,000, or \$3.17 per share-diluted, compared with \$391,482,000, or \$2.84 per share-diluted, for 2001, an increase of 11.6 percent. A pro forma income statement reflecting these adjustments accompanies this press release.

Net sales for the fourth quarter of 2002 increased by 0.3 percent on a nominal basis. On a comparable basis, net sales increased by about 1.0 percent spurred by a customer buy-in related to the price increase announced on December 10, 2002. Fourth quarter sales were one to two percent higher than they would have been

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absent the buy-in. This increase in sales was offset somewhat by higher trade promotion expense, lower domestic seasonal sales, and weakness in the Canadian market. Gross margin improved by 60 basis points as a result of improved mix and enhanced supply chain efficiencies. Selling, Marketing, and Administrative expenses decreased by 30 basis points as a percentage of sales resulting from significantly lower general and administrative costs, which were only partially offset by higher selling and marketing expenses.

For the year, sales were off slightly, but the mix of revenues was significantly strengthened as we focused on higher margin products, packtypes, and channels of trade. The improved sales mix, price increases on the packaged candy line, and supply chain efficiencies led to a 130 basis point improvement in gross margin. For the year, Selling, Marketing and Administrative expenses declined 30 basis points as a percentage of sales, due to lower general and administrative costs, which more than offset higher selling and marketing expenses.

"Hershey's fourth quarter results were in line with expectations, achieving a balance of improved marketplace performance and profitability," said Richard H. Lenny, Chairman, President, and Chief Executive Officer. "Despite a sluggish retail environment, Hershey's consumer takeaway increased, resulting in a 0.4 point gain in market share. Equally as important, supply chain productivity and tight expense control continued to deliver solid gains during the quarter.

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"For the full year, we made good progress against our value-enhancing strategy. Profitability, margins, and returns delivered strong growth versus 2001, reflecting improved mix, productivity gains across the supply chain, and lower general and administrative spending. Although net sales were flat in the U.S. business, retail takeaway in all food, drug, mass, and convenience channels, increased by three percent. This performance reflects our disciplined focus on building Hershey's core brands (+8 %), expanding our leadership position in the key chocolate category (+5 %), and significantly improving performance in the high growth convenience store channel (+9 %).

"Overall, I'm most pleased with the Company's results in 2002. Our ability to deliver solid performance, despite numerous challenges, positions us well as we continue to implement Hershey's long-term growth initiatives," Lenny concluded.

SAFE HARBOR STATEMENT

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This release contains statements which are forward-looking. These statements are made based upon current expectations which are subject to risk and uncertainty. Actual results may differ materially from those contained in the forward-looking statements. Factors which could cause results to differ materially include, but are not limited to: changes in the confectionery and grocery business environment, including actions of competitors and changes in consumer preferences; changes in governmental laws and regulations

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including taxes; market demand for new and existing products; changes in raw material and other costs; and pension cost factors, such as actuarial assumptions and market performance, as discussed in the Company's annual report on Form 10-K for 2001.

LIVE WEBCAST

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As previously announced, the Company will hold a conference call with analysts today at 10 a.m. EST. The conference call will be webcast live via Hershey's corporate web site www.hersheys.com. Please go to the Investor Relations Section of the Web site for further details.

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Hershey Foods Corporation
Summary of Consolidated Statements of Income
for the periods ended December 31, 2002 and December 31, 2001
(in thousands of dollars except per share amounts)

	Fourth Quarter		Twelve Months	
	2002	2001	2002	2001
Net Sales	\$1,156,028	\$1,152,980	\$4,120,317	\$4,137,217
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Costs and Expenses:				
Cost of Sales	709,840	759,914	2,561,052	2,668,530
Selling, Marketing and Administrative	216,758	224,049	833,426	846,976
Business Realignment Charge, net	8,278	228,314	27,552	228,314
Gain on Sale of Business	---	---	---	(19,237)
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Total Costs and Expenses	934,876	1,212,277	3,422,030	3,724,583
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Income Before Interest and Income Taxes	221,152	(59,297)	698,287	412,634
Interest Expense, net	15,274	16,722	60,722	69,093
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Income Before Income Taxes	205,878	(76,019)	637,565	343,541
Provision for Income Taxes	75,558	(31,068)	233,987	136,385
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Net Income	\$130,320	(\$44,951)	\$403,578	\$207,156
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Net Income Per Share - Basic	\$0.96	(\$0.33)	\$2.96	\$1.52
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- Diluted	\$0.96	(\$0.33)	\$2.93	\$1.50
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Shares Outstanding - Basic	135,409	135,953	136,538	136,245
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- Diluted	136,337	135,953	137,714	137,696
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Hershey Foods Corporation
Pro Forma Summary of Consolidated Statements of Income
for the periods ended December 31, 2002 and December 31, 2001
(in thousands of dollars except per share amounts)

	Fourth Quarter		Twelve Months	
	2002	2001	2002	2001
Net Sales	\$1,156,028	\$1,152,980	\$4,120,317	\$4,137,217
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Costs and Expenses:				
Cost of Sales	704,821 (a)	709,812 (d)	2,554,625 (a)	2,618,428 (d)
Selling, Marketing and Administrative	216,834 (b)	220,575 (e)	816,196 (b)	832,217 (e)
Business Realignment Charge, net	--- (c)	--- (f)	--- (c)	--- (f)
Gain on Sale of Business	---	---	---	--- (g)
<hr/>				
Total Costs and Expenses	921,655	930,387	3,370,821	3,450,645
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Income Before Interest and Income Taxes	234,373	222,593	749,496	686,572
Interest Expense, net	15,274	16,722	60,722	69,093
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Income Before Income Taxes	219,099	205,871	688,774	617,479
Provision for Income Taxes	80,409	75,348	252,780	225,997
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Net Income	\$138,690	\$130,523	\$435,994	\$391,482
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Net Income Per Share - Basic	\$1.02	\$0.96	\$3.19	\$2.87
- Diluted	\$1.02	\$0.95	\$3.17	\$2.84
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Shares Outstanding - Basic	135,409	135,953	136,538	136,245
- Diluted	136,337	137,450	137,714	137,696
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- (a) Excludes business realignment charges of \$5.0 million for the fourth quarter and \$6.4 million for the twelve months.
- (b) Excludes an adjustment to expenses of \$(0.1) million in the fourth quarter and total expenses of \$17.2 million, or \$.08 per share-diluted, for the twelve months, related to the exploration of the possible sale of the Corporation.
- (c) Excludes business realignment charges of \$8.3 million, or \$.04 per share-diluted, for the fourth quarter and \$27.6 million, or \$.13 per share-diluted, for the twelve months.
- (d) Excludes business realignment charges of \$50.1 million, or \$30.9 million after-tax, for both the fourth quarter and twelve months.
- (e) Excludes goodwill amortization of \$3.5 million for the fourth quarter and \$14.8 million for the twelve months.
- (f) Excludes business realignment charges of \$228.3 million, or \$140.9 million after-tax, for both the fourth quarter and twelve months.
- (g) Excludes gain on Luden's sale of \$19.2 million pre-tax, \$1.1 million after-tax, or \$.01 per share-diluted, for the twelve months.

Hershey Foods Corporation
Consolidated Balance Sheets
as of December 31, 2002 and December 31, 2001
(in thousands of dollars)

Assets	2002	2001
Cash and Cash Equivalents	\$297,743	\$134,147
Accounts Receivable - Trade (Net)	370,976	361,726
Deferred Income Taxes	---	96,939
Inventories	503,291	512,134
Prepaid Expenses and Other	91,608	62,595
	-----	-----
Total Current Assets	1,263,618	1,167,541
Net Plant and Property	1,486,055	1,534,901
Goodwill	378,453	388,702
Other Intangibles	39,898	40,426
Other Assets	312,527	115,860
	-----	-----
Total Assets	\$3,480,551	\$3,247,430
	=====	=====
 Liabilities and Stockholders' Equity		
Loans Payable	\$28,124	\$7,926
Accounts Payable	124,507	133,049
Accrued Liabilities	356,716	462,901
Taxes Payable	12,731	2,568
Deferred Income Taxes	24,768	---
	-----	-----
Total Current Liabilities	546,846	606,444
Long-Term Debt	851,800	876,972
Other Long-Term Liabilities	362,162	361,041
Deferred Income Taxes	348,040	255,769
	-----	-----
Total Liabilities	2,108,848	2,100,226
Total Stockholders' Equity	1,371,703	1,147,204
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Total Liabilities and Stockholders' Equity	\$3,480,551	\$3,247,430
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