

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 28, 1997

HERSHEY FOODS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

I-183

(Commission
File Number)

23-0691590

(I.R.S. Employer
Identification No.)

100 Crystal A Drive, Hershey, Pennsylvania

(Address of principal executive offices)

17033

(Zip Code)

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

INFORMATION TO BE INCLUDED IN REPORT

Item 5. Other Events

On January 28, 1997 Hershey Foods Corporation announced its financial results for the year ending December 31, 1996. The press release announcing the financial results is incorporated by reference and is attached hereto 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.

Dated: March 4, 1997

HERSHEY FOODS CORPORATION

By-----
Robert M. Reese
Vice President, General Counsel
and Secretary

Exhibit Index

Exhibit No.	Description
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99	Press Release dated January 28, 1997 announcing the Corporation's financial results for 1996.

Hershey Foods NEWS
 Corporate Communications
 Hershey Foods Corporation
 100 Crystal A Drive
 Hershey, PA 17033

FOR IMMEDIATE RELEASE
 January 28, 1997

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HERSHEY FOODS ANNOUNCES
 FOURTH QUARTER RESULTS

RECORD SALES AND EARNINGS
 FROM OPERATIONS

HERSHEY, PA --- Hershey Foods Corporation today announced record consolidated net sales and earnings from operations for the fourth quarter ended December 31, 1996.

Record net sales were \$1,189,115,000 compared with \$1,119,851,000 for the fourth quarter of 1995. Net income was \$78,654,000, or \$.51 per share on a post-split basis, including a before- and after-tax loss on disposal of certain European businesses of \$35,352,000, or \$.23 per share. Excluding the loss on disposal, net income for the quarter was \$114,006,000, or \$.74 per share, compared to \$105,836,000, or \$.68 per share, in 1995. Weighted average shares outstanding on a post-split basis for the fourth quarter of 1996 were 153,368,000 compared with 154,669,000 for the fourth quarter of 1995.

Record net sales for the year were \$3,989,308,000 compared with \$3,690,667,000 in 1995. Net income for the year including the loss on disposal was \$273,186,000, or \$1.77 per share.

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Excluding the impact of the loss on disposal, net income was \$308,538,000, or \$2.00 per share, compared with \$281,919,000, or \$1.70 per share, in 1995. Weighted average shares outstanding on a post-split basis for the full year 1996 were 153,995,000 compared with 165,687,000 for the full year 1995.

"We had a good finish to 1996," said Kenneth L. Wolfe, Chairman and Chief Executive Officer. "In the fourth quarter, Hershey Chocolate North America achieved solid volume growth on the strength of our successful new product introductions and fine seasonal performance. Hershey Chocolate North America was the principal contributor to growth in earnings from operations in the quarter, although Hershey Pasta and Hershey International also recorded excellent earnings increases versus last year. Lower net interest expense and fewer average shares outstanding also contributed to per share net income growth in the quarter.

"Sales growth for the year was attributable primarily to volume growth related to new products such as Hershey's Sweet Escapes reduced fat and calorie chocolate bar, Hershey's TasteTations hard candies, Hershey's Pot of Gold boxed chocolates and Hershey's Cookies 'n Creme candy bars, as well as excellent seasonal business, the price increase, and the acquisition of the Henry Heide Inc. In addition, Hershey Grocery and Hershey International posted solid sales gains for the year. These gains were offset somewhat by the disposal of businesses in Canada and Europe, and lower sales for Hershey Pasta Group.

"Hershey Chocolate North America was the principal contributor to income growth for the year with important contributions also made by Hershey Grocery and Hershey International. Net interest expense increased for the year as a result of the increased level of borrowings. The lower number of average shares outstanding for the year contributed to net earnings per share growth.

"We had an excellent year in 1996, and our business enters 1997 on solid footing. Newly acquired Leaf North America will require considerable time and effort to integrate with our North American confectionery business. While we initially will have modest earnings dilution, we are confident we can significantly improve the operating performance of this business. Meanwhile, we will continue to introduce exciting new products while continuing to invest in our core businesses. There is a lot to be accomplished in 1997, but we are confident that Hershey's team is up to the task," Wolfe concluded.

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Hershey Foods Corporation
 Summary of Consolidated Statements of Income
 for the periods ended December 31, 1996 and December 31, 1995
 (in thousands of dollars except per share amounts)

	Fourth Quarter		Twelve Months	
	1996	1995	1996	1995
Net Sales	\$1,189,115	\$1,119,851	\$3,989,308	\$3,690,667
Costs and Expenses:				
Cost of Sales	668,569	626,707	2,302,089	2,126,274
Selling, Marketing and Administrative	318,814	305,909	1,124,087	1,053,758
Total Costs and Expenses	987,383	932,616	3,426,176	3,180,032
Loss on the Disposal of Businesses	35,352	--	35,352	--
Restructuring Credit	--	(3,277)	--	(151)
Income Before Interest and Income Taxes	166,380	190,512	527,780	510,786
Interest Expense, net	11,404	14,416	48,043	44,833
Income Before Income Taxes	154,976	176,096	479,737	465,953
Provision for Income Taxes	76,322	70,260	206,551	184,034
Net Income	\$ 78,654	\$ 105,836	\$ 273,186	\$ 281,919
Net Income Per Share	\$.51	\$.68	\$ 1.77	\$ 1.70

NOTE: Income Per Share has been computed based on the weighted average number of shares of Common Stock and Class B Common Stock outstanding during the period. Average shares outstanding for the fourth quarter and twelve months of 1996 were 153,368,000 and 153,995,000, respectively, and 154,669,000 and 165,687,000, respectively, for the comparable periods in 1995. All share and per share amounts have been restated for the Corporation's two-for-one stock split effective September 13, 1996.

Consolidated Balance Sheets
 as of December 31, 1996 and December 31, 1995
 (in thousands of dollars)

Assets			Liabilities and		
	1996	1995	Stockholders' Equity	1996	1995
Current Assets	\$ 986,229	\$ 922,323	Current Liabilities	\$ 817,274	\$ 864,355
Property and Equipment, Net	1,601,895	1,436,009	Long-Term Debt	655,289	357,034
Intangibles Resulting from Business Acquisitions	565,962	428,714	Other Long-Term Liabilities	327,209	333,814
Other Assets	30,710	43,577	Deferred Income Taxes	224,003	192,461
			Stockholders' Equity	1,161,021	1,082,959
	\$3,184,796	\$2,830,623		\$3,184,796	\$2,830,623

