

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): December 28, 1999

HERSHEY FOODS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

1-183

23-0691590

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

100 Crystal A Drive, Hershey, Pennsylvania

17033

(Address of principal executive offices)

(Zip Code)

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

Page 1 of 3
Exhibit Index - Page 3

1

INFORMATION TO BE INCLUDED IN REPORT

Item 5. Other Events

On December 28, 1999, Hershey Foods Corporation (the "Corporation") announced that its sales in December 1999 will be lower than expected, and that its earnings per share for the fiscal year ending December 31, 1999, might be below market expectations. Earnings per share for the year could be \$.10 per share below previous expectations of \$2.16 to \$2.20 per share, as announced on October 25, 1999. The press release dated December 28, 1999,

announcing the Corporation's expectations regarding fiscal year earnings, is incorporated herein by reference, and a copy is filed 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.

Dated: January 4, 2000

HERSHEY FOODS CORPORATION

By /s/ William F. Christ

William F. Christ
Senior Vice President,
Chief Financial Officer and Treasurer

Page 2 of 3
Exhibit Index - Page 3

Exhibit Index

Exhibit No.	Description
99	Press Release dated December 28, 1999

[LOGO OF HERSHEY FOODS APPEARS HERE]
Corporate Communications

HERSHEY FOODS NEWS
Hershey Foods Corporation
100 Crystal A Drive -
Hershey, PA 17033
E-mail: pr@hersheys.com
http://www.hersheys.com

=====

FOR IMMEDIATE RELEASE
December 28, 1999

CONTACT:
John C. Long
717-534-7631

FINANCIAL CONTACT:
James A. Edris
717-534-7556

Hershey Foods Corporation Earnings Update

Hershey Foods Corporation announced today that the strong customer order demand it was experiencing at the time of its October 25, 1999, announcement of third quarter results was not sustained throughout the fourth quarter. The Corporation's growth at retail outpaced the category for the Halloween season (as measured by IRI data through the first week of November) despite the shipping and distribution difficulties referred to in the October 25 announcement. Through the balance of November, its performance was in line with its expectations for the fourth quarter. Sales in December, however, will be lower than expected. This slowdown in customer order demand appears to be in part a consequence of the earlier customer service and order fulfillment issues.

Hershey continues to make progress implementing improvements to its new customer service, warehousing and order fulfillment business systems and processes, and customer service performance has improved significantly.

However, 1999 earnings from continuing operations could be below the estimate in the October 25 announcement of \$2.16 to \$2.20 per share by an amount of up to approximately \$.10 per share as a result of the lower than expected sales in December and increased costs associated with these issues. The Corporation does not expect to comment further on 1999 earnings until final results can be announced, which it expects will be on January 31, 2000.

Safe Harbor Statement:
- - - - -

This release contains statements that are forward-looking. These statements are made based upon current expectations that are subject to risk and uncertainty. Actual results might differ materially from those contained in the forward-looking statements, because of factors such as changes in the confectionery and grocery business environment, including actions of competitors and changes in consumer preferences; changes in governmental laws and regulations, including income taxes; demand for new and existing products; and raw material pricing, as discussed in the Corporation's Annual Report on Form 10-K for 1998, as well as the Corporation's ability to remedy the problems and avoid the increased costs encountered since implementing changes to the customer service, warehousing, and order fulfillment processes and systems in July 1999; the ability to restore customer service to historical levels; the effects service levels and other factors have on future customer demand; and the ability to complete construction and commence operations of new warehousing facilities on schedule.

#