

ESSENTIAL ACTION

Global Partnerships for Tobacco Control

CAMPAIGN for TOBACCO-FREE Kids[®]

September 12, 2002

Robert C. Vowler
Chief Executive Officer
Hershey Trust Company
100 Mansion Road East
P.O. Box 455
Hershey, PA 17033-0455

Dear Mr. Vowler:

We understand that the Milton Hershey School Trust, which owns one-third of Hershey Food Corporation's shares and controls three-quarters of votes, has asked the corporation to explore a buy-out, and that Kraft Foods is among the potential buyers.

If indeed, the Trust forces Hershey Food to give up its long independence, it would be a particular travesty to hand control over to Kraft Foods, whose parent company is Philip Morris.

The Milton Hershey School, which is the sole beneficiary of the Trust, has for 93 years taught, sheltered, fed, clothed, cared for, counseled, and trained thousands of boys and girls in financial and social need. Originally established to assist orphaned boys, it would be terribly ironic if the School Trust were to effectively force the sale of Hershey Foods to a company associated with the orphaning of thousands upon thousands of children worldwide.

Tobacco is responsible for more than 400,000 deaths annually in the United States. The World Health Organization projects that tobacco will kill 10 million people annually by the year 2030. Philip Morris, the dominant company in the U.S. market and owner of the world's most popular cigarette brand, Marlboro, is highly culpable for the most devastating global health epidemic of our day.

Kraft has been exploited by Philip Morris - and Hershey will be too if bought by Kraft - in costly efforts to transform the parent company's reputation from a corporate grim reaper to that of a good corporate "citizen."

Philip Morris, the world's largest multinational tobacco company, has a long and sordid history of aggressively targeting poor and disadvantaged youth, denying the highly addictive and deadly nature of its products, thwarting legislative efforts to effectively protect public health, and launching misleading public relations campaigns.

Since the 1998 state tobacco settlement, the tobacco companies promised not to "take any action, directly or indirectly, to target youth." But for the industry, led by Philip Morris, it has been business as usual -- continue marketing to kids, the market they need to attract to replenish the consumer base that the industry literally kills off.

In the two years after the settlement, tobacco industry marketing expenditures increased by 42 percent to a record \$9.6 billion in 2000, according to the Federal Trade Commission. This amounts to \$26 million a day to market their deadly products. Most of the increase was in retail store marketing, which is highly effective at reaching kids. Studies show that 75 percent of teens shop at convenience stores at least once a week, and they are more likely than adults to be influenced by convenience store promotions.

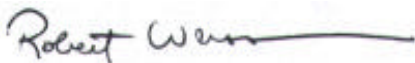
While the tobacco industry claims its marketing is intended only to influence brand preferences of current smokers and does not play any role in kids' decisions to start smoking, several recent studies show otherwise. These studies show not only tobacco advertising influences kids to smoke, but has its greatest impact on kids whose parents follow recommended parenting practices to prevent their kids from smoking and engaging in other risky behaviors.

Several recent surveys prove the impact of tobacco marketing on kids. A March 2002 survey by the Campaign for Tobacco-Free Kids found that kids are twice as likely as adults to remember tobacco advertising.

Even Philip Morris's advertising purportedly designed to tell youth that smoking is an adult decision has been shown to increase kids' propensity to smoke.

Hershey and Philip Morris go together like chocolate and poison. Whatever direction the Trust settles on for the future of Hershey Food Corporation, we strongly urge you to announce as soon as possible that a sale to Philip Morris/Kraft is not among the options.

Sincerely,



Robert Weissman
Co-Director, Essential Action



Anna White
Coordinator, Global Partnerships for Tobacco Control

www.essentialaction.org/tobacco



Matthew Myers
President, Campaign for Tobacco-Free Kids
www.tobaccofreekids.org

Cc: Richard H. Lenny, Chairman, President and CEO, Hershey Foods Corporation