

Arway



JOIN THE WINNING TEAM!

TEAM ARWAY 2004

Your winning choice for better quality products at competitive prices with reliable, friendly, and consistent service year after year.

*Have a great Fall-Xmas season!
We appreciate your business!*

Is it us or are the years moving faster??? It is truly hard to believe that the busy Fall/Xmas season is already upon us. 2004 is shaping up to be another record year at Arway. Our business has actually been extremely strong all year. Although commodity prices are up significantly across the board, it seems that the demand for chocolate and nuts in the marketplace has not subsided. In fact, in spite of higher prices, demand seems to be greater than ever based on all of the information we have gathered throughout the industry.

Say hello to Lurdes Damion (Lou), Arway's new Quality Assurance Manager. She comes to us with over 20 years of quality control expertise. As Arway continues to grow, we want to assure our customers as well as ourselves that we are able to protect the quality and integrity of the products we manufacture, as much of our success is based on the quality of our products. At the same time, we plan to improve and implement quality programs and procedures that will enable Arway to continue to comfortably grow and prosper for years to come. Should you ever have a problem or question regarding any of Arway's products, please feel free to call her directly at Arway, or by email at lou@arwayconfections.com.

We can never thank our long list of loyal customers enough for your continued support. It is these partnerships that have enabled our company's skyrocketing growth, and we will never forget it. Should you ever find yourself in Chicago (on business or pleasure) please call us to arrange for the nickel tour, and then we can tell you in person just how much we appreciate your business.

We wish everyone a happy, healthy, profitable, and *peaceful* year ahead. Please let us know if you ever have any questions, comments, or further requests. Again, thanks for your support!

Commodity Report

- Your friends at Arway

Arway always tries to relay information regarding the movement of specific commodities in an effort to give a behind the scene look at the driving forces behind the prices we offer for finished product. While just about every nutmeat has risen dramatically throughout the year (see chart on right), it should be noted that commodities in general are significantly higher worldwide (steel, plastic, paper, energy, oils, dairy, etc., etc., etc.). It is too early to guess whether commodity prices will ease, remain firm, or head even higher in 2005. It is certain, however, that nutmeat pricing will remain extremely strong for the remainder of 2004.

This year, in particular, has been difficult for many due to sky rocketing prices. At Arway, we have been extremely fortunate to be locked into favorable contracts with various suppliers, which have enabled us *for the most part* to "hold the line on price." By the end of 2004, we will have saved our customers hundreds of thousands of dollars. We know that our customers appreciate the price stability we offer; however, with all nutmeats, chocolate, raisins, and packaging material significantly higher, we are hopeful that prices will fall at the end of the year. If not, you can expect significantly higher prices for many of our products in 2005. Please always feel free to call us at anytime regarding questions you may have on commodity pricing.

HEALTH BENEFITS OF NUTS

After years of bad press, there has been a lot of good news lately regarding the health benefits of nuts. In fact, the FDA recently issued approval for a new health claim applicable to peanuts, almonds, pecans, cashews, brazil nuts, filberts, macadamia nuts, pine nuts, pistachios, and walnuts. The claim now allowed on nut packages may read, "Scientific evidence suggests but does not prove that eating 1.5 ounces per day of most nuts as part of a diet low in saturated fat and cholesterol may reduce the risk of heart disease." Many studies also support the idea that nuts should become a regular part of a healthy diet. Nuts offer a wide variety of protein, fiber, vitamins, minerals, and they are cholesterol-free. Although nuts derive a high percentage of their calories from fat, the heart-healthy polyunsaturated/monounsaturated fat helps clear the blood of the "bad" LDL cholesterol, making arteries cleaner, and lowering the risk of heart disease. Take a look at what is inside some of Arway's most popular nutmeats:

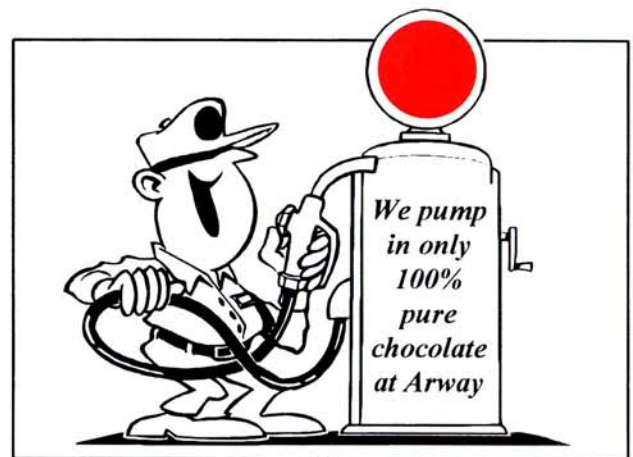
Peanuts - a great source of concentrated protein (20-30% protein). Peanuts are also packed with vitamins and are rich in potassium and B vitamins (especially niacin).

Almonds - a great source of protein, fiber, calcium, and are also high in the antioxidants selenium and vitamin E.

Cashews - an excellent source of vitamins and minerals, such as magnesium, copper, phosphorous, and iron.

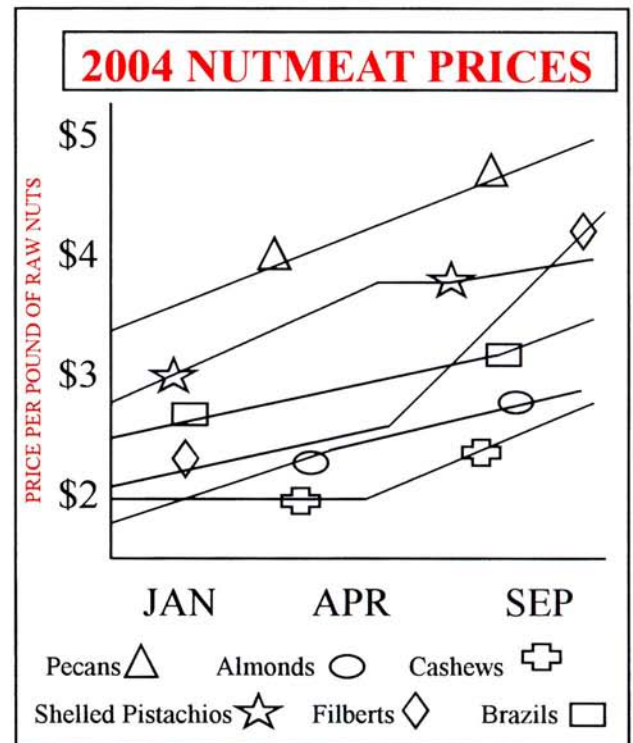
Pecans - contain concentrated plant sterols and are very nutrient-rich with zinc, vitamins E, A folic acid, calcium, and phosphorous.

We believe that the numerous studies and diets proving nuts to be part of a healthy diet have been the key to the increased demand of all nuts across the board. Unfortunately, with increased demand, higher prices usually follow....



FILL UP WITH THE "GOOD STUFF"

Quality Does Matter!





General Information

Terms : 2% 10, Net 30 Days

All pricing is FOB Arway (Chicago, IL)

Minimum Order 500 Lbs. (assorted items)

*For less than 500 Lb. minimum, call
Chicago Candy & Nut (a division of Arway)
(773) 463-7600 for lower bracket pricing.*

All products are Certified Kosher (Circle K)

Pricing is subject to change without notice.

Credit applications must be processed
and approved before open accounts will be
established. Prior to credit approval, all
orders will be paid in advance.

Contact: ***Craig Leva or Chris Perkins***

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Phone (773) 267-5770

Toll-Free (800) 695-0612

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As always, we remain....

At your service!