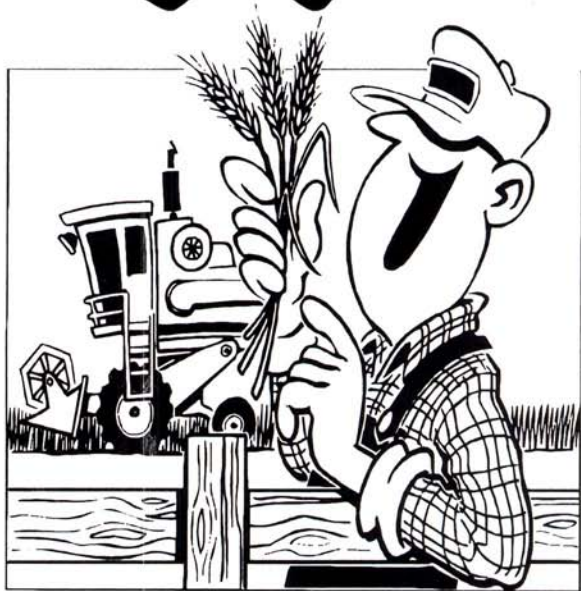


Arway



WE WANT TO EARN YOUR BUSINESS!

HOWDY PARTNER!

Let us show you what hundreds of our current customers already know; Arway Confections is a great business partner! Quality products, competitive prices, & fifty five years of consistent and dependable service year after year.

We wish you a happy, healthy, and profitable holiday season!!

Arway Confections, Inc. FALL/XMAS 2005

Is it that time of the year already?? Ready or not that answer is yes. If there is anything that will be remembered about 2005 it will be the skyrocketing prices of commodities across the board. These historically high prices made this year extremely challenging for Arway, as well as every company in our industry. While nut and fruit prices look to remain firm through the end of the year, there is a good chance that we will see many lower prices offered in 2006.

The good news is that regardless of the higher prices, 2005 is shaping up to be another record year at Arway. In the end, we find there are more and more customers everyday who are finding that quality products sold at competitive prices with dependable service are paramount to their success. On August 3rd 1950, Arway was founded on these very same principles, and we take great pride in the business we have developed over the last fifty five years with customers nationwide who share the same philosophies.

We moved our offices! Well, kind of. Sort of. Actually, not really.... The building we purchased adjacent to our original manufacturing plant and connected in the year 2001 came with larger office space, which we left vacant. We finally out grew the space Arway has resided in *for over 40 years*, and moved to the other side of the building. While our shipping address remains the same, our office address actually changes to **3425 N. Kimball Ave.** Come visit us in our new space!

We are proud to announce that Arway went through its first AIB inspection. AIB (American Institute of Baking) is not-for-profit organization that offers a 3rd party audit of quality assurance and sanitation programs for food manufacturing facilities. Starting with incoming raw materials, the audit evaluates the handling, storage, and use of materials, processing procedures, and documented programs. Arway scored an "excellent" rating. As we grow, we are dedicated to maintaining the quality standards for which we are known.

Say hello to Rick Johnson, the newest member of the Arway team. Rick joined us this past June in general management and purchasing capacities. He comes to Arway with almost two decades of knowledge and experience from his time spent with Warner Candy and Superior Nut. He is a welcome and needed addition for Arway as we continue our pattern of growth. We are excited to have him aboard. Feel free to call Rick at Arway or by email (rickjohnson@arwayconfections.com).

And on a personal note, life became even better earlier this year when my 4th child entered the world on May 18th. Eli Leva has been a great addition to my family, and all of the warm wishes I have been receiving are truly appreciated.

We realize there are many suppliers to choose from, and your continued business is truly appreciated. Thank you for sharing in our success, and we hope to share in yours for many more years to come. Best wishes for a happy, healthy, prosperous, and *peaceful* year ahead. Again, thanks for your support, and we hope to hear from you soon.

Craig Leva
& all of your friends at Arway Confections



EAT WELL

Quality Does Matter!

2005/2006 OUTLOOK

Chocolate: The cocoa market is lower, but the price for cocoa butter is up significantly. *If* peace continues, chocolate prices should remain similar to 2005 levels.

Pecans: Prices should remain firm through Nov/Dec due to low inventories and upcoming Fall demand; however, barring major damage from hurricanes or disease, the crop looks to be a good one. Look for lower prices in 2006.

Raisins: Wine growers continue to pay a premium for table grapes, which in turn, helps to push raisin prices higher. Look for raisins to be roughly 5% higher throughout all of 2006 compared to 2005 levels.

CONTINUED ON REVERSE SIDE →

2005 / 2006 OUTLOOK (CONTINUED)

Almonds: Almond prices skyrocketed in 2005 to record levels. The 2005/2006 crop looks to be a bit smaller, but consumption is starting to wane due to the higher prices. Look for a continuation of firm prices through the Fall/Xmas rush. 2006 pricing is unknown at this point, but California processors will attempt to market this crop as high as the market will bear. The factors that will affect future prices include supply/demand scenarios, export volume, and the strength of the U.S. dollar. In our opinion, we are at the peak. We are hopeful that we will see a softening of almond prices beginning in December of 2005, though opinions vary greatly in regards to where prices will settle.

Cashews: Prices increased in 2005 in tandem with all of the other nuts. Even so, the cashew remained “the cheap nut” when compared to almonds, pecans, brazils, and filberts. Global supply is good, and recently the cashew market has shown signs of softening. While most manufacturers are booked through the end of this year, look for lower cashew prices in 2006.

Peanuts: There is now a surplus of U.S. peanuts due to the most recent farm bill and government supports. Because of this, peanut prices have begun to fall. We expect peanut pricing to be roughly 5% lower in 2006 compared to 2005 levels.

Oil: Although oil is not a commodity we purchase like chocolate or nuts, a significant increase of oil prices has a serious affect on the cost of transportation. Fuel surcharges have been rising all year, and we expect that trend to continue throughout 2006. A few months ago Goldman Sachs reported the possibility exists of a “super spike” (over \$100 per barrel) due to supply issues, global consumption, and terror threats/acts within oil producing nations.



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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Chicago, IL 60618

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Toll-Free (800) 695-0612

Fax 773-267-0610

craigleva@arwayconfections.com

As always, we remain....

At your service!