

# TOOTSIE ROLL INDUSTRIES, INC.

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## PRESS RELEASE

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CHICAGO, ILLINOIS – October 24, 2017 - Ellen R. Gordon, Chairman, Tootsie Roll Industries, Inc. reported third quarter and nine months 2017 net sales and net earnings.

Third quarter 2017 net sales were \$182,173,000 compared to \$185,473,000 in third quarter 2016, a decrease of \$3,300,000 or 2%. Third quarter 2017 net earnings were \$26,933,000 compared to \$28,637,000 in third quarter 2016, and net earnings per share were \$.43 and \$.45 in third quarter 2017 and 2016, respectively, a decrease of \$.02 per share or 4%.

Nine months 2017 net sales were \$390,495,000 compared to \$393,094,000 in nine months 2016, a decrease of \$2,599,000 or 1%. Nine months 2017 net earnings were \$48,879,000 compared to \$49,669,000 in nine months 2016, and net earnings per share were \$.77 in both nine months 2017 and 2016.

Mrs. Gordon said, "Third quarter sales continue to be the Company's largest quarterly sales period due to back-to-school and pre-Halloween seasonal sales. Third quarter and nine months 2017 net sales were adversely affected by the timing of certain customer pre-Halloween sales during the third and fourth quarters in the comparative 2017 and 2016 periods. Although higher ingredient costs and increased freight and delivery expenses adversely impacted third quarter and nine months 2017 results, continuing improvements in manufacturing plant efficiencies driven by capital investments and ongoing cost containment programs mitigated some of these higher costs and expenses. Net earnings for third quarter 2017 benefited from more favorable foreign exchange, and nine months 2017 net earnings were favorably impacted by a lower effective income tax rate. The Company's third quarter and nine months 2017 net earnings per share benefited from common stock purchases in the open market resulting in fewer shares outstanding."

**TOOTSIE ROLL INDUSTRIES, INC.**  
**CONSOLIDATED SUMMARY OF SALES & EARNINGS**  
**FOR THE PERIODS ENDED**  
**SEPTEMBER 30, 2017 & 2016**

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	<b><u>THIRD QUARTER ENDED</u></b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Net Product Sales	\$182,173,000	\$185,473,000
Net Earnings	\$26,933,000	\$28,637,000
Net Earnings Per Share*	\$0.43	\$0.45
Average Shares Outstanding*	62,986,000	64,021,000

	<b><u>NINE MONTHS ENDED</u></b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
Net Product Sales	\$390,495,000	\$393,094,000
Net Earnings	\$48,879,000	\$49,669,000
Net Earnings Per Share*	\$0.77	\$0.77
Average Shares Outstanding*	63,286,000	64,205,000

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\*Based on average shares outstanding adjusted for 3% stock dividends distributed April 17, 2017 and April 8, 2016.