



THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Announces First Quarter Results

8/18/1999

ORRVILLE, Ohio, Aug. 18 /PRNewswire/ -- The J. M. Smucker Company, Orrville, Ohio (NYSE: SJM.A, SJM.B), announced today that earnings for the first quarter ending July 31, 1999, were \$11,037,000, up 6 percent over earnings of \$10,416,000 for the same period last year. Sales for the three- month period were up approximately 7 percent to \$161,495,000 from \$150,500,000 in the prior year first quarter. On a diluted basis, earnings per share were \$.38 compared to \$.36 per share last year.

The Company reported that all of its domestic segment businesses realized sales increases over the prior year, with the largest dollar growth occurring in the consumer and foodservice markets. In the consumer area, the continued rollout of Smucker's Snackers, introduced during last fiscal year, and the inclusion of the Adams natural peanut butter business, acquired in December 1998, were key causes for the increase. In the foodservice area, the Company stated that the increase in sales was attributable to a combination of volume growth in the portion control segment and the impact of the recent agreement with Lea & Perrins, Inc., pursuant to which the Company now is distributing Lea & Perrins products to the foodservice industry. In the international segment, all geographic markets realized sales increases, with the majority of the growth occurring in the Company's Greater Europe market and in Australia.

The Company stated that the increase in quarterly earnings was attributable to the growth in sales, offset by higher selling and administrative expenses. Interest expense also increased significantly over the prior year due to the Company's long-term debt placement, which was completed during the first quarter. The Company added that earnings were also favorably impacted by a decrease in the Company's effective tax rate for the quarter.

The Company also announced that its Board of Directors has increased the Company's share repurchase authorization by an additional one million shares (Class A and Class B combined). The increase provides the Company with a total repurchase authority of approximately 1,500,000 shares. According to a Company spokesman, the Board and management believe that the Company is very well positioned for future growth and that the repurchase of the Company's shares therefore represents an attractive investment alternative at current prices. The spokesman also noted that management intends to continue its practice of buying periodically on the open market and has not set a specific time frame within which repurchases will occur.

The J. M. Smucker Company (www.smucker.com) is the nation's leading producer of branded preserves, jams, jellies, and other fruit spread products, health and natural foods beverages, ice cream toppings, and natural peanut butter.

THE J. M. SMUCKER COMPANY
STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

Three Months Ended
July 31,
1999 1998
(Dollars in thousands,
except per share data)

Net sales	\$161,495	\$150,500
Cost of products sold	103,467	96,638
Gross profit	58,028	53,862
Selling, distribution, and administrative expenses	40,795	37,342
Operating income	17,233	16,520
Interest income	723	625
Interest expense	(480)	(4)
Other income -- net	367	295
Income before income taxes	17,843	17,436
Income taxes	6,806	7,020
Net income	\$11,037	\$10,416
Net income per Common Share	\$0.38	\$0.36
Net income per Common Share -- Assuming Dilution	\$0.38	\$0.36

Dividends declared per share:

Class A	\$0.15	\$0.14
Class B	\$0.15	\$0.14
Common Shares outstanding	29,047,531	29,026,846
Common Shares outstanding -- assuming dilution	29,178,059	29,332,437

The J. M. Smucker Company
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

July 31,
1999 1998
(Dollars in thousands)

ASSETS

Current Assets:

Cash and cash equivalents	\$52,454	\$7,052
Trade receivables	58,178	46,276
Inventories	141,636	137,642
Other current assets	14,375	12,632
Total Current Assets	266,643	203,602

Property, Plant & Equipment, Net 170,544 153,414

Noncurrent Assets	79,907	64,554
Total	\$517,094	\$421,570

LIABILITIES & SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$57,634	\$46,379
Other current liabilities	37,737	48,222
Total Current Liabilities	95,371	94,601

Long-term Debt	75,000	--
Other Noncurrent Liabilities	21,776	21,024
Shareholders' Equity, Net	324,947	305,945
Total	\$517,094	\$421,570