THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Announces Fourth Quarter and Year-end Results

6/19/2001

ORRVILLE, Ohio, June 19 /**PRNewswire**/ -- The J. M. Smucker Company (NYSE: SJM) today announced its financial results for the fourth quarter and fiscal year ended April 30, 2001. The Company reported that earnings per share for the fourth quarter, before the impact of nonrecurring charges and a cumulative effect of change in accounting method, were up 42% at $0.37 per share compared to $0.26 last year. On a diluted basis, earnings per share were $0.36 per share compared to $0.26 last year, excluding nonrecurring charges and change in accounting method. Sales for the three-month period were $161,449,000, up 1% compared to $159,087,000.

Sales for the year were $651,242,000, compared to $641,885,000 last year. Excluding the impact of nonrecurring charges and change in accounting method, earnings for the year were $32,972,000 or $1.30 per share, compared to $35,983,000 or $1.26 per share last year. On a diluted basis, earnings per share were $1.28 per share compared to $1.25 last year, excluding nonrecurring charges and change in accounting method. Including all charges, earnings per share were $1.21 compared to $0.92 last year.

Analyst consensus estimates were $0.34 per share for the fourth quarter and $1.26 per share for the year.

Commenting on the results, Richard Smucker, the Company's President and Co-CEO, said "We are very pleased with the year and particularly with the fourth quarter results. Sales in our consumer market increased significantly during the quarter and overall margins remained strong as we continued to benefit from lower fruit costs. During the year, our cash flow per share increased 9% over the prior year and cash generated from operations improved

significantly. This allowed us to make significant investments to support our future growth, particularly in high potential products like our Smucker's Uncrustables line of thaw-and-serve peanut butter and jelly sandwiches. With the momentum from our strong fourth quarter, we feel very positive about our prospects for the coming year."

The Company reported that sales in its domestic segment were up 1% for the year. Sales in the segment's consumer market were up 4%, primarily due to increased sales of its sugar-free fruit spreads and natural peanut butters and growth in the warehouse club store channel. Expanded distribution and growing sales of Smucker's Uncrustables in both the retail and foodservice markets also contributed to the sales increase. In the international segment, sales increased 3% over prior year from a combination of growth in the Company's Canadian business and the full-year inclusion of its operations in Brazil. The strong U.S. dollar, primarily in comparison to the Australian and Canadian dollar, had a negative impact, however, on international sales and earnings. On a constant currency basis, international sales would have been up 10%.

With respect to earnings, the Company benefited from lower fruit costs during most of the year. Earnings were adversely impacted, on the other hand, by increased energy and freight costs along with increases in marketing investments. Interest expense was also up over the prior year as a result of the additional long-term debt placed during the second quarter of the fiscal year in connection with the Company's shareholder value enhancement plan.

The Company also announced today that Mark R. Belgya has been named to be the Company's treasurer. Mr. Belgya has been with the Company for 16 years and, prior to his promotion, had been the Company's corporate controller for 4 years. Steven J. Ellcessor, the Company's vice president - finance and administration and chief financial officer, noted that making Mr. Belgya treasurer was the logical next step in the Company's plans to centralize and strengthen its finance capabilities. In that regard, he said, "As our Company continues to grow, it will need more forward-looking and sophisticated finance support. We believe that Mark, with his financial training and background, plus his experience as controller, will provide strong leadership to our treasury group in its efforts to meet that need."

With Mr. Belgya's move to treasurer, the Company also announced that Richard G. Jirsa will once again assume the position of corporate controller and will be the Company's principal accounting officer. Mr. Jirsa had been the Company's controller for almost 20 years prior to taking over the information services area in 1996. In addition to his controller duties, Mr. Jirsa will continue to serve as the Company's vice president - information services and chief information officer. To assist Mr. Jirsa with his added responsibilities in the accounting area, the Company announced the promotion of John W. Denman to the position of assistant corporate controller, reporting to Mr. Jirsa. Since joining the Company in 1979, Mr. Denman has held various accounting positions, most recently as director of accounting for the consumer market.

The J. M. Smucker Company (www.smucker.com) was founded in 1897 when the Company's namesake and founder sold his first product-apple butter-from the back of a horse drawn wagon. Today, over a century later, the Company is the market leader in fruit spreads, ice cream toppings, health and natural foods beverages, and natural peanut butter in North America. The Company has over 2,000 employees worldwide and distributes products in more than 60 countries.

This release contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially, including such things as the success and cost of introducing new products, general competitive activity in the market, the ability of business areas to achieve sales targets and the costs associated with doing so, raw material and ingredient cost trends, and the ability to price for cost increases. These risks and uncertainties are discussed in more detail in reports filed by the Company with the Securities and Exchange Commission, including forms 10-Q and 10-K.

The J.M. Smucker Company
STATEMENTS OF CONSOLIDATED INCOME

	Year Ended April 30,	
	2001	2000
	(Dollars in thousands, except per share data)	
Net sales	$ 651,242	$ 641,885
Cost of products sold	438,480	432,861
Gross Profit	212,762	209,024
Selling, distribution, and administrative expenses	155,973	153,297
Nonrecurring charge	2,152	14,492
Operating Income	54,637	41,235
Interest income	2,918	2,706
Interest expense	(7,787)	(3,111)
Other income - net	192	701
Income Before Income Taxes and Cumulative Effect of Change in Accounting Method	49,960	41,531
Income taxes	18,301	15,174
Income Before Cumulative Effect of Change in Accounting Method	31,659	26,357
Cumulative effect of change in accounting method, net of tax benefit	(992)	---
Net Income	$30,667	$26,357
Earnings per Common Share:		
Income Before Cumulative Effect of Change		

in Accounting Method	$1.25	$0.92
Cumulative effect of change in accounting method	(0.04)	---
Net income per Common Share	$1.21	$0.92
Earnings per Common Share -- Assuming Dilution:		
Income Before Cumulative Effect of Change in Accounting Method	$1.23	$0.92
Cumulative effect of change in accounting method	(0.04)	---
Net income per Common Share - Assuming Dilution	$1.19	$0.92
Dividends declared per Common Share	$0.64	$0.61
Weighted-Average Shares Outstanding	25,428,117	28,670,770
Weighted-Average Shares Outstanding - Assuming Dilution	25,658,257	28,750,355

The J. M. Smucker Company
CONDENSED CONSOLIDATED BALANCE SHEETS

	April 30, 2001	2000
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$51,125	$23,773
Trade receivables	55,986	62,518
Inventories	107,999	121,515
Other current assets	13,956	11,996
Total Current Assets	229,066	219,802
Property, plant & equipment, net	171,570	174,648
Other noncurrent assets	69,833	71,604
Total	$ 470,469	$ 466,054
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$29,967	$23,190
Other current liabilities	37,136	35,669
Total Current Liabilities	67,103	58,859
Long-term debt	135,000	75,000
Other noncurrent liabilities	21,255	18,722
Shareholders' equity, net	247,111	313,473
Total	$ 470,469	$ 466,054

The J. M. Smucker Company
SUMMARY OF QUARTERLY RESULTS OF OPERATIONS
(Unaudited)

The following is a summary of unaudited quarterly results of operations for the years ended April 30, 2001 and 2000.

(Dollars in thousands, except per share data)

Quarter Ended	Net Sales (B)	Gross Profit (B)	Income Before Cumulative Effect of Change in Accounting Method (C)(D)	Net Income (C)(D)
2001 (A)				
July 31	$166,328	$55,924	$9,558	$8,566
October 31	169,837	54,372	6,209	6,209
January 31	153,628	52,443	7,039	7,039
April 30	161,449	50,023	8,853	8,853
2000				
July 31	$163,724	$55,804	$11,037	$11,037
October 31	166,444	52,718	9,389	9,389
January 31	152,630	52,367	4,963	4,963
April 30	159,087	48,135	968	968

	Net Income per Common Share (C)(D)		Net Income per Common Share -- Assuming Dilution (C)(D)	
	Income Before Cumulative Effect of Change in Accounting Method	Net Income	Income Before Cumulative Effect of Change in Accounting Method	Net Income
2001 (A)				
July 31	$0.34	$0.30	$0.34	$0.30
October 31	0.25	0.25	0.24	0.24
January 31	0.29	0.29	0.29	0.29
April 30	0.37	0.37	0.36	0.36
2000				
July 31	$0.38	$0.38	$0.38	$0.38
October 31	0.33	0.33	0.32	0.32
January 31	0.17	0.17	0.17	0.17
April 30	0.03	0.03	0.03	0.03

(A) Reflects, in 2001, restatements of previously reported quarterly

information in accordance with adopting the provisions of the Securities and Exchange Commission's Staff Accounting Bulletin No. 101, Revenue Recognition in Financial Statements (SAB 101), accounted for as a cumulative effect of change in accounting method.

(B) Reflects reclassifications in accordance with adopting the provisions

of the Emerging Issues Task Force of the Financial Accounting Standards Board Issue No. 00-10, Accounting for Shipping and Handling Fees and Costs (EITF 00-10), and Issue No. 00-14, Accounting for Certain Sales Incentives (EITF 00-14).

(C) Includes nonrecurring charges during fiscal 2001 second quarter of

$1,313 ($0.05 per share) relating to the sale of the former Mrs. Smith's real estate, and fiscal 2000 third and fourth quarters of $3,192 ($0.11 per share) and $6,434 ($0.23 per share), respectively, relating to the impairment of certain long-lived assets.

(D) Fiscal 2001 fourth quarter net income was increased by $1,100 ($0.05

per share) resulting from adjustments to the effective income tax rate.

Annual earnings per share may not equal the sum of the individual quarters due to differences in the average number of shares outstanding during the respective periods.

SOURCE J.M. Smucker Company

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