THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Announces Productivity Improvement Initiatives

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ORRVILLE, Ohio, Mar 13, 2003 /PRNewswire-FirstCall via COMTEX/ -- The J. M. Smucker Company (NYSE: SJM) today announced its intention to restructure certain operations as part of its ongoing efforts to optimize its production capacity, improve productivity and operating efficiencies, and lower the Company's overall cost base. These initiatives include reducing its involvement in fruit processing, centralizing production and distribution of its fast-growing Smucker's Uncrustables(R) product line, and significantly reducing the number of stock keeping units (SKUs) offered. The program calls for the closing of three of the Company's plants - Watsonville, California; Woodburn, Oregon; and West Fargo, North Dakota - over the next 18 months.

"The actions we have announced today, including the difficult decision to close three facilities, are the result of careful consideration about what is in the best long-term interests of our Company, its employees, and its shareholders," commented Tim Smucker, chairman and co-chief executive officer. "It is essential to our branded product strategy that we provide not only the highest quality products but also good value to our customers and consumers. We are and will continue to be focused, therefore, on improving productivity, enhancing our competitive position, and positioning the Company for future growth."

Actions to be Taken

The Company said that by the end of fall 2003, it will permanently cease fresh fruit processing at its Watsonville and Woodburn facilities. Certain of the processing activities now conducted at those facilities will be discontinued

entirely and others will be consolidated and moved to either the Company's Oxnard, California, or Grandview, Washington, facilities. The Woodburn plant will continue to produce fruit concentrate until early 2004, at which time the plant will close.

The Watsonville and West Fargo facilities will continue production of Uncrustables products into the spring of 2004 and the summer of 2004, respectively, at which times the two plants will be closed and all Uncrustables production consolidated at the Company's new Scottsville, Kentucky, facility. The Company noted that consolidating production in the new Scottsville facility will help significantly in moving Uncrustables toward the Company's long-term profitability goals for the product by centralizing production and distribution, improving throughputs and efficiencies, and lowering ingredient costs.

The closings will result in the elimination of approximately 335 full-time positions. An estimated 150 new jobs will be created at the Scottsville facility, resulting in a net reduction of approximately 185 full-time positions, or 7% of the Company's total workforce. Affected employees will receive a transition package that will include company-paid programs to assist them in finding new employment opportunities.

"We are committed to being fair and thorough in helping affected employees," said Richard Smucker, president and co-chief executive officer. "While the Company regrets the need to close any facility, this restructuring reflects our continued focus on supporting our branded product strategy and on improving productivity."

In addition to the plant closings, the Company will eliminate approximately 1,000 low priority SKUs from its product offerings, a reduction of over one-third of the current total. The Company noted that the SKUs eliminated represent less than 2% of sales and that the bottom-line impact of the reductions was not expected to be significant. The Company stated that this streamlining of its SKUs will help to provide focus on the products that are of strategic importance and will improve operational efficiencies. It also noted that although some consumer SKUs were included in the items being eliminated, the Company would continue to offer the wide variety of flavors and sizes that its consumers have come to expect.

Financial Impact

As a result of the announced action, the Company expects to record a restructuring charge of approximately $18 million, of which an estimated $2 million will be recorded in the fourth quarter of the current fiscal year. The balance of the charge will be incurred over the next two fiscal years, with approximately $12 million to be recorded in fiscal 2004. Included in the restructuring charge are cash outlays of approximately $11 million that relate primarily to severance-related costs and equipment relocation expenses. The Company expects the majority of the cash portion of the charge will be paid out in the second half of fiscal 2004 and the first half of fiscal 2005. The Company estimates that the annual pretax benefit from the plan will be approximately $10 million upon full

implementation. At least one-half of that amount is expected to be realized in fiscal 2005 and the full amount should begin to be realized beginning in fiscal 2006. These benefits represent a combination of a reduction in overhead related to the closed facilities and the reduction in Uncrustables' operating costs referred to previously.

The Company noted that the majority of the restructuring charges would be incurred in fiscal 2004 and that most of the benefits from the plan would not begin to be seen until fiscal 2005. The Company also stated, though, that it is comfortable that the current street consensus estimate of $2.26 per share, excluding the impact of the restructuring, is within a reasonable range for fiscal 2004.

About The J. M. Smucker Company

The J. M. Smucker Company (www.smuckers.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. In June of 2002, the Company further enhanced its leadership position with the addition of Jif(R) peanut butter and Crisco(R) shortening and oils to the Smucker family of brands. For over 100 years, the Company has been headquartered in Orrville, Ohio, and has been family run for four generations. The J. M. Smucker Company has 2,700 employees worldwide and distributes products in more than 45 countries.

This press release contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. These include statements regarding estimates of future earnings and cash flows, estimated costs and benefits associated with the restructuring plan announced in this release, and the successful construction and startup of the Scottsville, Kentucky, facility. Other uncertainties include, but are not limited to, the success of the Company's pricing strategies with regard to the Jif and Crisco businesses, the success and cost of new marketing and sales programs and strategies intended to promote growth in the Jif and Crisco businesses as well as the Company's other businesses, the strength of commodity markets from which raw materials are procured and the related impact on costs, the exact time frame in which loss of sales associated with discontinued industrial contracts will occur, and other factors affecting share prices and capital markets generally. Other risks and uncertainties that may materially affect the Company are detailed from time to time in the respective reports filed by the Company with the Securities and Exchange Commission, including Forms 10-Q, 10-K, and 8-K.

SOURCE J. M. Smucker Company

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