THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Announces Second Quarter Results

11/17/1999

ORRVILLE, Ohio, Nov. 17 /**PRNewswire**/ -- The J. M. Smucker Company, Orrville, Ohio (NYSE: SJM.A and SJM.B), announced today that sales for the second quarter ending October 31, 1999, were up approximately 6%, to $163,965,000 from $154,894,000 in the prior year second quarter. Earnings for the three-month period were $9,389,000 or $.33 per share, up 3.6% over earnings of $9,063,000 or $.31 per share for the same period last year. On a diluted basis, earnings per share were $.32 compared to $.31 per share last year.

The Company also announced that sales for the first six months of the fiscal year were $325,460,000 compared to $305,394,000 last year, an increase of over 6%, while earnings for the same period were up 5%. Earnings per share for the first six months were $.71 compared to $.67, and $.70 per share versus $.67 per share on a diluted basis.

According to the Company, the majority of the sales increase came from the foodservice, consumer and international markets, with the new consumer direct business (catalogue and Internet sales plus the Company's new headquarters retail outlet) also making a contribution. In the foodservice area, the increase in sales was the result of volume growth in the portion control segment and the addition of Lea & Perrins products to the foodservice group's offerings as a result of the distribution agreement entered into with Lea & Perrins, Inc. last year. In the consumer area, the continued rollout of Smucker's Snackers, introduced last year, and the inclusion of the Adams natural peanut butter business, acquired in December 1998, were key causes for the increase in that market.

In the international segment, the majority of the increase for the quarter occurred in Canada. The relative weakness

of the U. S. dollar against both the Australian and Canadian currencies also favorably impacted international sales in the quarter and for the six-month period.

The increase in earnings was attributed by the Company to the growth in sales and to improved efficiencies at its manufacturing facilities, offset by higher marketing, selling, and distribution 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 also announced that it is in the process of reviewing its businesses and assets in order to identify opportunities to divest of certain assets and improve financial returns. The analysis will focus on assets and businesses considered non-strategic or underperforming in comparison with Company return objectives. The Company expects to complete its evaluation in the third quarter and anticipates that any impact on earnings resulting from the evaluation would occur during the third or fourth quarter of the current fiscal year.

Commenting on the planned restructuring, Steven J. Ellcessor, the Company's vice president-finance and administration, said, "We are very pleased with the current performance of our businesses and with their prospects, and we believe that we have strategies in place for those businesses that will drive future sales and earnings growth. At the same time, we believe we need to take a hard look at certain assets on our books. Taking action to trim assets may impact our earnings in the third or fourth quarter but it will give us a stronger balance sheet on which to base future growth."

This release contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission, including Forms 10-Q and 10-K.

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 October 31,		Six Months Ended October 31,	
	1999	1998	1999	1998
(Dollars in thousands, except per share data)				

Net sales	$163,965	$154,894	$325,460	$305,394
Cost of products sold	109,092	103,204	212,559	199,842
Gross profit	54,873	51,690	112,901	105,552
Selling, distribution, and administrative expenses	39,804	37,378	80,599	74,720
Operating income	15,069	14,312	32,302	30,832
Interest income	755	438	1,478	1,063
Interest expense	(853)	(256)	(1,333)	(260)
Other income (expense) - net	250	191	617	486
Income before income taxes	15,221	14,685	33,064	32,121
Income taxes	5,832	5,622	12,638	12,642
Net income	$ 9,389	$ 9,063	$20,426	$19,479
Net income per Common Share	$.33	$.31	$.71	$.67
Net income per Common Share - assuming dilution	$.32	$.31	$.70	$.67
Dividends declared per share:				
Class A	$.15	$.14	$.30	$.28
Class B	$.15	$.14	$.30	$.28
Common Shares outstanding	28,840,103	29,043,137	28,943,816	29,034,992
Common Shares outstanding - assuming dilution	28,955,964	29,231,947	29,058,839	29,282,193

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

	October 31, 1999	1998
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$25,019	$5,129
Trade receivables	66,410	53,606
Inventories	146,395	138,482

Other current assets	12,575	13,388
Total Current Assets	250,399	210,605
Property, Plant & Equipment, Net	171,700	160,858
Noncurrent Assets	83,315	62,920
Total	$505,414	$434,383
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$42,054	$38,006
Other current liabilities	37,788	64,485
Total Current Liabilities	79,842	102,491
Long-term Debt	75,000	--
Other Noncurrent Liabilities	21,835	21,052
Shareholders' Equity, Net	328,737	310,840
Total	$505,414	$434,383

SOURCE J.M. Smucker Company