THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Announces Second Quarter Results

11/17/2000

ORRVILLE, Ohio, Nov. 17 /**PRNewswire**/ -- The J. M. Smucker Company, Orrville, Ohio (NYSE: SJM - news), announced today its second quarter results. Sales for the quarter ending October 31, 2000, were $166,862,000, compared to last year's $163,965,000. Earnings per share (excluding a nonrecurring charge of $.05) were $.30 compared to $.33 per share last year. Earnings per share on a diluted basis (excluding the nonrecurring charge) were $.29 and $.32 respectively. Earnings for the three-month period, excluding the nonrecurring charge, were $7,491,000 compared to $9,389,000 last year.

The Company also announced that sales for the first six months of the fiscal year were $330,529,000, compared to $325,460,000 last year. Earnings for the same period (excluding the nonrecurring charge) were $17,356,000, or $.65 per share, compared to $20,426,000, or $.71 per share in the prior year. On a diluted basis, per share earnings (excluding the nonrecurring charge) were $.65 compared to $.70 last year.

Sales in the domestic segment were flat for the quarter versus the prior year. The Company's consumer business grew 2%, with continued strong share- of-market results in fruit spreads and toppings. Sales in the beverage area, which had lagged the previous year for the first five months, rebounded strongly in October. The Company also continued to see good growth in its foodservice business, driven in large part by the continued success of the Smucker's Uncrustables line of thaw-and-serve peanut butter and jelly sandwiches. The specialty business area also was up for the quarter. Sales in the domestic industrial business were off from the prior year as it continued to be adversely affected by softness in the businesses of certain of its ingredient customers.

In the international segment, sales were up 18% primarily due to the Company's new businesses in Scotland and Brazil, along with continued growth in its Canadian business. This growth occurred despite the impact of unfavorable exchange rates, primarily in Australia, and soft sales in the Company's European market. Had exchange rates held constant with the prior year, international sales for the first six months of the year would have been up an additional $2,200,000.

According to the Company, management had expected the first half of the year to present an earnings challenge due to the continuing impact of higher fruit costs from the prior year and increased marketing expenditures related to new product introductions. Soft sales in September further impacted earnings during the quarter.

Speaking to the results for the quarter, the Company's Chairman, Tim Smucker, said, ``We remain confident about the rest of the year. Sales were excellent in October, and we believe that the overall trend is positive. The higher fruit costs that we have been battling for the past year are now behind us and we expect in the second half of the year to benefit from the lower cost of fruit packed during this past summer.''

Reflecting on recent events, Mr. Smucker continued, ``The past twelve months has been a period of significant activity for our Company. Our stock combination and repurchase has been positively received in the market as we have seen an increase in both the share price and the volume of shares traded. In addition, we have introduced and are pursuing expanded distribution of new and exciting products such as Smucker's Uncrustables and Smucker's Snackers, which we believe are examples of the kind of close-in, convenient products that will help to drive future growth. At the same time, we have strengthened an already strong balance sheet through our recent review of assets and businesses and have added a conservative amount of leverage to that balance sheet.''

``We believe that the Company is now well positioned for continued profitable growth and expansion and that we will benefit from all of these activities, along with lower commodity costs, through the rest of this year and into next. We feel that we now have the right capital structure, the right product and market mix, the right business systems, and the right team in place to increase our growth rates on both the top and bottom lines.''

As previously announced, the Company repurchased approximately 4.3 million common shares during the second quarter in conjunction with its shareholder value enhancement plan. The plan, approved by shareholders at their annual meeting in August, resulted in the Company's Class A and Class B common shares being combined into one new class of common. The buyback represented approximately an $80 million investment in Company shares at a price of $18.50 per share.

During the second quarter, the Company completed the sale of the former Mrs. Smith's real estate in Pottstown, Pennsylvania, resulting in a pretax loss of $2,152,000, or $.05 per share. This transaction completes the balance sheet review initiated by the Company in fiscal 2000. The total pretax amount of the nonrecurring charges taken in

connection with the review was $16,644,000.

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 include, but are not limited to, the success and cost of introducing new products, costs associated with the implementation of new business and information systems, the ability of the Company to manage effectively capacity constraints relating to new products, raw material and ingredient cost trends, and such other risks and uncertainties as 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 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 70 countries. Please visit our newly relaunched website at www.smucker.com to learn more about our Company and its products.

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

(Dollars in thousands, except per share data)	Three Months Ended October 31, 2000	1999	Six Months Ended October 31, 2000	1999
Net sales	$166,862	$163,965	$330,529	$325,460
Cost of products sold	110,374	109,092	215,966	212,559
Gross profit	56,488	54,873	114,563	112,901
Selling, distribution, and administrative expenses	42,776	39,804	84,785	80,599
Nonrecurring charge	2,152	--	2,152	--
Operating income	11,560	15,069	27,626	32,302
Interest income	712	755	1,462	1,478
Interest expense	(1,968)	(853)	(2,866)	(1,333)
Other income (expense) - net	(195)	250	59	617
Income before income taxes	10,109	15,221	26,281	33,064
Income taxes	3,931	5,832	10,238	12,638
Net income	$6,178	$9,389	$16,043	$20,426
Net income per Common Share	$0.25	$0.33	$0.60	$0.71
Net income per Common Share -				

assuming dilution	$0.24	$0.32	$0.60	$0.70
Dividends declared per share	$0.16	$0.15	$0.32	$0.30
Common Shares outstanding	25,213,864	28,840,103	26,700,608	28,943,816
Common Shares outstanding - assuming dilution	25,403,573	28,955,964	26,821,991	29,058,839

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

	October 31, 2000	1999
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$9,207	$15,190
Trade receivables	64,416	66,410
Inventories	132,202	146,395
Other current assets	13,185	12,575
Total Current Assets	219,010	240,570
Property, Plant & Equipment, Net	170,905	171,700
Noncurrent Assets	72,195	83,315
Total	$462,110	$495,585
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$33,557	$32,225
Other current liabilities	35,931	37,788
Total Current Liabilities	69,488	70,013
Long-term Debt	135,000	75,000
Other Noncurrent Liabilities	19,179	21,835
Shareholders' Equity, Net	238,443	328,737
Total	$462,110	$495,585