THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Announces Third Quarter Results

2/16/2001

ORRVILLE, Ohio, Feb. 16 /**PRNewswire**/ -- The J. M. Smucker Company, Orrville, Ohio (NYSE: SJM), announced today its third quarter results. Sales for the third quarter ended January 31, 2001 were $151,020,000, compared to $150,428,000 in the prior year third quarter. Earnings per share for the three-month period were $.29 compared to $.28 last year, excluding the impact of non-recurring charges of $.11 per share in last year's third quarter. On a diluted basis, earnings per share were even with last year at $.28, excluding the prior year's nonrecurring charges.

The Company also announced that sales for the first nine months of the fiscal year were $481,549,000, up 1% over sales of $475,888,000 in the same period last year. Earnings per share for the nine-month period, before the impact of nonrecurring charges, were $.94, compared to $.99 for the same period last year. Earnings per share including the impact in both periods of nonrecurring charges were $.89 compared to $.88 last year. Diluted earnings were even with last year at $.88 per share.

Commenting on the results, Tim Smucker, the Company's chairman, said "Our businesses faced several challenges in the third quarter. Sales in December were softer than anticipated across nearly all business areas, related in part we believe to the slowing of the economy. Higher energy and distribution costs along with unfavorable foreign exchange rates also impacted the quarter's results, offsetting in part the benefits of lower commodity costs. In light of those challenges, we are pleased with the results for the quarter."

"In January," Mr. Smucker continued, "our businesses rebounded with sales and earnings for that month up 6% and 5%, respectively, over the prior year. Also, our core fruit spreads business remains strong, and we continue to be

very encouraged by the growth of our new Smucker's Uncrustables line of thaw- and-serve peanut butter and jelly sandwiches. We have taken steps to improve efficiencies and to offset some of the higher costs we are facing, as evidenced by the significant improvement this year in our working capital numbers. We also expect commodity costs to remain relatively low through the remainder of the year. In sum, we are optimistic about the fourth quarter and look forward to finishing the year strongly."

The Company reported that sales in its domestic segment increased approximately 2% during the quarter, as its consumer, foodservice, industrial, and specialty businesses all were up over the prior year. The increase in the consumer business came as a result of very strong performance in the warehouse club and mass retail distribution channels and increased fruit spreads volume overall. In the foodservice area, the growth was driven in large part by new placements for the Smucker's Uncrustables product. Sales of both new and existing bakery ingredient products increased in the industrial area.

Although the Company's Canadian business continues to perform well, total sales in the international segment were down 7%, due primarily to the impact of exchange rates and increased competitive activity in the Company's Australian market. The impact of a strong U. S. dollar, primarily in comparison to the Australian and Canadian dollars, resulted in a decrease in third quarter sales of approximately $1,700,000 compared to last year's third quarter. Had fiscal 2001 exchange rates remained constant with the prior year, international sales would have been approximately $4,000,000 higher for the first nine months.

With respect to earnings, the Company stated that although its fruit costs are lower than last year at this time, its energy costs were up 40% in the quarter and distribution costs were up 12%. It also noted that while earnings per share for the quarter are up, total earnings continue to track behind the prior year. This is due, in addition to the increased energy and distribution costs, to the increase in interest costs associated with the long term debt incurred by the Company in connection with its share repurchase earlier this year and to the investments being made to support new products.

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, the ability of business areas to achieve sales targets and the costs associated with attempting to do so, 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)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2001	2000	2001	2000
(Dollars in thousands, except per share data)				
Net sales	$151,020	$150,428	$481,549	$475,888
Cost of products sold	96,510	95,937	312,476	308,496
Gross profit	54,510	54,491	169,073	167,392
Selling, distribution, and administrative expenses	41,758	41,437	126,543	122,036
Nonrecurring charge	---	4,805	2,152	4,805
Operating income	12,752	8,249	40,378	40,551
Interest income	568	578	2,030	2,056
Interest expense	(2,192)	(1,284)	(5,058)	(2,617)
Other income (expense) - net	(290)	173	(231)	790
Income before income taxes	10,838	7,716	37,119	40,780
Income taxes	3,945	2,753	14,183	15,391
Net income	$ 6,893	$ 4,963	$22,936	$25,389
Net income per Common Share	$0.29	$0.17	$0.89	$0.88
Net income per Common Share - assuming dilution	$0.28	$0.17	$0.88	$0.88
Dividends declared per share	$0.16	$0.15	$0.48	$0.45
Common Shares				

outstanding	24,089,174	28,544,401	25,830,130	28,810,677

Common Shares

outstanding

- assuming

dilution 24,414,128 28,602,865 26,019,370 28,906,847

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

	January 31,	
	2001	2000
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$30,788	$20,046
Trade receivables	52,459	55,566
Inventories	122,064	140,247
Other current assets	14,301	12,548
Total Current Assets	219,612	228,407
Property, Plant & Equipment, Net	172,385	173,339
Noncurrent Assets	71,901	80,382
Total	$463,898	$482,128
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$27,626	$27,813
Other current liabilities	37,016	34,985
Total Current Liabilities	64,642	62,798
Long Term Debt	135,000	75,000
Other Noncurrent Liabilities	18,991	21,898
Shareholders' Equity, Net	245,265	322,432
Total	$463,898	$482,128

SOURCE J. M. Smucker Company

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