THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Announces Third Quarter Results

2/17/1998

ORRVILLE, Ohio, Feb. 17 /**PRNewswire**/ -- The J. M. Smucker Company (NYSE: SJM.A, SJM.B), Orrville, Ohio, announced today that earnings for the third quarter ending January 31, 1998, were $8,033,000, excluding the effect of an accounting change, up 23% over the $6,533,000 for the same period last year. On a diluted basis, earnings per share were $.27 compared to $.22 last year. Sales for the three-month period were $130,658,000 versus $120,251,000 in last year's third quarter, an increase of 9%.

Sales for the first nine months of the fiscal year, according to the Company, were $423,234,000, up 9% over the $388,176,000 last year. Earnings for the first nine months were up 22%, excluding the effect of the accounting change. Diluted earnings per share were $.91 for the period compared to $.75 last year.

During the quarter, the Emerging Issues Task Force of the Financial Accounting Standards Board issued a consensus ruling which requires that certain "business process reengineering and information technology transformation" costs that have previously been capitalized, now need to be expensed as incurred. In accordance with this ruling, the Company incurred a one-time, after tax charge in this quarter of $2,958,000, or $.10 per share, for the cumulative effect of expensing previously capitalized costs. This cumulative effect adjustment reduced quarterly and year-to-date earnings per share to $.17 and $.81, respectively.

According to the Company, nearly all the sales increase in the third quarter was in the Consumer and Industrial areas. On a year-to-date basis, the Consumer, Industrial, Foodservice, and Specialty business areas all reported increases in sales. In the Consumer area, the majority of the increase in the quarter was the result of growth in

sales of fruit spreads in the grocery and mass retail markets. Sales of dessert toppings also were up over the previous year. The addition of Kraft brand fruit spreads, acquired during the fourth quarter of fiscal 1997, also contributed to the sales growth during the quarter. The Industrial area's growth came in the bakery, yogurt filling, and frozen dairy categories, as a result of a combination of new products and increased sales of existing products.

Although sales in the International area were flat for the quarter, primarily due to the impact of the strong American dollar versus Australian and Canadian currencies, the area's earnings for the year are up. Additionally, the Company's retail businesses in Australia and Canada remain strong, with share of market gains in fruit spreads being achieved in both countries.

With regard to earnings, the Company stated that the increase was primarily the result of volume growth, lower costs on certain raw materials, and a decrease in interest expense. These savings were offset in part by an increase in selling, distribution, and administrative costs, related primarily to higher marketing expenditures and expenses associated with the Company's information technology reengineering project.

The J.M. Smucker Company 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

CONDENSED STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	1998	1997	1998	1997
	(Dollars in thousands, except per share data)			
Net sales	$130,658	$120,251	$423,234	$388,176
Cost of products sold	83,426	80,383	275,393	260,423
Gross profit	47,232	39,868	147,841	127,753
Selling, distribution, and administrative expenses	35,005	28,862	105,741	89,942
Operating income	12,227	11,006	42,100	37,811
Interest income	552	529	1,732	1,516
Interest expense	(30)	(371)	(120)	(1,790)
Other income (expense) - net	412	(177)	712	(388)
Income before income taxes and cumulative effect of accounting change	13,161	10,987	44,424	37,149

Income taxes	5,128	4,454	17,816	15,309
Net income before cumulative effect of accounting change	8,033	6,533	26,608	21,840
Cumulative effect of accounting change, net of tax	2,958	--	2,958	--
Net income	$5,075	$6,533	$23,650	$21,840
Net income per Common Share (Basic and Diluted)				
Income before cumulative effect of accounting change	$.27	$.22	$.91	$.75
Cumulative effect of accounting change	(.10)	--	(.10)	--
Net income	$.17	$.22	$.81	$.75
Dividends declared per share:				
Class A	$.13	$.13	$.39	$.39
Class B	$.13	$.13	$.39	$.39
Basic Shares Outstanding	29,034,886	29,092,074	29,039,548	29,097,111
Diluted Shares Outstanding	29,382,091	29,152,866	29,318,864	29,172,081

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, Earnings per Share, in the third quarter of fiscal 1998. All previous quarters presented have been restated to conform with the provisions of SFAS No. 128.

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

	January 31, 1998	1997
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$24,836	$12,196
Trade receivables	42,238	43,234
Inventories	109,126	105,963
Assets of discontinued operations, net	--	1,928
Other current assets	9,404	14,321

Total Current Assets	185,604	177,642
Property, Plant & Equipment, Net	141,048	136,865
Noncurrent Assets	63,476	65,324
Total	$390,128	$379,831
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$26,991	$23,006
Other current liabilities	42,523	33,715
Total Current Liabilities	69,514	56,721
Long-term Debt	--	15,600
Other Noncurrent Liabilities	21,733	20,840
Shareholders' Equity, Net	298,881	286,670
Total	$390,128	$379,831