



THE J.M. SMUCKER Co

NEWS RELEASE

## J. M. Smucker Announces Third Quarter Results

2/17/1999

ORRVILLE, Ohio, Feb. 17 /PRNewswire/ -- The J. M. Smucker Company, (NYSE: SJM.A and SJM.B), announced today that sales for the third quarter were \$140,772,000, up approximately 8% over \$130,658,000 last year. Earnings for the period increased approximately 3% to \$8,245,000 or \$.28 per share. This compared to earnings of \$8,033,000 or \$.27 per share last year, before the effect of an accounting change which reduced prior year's net income to \$5,075,000 or \$.17 per share.

The Company also announced that sales for the first nine months of the fiscal year were \$446,166,000 compared to \$423,234,000 last year, an increase of over 5%. Earnings for the same period were up 4% (prior to the accounting change referred to above). Earnings per share for the first nine months were \$.95 compared to \$.91 for the same period last year.

The Company reported sales increases in all areas of its business. The international area showed strong growth, with all of its markets reporting increases over the prior year. The majority of the international growth occurred in the Australasia market, where acquisitions made a significant contribution. The growth in international occurred despite the continued adverse effect of exchange rates on the results in Australia and Canada.

In the consumer area, the majority of the increase came in the traditional fruit spreads segment and from the impact of the introduction earlier this year of Smucker's Snackers, the Company's convenient new shelf-stable peanut butter and jelly offering for lunches and snacks. The Company also noted that its market position in the core fruit spreads, toppings, and peanut butter categories remains strong with share of market growing in each area.

The Company reported that the increase in quarterly earnings was attributable primarily to the growth in sales and to a decrease in administrative expenses, offset by increases in the cost of selected fruits and in distribution costs. Earnings also were impacted by increases from the prior year in marketing expenses, interest costs, and income taxes.

The J. M. Smucker Company (<http://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    Nine Months Ended  
January 31,            January 31,  
1999    1998    1999    1998  
(Dollars in thousands, except per share data)

Net sales	\$140,772	\$130,658	\$446,166	\$423,234
Cost of products sold	91,717	83,426	291,559	275,393
Gross profit	49,055	47,232	154,607	147,841
Selling, distribution, and administrative expenses	35,465	35,005	110,185	105,741
Operating income	13,590	12,227	44,422	42,100
Interest income	370	552	1,433	1,732
Interest expense	(252)	(30)	(512)	(120)
Other income - net	97	412	583	712
Income before income taxes and cumulative effect of change in accounting method	13,805	13,161	45,926	44,424
Income taxes	5,560	5,128	18,202	17,816
Income before cumulative effect of change in accounting method	8,245	8,033	27,724	26,608
Cumulative effect of change in accounting method	--	(2,958)	--	(2,958)
Net income	\$8,245	\$5,075	\$27,724	\$23,650

Earnings per Common Share:  
Income before cumulative  
effect of accounting

change	\$ .28	\$ .27	\$ .95	\$ .91
Cumulative effect of accounting change	--	(.10)	--	(.10)
Net Income per Common Share	\$ .28	\$ .17	\$ .95	\$ .81

#### Earnings per Common Share

##### - Assuming Dilution:

Income before cumulative effect of accounting change	\$ .28	\$ .27	\$ .95	\$ .91
Cumulative effect of accounting change	--	(.10)	--	(.10)
Net Income per Common Share				
-- Assuming Dilution	\$ .28	\$ .17	\$ .95	\$ .81

#### Dividends declared per share:

Class A	\$ .14	\$ .13	\$ .42	\$ .39
Class B	\$ .14	\$ .13	\$ .42	\$ .39

#### Common Shares

outstanding	29,071,579	29,034,886	29,047,187	29,039,548
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#### Common Shares

outstanding -- assuming dilution	29,294,068	29,382,091	29,286,151	29,318,864
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The J. M. Smucker Company  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

January 31,  
1999    1998  
(Dollars in thousands)

#### ASSETS

##### Current Assets:

Cash and cash equivalents	\$ 5,824	\$ 24,836
Trade receivables	49,841	42,238
Inventories	125,918	109,126
Other current assets	12,127	9,404
Total Current Assets	193,710	185,604

Property, Plant & Equipment, Net    164,113    141,048

Noncurrent Assets    76,285    63,476  
Total    \$434,108    \$390,128

#### LIABILITIES & SHAREHOLDERS' EQUITY

##### Current Liabilities:

Accounts payable	\$33,419	\$26,991
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Notes payable	26,712	--
Other current liabilities	37,375	42,523
Total Current Liabilities	97,506	69,514
Other Noncurrent Liabilities	21,186	21,733
Shareholders' Equity, Net	315,416	298,881
Total	\$434,108	\$390,128