THE J.M. SMUCKER Co

NEWS RELEASE

J. M. Smucker Exceeds Analyst Estimates in First Quarter

8/17/2000

ORRVILLE, Ohio, Aug. 17 /**PRNewswire**/ -- The J. M. Smucker Company, Orrville, Ohio (NYSE: SJM.A and SJM.B), announced today that sales for the first quarter ending July 31, 2000, were $163,667,000, up 1% from $161,495,000 in the prior year first quarter. Earnings for the three-month period were $9,865,000 or $.35 per share, compared to a consensus analyst estimate of $.31 per share. Prior year first quarter earnings were $11,037,000, or $.38 per share.

With respect to earnings, the Company stated that the shortfall compared to last year's record first quarter earnings had been expected as a result of the continuing impact of higher fruit costs from last year and an increase in marketing expenses related to the introduction of new products. Interest expense also was higher than during last year's first quarter as a result of the Company's long-term debt placement completed during the first quarter of last year.

In the domestic segment, sales were even with last year as increases in the consumer, foodservice, and specialty areas were offset by declines in the beverage area and in domestic industrial sales. In the consumer area, grocery market fruit spread sales led the increase, as the Company's share of the fruit spreads remained strong and growing. The foodservice growth came from increased distribution and sales of Smucker's Uncrustables, the Company's thaw and serve peanut butter and jelly sandwich, and production of Uncrustables began to ramp up in the quarter in order to fill orders for the beginning of the school year. In the specialty area, sales of Dickinson's branded products increased, as did sales of specialty products packed for branded customers.

Sales in the international segment increased by 11%. The increase was due in part to the addition of new industrial businesses in Scotland and Brazil, both added since last year's first quarter. In addition, solid growth in the Company's Canadian business helped contribute to the overall sales increase in the international segment. This growth occurred despite the impact of unfavorable exchange rates, primarily in Australia.

"We remain optimistic about the remainder of the year," said Tim Smucker, the Company's chairman. "Our core businesses performed well in the first quarter, and we expect our recent investments in new products and businesses like Uncrustables and Smucker's Snacker's, our peanut butter, jelly, and cracker snack kit, to begin to show an impact this year. The Company has greatly expanded the number of school districts to which it will distribute Uncrustables during the upcoming school year and it has also introduced Uncrustables into retail channels in selected test markets. We will continue to invest in new product opportunities this year, but we also expect margins and earnings to improve overall during the remainder of the year as the result of a return to more normal fruit costs."

This release contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially, including uncertainties relating to the Company's operating performance, the cost of fruit and other ingredients and raw materials, the success of marketing programs, and the success of the Company's cost reduction efforts. 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) 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.

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

	Three Months Ended July 31,	
	2000	1999
(Dollars in thousands, except per share data)		

Net sales	$163,667	$161,495
Cost of products sold	105,592	103,467
Gross profit	58,075	58,028
Selling, distribution, and administrative expenses	42,009	40,795
Operating income	16,066	17,233
Interest income	750	723
Interest expense	(898)	(480)
Other income - net	254	367
Income before income taxes	16,172	17,843
Income taxes	6,307	6,806
Net income	$9,865	$11,037
Net income per Common Share	$0.35	$0.38
Net income per Common Share - Assuming Dilution	$0.35	$0.38
Dividends declared per share:		
Class A	$0.16	$0.15
Class B	$0.16	$0.15
Common Shares outstanding	28,187,349	29,047,531
Common Shares outstanding - assuming dilution	28,240,405	29,178,059

THE J. M. SMUCKER COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Dollars in thousands)	July 31, 2000	1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$25,368	$39,101
Trade receivables	63,194	58,178
Inventories	134,922	141,636
Other current assets	17,115	14,375
Total Current Assets	240,599	253,290
Property, Plant & Equipment, Net	178,154	170,544

Noncurrent Assets	71,797	79,907
Total	$490,550	$503,741
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$36,836	$44,281
Other current liabilities	40,883	37,737
Total Current Liabilities	77,719	82,018
Long-term Debt	75,000	75,000
Other Noncurrent Liabilities	19,321	21,776
Shareholders' Equity, Net	318,510	324,947
Total	$490,550	$503,741

SOURCE J.M. Smucker Company

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