THE J.M. SMUCKER Co

NEWS RELEASE

J.M. Smucker Announces First Quarter Results

8/19/1998

ORRVILLE, Ohio, Aug. 19 /**PRNewswire**/ -- The J.M. Smucker Company, (NYSE: SJM.A and SJM.B), announced today that earnings for the first quarter ending July 31, 1998, were $10,416,000 up 4% percent over earnings of $9,973,000 for the same period last year. Sales for the three-month period were up approximately 2 percent, to $150,500,000 from $147,389,000 in the prior year first quarter. On a diluted basis, earnings per share were $.36 compared to $.34 per share last year.

The Company reported sales increases in its consumer, industrial, foodservice, and beverages business areas, with the majority of the increase occurring in consumer and industrial. The Company attributed the growth in the consumer area to an increase in fruit spread sales in the grocery market and to the launch of Smucker's Snackers, the Company's convenient new shelf- stable peanut butter and jelly offering for lunches and snacks. In the industrial area, the sales growth came in the bakery, yogurt filling, and frozen dairy categories from a combination of both new and existing products.

In international, the Company reported that sales continued to be adversely impacted by the strength of the American dollar versus the Australian and Canadian currencies. As a result, the international area reported sales for the quarter that were slightly behind those of the prior year, despite strong gains for the Australian business when measured in its domestic currency.

The Company reported that the increase in earnings resulted primarily from a combination of sales growth and a decrease in administrative expenses, offset by an increase in marketing expenditures. According to the Company,

the increase in marketing represented investment spending for several new product initiatives, including Smucker's Snackers, along with additional support for the fruit spreads business. The Company also noted that it expects marketing support to continue at a higher level through the remainder of the fiscal year.

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
STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

	Three Months Ended July 31,	
	1998	1997
	(Dollars in thousands, except per share data)	
Net sales	$150,500	$147,389
Cost of products sold	96,638	95,993
Gross profit	53,862	51,396
Selling, distribution, and administrative expenses	37,342	35,390
Operating income	16,520	16,006
Interest income	625	698
Interest expense	(4)	(5)
Other income (expense) - net	295	126
Income before income taxes	17,436	16,825
Income taxes	7,020	6,852
Net income	$10,416	$9,973
Net income per Common Share	$0.36	$0.34
Net income per Common Share - Assuming Dilution	$0.36	$0.34
Dividends declared per share:		
Class A	$0.14	$0.13
Class B	$0.14	$0.13
Common Shares outstanding	29,026,846	29,074,445
Common Shares outstanding - assuming dilution	29,332,437	29,195,258

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

	July 31, 1998	1997
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$7,052	$14,954
Trade receivables	46,276	51,417
Inventories	137,642	115,347
Other current assets	12,632	10,660
Total Current Assets	203,602	192,378
Property, Plant & Equipment, Net	153,414	144,822
Noncurrent Assets	64,554	66,733
Total	$421,570	$403,933
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$46,379	$46,899
Other current liabilities	48,222	41,605
Total Current Liabilities	94,601	88,504
Other Noncurrent Liabilities	21,024	21,260
Shareholders' Equity, Net	305,945	294,169
Total	$421,570	$403,933