THE J.M. SMUCKER Co

NEWS RELEASE

J.M. Smucker Announces Second Quarter Results

11/17/1997

ORRVILLE, Ohio, Nov. 17 /**PRNewswire**/ -- The J.M. Smucker Company (NYSE: SJMA, SJMB), announced today that earnings for the second quarter ending October 31, 1997, were $8,602,000, up 10% over the $7,818,000 in earnings for the same period last year. Earnings per share were $.30 for the quarter, compared to $.26 in the prior year. Sales for the three-month period were $145,187,000, versus $138,296,000 in last year's second quarter, an increase of 5%.

The Company also announced that sales for the first six months of the fiscal year were $292,576,000 compared to $267,925,000 last year, an increase of over 9%. Earnings for the first six months were up 21%, while earnings per share were $.64, compared to $.52 for the first six months of the prior year.

According to the Company, the Consumer, Industrial, Foodservice, and Specialty business areas all reported increases during the second quarter. The majority of the sales increase for both the second quarter and the six-month period was in the Consumer and Industrial areas. In the Consumer area, the majority of the increase was the result of growth in sales of fruit spreads in the grocery and mass retail markets. Sales of dessert toppings and Goober products 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 and yogurt filling categories, as a result of a combination of both new and existing products.

Although sales in the International area were not up over the prior year, primarily due to the impact of the strong

American dollar versus Australian and Canadian currencies, 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 regards to earnings, the Company stated that the increase was primarily due to volume growth, operational savings from Project Appleseed initiatives, and a decrease in interest expense. These savings were offset in part by an increase in selling, distribution, and administrative costs. The Company stated that the increase was related to higher marketing expenditures and expenses associated with the Company's information technology project.

In connection with the information technology project, the Company stated that the $8 million in annual savings that it had previously indicated would be realized from the project upon full implementation had now been revised upward to $10 million. According to the Company, just under half of this amount will be realized upon installation of the core components of the new software system over the next three years. The remainder of the savings will become available thereafter as additional components of the new system are developed and installed. Although the Company said that installation of the new system was expected to provide additional "soft" benefits beyond the $10 million, it said that it was premature to try to quantify those at this time. It noted though that it expected the new system to provide substantial assistance in meeting the so-called "year 2000" computer systems problems and that it anticipated no significant difficulties in preparing its systems for the turn of the century.

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 October 31,		Six Months Ended October 31,	
	1997	1996	1997	1996
	(Dollars in thousands, except per share data)			
Net sales	$145,187	$138,296	$292,576	$267,925
Cost of products sold	95,974	94,157	191,967	180,040
Gross profit	49,213	44,139	100,609	87,885
Selling, distribution, and administrative expenses	35,346	30,563	70,736	61,080
Operating Income	13,867	13,576	29,873	26,805

Interest income	482	550	1,180	987
Interest expense	(85)	(669)	(90)	(1,419)
Other income (expense) - net	174	(126)	300	(211)
Income before income taxes	14,438	13,331	31,263	26,162
Income taxes	5,836	5,513	12,688	10,855
Net income	$8,602	$7,818	$18,575	$15,307
Net income per Common Share (A)	$.30	$.26	$.64	$.52
Dividends declared per share:				
Class A	$.13	$.13	$.26	$.26
Class B	$.13	$.13	$.26	$.26
(A) Computed on the weighted average number of Class A Common Shares and Class B Common Shares outstanding, namely:	29,143,200	29,157,488	29,155,546	29,161,628

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

	October 31, 1997	1996
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$11,822	$11,794
Trade receivables	53,293	48,023
Inventories	117,967	120,899
Assets of discontinued operations, net	--	8,121
Other current assets	10,140	13,099
Total Current Assets	193,222	201,936
Property, Plant & Equipment, Net	146,876	138,133
Noncurrent Assets	65,568	66,621
Total	$405,666	$406,690
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$37,338	$30,925

Other current liabilities	49,687	34,169
Total Current Liabilities	87,025	65,094
Long-term Debt	--	36,200
Other Noncurrent Liabilities	21,477	20,637
Shareholders' Equity, Net	297,164	284,759
Total	$405,666	$406,690