THE J.M. SMUCKER Co

NEWS RELEASE

J.M. Smucker Announces Year-End Operating Results

6/15/2000

ORRVILLE, Ohio, June 15 /**PRNewswire**/ -- The J.M. Smucker Company (NYSE: SJM.A and SJM.B) today announced its financial results for the year ended April 30, 2000. Sales for the year were $632,486,000, up 5% over fiscal 1999 sales of $602,457,000 due to strength in its international, foodservice, and specialty areas. Earnings for the year were $35,983,000 or $1.26 per share, before nonrecurring charges. This compared to $37,763,000 or $1.30 per share last year. On a diluted basis, earnings per share before nonrecurring charges were $1.26 compared to $1.29 last year. The operating results for the year were consistent with preliminary expectations released last month.

The Company also announced that sales in the fourth quarter were $156,598,000, even with the same period last year. Earnings per share for the three-month period, before the impact of nonrecurring charges, were $.26 per share compared to $.34 last year on a diluted basis.

The Company reported that sales increase in the foodservice channel came from volume growth of the portion control segment, addition of the Lea & Perrins products, and sales of the new Smucker's Uncrustables peanut butter and jelly sandwich.

In the consumer market, sales were softer than expected, up 1% over last year. Despite the modest increase, the Company's share of the domestic fruit spreads market hit record levels, passing the 40% share level.

In the international area, the increase in sales came from a combination of growth in existing businesses and the addition of facilities in new geographical areas. The Company's Canadian business contributed significantly to both sales and profits as sales increased approximately 10% over the prior year. Sales gains in Mexico, Australia, and in

European exports were also reported. The Company's recent addition of production facilities in Brazil and Scotland also contributed to the sales growth outside of the U.S.

Earnings were impacted by higher fruit costs throughout the year, along with higher selling and distribution costs, and investment spending in new products and businesses. Interest expense was also up as the Company took on $75 million of long-term debt to fund general corporate activities including stock repurchases, acquisitions, and the refinancing of existing debt.

During the year, the Company recorded nonrecurring charges of $14,492,000 or $.34 per share, resulting from a previously announced write down of certain assets. The charge in the fourth quarter was $9,687,000 or $.23 per share and resulted from the write-down of carrying value of certain intangible assets, primarily goodwill resulting from previous acquisitions.

In August, Smucker will ask its Class A and Class B common shareholders to approve a one-for-one exchange of all their shares for new common shares that are similar to today's Class A voting common.

If the plan is approved by the shareholders, Smucker will couple the share consolidation with an offer to buy back up to $100 million of Class A and Class B shares at $18.50 per share, a premium to the market price of the two classes as of the close of trading on May 15, 2000.

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 60 countries.

This release contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially, including factors affecting fruit and other commodity prices, the Company's operating performance, other factors affecting share prices, the number of shares repurchased in the buyback, and factors affecting capital markets generally. 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
STATEMENTS OF CONSOLIDATED INCOME

	Year Ended April 30, 2000	1999
	(Dollars in thousands, except per share data)	
Net sales	$632,486	$602,457
Cost of products sold	414,476	395,944
Gross Profit	218,010	206,513
Selling, distribution, and administrative expenses	162,283	147,538
Nonrecurring charge	14,492	---
Operating Income	41,235	58,975
Interest income	2,706	1,948
Interest expense	(3,111)	(179)
Other income -- net	701	887
Income Before Income Taxes	41,531	61,631
Income taxes	15,174	23,868
Net Income	$26,357	$37,763
Net income per Common Share	$.92	$1.30
Net income per Common Share -- Assuming Dilution	$.92	$1.29
Dividends declared per share:		
Class A	$.61	$.57
Class B	$.61	$.57
Weighted-Average Shares Outstanding	28,670,770	29,057,593
Weighted-Average Shares Outstanding -- Assuming Dilution	28,750,355	29,274,719

The J.M. Smucker Company
CONDENSED CONSOLIDATED BALANCE SHEETS

	April 30, 2000	1999
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$33,103	$8,683

Trade receivables	62,518	51,858
Inventories	121,515	114,200
Other current assets	11,996	11,401
Total Current Assets	229,132	186,142
Property, Plant & Equipment, Net	174,648	166,543
Other Noncurrent Assets	71,604	81,198
	$475,384	433,883
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$32,520	$40,262
Notes payable	---	8,966
Other current liabilities	35,669	38,403
Total Current Liabilities	68,189	87,631
Long Term Debt	75,000	---
Other Noncurrent Liabilities	18,722	21,923
Shareholders' Equity, Net	313,473	324,329
	$475,384	$433,883

The J.M. Smucker Company
SUMMARY OF QUARTERLY RESULTS OF OPERATIONS
(Unaudited)

The following is a summary of unaudited quarterly results of operations for the years ended April 30, 2000 and 1999.

(Dollars in thousands, except per share data)

	Quarter Ended	Net Sales	Gross Profit	Net Income	Net Income per Common Share	Net Income per Common Share-Assuming Dilution
2000	July 31	$161,495	$58,028	$11,037	$0.38	$0.38
	October 31	163,965	54,873	9,389	0.33	0.32
	January 31	150,428	54,491	4,963(1)	0.17(1)	0.17(1)
	April 30	156,598	50,618	968(1)	0.03(1)	0.03(1)

1999	July 31	$150,500	$53,862	$10,416	$0.36	$0.36
	October 31	154,894	51,690	9,063	0.31	0.31
	January 31	140,772	49,055	8,245	0.28	0.28
	April 30	156,291	51,906	10,039	0.35	0.34

Annual earnings per share may not equal the sum of the individual quarters due to differences in the average number of shares outstanding during the respective periods.

(1) Includes nonrecurring charges during fiscal 2000 third and fourth quarters of $3,192 ($.11 per share) and $6,434 ($.23 per share), respectively, relating to the impairment of certain long-lived assets. SOURCE The J.M. Smucker Company

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