THE J.M. SMUCKER Co

NEWS RELEASE

The J. M. Smucker Company Announces Fourth Quarter and Full-Year Results

6/16/2005

Company Again Achieves Record Full-Year Sales and Earnings

Smucker's, Jif and Crisco Brands Continue to Grow

Multifoods Acquisition Adds to Base Business Growth

Company Provides its Fiscal Year 2006 Outlook

ORRVILLE, Ohio, June 16 /**PRNewswire-FirstCall**/ -- The J. M. Smucker Company (NYSE: SJM) today announced results for its fourth quarter and fiscal year ended April 30, 2005.

Fourth Quarter Results

Company sales were $491.5 million for the fourth quarter of fiscal 2005, up 57 percent compared to $312.4 million in the fourth quarter of 2004. The acquired Multifoods businesses contributed $154.1 million to sales in the fourth quarter of 2005. Excluding the contribution of Multifoods, sales were up eight percent. Income from continuing operations was $26.8 million, an increase of 27 percent over $21.1 million in last year's fourth quarter. Sales growth and improved margins on the Company's existing business and the addition of Multifoods were mostly offset by

merger and integration costs, an increase in restructuring expenses, start-up costs at the Company's Uncrustables(R) facility in Scottsville, Kentucky, and an increase in interest expense over the fourth quarter of last year. Earnings per diluted share from continuing operations for the fourth quarter of 2005 were $0.45, compared to $0.42 last year.

Income from continuing operations for the fourth quarter of 2005 included pretax merger and integration costs of $6.1 million, or $0.07 per diluted share, and restructuring charges of $5.2 million, or $0.06 per diluted share. Included in other income for the fourth quarter of 2004 was a net gain of approximately $0.02 per share related to the sale of the Company's Watsonville, California, facility. Income from continuing operations for the fourth quarter of 2004 included pretax merger and integration costs of $1.3 million, or $0.02 per diluted share, and restructuring charges of $7.0 million, or $0.08 per diluted share. Excluding these costs in both years, the Company's income from continuing operations was up 29 percent and earnings per diluted share would have been $0.58 and $0.52, in the fourth quarter of 2005 and 2004, respectively, an increase of twelve percent.

"Once again, our Smucker's(R), Jif(R) and Crisco(R) brands experienced good sales growth in the quarter, and the addition of the brands we acquired from Multifoods enhanced our performance," said Tim Smucker, chairman and co- chief executive officer. "For the year, the strong performance of our brands enabled us to absorb the startup costs at our new Uncrustables(R) facility and still achieve record earnings. We have positive momentum for the new year and are well-positioned to continue to grow profitably."

Net income for the fourth quarter of 2005 was down slightly to $22.1 million, or $0.38 per diluted share, compared to last year's fourth quarter net income of $22.2 million, or $0.44 per diluted share. Included in this quarter's net income was a loss from discontinued operations of $4.7 million, or $0.07 per diluted share compared to earnings from discontinued operations last year of $1.1 million, or $0.02 per diluted share. The operations of the Australian-based Henry Jones Foods business, the Brazilian operations, Smucker do Brasil Ltda., and the Multifoods' U.S. foodservice and bakery products business, all sold during the year, are included in discontinued operations.

Full-Year Results

Sales for the year ended April 30, 2005, were up 49 percent to $2,043.9 million, compared to $1,369.6 million in 2004. The acquired Multifoods businesses contributed $626.2 million to sales in 2005. Excluding the contribution of Multifoods and the industrial business, which was divested, sales were up five percent.

Income from continuing operations for 2005 was $130.5 million, or $2.26 per diluted share, compared to $111.3 million, or $2.21 per diluted share last year, an increase of 17 percent. Income from continuing operations for 2005 included pretax merger and integration costs of $18.0 million, or $0.20 per diluted share, and restructuring charges of $13.3 million, or $0.14 per diluted share. Income from continuing operations for 2004 included pretax merger

and integration costs of $1.3 million, or $0.02 per diluted share, and restructuring charges of $15.8 million, or $0.19 per diluted share. Excluding these costs in 2005 and 2004, the Company's earnings per diluted share from continuing operations would have been $2.60 and $2.42, respectively.

"We are pleased with our performance for the year. We also remained focused on implementing our core strategy by selling several businesses that were not consistent with owning and marketing leading North American icon food brands sold in the center of the store," commented Richard Smucker, president and co-chief executive officer. "In addition, we made significant progress on our integration of the Multifoods businesses and took actions to generate greater supply chain savings in order to position us for improved profitability."

Net income for 2005 was $129.1 million, or $2.24 per diluted share, compared to $111.4 million, or $2.21 per diluted share last year. Included in net income for 2005 was a loss from discontinued operations of $1.4 million, or $0.02 per diluted share. Income from discontinued operations for 2004 was $0.1 million.

The Company uses earnings from continuing operations, excluding restructuring and merger and integration costs, as a key performance measure of results of operations for purposes of evaluating performance internally. These non-GAAP measurements are not intended to replace the presentation of financial results in accordance with U.S. GAAP. Rather, management believes the presentation of results excluding such charges offers additional information to investors to facilitate the comparison of past and present operations and provides a more comprehensive understanding of the financial results. A reconciliation of non-GAAP measures to earnings from continuing operations for the current quarter and year is included in the "Financial Highlights" table.

Scottsville Plant

During the first quarter of fiscal year 2005, the Company commenced operations of its Uncrustables facility in Scottsville, Kentucky. The Company has incurred start-up costs consisting primarily of additional labor, materials, and unabsorbed overhead. Production throughputs continue to improve at expected levels, and production is expected to continue to improve throughout 2006. The Company incurred approximately $6.8 million, or $0.07 per diluted share, in costs associated with the start-up during the fourth quarter of 2005 and $19.0 million, or $0.21 per diluted share, for the full year. Sales of Uncrustables for the year were approximately $60 million, an increase of 20 percent over last year. The Company continues to fully supply its customers and expects to have sufficient supply to meet future forecasted demand.

Margins

Operating income in the fourth quarter of 2005 increased 40 percent from the fourth quarter last year. As expected, operating margin decreased from 10.2 percent in the fourth

quarter of 2005. The Company's gross margin decreased from 33.2 percent in the fourth quarter of last year to 30.6 percent in the fourth quarter of this year, due primarily to the impact of the Multifoods businesses, which currently earn a lower margin than the Company's base business, and higher commodity costs. The Scottsville start-up costs, an increase in restructuring costs, and merger and integration expenses further impacted operating margin.

SD&A expenses as a percentage of sales declined from 21.9 percent in the fourth quarter of 2004 to 19.4 percent in the current quarter. For the year, SD&A as a percentage of sales declined from 21.7 percent to 20.0 percent.

Operating income for 2005 increased $43.8 million, or 25 percent, over last year and operating margin declined from 12.9 percent to 10.8 percent, due to the same factors impacting gross margin.

Interest expense increased from $1.3 million in the fourth quarter of 2004 to $6.2 million in the fourth quarter of 2005, and from $6.2 million in 2004 to $22.6 million in 2005, as a result of an increase in the Company's debt outstanding associated with the acquisition of Multifoods.

Segment Performance

U.S. Retail Market

Sales in the U.S. retail market segment for the fourth quarter of 2005 were $325.3 million, compared to $218.1 million in the fourth quarter of 2004, an increase of 49 percent. The Multifoods' brands contributed $79.0 million of the segment's sales in the quarter. Excluding the contribution of Multifoods, sales were up 13 percent for the quarter. Sales for 2005 were $1,405.2 million, compared to $1,002.3 million last year, an increase of 40 percent. The Multifoods' brands contributed $356.2 million of sales in 2005. Excluding the contribution of Multifoods, sales were up five percent for the year.

During the fourth quarter of 2005, sales in the consumer area increased 23 percent over the fourth quarter of last year, primarily driven by the addition of Hungry Jack(R), growth in the Smucker's and Jif brands, and continued growth of Uncrustables in the retail channel. In the consumer oils and baking area, sales more than doubled in the fourth quarter of 2005 compared to 2004, due to the addition of the Pillsbury(R), Martha White(R), and Pet(R) brands and an increase in Crisco sales of over 20 percent.

Special Markets

Sales in the special markets segment were $166.2 million in the fourth quarter of 2005, compared to $94.3 million for the fourth quarter of 2004. Multifoods contributed $75.1 million of the segment's sales in the quarter. Key contributors included the beverage business, up nine percent, and the foodservice business, up seven percent.

Excluding the contribution from Multifoods and the U.S. industrial business, which the Company divested during the year, sales in the special markets segment increased five percent in the fourth quarter of 2005 as compared to the fourth quarter of last year.

Sales in the special markets segment were $638.7 million in 2005, compared to $367.3 million last year. Multifoods contributed $270.0 million of sales in 2005. Excluding the Multifoods sales and the U.S. industrial business, sales in the special markets segment were up five percent compared to last year.

Outlook for Fiscal 2006

Results for 2006 will include an additional one and one-half months of Multifoods' operations compared to 2005. Operations for Multifoods in 2005 were included from the acquisition closing date of June 18, 2004.

The Company expects revenues in 2006 of approximately $2.16 billion, an increase of six percent. Growth in the base business and an additional month and one-half of Multifoods operations in 2006 will be partially offset by a reduction in sales due to the exit of the Company's industrial businesses.

The Company remains committed to increasing its earnings per share by its long-term annualized growth goal of eight percent, which equates to an earnings growth of approximately ten percent. The additional share count for 2006 accounts for the difference in the growth rates. This goal applies to continuing operations and excludes the impacts of restructuring, merger and integration costs, and gains and losses on sales of assets. Earnings for 2006 are expected to include approximately $12 million, or $0.13 per diluted share, in merger and integration costs and approximately $8 million, or $0.09 per diluted share, in restructuring costs. Capital expenditures are expected to approximate $75 million to $80 million in 2006.

Conference Call

The Company will conduct an earnings conference call and webcast on Thursday, June 16, 2005, at 8:30 a.m. E.T. The webcast can be accessed from the Company's website at http://www.smuckers.com. For those unable to listen to the webcast, an audio replay will be available following the call and can be accessed by calling (888) 203-1112 or (719) 457-0820 and entering replay pass code 9042640. The audio replay will be available until Thursday, June 23, 2005.

About The J. M. Smucker Company

The J. M. Smucker Company (http://www.smuckers.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, peanut butter, shortening and oils, ice cream toppings, and health and natural foods beverages in North America under such icon brands as Smucker's(R), Jif(R) and Crisco(R). The family of brands also includes Pillsbury(R) baking mixes and ready-to-spread frostings; Hungry Jack(R) pancake mixes, syrups and potato side dishes, and Martha White(R) baking mixes and ingredients in the U.S., along with Robin Hood(R) flour and baking mixes, and Bick's(R) pickles and condiments in Canada. For over 108 years, The J. M. Smucker Company has been headquartered in Orrville, Ohio, and has been family run for four generations. Since the 1998 inception of FORTUNE Magazine's annual survey of the 100 Best Companies to Work For, The J. M. Smucker Company has consistently been recognized as one of the top 25 companies to work for in the United States. The J. M. Smucker Company has over 3,500 employees worldwide and distributes products in more than 45 countries.

The J. M. Smucker Company Forward-Looking Language

This press release contains forward-looking statements, including statements regarding estimates of future earnings and cash flows that are subject to risks and uncertainties that could cause actual results to differ materially. Uncertainties that could affect actual results include, but are not limited to, the ability to achieve the amount and timing of the estimated savings associated with the Multifoods acquisition, the timing and amount of capital expenditures and merger and integration costs, success and costs of new marketing and sales programs and strategies intended to promote growth in the Company's businesses, the ability to successfully implement price changes, particularly in the consumer oils and baking business, the Company's ability to effectively ramp up and manage capacity related to Uncrustables, the strength of commodity markets from which raw materials are procured and the related impact on costs, and other factors affecting share prices and capital markets generally. Other risks and uncertainties that may materially affect the Company are detailed from time to time in the respective reports filed by the Company with the Securities and Exchange Commission, including Forms 10-Q, 10-K, and 8-K.

The J. M. Smucker Company
Unaudited Condensed Consolidated Statements of Income

	Three Months Ended April 30,		Year Ended April 30,	
	2005	2004	2005	2004
	(Dollars in thousands, except per share data)			
Net sales	$491,454	$312,389	$2,043,877	$1,369,556
Cost of products sold	340,616	203,865	1,383,995	878,491
Cost of products sold - restructuring	689	4,845	2,466	8,464

Gross Profit	150,149	103,679	657,416	482,601
Selling, distribution, and administrative expenses	95,270	68,502	407,839	296,954
Other restructuring costs	4,496	2,162	10,854	7,362
Merger and integration costs	6,069	1,266	17,954	1,266
Operating Income	44,314	31,749	220,769	177,019
Interest income	2,254	809	4,683	2,761
Interest expense	(6,196)	(1,296)	(22,555)	(6,209)
Other income - net	1,232	2,853	1,717	3,599
Income from Continuing Operations Before Income Taxes	41,604	34,115	204,614	177,170
Income taxes	14,818	13,013	74,154	65,872
Income from Continuing Operations	26,786	21,102	130,460	111,298
Loss on sale of discontinued operations, net of tax	(3,290)	-	(1,253)	-
Discontinued operations, net of tax	(1,384)	1,078	(134)	52
Net Income	$22,112	$22,180	$129,073	$111,350
Earnings per common share:				
Income from continuing operations	$0.46	$0.42	$2.29	$2.23
Discontinued operations	(0.08)	0.02	(0.03)	0.01
Net income	$0.38	$0.44	$2.26	$2.24
Income from continuing operations - assuming dilution	$0.45	$0.42	$2.26	$2.21
Discontinued operations - assuming dilution	(0.07)	0.02	(0.02)	-
Net income - assuming dilution	$0.38	$0.44	$2.24	$2.21
Dividends declared per common share	$0.27	$0.25	$1.02	$0.94
Weighted-average shares outstanding	58,261,152	49,944,566	57,086,734	49,816,926
Weighted-average shares outstanding - assuming dilution	58,963,433	50,657,023	57,748,780	50,395,747

The J. M. Smucker Company
Unaudited Condensed Consolidated Balance Sheets

	April 30,	
	2005	2004
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$58,085	$104,551
Marketable securities	17,739	15,074
Trade receivables	145,734	93,617
Inventories	284,487	179,863
Current assets of discontinued operations	-	46,202
Other current assets	49,806	11,544
Total Current Assets	555,851	450,851
Property, Plant, and Equipment, Net	521,101	317,521
Other Noncurrent Assets:		
Goodwill	951,208	523,660
Other intangible assets, net	469,758	317,237
Marketable securities	59,074	41,589
Other assets	78,902	33,267
Total Noncurrent Assets	1,558,942	915,753
	$2,635,894	$1,684,125
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$33,378	-
Current portion of long-term debt	17,000	-
Accounts payable	105,290	62,232
Current liabilities of discontinued operations	-	8,548
Other current liabilities	152,624	104,440
Total Current Liabilities	308,292	175,220
Noncurrent Liabilities:		
Long-term debt, net of current portion	431,560	135,000
Other noncurrent liabilities	205,242	163,212
Total Noncurrent Liabilities	636,802	298,212
Shareholders' Equity, net	1,690,800	1,210,693
	$2,635,894	$1,684,125

The J. M. Smucker Company
UNAUDITED SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

Summary of Quarterly Results of Operations

The following is a summary of unaudited quarterly results of operations for the years ended April 30, 2005 and 2004.

(Dollars in thousands, except per share data)

Quarter Ended		Net Sales	Gross Profit	Income From Continuing Operations	Net Income
2005	July 31, 2004	$413,267	$144,188	$27,487	$32,848
	October 31, 2004	588,922	188,881	40,663	38,005
	January 31, 2005	550,234	174,198	35,524	36,108
	April 30, 2005	491,454	150,149	26,786	22,112
2004	July 31, 2003	$339,176	$119,426	$26,357	$25,785
	October 31, 2003	374,203	132,970	32,719	32,067
	January 31, 2004	343,788	126,526	31,120	31,318
	April 30, 2004	312,389	103,679	21,102	22,180

		Earnings per Common Share -- Assuming Earnings per Common Share		Earnings per Common Share -- Assuming Dilution	
Quarter Ended		Income From Continuing Operations	Net Income	Income From Continuing Operations	Net Income
2005	July 31, 2004	$0.51	$0.61	$0.50	$0.60
	October 31, 2004	0.70	0.65	0.69	0.65
	January 31, 2005	0.61	0.62	0.60	0.61
	April 30, 2005	0.46	0.38	0.45	0.38
2004	July 31, 2003	$0.53	$0.52	$0.53	$0.51
	October 31, 2003	0.66	0.64	0.65	0.64
	January 31, 2004	0.62	0.63	0.62	0.62
	April 30, 2004	0.42	0.44	0.42	0.44

The first quarter of 2005 and all quarters of 2004 reflect the restatement of previously reported quarterly information for discontinued operations.

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.

The J. M. Smucker Company
Unaudited Financial Highlights

	Three Months Ended April 30,		Year Ended April 30,	
	2005	2004	2005	2004
	(Dollars in thousands, except per share data)			
Net sales	$491,454	$312,389	$2,043,877	$1,369,556
Net income and net income per common share:				
Net income	$22,112	$22,180	$129,073	$111,350
Net income per common share -- assuming dilution	$0.38	$0.44	$2.24	$2.21
Income and income per common share from continuing operations:				
Income	$26,786	$21,102	$130,460	$111,298
Income per common share -- assuming dilution	$0.45	$0.42	$2.26	$2.21
Income and income per common share from continuing operations before restructuring and merger and integration costs: (1)				
Income	$33,994	$26,279	$150,401	$122,035
Income per common share -- assuming dilution	$0.58	$0.52	$2.60	$2.42
(1) Reconciliation to income from continuing operations:				
Income from continuing operations before income taxes	$41,604	$34,115	$204,614	$177,170
Merger and integration costs	6,069	1,266	17,954	1,266
Cost of products sold -- restructuring	689	4,845	2,466	8,464
Other restructuring costs	4,496	2,162	10,854	7,362
Income from continuing operations before income taxes, restructuring, and merger and integration costs	52,858	42,388	235,888	194,262

Income taxes	18,864	16,109	85,487	72,227
Income from continuing operations before restructuring, and merger and integration costs	$33,994	$26,279	$150,401	$122,035

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