THE J.M. SMUCKER Co

NEWS RELEASE

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

6/17/2003

- Sales Increases in All Business Areas for the Year - Strong Contributions from Jif and Crisco - Company Provides FY2004 Guidance

ORRVILLE, Ohio, Jun 17, 2003 /PRNewswire-FirstCall via COMTEX/ -- The J. M. Smucker Company (NYSE: SJM) today announced results for the fourth quarter and 2003 fiscal year ended April 30, 2003.

Fourth Quarter Results

Company sales were $329.0 million for the fourth quarter, up 87 percent compared to $176.1 million in the fourth quarter of 2002. The Jif(R) and Crisco(R) brands contributed $143.0 million to sales in the fourth quarter of 2003. Excluding the contribution of the Jif and Crisco brands, sales increased nearly 6 percent and quarter-over-quarter gains were realized in all business areas other than industrial. Excluding industrial, sales in the Company's traditional business areas would have increased 13 percent for the quarter.

Net income was $23.2 million, or $0.46 per share for the fourth quarter versus $6.7 million or $0.28 per share in the comparable period last year. Net income for the fourth quarter included Jif and Crisco merger-related costs of $1.6 million or $0.02 per share and restructuring costs of $2.5 million or $0.03 per share. Net income for the fourth quarter of 2002 included merger- related costs of $4.1 million or $0.11 per share. Excluding such costs in the fourth quarter of 2003 and 2002, the Company's earnings per share would have been $0.51 and $0.39, respectively.

Richard Smucker, president, co-chief executive officer, and chief financial officer, commenting on the results stated, "Our performance continues to exceed expectations as the combination of strong category growth and market share gains are producing record sales and earnings. We had a very active quarter as we completed our accelerated rollout of Smucker's Uncrustables(R) in the Northeast and also began construction on a new production facility in Scottsville, Kentucky, devoted to Uncrustables. We also announced a key restructuring initiative that is underway and progressing as planned."

Full-Year Results

Sales for the year ended April 30, 2003, were up 91 percent to $1,311.7 million, compared to $687.1 million for fiscal year 2002. The sales of the Jif and Crisco brands in 2003 were $571.0 million. Excluding sales from these brands, sales were up nearly 8 percent as each business area realized an increase over 2002.

Net income for 2003 was $96.3 million, more than tripling last year's $30.9 million. Earnings per share for the same periods were $2.02 and $1.31, respectively. Income for 2003 includes merger-related costs of $10.5 million, or $0.14 per share, and restructuring costs of $2.5 million or $0.03 per share. Merger-related costs of $5.0 million, or $0.14 per share, were included in the comparable period last year. The Company believes that all material merger-related costs have already been incurred. Excluding the costs in both years, the Company's income would have been $104.4 million or $2.19 per share and $34.0 million or $1.45 per share, respectively.

Earnings per share for the fourth quarter and for the full fiscal year 2002 have been restated per GAAP to reflect the effect of the merger exchange ratio of .9451 on the weighted-average shares outstanding for those periods. In addition, for comparative purposes, if the nonamortization provisions of Statement of Financial Accounting Standards 142, "Accounting for Goodwill and Other Intangible Assets" had been in effect last year, earnings per share would have been $0.03 higher for the fourth quarter and $0.10 higher for the fiscal year.

Expenses

Fourth quarter operating income increased $28.0 million over last year and operating income margins improved from 6.0 percent in the fourth quarter of 2002 to 11.7 percent this year. Gross margin performance also improved in the quarter, increasing from 32.4 percent last year to 34.8 percent this year. This improvement reflects the on-going impact of the addition of the higher margin Jif and Crisco businesses. For the year, gross margin was 34.8 percent compared to 32.7 percent for last year.

Selling, distribution, and administrative (SD&A) expenses as a percent of sales decreased from 24.1 percent for the fourth quarter last year to 22.2 percent for the fourth quarter this year. As expected, marketing expenses for the quarter more than doubled last year's fourth quarter as the Company completed its rollout of Uncrustables in the

northeastern part of the U.S. and continued to reinvest a portion of the savings from lower peanut costs in support of the Jif brand. For 2003, SD&A expense was 21.3 percent of sales, an improvement from 24.0 percent last year. The improvement in the expense ratio reflects the impact of the merger, as the Company has been able to utilize its existing administrative infrastructure and thus allocate costs over a broader revenue base.

Tim Smucker, chairman and co-chief executive officer, stated, "We have just concluded a very successful year - both in terms of financial performance and implementing our strategy. We completed the merger and successful integration of the Jif and Crisco brands, and experienced solid growth in both the categories and the brands. In addition, we maintained our focus on the traditional Smucker businesses, which continued to perform well. As a result, we are well positioned to continue the momentum into fiscal 2004."

Segment Performance

U.S. Retail Market

The U.S. retail market segment is composed of the Company's consumer and consumer oils business areas and represents domestic sales of Smucker's(R), Jif and Crisco brand products to retail customers.

Sales for the quarter in the U.S. retail market segment were $222.4 million compared to $77.5 million last year. Jif and Crisco accounted for $138.6 million of the increase. For fiscal 2003, sales in the U.S. retail segment were $889.9 million compared to $323.6 million last year. Jif and Crisco accounted for $553.4 million of the increase.

Excluding Jif and Crisco, the U.S. retail segment business increased 8 percent over the previous year's fourth quarter. The increase came from growth in the grocery and mass retail channels, and was primarily attributable to growth in sales of Smucker's fruit spreads and natural peanut butters. The rollout of Uncrustables also accounted for approximately 40 percent of the overall increase in the consumer traditional business. This was partially offset by a decrease in sales in the Company's specialty foods channel.

Performance in the peanut butter category during the fourth quarter continued to be strong, and the Jif brand outpaced the overall category. This resulted in sales growth of approximately 13 percent during the quarter and a gain of one share point during the most recent twelve-week period. The Crisco brand also demonstrated a good fourth quarter due to a successful spring holiday period, with consumer volume up 4 percent over last year's fourth quarter and an increase in market share.

Special Markets

The Special Markets segment is composed of the foodservice, industrial, international, and beverage business

areas.

Fourth quarter sales in this segment were $106.6 million compared to $98.6 million for the fourth quarter of fiscal 2002, an increase of 8 percent. For the year, sales in this segment were $421.9 million compared to $363.5 million during the prior year, an increase of 16 percent.

In the foodservice area, sales were up 27 percent for the quarter with three-quarters of the increase coming from growth in the traditional Smucker's line of portion control items. Sales to the schools market also experienced strong growth, up 43 percent, led by the expansion of Uncrustables into new school districts and the addition of the grilled cheese line extension. Sales for the year increased 16 percent in 2003 over 2002.

International sales increased 24 percent in the fourth quarter due mostly to increased sales in Canada and a sharp increase in export sales. In Canada, the majority of the increase was attributable to the addition of Crisco; however, the traditional business was also up 4 percent. Exchange rates also favorably impacted the Canadian results. Sales of Henry Jones Foods in Australia were up due to favorable exchange rates, but flat in local currency. Fiscal year sales in the international markets increased 26 percent in 2003, with two-thirds of the increase coming from Canada. Sales in Brazil also were up 21 percent over 2002. In total, the impact of changes in exchange rates did not significantly impact results for the year.

Sales in the beverage area continued its year long strong performance, up 22 percent for the fourth quarter, and 23 percent for the year. New products and growth of existing branded products under both the R.W. Knudsen(R) and Santa Cruz Organic(R) brands drove this increase. An increase in nonbranded sales also favorably impacted the fourth quarter of 2003.

Sales in the industrial area were down 28 percent in the fourth quarter of 2003 from the same quarter last year. The decrease in sales was due to the Company's previously announced decision to exit certain contracts. Approximately $7.3 million in sales of now discontinued business were included in last year's fourth quarter and $21.4 million for the full year. Despite the planned reduction on certain contracts, sales for the industrial area for 2003 were up 2 percent due to a full year's inclusion of the business acquired from International Flavors and Fragrances Inc. (IFF) in October 2001 and new products.

Outlook for Fiscal 2004

The Company expects to increase revenues by 6 percent to approximately $1.4 billion in fiscal 2004. The Company noted that while it will gain about $40-$45 million in sales from an additional month of Jif and Crisco in 2004, it has a planned reduction of approximately $45-$50 million in sales resulting from a combination of SKU rationalization and exiting of low-margin business in the industrial and foodservice areas.

The Company expects to achieve earnings in the range of $113 million to $115 million, with a resulting earnings per share range of $2.25 to $2.30. These estimates exclude approximately $12 million or $0.15 per share of restructuring costs expected to be realized next year, but do include certain start-up and transition costs associated with the new Scottsville facility, as discussed below. Earnings per share for 2004 are calculated using fully- diluted shares of 50.1 million. Based on these earnings estimates, free cash flow before dividends is expected to be approximately $60 million including capital expenditures of approximately $80 million. The level of capital spending in 2004 represents an increase of $30 million over 2003 and is mainly due to expenditures on the new Uncrustables plant.

In conjunction with the start-up of the new plant, the Company expects to incur one-time start-up costs of approximately $3.0 million or $0.03-$0.04 per share during fiscal 2004. These expenses are expected to occur in the third and fourth quarters of 2004. In addition, bread costs are expected to increase by approximately $2.1 million or nearly $0.03 per share, as the Company winds down its contracts with current suppliers. These expenses are considered specific to the transition to the new facility and are not expected to recur. Consolidation of production in the Scottsville facility is expected to increase capacity and lower production costs significantly, improving profitability.

Conference Call

The Company will conduct an earnings conference call and webcast on June 17, 2003, at 8:30 a.m. E.T. The webcast can be accessed from the Company's website at www.smuckers.com . For those unable to listen to the webcast, a replay will be available following the call and can be accessed by calling (800) 428-6051 in the United States or (973) 709-2089 internationally and entering replay pass code 296697. The audio replay will be available until Friday, June 20, 2003, at 11:59 p.m. E.T.

About the J. M. Smucker Company

The J. M. Smucker Company (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, ice cream toppings, health and natural foods, beverages, and natural peanut butter in North America. In June of 2002, the Company further enhanced its leadership position with the addition of Jif peanut butter and Crisco shortening and oils to the Smucker family of brands. For over 100 years, the Company has been headquartered in Orrville, Ohio, and has been family run for four generations. The J. M. Smucker Company has over 2,700 employees worldwide and distributes products in more than 45 countries.

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 success and cost of new marketing and sales programs and strategies intended to promote growth in the Jif and Crisco businesses as well as the Company's other businesses, estimated costs associated with the Company's restructuring activities, successful construction and start-up of the Scottsville, Kentucky, plant, the strength of commodity markets from which raw materials are procured and the related impact on costs, the exact time frame in which loss of sales associated with discontinued industrial contracts will occur, 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
STATEMENTS OF CONSOLIDATED INCOME

	Year Ended April 30,	
	2003	2002
	(Dollars in thousands, except per share data)	
Net Sales	$ 1,311,744	$ 687,148
Cost of products sold	854,407	462,157
Cost of products sold - restructuring	1,256	---
Gross Profit	456,081	224,991
Selling, distribution, and administrative expenses	279,760	165,172
Merger and integration costs	10,511	5,031
Other restructuring costs	1,281	---
Operating Income	164,529	54,788
Interest income	2,039	2,181
Interest expense	(8,752)	(9,207)
Other (expense) income - net	(2,426)	2,436
Income Before Income Taxes	155,390	50,198
Income taxes	59,048	19,347
Net Income	$96,342	$30,851
Net Income per Common Share	$2.04	$1.33
Net Income per Common Share - Assuming Dilution	$2.02	$1.31
Dividends declared per common share	$0.83	$0.68
Weighted-average shares outstanding	47,309,257	23,114,494
Weighted-average shares outstanding -		

assuming dilution	47,764,777	23,493,365

Per share amounts for 2002 have been restated to reflect the effect of the Company's merger with Jif and Crisco whereby Smucker common shareholders received 0.9451 new Smucker common share for each Smucker common share held.

The J. M. Smucker Company
CONDENSED CONSOLIDATED BALANCE SHEETS

	April 30,	
	2003	2002
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$181,225	$91,914
Trade receivables	101,364	57,371
Inventories	169,127	116,539
Other current assets	14,944	13,989
Total Current Assets	466,660	279,813
Property, Plant & Equipment, Net	274,986	162,789
Other Noncurrent Assets	873,761	82,290
	$ 1,615,407	$ 524,892
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$68,704	$32,390
Other current liabilities	98,570	48,041
Total Current Liabilities	167,274	80,431
Long-Term Debt	135,000	135,000
Other Noncurrent Liabilities	188,962	29,317
Shareholders' Equity, Net	1,124,171	280,144
	$ 1,615,407	$ 524,892

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, 2003 and

2002, as restated to reflect the effect of the Company's merger with Jif and Crisco whereby Smucker common shareholders received 0.9451 new Smucker common share for each Smucker common share held.

(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
Fiscal 2003	July 31, 2002	$274,936	$92,352	$16,017	$0.39	$0.39
	October 31, 2002	366,975	126,412	29,087	0.59	0.58
	January 31, 2003	340,826	122,931	27,993	0.56	0.56
	April 30, 2003	329,007	114,386	23,245	0.47	0.46
Fiscal 2002	July 31, 2001	$169,792	$57,180	$ 8,547	$0.37	$0.37
	October 31, 2001	172,844	55,820	7,704	0.34	0.33
	January 31, 2002	168,392	55,001	7,947	0.34	0.34
	April 30, 2002	176,120	56,990	6,653	0.28	0.28

Quarter Ended		High	Low	Dividends
Fiscal 2003	July 31, 2002	$37.50	$28.71	$0.20
	October 31, 2002	38.84	32.03	0.20
	January 31, 2003	42.25	33.30	0.20
	April 30, 2003	40.80	33.00	0.23
Fiscal 2002	July 31, 2001	$29.38	$25.30	$0.17
	October 31, 2001	38.20	25.29	0.17
	January 31, 2002	39.92	32.80	0.17
	April 30, 2002	38.78	32.06	0.17

The J. M. Smucker Company
FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data)	Year Ended April 30, 2003	2002
Net sales	$1,311,744	$687,148

Net income and net income per common share:		
Net income	$96,342	$30,851
Net income per common share - assuming dilution	$2.02	$1.31
Income and income per common share before restructuring and merger and integration costs: (a)		
Income	$104,432	$34,011
Income per common share - assuming dilution	$2.19	$1.45
Common shares outstanding at year end	49,767,540	23,504,129
Number of employees	2,775	2,300

(a) Reconciliation to net income:

Income before income taxes	$155,390	$50,198
Merger and integration costs	10,511	5,031
Cost of products sold - restructuring	1,256	---
Other restructuring costs	1,281	---
Income before income taxes, restructuring, and merger and integration costs	168,438	55,229
Income taxes	64,006	21,218
Income before restructuring and merger and integration costs	$104,432	$34,011

SOURCE J. M. Smucker Company

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http://www.smuckers.com