THE J.M. SMUCKER Co

NEWS RELEASE

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

6/20/2006

ORRVILLE, Ohio, June 20 /**PRNewswire-FirstCall**/ -- The J. M. Smucker Company (NYSE: SJM) today announced results for the fourth quarter and fiscal year ended April 30, 2006.

Fourth Quarter Results

	2006	2005	% Change
	(Dollars in millions, except per share data)		
Net sales	$501.7	$491.5	+2%
Income from continuing operations	$35.7	$26.8	+33%
EPS from continuing operations	$0.62	$0.45	+38%

Sales in each of the Company's strategic business areas increased over the prior year, with the exception of Canada, which was down slightly as a result of a planned sales rationalization. Excluding the U.S. industrial business, which has been divested, sales were up 4 percent for the quarter, led by growth in the Smucker's(R), Jif(R), and Pillsbury(R) brands.

The increase in income from continuing operations for the quarter was driven by sales growth, improved

profitability in the Uncrustables(R) business, and decreases in merger and integration and restructuring charges. In addition, during the quarter the Company reduced its effective tax rate for the year from 35.5 percent to 33.5 percent, resulting in a favorable adjustment to income taxes in the fourth quarter. The lower rate results from the Company's realignment of its legal entity structure, coupled with recent state tax law and rate changes.

"For the fourth quarter and the year, we delivered record results while making investments in future growth despite a difficult cost environment," said Tim Smucker, chairman and co-chief executive officer. "As we look forward, we are confident in our strategy and in the fundamentals of the business."

"We recognize the dedicated efforts of our employees," added Richard Smucker, president and co-chief executive officer. "During the year, we revamped our supply chain to better meet the needs of our customers and consumers, and executed on many other initiatives in support of our strategy for long-term growth of the brands. The support of our employees will enable us to continue to generate strong performance in the years to come."

Income from continuing operations for the fourth quarter of 2006 included pretax merger and integration costs of $3.2 million, or $0.04 per diluted share, and restructuring charges of $0.9 million, or $0.02 per diluted share. 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. Excluding these costs in both years, the Company's earnings per diluted share would have been $0.68 and $0.58, in the fourth quarter of 2006 and 2005, respectively, an increase of 17 percent.

Full Year Results

	2006	2005	% Change
	(Dollars in millions, except per share data)		
Net sales	$2,154.7	$2,043.9	+5%
Income from continuing operations	$143.4	$130.5	+10%
EPS from continuing operations	$2.45	$2.26	+8%

Since the acquisition of Multifoods closed midway through the first quarter of last year, an additional six weeks of Multifoods' sales were realized in this year's results. Excluding the additional six weeks and the U.S. industrial business, sales for 2006 were up 3 percent compared to last year.

Income from continuing operations for 2006 included pretax merger and integration costs of $17.9 million, or $0.20 per diluted share, and restructuring charges of $10.0 million, or $0.12 per diluted share. Also included in income

from continuing operations for the year was a pretax gain of $5.6 million, or $0.06 per diluted share, related to the sale of the Company's Salinas, California, facility. Income from continuing operations for the full year of 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. Excluding these costs in both years, the Company's earnings per diluted share would have been $2.77 and $2.60, for the full years of 2006 and 2005, respectively.

The Company uses earnings and earnings per diluted share from continuing operations, excluding restructuring and merger and integration costs, as key performance measures 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 full year is included in the "Financial Highlights" table.

Margins

	Fourth Quarter		Full Year	
	2006	2005	2006	2005
Gross margin	32.1%	30.6%	32.2%	32.2%
SD&A % of sales	20.8%	19.4%	20.3%	20.0%
Operating margin	10.8%	9.0%	10.6%	10.8%

The improvement in the fourth quarter operating margin was due to an increase in gross margin and an overall decrease in restructuring and merger and integration costs compared to last year. The increase in gross margin was caused by a decrease in trade merchandise expenses as a percent of sales and a reduction of costs at certain manufacturing and processing locations, partially offset by higher freight costs versus a year ago and generally higher raw material costs. SD&A expenses increased as a percent of sales during the fourth quarter as marketing expenses increased over the fourth quarter of last year. Distribution costs also were higher compared to the same period last year.

For the full year, the slight decrease in operating margin was due primarily to costs associated with the implementation of the new distribution network. Despite higher commodity and freight costs, gross margins were maintained by realizing cost synergies associated with the Multifoods acquisition, efficiencies at certain manufacturing sites, and the impact of the trade merchandising adjustment in the second quarter. Total

restructuring and merger and integration costs were down from last year, which positively impacted operating margin by nearly 20 basis points. Excluding the restructuring and merger and integration costs, operating margins would have been 11.6 percent and 11.3 percent for the fourth quarter of 2006 and 2005, and 11.9 percent and 12.3 percent for the full year of 2006 and 2005, respectively.

Segment Performance

Sales (Dollars in millions)

	Fourth Quarter			Full Year		
	2006	2005	% Change	2006	2005	% Change
U.S. retail market	$337.6	$325.3	+4%	$1,484.9	$1,405.2	+6%
Special markets	$164.0	$166.2	-1%	$669.9	$638.7	+5%
Special markets excluding industrial	$164.0	$156.5	+5%	$649.0	$586.2	+11%

U.S. Retail Market

During the fourth quarter of 2006, sales in the consumer strategic business area increased 4 percent over the fourth quarter of last year as sales of fruit spreads, toppings, peanut butter and Uncrustables were all up. For the full year of 2006, sales in the consumer strategic business area were up 6 percent compared to last year.

In the consumer oils and baking strategic business area, sales for the quarter were also up 4 percent, as growth in the Pillsbury and Martha White(R) brands more than offset declines in the oils business. Sales in the consumer oils and baking strategic business area for the full year were up 5 percent compared to last year.

Excluding the additional six weeks contribution from Multifoods, sales in the U.S. retail market segment increased 3 percent in the full year of 2006 as compared to last year.

Special Markets

Sales in the fourth quarter for the special markets segment, excluding the industrial business, increased 5 percent. Key growth contributors for the quarter included the beverage strategic business area, up 14 percent, and the foodservice strategic business area, up 4 percent. In Canada, sales were down 2 percent, as increases in the retail spreads business and the impact of favorable exchange rates did not fully offset declines in baking and the planned rationalization of certain unprofitable businesses. Excluding the additional six weeks contribution from Multifoods and the U.S. industrial business, sales in the special markets segment increased 4 percent in the full year of 2006 as compared to last year.

Share Repurchase

During the fourth quarter, the Company purchased an additional 1.29 million shares for $51.6 million in cash. At its April meeting, the Company's Board of Directors authorized a 2 million share increase to its share repurchase plan, leaving a total of approximately 2.7 million shares available for future repurchase.

Outlook

The Company confirmed its long-term sales growth goal of 8 percent, one-half of which is to come from its core business and new products, and the remainder from acquisitions. Long-term earnings per share growth would be in line with sales growth. The Company recognizes that acquisitions may not occur each year, but, over time, acquisitions have contributed to growth rates consistent with the Company's strategic objective.

Conference Call

The Company will conduct an earnings conference call and webcast on Tuesday, June 20, 2006, at 8:30 a.m. E.T. The webcast, as well as a replay in downloadable MP3 format, can be accessed from the Company's website at 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 dialing 888-203-1112 or 719-457-0820 and entering replay pass code 4543307. The audio replay will be available until Tuesday, June 27, 2006.

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, 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 109 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 approximately 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 strength of commodity markets from which raw materials are procured and the related impact on costs, volatility of energy and fuel costs, the success in introducing new products and the competitive response, particularly in the consumer oils and baking area, 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, 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,	
	2006	2005	2006	2005
	(Dollars in thousands, except per share data)			
Net sales	$501,678	$491,454	$2,154,726	$2,043,877
Cost of products sold	339,418	340,616	1,459,611	1,383,995
Cost of products sold - restructuring	1,398	689	2,263	2,466
Gross Profit	160,862	150,149	692,852	657,416
Selling, distribution, and administrative expenses	104,198	95,270	438,457	407,839
Other restructuring costs	(526)	4,496	7,722	10,854
Merger and integration costs	3,150	6,069	17,934	17,954
Operating Income	54,040	44,314	228,739	220,769
Interest income	1,772	2,254	6,630	4,683
Interest expense	(5,910)	(6,196)	(24,026)	(22,555)
Other income (expense)- net	(2,042)	1,232	4,227	1,717
Income from Continuing Operations Before Income Taxes	47,860	41,604	215,570	204,614
Income taxes	12,159	14,818	72,216	74,154
Income from Continuing Operations	35,701	26,786	143,354	130,460
Loss on sale of discontinued operations, net of tax	-	(3,290)	-	(1,253)

Discontinued operations, net of tax	-	(1,384)	-	(134)
Net Income	$35,701	$22,112	$143,354	$129,073
Earnings per common share:				
Income from continuing operations	$0.63	$0.46	$2.48	$2.29
Discontinued operations	-	(0.08)	-	(0.03)
Net income	$0.63	$0.38	$2.48	$2.26
Income from continuing operations - assuming dilution	$0.62	$0.45	$2.45	$2.26
Discontinued operations - assuming dilution	-	(0.07)	-	(0.02)
Net income - assuming dilution	$0.62	$0.38	$2.45	$2.24
Dividends declared per common share	$0.28	$0.27	$1.09	$1.02
Weighted-average shares outstanding	57,107,708	58,261,152	57,863,270	57,086,734
Weighted-average shares outstanding - assuming dilution	57,566,403	58,963,433	58,425,361	57,748,780

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

	April 30, 2006	2005
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$71,956	$58,085
Marketable securities	14,882	17,739
Trade receivables	148,014	145,734
Inventories	297,621	284,487
Other current assets	39,022	49,806
Total Current Assets	571,495	555,851
Property, Plant, and Equipment, Net	527,735	521,101
Other Noncurrent Assets:		
Goodwill	940,967	951,208

Other intangible assets, net	472,915	469,758
Marketable securities	34,107	59,074
Other assets	102,525	78,902
Total Noncurrent Assets	1,550,514	1,558,942
	$2,649,744	$2,635,894
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$28,620	$33,378
Current portion of long-term debt	-	17,000
Accounts payable	88,963	105,290
Other current liabilities	117,857	152,624
Total Current Liabilities	235,440	308,292
Noncurrent Liabilities:		
Long-term debt, net of current portion	428,602	431,560
Other noncurrent liabilities	257,643	205,242
Total Noncurrent Liabilities	686,245	636,802
Shareholders' Equity, net	1,728,059	1,690,800
	$2,649,744	$2,635,894

The J. M. Smucker Company
Unaudited Summary of Quarterly Results of Operations

The following is a summary of unaudited quarterly results of operations for the years ended April 30, 2006 and 2005.

(Dollars in thousands, except per share data)

	Quarter Ended	Net Sales	Gross Profit	Income From Continuing Operations	Net Income
2006	July 31, 2005	$510,331	$164,713	$29,897	$29,897
	October 31, 2005	606,264	203,423	46,444	46,444
	January 31, 2006	536,453	163,854	31,312	31,312
	April 30, 2006	501,678	160,862	35,701	35,701
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

(Dollars in thousands, except per share data)

	Earnings per Common

		Earnings per Common Share		Share - Assuming Dilution	
	Quarter Ended	Income From Continuing Operations	Net Income	Income From Continuing Operations	Net Income
2006	July 31, 2005	$0.51	$0.51	$0.51	$0.51
	October 31, 2005	0.80	0.80	0.79	0.79
	January 31, 2006	0.54	0.54	0.54	0.54
	April 30, 2006	0.63	0.63	0.62	0.62
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

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,	
	2006	2005	2006	2005
	(Dollars in thousands, except per share data)			
Net sales	$501,678	$491,454	$2,154,726	$2,043,877
Net income and net income per common share:				
Net income	$35,701	$22,112	$143,354	$129,073
Net income per common share -- assuming dilution	$0.62	$0.38	$2.45	$2.24
Income and income per common share from continuing operations:				
Income	$35,701	$26,786	$143,354	$130,460
Income per common share -- assuming dilution	$0.62	$0.45	$2.45	$2.26
Income and income per common share from continuing				

operations before restructuring and merger and integration costs: (1)				
Income	$38,927	$33,994	$161,920	$150,401
Income per common share -- assuming dilution	$0.68	$0.58	$2.77	$2.60

(1) Reconciliation to income from continuing operations:				
Income from continuing operations before income taxes	$47,860	$41,604	$215,570	$204,614
Merger and integration costs	3,150	6,069	17,934	17,954
Cost of products sold - restructuring	1,398	689	2,263	2,466
Other restructuring costs	(526)	4,496	7,722	10,854
Income from continuing operations before income taxes, restructuring, and merger and integration costs	51,882	52,858	243,489	235,888
Income taxes	12,955	18,864	81,569	85,487
Income from continuing operations before restructuring and merger and integration costs	$38,927	$33,994	$161,920	$150,401

SOURCE: J. M. Smucker Company CONTACT: The J. M. Smucker Company, +1-330-682-3000 Investors Mark R. Belgya, Vice President, Chief Financial Officer and Treasurer or George G. Sent, Jr., Director, Corporate Finance and Investor Relations or Media Maribeth Badertscher, Director, Corporate Communications Web site: http://www.smuckers.com