THE J.M. SMUCKER Co

NEWS RELEASE

The J. M. Smucker Company Announces Second Quarter Results

11/17/2005

Second Quarter Highlights - Record Sales and Earnings for the Quarter: Sales up 3 percent and earnings per share from continuing operations up 14 percent. - Good Sales Growth: All core businesses experienced growth. - Update of 2006 Outlook: Strong first half performance provides good momentum for the year, while the second half will be challenged by higher energy and fuel related costs. EPS growth expected to be in the range of 5 to 8 percent. ORRVILLE, Ohio, Nov 17, 2005 /PRNewswire-FirstCall via COMTEX News Network/ -- The J. M. Smucker Company (NYSE: SJM) today announced results for the second quarter ended October 31, 2005, of its 2006 fiscal year.

Second Quarter Results

	2006	2005	% Change
	(Dollars in millions, except per share data)		
Sales	$606.3	$588.9	+3%
Income from continuing operations	$46.4	$40.7	+14%
EPS from continuing operations	$0.79	$0.69	+14%

All core businesses experienced sales growth during the quarter. Excluding the U.S. industrial business, which has been divested, sales were up 4 percent. The quarter and first six months' results included a favorable adjustment of approximately $6.7 million to sales and approximately $4.3 million after-tax to earnings reflecting a change in estimate of the expected liability for trade merchandising programs.

Income from continuing operations for the second quarter of 2006 included pretax merger and integration costs of $4.1 million, or $0.05 per diluted share, and restructuring charges of $2.1 million, or $0.02 per diluted share. Income from continuing operations for the second quarter of 2005 included pretax merger and integration costs of $4.0 million, or $0.04 per diluted share, and restructuring charges of $1.8 million, or $0.02 per diluted share. Excluding these costs in both years, the Company's earnings per diluted share would have been $0.86 and $0.75, in the second quarter of 2006 and 2005, respectively, an increase of 15 percent.

"The performance of our businesses continues to offset the significant investments we are making in support of the brands and in our supply chain initiatives and the cost pressures currently impacting the consumer packaged goods sector," said Tim Smucker, chairman and co-chief executive officer. "We are well-positioned for continuing top and bottom line growth."

Six-Month Results

	2006	2005	% Change
	(Dollars in millions, except per share data)		
Sales	$1,116.6	$1,002.2	+11%
Income from continuing operations	$76.3	$68.2	+12%
EPS from continuing operations	$1.30	$1.20	+8%

Since the acquisition of Multifoods closed midway through the first quarter of last year, an additional six weeks of Multifoods' sales, totaling approximately $78.8 million, were realized in this year's first six months. Excluding the additional six weeks and the U.S. industrial business, sales were up 5 percent.

Income from continuing operations for the first six months of 2006 included pretax merger and integration costs of $7.0 million, or $0.08 per diluted share, and restructuring charges of $3.7 million, or $0.04 per diluted share. Income from continuing operations for the first six months of 2005 included pretax merger and integration costs of $6.7 million, or $0.08 per diluted share, and restructuring charges of $4.8 million, or $0.05 per diluted share. Excluding these costs in both years, the Company's earnings per diluted share would have been $1.42 and $1.33, in the first six months of 2006 and 2005, respectively, an increase of 7 percent.

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 six-month period is included in the "Financial Highlights" table.

Margins	Second Quarter		First Six Months	
	2006	2005	2006	2005
Gross margin	33.6%	32.1%	33.0%	33.2%
SD&A % of sales	19.8%	19.6%	20.7%	20.6%
Operating margin	12.8%	11.6%	11.4%	11.6%

Gross margin improvements were driven by a more profitable mix of sales and improved costs in the consumer oils and baking business area were partially offset by higher commodity and freight costs. The trade liability change in estimate contributed approximately half of the improvement. Selling, distribution, and administrative (SD&A) expenses as a percentage of sales increased slightly as a result of a planned increase in marketing expenses and increased distribution costs related to the implementation of the new distribution network. These increases were partially offset by a decrease in selling and administrative overhead costs.

Segment Performance

	Second Quarter			First Six Months		
Sales (Dollars in millions)	2006	2005	% Change	2006	2005	% Change
U.S. retail market	$429.8	$410.4	+5%	$771.5	$698.5	+10%
Special markets	$176.5	$178.5	-1%	$345.1	$303.7	+14%
Special markets excluding industrial	$170.6	$164.7	+4%	$327.2	$274.4	+19%

U.S. Retail Market

U.S. retail market sales were up 3 percent excluding the trade liability change in estimate with the consumer business area up 4 percent and the consumer oils and baking business area up 2 percent. Increases in the consumer business area were driven by growth in the Smucker's(R), Jif(R) and Uncrustables(R) brands. In the consumer oils and baking business area, sales increased due to growth in the Crisco(R) brand.

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 first six months. These additional sales accounted for approximately half of the segment's increase over the prior year. Excluding these additional sales, the segment was up 5 percent for the first six months.

Special Markets

Key growth contributors for the quarter included the foodservice business area, up 9 percent, and the beverage business area, up 6 percent. Sales in Canada were down 2 percent, as increases in the core retail business and favorable foreign exchange partially offset the planned rationalization of certain unprofitable industrial business. For the first six months, excluding the additional six weeks contribution from Multifoods and the U.S. industrial business, sales in the special markets segment increased 5 percent in the first six months of 2006 as compared to the first six months of last year.

Outlook for Fiscal 2006

Similar to other consumer packaged goods companies, volatility of energy and petroleum costs will challenge the outlook for the second half of 2006. Additional costs in the range of $0.10 to $0.15 per share for natural gas, freight, and resins are expected to be incurred during the last six months. The Company has taken, and will continue to take, actions to offset these cost increases including both discretionary cost reductions across the organization and potential pricing actions. Based on the input cost pressures and the uncertainty of their levels, it is likely that the earnings per share growth rate for the year will fall within the range of 5 to 8 percent. The Company remains committed to its long-term growth rate of 8 percent over its strategic time frame.

"We have always taken a long-term view of running the business," commented Richard Smucker, president and co-chief executive officer. "While we face considerable cost pressures in the second half of the year, we will continue to invest in new products, marketing, and distribution to ensure long-term steady growth, resulting in proven returns for our shareholders."

Conference Call

The Company will conduct an earnings conference call and webcast on Thursday, November 17, 2005, 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, 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 4681316. The audio replay will be available until Monday, November 28, 2005.

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 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 strength of commodity markets from which raw materials are procured and the related impact on costs, volatility of energy and fuel costs, the ability to achieve the amount and timing of the estimated savings associated with the Multifoods acquisition, 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, the Company's ability to effectively manage capacity and costs related to Uncrustables, 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 October 31,		Six Months Ended October 31,	
	2005	2004	2005	2004
(Dollars in thousands, except per share data)				

Net sales	$606,264	$588,922	$1,116,595	$1,002,189
Cost of products sold	402,726	399,432	748,212	667,858
Cost of products sold - restructuring	115	609	247	1,262
Gross Profit	203,423	188,881	368,136	333,069
Selling, distribution, and administrative expenses	120,025	115,279	230,649	206,105
Other restructuring costs	1,976	1,166	3,465	3,521
Merger and integration costs	4,092	3,970	7,020	6,733
Operating Income	77,330	68,466	127,002	116,710
Interest income	1,329	667	3,149	1,385
Interest expense	(6,025)	(5,782)	(12,132)	(10,205)
Other (expense) income - net	(75)	784	119	(398)
Income from Continuing Operations Before Income Taxes	72,559	64,135	118,138	107,492
Income taxes	26,115	23,472	41,797	39,342
Income from Continuing Operations	46,444	40,663	76,341	68,150
(Loss) gain on sale of discontinued operation, net of tax	-	(3,641)	-	2,037
Discontinued operations, net of tax	-	983	-	666
Net Income	$46,444	$38,005	$76,341	$70,853
Earnings per common share:				
Income from continuing operations	$0.80	$0.70	$1.31	$1.22
Discontinued operations	-	(0.05)	-	0.05
Net income	$0.80	$0.65	$1.31	$1.27
Income from continuing operations - assuming dilution	$0.79	$0.69	$1.30	$1.20
Discontinued operations - assuming dilution	-	(0.04)	-	0.05
Net income - assuming dilution	$0.79	$0.65	$1.30	$1.25
Dividends declared per common share	$0.27	$0.25	$0.54	$0.50
Weighted-average shares outstanding	58,096,308	58,184,654	58,188,067	56,007,967
Weighted-average shares				

outstanding - assuming dilution	58,695,878	58,815,490	58,819,825	56,663,220

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

	October 31, 2005	April 30, 2005
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$42,361	$58,085
Marketable securities	19,879	17,739
Trade receivables	187,185	145,734
Inventories	348,919	284,487
Other current assets	48,690	49,806
Total Current Assets	647,034	555,851
Property, Plant, and Equipment, net	527,794	521,101
Other Noncurrent Assets:		
Goodwill	949,317	951,208
Other intangible assets, net	471,451	469,758
Marketable securities	45,164	59,074
Other assets	79,637	78,902
Total Noncurrent Assets	1,545,569	1,558,942
	$2,720,397	$2,635,894
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$39,790	$33,378
Current portion of long-term debt	-	17,000
Accounts payable	141,392	105,290
Other current liabilities	176,043	152,624
Total Current Liabilities	357,225	308,292
Noncurrent Liabilities:		
Long-term debt, net of current portion	430,081	431,560
Other noncurrent liabilities	204,839	205,242
Total Noncurrent Liabilities	634,920	636,802
Shareholders' Equity, net	1,728,252	1,690,800
	$2,720,397	$2,635,894

The J. M. Smucker Company
Unaudited Financial Highlights

	Three Months Ended October 31,		Six Months Ended October 31,	
	2005	2004	2005	2004
	(Dollars in thousands, except per share data)			
Net sales	$606,264	$588,922	$1,116,595	$1,002,189
Net income and net income per common share:				
Net income	$46,444	$38,005	$76,341	$70,853
Net income per common share -- assuming dilution	$0.79	$0.65	$1.30	$1.25
Income and income per common share from continuing operations:				
Income	$46,444	$40,663	$76,341	$68,150
Income per common share -- assuming dilution	$0.79	$0.69	$1.30	$1.20
Income and income per common share from continuing operations before restructuring and merger and integration costs: (1)				
Income	$50,401	$44,305	$83,282	$75,451
Income per common share -- assuming dilution	$0.86	$0.75	$1.42	$1.33
(1) Reconciliation to income from continuing operations:				
Income from continuing operations before income taxes	$72,559	$64,135	$118,138	$107,492
Merger and integration costs	4,092	3,970	7,020	6,733
Cost of products sold - restructuring	115	609	247	1,262
Other restructuring costs	1,976	1,166	3,465	3,521
Income from continuing operations before income taxes, restructuring, and merger and integration costs	78,742	69,880	128,870	119,008
Income taxes	28,341	25,575	45,588	43,557
Income from continuing				

operations before restructuring and merger and integration costs	$50,401	$44,305	$83,282	$75,451

SOURCE J. M. Smucker Company

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, all of The J. M. Smucker Company, +1-330-682-3000

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