THE J.M. SMUCKER Co

NEWS RELEASE

The J. M. Smucker Company Announces Third Quarter Results

2/17/2006

The Company Continues to Implement its Long-Term Growth Strategy

ORRVILLE, Ohio, Feb. 17 /**PRNewswire-FirstCall**/ -- The J. M. Smucker Company (NYSE: SJM) today announced results for the third quarter ended January 31, 2006, of its 2006 fiscal year.

Third Quarter Results

	2006	2005	% Change
	(Dollars in millions, except per share data)		
Net sales	$536.5	$550.2	-3%
Income from continuing operations	$31.3	$35.5	-12%
EPS from continuing operations	$0.54	$0.60	-10%

Excluding the U.S. industrial business, which has been divested, sales were down 1 percent for the quarter. The quarter's results were adversely affected by a decrease in sales in the consumer oils and baking business area due to an overall decline in the categories during December and January and unplanned inventory reductions by certain key customers. In addition, the Company experienced higher energy, commodity, and distribution costs in the quarter compared to last year.

"Our business remains solid for the year and we had a successful Fall Bake," said Tim Smucker, chairman and co-chief executive officer. "However, our quarter was adversely affected by a decrease in sales in our oils and baking businesses and higher operating costs. We are confident that the fundamentals of the business have not changed and we remain committed to our long-term growth goals."

Income from continuing operations for the third quarter of 2006 included pretax merger and integration costs of $7.8 million, or $0.08 per diluted share, and restructuring charges of $5.4 million, or $0.06 per diluted share. Included in other income for the quarter 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 third quarter of 2005 included pretax merger and integration costs of $5.2 million, or $0.06 per diluted share, and restructuring charges of $3.4 million, or $0.04 per diluted share. Excluding these costs in both years, the Company's earnings per diluted share would have been $0.68 and $0.70, in the third quarter of 2006 and 2005, respectively.

Nine-Month Results

	2006	2005	% Change
	(Dollars in millions, except per share data)		
Net sales	$1,653.0	$1,552.4	+6%
Income from continuing operations	$107.7	$103.7	+4%
EPS from continuing operations	$1.83	$1.81	+1%

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 nine months. Excluding the additional six weeks and the U.S. industrial business, sales were up 3 percent.

Income from continuing operations for the first nine months of 2006 included pretax merger and integration costs of $14.8 million, or $0.16 per diluted share, and restructuring charges of $9.1 million, or $0.10 per diluted share. Income from continuing operations for the first nine months of 2005 included pretax merger and integration costs of $11.9 million, or $0.13 per diluted share, and restructuring charges of $8.1 million, or $0.09 per diluted share. Excluding these costs in both years, the Company's earnings per diluted share would have been $2.09 and $2.03, for the first nine months of 2006 and 2005, respectively.

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

Margins

	Third Quarter		First Nine Months	
	2006	2005	2006	2005
Gross margin	30.5%	31.7%	32.2%	32.7%
SD&A % of sales	19.3%	19.3%	20.2%	20.1%
Operating margin	8.9%	10.9%	10.6%	11.4%

Approximately one-half of the decline in operating margin for the quarter was due to the increase in restructuring and merger and integration costs over last year. The remainder was due to changes in gross margin. Gross margin declined primarily due to the volume decrease in the consumer oils and baking business area, increased trade merchandising expenses, and higher commodity and freight costs. The decline in gross margin flowed through to operating margin as the percentage of selling, distribution, and administrative (SD&A) expenses to sales were flat for the quarter. Increased costs associated with the Company's distribution network were offset by a reduction in marketing and selling expenses and lower administrative overhead costs. Excluding the restructuring and merger and integration costs, operating margins would have been 11.3 percent and 12.4 percent for the third quarter of 2006 and 2005, and 12.0 percent and 12.7 percent for the first nine months of 2006 and 2005, respectively.

Segment Performance

Sales (Dollars in millions)	Third Quarter			First Nine Months		
	2006	2005	% Change	2006	2005	% Change
U.S. retail market	$375.8	$381.4	-1%	$1,147.2	$1,079.9	+6%
Special markets	$160.7	$168.9	-5%	$505.8	$472.5	+7%
Special markets excluding industrial	$157.7	$155.2	+2%	$484.9	$429.7	+13%

U.S. Retail Market

During the third quarter of 2006, sales in the consumer business area increased 4 percent over the third quarter of last year as sales of fruit spreads, toppings, and peanut butter were all up. Solid performance in the Hungry Jack(R)

brand and significant growth in Uncrustables(R) also contributed. For the first nine months of 2006, sales in the consumer business area were up 7 percent compared to last year.

In the consumer oils and baking business area, sales for the quarter were down 8 percent as the Company faced significant competitive activity. Although sales of Crisco(R) were up over last year for the first nine months, much of the gain was given back in December and January as a result of lower sell through and inventory reductions by key customers. The Pillsbury(R) brand had a solid first six months but reflected similar declines in the category during December and January. Sales in the consumer oils and baking business area were up slightly during the Fall Bake period running from September through December, compared to the same period last year.

Special Markets

Key growth contributors for the quarter included the beverage business area, up 16 percent, and the foodservice business area, up 5 percent. Sales in Canada were down 6 percent, as increases in the retail spreads business and the impact of favorable exchange rates partially 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 first nine months of 2006 as compared to the first nine months of last year.

Sale of Salinas Facility

During the third quarter, the Company completed its restructuring efforts around its Salinas, California, manufacturing and distribution facility. In January 2006, the Company completed the sale of the facility resulting in cash proceeds of $8.8 million and a gain on the sale of $5.6 million or $0.06 per diluted share. Production has been transferred to facilities in Orrville, Ohio, and Memphis, Tennessee, while distribution will be handled through a third-party warehouse in southern California.

Share Repurchase

At its most recent meeting, the Company's Board of Directors authorized an increase to its share repurchase plan. Under the plan, the Company is authorized to purchase an additional 2 million common shares. The buyback program will be implemented at management's discretion. During the third quarter, the Company purchased 200,000 shares toward the previously authorized 1 million shares leaving approximately 30,000 remaining.

Outlook

The Company expects sales for the year of approximately $2.14 billion. The Company has taken, and will continue

to take, actions to offset the cost increases it has experienced including both discretionary cost reductions across the organization and potential pricing actions. Based on the input cost pressures and the uncertainty of their levels, the Company expects earnings per share for the year, excluding restructuring and merger and integration costs and the gain on the sale of the Salinas facility, to be comparable with last year's result of $2.60 per diluted share. The Company remains committed to its long-term annual growth rate for earnings per share of 8 percent over its strategic time frame.

Conference Call

The Company will conduct an earnings conference call and webcast on Friday, February 17, 2006, 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 9006574. The audio replay will be available until Friday, February 24, 2006.

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 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 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 January 31,		Nine Months Ended January 31,	
	2006	2005	2006	2005
	(Dollars in thousands, except per share data)			
Net sales	$536,453	$550,234	$1,653,048	$1,552,423
Cost of products sold	371,981	375,521	1,120,193	1,043,379
Cost of products sold - restructuring	618	515	865	1,777
Gross Profit	163,854	174,198	531,990	507,267
Selling, distribution, and administrative expenses	103,610	106,464	334,259	312,569
Other restructuring costs	4,783	2,837	8,248	6,358
Merger and integration costs	7,764	5,152	14,784	11,885
Operating Income	47,697	59,745	174,699	176,455
Interest income	1,709	1,044	4,858	2,429
Interest expense	(5,984)	(6,154)	(18,116)	(16,359)
Other income - net	6,150	883	6,269	485
Income from Continuing Operations Before Income Taxes	49,572	55,518	167,710	163,010
Income taxes	18,260	19,994	60,057	59,336
Income from Continuing Operations	31,312	35,524	107,653	103,674
Gain on sale of discontinued operations, net of tax	-	-	-	2,037
Discontinued operations, net of tax	-	584	-	1,250
Net Income	$31,312	$36,108	$107,653	$106,961
Earnings per common share:				
Income from continuing operations	$0.54	$0.61	$1.85	$1.83

Discontinued operations	-	0.01	-	0.06
Net income	$0.54	$0.62	$1.85	$1.89
Income from continuing operations - assuming dilution	$0.54	$0.60	$1.83	$1.81
Discontinued operations - assuming dilution	-	0.01	-	0.05
Net income - assuming dilution	$0.54	$0.61	$1.83	$1.86
Dividends declared per common share	$0.27	$0.25	$0.81	$0.75
Weighted-average shares outstanding	57,944,604	58,108,123	58,106,913	56,708,018
Weighted-average shares outstanding - assuming dilution	58,486,412	58,743,522	58,708,209	57,356,653

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

	January 31, 2006	April 30, 2005
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$89,246	$58,085
Marketable securities	15,176	17,739
Trade receivables	122,514	145,734
Inventories	321,484	284,487
Other current assets	52,417	49,806
Total Current Assets	600,837	555,851
Property, Plant, and Equipment, net	524,061	521,101
Other Noncurrent Assets:		
Goodwill	950,253	951,208
Other intangible assets, net	472,477	469,758
Marketable securities	36,974	59,074
Other assets	81,702	78,902
Total Noncurrent Assets	1,541,406	1,558,942
	$2,666,304	$2,635,894
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		

Notes payable	$37,749	$33,378
Current portion of long-term debt	-	17,000
Accounts payable	80,608	105,290
Other current liabilities	146,740	152,624
Total Current Liabilities	265,097	308,292
Noncurrent Liabilities:		
Long-term debt, net of current portion	429,341	431,560
Other noncurrent liabilities	230,251	205,242
Total Noncurrent Liabilities	659,592	636,802
Shareholders' Equity, net	1,741,615	1,690,800
	$2,666,304	$2,635,894

The J. M. Smucker Company
Unaudited Financial Highlights

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2006	2005	2006	2005
	(Dollars in thousands, except per share data)			
Net sales	$536,453	$550,234	$1,653,048	$1,552,423
Net income and net income per common share:				
Net income	$31,312	$36,108	$107,653	$106,961
Net income per common share -- assuming dilution	$0.54	$0.61	$1.83	$1.86
Income and income per common share from continuing operations:				
Income	$31,312	$35,524	$107,653	$103,674
Income per common share -- assuming dilution	$0.54	$0.60	$1.83	$1.81
Income and income per common share from continuing operations before restructuring and merger and integration costs: (1)				
Income	$39,711	$40,956	$122,993	$116,407
Income per common share -- assuming dilution	$0.68	$0.70	$2.09	$2.03

(1)Reconciliation to income from continuing operations:				
Income from continuing operations before income taxes	$49,572	$55,518	$167,710	$163,010
Merger and integration costs	7,764	5,152	14,784	11,885
Cost of products sold - restructuring	618	515	865	1,777
Other restructuring costs	4,783	2,837	8,248	6,358
Income from continuing operations before income taxes, restructuring, and merger and integration costs	62,737	64,022	191,607	183,030
Income taxes	23,026	23,066	68,614	66,623
Income from continuing operations before restructuring and merger and integration costs	$39,711	$40,956	$122,993	$116,407

SOURCE: J. M. Smucker Company CONTACT: The J. M. Smucker Company, +1-330-682-3000or Investors, Mark R. Belgya, Vice President, Chief Financial Officer and Treasurer, +1-330-684-3312 or George G. Sent, Jr., Director, Corporate Finance and Investor Relations, +1-330-684-3855 or Media, Maribeth Badertscher, Director, Corporate Communications, +1-330-684-3034 all of The J. M. Smucker Company Web site: http://www.smuckers.com