NEWS RELEASE

The J. M. Smucker Company Announces Third Quarter Results

2/18/2005

Multifoods Acquisition Contributes to Record Sales Growth of Smucker's, Jif and Crisco Brands Contribute to Sales and Earnings Gains Company Confirms its Fiscal Year 2005 Outlook

ORRVILLE, Ohio, Feb 18, 2005 /PRNewswire-FirstCall via COMTEX/ -- The J. M. Smucker Company (NYSE: SJM) today announced results for its third quarter ended January 31, 2005, of its 2005 fiscal year.

Third Quarter Results

Company sales were $550.2 million for the third quarter of fiscal 2005, up 60 percent compared to $343.8 million in the third quarter of 2004. The acquired Multifoods businesses contributed $187.6 million to sales in the third quarter of 2005. Excluding the contribution of Multifoods, sales were up five percent. Income from continuing operations was $35.5 million, an increase of 14 percent over $31.1 million in last year's third 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, higher raw material costs, start-up costs at the Company's Uncrustables(R) facility in Scottsville, Kentucky, and an increase in interest expense over the third quarter of last year. Earnings per diluted share from continuing operations for the third quarter of 2005 were $0.60, compared to $0.62 last year.

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. Income from continuing operations for the third quarter of 2004 included restructuring charges of $2.5 million or $0.03 per diluted share. Excluding these costs, the Company's income from continuing operations was up 25 percent and earnings per diluted share would have been $0.70 and $0.65, in the third quarter of 2005 and 2004, respectively, an increase of eight percent.

"Our Smucker's(R), Jif(R) and Crisco(R) brands experienced good sales growth in the quarter and the new brands we acquired from Multifoods continued to perform well," said Tim Smucker, chairman and co-chief executive officer. "We also continue to aggressively implement our strategy to own and market leading North American icon food brands sold in the center of the store and to take the necessary steps to improve our cost base. This quarter we announced the planned sale of the foodservice and bakery products businesses acquired from Multifoods, the sale of our industrial businesses and the closing of our Salinas, California facility later this calendar year. These actions position us for improved profitability."

Net income for the third quarter of 2005 was up 15 percent to $36.1 million or $0.61 per diluted share, compared to last year's third quarter net income of $31.3 million or $0.62 per diluted share. Included in this quarter's net income was income from discontinued operations of $0.6 million or $0.01 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 are included in discontinued operations.

Nine-Month Results

Sales for the nine-month period ended January 31, 2005, were up 47 percent to $1,552.4 million compared to $1,057.2 million for the first nine months of fiscal 2004. The acquired Multifoods businesses contributed $472.1 million to sales in the first nine months of 2005. Excluding the contribution of Multifoods, sales were up two percent.

Income from continuing operations for the first nine months of 2005 was $103.7 million or $1.81 per diluted share, compared to $90.2 million or $1.79 per diluted share last year. 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. Income from continuing operations for the first nine months of 2004 included restructuring charges of $8.8 million or $0.11 per diluted share. Excluding these costs in the first nine months of 2005 and 2004, the Company's earnings per diluted share from continuing operations would have been $2.03 and $1.90, respectively, an increase of seven percent.

Net income for the first nine months of 2005 was $107.0 million or $1.86 per diluted share, compared to $89.2 million or $1.77 per diluted share in the first nine months of last year. Included in net income for the first nine

months of 2005 was income from discontinued operations of $3.3 million or $0.05 per diluted share. Loss from discontinued operations for the first nine months of 2004 was $1.0 million or $0.02 per diluted share.

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 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.

Scottsville Plant

During the first quarter of fiscal year 2005, the Company commenced operations of its Uncrustables facility in Scottsville, Kentucky. As previously announced, the new facility has experienced a longer ramp-up schedule than originally anticipated. The Company incurred approximately $6.1 million or $0.07 per diluted share in costs associated with the start-up during the third quarter of 2005 and $12.2 million or $0.14 per diluted share during the first nine months of 2005. These costs consist primarily of additional labor, materials, and unabsorbed overhead. The Company confirmed that it expects start-up costs in the second half of the fiscal year to total approximately $10 million.

"During the quarter, we were able to meet demand levels and continued to make operating improvements. We expect that the Scottsville plant will provide the capacity to meet our growth and profit objectives," commented Richard Smucker, president and co-chief executive officer. "More importantly, demand for Uncrustables in both the retail and schools markets continues to be strong and we expect it to be a growth platform in the years ahead."

Margins

Operating income in the third quarter of 2005 increased 21 percent from the third quarter last year. As expected, operating margin decreased from 14.4 percent in the third quarter of 2004 to 10.9 percent in the third quarter of 2005. The Company's gross margin decreased from 36.8 percent in the third quarter of last year to 31.7 percent in the third quarter of this year, due primarily to the impact of the Multifoods businesses, which currently earns 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.

Year-to-date operating income increased $31.2 million or 21 percent over last year and operating margin declined from 13.7 percent to 11.4 percent, due to the same factors noted above.

SD&A expenses as a percentage of sales declined from 21.8 percent in the third quarter of 2004 to 19.3 percent in the current quarter. For the first nine months of 2005, SD&A as a percentage of sales declined from 21.6 percent to 20.1 percent.

Interest expense increased from $1.4 million in the third quarter of 2004 to $6.2 million in the third quarter of 2005, and from $4.9 million for the first nine months of 2004 to $16.4 million in the first nine months of 2005, as a result of an increase in the Company's debt outstanding associated with the acquisition of Multifoods. The Company's tax rate for the quarter decreased from 37 percent in fiscal 2004 to 36 percent this year, reflecting a year-to-date adjustment of income taxes to the projected rate for the year of 36.4 percent.

Segment Performance

U.S. Retail Market

Sales in the U.S. retail market segment for the third quarter of 2005 were $381.4 million, compared to $254.3 million in the third quarter of 2004, an increase of 50 percent. The Multifoods' brands contributed $111.2 million of the segment's sales in the quarter. Sales of Smucker's, Jif and Crisco combined to increase over six percent compared to last year. Sales in the first nine months of 2005 were $1,079.9 million, compared to $784.2 million last year, an increase of 38 percent. The Multifoods' brands contributed $277.1 million of sales for the first nine months of 2005.

During the third quarter of 2005, sales in the consumer area increased 21 percent over the third quarter of last year, 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 third quarter of 2005 compared to 2004, due to the addition of the Pillsbury(R), Martha White(R), and Pet(R) brands and a six percent increase in Crisco sales.

Special Markets

Sales in the special markets segment were $168.9 million in the third quarter of 2005, compared to $89.5 million for the third quarter of 2004. Multifoods contributed $76.5 million of the segment's sales in the quarter. All business areas were up with the exception of the U.S. industrial business, which the Company previously announced was being divested. Key contributors included the beverage business, up seven percent, and the foodservice business, up ten percent with growth in Uncrustables in the schools market and traditional portion control items. Excluding

the contribution from Multifoods and the industrial business, sales in the special markets segment increased ten percent in the third quarter of 2005 as compared to the third quarter of last year.

Sales for the first nine months of 2005 in the special markets segment were $472.5 million, compared to $272.9 million last year. Multifoods contributed $194.9 million in sales for the first nine months of 2005. Excluding the Multifoods sales and the industrial business, special markets increased six percent in the first nine months of 2005 compared to the first nine months of last year.

Outlook for Fiscal 2005

The Company confirmed its objective to increase its 2005 diluted earnings per share from continuing operations by its long-term growth goal of eight percent. This equates to an earnings growth rate of approximately 23 percent in 2005. An increase of approximately eight million shares outstanding resulting from the Multifoods acquisition accounts for the difference in these growth rates. This earnings goal excludes the impacts of restructuring, merger and integration costs, and gains and losses on sales of assets.

The Company confirmed total merger and integration costs related to the Multifoods transaction at $20 million. Approximately $15 million of these costs will be incurred in fiscal year 2005 and the remainder is expected to be incurred in fiscal year 2006. Earnings for 2005 are expected to include approximately $10 to 12 million in restructuring costs. The increase in the restructuring estimates reflects the additional costs related to the Company's announced closing of its Salinas, California, facility and the restructuring of its distribution operations.

Conference Call

The Company will conduct an earnings conference call and webcast on Friday, February 18, 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 4598871. The audio replay will be available until Friday, February 25, 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). In June 2004, the Company expanded its family of products to include such brands as 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 107 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 4,200 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(R), 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 January 31,		Nine Months Ended January 31,	
	2005	2004	2005	2004
	(Dollars in thousands, except per share data)			
Net sales	$550,234	$343,788	$1,552,423	$1,057,167
Cost of products sold	375,521	216,837	1,043,379	674,626
Cost of products sold - restructuring	515	425	1,777	3,619
Gross Profit	174,198	126,526	507,267	378,922
Selling, distribution, and administrative expenses	106,464	74,956	312,569	228,452
Other restructuring costs	2,837	2,074	6,358	5,200
Merger and integration costs	5,152	-	11,885	-
Operating Income	59,745	49,496	176,455	145,270

Interest income	1,044	851	2,429	1,952
Interest expense	(6,154)	(1,372)	(16,359)	(4,913)
Other income - net	883	383	485	746
Income from Continuing Operations Before Income Taxes	55,518	49,358	163,010	143,055
Income taxes	19,994	18,238	59,336	52,859
Income from Continuing Operations	35,524	31,120	103,674	90,196
Gain on sale of discontinued operations, net of tax	-	-	2,037	-
Discontinued operations, net of tax	584	198	1,250	(1,026)
Net Income	$36,108	$31,318	$106,961	$89,170
Earnings per common share:				
Income from continuing operations	$0.61	$0.62	$1.83	$1.81
Discontinued operations	0.01	0.01	0.06	(0.02)
Net income	$0.62	$0.63	$1.89	$1.79
Income from continuing operations - assuming dilution	$0.60	$0.62	$1.81	$1.79
Discontinued operations - assuming dilution	0.01	-	0.05	(0.02)
Net income - assuming dilution	$0.61	$0.62	$1.86	$1.77
Dividends declared per common share	$0.25	$0.23	$0.75	$0.69
Weighted-average shares outstanding	58,108,123	49,867,349	56,708,018	49,775,508
Weighted-average shares outstanding - assuming dilution	58,743,522	50,498,462	57,356,653	50,309,783

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

	January 31,	
	2005	2004
	(Dollars in thousands)	
ASSETS		
Current Assets:		

Cash and cash equivalents	$55,452	$107,573
Trade receivables	129,737	84,247
Inventories	301,463	174,659
Current assets of discontinued operations	34,220	28,837
Other current assets	39,179	48,694
Total Current Assets	560,051	444,010
Property, Plant, and Equipment, Net	507,833	298,932
Other Noncurrent Assets:		
Goodwill	934,041	519,502
Other intangible assets, net	469,733	314,649
Marketable securities	71,276	40,722
Other assets of discontinued operations	27,526	26,602
Other assets	60,620	32,693
Total Noncurrent Assets	1,563,196	934,168
	$2,631,080	$1,677,110
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$56,393	$0
Current portion of long-term debt	17,000	0
Accounts payable	100,872	52,592
Current liabilities of discontinued operations	18,718	6,127
Other current liabilities	188,472	98,491
Total Current Liabilities	381,455	157,210
Noncurrent Liabilities:		
Long-term debt, net of current portion	432,300	135,000
Other noncurrent liabilities of discontinued operations	28	422
Other noncurrent liabilities	138,723	188,203
Total Noncurrent Liabilities	571,051	323,625
Shareholders' Equity, net	1,678,574	1,196,275
	2,631,080	$1,677,110

The J. M. Smucker Company
Unaudited Financial Highlights

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2005	2004	2005	2004
	(Dollars in thousands, except per share data)			
Net sales	$550,234	$343,788	$1,552,423	$1,057,167

Net income and net income per common share:				
Net income	$36,108	$31,318	$106,961	$89,170
Net income per common share -- assuming dilution	$0.61	$0.62	$1.86	$1.77
Income and income per common share from continuing operations:				
Income	$35,524	$31,120	$103,674	$90,196
Income per common share -- assuming dilution	$0.60	$0.62	$1.81	$1.79
Income and income per common share from continuing operations before restructuring and merger and integration costs: (1)				
Income	$40,956	$32,695	$116,407	$95,756
Income per common share -- assuming dilution	$0.70	$0.65	$2.03	$1.90

(1) Reconciliation to income from continuing operations:				
Income from continuing operations before income taxes	$55,518	$49,358	$163,010	$143,055
Merger and integration costs	5,152	-	11,885	-
Cost of products sold - restructuring	515	425	1,777	3,619
Other restructuring costs	2,837	2,074	6,358	5,200
Income from continuing operations before income taxes, restructuring, and merger and integration costs	64,022	51,857	183,030	151,874
Income taxes	23,066	19,162	66,623	56,118
Income from continuing operations before restructuring and merger and integration costs	$40,956	$32,695	$116,407	$95,756

Unaudited Financial Highlights, Fiscal Year 2004

	Three Months Ended			
	July 31, 2003	October 31, 2003	January 31, 2004	April 30, 2004
	(Dollars in thousands, except per share data)			
Net sales	$339,176	$374,203	$343,788	$312,389
Cost of products sold	218,362	239,427	216,837	203,865
Cost of products sold - restructuring	1,388	1,806	425	4,845
Gross Profit	119,426	132,970	126,526	103,679
Selling, distribution, and administrative expenses	74,721	78,775	74,956	68,502
Other restructuring costs	1,825	1,301	2,074	2,162
Merger and integration costs	-	-	-	1,266
Operating Income	42,880	52,894	49,496	31,749
Interest income	363	738	851	809
Interest expense	(1,923)	(1,618)	(1,372)	(1,296)
Other income (expense) - net	484	(121)	383	2,853
Income from Continuing Operations Before Income Taxes	41,804	51,893	49,358	34,115
Income taxes	15,447	19,174	18,238	13,013
Income from Continuing Operations	26,357	32,719	31,120	21,102
Discontinued operations, net of tax	(572)	(652)	198	1,078
Net Income	$25,785	$32,067	$31,318	$22,180
Earnings per common share:				
Income from continuing operations	$0.53	$0.66	$0.62	$0.42
Discontinued operations	(0.01)	(0.02)	0.01	0.02
Net income	$0.52	$0.64	$0.63	$0.44
Income from continuing operations - assuming dilution	$0.53	$0.65	$0.62	$0.42
Discontinued operations - assuming dilution	(0.02)	(0.01)	-	0.02
Net income - assuming dilution	$0.51	$0.64	$0.62	$0.44
Dividends declared per common share	$0.23	$0.23	$0.23	$0.25

Weighted-average shares outstanding	49,674,408	49,784,767	49,867,349	49,944,566
Weighted-average shares outstanding - assuming dilution	50,129,828	50,301,060	50,498,462	50,657,023
Income from continuing operations before income taxes	41,804	51,893	49,358	34,115
Merger and integration costs	-	-	-	1,266
Cost of products sold - restructuring	1,388	1,806	425	4,845
Other restructuring costs	1,825	1,301	2,074	2,162
Income from continuing operations before income taxes, restructuring, and merger and integration costs	45,017	55,000	51,857	42,388
Income taxes	16,634	20,322	19,162	16,109
Income from continuing operations before restructuring and merger and integration costs	28,383	34,678	32,695	26,279
Per share -- assuming dilution	0.57	0.69	0.65	0.52

The J. M. Smucker Company
Unaudited Condensed Consolidated Statements of Income
Unaudited Financial Highlights, Fiscal Year 2004 (continued)
Year Ended
April 30, 2004
(Dollars in thousands, except per share data)

Net sales	$1,369,556
Cost of products sold	878,491
Cost of products sold - restructuring	8,464
Gross Profit	482,601
Selling, distribution, and administrative expenses	296,954
Other restructuring costs	7,362
Merger and integration costs	1,266
Operating Income	177,019
Interest income	2,761

Interest expense	(6,209)
Other income (expense) - net	3,599
Income from Continuing Operations Before Income Taxes	177,170
Income taxes	65,872
Income from Continuing Operations	111,298
Discontinued operations, net of tax	52
Net Income	$111,350
Earnings per common share:	
Income from continuing operations	$2.23
Discontinued operations	0.01
Net income	$2.24
Income from continuing operations - assuming dilution	$2.21
Discontinued operations - assuming dilution	-
Net income - assuming dilution	$2.21
Dividends declared per common share	$0.94
Weighted-average shares outstanding	49,816,926
Weighted-average shares outstanding - assuming dilution	50,395,747
Income from continuing operations before income taxes	177,170
Merger and integration costs	1,266
Cost of products sold - restructuring	8,464
Other restructuring costs	7,362
Income from continuing operations before income taxes, restructuring, and merger and integration costs	194,262
Income taxes	72,227
Income from continuing operations before restructuring and merger and integration costs	122,035
Per share -- assuming dilution	2.42

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

http://www.prnewswire.com