THE J.M. SMUCKER Co

NEWS RELEASE

The J.M. Smucker Company Announces 10% Increase In Sales & EPS For Third Quarter

2/14/2002

ORRVILLE, Ohio, Feb. 14 /**PRNewswire-FirstCall**/ -- The J.M. Smucker Company (NYSE: **SJM** - **news**) announced today that sales for the third quarter ended January 31, 2002, were $168.4 million, up 10 percent from $153.6 million for the quarter ended January 31, 2001. Diluted earnings were $0.32 per share, a 10 percent increase over $0.29 per share for the third quarter last year. This includes approximately $.02 per share of costs associated with the pending merger of the Jif and Crisco brands into the Smucker Company.

``Our core businesses continue to perform strongly with good top and bottom line growth. This is key to our long-term strategy to maintain our number one market position and grow market share as we prepare to integrate the Jif and Crisco brands,'' stated Tim Smucker, Chairman and Co-CEO. ``This growth and brand strength positions the Company for the addition of new brands as well as opportunities to structure our current businesses for greater company efficiency going forward.''

Commenting on the transaction, Mr. Smucker continued, ``We continue to receive very strong support for our plans to merge the Jif and Crisco brands into The J.M. Smucker Company. We remain extremely confident in the strategic fit and overall value of this transaction, which is accretive in nature and positions our Company with a strong balance sheet and provides a platform for future growth. We look forward to welcoming these brands as well as our new employees and shareholders to The J. M. Smucker Company.''

The Company also reaffirmed that fourth quarter and year-end anticipated results are still in line with analysts'

earnings expectations in the range of $1.33 to $1.37. This excludes the impact of any spending related to the merger.

Net earnings for the quarter increased 13 percent to $7.9 million, as compared to $7.0 million for the third quarter of last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) were also up 13 percent, while EBITDA per share increased to $0.87 from $0.79 for the three-month period last year.

Nine-month results

Sales for the nine-month period ended January 31, 2002, were up four percent to $511.0 million, compared to $489.8 million for the nine months ended January 31, 2001. Diluted earnings per share for the first nine months were $0.98 per share, up five percent from $0.93 per share in the prior year. EBITDA per share increased 13 percent from $2.38 per share to $2.68. Net earnings for the first nine months of the fiscal year were $24.2 million, flat compared to $24.1 million for the same period last year, due primarily to an increase in interest expense and income taxes. Fiscal 2001 earnings exclude the impact of nonrecurring charges and changes in accounting.

Business Line Results

Domestic Business

Sales in the domestic business segment were up nine percent for the quarter resulting from increased sales in the consumer, foodservice, beverage, and industrial business areas.

Consumer

Sales in the Company's consumer business were up six percent in the third quarter as compared to the same period last year. The increase came primarily in the grocery and warehouse club store channels with sales of natural peanut butter, toppings, sugar-free fruit spreads, and Goober peanut butter and jelly combination products driving sales. The Company's share of market in the fruit spreads category continues to grow.

Foodservice

Sales in the foodservice area for the third quarter increased over 13 percent, marking this area's third consecutive quarter of double-digit growth. Sales and distribution of Smucker's Uncrustables to schools accounted for nearly 60 percent of the total increase. Additionally, the traditional foodservice channel, which services the dining, travel, and leisure industries, rebounded from a soft second quarter, posting an increase in sales of six percent.

Beverage

Sales in the beverage area were up nine percent, with approximately one-half of the increase coming from The R.W. Knudsen Family and Santa Cruz Organic brands. For the year, beverage sales are up nearly seven percent over last year.

Industrial

Sales in the Company's industrial business were up over 30 percent for the third quarter. The increase was due primarily to the acquisition of the International Flavors and Fragrances, Inc. (IFF) fruit and vegetable preparation businesses in October 2001. IFF contributed approximately $5.4 million to sales and $.02 per share to earnings during the quarter. A similar contribution is expected in the fourth quarter.

The addition of the IFF business, along with the Jif and Crisco brands, has given the Company the opportunity to restructure its industrial business and focus on contracts that support long-term margin objectives and, as a result, it is discontinuing select low margin contracts. This will result in an approximate loss of $40-50 million in ingredient sales over the next two years; however, the after tax earnings impact from these sales is less than one million dollars.

``This decision is part of the Company's primary focus on building leading retail food brands. While the industrial business will remain a viable area, we need to identify opportunities that will provide profit returns that are more comparable to the Company's overall average,'' stated Richard Smucker, President and Co-CEO.

International Business

The Company's international businesses also recorded a strong third quarter with sales up $2.5 million, an 11 percent increase over the third quarter of fiscal 2001. Overall, exchange rates continue to have a negative impact on the Company's international results. Had exchange rates remained constant with last year, overall international sales would have been approximately $1.4 million higher in the third quarter and nearly $5 million higher on a year-to-date basis.

The increase in sales occurred in nearly every part of the Company's international business segment with the majority of the growth coming from its Australian, Brazilian, and Export businesses. Sales of Henry Jones Foods, the Company's Australian subsidiary, were up 13 percent, despite the ongoing effects of a weak Australian dollar. Sales in Brazil increased 25 percent due to the international portion of the IFF acquisition, offsetting the exchange rate impact.

Expenses

The cost of products sold for the majority of the Company's businesses were consistent with last year, as raw material costs remained essentially flat. The Company's gross profit margin was lower as a percent of sales than in the prior year quarter due to expenses associated with meeting capacity requirements for Smucker's Uncrustables and the fact that the business acquired from IFF currently has margins that are below the corporate average. Selling, distribution, and administrative (SD&A) costs were within budgeted levels, despite incurring approximately $0.9 million of transition expenses related to the Jif and Crisco transaction. Marketing expenses for the quarter were down eight percent from the prior year, primarily due to lower expenditures in the beverage and consumer-direct areas. Going forward, the Company expects to see SD&A costs become a lower percentage of sales than they are today, even with the increased marketing support planned for the new brands.

Jif & Crisco

The Company also reported that its plans to merge the Jif and Crisco brands into the Company remain on track for closing in the second calendar quarter of this year. The Company is finalizing its discussions with the Securities and Exchange Commission with regard to its prospectus/proxy statement. To ensure an adequate period of time between the mailing of the proxy materials and the date of the special shareholders' meeting, the Company will move the meeting from its originally announced date of March 1, 2002, to a later date yet to be determined.

Conference Call

The Company will conduct a third quarter conference call and webcast today at 8:30 a.m. (ET). The webcast can be accessed from the Company's website at **http://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 passcode 232191. The audio replay will be available until 11:00 p.m. ET, Sunday, February 17, 2002.

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, ice cream toppings, health and natural foods beverages, and natural peanut butter in North America. The Company has over 2,000 employees worldwide and distributes products in more than 70 countries.

This release contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially, including uncertainties relating to the Company's operating performance,

the cost of fruit and other ingredients and raw materials, the success of its marketing programs, the satisfaction of conditions precedent to the completion of the proposed transaction with The Procter & Gamble Company, and the successful integration of the Jif and Crisco businesses. These risks and uncertainties are detailed from time to time in reports filed by the Company with the Securities and Exchange Commission, including Forms 10-Q and 10-K.

THE J.M. SMUCKER COMPANY
STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2002	2001	2002	2001
	(Dollars in thousands, except per share data)			
Net sales	$168,392	$153,628	$511,028	$489,793
Cost of products sold	113,391	101,185	343,027	327,054
	55,001	52,443	168,001	162,739
Selling, distribution, and administrative expenses	40,701	39,691	123,693	120,209
Nonrecurring charge	---	---	---	2,152
	14,300	12,752	44,308	40,378
Other income (expense)				
Interest income	380	568	1,713	2,030
Interest expense	(2,073)	(2,192)	(6,710)	(5,058)
Other -- net	421	(38)	358	(387)
Income before income taxes and cumulative effect of change in accounting method	13,028	11,090	39,669	36,963
Income taxes	5,081	4,051	15,471	14,157
Income before cumulative effect of change in accounting method	$ 7,947	$ 7,039	$ 24,198	$ 22,806
Cumulative effect of change in accounting method	---	---	---	(992)
Net income	$ 7,947	$ 7,039	$ 24,198	$ 21,814
Earnings per Common Share:				
Income before cumulative effect of change in accounting method	$ 0.32	$ 0.29	$ 0.99	$ 0.88

Cumulative effect of change in accounting method	---	---	---	(0.04)
Net income per Common Share	$ 0.32	$ 0.29	$ 0.99	$ 0.84
Earnings per Common Share - assuming dilution:				
Income before cumulative effect of change in accounting method	$ 0.32	$ 0.29	$ 0.98	$ 0.88
Cumulative effect of change in accounting method	---	---	---	(0.04)
Net income per Common Share - assuming dilution	$ 0.32	$ 0.29	$ 0.98	$ 0.84
Dividends declared per share	$ 0.16	$ 0.16	$ 0.48	$ 0.48
Common Shares outstanding	24,548,867	24,089,174	24,367,732	25,830,130
Common Shares outstanding - assuming dilution	25,016,341	24,414,128	24,754,045	26,019,370

The J.M. Smucker Company
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	January 31, 2002	2001
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 67,440	$ 30,788
Trade receivables	54,424	52,459
Inventories	123,343	122,064
Other current assets	14,749	14,301
Total Current Assets	259,956	219,612
Property, Plant & Equipment, Net	164,975	172,385
Noncurrent Assets	78,369	71,901
	$ 503,300	$ 463,898
LIABILITIES & SHAREHOLDERS' EQUITY		

Current Liabilities:		
Accounts payable	$ 30,580	$ 27,626
Other current liabilities	46,353	38,138
Total Current Liabilities	76,933	65,764
Long-term Debt	135,000	135,000
Other Noncurrent Liabilities	23,212	18,991
Shareholders' Equity, Net	268,155	244,143
	$ 503,300	$ 463,898

SOURCE: J.M. Smucker Company