NEWS RELEASE

The J.M. Smucker Company Announces Record First Quarter Results

8/15/2002

Company Achieves 62 Percent Revenue Growth; Excluding Merger Up 11 Percent

Earnings Per Share of $0.46 Exceed Expectations

Transition of Jif and Crisco Merger Complete

ORRVILLE, Ohio, Aug. 15 /**PRNewswire-FirstCall**/ -- The J.M. Smucker Company (NYSE: SJM) today announced record results for the first quarter of fiscal year 2003, ended July 31, 2002. The results for the first quarter included two months of operations from the Jif peanut butter and Crisco shortening and oils businesses.

First Quarter Results

The J.M. Smucker Company recorded record sales of $274.9 million for the first quarter ended July 31, 2002, up 62 percent versus $169.8 million during the comparable period last year. The Jif and Crisco brands contributed $87.0 million to sales in the first quarter of fiscal 2003. Excluding the Jif and Crisco contribution, first quarter sales were up 11 percent to $187.9 million versus the prior year.

The Company recorded earnings before interest, taxes, depreciation, and amortization (EBITDA) of $40.7 million

(excluding one-time merger related costs), up 79 percent versus $22.7 million in the first quarter of last year.

Net income, pursuant to generally accepted accounting principles (GAAP), was $16.0 million or $0.39 per share for the first quarter versus $8.5 million or $0.37 per share for last year. Income in the first quarter included $4.9 million, or $0.07 per share, of costs associated with the merger of the Jif and Crisco brands into the Company. Excluding those costs, the Company's earnings per share would have been $0.46 in the first quarter, exceeding analyst expectations. Earnings per share for the first quarter of fiscal 2002 have been restated to reflect the effect of the merger exchange ratio of .9451 on the weighted average shares outstanding during that quarter and include $0.02 of amortization expense not included in the current year.

Tim Smucker, chairman and co-chief executive officer, commenting on the results, said "This was a record quarter for The J.M. Smucker Company in almost every respect. We have shown significant and steady growth across several brands and categories in the first quarter. These results flow directly from our efforts to continue driving our core business while at the same time focusing on the smooth and successful integration of the Jif and Crisco businesses."

Richard Smucker, president and co-chief executive officer, continued, "Holding the leadership position in our categories helps drive financial performance. Approximately 80 percent of our revenues are generated from market leading brands and the Company's brand leadership position in several categories is an essential component of our growth strategy and performance. We are committed to maintaining leading positions in all of our categories and to continuing to develop and acquire products and brands that will expand and strengthen our position."

Business Line Performance

With the addition of the Jif and Crisco businesses, the Company stated that it will now report its financial results under two new segments, U.S. Retail Market and Special Markets. The U. S. Retail Market segment is composed of the Company's consumer and consumer oils business areas and includes domestic sales of Smucker's, Jif, and Crisco brand products at retail. The Special Markets segment is composed of the foodservice, international, industrial, and beverage business areas.

U. S. Retail Market

Sales for the first quarter in the U. S. Retail Market segment were up 96 percent over the prior year due to the addition of the Jif and Crisco businesses. The Jif business, which is part of the consumer area, was responsible for sales in that area increasing in excess of 50 percent over the prior year. In the consumer oils area, Crisco operations transitioned smoothly. Sales of Crisco in June and July were consistent with the pre-merger trend.

The Company stated that it now has active plans and programs in place for both Jif and Crisco, which are specifically directed at leveraging opportunities in the upcoming Back to School and Fall Bake periods. The Company is optimistic about the potential for these businesses.

Special Markets

Sales in this segment were up 27 percent over the prior year, with increases in the beverage and industrial areas accounting for 70 percent of the segment's growth. International sales of Jif and Crisco, mostly in Canada, also contributed modestly.

In the beverage area, new products contributed heavily to the 48 percent sales increase in the first quarter. The Company realized strong success with its seasonal Smucker's powdered strawberry lemonade product sold in club stores and with new products in the Santa Cruz Organic line.

Sales in the industrial area were up 40 percent in the first quarter. The increase was primarily due to the acquisition of the International Flavors and Fragrances, Inc. (IFF) fruit preparations business in October 2001. The IFF acquisition contributed approximately $8.2 million to industrial sales in the first quarter. Industrial sales lost in the quarter as part of the previously announced decision to discontinue certain portions of the business were offset by the IFF acquisition contribution and by new products.

In the foodservice area, sales were up six percent as sales and distribution of Smucker's Uncrustables to schools continued to expand. The Company's traditional foodservice business continues to rebound from the effects of a soft economy and the aftermath of September 11th and its impact on the travel and leisure industries. The traditional business was up four percent, led by growth in Smucker's portion control items.

International

Sales in the international area were up 23 percent over the prior year. Sales increased in several of the Company's geographic markets, notably Canada, Brazil, and Scotland. The Company's export business also was up over the prior year. Jif and Crisco added approximately $1.7 million to the international area, while the IFF business in Brazil contributed to that area's overall growth for the quarter.

Expenses

Cost of products sold rose 62 percent for the first quarter primarily as a result of the Jif and Crisco merger. Flat gross margin performance was the result of sales mix as strong sales in the industrial and beverage areas, which have lower margin structures than the Company's retail businesses, lowered overall Company gross margins.

Modest increases in certain fruit costs also contributed to the margin performance. Selling, distribution, and administrative (SD&A) costs, however, were 21.8 percent of sales in the first quarter versus 24.6 percent last year. As a result of the SD&A improvement, the Company's operating margin grew in the first quarter to 11.8 percent (excluding one-time merger related costs) versus 9.1 percent last year.

Tim Smucker said, "We are pleased with our operating margin and the improvement in the relationship of selling, distribution, and administrative costs to sales. Additionally, we anticipate our gross profit margin will increase in the second quarter as we benefit from the positive margin impact of the Jif and Crisco businesses for the full quarter."

Merger of Jif and Crisco

On June 1, 2002, The J.M. Smucker Company merged the Jif peanut butter and Crisco shortening and oils businesses of The Procter & Gamble Company (NYSE: PG) with and into the Company in a tax-free stock transaction. The Company successfully transitioned the Jif and Crisco businesses ahead of schedule on July 1 and continues to explore possible product and operational synergies, as well as growth opportunities that may develop from this combination of three American icon brands -- Smucker's, Jif, and Crisco.

Commenting on the merger and the integration activities, Tim Smucker said, "While we are still getting to know the new businesses and it will be several months before we are able to really put our imprint on the promotional plans, we are pleased overall with the businesses and their current prospects. The integration so far has gone smoothly, thanks to the efforts of our team and the cooperation from Procter & Gamble, for which we are very appreciative. We have also been impressed with the efforts of the operations teams in Cincinnati and Lexington. They have done a fine job and contributed greatly to the smooth operations transition."

Outlook for Fiscal Year 2003

The Company also stated that it remains comfortable with its earnings per share guidance for the full fiscal year 2003 of $1.84-$1.94. In addition, the Company continues to expect revenue to be approximately $1.3 billion and EBITDA to be in the range of $190 - $200 million for fiscal year 2003. The Company noted that the impact of the previously announced decision to reduce pricing of Jif products, effective January 1, 2003, has not been factored into the guidance numbers at this time. This is due to the uncertainty that still exists with respect to what the actual pricing will be for peanuts harvested in the fall.

The Company noted in addition that the current declining state of the soybean and canola crops creates further uncertainty that makes any adjustment to the guidance numbers difficult at this time. In that regard, the Company announced that it was increasing the prices of its Crisco brand products in an effort to offset the substantial price increases being seen in the market for soybean and canola oil. According to the Company, this will be the first

increase in the price of Crisco products since 1998.

Adoption of SFAS 142

As of May 1, 2002 the Company adopted the non-amortization provisions of Statement of Financial Accounting Standards 142 (SFAS 142). Under SFAS 142, goodwill and intangible assets deemed to have an indefinite life are no longer amortized but are subject to an impairment test at least annually. If the non-amortization provisions of SFAS 142 were in effect in the first quarter of last year, earnings per share for that period would have been $0.02 higher.

Recent Announcements

On July 22, 2002, the Company announced that the Board of Directors had approved a 25 percent increase in the quarterly dividend, raising it from $0.16 to $0.20 per common share. The dividend is payable on September 3, 2002, to shareholders of record at the close of business on August 20, 2002.

On August 6, 2002, the Company announced that it plans to implement a price decrease on its Jif brand peanut butter products of approximately six percent, effective January 2003. The announcement came as a response to the decline in the cost of peanuts that is expected to result at the end of this calendar year from enactment of the Farm Security and Rural Investment Act of 2002. The Company noted that the decision to reduce prices on the Jif products is subject to actual pricing on the 2002 peanut crop.

Conference Call

The Company will conduct a first quarter earnings conference call and webcast on August 15, 2002, 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, 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 255942. The audio replay will be available until Sunday, August 18, 2002, at 11:59 p.m. E.T.

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. In June of this year, the Company further enhanced its leadership position with the addition of Jif peanut butter and Crisco shortening and oils to the Smucker family of brands. For over 100 years, the Company has been headquartered in Orrville, Ohio, and has been family run for four generations. The J.

M. Smucker Company has 2,700 employees worldwide and distributes products in more than 45 countries.

This press release contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. These include statements regarding estimates of future earnings and cash flows. Other uncertainties include, but are not limited to, the cost and length of time required to integrate the Jif and Crisco businesses, the success and cost of new marketing and sales programs and strategies intended to promote growth in the Jif and Crisco businesses as well as the Company's other businesses, the strength of commodity markets from which raw materials are procured and the related impact on costs, the exact time frame in which loss of sales associated with discontinued industrial contracts will occur, 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.

Financial Highlights for the Quarter Ended July 31, 2002
The J. M. Smucker Company

	Quarter Ended July 31,	
(Dollars in thousands, except per share data)	2002	2001
	(A)	
Net sales	$274,936	$169,792
Income before merger and integration costs	$19,047	$8,547
Income per Common Share before merger and integration costs - assuming dilution	$ 0.46	$ 0.37
Net income and net income per Common Share:		
Net income	$16,017	$8,547
Net income per Common Share - assuming dilution	$ 0.39	$ 0.37

(A) Per share information for fiscal 2002 has been restated to reflect the effect of the merger of the Jif and Crisco businesses into the Company whereby Smucker shareholders received .9451 of a new Smucker common share for each share held on May 31, 2002.

The J.M. Smucker Company

STATEMENTS OF CONSOLIDATED INCOME

	Quarter Ended July 31, 2002	2001
	(A)	
	(Dollars in thousands, except per share data)	
Net sales	$274,936	$169,792
Cost of products sold	182,584	112,612
Gross Profit	92,352	57,180
Selling, distribution, and administrative expenses	59,947	41,685
Merger and integration costs	4,887	--
Operating Income	27,518	15,495
Interest income	569	731
Interest expense	(2,313)	(2,281)
Other income - net	60	67
Income Before Income Taxes	25,834	14,012
Income taxes	9,817	5,465
Net Income	$16,017	$8,547
Net income per Common Share	$0.39	$0.37
Net income per Common Share - assuming dilution	$0.39	$0.37
Dividends declared per Common Share	$0.20	$0.17
Weighted-average shares outstanding	40,645,895	22,968,771
Weighted-average shares outstanding - Assuming dilution	41,016,759	23,178,045

(A) Per share information and weighted average shares outstanding for fiscal 2002 have been restated to reflect the effect of the merger of the Jif and Crisco businesses into the Company whereby Smucker shareholders received .9451 of a new Smucker common share for each share held on May 31, 2002.

CONDENSED CONSOLIDATED BALANCE SHEETS

	July 31,	
	2002	2001
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$74,095	$50,992
Trade receivables	111,443	54,405
Inventories	195,711	136,031
Other current assets	16,762	11,692
Total Current Assets	398,011	253,120
Property, plant & equipment, net	280,588	171,414
Other noncurrent assets	858,661	70,523
	$1,537,260	$495,057
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$71,763	$34,111
Other current liabilities	94,259	46,874
Total Current Liabilities	166,022	80,985
Long-term debt	135,000	135,000
Other noncurrent liabilities	166,966	25,174
Shareholders' equity, net	1,069,272	253,898
	$1,537,260	$495,057

SOURCE: J.M. Smucker Company