

SMUCKER J M CO
Form 425
July 29, 2008

Investor Presentation

July 2008

Entire Presentation

Investor Presentation

July 2008

Entire Presentation

The J. M. Smucker Company

The J. M. Smucker Company

Filed by The J. M. Smucker

Company

Pursuant to Rule 425 under the Securities Act of 1933

and Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: The J. M. Smucker
Company
Commission File No.: 333 -
152451

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Forward Looking Statement

Forward Looking Statement

This presentation contains forward-looking statements, such as projected operating results, earnings and cash flows, that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by those forward-looking statements.

You
should
understand
that
the
risks,
uncertainties,
factors
and
assumptions
listed
and
discussed
in

this prospectus, including the following important factors and assumptions, could affect the future results of Smucker following the Transactions and could cause actual results to differ materially from those expressed in the forward-looking statements: (i) volatility of commodity markets from which raw materials, particularly corn, wheat, soybean oil, milk and green coffee beans, are procured and the related impact on costs; (ii) the successful integration of the Coffee Business with Smucker's business, operations and culture and the ability to realize synergies and other potential benefits of the Transactions within the time frames currently contemplated;

(iii)
crude
oil
price
trends
and
their
impact
on
transportation,
energy,
and
packaging
costs;

(iv)
the
ability
to
successfully implement price changes; (iv) the success and cost of introducing new products and the competitive response; (v) the success and cost of marketing and sales programs and strategies intended to promote growth in Smucker's businesses, which will include the Coffee Business after the completion of the Transactions;

(vi)
general
competitive
activity
in
the
market,
including

competitors
pricing
practices
and

promotional spending levels; (vii) the concentration of certain of Smucker's businesses, which will include the Coffee Business after the completion of the Transactions, with key customers and the ability to manage and maintain key customer relationships; (viii) the loss of significant customers or a substantial reduction in orders from these customers or the bankruptcy of any such customer; (ix) changes in consumer coffee preferences, and other factors affecting the Coffee Business, which will represent a substantial portion of Smucker's business after the completion of the Transactions; (x) the ability of Smucker and Folgers to obtain any required financing; (xi) the timing and amount of Smucker's capital expenditures, restructuring, and merger and integration costs; (xii) the outcome of current and future tax examinations and other tax matters, and their related impact on Smucker's tax positions; (xiii) foreign currency and interest rate fluctuations; (xiv) other factors affecting share prices

and
capital
markets
generally;
and

(xv)
the
other
factors
described

under
Risk
Factors

in
the
registration

statements filed by Folgers and Smucker with the Securities and Exchange Commission and in the other reports and

statements
filed

by
Smucker
with
the
Securities
and

Exchange
Commission,
including
its

most
recent

Annual Report on Form 10-K and the preliminary proxy materials prepared in connection with the Folgers transaction.

You are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this prospectus. None of Smucker, Folgers, P&G or any of their

respective advisors assumes any obligation to update or revise these forward-looking statements to reflect new events or circumstances.

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Additional Information
Additional Information
Smucker and Folgers have filed registration statements with the U. S. Securities and Exchange
Commission
(SEC)
registering

the
common
shares
to
be
issued
to
P&G
shareholders
in
connection
with

the Folgers transaction but those registration statements have not become effective. Smucker has also filed a proxy statement with the SEC that will be sent to the shareholders of Smucker after it has been finalized. Shareholders are urged to read the proxy statement and the prospectus included in the registration statements and any other relevant documents when they become available, because they will contain important information about Smucker, Folgers and the proposed transaction. The proxy statement, prospectus and other documents relating to the proposed transaction (when they are available) can be obtained free of charge from the SEC's website at www.sec.gov. The documents (when they are available)

can
also
be
obtained
free
of
charge
from
Smucker
upon
written
request

to
The
J.
M.
Smucker
Company,
Shareholder
Relations,
Strawberry
Lane,
Orrville,
Ohio
44667

or
by
calling
(330)
684-3838,

or
from
P&G
upon
written
request
to
The
Procter
and
Gamble
Company,
Shareholder
Services
Department,

P.O. Box 5572, Cincinnati, Ohio 45201-5572 or by calling (800) 742-6253.

This communication is not a solicitation of a proxy from any security holder of Smucker and shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. However, P&G, Smucker and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of The J. M. Smucker Company may be found in its 2008 Annual Report on Form 10-K filed with the SEC on June 27, 2008, and its definitive proxy statement relating to its 2008 Annual Meeting of Shareholders filed with the SEC on July 14, 2008. Information about the directors and executive officers of The Procter & Gamble Company may be found in its 2007 Annual Report on Form 10-K filed with the SEC on August 28, 2007, and its definitive proxy statement relating to its 2007 Annual Meeting of Shareholders filed with the SEC on August 28, 2007.

5

Why Invest in Smucker?

Why Invest in Smucker?

A history and culture of solid returns

Clear strategy of owning a strong portfolio of

#1 brands

Strategic acquisition of Folgers

Enhances #1 brand portfolio

Increases market categories from \$8 billion to \$15 billion

Creates sales growth to \$5 billion company

Accretive transaction

Significantly enhances cash flow

6

Why Invest in Smucker?

Why Invest in Smucker?

Strong cash flow and balance sheet

Continuity of management

Current value of Smucker stock vs. peers

Strong forecasted results in current fiscal year

Special \$5.00 dividend in calendar 2008

Current share performance vs. peers

1897

Over 110 years old

Headquartered in
Orrville, Ohio

Leading North
American brands

Five generations of
family management

Basic Beliefs: quality,
people, ethics, growth,
& independence
The J. M. Smucker Company
The J. M. Smucker Company
7

Core Competencies
Core Competencies
Relationships
Emotional
Bond
Ability to
Implement

Our Business
FY 2008
Our Business
FY 2008
x% of Total Sales
X% Margin
26% of Total Sales

22% of Segment
Profit
U.S. Retail
Market

Consumer

Consumer Oils
& Baking
Special
Markets

Canada

Foodservice

Beverage

International
74% of Total Sales
78% of Segment
Profit
9

Smucker Business Segments
Smucker Business Segments
Business Area
Segment
Special
Special
Markets

Markets

Brands

U.S.

U.S.

Retail

Retail

Market

Market

10

Consumer

Consumer

Oils / Baking

Canada

International

Foodservice

Beverage

11
FY 2008 Sales by Category
FY 2008 Sales by Category
26%
26%
18%
18%

13%

13%

14%

14%

19%

19%

10%

10%

Fruit

Spreads

Peanut

Butter

Oils &

Shortening

Baking

Canned

Milk

All

Other

FY 2008 Net Sales = \$2.5 Billion

Smucker Market Share
Leadership
U.S.
Smucker Market Share
Leadership
U.S.
7.0%

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Baking	Flour	Edible	Potatoes	Pancake	Syrups	
Butter	Beverages	Spreads				
Pt Btr	Cond					
Milk	Mixes	Oils		Mixes		
\$201MM	\$154MM	\$984MM	\$262MM	\$838MM	\$159MM	\$148MM
\$1.6B	\$589MM	\$1.3B	\$408MM	\$362MM	\$589MM	

#3

#3

Source: IRI 52 Week Ending 7/13/08 --

TTL Grocery, Mass, Drug & Walmart Panel

Does NOT include Private Label

3.8%
7.5%
8.2%
35.0%
48.4%
50.6%
51.5%

51.9%
58.2%
59.6%
59.6%
0%
10%
20%
30%
40%
50%
60%
70%

#1
#1
#1
#1
#1
#1
#1
#1
#1
#3
#3
#3
#3
#4
#4

Flour Toppings Evap. Milk Shorten. Frozen
Swtd. Condiments Fruit Oils Hot Cereal
Peanut
Fruit Cond. Milk
Spreads
Butter

\$114MM \$12MM \$53.5MM \$28MM \$106MM \$21MM \$166MM \$152MM \$132MM \$114MM
\$167MM

#1
#1
#1
#1
#1
#1

Smucker Market Share
Leadership
Canada
Smucker Market Share
Leadership
Canada

#1
#1
#1 in 8 out of 11 categories
13

% Dollar Share of Category

U.S. Manufacturing and
Distribution Network
U.S. Manufacturing and
Distribution Network
Six Mixing Centers
One order, one
invoice across all brands

Canada Manufacturing and
Distribution Network
Canada Manufacturing and
Distribution Network
Quebec
Ontario
Manitoba

Saskatchewan

Alberta

British

Columbia

J.M. Smucker Co.

Dunnville, Ontario

Condiments & Pickles

J.M. Smucker Co.

Ste.-Marie de Beauce, Quebec

Fruit Spreads & Ice Cream Toppings

J.M. Smucker Co.

Markham, Ontario

Canadian Headquarters

J.M. Smucker Co.

Dehli Township, Ontario

Tank Farm for Pickles

J.M. Smucker Co.

Sherbrooke, Quebec

Carnation Canned and Powdered Milk

Calgary

Excel Logistics

Hamilton

Atlas Cold Storage

Brampton

Thomson

Terminals

15

16
\$0
\$500
\$1,000
\$1,500
\$2,000
\$2,500

\$3,000

S&P 500

DJIA

SJM

Share Price Performance

Share Price Performance

Note: The graph shows the value of \$20 (Smucker's IPO price in 1959) invested over a 48+ year period in Smucker's common stock, the

DJIA

and S&P 500.

Indexed Share

Price

APR = 10.2%

APR = 10.2%

APR = 6.4%

APR = 6.4%

APR = 5.9%

APR = 5.9%

Base = \$20

Base = \$20

SJM versus Major Indices

November 30, 1959 through July 21, 2008

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We will own and market food brands which hold the #1 market position in their respective category, with an emphasis on North America
We will achieve balanced growth through:

Increased market share of our brands

Acquisition of other leading food brands

New products that provide convenience,
are good and "good for you," and make
the consumer smile

Vision Statement

Vision Statement

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Long-Term Objectives

Long-Term Objectives

Net Sales Growth

Dividend Payment

Operating Profit

Growth

EPS Growth

6%

Organic 3-

4%

Acquisitions 2-3%

8%

Improve Efficiencies

+8%

Share Repurchase

Debt Retirement

Target 40% Payout

19
\$0.0
\$0.5
\$1.0
\$1.5
\$2.0
\$2.5

\$3.0

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

Net Sales

\$650MM

\$1.3B

\$2.0B

\$2.1B

5-Year CAGR through FY 2008 = 15%

10-Year CAGR through FY 2008 = 16%

Sales Growth

Sales Growth

\$1.4B

\$2.2B

\$2.5B

\$0.00
\$0.50
\$1.00
\$1.50
\$2.00
\$2.50
\$3.00

\$3.50

\$4.00

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

Earnings Per Share (non-GAAP)

\$1.38

\$2.14

\$2.60

\$2.89

Earnings Growth

Earnings Growth

\$2.42

\$2.77

5-Year CAGR through FY 2008 = 8%

10-Year CAGR through FY 2008 = 10%

\$3.15

(a)

Excludes merger, integration and restructuring charges.

(a)

20

21

Dividend History

Dividend History

Increased dividends paid in 27 out of
past 30 years

Average increase was 10.7%

Average payout approximately 40% of earnings

22
Dividends and Share Repurchase
Dividends and Share Repurchase
\$0
\$50
\$100
\$150

\$200

\$250

FY04

FY05

FY06

FY07

FY08

Dividends

Share Repurchase

(\$ in millions)

23

2008 Income Statement Highlights

2008 Income Statement Highlights

Completed 5 acquisitions
contributing \$280 million in
net sales

Sales up 18% over 2007

Income up 8%, despite
\$150 million in raw
material increases

Operating margin
decreased due to raw
material increases and
Eagle

Repurchased 2.9 million
shares or 5% of shares

Dividend payout at ~40%
of net income

8.7

\$2.76

\$3.00

EPS

9.0

\$2.89

\$3.15

EPS -

non-GAAP

7.3

11.2

11.8

32.7

100.0

%

\$

%

\$

6.7

10.1

11.3

31.0

100.0

157

241

254

702

2,148

8.4

170

Net Income

11.7

284

Operating Margin

5.7

255

Income Before

Taxes

11.4

782

Gross Margin

17.5

2,525

Net Sales

2008

2007

(\$ in millions, except EPS)

% Chg

Non-GAAP EPS excludes merger, integration and restructuring charges.

24
Types of Acquisitions
Types of Acquisitions
Enabling

Smaller in size

New capabilities

Capitalize on Smucker resources
Bolt-on

Increase category presence

Leverage existing infrastructure
Transformational

Large in size

Game changing

New markets & categories

25

Seamless transition with customers

Timely integration

Achieving synergies

Blending cultures -
(People
Basic Belief)

Investing in brands

Innovation / new products
Keys to a Successful Acquisition
Keys to a Successful Acquisition

26

Benefits of Acquisitions

Benefits of Acquisitions

Increased scale and efficiency

New categories

Cross marketing opportunities

Increased financial strength

Enhanced employee opportunities

27
FY 2003
FY 2003
FY 2005
FY 2005
FY 2007
FY 2007

FY 2008

FY 2008

KING KELLY

FY 2009

FY 2009

FY 2004

FY 2004

(a) Integration in process. (b) Announced but not closed.

12 Transactions

12 Transactions

(a)

(b)

Good &
Good For
You
Emotional
Fulfillment
Adding Taste
Adding Health

Fun
Strategic Architecture
Strategic Architecture
Makes You
Smile
Easy For
You
Ease of Use
Ease of Purchase
28

Making Great Brands Better
Making Great Brands Better

Increased sales over 40%

Increase operating margin

Invested in consumer marketing

\$33mm capital investment in Lexington
plant

Market share increased to over 40%

Jif-to-Go

Jif Natural

Jif Snack Nuts

Jif with Honey

New roaster technology

Jar light-weighting

29

Maintained share leadership
through commodity volatility

Innovator in oils category

Commodity buying group key

to success

\$45mm capital investment in
Cincinnati plant

Trans Fat Free Shortening

Crisco Peanut Oil

Crisco Olive Oil

Crisco Sprays

Simple
Measures

packaging
innovation

Crisco with Omega-3
30

Making Great Brands Better
Making Great Brands Better

Improved product quality

Leveraged presence of
Doughboy

Frostings improved to number

two brand in category

Pillsbury Bake-Off

Reduced sugar cake
mixes and frostings

Expand Funfetti products

Enhanced packaging
Making Great Brands Better
Making Great Brands Better
31

A Perfect Fit

33

Attractive Strategic Fit
Attractive Strategic Fit

Strong #1 Brand
Strong #1 Brand

Center-of-Store
Center-of-Store

North America
North America
VISION STATEMENT
VISION STATEMENT
We will own and market food
We will own and market food
brands which hold the #1
brands which hold the #1
market position
market position
in their
in their
respective category, with an
respective category, with an
emphasis on **North America**
emphasis on **North America**

Note:

The parties expect this transaction to close during the fourth calendar quarter of 2008, pending regulatory approval.

34
Percent of Sales from #1 Brands
Percent of Sales from #1 Brands
~75% of Sales
Projected to Come
From #1 Brands

35
Center-of-Store Strategy
Center-of-Store Strategy
Baking
Aisle
Spreads /
Condiments Aisle

Frozen
Aisle
Specialty
Aisle
Coffee
Aisle
Natural
Beverage Aisle

36
Compelling Transaction
Compelling Transaction

\$1
billion
brand

Expands
portfolio
of
#1
brands

Builds
on
Center
of
the
Store
focus

Enhanced
scale

Financial
benefits

Great
home
for
Folgers brand and
employees

Transaction Overview
Transaction Overview

Reverse Morris Trust structure

P&G shareholders will own 53.5% of the combined
company shares

~63 million shares will be issued

~118 million shares outstanding

Smucker to pay \$5 special one-time dividend to Smucker shareholders, as of a record date prior to close

Smucker to guarantee \$350 million of Folgers debt upon close

Smucker to finance special dividend (~\$300 million)

Closing expected in fourth quarter of calendar 2008

37

38

Folgers Highlights

Folgers Highlights

Superior brand equity

#1 retail coffee brand

Strong and growing market leader

#1 in retail packaged coffee

Leading operational scale and excellence

Strong and longstanding customer relationships

Market leading product innovation and price
leadership

Industry leading profitability and cash flow generation

39
Builds on Center of Store Focus
Builds on Center of Store Focus
\$15.0
\$8.0
\$3.0
\$1.0

FY 2002

FY 2004

FY2005

FY2009

Market opportunity (\$ in billions)

Greater opportunity as share of market in
each category expands

40
Added Scale
Added Scale
Revenue
(\$ in billions)
1.2
Treehouse

2.0
Flower Foods
2.5
Smucker (Current)
2.9
McCormick
3.3
Ralcorp
3.7
Del Monte
4.7
Smucker
(2)
6.2
Hormel
7.9
Campbell
10.1
HJ Heinz
11.6
ConAgra
11.8
Kellogg
12.3
Sara Lee
\$13.7
General Mills

(1)
(1)
Comparison company revenue based on last completed fiscal year. Ralcorp
revenue adjusted for pro forma impact of Post cereal transaction.

(2)
Pro forma 2009
Assumes Folgers transaction had closed on May 1, 2008.

Greater relevance to
retailer

Capitalize on relationship
with Advantage, our
national broker

Purchasing efficiencies

Benefit from
administrative
infrastructure

Greater opportunities for
employees

41

Financial Benefits

Financial Benefits

Accretive transaction

Operating margin expansion

Significantly enhanced cash flow

Strong balance sheet with modest debt level

Greater float
more shares outstanding

42

Coffee Category

Coffee Category

U. S. coffee market

At home coffee market

Mainstream / gourmet

Pricing and cost trends

Impact of economy

Large \$31B market

High household penetration

Frequency of use is increasing

High consumer purchase frequency
that drives traffic for retailers

Consistent performance through
economic cycles

Evolving consumer trends

Emergence of "coffee house culture"

Strong, iconic brands crossing over

Product proliferation

Source: Datamonitor as of March 2008; United States Retail & Foodservice Coffee 2007

U.S. Coffee Market

U.S. Coffee Market

Coffee Category Highlights

Coffee Category Highlights

Coffee Market Overview

Coffee Market Overview

Total Market: \$30.7B

Retail-Package/

At-Home

23%

Foodservice/

Away From Home

67%

Retail-Prepared/

Away From Home

10%

Roast & Ground

79%

Instant

12%

Pods

1%

Ready to Drink

8%

Total At-Home Market: \$6.9B

43

At-Home Coffee Market

44
Folgers
48%
Kraft
24%
Rest of
Market

28%

U.S. At Home Coffee Market Share by Segment

U.S. At Home Coffee Market Share by Segment

Source: P&G internal estimate based on All Outlet Data

1

Excludes

approximately

\$1.2B

of

packaged

roast

&

ground

product

sold

outside

P&G

/

FCC channels and approximately \$0.5B of RTD retail coffee business

2

Calendar 2007 retail sales for Mainstream Roast & Ground and Single Serve

Folgers

19%

Kraft /

Starbucks

33%

Rest of

Market

48%

Folgers

32%

Nestle

24%

Rest of

Market

44%

\$0.9B

\$1.5B

\$2.8B

Packaged Coffee

1

Mainstream Roast & Ground

2

Gourmet Coffee

2

Single Serve

2

About Folgers
About Folgers

1,200 Employees

Four Plants

New Orleans, LA (2)

Kansas City, MO

Sherman, TX

Cincinnati

Marketing, Sales, Commodity Purchasing,
Research and Development &
Administrative

45

46
0.0
0.2
0.4
0.6
0.8
1.0

1.2

1.4

1.6

2000

2001

2002

2003

2004

2005

2007

2008

Green Coffee Composite

Folgers List Price

Long Track Record of Passing Through

Coffee Cost Increases

Long Track Record of Passing Through

Coffee Cost Increases

Folgers List Price vs. Green Coffee Prices

Folgers List Price vs. Green Coffee Prices

\$/lb

47

Folgers currently has four roasting and production plants, and three warehousing and distribution facilities

Warehouse

and Distribution

Roasting and Production

Headquarters

New Orleans, LA
Kansas City, MO
Sherman, TX
LaCombe, LA
Cincinnati, OH
Chino, CA
Manufacturing &
Distribution
Footprint
Manufacturing &
Distribution
Footprint
Lacombe
New Orleans, LA
Warehouse and Distribution
Chef Site
New Orleans, LA
Gourmet Roasting, Blending
and Packaging
Roasting, Blending
and Packaging
Gentilly Site
New Orleans, LA
Quality, Storage &
Blending
Silo
New Orleans,
LA
Decaffeination &
Singles
Sherman, TX
Roasting, Blending &
Packaging
Kansas City, MO

48
Select Key Coffee Innovations
Select Key Coffee Innovations
Launched Folgers
Gourmet Selections
first mainstream
premium

1968

2003

2006

2007

1984

Folgers

Crystals

Folgers Decaf

Tastes

as good as regular

Natural process fast

decaffeination

technology

Folgers AromaSeal

Canister

First

plastic canister

Licensed retail

packaged coffee

products

49

Strengths of Combined Company

Strengths of Combined Company

Approximately \$5 billion in annual net sales

Leading food company with ten #1 brands

Increase in market capitalization

Strong financial profile

Enhanced cash flow

Consistent returns

Go-to-Market Sales
Go-to-Market Sales
National Broker-
3
rd
largest principal
Key Direct Account Teams Already in Place

Iconic Brands
Iconic Brands
51

Household Slogans
Household Slogans

With a Name Like Smucker's,
It Has to be Good

Choosy Moms Choose Jif

The Best Part of Wakin
Up

Start Something
Good With Crisco

Everybody s Happy
When It s Hungry Jack

America Runs on Dunkin

52

53
Marketing Synergies
Meals
Marketing Synergies
Meals

The Best Part of Waking Up

54
Marketing Synergies
Meals
Marketing Synergies
Meals

The Best Way to End the Day

55
Marketing Synergies
Consumer Target
Marketing Synergies
Consumer Target

Same core consumer

target

Marketing
expertise over 30
years of experience
effectively marketing to
this target

With a name like Smucker's,
it has to be good.

56

Folgers Synergies

Folgers Synergies

Synergies

Synergies

~\$80+ million

Net Sales Operations Sales & Supply Chain Corporate &

Marketing

Admin.

JMS Infrastructure

COGS

SD&A

57
Projected Sales by Category
Projected Sales by Category
42%
42%
7%
7%

8%
8%
11%
11%
6%
6%
15%
15%
11%
11%
Fruit
Spreads
Peanut
Butter
Oils &
Shortening
Baking
Canned Milk
All Other
Coffee
Estimated After Transaction

58
Net Sales and EBITDA
Net Sales and EBITDA
\$0.0
\$1.0
\$2.0
\$3.0

\$4.0
\$5.0
\$6.0
FY2008
FY2009
FY2010
Net Sales

\$0
\$250
\$500
\$750
\$1,000
FY2008
FY2009
FY2010
0.0%
5.0%
10.0%
15.0%
20.0%
25.0%
30.0%

EBITDA (Excluding Merger and Integration Costs)

Pro forma * (a)

\$2.5B
\$4.7B
\$4.9B
\$371
\$820
\$869
14.7%
17.3%
17.5%

Pro forma (a)

* Includes approximately \$83 million in synergies.

(a) Assumes Folgers transaction had closed on May 1, 2008.

Pro forma

Pro forma

59
Cash Flow From Operations
Cash Flow From Operations
\$ 116
\$ (76)
\$ 192
FY 2008

\$ 400

\$(115)

\$ 515

FY2009

(a)

Pro forma

\$ 430

Free Cash Flow

\$(120)

Capital Expenditures

\$ 550

Cash Flow From Operations

FY 2010

Pro forma

(\$ in millions)

(a) Assumes Folgers transaction had closed on May 1, 2008.

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Debt Profile Supports Continued Growth

Debt Profile Supports Continued Growth

Stronger balance sheet post-closing

Modest leverage and strong cash flow will

facilitate pursuit of shareholder value

Investments

Acquisitions

Share repurchase / dividends

(a) Assumes Folgers transaction had closed on May 1, 2008.

2009

Standalone Smucker

2009

(a)

Combined Smucker

Total Debt

\$790mm

\$1,440mm

Debt / EBITDA

2.1x

1.8x

Interest Coverage

8.1x

9.7x

Cash Flow / Allocation of Cash
(after expiration of two year repurchase limitation)
Cash Flow / Allocation of Cash
(after expiration of two year repurchase limitation)
5-Year Historic Use of Cash
28%
28%

22%

22%

Acquisition

Capital

Expenditures

Stock Repurchase

Dividends

Free Cash Flow

Cash

From

Operations

Dividends

Acquisition

Repurchase

CapEx =

2½

-

3% of Sales

CapEx =

2½

-

3% of Sales

61

62

One-Time Costs

One-Time Costs

Estimating \$100 million over next 24 months

Estimate 75% of total will be charged to expense,

while 25% capitalized to goodwill

Consistent treatment under merger and integration costs on income statement

Key costs

Bankers, legal, accounting, valuation services fees

Retention, bonuses, and other employee-related expenses

Training

Information system integration

Relocation of inventories

Primarily cash related expenses

63

Why Invest in Smucker?

Why Invest in Smucker?

A history and culture of solid returns

Clear strategy of owning a strong portfolio of

#1 brands

Strategic acquisition of Folgers

Enhances #1 brand portfolio

Increases market categories from \$8 billion to \$15 billion

Creates sales growth to \$5 billion company

Accretive transaction

Significantly enhances cash flow

64

Why Invest in Smucker?

Why Invest in Smucker?

Strong cash flow and balance sheet

Continuity of management

Current value of Smucker stock vs. peers

Strong forecasted results in current fiscal year

Special \$5.00 dividend in calendar 2008

Current share performance vs. peers

65

Additional Information

Additional Information

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