

SMUCKER J M CO  
Form 425  
October 08, 2008

Investor Presentation

October 2008

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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-6

Under the Securities Exchange Act of 1934

Subject Company: The J. M. Smucker

Company

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152451

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.

The  
projected  
financial data included in this presentation reflect numerous estimates and assumptions relating to, among other things,  
the  
ability  
of  
Smucker  
to  
successfully  
operate

P&G's  
coffee  
business

(the  
Coffee  
Business )  
outside

of  
P&G  
and

Smucker's existing business operations and are subject to significant economic, industry and competitive uncertainties,  
including  
those

risk  
factors  
referenced  
below,

and,  
accordingly,  
such

data  
may  
not

be  
indicative  
of  
future  
results.

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

the  
following  
important  
factors  
and  
assumptions,  
could  
affect  
the  
future  
results  
of  
Smucker  
following  
the

transactions between P&G and Smucker (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, peanuts, 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; (v) the success and cost of introducing new products and the competitive response; (vi) 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; (vii) general competitive activity in the market, including competitors pricing practices and promotional spending levels; (viii) 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; (ix) the loss of significant customers or a substantial reduction in orders from these customers or the bankruptcy of any such customer; (x) 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; (xi) the ability of Smucker and Folgers to obtain any required financing; (xii) the timing and amount of Smucker's capital expenditures, restructuring, and merger and integration costs; (xiii) the outcome of current and future tax examinations and other tax matters, and their related impact on Smucker's tax positions; (xiv) foreign currency and interest rate fluctuations; (xv) other factors affecting share prices and capital markets generally; and (xvi) 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 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 presentation. 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.

1

2  
Transaction Overview  
Transaction Overview

The transaction is structured as an exchange offer followed by a merger

Tendering P&G shareholders will exchange their P&G shares for shares in Smucker

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

Smucker to finance special dividend

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

~63MM shares will be issued as part of the transaction

~118MM shares outstanding for the combined Smucker

If the split-off is consummated but not fully subscribed, P&G will distribute remaining Folgers shares (which will be converted into Smucker shares) to its shareholders on a pro-rata basis

Tendering & Accepted

Shareholders

Non-Tendering

Shareholders

Variable

Cap

12%

20%

Discount

3

Why Invest in Smucker?

Why Invest in Smucker?

A history of solid returns

Clear strategy of owning a strong portfolio of



#1 brands

Making great brands better

Addition of an iconic #1 brand with *Folgers*

Enhanced estimated cash flow, margins,  
and strong balance sheet

Unique culture

®

4

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

5  
Share Price Performance  
Share Price Performance  
\$0  
\$500  
\$1,000  
\$1,500

\$2,000  
\$2,500  
\$3,000  
S&P 500  
DJIA  
SJM

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 = 10.3%

APR = 10.3%

APR = 6.2%

APR = 6.2%

APR = 5.8%

APR = 5.8%

Base = \$20

Base = \$20

SJM

versus

Major

Indices

November

30,

1959

through

September

30,

2008

6  
\$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 FY2008 = 15%

10-Year CAGR through FY2008 = 16%

Sales Growth

Sales Growth

\$1.4B

\$2.2B

\$2.5B

7  
Income Growth  
Income Growth  
\$0.0  
\$50.0  
\$100.0  
\$150.0



\$200.0  
FY2002  
FY2003  
FY2004  
FY2005  
FY2006  
FY2007  
FY2008  
Net Income

\$30.9

\$96.3

\$129.1

\$157.2

\$111.4

\$143.4

\$170.4

5-Year CAGR through FY2008 = 12%

10-Year CAGR through FY2008 = 18%

(\$ in Millions)

8

Vision Statement

Vision Statement

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

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

Acquisition of other leading food brands

Enhanced Center-of-Store Strategy  
Enhanced Center-of-Store Strategy  
ABC Store

Greater  
relevance to  
retailers

Destination  
category

Enhanced cross  
promotional  
opportunities

Capitalize on  
relationship with  
sales agent

Distribution  
efficiency  
Center-of-the-store is an important profit center for retailers

10  
Pro Forma Sales by Category  
Pro Forma Sales by Category  
42%  
42%  
21%  
21%

25%  
25%  
12%  
12%  
Spreads  
Baking  
All Other  
Coffee  
Estimated After Transaction  
(1)  
(1)  
Based  
on  
FY2008  
Smucker  
adjusted  
for  
approximately  
\$1.8B  
of  
FY2008  
Folgers  
net  
sales.

11  
Source: IRI 52 Week Ending 9/7/08 --  
TTL Grocery, Mass, Drug & Walmart Panel  
Does NOT include Private Label  
Smucker Market Share Leadership  
Smucker Market Share Leadership  
#1 in 8 out of 13 categories



Folgers adds another #1 market share  
% Dollar Share of Category

12  
Growing Market Opportunity  
Growing Market Opportunity  
\$15.0  
\$8.0  
\$3.0  
\$1.0

FY 2002

FY 2004

FY2005

FY2009E

Market opportunity (\$ in billions)

Greater opportunity as share of  
market in each category expands

13  
Acquisition Expertise  
Acquisition Expertise  
12 Center-of-Store Transactions in 6 years  
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

(1) Announced June 4, 2008 with expected closing November 2008

14

Making Great Brands Better  
Making Great Brands Better

Increased sales over 40%

Increased market share to

over 40 share points from 34  
share points

Increased operating margin

New products including *Jif*  
®  
snack nuts and *Jif To Go*

Packaging and product  
innovator

Expanded  
Crisco  
®  
brand  
in  
oils  
segment

New products including *Simple*

Measures,  
Crisco  
Puritan  
®  
with  
Omega-3 DHA and *Crisco*  
cooking sprays

15  
Making Great Brands Better  
Making Great Brands Better

Expanded products and  
leveraged existing  
presence



Introduced new line extensions; grew frosting to the #2 brand

Improved product quality and enhanced packaging

Increased sales from \$2 million to \$115 million in ten years

New offerings

Produce five million sandwiches per week in an integrated bakery plant

16  
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  
in  
their  
their  
respective category, with an  
respective category, with an  
emphasis on **North America**  
emphasis on **North America**

17  
Compelling Transaction  
Compelling Transaction

Acquisition  
of  
the

#1  
Folgers  
brand

Addition  
of  
rights  
to  
sell  
Dunkin  
Donuts  
®  
in  
retail

Smucker's first +\$1B brand

Expanding  
Leading Brands  
Strengthened  
Product Portfolio  
Scale Benefits &  
Synergies  
Attractive  
Financial Impact  
(1)

Builds upon established center-of-store strategy

Broadens and diversifies product offering

Provides attractive cross-marketing opportunities

Expect strong synergy opportunities of \$80MM+ annually

Significantly enhances Smucker's scale and expected profitability

Increased financial fundamentals

Expected to increase pro forma EBITDA margins by > 250 bps

Expected to be accretive to earnings  
(2)

Expected to more than triple FCF vs. FY2008 Smucker  
historical

Enhances already strong balance sheet  
(1)

Pro forma FY2009E assumes Folgers transaction had closed on May 1, 2008 and approximately \$80MM in run-rate synergies.

(2)

EPS accretion based on dividend adjusted FY2009 full year run-rate financial projections.

18  
Strength of  
Folgers  
Strength of  
Folgers

Superior brand equity

Highest level of unaided consumer awareness

Strong market leader

#1 retail packaged coffee brand

Leader in product innovation

Folgers  
Crystals

Folgers  
decaffeinated

AromaSeal

plastic  
canister

Folgers Simply Smooth



19  
Dunkin  
Donuts  
Dunkin  
Donuts

Strong presence in

gourmet coffee  
category

Long-term license of  
brand for retail

\$130MM net sales  
from August 2007 to  
June 2008

20  
Percent of Sales from #1 Brands  
Percent of Sales from #1 Brands  
75% of Sales  
Projected to Come  
From #1 Brands

21  
The Best Part of Wakin  
Up  
The Best Part of Wakin  
Up

22  
The Best Way to End the Day  
The Best Way to End the Day

23

Long Term Financial Objectives

Long Term Financial Objectives

Net Sales Growth

Operating Profit

Growth

EPS Growth

Dividend Payment  
6%  
Organic 3-4%  
Acquisitions 2-3%  
8%  
Improve Efficiencies  
Target 40% Payout  
> 8%  
Share Repurchase  
Debt Retirement

24  
Net Sales and EBITDA  
Net Sales and EBITDA  
\$0.0  
\$1.0  
\$2.0  
\$3.0



\$4.0  
\$5.0  
\$6.0  
FY2008  
FY2009E  
FY2010E  
Net Sales  
\$0  
\$250  
\$500  
\$750  
\$1,000  
FY2008  
FY2009E  
FY2010E  
0.0%  
5.0%  
10.0%  
15.0%  
20.0%  
25.0%  
30.0%  
EBITDA  
(Excluding  
Merger  
and  
Integration  
Costs)  
Pro forma (1) (2)  
\$2.5B  
\$4.7B  
\$4.9B  
\$371  
\$820  
\$869  
14.7%  
17.3%  
17.5%  
Pro forma (2)  
(1) Includes approximately \$80 million in run-rate synergies.  
(2) Assumes Folgers transaction had closed on May 1, 2008.  
Pro forma  
Pro forma

25  
Cash Flow From Operations  
Cash Flow From Operations  
4%  
\$ 116  
\$ (76)  
\$ 192

FY2008

7%

\$ 390

\$(115)

\$ 505

FY2009E

(1)

Pro forma

\$ 425

Free Cash Flow

7%

Free

Cash

Flow

Yield

(2)

\$(120)

Capital Expenditures

\$ 545

Cash Flow From

Operations

FY2010E

Pro forma

(\$ in millions)

(1) Assumes Folgers transaction had closed on May 1, 2008 and approximately \$80MM in run-rate synergies.

(2) Based on approximately 57 million shares outstanding and market price of \$49.88 for FY2008 (based on closing price of Smucker shares on April 30, 2008) and approximately 118 million shares outstanding and market price of \$50.69 for FY2009E and FY2010E (based on closing price of Smucker shares on September 30, 2008).



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  
26  
Free Cash Flow  
Free Cash Flow  
Free Cash Flow  
Cash  
From  
Operations  
Cash  
From  
Operations  
Dividends  
Dividends  
Acquisition  
Acquisition  
Repurchase  
Repurchase  
CapEx =  
2½  
-  
3% of Net Sales

27  
Synergy Opportunities  
Synergy Opportunities  
(\$ in millions)  
4%  
\$ 80  
\$ 65

\$ 15

Synergy

Estimate

Total Synergies

Estimated Synergies as % of Projected

2009 Folgers Net Sales

SG&A

COGS

28

Debt Profile Supports

Continued Growth

Debt Profile Supports

Continued Growth

Stronger balance sheet post-closing



Ample liquidity

Modest leverage and strong cash flow will facilitate  
pursuit of shareholder value

Investments

Acquisitions

Share repurchase / dividends

FY2009E

Standalone Smucker

FY2009E

(1)

Combined Smucker

Total Debt

\$790mm

\$1,540mm

Debt / EBITDA

2.1x

1.9x

Interest Coverage

8.1x

8.6x

(2)

(1) Assumes Folgers transaction had closed on May 1, 2008 and approximately \$80MM in run-rate synergies.

(2) Interest coverage assumes an estimated weighted-average borrowing rate of 6.0% on the anticipated financing in part based on three-month forward LIBOR as of October 1, 2008.

29  
Dividends and Share Repurchase  
Dividends and Share Repurchase  
\$0  
\$50  
\$100  
\$150

\$200

\$250

\$300

\$350

\$400

\$450

FY2004

FY2005

FY2006

FY2007

FY2008

FY2009E

Dividends

Share Repurchase

(\$ in millions)

(1) Estimated dividends assumes current quarterly dividend rate, payment of special dividend, and payment of dividend on shares issued in the Transaction for two quarters.

(1)

30  
Core Competencies  
Core Competencies  
Ability to  
Implement  
Ability to  
Implement

Relationships  
Relationships  
Emotional  
Bond  
Emotional  
Bond  
Strategic  
Advantage  
Strategic  
Advantage

31  
Relationships  
Relationships  
Retailers  
Sales Agent  
Employees  
Suppliers

32

Emotional Bond

Emotional Bond

Focus on Consumer

Mealtme Moments

Memorable Tag Lines

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

Choosy Moms Choose Jif

The Best Part of  
Wakin  
Up



33  
Ability to Implement  
Ability to Implement  
Single IS Platform  
Acquisition experience  
Improved Productivity  
\$283

\$552

\$777

\$0

\$300

\$600

\$900

\$1,200

Sales / Employee

( 000 s)

Net

Income

/

Employee

( 000 s)

\$13

\$35

\$52

\$0

\$20

\$40

\$60

\$80

\$100

FY2002

FY2005

FY2008

FY2002

FY2005

FY2008

Continuity of process  
and people

34  
15.0%  
17.0%  
19.0%  
21.0%  
23.0%  
25.0%

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

24.6%

21.6%

21.7%

20.0%

20.3%

20.6%

19.4%

SD&A as % of Net Sales

SD&A as % of Net Sales

35

Why Invest in Smucker?

Why Invest in Smucker?

A history of solid returns

Clear strategy of owning a strong portfolio

of #1 brands

Making great brands better

Addition of an iconic #1 brand with *Folgers*

Enhanced estimated cash flow, margins,  
and strong balance sheet

Unique culture

The J. M. Smucker Company  
The J. M. Smucker Company  
Investor Presentation  
October 2008  
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October 2008

Appendix  
Appendix



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Regulation G Compliance

Regulation G Compliance

You are also reminded that during this presentation, certain non-GAAP financial measures, such as EBITDA and Free Cash Flow may be discussed. These measures should not be considered an alternative to net income, or

any other measure of financial performance or liquidity presented in accordance with generally accepted accounting principles (GAAP). These measures are not necessarily comparable to a similarly titled measure of another company. Please refer to the accompanying slides for information that reconciles these discussed figures with the most comparable GAAP measures.

39  
Reconciliation of Non-GAAP  
Financial Measures  
Reconciliation of Non-GAAP  
Financial Measures  
(\$ in Millions)  
FY2008

Income before income taxes  
\$ 255  
Add (deduct):  
Interest income  
(13)  
Interest expense  
42  
Amortization  
4  
Share-based compensation expense  
12  
Depreciation  
58  
Merger and integration costs  
8  
Cost  
of  
products  
sold  
-  
restructuring  
2  
Other restructuring costs  
3  
EBITDA  
\$ 371

40

Financial Forecasts

Financial Forecasts

The preceding financial forecasts were prepared by Smucker management in evaluating the Transaction. For fiscal years after 2009 through 2013, Smucker assumed compounded annual growth rates for Folgers and Smucker of approximately 2.5% and 5.0%, respectively, for net sales and approximately 3.9% and 6.1%, respectively, for EBITDA, recognizing that year to year increases fluctuate between years.

Synergies

\$ 350

\$ 387

EBITDA

FY2009 Forecast

35

79

Depreciation and amortization

1,304

1,970

Cost of goods sold

\$1,910

\$2,829

Net sales

291

551

Selling, distribution and administration

606

859

Gross profit

Combined EBITDA

315

308

Earnings before interest and taxes

Folgers

Smucker

\$737

83

\$820

(\$ in Millions)

41

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. Smucker has also filed a proxy statement with the SEC which has been sent to  
the  
shareholders  
of  
Smucker.

Shareholders  
are  
urged  
to  
read  
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 can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). The documents 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 & 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 2008 Annual Report on Form 10-K filed with the SEC on August 28, 2008, and its definitive proxy statement relating to its 2008 Annual Meeting of Shareholders filed with the SEC on August 29, 2008.

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Additional Information

Additional Information

P&G, *Folgers*, the Folgers logo, *AromaSeal*, *Folgers Gourmet*

Selections,

The

Best

Part  
of  
Wakin  
Up  
is  
Folgers  
in  
your

Cup,  
Millstone  
and the Millstone logo are the registered trademarks of  
The Procter & Gamble Company. *Pillsbury*, the Pillsbury Logo,  
and Poppin' Fresh the Pillsbury Doughboy are the registered  
trademarks of

The  
Pillsbury  
Company,  
LLC.

Carnation  
is  
the  
registered trademark of Societe des Produits Nestle S.A. *Dunkin'*  
Donuts,

and  
the  
Dunkin'  
Donuts

Logo  
are  
the  
registered

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