

SMUCKER J M CO
Form 425
October 16, 2008

Special Shareholders Meeting
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The J. M. Smucker Company
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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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Company

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14a-

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Forward Looking Statement

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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 for 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 competitor 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 registrant's 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.

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

Folgers Timeline
Folgers Timeline
November
October
P&G Launches
Exchange Offer
October 8

Investor
Roadshows
October 8-24
JMS Pays
Special
Dividend
October 31
Exchange
Offer
Expires
November 5
Transaction
Closes
November 6
Special
Shareholders
Meeting
October 16
Exchange
Ratio
Determined
November 3

Note: This timeline is projected and subject to change.

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

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

\$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

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)

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

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

Compelling Transaction
Compelling Transaction
Expanding
Leading Brands
Strengthened
Product Portfolio
Scale Benefits &

Synergies
Attractive
Financial Impact

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.

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

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

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

The Best Part of
Wakin
Up
The Best Way to
End the Day

Net Sales, EBITDA and
Free Cash Flow

Net Sales, EBITDA and
Free Cash Flow

\$0.0

\$1.0

\$2.0

\$3.0
\$4.0
\$5.0
\$6.0
FY2008
FY2009E
Net Sales

\$0
\$250
\$500
\$750
\$1,000
FY2008
FY2009E
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
\$371
\$820
14.7%
17.3%

Pro forma (2)

(1)
Includes approximately \$80 million in run-rate synergies.

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

(3)
Free
cash
flow
for
FY2008
is
cash
flow
from
operations
of
\$192MM
less
capital

expenditures

of

\$76MM.

FY2009E Pro forma is cash flow from operations of \$505MM less capital expenditures of \$115MM.

\$0

\$100

\$200

\$300

\$400

FY2008

FY2009E

Free Cash Flow

(3)

(Excluding Merger and Integration Costs)

\$116

\$390

Pro forma (1) (2)

(\$ in Millions)

(\$ in Millions)

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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

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This presentation contains certain non-GAAP financial measures, such as EBITDA and Free Cash Flow. 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.

Additional Information

Smucker and The Folgers Coffee Company (Folgers) have filed registration statements with the U. S. Securities and Exchange Commission (SEC) registering the shares of Folgers common stock and Smucker common shares to be issued to P&G shareholders in connection with the Folgers transaction. In connection with the exchange offer for the shares of common stock of Folgers, P&G filed on October 8, 2008 a tender offer statement with the SEC. P&G shareholders are urged to read the prospectus included in the registration statements, the tender offer statement and any other relevant documents, because they contain important information about Smucker, Folgers and the proposed transaction. The prospectus, tender offer statement and other documents relating to the proposed transaction can be obtained free of charge from the SEC 's website at www.sec.gov. The documents can also be obtained free of charge 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, or from Smucker upon written request to The J. M. Smucker Company, Shareholder Relations, Strawberry Lane, Orrville, Ohio 44667 or by calling (330) 684-3838.

This communication 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. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.