



McCormick Reports Improved Sales And Profits

June 16, 1998
 SPRINGFIELD, N.J. — McCormick & Company Incorporated (NASDAQ:MCCB), today reported higher sales and profits for the second quarter and first six months. Earnings per share for the quarter were 22¢ versus 20¢ for the second quarter of the prior year, an increase of 10%. Net income was \$16.1 million versus \$14.8 million for the second quarter of last year, an increase of 9%. Net sales for the quarter were \$435 million, an increase of 5% over the second quarter of 1997. Earnings per share for the first six months were 44¢, up 13% over the same period of 1997. Net sales for the six months were \$851 million versus \$821 million last year, an increase of 4%.

Commented Robert J. Lewless, President & CEO, "We are pleased with double-digit sales growth in the second quarter in our U.S. consumer business. The growth initiatives for our consumer business are properly focused and beginning to result in improved results for this important segment of our business. New distribution announced in March did not materially contribute to this performance but will favorably impact future results. We continue to experience market softness in our packaging business, but we expect improvement over the last half of the year. In summary, our balance sheet is strong, and we believe that sales and profit growth will continue for the remainder of the year."

Second Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

(in thousands except per-share data)

	Three months ended	Six months ended	
	5/31/98	5/31/97	5/31/98
NET SALES	\$435,453	\$413,700	\$850,455
Cost of goods sold	294,165	279,257	576,195
Gross profit	141,288	134,443	274,460
Percentage	32.4%	32.5%	32.3%
Selling, general and administrative expense	110,849	105,817	213,992
Operating income	30,439	28,646	60,468
Interest expense	9,358	9,583	17,687
Other (income) expense - net	(1,226)	(1,762)	(2,341)
Income before income taxes	22,257	21,245	45,512
Provision for income taxes	8,048	7,860	16,384
Net income from consolidated operations	14,309	13,385	29,128
Income from unconsolidated operations	1,782	1,426	3,172
NET INCOME	\$ 16,091	\$ 14,811	\$ 32,300
EARNINGS PER SHARE - BASIC	\$0.22	\$0.20	\$0.44

Average shares outstanding - basic 73,457 75,761 73,815 76,536

EARNINGS PER SHARE - DILUTED \$0.22 \$0.20 \$0.44 \$0.39

Average shares outstanding - diluted 74,159 75,949 74,221 76,711

Condensed Consolidated Balance Sheet (Unaudited)

5/31/98 5/31/97

Assets

Receivables 1,172,906 \$ 1,185,929

Inventories 275,050 253,143

Prepaid allowances 158,083 146,033

Property - net 388,023 388,356

Other assets 265,003 300,514

Total assets \$1,252,065 \$1,269,275

Liabilities and shareholders' equity

Short-term borrowings 1,233,600 1,188,024

Other current liabilities 299,965 335,440

Long-term debt 258,971 277,818

Other liabilities 88,942 85,684

Shareholders' equity 372,537 382,309

Total liabilities and shareholders' equity \$1,252,065 \$1,269,275