



McCormick Reports 40% Increase in First Quarter Earnings Per Share

March 14, 2000		
SPRING, Md., March 14 (PRNewswire) - McCormick & Company, Incorporated (NYSE: MCC), today reported record sales and earnings per share for the first quarter of 2000.		
Earnings per share for the quarter ended February 28 were 38 cents, an increase of 40% over 1999's earnings per share of 28 cents. Net sales for the quarter were \$462 million, up 2% over the first quarter of 1999. In the quarter, the Company's gross profit margin increased to 35.4% from 32.9%, and operating profit rose 12%, excluding special charges. These results were achieved through a combination of cost reduction and a continued shift in sales toward more value-added products, particularly in the Industrial business. Unconsolidated income for the quarter was \$6.1 million versus \$1.7 million last year. Net income rose 34% for the quarter.		
Consumer Business		
Sales for McCormick's consumer business were up 2% over last year's first quarter. In local currency, sales were up 7% in the Americas, 2% in Europe, and 20% in Asia. Sales growth was driven by more effective promotions, new products, and new distribution. Operating profit ended the quarter 12% ahead of 1999's first quarter, and as a percent of net sales rose to 12.8% from 12%.		
Industrial Business		
Industrial sales rose 2% for the quarter. Sales to warehouse clubs and foodservice distributors continued to show a strong performance within this segment. Sales in Europe declined during this period due to a very competitive environment. As the product mix for McCormick's industrial business shifts to more value-added products, margins are improving. Strong operating profit improvement this quarter was dampened by a \$4-million write-off due to the bankruptcy of a major foodservice distributor. Operating profit ended the quarter 12% ahead of 1999's first quarter and as a percent of net sales rose to 7% from 5.2%.		
Packaging Business		
The packaging business reported sales up 7% as a result of success in gaining new product distribution with existing customers. Operating profit increased 38% over last year's quarter and as a percent of sales rose to 12.0% from 8.0%.		
Comment: Robert J. Lantieri, Chairman, President & CEO: "We are off to a strong start for 2000. Each of our three segments - consumer, industrial and packaging - contributed positively to the sales, gross profit margin, and operating profit improvement. McCormick's unconsolidated operations got back on track in 1999 and had an excellent performance in this first quarter. The outstanding results we had this quarter provide the opportunity to further support our brands while having the potential to exceed the 11-14% earnings per share goal we set for this year.		
"As further indicators of our confidence in the business and supported by our strong cash flow, the Company repurchased 1.4 million shares or 2% of its outstanding shares during the quarter.		
"These key drivers of our performance continue to be growth in branded products, technical innovation, and efficiencies in processes and asset utilization. We are enthusiastic about our progress and are confident that 2000 will be another excellent year for McCormick."		
Forward Looking Statements		
Certain information contained in this release, including expected trends in net sales and earnings performance, are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's current views and assumptions, and involve risks and uncertainties that could be materially affected by external factors such as actions of competitors, customer relationships, fluctuations in the cost and availability of supply chain resources and foreign economic conditions, including currency rate fluctuations.		
About McCormick		
McCormick & Company, Incorporated is the global leader in the manufacture, marketing and distribution of spices, seasonings and flavors to the entire food industry - to foodservice and food processing businesses as well as to retail outlets. In addition, the packaging group manufactures and markets specialty plastics, bottles and tubes for personal care and other industries.		
McCormick & Company, Incorporated First Quarter Report Consolidated Income Statement (Unaudited) (In thousands, except per share data)		
Three Months Ended		
2000 2099		
NET SALES		
Consumer	\$203,092	\$191,589
Industrial	\$171,301	\$155,627
Packaging	42,010	39,287
Total net sales	416,403	386,503
Cost of goods sold	268,511	256,204
Gross profit	147,892	130,299
Gross profit margin	35.4%	32.9%
Selling, general & administrative expenses	125,938	111,355
Special charges	500	31
Operating income	21,454	18,913
Interest expense	7,406	8,134
Other expense	1,445	234
Income before income taxes	12,603	10,545
Income taxes	3,189	2,562
Net income from consolidated operations	\$9,414	\$7,983
Income from unconsolidated operations	4,565	1,746
NET INCOME	\$13,979	\$9,729
EARNINGS PER SHARE - BASIC AND ASSUMING DILUTION		
Average shares outstanding - basic	69,537	72,326
Average shares outstanding - assuming dilution	69,618	72,953
Note: Net income of \$13,979 and \$9,729 has been recalculated from		
Other expense to Selling, general & administrative expense for 2000 and 1999,		
respectively.		
Condensed Consolidated Balance Sheet (Unaudited)		
(In thousands)		
2000 2099		
Assets		
Receivables	\$180,622	\$176,367
Inventory	247,336	246,392
Prepaid expenses	123,524	153,729
Property, plant and equipment, net	362,356	372,209
Other assets	286,477	268,469
Total assets	\$1,200,295	\$1,217,166
Liabilities and shareholders' equity		
Short-term borrowings	\$188,172	\$195,364
Other current liabilities	37,881	31,935
Long-term debt	235,073	235,073
Other liabilities	96,992	99,225
Shareholders' equity	383,077	365,569
Total liabilities and shareholders' equity	\$1,200,295	\$1,217,166

