



McCormick Reports Improved First Quarter Results

March 17, 1988
SPRING, MD. MARCH 17. — McCormick & Company, Incorporated (NASDAQ: MCCO), today reported first quarter earnings per share of 22¢ versus 20¢ for the prior year, an increase of 10%. Net income was \$16.2 million versus \$15.2 million for the first quarter of last year, an increase of 7%. Net sales for the quarter were \$415 million, up 2% over the first quarter of 1987.
The Company experienced sales growth in all parts of its business with the exception of the U.S. consumer and packaging businesses. First quarter sales in the U.S. Industrial and Foodservice business achieved double-digit growth. Commented Robert J. LaBrec, President & CEO, "Our immediate objective is growing the U.S. consumer business. While first quarter consumer sales fell short of expectations, we believe that new pricing and promotional programs, together with the rebound of dry seasoning mixes currently being implemented, will create renewed growth in our consumer products over time. In addition, we were recently successful in gaining significant new distribution, the benefits of which will begin to appear later in the year."
"Our Industrial and Foodservice business continues to perform well, and we had modest improvement in sales and profit in Europe and Asia/Pacific. Our packaging business experienced weak first quarter sales due to a general market softness, principally for plastic tubes, which we believe will turn more favorable in the second quarter."

First Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

(In thousands except per share data)

	Three months ended	
	2/28/88	2/28/87
Net Sales	\$ 415,202	\$ 407,402
Cost of goods sold	292,030	270,485
Gross profit	123,172	136,917
Percentage	29.7%	33.6%
Selling, general and administrative expense	102,143	108,264
Operating income	21,029	28,653
Interest expense	8,389	8,501
Other (income) expense - net	(1,515)	(1,528)
Income before income taxes	12,225	18,630
Provision for income taxes	8,33	7,94
Net income from consolidated operations	14,819	13,532
Income from unconsolidated operations	1,390	1,483
NET INCOME	\$ 16,209	\$ 15,215
EARNINGS PER SHARE - BASIC	\$0.22	\$0.20
Average shares outstanding - basic	9 73.75	77.23
EARNINGS PER SHARE - DILUTED	\$0.22	\$0.20
Average shares outstanding - diluted	74,283	77,420

Condensed Consolidated Balance Sheet (Unaudited)

(In thousands)

	2/28/88	2/28/87
Assets		
Receivables	\$ 171,214	\$ 196,081
Inventory	268,133	249,468
Prepaid expenses	150,243	149,550
Property - net	380,240	394,820
Other assets	267,693	310,040
Total assets	\$1,237,523	\$1,300,126

Liabilities and shareholders' equity

Short-term borrowings	\$ 193,991	\$ 188,226
Other current liabilities	310,508	326,549
Long-term debt	266,526	286,338
Other liabilities	89,649	85,914

Shareholders' equity	377,629	400,000
Total liabilities and shareholders' equity	\$1,237,523	\$1,300,126