



McCormick Reports Third Quarter Results

September 16, 1998
SPARKS, MD, SEPT. 16 – McCormick & Company, Incorporated (NASDAQ: MCCRK), today reported third quarter earnings per share of 29¢ versus 27¢ for the prior year, an increase of 7%. Net sales for the quarter were \$445 million, up 5% over the third quarter of 1997.

Earnings per share for the nine months ended August 31 were 75¢, up 11% over the comparable period last year. Net sales for the nine months were \$1.2 billion, an increase of 4%.

The Company's U.S. food business had another record quarter, recording a 10% sales increase and a comparable operating profit increase due in part to distribution gains announced earlier this year. Overall results were dampened, however, by unfavorable currency exchange rates in a number of foreign markets, and the Company's plastic packaging business has been impacted by persistent weak market conditions in Asia.

Commerce Secretary Robert L. Lighthizer, President & CEO, "This marks the eighth consecutive quarter of earnings improvements. We are pleased with performance for the quarter, which was driven by our U.S. consumer business. We continue to be challenged by weak foreign currencies in certain countries and the negative impact of the Asian economy on our packaging business.

"Overall, sales continue to grow. Our underlying business is strong, and we expect that our growth will continue into the fourth quarter and beyond."

Consolidated Income Statement

(In thousands except per-share data)

	Three months ended	Year ended
Unaudited		
11/30/98	\$98,699	\$558,974
NET SALES	357,509	338,060
Cost of goods sold	228,189	212,222
General selling, and administrative expenses	39,795	39,386
Percentage	11.1%	34.5%
Selling, general and administrative expense	1,116	1,146
Restructuring charge (credit)	1,507	1,215
Operating income	83,125	77,659
Other income, net	9,622	9,281
Interest expense	(3,750)	(3,687)
Income from discontinued operations, net	(3,970)	(6,640)
Income from continuing operations	73,790	73,769
Income taxes	7,713	26,791
Net income from consolidated continuing operations	49,079	45,079
Net income from discontinued operations	1,000	2,330
Net income from continuing operations	50,079	47,409
Net income from discontinued operations	50,079	47,409
net of income taxes	1,000	2,330
NET INCOME	\$ 50,078	\$ 46,190
EARNINGS PER SHARE - BASIC	\$ 0.46	\$ 0.38
Discontinued operations	\$ 0.49	\$ 1.42
EARNINGS PER SHARE - BASIC	\$ 0.49	\$ 1.42
Average shares outstanding - BASIC	72,668	74,397
EARNINGS PER SHARE - DILUTED	\$ 0.49	\$ 0.49
Continuing operations	\$ 0.48	\$ 0.65
Discontinued operations	-	\$ 1.41
EARNINGS PER SHARE - DILUTED	\$ 0.48	\$ 0.65
Average shares outstanding - diluted	73,242	74,606

Consolidated Balance Sheet

(In thousands)

	11/30/98	11/30/97
Assets		
Receivables	\$ 212,804	\$ 217,198
Inventories	250,891	252,084
Property, plant and equipment	543,722	535,943
Property - net	371,032	380,015
Other assets	21,000	19,795
Total assets	\$ 1,209,053	\$ 1,256,232
Liabilities and shareholders' equity		
Short-term borrowings	\$ 10,479	\$ 121,302
Other current liabilities	354,255	376,947
Long-term debt	203,363	216,489
Other long-term liabilities	102,358	88,538
Shareholders' equity	388,171	393,110
Total liabilities and shareholders' equity	\$ 1,259,053	\$ 1,256,232