McCormick Reports Strong Sales and Profits for Second Quarter

June 16, 1999

SPARKS, MD, JUNE 16 - - McCormick & Company, Incorporated (NYSE:MKC), today reported strong sales and earnings per share for the second quarter of 1999 on a comparable basis with 1998. Earnings per share before the effect of previously announced special charges were 28¢ for the quarter versus 22¢ for the prior year, an increase of 27%. For the first half, the Company reported comparable earnings per share of 53¢, an increase of 20% over earnings per share of 44¢ for the prior year. Including the special charges, earnings per share were 8¢ for the second quarter and 33¢ for the first half.

Net sales for the quarter were $468 million, up 8% over the second quarter of 1998. Second quarter sales rose 8% for both the Company's worldwide consumer food business and the industrial and food service businesses. Before special charges, operating income for the global food businesses increased more than 15%. Sales for the Company's packaging business rose 4%, and operating income increased at a similar rate. For the first half, net sales were $910 million, an increase of 7% over 1998.

In the quarter, gross margins increased to 33.7% from 32.4% in 1998. Compared to the second quarter of 1998, quarter end inventories were 5% lower, and operating cash flow improved by $22 million.

Commented Robert J. Lawless, Chairman, President & CEO, "We are extremely pleased with progress toward achieving our 1999 targets. Sales growth initiatives and improvements in all areas of our operations contributed to another successful quarter. Again this quarter, our consumer programs in the U.S. boosted sales of the Company's branded products. Supply chain management, programs to improve manufacturing efficiencies, and working capital management are underway in our consumer, industrial and packaging operations worldwide. These efforts continue to deliver good results as evidenced by gross margin improvement, inventory reduction, and operating cash flow.

"Our excellent results and positive momentum during the first six months give us confidence that 1999 will be a very successful year for McCormick."

Second Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

(in thousands except per-share data)

	Three months ended		Six months ended	
	5/31/99	5/31/98	5/31/99	5/31/98
NET SALES	$468,178	$435,453	$909,721	$850,655
Cost of goods sold	310,443	294,165	606,647	576,195
Gross profit	157,735	141,288	303,074	274,460
Percentage	33.7%	32.4%	33.3%	32.3%
Selling, general and administrative expense	122,084	110,238	234,762	213,313
9 Special charges	14,665	611	14,66 5	67
Operating income	20,986	30,439	53,647	60,468
Interest expense	8,154	9,308	16,288	17,697
Other (income) expense, net	(1,181)	(1,226)	(2,276)	(2,741)
Income before income taxes	14,013	22,357	39,635	45,512
Income taxes	10,274	8,048	19,472	16,384
Net income from consolidated operations	3,739	14,309	20,163	29,128
Income from unconsolidated operations	2,057	1,782	3,803	3,172
NET INCOME	$5,796	$16,091	$23,966	$32,300
EARNINGS PER SHARE - BASIC AND DILUTED	$0.08	$0.22	$0.33	$0.44
Average shares outstanding - basic	71,502	73,457	71,922	73,615
Average shares outstanding - diluted	71,919	74,159	72,430	74,231

Condensed Consolidated Balance Sheet (Unaudited)

(in thousands)

	5/31/99	5/31/98
Assets		
Receivables	$182,866	$173,906
Inventories	262,201	275,050
Prepaid allowances	150,255	158,083
Property, plant and equipment, net	366,593	380,023
Other assets	260,651	265,003

Total assets	$1,222,566	$1,252,065
Liabilities and shareholders' equity		
Short-term borrowings	$206,678	$231,650
Other current liabilities	320,766	299,965
Long-term debt	243,401	258,971
Other liabilities	100,675	88,942
Shareholders' equity	351,046	372,537
Total liabilities and shareholders' equity	$1,222,566	$1,252,065