



McCormick Reports 15% Increase in Third Quarter Earnings Per Share

September 19, 2000
 SPANICE, Mr. Sean, 19 PPM/newsman... McCormick & Company, Incorporated (NYSE: MCC), today reported record sales and earnings per share for the third quarter of 2000. Earnings per share for the quarter ended August 31 were 45 cents, an increase of 15% over 1999's earnings per share of 39 cents, excluding special charges. Net sales were \$458 million, up 4% over the third quarter of 1999, and 5% excluding the impact of foreign currency. The Company's gross profit margin increased to 34.2% from 34.4%. Gross profit margin continues to be positively impacted by cost reductions and a continued shift in sales toward more value-added products, particularly in the industrial business.

Consumer Business
 Sales for McCormick's consumer business rose 4% over last year's third quarter and 6% excluding the impact of foreign currency. In local currency, consumer sales were up 6% in the Americas, 2% in Europe, and 12% in Asia. These sales were primarily volume-driven and benefited from effective promotions and new products. Operating profit for the quarter was \$31.6 million, 17% ahead of 1999's third quarter. As a percent of sales, operating profit rose to 15.6% from 14.0%.

Industrial Business
 Industrial sales rose 3% for the quarter and 4% excluding the impact of foreign currency. In local currency, industrial sales were up 4% in the Americas, unchanged in Europe, and up 11% in Asia. In the Americas, sales to U.S. wholesale clubs and distributors continue to be strong as well as industrial sales in Mexico and Canada. With a move to more value-added products, reduced costs and improved supply chain management, gross profit margin in this segment continues to improve. Operating profit for the quarter was \$23.3 million, a 4% increase over the prior year. As a percent of net sales, operating profit margin rose to 9.5% from 8.4%.

Packaging Business
 The packaging business reported third-quarter sales up 5% for the quarter over last year, with the increase primarily in sales. Operating profit (including intersegment business) was \$4.9 million, a decrease of 7%. The decrease was due to this quarter's product mix in the plastic bottle business as well as increased main costs. As a percent of total sales, operating profit (including intersegment business) declined to 8.7% from 10.2%.

Dixie Acquisition
 The Company completed its acquisition of Dixie on August 31, 2000. Accordingly, operating results for this business will be included in the fourth quarter. Due to the recent nature of the transaction, the net assets acquired are still reflected in Other Assets. Debt issued for the acquisition is included in Short-Term Borrowings, which the Company expects to refinance as long-term debt in the near future.

Commented Robert J. Snelkes, Chairman, President & CEO, "With one quarter remaining, we expect fiscal 2000 to be a record year in sales and earnings. Gross profit margin improvement continues to be a driving force in our success, and we have begun to see margin improvement underway to build on this improvement during the next few years. Investment in support of brand building has never been higher and will be a key factor in sustaining a consistent and improving financial performance."

"With the acquisition of Dixie, we have gained a leading share in Europe. Actions to reorganize this business and build upon our continued strength are well underway. We are extremely pleased to join forces with a premier brand and terrific team."

"We are certainly pleased with our results through the third quarter. As we begin our important fourth quarter, we are confident that our performance will remain strong. We expect to achieve earnings per share growth in the 16-18% range for fiscal year 2000, well ahead of our initial goal of 11-14%."

"Based on McCormick's strong financial performance we believe earnings and superior execution. I am confident that the efforts and talent of our employees around the world will continue to build value for our shareholders. Our momentum is increasing, and we look forward with enthusiasm to 2001."

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 and 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 & Co., Inc. is the global leader in the production, marketing and distribution of spices, seasonings and flavors to the entire food industry.

• In foodservice and food processing businesses we sell to retail outlets. In addition, the packaging group manufactures and markets specialty plastic bottles and tubes for personal care and other industries.

Consolidated Income Statement (Amounts in thousands except per share data)

	Three Months Ended	Two Months Ended	Three Months Ended
	8/31/00	8/31/99	8/31/99
NET SALES			
Consumer	\$207,807	\$193,210	\$460,935
Industrial	686,692	249,530	705,164
Packaging	46,404	42,041	132,324
Total Net Sales	\$940,903	\$484,781	\$1,298,423
Total Net Sales	\$928,866	\$476,511	\$1,443,902
Total of goods sold	\$2,071	\$2,027	\$6,524
Cost of goods sold	\$172,855	\$144,229	\$371,349
Gross profit margin	34.9%	34.4%	35.1%
Selling, general & administrative expenses (a)	120,403	118,223	374,140
Special charges	57	8,099	1,053
Operating income	\$52,966	\$42,647	\$132,676
Interest expense	9,099	8,231	24,808
Other expenses (b)	1,253	485	4,023
Income before income taxes	\$41,969	\$33,751	\$103,775
Income taxes	14,650	12,948	38,768
Net income from consolidated operations	\$27,319	\$20,803	\$65,007
Income from unconsolidated operations	4,224	4,514	13,497
NET INCOME	\$31,543	\$25,317	\$78,504
EARNINGS PER SHARE - BASIC	\$0.46	\$0.39	\$1.16
Average shares outstanding - basic	68,425	71,220	68,008
EARNINGS PER SHARE - DILUTED	\$0.45	\$0.38	\$1.15
Average shares outstanding - diluted	69,047	71,800	69,611

(a) For the quarter, Royalty income of \$3,626 and \$1,557 has been reclassified from Other expenses to Selling, general & administrative expenses for 2000 and 1999, respectively. For the two months ended, Royalty income of \$7,548 and \$4,140 has been reclassified from Other expenses to Selling, general & administrative expenses for 2000 and 1999, respectively.

(b) For the quarter, Earnings Per Share - Assuming Dilution, excluding special charges were \$0.16 and \$0.20 for 2000 and 1999, respectively. For the two months ended, Earnings Per Share - Assuming Dilution, excluding special charges were \$1.16 and \$0.92 for 2000 and 1999, respectively.

Condensed Consolidated Balance Sheet (Amounts in thousands)

Assets

Receivables	518,456	518,294
Investments	274,110	271,452
Prepaid expenses	14,216	136,653
Other assets and equipment, net	55,848	84,458
Other assets (1)	68,000	278,111
Total assets	\$1,610,539	\$1,233,943
Liabilities and shareholders' equity		
Short-term borrowings	36,632	521,020
Other current liabilities	321,585	325,766
Long-term debt	223,324	242,197
Other liabilities	101,289	101,680
Shareholders' equity	267,499	256,260
Total liabilities and shareholders' equity	\$1,610,539	\$1,233,943

(1) Other assets include all of the net assets of Dorco acquired on August 31, 2000. The acquisition was funded by short-term borrowings, which the Company expects to refinance as long-term debt in the near future. SOURCE: McCormick & Company, Incorporated
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