

Adjusted operating income	\$ 179	\$ 163	\$ 459	\$ 381
% increase (decrease) versus prior period	11%	8%	27%	20%
Income from unconsolidated operations	\$ 81	\$ 37	\$ 242	\$ 270
Impact of special charges attributable to non-controlling interests (1)	—	(18)	—	(18)
Adjusted income from unconsolidated operations	\$ 81	\$ 19	\$ 242	\$ 252
Net income	\$ 127.7	\$ 57.6	\$ 246.8	\$ 252.4
Impact of special charges (2)	3.4	14.2	7.4	48.3
Impact of sale special charges attributable to non-controlling interests (1)	—	(18)	—	(18)
Adjusted net income	\$ 131.1	\$ 59.8	\$ 254.2	\$ 282.7
% increase versus prior period	12%	9%	27%	20%
Earnings per share - diluted	\$ 1.00	\$ 0.76	\$ 2.46	\$ 1.95
Impact of special charges (2)	0.03	0.11	0.05	0.30
Impact of sale special charges attributable to non-controlling interests (1)	—	(0.03)	—	(0.03)
Adjusted earnings per share - diluted	\$ 1.03	\$ 0.84	\$ 2.51	\$ 2.25
% increase versus prior period	12%	10%	27%	20%

(1) Represents the portion of the Kuhnert total special charge of \$13.0 million attributable to Kuhnert's 10% minority stakeholder.
(2) For net income, special charges of \$4.3 million and \$8.8 million for the three months and nine months ended August 31, 2016 and \$15.1 million and \$22.5 million for the three and nine months ended August 31, 2015, net of taxes of \$0.9 million, \$2.4 million, \$1.1 million and \$1.7 million, respectively.

Percentage change in sales and adjusted operating income versus the current fiscal year and the corresponding period of the prior fiscal year. Constant currency growth rate follow:
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Percentage Change in Dollars	Three Months Ended August 31, 2016		Percentage Change in Constant Currency Basis
	2016	2015	
Net sales	11%	8%	8%
Consumer segment	7.0%	(0.20%)	7.7%
Europe	(2.0%)	(3.0%)	0.5%
Asia/Pacific	5.0%	(1.0%)	11.0%
Total consumer segment	2.0%	(1.0%)	6.0%
Industrial segment	2.0%	22.0%	4.2%
Europe	(1.0%)	(2.0%)	5.1%
Asia/Pacific	4.0%	24.0%	3.0%
Total industrial segment	1.0%	14.0%	4.2%
Total net sales	11%	8%	8%
Adjusted operating income	11.1%	(0.20%)	11.6%
Consumer segment	10.2%	(0.20%)	11.0%
Industrial segment	11.9%	19.0%	12.2%
Total adjusted operating income	11.2%	7.7%	12.0%

Percentage Change in Dollars	Nine Months Ended August 31, 2016		Percentage Change in Constant Currency Basis
	2016	2015	
Net sales	8%	8%	8%
Consumer segment	5.2%	(0.71%)	6.0%
Europe	(0.20%)	(2.0%)	11.0%
Asia/Pacific	1.1%	(1.3%)	5.4%
Total consumer segment	1.7%	(0.20%)	7.0%
Industrial segment	2.0%	22.0%	4.2%
Europe	(1.0%)	(2.0%)	5.1%
Asia/Pacific	3.0%	24.0%	3.0%
Total industrial segment	1.0%	14.0%	4.2%
Total net sales	8%	8%	8%
Adjusted operating income	7.4%	(1.6%)	8.0%
Consumer segment	6.2%	(1.6%)	7.0%
Industrial segment	8.5%	19.0%	11.2%
Total adjusted operating income	8.3%	(0.20%)	11.2%

To present the percentage change in projected 2016 sales, adjusted operating income and adjusted earnings per share on a constant currency basis, projected sales and adjusted operating income for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the company's budgeted exchange rate for 2016 and are compared to the 2015 results. Translated into U.S. dollars using the same 2016 budgeted exchange rate, rather than at the average actual exchange rates in effect during fiscal year 2015. This calculation is performed to arrive at adjusted net income. However, an adjustment is made for the company's share of income in unconsolidated operations that are denominated in currencies other than the U.S. dollar differently than those outstanding for fiscal year 2015 or projected shares outstanding for fiscal year 2016, as appropriate.

Fiscal year 2015 actual results and 2016 projections

(in millions except per share data)	Fiscal Year 2015 Actual		2016 Projection
	2015	2014	
Operating income	\$1,018	\$1,018	\$1,018
Impact of special charges	—	—	—
Adjusted operating income	\$1,018	\$1,018	\$1,018
Earnings per share - diluted	\$3.68	\$3.72	\$ 3.71
Impact of special charges, including special charges attributable to non-controlling interests	0.00	0.00	0.00
Adjusted earnings per share - diluted	\$3.68	\$3.72	\$ 3.68
Percentage change in sales	—%	—%	—%
Impact of foreign currency exchange rates	—%	—%	—%
Percentage change in sales on constant currency basis	—%	—%	—%
Percentage change in adjusted operating income	—%	—%	—%
Impact of foreign currency exchange rates	—%	—%	—%
Percentage change in adjusted operating income on constant currency basis	—%	—%	—%
Percentage change in adjusted earnings per share	—%	—%	—%
Impact of foreign currency exchange rates	—%	—%	—%
Percentage change in adjusted earnings per share on constant currency basis	—%	—%	—%

Live Webcast
As previously announced, McCormick will hold a conference call with analysts live at 8:00 a.m. ET. The conference call will be webcast live via the McCormick web site. Go to www.mccormick.com and follow directions to listen to the call and access the accompanying presentation materials. At this same location, a replay of the call will be available following the live call. Post press releases and additional information can be found at this address.

Forward-looking information
Certain information contained in this release, including statements concerning expected performance such as those relating to net sales, earnings, cost savings, acquisitions and brand marketing support, are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements may be identified by the use of words such as "may," "will," "expect," "should," "intend," "believe" and "plan." These statements may relate to the expected results of operations of businesses acquired by the company, the expected impact of the material costs and going actions in the company's results of operations and gross margins, the expected productivity and working capital improvements, expectations regarding growth potential in various geographies and markets, expected needs in net sales and earnings performance and other financial measures, the expectations of pension and postretirement plan contributions, the holding period and market risks associated with financial instruments, the impact of foreign exchange fluctuations, the adequacy of internally generated funds and existing sources of liquidity, such as the availability of bank financing, the ability to raise additional debt or equity securities and other matters regarding the operations of McCormick's common stock under the existing authorizations.
These and other forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Results may be materially affected by factors such as: damage to the company's reputation or brand name; loss of brand investments; increased cost of prime label or other competitor products; product quality, labeling, or safety concerns; negative publicity about our products; business interruptions due to natural disasters or unanticipated events; actions by, and the financial condition of, competitors and customers; the company's inability to achieve expected earnings; regulatory, legislative, executive, judicial, or other government actions; the lack of successful acquisition and integration of new businesses; issues affecting the company's supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials; government regulations, and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally, including the availability of financing, and interest and inflation rates; the investment return on retirement plans assets; and the costs associated with pension obligations, foreign currency fluctuations, the stability of credit and capital markets, risks associated with the company's information technology systems, the threat of cyber attacks, volatility in the effective tax rate, climate change, infringement of intellectual property rights, and other risks of customers, litigation, legal and administrative proceedings, and other risks described in the company's filings with the Securities and Exchange Commission.

Actual results could differ materially from those projected in the forward-looking statements. The company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

About McCormick
McCormick & Company, Incorporated is a global leader in flavor. With \$4.3 billion in annual sales, the company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry - retail outlets, food manufacturers and foodservice businesses. Every day, no matter where or what you eat, you can enjoy food flavored by McCormick. McCormick Brings Passion to Flavor™

For more information, visit www.mccormick.com

For information contact:
Investor Relations
Jayne Brooks (410) 771-7244 or investor@mccormick.com
Corporate Communications
Lori Robinson (410) 527-4004 or communications@mccormick.com

(Financial tables follow)

Third Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)
(in millions except per share data)

	Three months ended		Nine months ended	
	August 31, 2016	August 31, 2015	August 31, 2016	August 31, 2015
Net sales	\$ 169.1	\$ 155.0	\$ 499.2	\$ 470.1
Cost of goods sold	82.9	42.9	249.9	121.0
Gross profit	86.2	112.1	249.3	349.1
Gross profit margin	51.0%	72.3%	50.0%	74.3%
Selling, general and administrative expenses	28.4	27.1	86.0	80.1
Special charges	0.2	—	0.2	—
Operating income	57.6	85.0	163.1	369.0
Interest expense, net	14.1	11.6	41.7	36.1
Other income, net	3.4	2.9	7.4	10.6
Income from unconsolidated operations	19.9	10.3	58.2	377.3
Income taxes	16.2	31.4	35.4	71.9
Net income from consolidated operations	13.6	8.1	22.8	295.4
Net income from unconsolidated operations	8.1	3.2	24.2	22.7
Net income	\$ 21.7	\$ 11.3	\$ 47.0	\$ 318.1
Earnings per share - basic	\$ 1.01	\$ 0.70	\$ 2.48	\$ 1.37
Earnings per share - diluted	\$ 1.00	\$ 0.70	\$ 2.46	\$ 1.35
Average shares outstanding - basic	126.4	128.0	126.8	126.1
Average shares outstanding - diluted	127.9	129.2	128.2	126.2

Third Quarter Report McCormick & Company, Incorporated

Consolidated Balance Sheet (Unaudited)
(in millions)

	August 31, 2016	August 31, 2015
Assets		
Cash and cash equivalents	\$ 134.2	\$ 104.4
Trade accounts receivable, net	485.3	422.0
Inventory	786.3	771.2
Prepaid expenses and other current assets	108	105
Property, plant and equipment, net	488.9	372.0
Goodwill	491	385
Intangible assets, net	1,811.2	1,802.4
Investments and other assets	424.4	375.1
Total assets	\$ 3,729.5	\$ 3,442.6
Liabilities		
Short-term borrowings and current portion of long-term debt	\$ 258.8	\$ 483.8
Trade accounts payable	361.4	336.1
Other current liabilities	102.9	102.9
Total current liabilities	\$ 723.1	\$ 922.8
Long-term debt	2,227.9	2,025.1
Other long-term liabilities	542.9	311.7
Total liabilities	\$ 3,493.9	\$ 3,259.6
Shareholders' equity		
Common stock	1,882.9	1,833.8
Retained earnings	1,874.2	1,605.1
Accumulated other comprehensive loss	(169.2)	(253.0)
Non-controlling interests	121.7	149.7
Total shareholders' equity	\$ 2,727.6	\$ 2,335.6
Total liabilities and shareholders' equity	\$ 6,221.5	\$ 5,585.2

Third Quarter Report McCormick & Company, Incorporated

Consolidated Cash Flow Statement (Unaudited)
(in millions)

	Nine Months Ended	
	August 31, 2016	August 31, 2015
Operating activities		
Net income	\$ 21.7	\$ 11.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	82.3	78.7
Stock based compensation	19.4	17.0
Goodwill impairment included in special charges	(34.2)	—
Income from unconsolidated operations	(54.4)	(27.0)
Change in operating assets and liabilities	(84.4)	(51.8)
Dividends from unconsolidated affiliates	23.4	17.7
Net cash flow provided by operating activities	\$ 21.7	\$ 15.9
Investing activities		
Acquisition of businesses (net of cash acquired)	(116.3)	(216.9)
Capital expenditures	(87.8)	(70.0)
Proceeds from sale of property, plant and equipment	6.8	6.3
Other	3.4	—
Net cash flow used in investing activities	\$ (193.9)	\$ (280.6)
Financing activities		
Short-term borrowings, net	419.5	214.1
Long-term debt borrowings	—	2.5
Long-term debt repayments	(200.2)	—
Proceeds from exercised stock options	30.4	26.1
Common stock repurchased by purchase	(179.8)	(77.2)
Dividends paid	(102.0)	(105.7)
Net cash flow (used in) provided by financing activities	\$ (132.0)	\$ (120.2)
Effect of exchange rate changes on cash and cash equivalents	(8.0)	(8.2)
Increases in cash and cash equivalents	\$ 18.4	\$ (188.7)
Cash and cash equivalents at beginning of period	\$ 134.2	\$ 104.4

To view the original version on PR Newswire, visit www.prnewswire.com or www.mccormick.com and follow directions to listen to the call and access the accompanying presentation materials. At this same location, a replay of the call will be available following the live call. Post press releases and additional information can be found at this address.

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