

Earnings per share - diluted	\$ 0.79	\$ 0.73	\$ 1.53	\$ 1.46
Impact of special charges above	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Adjusted earnings per share - diluted	\$ 0.81	\$ 0.75	\$ 1.55	\$ 1.48
% change over prior period	5.2 %	5.4 %	2.4 %	2.4 %

(1) Special charges of \$4.7 million and \$3.3 million for the three and six months ended May 31, 2017 and \$3.8 million and \$5.5 million for the three and six months ended May 31, 2016, net of taxes of \$1.3 million, \$2.1 million, \$1.2 million and \$1.5 million, respectively.

Because we are a multi-national company, we are subject to variability of our reported U.S. dollar results due to changes in foreign currency exchange rates. These changes have been stable over the past few years. The impact of the effects of foreign currency exchange or other non-recurring items is an amount expressed "on a constant currency basis" is a non-GAAP measure. We believe that this non-GAAP measure provides additional information that enables enhanced comparison to prior periods excluding the translation effect of changes in rates of foreign currency exchange and provides additional insight into the underlying performance of our operations located outside of the U.S. It should be noted that our presentation basis of amounts and percentage changes on a constant currency basis does not exclude the impact of foreign currency transaction gains and losses that, in the aggregate, are immaterial to our total currency reported results.

Percentage change in sales and adjusted operating income expressed in "constant currency" are presented excluding the impact of foreign currency exchange. To present this information for historical periods, current period results for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the corresponding period of the prior fiscal year. Constant currency growth rates below:

	Three Months Ended May 31, 2017		
	Percentage Change in Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Net sales			
Consumer segment	4.8%	(8.3)%	5.1%
ASEA	8.0%	(4.4)%	(4.8)%
AsiaPac/CI	10.0%	(2.6)%	14.6%
Total consumer segment	7.3%	(5.8)%	4.5%
Industrial segment	6.4%	(1.4)%	7.8%
ESEA	11.0%	(1.9)%	12.9%
AsiaPac/CI	12.1%	(1.3)%	23.9%
Total industrial segment	11.6%	(1.6)%	13.2%
Total net sales	7.4%	(5.2)%	7.2%
Adjusted operating income			
Consumer segment	5.7%	(8.3)%	7.0%
Industrial segment	8.2%	(2.3)%	12.4%
Total adjusted operating income	6.5%	(5.6)%	9.1%

	Six Months Ended May 31, 2017		
	Percentage Change in Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
Net sales			
Consumer segment	3.5%	- %	3.5%
ASEA	8.0%	(2.5)%	(4.3)%
AsiaPac/CI	9.3%	(0.2)%	19.6%
Total consumer segment	4.0%	(1.6)%	3.7%
Industrial segment	4.3%	(1.4)%	5.7%
ESEA	11.0%	(1.9)%	12.9%
AsiaPac/CI	13.3%	(1.3)%	23.9%
Total industrial segment	12.0%	(1.6)%	13.6%
Total net sales	5.7%	(1.5)%	5.6%
Adjusted operating income			
Consumer segment	4.7%	(8.3)%	6.0%
Industrial segment	8.2%	(2.3)%	12.4%
Total adjusted operating income	6.2%	(2.7)%	8.7%

To present the percentage change in projected 2017 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 2017 and are compared to the 2016 results, translated into U.S. dollars using the same 2017 budgeted exchange rate, rather than at the average actual exchange rates in effect during fiscal year 2016. This calculation is performed to arrive at adjusted net income divided by historical shares outstanding for fiscal year 2016 or projected shares outstanding for fiscal year 2017, as appropriate.

Fiscal year 2016 actual results and 2017 projections

	Three Months Ended	
	2017 Projections	2016 Actual
Operating income	\$ 647.0	\$ 619.5
Impact of special charges	\$ -	\$ -
Adjusted operating income	\$ 647.0	\$ 619.5
Earnings per share - diluted	\$ 1.08	\$ 1.00
Impact of special charges	\$ 0.11	\$ 0.05
Adjusted earnings per share - diluted	\$ 1.19	\$ 1.05
Percentage change in sales	4% to 6%	5%
Impact of foreign currency exchange rates	0.0%	0.0%
Percentage change in sales on constant currency basis	5% to 7%	5%
Percentage change in adjusted operating income	8% to 10%	10%
Impact of foreign currency exchange rates	0.0%	0.0%
Percentage change in adjusted operating income on constant currency basis	10% to 11%	10%
Percentage change in adjusted earnings per share	7% to 9%	8%
Impact of foreign currency exchange rates	0.0%	0.0%
Percentage change in adjusted earnings per share on constant currency basis	10% to 11%	10%

Live Webcast

As previously announced, McCormick will hold a conference call with analysts today 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

Information contained in this release, including statements concerning anticipated 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," "anticipate," "intend," "forecast" and "target." These statements may relate to the expected results of operations of businesses acquired by the company, the expected impact of new product lines and pricing actions on the company's results of operations and gross margin, the expected productivity and working capital improvements, speculative regarding general economic conditions in various geographic markets, expected results in net sales and earnings performance and other financial measures, the likelihood of patent and intellectual property contributions and anticipated changes associated with such plans, the holding period and market risks associated with financial instruments, the adequacy of internally generated funds and working capital of funds, such as the availability of loans, financing, equity securities and expenses regarding purchasing shares of McCormick's common stock under the existing repurchase authorization.

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 adversely affected by factors such as: damage to the company's reputation or brand name; loss of brand relevance; increased private label use or other competitive products; product quality, labeling, or safety concerns; negative publicity about our products; business interruptions due to natural disasters or unexpected events; actions by, and the financial condition of, competitors and customers; the company's inability to attract, recruit, train and retain key employees; the loss of successful acquisition and integration of new businesses; issues relating to the company's supply chain and raw materials, including fluctuations in the cost and availability of raw 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 forward-looking statements are based on the information available to management as of the date of this release and are subject to change.

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 \$4.4 billion in annual sales, the company manufactures, markets and distributes various, seasoning mixes, condiments and other flavor products to the entire food industry - retail outlets, food manufacturers and foodservice businesses. Every day, no matter where or when you eat, you can enjoy food flavored by McCormick. McCormick Brings the Joy of Flavor to Life.™

For more information, visit www.mccormick.com

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(Financial Tables Follow)

Second Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

	Three months ended		Six months ended	
	May 31, 2017	May 31, 2016	May 31, 2017	May 31, 2016
Net sales	\$ 1,142.3	\$ 1,263.3	\$ 2,158.9	\$ 2,025.5
Cost of goods sold	444.9	422.9	827.9	827.9
Gross profit	697.4	840.4	1,331.0	1,197.6
Gross profit margin	60.7 %	66.7 %	61.2 %	59.1 %
Selling, general and administrative expenses	302.3	303.8	593.5	579.5
Research and development	8.1	3.1	8.3	5.6
Operating income	145.8	129.8	268.8	251.1
Other income, net	1.2	0.7	1.2	1.8
Income from consolidated operations before income taxes	147.0	130.5	270.0	252.9
Income taxes	27.2	25.8	48.6	27.2
Net income from consolidated operations	119.8	104.7	221.4	225.7
Income from unconsolidated operations	0.8	0.1	0.8	0.1
Net income	\$ 120.6	\$ 104.8	\$ 222.2	\$ 225.8
Earnings per share - basic	\$ 0.80	\$ 0.74	\$ 1.55	\$ 1.47
Earnings per share - diluted	\$ 0.79	\$ 0.73	\$ 1.53	\$ 1.46
Average shares outstanding - basic	124.7	128.9	128.9	127.0
Average shares outstanding - diluted	126.4	128.3	128.7	128.3

Second Quarter Report McCormick & Company, Incorporated

Consolidated Balance Sheet (Unaudited)

	May 31, 2017	May 31, 2016
Assets		
Cash and cash equivalents	\$ 128.0	\$ 121.5
Trade accounts receivable, net	429.7	385.6
Inventory	778.9	738.5
Prepaid expenses and other current assets	10.4	11.4
Non-current assets	1,622.1	1,521.1
Property, plant and equipment, net	1,048.8	1,011.7
Goodwill	488.0	412.0
Intangible assets, net	105.3	97.4
Investments and other assets	180.0	100.0
Total assets	\$ 4,074.1	\$ 3,680.1
Liabilities		
Short-term borrowings and current portion of long-term debt	\$ 366.8	\$ 313.7
Trade accounts payable	451.1	362.0
Other accounts payable	144.4	186.6
Long-term debt	1,024.1	1,028.8
Long-term debt	804.2	1,024.9
Other long-term liabilities	219.9	103.9
Non-current equity	2,022.7	2,034.1
Shareholders' equity		
Common stock	1,182.2	1,074.4
Accumulated earnings	1,074.2	1,038.1
Accumulated other comprehensive loss	(127.8)	(127.7)
Non-controlling interests	12.2	11.7
Total shareholders' equity	\$ 2,138.8	\$ 1,986.5

Second Quarter Report McCormick & Company, Incorporated

Consolidated Cash Flow Statement (Unaudited)

	Six Months Ended	
	May 31, 2017	May 31, 2016
Operating activities		
Net income	\$ 120.6	\$ 104.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	55.1	53.0
Stock-based compensation	14.4	15.8
Income from consolidated operations	(15.4)	(15.1)
Changes in operating assets and liabilities	(85.3)	(83.7)
Dividends from unconsolidated affiliates	0.0	0.0
Net cash provided by operating activities	119.4	110.8
Investing activities		
Acquisition of businesses (net of cash acquired)	(124.2)	(114.1)
Capital expenditures	(61.2)	(41.8)
Proceeds from sale of property, plant and equipment	16.4	11.5
Net cash used in investing activities	(169.0)	(144.4)
Financing activities		
Short-term borrowings, net	264.0	273.4
Long-term debt maturities	(5.0)	(201.8)
Proceeds from restricted stock sales	24.0	24.4
Shares withheld and paid on employee stock awards	(5.0)	(3.0)
Purchases of treasury stock	(12.0)	—
Common stock repurchased by purchase	(12.0)	—
Dividends paid	(112.6)	(120.9)
Net cash provided by financing activities	112.4	172.1
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Increases in cash and cash equivalents	11.8	113.5
Cash and cash equivalents at beginning of period	128.0	112.2
Cash and cash equivalents at end of period	\$ 139.8	\$ 125.7

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