



McCormick Reports 25% Increase in Earnings Per Share for Second Quarter

June 14, 2000

SPRING, Md., June 14 /PRNewswire/ -- McCormick & Company, Incorporated (NYSE: MCC) today reported a 25% increase in earnings per share, excluding special charges, for the second quarter of 2000, ended May 31.

Net sales for the quarter were \$488 million, up 4% over the second quarter of 1999. In the quarter, the Company's gross profit margin increased to 36.1% from 33.7% the prior year. Operating profit rose 16%, excluding special charges. Unconsolidated income for the quarter was \$3.3 million versus \$2.1 million last year. Earnings per share for the quarter were 25 cents, an increase of 25% over 1999's earnings per share of 20 cents, excluding special charges. The segment information that follows excludes the impact of special charges.

Consumer Business

Sales for McCormick's consumer business rose 6% over last year's second quarter. In local currency, consumer sales were up 7% in the Americas, 7% in Europe, and 20% in Asia. In all markets, sales volumes grew through effective promotions, new products, and new distribution. Operating profit for the quarter was \$22.5 million, 9% ahead of 1999's second quarter. As a percent of sales, operating profit margin rose to 11.2% from 10.0%.

Industrial Business

Industrial sales rose 1% for the quarter. In local currency, industrial sales were up 3% in the Americas, down 6% in Europe, and up 9% in Asia. In the Americas, sales volume to foodservice customers continued to grow. While lower commodity costs reduced pricing for certain products to restaurants and food processors, margins were maintained. Europe continued to experience sales softness in a competitive environment. However, actions to improve supply chain costs together with a more profitable mix of products, resulted in an industrial business operating profit for the quarter of \$21.3 million, a 15% increase over the prior year. As a percent of sales, operating profit margin rose to 9.2% from 8.1%.

Packaging Business

The packaging business reported sales up 5% for the quarter over last year. Operating profit was \$5.4 million, an increase of 14%, and as a percent of sales rose to 14.1% from 12%.

Commented Robert J. Luskies, Chairman, President & CEO, "We are extremely pleased with our progress through the second quarter. For 2000, our goal for gross profit margin was a 75 to 100 basis point improvement over 1999. Year-to-date, we have reported an improvement of 200 basis points. This is the combined result of many projects to improve efficiencies and a more profitable product mix. Our favorable results, together with successful asset management, have improved the cash flow of the Company. This strong cash flow has enabled us to reduce shares outstanding by 4% versus the prior year through our share repurchase program. This share reduction, together with strong profit performance, gave earnings per share a 24% lift for the first six months of 2000, well ahead of our 11-14% objective.

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Forward Looking Statements

Certain information contained in this release, including expected synergies and projections, are "forward-looking statements" within the meaning of Section 27E 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 & Company, Incorporated

McCormick & Company, Incorporated is the global leader in the manufacture, marketing and distribution of spices, seasonings and flavors to the entire food industry -- in foodservice and food processing businesses as well as to retail outlets. In addition, the packaging group manufactures and markets specialty plastic bottles and tubes for personal care and other industries. McCormick reported 1999 net sales of \$2.0 billion. For more information about McCormick, visit the Company's website on the Internet at <http://www.mccormick.com>.

Second Quarter Report

McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

(In thousands except per share data)

	Three Months Ended	Six Months Ended
	2000	2000
NET SALES	\$201,954	\$380,448
Consumer	\$149,321	\$280,448
Industrial	\$25,258	\$48,536
Packaging	\$27,375	\$51,464
Total Net sales	\$488,179	\$929,428
Cost of goods sold	\$15,242	\$30,443
Gross Profit	\$472,937	\$898,985
Gross profit margin	35.1%	33.3%
Selling, general & administrative expenses (a)	\$127,399	\$253,737
Special charges	\$44	\$68
Operating income	\$42,219	\$81,611
Interest expense	\$8,313	\$15,719
Other expenses (a)	\$1,295	\$2,700
Income before income taxes	\$32,611	\$63,182
Income taxes	\$1,649	\$2,158
Net income from consolidated operations	\$21,002	\$39,954
Income from consolidated operations	\$2,000	\$3,803
NET INCOME	\$23,002	\$43,757

EARNINGS PER SHARE

BASIC AND ASSUMING

DILUTION (b)

Average shares outstanding

Basic

Average shares outstanding

-assuming dilution

(a) For the quarter, Royalty income of \$2,423 and \$1,260 has been reclassified from Other expense to Selling, general & administrative expense for 2000 and 1999, respectively. For the six months ended, Royalty income of \$5,022 and \$2,583 has been reclassified from Other expense to Selling, general & administrative expense for 2000 and 1999, respectively.

(b) For the quarter, Earnings Per Share - Assuming Dilution, excluding special charges were \$0.35 and \$0.28 for 2000 and 1999, respectively. For the six months ended, Earnings Per Share - Assuming Dilution, excluding special charges were \$0.71 and \$0.53 for 2000 and 1999, respectively.

Consolidated Balance Sheet (Unaudited)

(In thousands)

Assets	\$1,000
Liabilities	\$1,000

Inventory	252,031	262,291
Prepaid expenses	154,082	150,205
Property, plant and equipment, net	356,447	366,393
Other assets	287,565	284,051
Total assets	\$1,195,317	\$1,222,566
Liabilities and shareholders' equity		
Short-term borrowings	\$203,233	\$206,678
Other current liabilities	314,524	323,796
Long-term debt	235,584	243,401
Other liabilities	95,045	102,075
Shareholders' equity	334,419	351,046
Total liabilities and shareholders' equity	\$1,195,317	\$1,222,566

SOURCE: McCormick & Company, Incorporated.
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