

issued in March 2004 and recorded income of \$9 million in the second quarter. We have already begun to reinvest these funds to grow sales and improve operations. To that end, we have initiated a plan to reorganize, rationalize and other functions in international locations. We recorded costs of \$4 million associated with this action in the second quarter.

"Given our first half results and current financial projections, we expect sales for the year to increase at a low double-digit rate. Our average per share objective for 2004 remains in a \$1.51 to \$1.54 range as we invest in initiatives to grow sales and reduce costs. We continue to expect cash from operations after net capital expenditures and dividends to exceed \$100 million and have been using a portion of this cash to repurchase shares. We have reported great results for the first half of 2004 and are excited about our new products, marketing plans and cost improvements for the second half. We are highly confident that 2004 will be another record year for McCormick."

Law Offices

As previously announced, McCormick held a conference call with the analysts today at 10:00 a.m. ET. The conference call will be webcast live via the McCormick corporate web site <http://www.mccormick.com>. Click on "Company Information" then "Investor Services," and follow directions to listen to the call. At this same location, a replay of the call will be available for one week following the live call. Past press releases and additional information can be found at the Company's website.

Forward-Looking Statements

Certain statements 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, market acceptance of new products, actual amount and timing of special charge items, removal and disposal costs, final negotiations of third-party contracts, the impact of the stock market conditions or its share repurchase program, fluctuations in the cost and availability of supply chain resources, global economic conditions, including interest and currency rate fluctuations, and inflation rates. 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.

About McCormick

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 in retail outlets.

Second Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

(In Thousands except per share data)

	Three Months Ended		Six Months Ended	
	5/31/2004	5/31/2003	5/31/2004	5/31/2003
Net sales	\$96,164	\$82,912	\$1,145,236	\$1,013,159
Cost of goods sold	38,238	33,138	714,913	629,655
Gross profit	231,926	197,774	453,613	383,904
Gross profit margin	38.9%	37.5%	38.8%	37.9%
Selling, general & administrative expense	168,652	140,945	328,885	271,924
Special charges / (credits)	(6,448)	472	(6,376)	592
Operating income	49,722	56,357	131,107	111,388
Interest expense	9,695	9,679	19,267	19,190
Other income, net	(536)	(5,972)	(648)	(6,613)
Income from consolidated operations before income taxes	80,561	52,652	112,524	68,811
Income taxes	18,713	15,682	34,769	29,888
Net income from consolidated operations	41,850	36,968	77,755	48,923
Income from unconsolidated operations	1,825	2,419	5,085	5,328
Minority interest	(822)	(951)	(1,881)	(2,326)
Net income from continuing operations	42,853	38,496	80,959	71,925
Discontinued operations, net of tax	-	1,463	-	3,175
Net income	\$42,853	\$39,959	\$80,959	\$75,098

Earnings per share - basic:

Net income from continuing operations	\$0.31	\$0.28	\$0.59	\$0.52
Net income from discontinued operations	\$	\$0.01	\$	\$0.02
Net income	\$0.31	\$0.29	\$0.59	\$0.54

Earnings per share - diluted:

Net income from continuing operations	\$0.30	\$0.27	\$0.57	\$0.50
Net income from discontinued operations	\$	\$0.01	\$	\$0.02
Net income	\$0.30	\$0.28	\$0.57	\$0.53

Average shares outstanding basic:

137,679	139,202	137,519	139,575
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Average shares outstanding assuming dilution

142,494	142,410	142,133	142,427
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Second Quarter Report McCormick & Company, Incorporated

Consolidated Balance Sheet (Unaudited)

(In Thousands)

5/31/2004 5/31/2003

Assets

Current assets

Cash and cash equivalents \$16,115 \$26,994

Receivables, net 313,607 289,829

Inventory, net 373,814 358,400

Prepaid expenses and other current assets 32,476 37,298

Current assets of discontinued operations - - 62,604

Total current assets 741,122 713,125

Property, plant and equipment, net 65,556 625,217

Goodwill and intangible assets, net 727,505 828,918

Prepaid insurance 79,171 102,405

Investments and other assets 129,287 130,684

Non-current assets of discontinued operations 75,248 -

Total assets \$2,134,181 \$2,035,997

Liabilities and shareholders' equity

Current liabilities

Short-term borrowings and current portion of long-term debt \$142,810 \$153,238

Trade accounts payable 166,188 182,544

Other accrued liabilities 299,382 270,172

Current liabilities of discontinued operations 26,627 -

Total current liabilities 638,387 606,054

Long-term debt 495,888 451,329

Other long-term liabilities 276,004 209,139

Long-term liabilities of discontinued operations - 113

Total liabilities 1,409,188 1,266,635

Minority interest 23,780 22,341

Shareholders' equity

Common stock 312,102 246,725

Retained earnings 448,459 435,347

Accumulated other comprehensive income (loss) 60,362 3,942

Total shareholders' equity 801,233 721,214

Total liabilities and shareholders' equity \$2,134,181 \$2,035,997

Second Quarter Report McCormick & Company, Incorporated

Consolidated Statement of Cash Flows (Unaudited)

(In Thousands)

Six Months Ended

5/31/2004 5/31/2003

Cash flows from continuing operating activities

Net income \$80,959 \$75,098

Net income from discontinued operations - (3,175)

Adjustments to reconcile net income from continuing operations to net cash flow from continuing operating activities

Change in receivables and accounts receivable 34,102 30,990

Change in trade accounts receivable (277) 443

Income from unconsolidated operations (6,085) (5,327)

Change in operating assets and liabilities (44,794) (62,105)

Change in non-current liabilities

Other 900 6,697

Net cash flow from continuing operating activities 66,405 12,621

Cash flows from continuing investing activities

Acquisition of businesses - (193,517)

Change in good will adjustment - 62,807

Capital expenditures (27,664) (82,175)

Proceeds from sale of fixed assets 1,271 2,047

Net cash flow from continuing investing activities (26,388) (7,600)

Cash flows from continuing financing activities

Short-term borrowings, net (28,866) 15,363

Long-term debt borrowings 49,788 -

Long-term debt repayments (240) (748)

Common stock issued 56,663 18,097

Common stock acquired by purchase (93,002) (35,075)

Dividends paid (28,541) (25,127)

Net cash flow from continuing financing activities (54,058) (32,508)

Effect of exchange rate changes on cash and cash equivalents

5,020 12,764

Net cash flow from discontinued operations - (7,615)

Decrease in cash and cash equivalents (19,016) (22,338)

Cash and cash equivalents at beginning of period 25,141 47,332

Cash and cash equivalents at end of period 316,122 524,994

SOURCE McCormick & Company, Incorporated

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