UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended NOVEMBER 30, 1998 Commission file number 0-748

MCCORMICK & COMPANY, INCORPORATED
(Exact name of registrant as specified in its charter)

MARYLAND	52-0408290
(State of incorporation)	(I.R.S. Employer Identification No.)

18 Loveton Circle

SPARKS, MARYLAND	21152
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (410) 771-7301

Securities registered pursuant to Section 12(b) of the Act: NOT APPLICABLE

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, NO PAR VALUE	COMMON STOCK NON-VOTING, NO PAR VALUE
(Title of Class)	(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES /X/ NO /_/

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K /_/

The aggregate market value of the voting stock held by non-affiliates of the registrant $190,014,220

The aggregate market value of the non-voting stock held by non-affiliates of the registrant $1,848,713,670

The aggregate market value indicated above was calculated as follows:
The number of shares of voting stock and non-voting stock held by non-affiliates of the registrant as of January 29, 1999 was 6,441,160 and 62,668,260 respectively. This number excludes shares held by the McCormick Profit Sharing Plan and its Trustees, the McCormick Pension Plan and its Trustees, and the directors and officers of the registrant, who may or may not be affiliates. This number was then multiplied by the closing price of the stock as of January 29, 1999, $29.50.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

CLASS	NUMBER OF SHARES OUTSTANDING	DATE
Common Stock	9,486,643	1/29/99
Common Stock Non-Voting	62,931,803	1/29/99

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENT	PART OF 10-K INTO WHICH INCORPORATED
Registrant's 1998 Annual Report to Stockholders............................	Part I, Part II, Part IV
Registrant's Proxy Statement dated 2/17/99.................................	Part III, Part IV
Registrant's Proxy Statement dated 2/18/98.................................	Part IV

PART I

As used herein, the "Registrant" means McCormick & Company, Incorporated and its subsidiaries, unless the context otherwise requires.

ITEM 1. BUSINESS

The Registrant, a diversified specialty food company, is principally engaged in the manufacture of spices, seasonings, flavors and other specialty food products and sells such products to the consumer food market, the foodservice market and to industrial food processors throughout the world. The Registrant also, through subsidiary corporations, manufactures and markets plastic packaging products for food, personal care and other industries.

The Registrant's Annual Report to Stockholders for 1998, which is enclosed as Exhibit 13, contains a description of the general development, during the last fiscal year, of the business of the Registrant, which was formed in 1915 under Maryland law as the successor to a business established in 1889. Pages 5 through 18 of that Report are incorporated by reference. Unless otherwise indicated, all references to amounts in this Report or in the Registrant's Annual Report to Stockholders for 1998 are amounts from continuing operations. The Registrant's net sales increased 4.4% in 1998 to $1.9 billion.

The Registrant operates in two business segments, Food Products and Packaging Products, and has disclosed in Note 12 of the Notes to Consolidated Financial Statements on pages 29 and 30 of its Annual Report to Stockholders for 1998, which Note is incorporated by reference, the financial information about the business segments required by this Item.

The Registrant's Annual Report to Stockholders for 1998 sets forth a description of the business conducted by the Registrant on pages 8 through 18. Those pages of the Registrant's Annual Report are incorporated by reference.

PRINCIPAL PRODUCTS/MARKETING

Spices, seasonings, flavorings, and other specialty food products are the Registrant's principal products. The Registrant also manufactures and markets plastic bottles and tubes for food, personal care and other products, primarily in the United States. The net sales value of each of these product segments is set forth in Note 12 of the Notes to Consolidated Financial Statements on pages 29 and 30 of the Registrant's Annual Report to Stockholders for 1998, which Note is incorporated by reference. No other products or classes of similar products or services contributed as much as 10% to consolidated net sales during the last three fiscal years.

The Registrant markets its consumer products and foodservice products through its own sales organization, food brokers and distributors. In the industrial market, sales are made mostly through the Registrant's own sales force. The Registrant markets its packaging products through its own sales force and distributors.

RAW MATERIALS

Many of the spices and herbs purchased by the Registrant are imported into the United States from the country of origin, although significant quantities of some materials, such as paprika, dehydrated vegetables, onion and garlic, and food ingredients other than spices and herbs, originate in the United States. The Registrant is a direct importer of certain raw materials, mainly black pepper, vanilla beans, cinnamon, herbs and seeds from the countries of origin. Some of the imported materials are purchased from dealers in the United States. The principal purpose of such purchases is to satisfy the Registrant's own needs. In addition, the Registrant also purchases cheese and dairy powders from U.S. sources for use in many industrial products.

The raw materials most important to the Registrant are onion, garlic and capsicums (paprika and chili peppers), most of which originate in the United States, black pepper, most of which originates in India, Indonesia, Malaysia and Brazil, vanilla beans, which the Registrant obtains from the Malagasy Republic and Indonesia and cheese and dairy powders, most of which originate in the United States. The Registrant does not anticipate any material restrictions or shortages on the availability of raw materials which would have a significant impact on the Registrant's business in the foreseeable future.

Substantially all of the raw materials used in the packaging business originate in the United States.

TRADEMARKS, LICENSES AND PATENTS

The Registrant owns a number of registered trademarks, which in the aggregate may be material to the Registrant's business. However, the loss of any one of those trademarks, with the exception of the Registrant's "McCormick," "Schilling," "Schwartz" and "Club House" trademarks, would not have a material adverse effect on the Registrant's business. The "McCormick" and "Schilling" trademarks are extensively used by the Registrant in connection with the sale of a substantial number of the Registrant's products in the United States. The "McCormick" and "Schilling" trademarks are registered and used in various foreign countries as well. The "Schwartz" trademark is used by the Registrant in connection with the sale of the Registrant's products in Europe and the "Club House" trademark is used in connection with the sale of the Registrant's products in Canada. The terms of the trademark registrations are as prescribed by law and the registrations will be renewed for as long as the Registrant deems them to be useful.

The Registrant has entered into a number of license agreements authorizing the use of its trademarks by affiliated and non-affiliated entities in foreign countries. In the aggregate, the loss of license agreements with non-affiliated entities would not have a material adverse effect on the Registrant's business. The terms of the license agreements are generally 3 to 5 years or until such time as either party terminates the agreement. Those agreements with specific terms are renewable upon agreement of the parties.

The Registrant owns various patents, but they are not viewed as material to the Registrant's business.

SEASONAL NATURE OF BUSINESS

Historically, the Registrant's sales and profits are lower in the first two quarters of the fiscal year and increase in the third and fourth quarters.

WORKING CAPITAL

In order to meet increased demand for its products during its fourth quarter, the Registrant usually builds its inventories during the third quarter. In common with other companies, the Registrant generally finances working capital items (inventory and receivables) through short-term borrowings, which include the use of lines of credit and the issuance of commercial paper. Note 3 of the Notes to Consolidated Financial Statements on pages 24 and 25 of the Registrant's Annual Report to Stockholders for 1998 and pages 14 and 15 of the Registrant's Annual Report to Stockholders for 1998, which pages are incorporated by reference, set forth a description of the Registrant's liquidity and capital resources.

CUSTOMERS

The Registrant has a large number of customers for its products. No single customer accounted for as much as 10% of consolidated net sales in 1998. In the same year, sales to the five largest customers represented approximately 22% of consolidated net sales.

BACKLOG ORDERS

The dollar amount of backlog orders of the Registrant's business is not material to an understanding of the Registrant's business, taken as a whole.

GOVERNMENT CONTRACTS

No material portion of the Registrant's business is subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government.

COMPETITION

The Registrant is a leader in the manufacture and sale of spices, seasonings and flavorings and competes in a geographic market which is global and highly competitive. For further discussion, see pages 8 through 18 of the Registrant's Annual Report to Stockholders for 1998, which pages are incorporated by reference.

RESEARCH AND QUALITY CONTROL

The Registrant has emphasized quality and innovation in the development, production and packaging of its products. Many of the Registrant's products are prepared from confidential formulae developed by its research laboratories and product development departments. The long experience of the Registrant in its field contributes substantially to the quality of the products offered for sale. Quality specifications exist for the Registrant's products, and continuing quality control inspections and testing are performed. Total expenditures for these and other related activities during fiscal years 1998, 1997 and 1996 were approximately $38.9 million, $37.7 million and $35.7 million, respectively. Of these amounts, expenditures for research and development amounted to $16.9 million in 1998, $16.1 million in 1997 and $12.2 million in 1996. The amount spent on customer-sponsored research activities is not material.

ENVIRONMENTAL REGULATIONS

Compliance with Federal, State and local provisions related to protection of the environment has had no material effect on the Registrant's business. No material capital expenditures for environmental control facilities are expected to be made during this fiscal year or the next.

EMPLOYEES

The Registrant had on average approximately 7,600 employees during fiscal year 1998.

FOREIGN OPERATIONS

International businesses have made significant contributions to the Registrant's growth and profits. In common with other companies with foreign operations, the Registrant is subject in varying degrees to certain risks typically associated with doing business abroad, such as local economic and market conditions, exchange and price controls, restrictions on investment, royalties and dividends and exchange rate fluctuations.

Note 12 of the Notes to Consolidated Financial Statements on pages 29 and 30 of the Registrant's Annual Report to Stockholders for 1998, and pages 12 through 18 of the Registrant's Annual Report to Stockholders for 1998 contain the information required by subsection (d) of Item 101 of Regulation S-K, which pages are incorporated by reference.

FORWARD-LOOKING INFORMATION

For a discussion of forward-looking information, see page 18 of the Registrant's Annual Report to Stockholders for 1998, which page is incorporated be reference.

ITEM 2. PROPERTIES

The location and general character of the Registrant's principal plants and other materially important physical properties are as follows:

(a) Consumer Products

A plant is located in Hunt Valley, Maryland on approximately 52 acres in the Hunt Valley Business Community. This plant, which contains approximately 540,000 square feet, is used for processing spices and other food products. There is an approximately 110,000 square foot office building located in Hunt Valley, Maryland which is the headquarters for the Registrant's consumer products division. Also in Hunt Valley, Maryland is a facility of approximately 107,000 square feet which contains the Registrant's printing operations and a warehouse. All of these facilities are owned in fee. A plant of approximately 370,000 square feet and a distribution center of approximately 325,000 square feet are located in Salinas, California and a plant of approximately 108,000 square feet is located in Commerce, California. Both of the plants are owned in fee; the distribution center is leased. These facilities are used for milling, processing, packaging, and distributing spices and other food products.

(b) Industrial Products

The Registrant has two principal plants devoted to industrial flavoring products in the United States. A plant of 105,000 square feet is located in Hunt Valley, Maryland and is owned in fee. A plant of 102,000 square feet is located in Irving, Texas and is owned in fee.

(c) Spice Milling

Located adjacent to the consumer products plant in Hunt Valley is a spice milling and cleaning plant which is owned in fee by the Registrant and contains approximately 185,000 square feet. This plant services all food product groups of the Registrant. Much of the milling and grinding of raw materials for the Registrant's seasoning products is done in this facility.

(d) Packaging Products

The Registrant has three principal plants which are devoted to the production of plastic products. A plant of approximately 273,000 square feet is located in Anaheim, California and a plant of approximately 221,000 square feet is located in Easthampton, Massachusetts. Both of these facilities are owned in fee. A plant of approximately 203,000 square feet is located in Cranbury, New Jersey and is leased.

(e) International

The Registrant has a plant in London, Ontario which is devoted to the processing, packaging and distribution of food products. This facility is approximately 140,000 square feet and is owned in fee. The Registrant has a 251,000 square foot facility in Buckinghamshire, England which contains the Registrant's European headquarters and manufacturing plant for dry products.

(f) Research and Development

The Registrant has a facility in Hunt Valley, Maryland which houses the research and development laboratories and the technical capabilities of the Registrant. The facility is approximately 110,000 square feet and is owned in fee.

(g) Distribution

The Registrant has a distribution center in Belcamp, Maryland. The leased 369,000 square foot facility handles the distribution of consumer, foodservice and industrial products in the eastern United States.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which the Registrant or any of its subsidiaries is a party or to which any of their property is subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted during the fourth quarter of Registrant's fiscal year 1998 to a vote of security holders.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Registrant has disclosed at pages 14 and 15 of its Annual Report to Stockholders for 1998, which pages are incorporated by reference, the information relating to the market, market quotations, and dividends paid on Registrant's common stocks required by this Item.

The approximate number of holders of common stock of the Registrant based on record ownership as of January 29, 1999 was as follows:

Title of Class	Approximate Number of Record Holders
Common Stock, no par value	2,000
Common Stock Non-Voting, no par value	10,000

ITEM 6. SELECTED FINANCIAL DATA

The Registrant has disclosed the information required by this Item in the line items for 1994 through 1998 entitled "Net sales," "Net income - continuing operations," "Earnings per share - diluted - continuing operations," "Common dividends declared," "Long-term debt" and "Total assets" on page 32 of its Annual Report to Stockholders for 1998, which page is incorporated by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Registrant's Annual Report to Stockholders for 1998 at pages 12 through 18 contains a discussion and analysis of the Registrant's financial condition and results of operations for the three fiscal years ended November 30, 1998. Said pages are incorporated by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MATERIAL RISK

The Registrant's Annual Report to Stockholders for 1998 at pages 16 and 17 contains the quantitative and qualitative disclosures about market risk. Said pages are incorporated by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data for McCormick & Company, Incorporated are included on pages 19 through 30 of the Registrant's Annual Report to Stockholders for 1998, which pages are incorporated by reference. The report of independent auditors from Ernst & Young LLP on such financial statements is included on page 31 of the Registrant's Annual Report to Stockholders for 1998, which page is incorporated by reference. The supplemental schedule for 1996, 1997 and 1998 is included on page 15 of this Report on Form 10-K.

The unaudited quarterly data required by Item 302 of Regulation S-K is included in Note 14 of the Notes to Consolidated Financial Statements at page 30 of the Registrant's Annual Report to Stockholders for 1998, which Note is incorporated by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

No response is required to this item.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 17, 1999, which sets forth the information required by this Item at pages 3 through 7 which pages are incorporated by reference. In addition to the executive officers and directors discussed in the Proxy Statement, J. Allan Anderson, Christopher J. Kurtzman, Robert C. Singer, Robert W. Skelton and Gordon M. Stetz, Jr. are also executive officers of the Registrant.

Mr. Anderson is 52 years old and has had the following work experience during the last five years: 1/92 to present - Vice President and Controller.

Mr. Kurtzman is 46 years old and has had the following work experience during the last five years: 2/96 to present - Vice President and Treasurer; 5/94 to 2/96 - Assistant Treasurer-Domestic; 9/90 to 5/94 - Assistant Treasurer-Investor Relations & Financial Services.

Mr. Singer is 43 years old and has had the following work experience during the last five years: 6/98 to present - Vice President and Chief Financial Officer - Global Industrial Group; 3/96 to 6/98 - Vice President - Acquisitions and Financial Planning; 5/94 to 3/96 - Vice President of Finance - McCormick Flavor Division; 12/91 to 5/94 - Vice President of Finance - International Group.

Mr. Skelton is 51 years old and has had the following work experience during the last five years: 6/97 to present - Vice President, General Counsel and Secretary; 4/96 to 6/97 - Vice President and General Counsel; 1/84 to 4/96 - Assistant Secretary and Associate General Counsel.

Mr. Stetz is 38 years old and has had the following work experience during the last five years: 6/98 to present - Vice President, Acquisitions and Financial Planning; 2/95 to 6/98 - Assistant Treasurer, Investor Relations/Financial Services; 1/93 to 2/95 - Manager, Acquisitions and Financial Planning.

ITEM 11. EXECUTIVE COMPENSATION

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 17, 1999, which sets forth the information required by this Item at pages 7 through 18, which pages are incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 17, 1999, which sets forth the information required by this Item at pages 2 through 6, which pages are incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 17, 1999, which sets forth the information required by this Item at page 7, which page is incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this Form:

1. The consolidated financial statements for McCormick & Company, Incorporated and subsidiaries which are listed in the Table of Contents appearing on page 14 below.

2. The financial statement schedules required by Item 8 of this Form which are listed in the Table of Contents appearing on page 14 below.

3. The exhibits which are filed as a part of this Form and required by Item 601 of Regulation S-K are listed on the accompanying Exhibit Index at pages 16 and 17 of this Report.

(b) The Registrant filed no reports during the last quarter of its fiscal year 1998 on Form 8-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

MCCORMICK & COMPANY, INCORPORATED

By:

/s/ Robert J. Lawless Robert J. Lawless	President & Chief Executive Officer	February 15, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Principal Executive Officer:

/s/ Robert J. Lawless Robert J. Lawless	President & Chief Executive Officer	February 15, 1999

Principal Financial Officer:

/s/ Francis A. Contino Francis A. Contino	Executive Vice President & Chief Financial Officer	February 15 , 1999

Principal Accounting Officer:

/s/ J. Allan Anderson J. Allan Anderson	Vice President & Controller	February 15, 1999

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons, being a majority of the Board of Directors of McCormick & Company, Incorporated, on the date indicated:

THE BOARD OF DIRECTORS:	DATE:
/s/ James T. Brady James T. Brady	February 15, 1999
/s/ Francis A. Contino Francis A. Contino	February 15, 1999
/s/ James S. Cook James S. Cook	February 15, 1999
/s/ Robert G. Davey Robert G. Davey	February 15, 1999
/s/ Edward S. Dunn, Jr. Edward S. Dunn, Jr.	February 15, 1999
/s/ Freeman A. Hrabowski, III Freeman A. Hrabowski, III	February 15, 1999
/s/ Robert J. Lawless Robert J. Lawless	February 15, 1999
/s/ Charles P. McCormick, Jr. Charles P. McCormick, Jr.	February 15, 1999
/s/ George V. McGowan George V. McGowan	February 15, 1999
/s/ Carroll D. Nordhoff Carroll D. Nordhoff	February 15, 1999
/s/ Robert W. Schroeder	February 15, 1999
/s/ William E. Stevens William E. Stevens	February 15, 1999
/s/ Karen D. Weatherholtz Karen D. Weatherholtz	February 15, 1999

CROSS REFERENCE SHEET

PART		ITEM	REFERENCED MATERIAL/PAGE(S)
PART I			
	Item 1.	Business	Registrant's 1998 Annual Report to Stockholders/Pages 5-18, 24- 25 and 29-30.
	Item 2.	Properties	None.
	Item 3.	Legal Proceedings	None.
	Item 4.	Submission of Matters to a Vote of Security Holders.	None.
PART II			
	Item 5.	Market for the Registrant's Common Equity and Related Stockholder Matters.	Registrant's 1998 Annual Report to Stockholders/Pages 14-15.
	Item 6.	Selected Financial Data.	Registrant's 1998 Annual Report to Stockholders/Page 32.
	Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	Registrant's 1998 Annual Report to Stockholders/Pages 12-18.
	Item 7A.	Quantitative and Qualitative Disclosures About Material Risk.	Registrant's 1998 Annual Report to Stockholders/Pages 16-17.
	Item 8.	Financial Statements and Supplementary Data.	Registrant's 1998 Annual Report to Stockholders/Pages 19-31 and Page 15 of this Report.
	Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.	None.

PART III

Item 10.	Directors and Executive Officers of the Registrant.	Registrant's Proxy Statement dated February 17, 1999/Pages 3-7.
Item 11.	Executive Compensation.	Registrant's Proxy Statement dated February 17, 1999/Pages 7-18.
Item 12.	Security Ownership of Certain Beneficial Owners and Management.	Registrant's Proxy Statement dated February 17, 1999/Pages 2-6.
Item 13.	Certain Relationships and Related Transactions.	Registrant's Proxy Statement dated February 17, 1999/Page 17.

PART IV

Item 14.	Exhibits, Financial Statement Schedules and Reports on Form 8-K.	See Exhibit Index pages 16 and 17 and the Table of Contents at page 14 of this Report.

MCCORMICK & COMPANY, INCORPORATED

TABLE OF CONTENTS AND RELATED INFORMATION

Included in the Registrant's 1998 Annual Report to Stockholders, the following consolidated financial statements are incorporated by reference in Item 8*:

Consolidated Balance Sheet, November 30, 1998 and 1997
Consolidated Income Statement for the Years Ended November 30, 1998, 1997 and 1996.
Consolidated Statement of Shareholders' Equity for the Years Ended November 30, 1998, 1997 and 1996.
Consolidated Statement of Cash Flows for the Years Ended November 30, 1998, 1997 and 1996.
Notes to Consolidated Financial Statements, November 30, 1998
Report of Independent Auditors

Included in Part IV of This Annual Report:

Supplemental Financial Schedules:
II - Valuation and Qualifying Accounts

Schedules other than those listed above are omitted because of the absence of the conditions under which they are required or because the information called for is included in the consolidated financial statements or notes thereto.

* PURSUANT TO RULE 12B-23 ISSUED BY THE COMMISSION UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, A COPY OF THE 1998 ANNUAL REPORT TO STOCKHOLDERS OF THE REGISTRANT FOR ITS FISCAL YEAR ENDED NOVEMBER 30, 1998 ACCOMPANIES THIS ANNUAL REPORT ON FORM 10-K.

Supplemental Financial Schedule II
Consolidated

McCORMICK & COMPANY, INCORPORATED

VALUATION AND QUALIFYING ACCOUNTS
(IN MILLIONS)

Column A	Column B	Column C	Column D	Column E
Description	Balance Beginning of Year	Additions Costs and Expenses	Deductions	Balance at End of Year
Year ended November 30, 1998				
Allowance for doubtful receivables	$3.7	$1.3	$1.0 (1)	$4.0
Year ended November 30, 1997				
Allowance for doubtful receivables	$3.5	$1.0	$0.8 (1)	$3.7
Year ended November 30, 1996				
Allowance for doubtful receivables	$2.5	$1.7	$0.7 (1)	$3.5

Note:
(1) Accounts written off net of recoveries.

EXHIBIT INDEX

ITEM 601 EXHIBIT NUMBER		REFERENCE OR PAGE
(2)	Plan of acquisition, reorganization, arrangement, liquidation or succession	Not applicable.
(3)	Articles of Incorporation and By-Laws Restatement of Charter of McCormick & Company, Incorporated dated April 16, 1990	Incorporated by reference from Registration Form S-8, Registration No. 33-39582 as filed with the Securities and Exchange Commission on March 25, 1991.
	Articles of Amendment to Charter of McCormick & Company, Incorporated dated April 1, 1992	Incorporated by reference from Registration Form S-8 Registration Statement No. 33-59842 as filed with the Securities and Exchange Commission on March 19, 1993.
	By-laws of McCormick & Company, - Restated and Amended as of June 17, 1996	Incorporated by reference from Registrant's Form 10-Q Incorporated for the quarter ended May 31, 1996 as filed with the Securities and Exchange Commission on July 12, 1996.
(4)	Instruments defining the rights of security holders, including indentures	With respect to rights of securities, see Exhibit 3 (Restatement of Charter). No instrument of Registrant with respect to long-term debt involves an amount of authorized securities which exceeds 10 percent of the total assets of the Registrant and its subsidiaries on a consolidated basis. Registrant agrees to furnish a copy of any such instrument upon request of the Commission.
(9)	Voting Trust Agreement	Not applicable.
(10)	Material Contracts	

i) Registrant's supplemental pension plan for certain senior officers is described in the McCormick Supplemental Executive Retirement Plan, a copy of which was attached as Exhibit 10.1 to the Registrant's Report on Form 10-K for the fiscal year 1992 as filed with the Securities and Exchange Commission on February 17, 1993, which report is incorporated by reference.

ii) Stock option plans, in which directors, officers and certain other management employees participate, are described in Registrant's S-8 Registration Statements Nos. 33-33725 and 33-23727 as filed with the Securities and Exchange Commission on March 2, 1990 and March 23, 1997 respectively, which statements are incorporated by reference.

iii) Asset Purchase Agreement among the Registrant, Gilroy Foods, Inc. and ConAgra, Inc. dated August 28, 1996 which agreement is incorporated by reference from Registrant's Report on Form 8-K as filed with the Securities and Exchange Commission on September 13, 1996.

iv) Asset Purchase Agreement among the Registrant, Gilroy Energy Company, Inc. and Calpine Gilroy Cogen, L.P., dated August 28, 1996 which agreement is incorporated by reference from Registrant's Report on Form 8-K as filed with the Securities and Exchange Commission on September 13, 1996.

v) Mid-Term Incentive Program provided to a limited number of senior executives, a description of which is incorporated by reference from pages 19 and 20 of the Registrant's definitive Proxy Statement dated February 18, 1998, as filed with the Commission on February 17, 1998, which pages are incorporated by reference.

vi) Amendment to the Letter Agreement between Registrant and Charles P. McCormick, Jr. effective December 1, 1998, which letter is attached as Exhibit 10.1 of this Report on Form 10-K.

(11)	Statement re computation of per-share earnings.	Not applicable.
(12)	Statements re computation of ratios.	Pages 14 and 15 of Exhibit 13.
(13)	Annual Report to Security Holders	
	McCormick & Company, Incorporated Annual Report to Stockholders for 1998	Submitted in electronic format.
(16)	Letter re change in certifying accountant	Not applicable.
(18)	Letter re change in accounting principles	Not applicable.
(21)	Subsidiaries of the Registrant	Page 34 of Exhibit 13.
(22)	Published report regarding matters submitted to vote of securities holders	Not applicable.
(23)	Consent of independent auditors	Attached to this Report on Form 10-K.
(24)	Power of attorney	Not applicable.
(27)	Financial Data Schedule	Submitted in electronic format only.
(99)	Additional exhibits	Registrant's definitive Proxy Statement dated February 17, 1999

Exhibit 10.1--Letter Agreement between McCormick and Charles P. McCormick, Jr.

February 2, 1999

Mr. Charles P. McCormick, Jr.
6761 S.E. North Marina Way
Stuart, Florida 34996

Dear Buzz:

This letter will amend the letter agreement between you and the Company dated January 2, 1997 (the "Letter Agreement").

Effective December 1998, your monthly stipend will increase from Seven Thousand Eight-Three Dollars and Thirty-Three Cents ($7,083.33) to Seven Thousand Two Hundred Seventy-Eight Dollars and Eight-Three Cents ($7,278.83). Said monthly payments will be made for the months of December 1998, January 1999, February 1999 and March 1999. In addition, based on Company performance in 1999, you will receive a payment of $20,000 multiplied by the same performance factor used for corporate executives in the Management Incentive Bonus Plan.

In all respects not inconsistent herewith, the provisions of the Letter Agreement remain in full force and effect until March 31, 1999.

If the foregoing correctly expresses our understanding, please sign a copy of this letter in the space provided below and return it to me.

Very truly yours,

McCORMICK & COMPANY, INCORPORATED

By: /s/ Karen D. Weatherholtz

Karen D. Weatherholtz
Vice President - Human Relations

AGREED AND ACCEPTED THIS
5th day of February, 1999.

By: /s/ Charles P. McCormick, Jr.

Charles P. McCormick, Jr.

Exhibit 13

[LOGO]

McCormick
& Company

COMMITTED TO GROWTH

1998 Annual Report

CONTENTS

Financial Highlights 3
Letter to Shareholders 5
Core Values 7
Report on Operations 8
Management's Discussion and Analysis 12
Consolidated Statement of Income 19
Consolidated Balance Sheet 20
Consolidated Statement of Cash Flows 21
Consolidated Statement of Shareholders' Equity 22
Notes to Consolidated Financial Statements 23
Report of Management 31
Report of Independent Auditors 31
Historical Financial Summary 32
Directors and Officers 33
McCormick Worldwide 34
Investor Information .... Inside back cover

[LOGO]

OUR MISSION

The primary mission of McCormick & Company is to profitably expand its worldwide leadership position in the spice, seasoning and flavoring markets.

THE ANNUAL MEETING WILL BE HELD AT 10 A.M., WEDNESDAY, MARCH 17, 1999, AT MARRIOTT'S HUNT VALLEY INN, 245 SHAWAN ROAD (EXIT 20A OFF I-83 NORTH OF BALTIMORE), HUNT VALLEY, MARYLAND 21031.

THE COMPANY

[PHOTO]

McCormick brand vanilla bottle and vanilla beans
CAPTION READS: THE SCENT FOR THIS YEAR'S ANNUAL REPORT IS VANILLA.

When people hear the name McCormick, they think of the spices they use every day. Indeed, we are the world's largest spice company. Yet, the Company is also the leader in the manufacture, marketing and distribution of not only spices but seasonings and flavors to the entire food industry - to foodservice and food processing businesses as well as to retail outlets. In addition, our packaging group manufactures and markets specialty plastic bottles and tubes for food, personal care and other industries. McCormick products are sold in about 100 countries. How do we oversee this complex business from the growing fields to the consumer purchase? It all starts with Multiple Management, an enlightened business philosophy and system of participative management begun in 1932. Multiple Management fosters the power of people by encouraging participation at all levels of employment and sharing the rewards of success. This interaction of people is instrumental in shaping our Corporate culture. Combined with EVA, a primary indicator to measure performance, Multiple Management enhances our strengths and helps us better use resources to create greater shareholder value. Founded in 1889, McCormick has 7,600 employees. Many are shareholders. They are the ones who flavor your world.

A TASTE FOR GROWTH
THE ODDS ARE GREAT THAT
AT NEARLY EVERY EATING OCCASION YOU WILL
CONSUME A McCORMICK
PRODUCT, WHETHER
IN YOUR KITCHEN, AT
RESTAURANTS OR AS
INGREDIENTS IN
NUMEROUS PACKAGED
FOODS.

[Photo]

four prepared food shots with the following products: Golden Dipt Cocktail Sauce and Shrimp & Crab Boil, Gourmet Chili Powder and core line Hot Mexican Style Chili Powder

Caption: A TASTE FOR GROWTH THE ODDS ARE GREAT THAT AT NEARLY EVERY EATING OCCASION YOU WILL CONSUME A MCCORMICK PRODUCT, WHETHER IN YOUR KITCHEN, AT RESTAURANTS OR AS INGREDIENTS IN NUMEROUS PACKAGED FOODS.

FINANCIAL HIGHLIGHTS

for the year ended November 30 (MILLIONS EXCEPT PER SHARE DATA)

	1998	1997	% Change
Net sales	$ 1,881.1	$ 1,801.0	4.4
Operating income (1)	182.8	170.8	7.0
Net income (2)	103.8	98.4	5.5
Earnings per share - diluted	$ 1.41	$ 1.30	8.5
Dividends paid per share	.64	.60	6.7
Market price per share - close	33.38	26.50	26.0
Average shares outstanding - diluted	73.8	75.9	(2.8)
Economic value added (EVA) (3)	$ 33.1	$ 23.4	41.5

(1) Includes restructuring charges (credits) of $2.3 in 1998 and $(3.2) in 1997.

(2) Includes after-tax restructuring charges (credits) of $1.5 in 1998 and $(2.0) in 1997 and income from discontinued operations, net of taxes of $1.0 in 1997.

(3) An "EVA" mark is owned by Stern Stewart & Co. McCormick defines economic value added as net income from operations, excluding interest, in excess of a capital charge for average capital employed.

Financial Highlights

NET SALES (CONTINUING OPERATIONS)
IN BILLIONS

[GRAPH]

Net Sales (CONTINUING OPERATIONS)

1998	1,881.1
1997	1,801.0
1996	1,732.5
1995	1,691.1
1994	1,529.4

NET INCOME

- - AS REPORTED
- - EXCLUDING RESTRUCTURING, DISCONTINUED OPERATIONS AND EXTRAORDINARY ITEMS

IN MILLIONS

[GRAPH]

	As reported	Before impact of restructuring, discontinued operations & extraordinary items
1998	103.8	105.3
1997	98.4	95.4
1996	41.9	83.1
1995	97.5	84.5
1994	61.2	88.8

EARNINGS PER SHARE - DILUTED

- - AS REPORTED
- - EXCLUDING RESTRUCTURING, DISCONTINUED OPERATIONS AND EXTRAORDINARY ITEMS

[GRAPH]

BEFORE IMPACT OF
RESTRUCTURING, DISCONTINUED

	AS REPORTED	OPERATIONS & EXTRAORDINARY ITEMS
1998	$1.41	1.43
1997	$1.30	1.26
1996	$0.52	1.03
1995	$1.20	1.04
1994	$0.75	1.09

DIVIDENDS PAID PER SHARE
DIVIDENDS HAVE BEEN PAID EVERY YEAR
SINCE 1925.

[GRAPH]

DIVIDENDS PAID PER SHARE

1998	$0.64
1997	$0.60
1996	$0.56
1995	$0.52
1994	$0.48

ECONOMIC VALUE ADDED
IN MILLIONS

[GRAPH]

EVA

1998	33,147
1997	23,421
1996	(44,641)
1995	(3,700)

MARKET CAPITALIZATION
IN BILLIONS

[GRAPH]

Market Capitalization (BILLIONS)

1998	2.42
1997	1.96
1996	1.93
1995	1.92
1994	1.54

DIVERSITY AND
TEAMWORK ARE ESSENTIAL PARTS OF A COMPANY
CULTURE DRIVEN TO
QUALITY, PERFORMANCE
AND SERVICE.

[Photo]

four people in front of Meal Idea Center
Caption: Diversity and teamwork are essential parts of a company culture driven to quality, performance and service.

[PHOTO]

photo of two people
Caption: CHARLES P. MCCORMICK, JR., CHAIRMAN OF THE BOARD (LEFT) AND ROBERT J. LAWLESS, PRESIDENT & CEO.

We are pleased to report another year of improved financial results. Earnings per share were up 8.5 percent, and sales increased 4.4 percent over 1997. Despite global economic uncertainties, our Consumer and Food Service businesses had excellent results, with significant distribution gains in key markets. Like most multinational corporations, McCormick experienced the sharp downturn in Asian and Latin American economies. But our business is strong, and we are weathering these storms and building for the future with confidence.

As a continuing indication of this confidence, your Board of Directors approved a 6 percent increase in the regular quarterly cash dividend. McCormick has paid dividends every year since l925 and has increased dividends 380 percent over the past 10 years. In addition, 9 million shares have been repurchased under the 10 million share authorization. This program is expected to be completed by mid-1999.

MCCORMICK FLAVOR DIVISION EMPLOYEES:
(FRONT) FRIEDA THOMAS, (LEFT TO RIGHT)
BOB TRAMONTANA, TINA YAU, TIM SHAFFREY.

Our U.S. Consumer business enjoyed a superior year, strengthening our leadership position in the spice and seasoning areas. We are encouraged by the success of Quest, a program initiated in 1997 to improve branded product sales by lowering shelf prices and developing more efficient marketing and advertising programs. It is our belief that Quest will create an enhanced price/value relationship for the consumer. As prices come down, consumers have increased their purchases of branded spices and seasonings. We benefit, our customers benefit and consumers benefit by receiving better value. It is anticipated that Quest will further enhance sales growth in our core spice category which some have written off as flat.

During the year, we gained significant new distribution in the traditional grocery store channel. Additionally, the consumer response from our relaunch of the dry seasoning mix line achieved solid double-digit sales gains.

The Food Service Group in the U.S., serving foodservice distributors, national restaurant accounts and membership warehouse clubs, had its best performance to date and continues as the market

[PHOTO]

Montreal Chicken Seasoning
Caption: CLUB HOUSE-Registered Trademark- IS THE BRAND OF CHOICE IN CANADA.

leader. We were successful in gaining significant new share in the warehouse club and broadline foodservice distributor markets.

Our Industrial business, supplier of ingredients to major food processors, had disappointing results in 1998. We incurred a number of raw material cost increases which, together with competitive pricing, reduced margins. As these cost pressures moderate, better results are expected for 1999. Last spring, we created a Global Industrial Group to better serve current multinational customers and improve our focus on emerging areas for growth. Headed by Robert G. Davey, former Chief Financial Officer and past head of our Canadian operation, this Group has created a new Global Restaurant Division to serve large national and international restaurant chains. Also reporting to Mr. Davey are Frito Worldwide and the McCormick Flavor Division in the U.S. This reorganization is designed to keep pace with worldwide growth opportunities.

The economic downturn in the Asian marketplace contributed to a difficult year for our Packaging business, which manufactures tubes and bottles for food, personal care and other industries. Lower demand by customers who sell cosmetics and other products caused notable sales shortfalls. We anticipate a modest improvement in 1999.

International operations experienced inconsistent performance in 1998. On the upside, consumer business in the U.K., Canada and Australia benefited from strong sales. A new product launch in the U.K., Make It Fresh-TM-, received extraordinary consumer acceptance. In Australia, we acquired the Keen's-Registered Trademark- brand of mustards and seasonings and gained market share with our Aeroplane-Registered Trademark- and Produce Partners-Registered Trademark- brands. In Canada, expanded distribution and new product launches were instrumental in achieving solid results. On the downside, in Mexico, where we enjoy a strong market presence in several categories, we experienced a less than satisfactory performance due to economic softness and a weakened peso. Likewise, our Venezuelan operation suffered from severe economic recession. Expecting the conditions in Venezuela to continue into 1999 and beyond, we ceased production operations there and initiated a licensing agreement with a Venezuelan-based food company to market under our McCormick name.

Japanese joint ventures also suffered from the economic woes in the Asian region. Sales shortfalls in both consumer and industrial ventures were due to lower discretionary income in Japan. We are working hard to find avenues of opportunity to improve our position in the current economic environment.

McCormick was not immune to the extreme volatility that many U.S. companies faced in the foreign currency markets. While negatively impacting earnings in 1998, these fluctuations are a temporary issue that will balance out over time.

For more than a century, the Company has provided the taste you trust based on high quality, consistency

[GRAPH]

TOTAL SHAREHOLDER RETURN
REPRESENTS SHARE PRICE APPRECIATION PLUS REINVESTED DIVIDENDS

- \- McCormick
- O S&PFood Products Index
- X S&P500 Stock Index

DATE	MCCORMICK	S&P FOODS	S&P 500 INDEX
11/30/88	100.0	100.0	100.0
11/30/89	185.57	131.59	130.77
11/30/90	174.11	139.85	126.26
11/29/91	317.27	179.37	151.87
11/30/92	445.11	203.21	179.87
11/30/93	369.65	183.39	197.96
11/30/94	308.89	188.02	200.03
11/30/95	393.41	235.84	273.91
11/29/96	420.20	291.90	350.18
11/28/97	463.45	384.83	450.01
11/30/98	595.83	425.30	556.49

ASSUMES $100 INVESTED ON DECEMBER 1, 1988 IN MCCORMICK COMMON STOCK, S&P 500 STOCK INDEX AND S&PFOOD PRODUCTS INDEX.

and outstanding service. Our past success and future potential are rooted in the strength of the McCormick name, and we now experience a 95 percent brand awareness rating in the U.S. Our leadership role in the food industry ensures that you will enjoy a McCormick product at nearly every eating occasion. Grocery store aisles present more than 700 well-known products from major processors that rely on McCormick for seasoning or flavor.

Key strategies include streamlining and simplifying Company operations, improving underperforming units, increasing margins, and growth through new customers, products and acquisitions in the U.S. and selected international markets. We will maximize research and development (R&D) capabilities and build world-class information systems. We continue to manage with an economic value added (EVA) focus not only in daily operations but also in the acquisition and capital expenditure decision process. With well-known brands, prioritized strategies, innovation and a strong desire to succeed, McCormick will outdistance the competition, resulting in our accelerated growth and increased shareholder value.

During the year, our management team was strengthened when Francis A. Contino, former Managing Partner, Ernst & Young LLP Baltimore office, was named Executive Vice President, Chief Financial Officer and member of the Board and Executive Committee. Additionally, Paul C. Beard was appointed Vice President & General Manager of the McCormick Flavor Division in the U.S. Alan D. Wilson became President of McCormick Canada, Inc., and Harvey W. Casey succeeded Mr. Wilson as President of Tubed Products, Inc. Robert C. Singer was named Vice President & Chief Financial Officer of the Global Industrial Group, and Gordon M. Stetz, Jr. was elected Vice President-Acquisitions and Financial Planning.

In November, James T. Brady, former Secretary of the Maryland Department of Business and Economic Development, and Edward S. Dunn, Jr., former President of Harris Teeter, Inc., were elected to the Board of Directors to replace James S. Cook and George V. McGowan, who will be retiring. We thank them for their many years of outstanding service to our Company.

Management is extremely excited and motivated about McCormick's prospects and opportunities. Together with a winning attitude, a sense of accountability and the dedication of each and every employee, we are confident of future success that will create increased shareholder value and strengthen our position among the top performers in the food industry. We will accept nothing less.

/s/ Charles P. McCormick, Jr.
Charles P. McCormick, Jr.
CHAIRMAN OF THE BOARD

/s/ Robert J. Lawless
Robert J. Lawless
PRESIDENT & CHIEF EXECUTIVE OFFICER

OUR CORE VALUES

WE BELIEVE:

- OUR PEOPLE ARE THE MOST IMPORTANT INGREDIENT TO OUR SUCCESS.
- IN CONTINUOUSLY ADDING VALUE FOR OUR SHAREHOLDERS.
- CUSTOMERS ARE THE REASON WE EXIST.
- IN DOING BUSINESS HONESTLY AND ETHICALLY.
- IN FOCUSED ACHIEVEMENT OF GOALS AND OBJECTIVES THROUGH TEAMWORK.

WE WILL FOREVER BE INDEBTED TO CHAIRMAN CHARLES P. (BUZZ) MCCORMICK, JR. FOR RETURNING IN 1995 TO PROVIDE LEADERSHIP DURING OUR TURNAROUND. HIS PRAGMATIC APPROACH AND ABILITY TO FOCUS ON KEY PRIORITIES ENABLED OUR RETURN TO GROWTH. BUZZ JOINED THE COMPANY FULL TIME IN 1949 AND WAS ELECTED TO THE BOARD IN 1955. HE RETIRES THIS SPRING HAVING LED MCCORMICK THROUGH SOME OF ITS MOST IMPORTANT AND SUCCESSFUL YEARS. WE ARE GRATEFUL FOR HIS TIME, ENERGY AND DEVOTION. ON BEHALF OF OUR CUSTOMERS, SHAREHOLDERS AND THOUSANDS OF FELLOW EMPLOYEES, WE SAY, "THANK YOU, BUZZ!"

REPORT ON OPERATIONS

1998 FINANCIAL HIGHLIGHTS

McCormick maintained a course for accelerated growth in 1998 despite difficult global economic conditions. Net sales for the year reached $1.9 billion, an increase of 4.4 percent over 1997. Increased net income combined with our share repurchase program raised diluted earnings per share 8.5 percent to $1.41. EVA, our measure of shareholder value, was $33.1 million in 1998.

CONSUMER BUSINESS WORLDWIDE

McCormick's consumer business has consolidated operations in the U.S., Canada, El Salvador, United Kingdom, Switzerland, Finland, Australia and China. The Company has consumer joint ventures located in the U.S., Mexico, Philippines and Japan. Consolidated net sales for McCormick's consumer businesses worldwide grew 3.8 percent in 1998 over 1997. Consumer joint venture sales increased 2 percent.

[PHOTO]

three foil packs
Caption: A BROAD LINE OF NEW SEASONING MIXES IN THE UNITED KINGDOM HAS MET WITH GREAT SUCCESS IN THE MARKETPLACE.

U.S. CONSUMER

McCormick's U.S. Consumer business, our oldest and largest, is dedicated to the manufacture and sale of consumer spices, herbs, extracts, proprietary seasoning blends, sauces and marinades, selling under the brand names McCormick-Registered Trademark-, Schilling-Registered Trademark-, Produce Partners, Golden Dipt-Registered Trademark-, Old Bay-Registered Trademark- and Mojave-Registered Trademark-.

In 1997, we launched the Quest program, a pricing and promotional initiative between McCormick and the customer with the aim of growing sales. Quest involves pricing most of our best-selling spice items and all of our dry seasoning mixes (DSM) to the customer net of discounts and allowances with the objective of increasing consumer sales. Using McCormick's category management capabilities, we are working with our customers to reach a competitive consumer price point delivering enhanced value for our branded products and benefiting both our customers and consumers. At year end, nearly 50 percent of sales to our U.S. customers were invoiced under Quest, with another 25 percent targeted for conversion in 1999. This effort was complemented by promotions and advertising targeted at potential high growth items, such as Grill Mates-Registered Trademark-, through a combination of couponing, sampling and media advertising during key selling periods. Resulting sales for the last three quarters of 1998 show unit growth in McCormick and Schilling branded products significantly outperforming the category growth as measured by store scanner data. Encouraged by these initial results, we continue to actively roll out the Quest program in 1999.

Growth was likewise achieved in the U.S. with our DSM relaunch. Rolled out in 1998, this program's key elements include package redesign, new product flavors, formula improvements, in-store merchandising and promotion and advertising support. The merchandising of these products includes a section header, "Meal Idea Center," color-coded sections for pasta, beef, chicken and other products, along with point-of-sale materials. In the first half of 1998, new products and packaging began to gain placement. Promotion and advertising support moved into full gear during the fourth quarter by combining magazine, television, radio, couponing and sampling to reach 95 percent of our target audience an average of more than 18 times. By fiscal year end, about one-third of our customers had implemented key elements of the Meal Idea Center, and store scanner data showed that McCormick and Schilling brand products are now outperforming the category in this product line.

Our quality products, high service level and strong brand recognition together with these new marketing initiatives were instrumental in gaining new distribution such as Ahold USA, a major food retailer, early in 1998. Our leadership position is evident since we are the primary spice supplier to 16 of the top 20 retail and wholesale customers.

INTERNATIONAL CONSUMER

[PHOTO]

Pepper Supreme-TM-
Caption: THIS NEW FOOD SERVICE BLEND IS CAPITALIZING ON THE CURRENT HOT AND SPICY FOOD TRENDS.

In the United Kingdom, we continue to be the market leader with sales of our Schwartz(R) brand reaching an all-time high. Consumers reacted favorably to "Make It Fresh," a new line of 11 different seasonings and flavorings for vegetables and fruit dishes. The line has exceeded sales expectations and is the most successful product launch in recent McCormick history. Potato Wedges, 1997's highly successful new product, maintained its position as the unit brand leader in the growing potato seasoning market.

[PHOTO]

two people in front of computer bank
Caption: SENSORY ANALYSIS IS ONE OF MANY CREATIVE AND TECHNICAL SUPPORT SERVICES PROVIDED BY EMPLOYEES AT OUR R&D FACILITIES AROUND THE WORLD. SHOWN: (SEATED) REBECCA NORWAT, (STANDING) JULIE ADAMS.

In Canada, new distribution gains in 1998 now make our Club House spice line available in most retail food locations. A successful product launch of Bag 'n Season(R) in western Canada helped fuel growth, and this popular product line was introduced into Ontario in late 1998. A comprehensive ad campaign, begun in late 1998 and continuing through mid-1999, will build brand awareness in Ontario, one of McCormick Canada's most significant markets.

In Australia, sales were accelerated with increased distribution, new product launches and marketing support. The U.S. Produce Partners line has met with success in Australia, and the well-known Aeroplane brand gained additional market share.

GLOBAL INDUSTRIAL

Net sales for McCormick's Industrial and Food Service businesses grew 8.8 percent in 1998. Our Industrial flavor and seasoning business supplies ingredients to a significant majority of the top 100 food processors and restaurant chains worldwide. While the McCormick name may not be on the food package, our flavor is in a wide range of snack foods, desserts, beverages, confectionery items, cereals, baked goods and more. Our Food Service business supplies spices, seasonings and other food ingredients, both direct and through distributor networks, to restaurants, warehouse clubs and institutions worldwide. During 1998, a number of our major customers designated McCormick as a select supplier and/or awarded us with supplier excellence recognition.

[PHOTO]

Oriental Vegetable Stir Fry
Caption: THE PRODUCE PARTNERS LINE HAS MET WITH SUCCESS IN BOTH AUSTRALIAN AND U.S. MARKETS.

In May 1998, we formed the Global Industrial Group. This organizational change to the Industrial business on a worldwide basis provides a management structure designed to meet several critical objectives. First, it more closely aligns our organization with that of our global customers, facilitating worldwide product development and coordinating marketing and product consistency. Second, our purchasing, production and distribution can be optimized across McCormick's regional operations. Finally, we can better focus attention and resources on emerging areas for growth. As a further refinement to this structure, a Global Restaurant Division has been formed to provide specific focus on this important part of our business.

The Industrial flavor and ingredient businesses achieved sales growth in 1998. We were particularly pleased with our success in the higher margin flavor ingredients and increased acceptance of newly developed flavors for beverage and dairy use. In the U.K., a new range of products was developed for a major global restaurant chain. We began to expand our Australian plant to accommodate new business and support key global customers. In China, we had improved results from our Guangzhou industrial facility which serves major fast food chains.

Our Industrial business was unfavorably impacted by higher raw material prices, particularly pepper. Margins were reduced in 1998 as competitive pricing pressure limited our ability to recover cost increases through pricing actions. As we enter 1999, selected price adjustments are in place, and we expect raw material cost increases to moderate.

The Food Service business had a strong year in the U.S. and Canada, with accelerated growth through existing and new channels of distribution. Increased demand for our branded products and culinary support services in restaurant and non-commercial foodservice operations continues to fuel growth. The year was highlighted by significant new business gains in the distributor and membership warehouse club segments of foodservice. During 1998, Costco, a leading U.S.-based membership warehouse club, awarded McCormick its total spice and seasoning volume for the U.S., Canada and Mexico.

With the new organization, focused R&D capabilities, broad customer base and improving raw material situation, the Industrial Group is well positioned for growth in 1999.

PACKAGING

The Packaging business reported a net sales decline of 11.7 percent. McCormick's Packaging Group manufactures and markets plastic bottles and tubes for food, personal care and other industries. Declining sales by our customers who market in Asia impacted our sales of plastic tubes and bottles. There was also softness in demand for skin-care

[PHOTO]

two bouillon packets
Caption: BOUILLON HAS BEEN ADDED RECENTLY TO EL SALVADOR'S PRODUCT OFFERINGS.

[PHOTO]

two foil packs
Caption: AN EXTENSIVE ARRAY OF COLOR-CODED PACKAGES MAKES IT EASY FOR CONSUMERS TO PREPARE A WIDE VARIETY OF FLAVORFUL FOODS.

products, a major use of our packaging. A modest improvement in sales is expected in 1999.

We closed our Tubed Products plant in New Jersey and consolidated all plastic tube manufacturing in our Massachusetts plant and the newly constructed facility in Oxnard, California, which will result in lower manufacturing and distribution costs.

COMMITTED TO GROWTH

McCormick has created a platform for growth in 1999 and beyond. We are making fundamental changes in the U.S. Consumer business to reach an improved price/value relationship for the consumer in the grocery channel. Globally, our promotion, advertising and new products programs are resulting in market share gains and, in some areas, product category growth. The newly organized Global Industrial Group is poised for improved sales growth and improved margins.

We have several key strategies for the future. McCormick has an active program to improve margins in each of our operations worldwide. Our inventory process from procurement to distribution is undergoing a comprehensive review, with the objective of improvements at each step. We continue to search for innovative means to manage cost, reduce volatility and offset raw material fluctuations. Streamlining and simplifying operations is also a priority. While McCormick's systems are well positioned for the year 2000, opportunities exist beyond these compliance steps that will yield operational benefits. World-class information systems development is one area targeted. There are additional opportunities to improve efficiencies in our supply chain and in our R&D capabilities worldwide.

We also plan to improve underperforming units. In the fourth quarter, in response to economic uncertainty and poor performance in Venezuela, we discontinued our manufacturing operations and signed a new licensing agreement with a Venezuelan firm, Alfonzo Rivas & Cia, to market McCormick products in that country. We will continue to evaluate our business portfolio and act decisively when operations do not meet our financial objectives.

Finally, growth through new customers, new products and acquisitions in the U.S. and selected international markets is fundamental to continued improvement in shareholder value. Our Consumer and Industrial businesses continue to gain distribution and develop new products. We are also reviewing acquisition opportunities to profitably build on our core food businesses. Together, these strategies will provide McCormick with a competitive advantage and deliver superior results.

[PHOTO]

Bag 'n Season advertisement
Caption: PRINT AND BROADCAST ADVERTISING INFORM CONSUMERS THAT OUR CONVENIENT AND FLAVORFUL PRODUCTS FIT THE FAST-PACED LIFESTYLES OF TODAY.

For 1998, the Company reported net income of $103.8 million or $1.41 of diluted earnings per share compared to $98.4 million or $1.30 of diluted earnings per share in 1997. Excluding the impact of adjustments to restructuring reserves, discontinued operations and the discontinuance of manufacturing operations in Venezuela, net income on a comparable basis was $105.3 million or $1.43 of diluted earnings per share in 1998 compared to $98.4 million or $1.30 of diluted earnings per share last year.

The increase in income as compared to 1997 was primarily due to increased sales and income in the U.S. food business. In 1998, the U.S. food business recorded an 8.5% sales increase and a comparable operating income increase due to improved performance in the branded dry seasoning mix (DSM) and spice and herb businesses and distribution gains announced earlier this year. Unfavorable currency exchange rates in a number of foreign markets, weakness in the Packaging business and raw material pricing pressures negatively impacted 1998.

RESULTS OF OPERATIONS
1998 COMPARED TO 1997

Sales from consolidated operations increased 4.4% to $1.9 billion in 1998. The combined effects of price and product mix increased sales by 3.4% as compared to 1997, while unit volume increased 1.8%. The effect of foreign currency exchange rate changes, primarily in our Australian and Canadian operations, decreased sales by .9% when compared to 1997. Net sales improvements, which were realized in all major operating groups except the Packaging business, were primarily due to a combination of price and mix changes and volume increases in the U.S. food business. Net sales increases in our U.S. Consumer business were primarily product mix related and were favorably impacted by improved performance in the branded DSM and spice and herb businesses. Growth initiatives, including the relaunch of the DSM line and the Quest marketing program, contributed to this success. Although volumes for the U.S. Consumer business were up only slightly for the year, distribution gains announced during the first half of 1998, combined with these growth initiatives, resulted in higher volume growth during the last six months of the year. The Food Service business in the U.S. was favorably impacted by volume growth, principally due to new distribution. Product price changes, primarily to cover raw material cost increases, increased net sales in the U.S. Industrial business. Weak demand for customers' products in Asian countries as well as general market softness, principally for plastic tubes, contributed to volume declines in the Packaging business. Sales increases within Europe were the result of a combination of favorable price and product mix changes and currency exchange translations.

Sales from unconsolidated operations in 1998 were down slightly versus 1997. Increases in sales from Signature Brands and our Mexican joint venture were offset by decreases due to foreign currency translation, primarily at the Company's Japanese affiliates.

[PHOTO]

montage of three products

Caption: MCCORMICK PRODUCTS, LIKE OLD BAY, AEROPLANE JELLY AND SALAD SUPREME, ARE ESSENTIAL INGREDIENTS IN KITCHENS AROUND THE WORLD

(MILLIONS)		SALES			
	1998	1997	1996	1998	1997
Americas					
Consumer	$ 623.7	$ 596.4	$ 621.5	4.6%	(4.0)%
Industrial & foodservice	662.1	601.2	549.7	10.1	9.4
Europe					
Consumer	203.9	200.3	197.0	1.8	1.7
Industrial & foodservice	144.6	138.7	124.0	4.3	11.9
Asia/Pacific					
Consumer	44.5	43.2	36.2	3.0	19.3
Industrial & foodservice	43.5	41.3	34.1	5.3	21.1
Packaging	158.8	179.9	170.0	(11.7)	5.8
	$ 1,881.1	$ 1,801.0	$ 1,732.5	4.4%	4.0%

SALES INCREASE ANALYSIS	1998	1997
Volume change	1.8%	2.6%
Price and mix change	3.4	1.4
Foreign currency change	(.9)	.4
Other changes (1)	.1	(.4)
	4.4%	4.0%

(1) Includes business acquisitions and the disposal of businesses which are not accounted for as discontinued operations.

Operating income as a percentage of net sales, excluding restructuring, increased to 9.8% in 1998 from 9.3% in 1997.

Gross profit as a percentage of net sales decreased to 34.5% in 1998 from 34.9% in 1997. Raw material pricing pressures, primarily for black pepper, were felt throughout the Company. Product and customer mix issues negatively impacted margins within the U.S. Industrial and Food Service businesses, while decreased volume in the Packaging business reduced efficiencies. Margins were also negatively impacted, primarily in Australia and Canada, by adverse foreign exchange effects on raw material costs. These were partially offset by continued gross profit improvements in the U.S. Consumer business due to a favorable product mix.

Selling, general and administrative expenses were higher in 1998 than 1997 on a dollar basis, but were down slightly as a percentage of sales. The dollar increase is mainly due to increased promotional and advertising spending within the U.S. Consumer business, partially offset by lower earnings-based employee compensation costs.

Interest expense was up slightly in 1998 versus 1997 as higher average debt levels were partially offset by lower interest rates.

Other (income) expense decreased in 1998 as compared to 1997. Income from the three-year non-compete agreement with Calpine Corporation, entered into as a part of the 1996 sale of Gilroy Energy Company, Inc., decreased to $7.0 million in 1998 from $8.0 million in 1997. This income will decrease to $4.6 million in 1999, the final year of the agreement.

The Company's effective tax rate was 36.0% in 1998 compared to 37.0% in 1997. This decrease was primarily due to various U.S. and international tax initiatives.

Income from unconsolidated operations decreased in 1998 versus 1997 mainly due to our Mexican joint venture, which realized translation losses from the devaluation of the Mexican peso in accordance with hyper-inflationary accounting rules. It is anticipated that Mexico will no longer be considered a hyper-inflationary economy in 1999. The Company also experienced earnings declines in its Japanese joint ventures.

RESULTS OF OPERATIONS
1997 COMPARED TO 1996

Sales from consolidated operations increased 4.0% to $1.8 billion, principally due to a combination of price and mix changes and unit volume increases. Sales improvement was experienced in all operating groups except the U.S. Consumer business. While underlying sales patterns in the grocery store showed some improvement in late 1997, the U.S. Consumer business experienced volume decreases, partially offset by the combined favorable effect of price and mix changes. Our Industrial and Food Service businesses within the U.S. experienced strong sales growth, mainly due to volume increases. Sales increases in Europe were the result of volume gains and favorable currency exchange translations. Volume and price increases fueled sales growth in the Asia/Pacific region. The Packaging business experienced increased sales, primarily due to a favorable combination of price and mix changes.

Sales from unconsolidated operations increased 5.3% in 1997, due principally to sales from our Mexican joint venture and Signature Brands. Foreign exchange translations, primarily due to a weaker Japanese yen, had a negative effect on unconsolidated sales.

Operating income as a percentage of net sales, excluding restructuring, increased to 9.3% in 1997 from 8.7% in 1996.

Gross profit as a percentage of net sales remained at the same level in 1997 as 1996. Excluding the impact of adjustments at the Company's Venezuelan operation, gross profit as a percentage of net sales increased to 35.1% in 1997 from 34.9% in 1996. Gross margin percentages increased in 1997 in our U.S. Consumer, Industrial and Packaging businesses as compared to 1996. These were partially offset by slightly reduced gross margin percentages in our European and Asia/Pacific businesses. Gross margin improvements in the U.S. Consumer business were driven by continuing product rationalization efforts and a change in mix to higher margin products. In the U.S. Industrial and Packaging businesses, gross margins improved during 1997 due to stronger sales of our higher margin, value-added products. Improvement in the Packaging business was also partially due to improved operating efficiencies in 1997 and a write-off of packaging inventory for obsolete products in 1996.

Selling, general and administrative expenses were higher in 1997 than 1996 on a dollar basis, but were down slightly as a percentage of sales. The increase was mainly due to earnings-based employee compensation costs, additional resources to support our R&D program and increased information systems spending to allow the Company's systems to cope with the change to the year 2000. This increase was partially offset by decreases in promotional and advertising spending. Promotional spending was down due to the effect of lower U.S. Consumer sales on volume-based promotions combined with a shift to promotional programs which encourage more efficient spending activities. Advertising spending, while lower in 1997 than 1996 because of timing issues, was still higher than historical levels as the Company continued its focus on brand recognition.

Interest expense increased $2.5 million in 1997 as compared to 1996, primarily as a result of increased borrowing to fund the Company's stock buyback program. Interest expense in 1996 excluded $11.2 million, which was reclassified to discontinued operations on the Consolidated Statement of Income. Total interest expense decreased $8.7 million in 1997 compared to 1996. The significant decrease in total interest was primarily due to reduced borrowing levels as a result of the sales of Gilroy Foods, Incorporated (GFI) and Gilroy Energy Company, Inc. (GEC) in 1996. See Notes to Consolidated Financial Statements for amounts and methods of allocations used.

Other (income) expense increased $5.6 million in 1997 as compared to 1996. This increase was primarily due to income from a non-compete agreement relating to the sale of GEC, which totaled $8.0 million in 1997 versus $4.5 million in 1996.

The Company recorded income tax expense on net income from continuing operations at an effective rate of 37.0% in 1997 compared to a rate of 38.7% in 1996. Excluding the effects of the restructuring, the Company's effective tax rate was approximately 35.5% for 1996. The effective tax rate increased in 1997 due to the favorable effect in 1996 of refunds of certain U.S. tax credits from prior years. In reclassifying the Consolidated Statement of Income for discontinued operations, income taxes were allocated to discontinued operations. See Notes to Consolidated Financial Statements for the amounts and methods of allocation used.

Income from unconsolidated operations improved in 1997 compared to 1996 mainly due to improved results from our Mexican joint venture.

FINANCIAL CONDITION

Continued strong cash flows from operations enabled the Company to fund operating projects and investments designed to meet our growth objectives, support the ongoing share repurchase program and maintain a manageable debt level.

In the Consolidated Statement of Cash Flows, cash flows from operating activities decreased from $181.2 million in 1997 to $144.0 million in 1998.

Prepaid allowances increased as the Company added new distribution and completed numerous customer contract renewals in the first half of 1998. In addition, other accrued liabilities were negatively impacted by increased tax payments and lower earnings-based employee compensation costs.

Investing activities used cash of $62.6 million in 1998 versus $46.7 million in 1997. Capital expenditures were greater than last year primarily due to the implementation of certain projects to support new distribution in the Consumer and Food Service businesses, growth from existing customers in the Industrial business and consolidation of facilities in our Packaging business. Acquisitions of businesses in 1998 included the purchase of a line of wet and dry mustards, curry powders and various meal lines in Australia and Canada which will be marketed under the Keen's and Rice-a-Riso-Registered Trademark- brand names.

Financing activities used cash of $77.0 million in 1998 versus $145.2 million in 1997. In 1996, the Company began a repurchase program to buy back up to 10.0 million shares of the Company's outstanding stock from time to time in the open market. To date, 9.0 million shares have been repurchased under this program, of which 2.0 million were repurchased in 1998 and 4.5 million in 1997.

Dividend payments increased to $46.9 million in 1998, up 3% compared to $45.5 million in 1997. Dividends paid in 1998 totaled $.64 per share, up from $.60 per share in 1997. In December 1998, the Board of Directors approved a 6% increase in the quarterly dividend from $.16 to $.17 per share. Over the last 10 years, dividends have increased 13 times and have risen at a compounded annual rate of 17%.

The Company's ratio of debt to total capital was 51.6% as of November 30, 1998, up from 50.3% at November 30, 1997. The increase was due primarily to the effect of the stock buyback program.

Management believes that internally generated funds and existing sources of liquidity are sufficient to meet current and anticipated financing requirements over the next 12 months.

DEBT TO CAPITAL

1998	51.6%
1997	50.3%
1996	47.1%
1995	55.5%
1994	54.6%

[GRAPH]

CASH FLOWS FROM OPERATIONS
IN MILLIONS

	1998	1997	1996	1995	1994
Operating	144.0	181.2	201.7	59.4	72.5

CAPITAL EXPENDITURES
In Millions

1998	54.8
1997	43.9
1996	74.7
1995	82.1
1994	87.7

DEPRECIATION EXPENSE
In Millions

1998	49.9
1997	43.9
1996	57.9
1995	56.3
1994	56.8

BUSINESS RESTRUCTURING

During the past several years, management has reassessed the global strategic direction of the Company and conducted a portfolio review of its business to increase focus on core businesses and improve its cost structure. As a result, the Company implemented restructuring plans to consolidate manufacturing facilities, reduce administrative staff and divest non-core businesses. The Company recorded restructuring charges of $70.4 million ($46.3 million after-tax or $.57 per share) and $58.1 million ($39.6 million after-tax or $.49 per share) in 1994 and 1996, respectively. In addition, there were charges directly related to the 1996 restructuring plan which could not be accrued at that time.

In the fourth quarter of 1998, the Company completed these restructuring plans. Because the realignment of several overseas operations resulted in losses less than originally anticipated, the Company recorded a restructuring credit of $3.1 million in 1998. In addition, the Company incurred $1.9 million of restructuring charges in 1998 which could not be accrued in 1996, primarily related to costs to move equipment and personnel from a closed U.S. packaging plant. Concurrent with these activities, the Company discontinued its manufacturing operations in Venezuela, resulting in a restructuring charge of $3.5 million. Charges related to this initiative, which was completed in 1998, included $1.1 million for severance and personnel costs, $1.8 million for the writedown of assets to net realizable value and $.6 million for other exit costs. The credit for the completion of the restructuring plan, charges directly related to the restructuring plans which could not be previously accrued and the new initiative in Venezuela resulted in a net restructuring charge of $2.3 million($1.5 million after-tax or $.02 per share) in 1998.

In the third quarter of 1997, the Company reevaluated its restructuring plans and recorded a restructuring credit of $9.5 million because the agreement in principle to dispose of an overseas food brokerage and distribution business was not consummated and several projects were completed with losses less than originally anticipated. The Company also recorded a restructuring charge of $5.7 million to streamline the food brokerage and distribution business and close a U.S. packaging plant. Including this additional restructuring charge, the credit for the restructuring plan reevaluation and charges directly related to the restructuring plans which could not be previously accrued, the Company recorded a net restructuring credit of $3.2 million ($2.0 million after-tax or $.03 per share) in 1997.

DISCONTINUED OPERATIONS

On August 29, 1996, the Company sold substantially all the assets of Gilroy Foods, Incorporated (GFI) and Gilroy Energy Company, Inc. (GEC) for $263.3 million. Based on the settlement of contract terms, the Company recognized income from discontinued operations, net of income taxes of $1.0 million in 1997.

The operating results of GFI and GEC for 1996 have been reclassified to discontinued operations. The sale of GEC also necessitated prepayment of an 11.68% non-recourse installment note, resulting in an extraordinary net loss of $7.8 million in 1996.

MARKET RISK SENSITIVITY

The Company utilizes derivative financial instruments to enhance its ability to manage risk, including foreign exchange and interest rate exposures which exist as part of its ongoing business operations. The Company does not enter into contracts for speculative or trading purposes, nor is it a party to any leveraged derivative instrument. The use of derivative financial instruments is monitored through regular communication with senior management and the utilization of written guidelines. The information presented below should be read in conjunction with Notes 3 and 4 to the Consolidated Financial Statements.

FOREIGN EXCHANGE RISK - The Company is exposed to fluctuations in foreign currency cash flows primarily related to raw material purchases. The Company is also exposed to fluctuations in the value of foreign currency investments in subsidiaries and unconsolidated affiliates and cash flows related to repatriation of these investments. Additionally, the Company is exposed to volatility in the translation of foreign currency earnings to U.S. dollars. Primary exposures include the U.S. dollar versus functional currencies of the Company's major markets (British pound, Australian dollar, Canadian dollar, Mexican peso, Japanese yen and Chinese RMB). The Company assesses foreign currency risk based on transactional cash flows and enters into forward and option contracts to reduce fluctuations in currency positions.

The table below summarizes the foreign currency exchange contracts held at November 30, 1998. All contracts are valued in U.S. dollars using year-end 1998 exchange rates and are hedges of firm commitments with a maturity period of less than one year (unless indicated otherwise).

Currency sold	Currency received	Notional value (MILLIONS)	Average contractual exchange rate (fc/USD)	Fair value (MILLIONS)
GBP	DEM	.4	.60	--
GBP	USD	2.7	.60	.1
USD	AUD	8.2	1.61	.1
MXP (1)	USD	9.0	9.21	.7
AUD (1)	USD	1.5	1.77	--
CAN (1)	USD	11.3	1.56	--
CHF (1)	GBP	7.6	1.37	.2

(1) Option contract

INTEREST RATE RISK - The Company's policy is to manage interest cost using a mix of fixed and variable debt. The Company uses interest rate swaps to achieve a desired proportion. The table that follows provides principal cash flows and related interest rates by fiscal year of maturity. For foreign currency-denominated debt, the information is presented in U.S. dollar equivalents. Variable interest rates are based on the weighted average rates of the portfolio at November 30, 1998.

	Year of Maturity						
(MILLIONS)	1999	2000	2001	2002	There-after	Total	Fair value
Fixed rate	$ 24.5	$7.6	$86.7	$.4	$155.7	$274.9	$298.8
Average interest rate	9.24%	9.17%	8.81%	1.39%	7.91%		
Variable rate	$139.1	-	-	-	-	$139.1	$139.1
Average interest rate	6.57%	-	-	-	-	6.57%	

Note: Variable rate commercial paper which will be used to retire the $74.7 million, 8.95% note due 2001 is hedged by a forward starting interest rate swap for the period 2001 through 2011. Interest rate payments will be fixed at 6.35% during the period.

COMMODITY RISK - The Company purchases certain raw materials which are subject to price volatility caused by weather and other unpredictable factors. While future movements of raw material costs are uncertain, a variety of programs, including periodic raw material purchases and customer price adjustments, help the Company address this risk. Generally, the Company does not use derivatives to manage the volatility related to this risk.

YEAR 2000

The Year 2000 (Y2K) issue is the result of computer programs written using two digits (rather than four) to define the applicable year. Without corrective actions, programs with date-sensitive logic may recognize "00" as 1900 rather than 2000. This could result in miscalculations or system failures, significantly impacting our business operations.

The Company's work on the Y2K compliance program officially began in 1996. A Corporate project team, working with outside consultants, developed a process to identify and correct Y2K issues on all information technology (IT) platforms and non-IT systems. In addition, all operating units have undertaken Y2K initiatives with direction from the Corporate project team. As a result of this process, the Company has inventoried and assessed all systems and developed remediation programs where necessary for all business-critical information technology applications. The Company is on target with its remediation and testing work. A similar program is also in place for non-IT systems. Final completion and implementation will extend into the third quarter of 1999.

The risk of internal business-critical computer systems failure is mitigated by extensive testing, verification and validation efforts. These efforts, which include program and systems testing, simulate operations in the year 2000. Review of the remediation process and program code by independent third parties is underway. Contingency plans are being developed to mitigate this risk.

Because noncompliant external systems could cause disruptions to various business activities and significant additional costs, the Company has identified and contacted critical suppliers, customers and other third parties to determine their stage of Y2K readiness. For certain third parties with key system connections, interface testing will be performed. Although the Company believes it is taking the appropriate steps to assess Y2K readiness, there is no guarantee that the Company's efforts will prevent a material adverse impact on the results of operations and financial condition. The Company believes its Y2K program, including the contingency plans and readiness program discussed below, should significantly reduce this risk.

The Company is developing contingency plans to mitigate potential disruptions to the Company's operations. These include action plans to address system failures by third parties, including identifying and securing alternate sources of materials. Plans are being developed to address individual location failures since the most likely impact will occur within individual systems or at specific locations. The Company expects to complete its contingency plans in late 1999.

A Company-wide Y2K readiness program is being developed to ensure that all employees are aware of the risks associated with the Y2K changes. These include risks associated with third party transactions or the Company's internal processes. The Y2K readiness program is expected to be in place by the second quarter of 1999.

Since the compliance program began, the Company has incurred approximately $9.8 million in expenses, including consulting fees, internal staff costs and other expenses. The Company expects to incur additional expenses of approximately $3.4 million through 2000. The Company has also procured replacement systems that, in addition to being Y2K compliant, provide enhanced capability to benefit future operations. Management believes that internally generated funds and existing sources of liquidity are sufficient to meet the expected funding requirements.

FORWARD-LOOKING INFORMATION

Certain statements contained in this report, including those related to raw material price fluctuations, cost recovery program results, expected Y2K readiness and cost, the impact of accounting and disclosure changes, the market risks associated with financial instruments, the impact of foreign exchange fluctuations and the adequacy of internally generated funds and existing sources of liquidity 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 significantly affect expected results. Operating results could be materially affected by external factors such as: actions of competitors, customer relationships, third party Y2K readiness, fluctuations in the cost and availability of supply-chain resources and global economic conditions, including interest and currency rate fluctuations and inflation rates.

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED NOVEMBER 30 (MILLIONS EXCEPT PER SHARE DATA)	1998	1997	1996
Net sales	$ 1,881.1	$ 1,801.0	$ 1,732.5
Cost of goods sold	1,232.2	1,172.4	1,128.0
Gross profit	648.9	628.6	604.5
Selling, general and administrative expense	463.8	461.0	453.1
Restructuring charge (credit)	2.3	(3.2)	58.1
Operating income	182.8	170.8	93.3
Interest expense	36.9	36.3	33.8
Other (income) expense, net	(6.6)	(7.8)	(2.2)
Income from consolidated continuing operations before income taxes	152.5	142.3	61.7
Income taxes	54.9	52.6	23.8
Net income from consolidated continuing operations	97.6	89.7	37.9
Income from unconsolidated operations	6.2	7.7	5.6
Net income from continuing operations	103.8	97.4	43.5
Income from discontinued operations, net of income taxes	--	1.0	6.2
Net income before extraordinary item	103.8	98.4	49.7
Extraordinary loss from early extinguishment of debt, net of income tax benefit	--	--	(7.8)
Net income	$ 103.8	$ 98.4	$ 41.9
EARNINGS PER COMMON SHARE - BASIC			
Continuing operations	$ 1.42	$ 1.29	$ .54
Discontinued operations	--	.01	.08
Extraordinary loss from early extinguishment of debt	--	--	(.10)
Total earnings per share - basic	$ 1.42	$ 1.30	$ .52
EARNINGS PER COMMON SHARE - DILUTED			
Continuing operations	$ 1.41	$ 1.29	$ .54
Discontinued operations	--	.01	.08
Extraordinary loss from early extinguishment of debt	--	--	(.10)
Total earnings per share - diluted	$ 1.41	$ 1.30	$ .52

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 23 - 30.

CONSOLIDATED BALANCE SHEET

AT NOVEMBER 30 (MILLIONS)	1998	1997
Current assets		
Cash and cash equivalents	$ 17.7	$ 13.5
Receivables, less allowances of $4.0 for 1998 and $3.7 for 1997	212.8	217.2
Inventories	250.9	252.1
Prepaid expenses	7.2	9.8
Deferred income taxes	15.2	13.9
Total current assets	503.8	506.5
Property, plant and equipment, net	377.0	380.0
Intangible assets, net	160.9	158.0
Prepaid allowances	143.7	130.9
Investments and other assets	73.7	80.8
Total assets	$ 1,259.1	$ 1,256.2
CURRENT LIABILITIES		
Short-term borrowings	$ 139.1	$ 112.3
Current portion of long-term debt	24.5	9.0
Trade accounts payable	145.9	150.4
Other accrued liabilities	208.5	226.6
Total current liabilities	518.0	498.3
Long-term debt	250.4	276.5
Deferred income taxes	4.2	2.0
Other long-term liabilities	98.4	86.3
Total liabilities	871.0	863.1
SHAREHOLDERS' EQUITY		
Common stock, no par value; authorized 160.0 shares; issued and outstanding: 1998 - 9.7 shares, 1997 - 10.2 shares	49.0	44.4
Common stock non-voting, no par value; authorized 160.0 shares; issued and outstanding: 1998 - 62.8 shares, 1997 - 63.8 shares	120.0	115.0
Retained earnings	262.3	264.3
Foreign currency translation adjustments	(36.6)	(30.6)
Additional minimum pension liability	(6.6)	--
Total shareholders' equity	388.1	393.1
Total liabilities and shareholders' equity	$ 1,259.1	$ 1,256.2

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 23 - 30.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED NOVEMBER 30 (MILLIONS)	1998	1997	1996
Cash flows from operating activities			
Net income	$ 103.8	$ 98.4	$ 41.9
Adjustments to reconcile net income to net cash provided by operating activities			
Restructuring charge (credit)	2.3	(3.2)	58.1
Depreciation and amortization	54.8	49.3	63.8
Deferred income taxes	2.0	18.9	(26.4)
Other	(.3)	2.9	2.4
Income from unconsolidated operations	(6.2)	(7.7)	(5.6)
Extraordinary item	--	--	7.8
Changes in operating assets and liabilities			
Receivables	1.6	(4.2)	(5.4)
Inventories	(1.7)	(13.7)	21.8
Prepaid allowances	(13.1)	18.1	23.7
Trade accounts payable	(2.4)	(.6)	24.5
Other assets and liabilities	(6.6)	13.5	(4.9)
Dividends received from unconsolidated affiliates	9.8	9.5	--
Net cash provided by operating activities	144.0	181.2	201.7
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of businesses	(8.9)	(3.3)	--
Capital expenditures	(54.8)	(43.9)	(74.7)
Proceeds from sale of discontinued operations	--	--	248.8
Proceeds from sale of assets	3.0	3.8	15.3
Other	(1.9)	(3.3)	(1.5)
Net cash (used in) provided by investing activities	(62.6)	(46.7)	187.9
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings, net	27.5	16.1	(186.5)
Long-term debt borrowings	9.0	.6	4.4
Long-term debt repayments	(17.7)	(12.2)	(83.2)
Common stock issued	14.1	7.0	4.5
Common stock acquired by purchase	(63.0)	(111.2)	(74.7)
Dividends paid	(46.9)	(45.5)	(45.3)
Net cash used in financing activities	(77.0)	(145.2)	(380.8)
Effect of exchange rate changes on cash and cash equivalents	(.2)	1.8	1.1
Increase/(decrease) in cash and cash equivalents	4.2	(8.9)	9.9
Cash and cash equivalents at beginning of year	13.5	22.4	12.5
Cash and cash equivalents at end of year	$ 17.7	$ 13.5	$ 22.4

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 23 - 30.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(MILLIONS EXCEPT PER SHARE DATA)	Common Stock Shares	Common Stock Non-Voting Shares	Common Stock Amount	Retained Earnings	Foreign Currency Translation Adjustments	Additional Minimum Pension Liability	Total Shareholders' Equity
Balance, December 1, 1995	12.1	69.1	$ 160.6	$ 387.7	$(29.0)	$ --	$ 519.3
Net income				41.9			41.9
Dividends paid ($.56/share)				(45.3)			(45.3)
Currency translation adjustments					4.2		4.2
Shares purchased and retired	(.3)	(3.1)	(4.1)	(70.6)			(74.7)
Shares issued	.2	.2	4.5				4.5
Other				.1			.1
Equal exchange	(.5)	.5					--
Balance, November 30, 1996	11.5	66.7	161.0	313.8	(24.8)	--	450.0
Net income				98.4			98.4
Dividends paid ($.60/share)				(45.5)			(45.5)
Currency translation adjustments					(5.8)		(5.8)
Shares purchased and retired	(.3)	(4.2)	(8.6)	(102.6)			(111.2)
Shares issued	.1	.2	7.0				7.0
Other				.2			.2
Equal exchange	(1.1)	1.1					--
Balance, November 30, 1997	10.2	63.8	159.4	264.3	(30.6)	--	393.1
NET INCOME				103.8			103.8
DIVIDENDS PAID ($.64/SHARE)				(46.9)			(46.9)
CURRENCY TRANSLATION ADJUSTMENTS					(6.0)		(6.0)
ADDITIONAL MINIMUM PENSION LIABILITY						(6.6)	(6.6)
SHARES PURCHASED AND RETIRED	(.2)	(1.8)	(4.5)	(58.5)			(63.0)
SHARES ISSUED	.3	.2	14.1				14.1
OTHER				(.4)			(.4)
EQUAL EXCHANGE	(.6)	.6					--
BALANCE, NOVEMBER 30, 1998	9.7	62.8	$ 169.0	$ 262.3	$(36.6)	$ (6.6)	$ 388.1

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 23 - 30.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. Investments in 20% to 50% owned affiliates are accounted for under the equity method. Significant intercompany transactions have been eliminated.

USE OF ESTIMATES

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual amounts could differ from these estimates.

CASH AND CASH EQUIVALENTS

All highly liquid investments purchased with an original maturity date of three months or less are classified as cash equivalents.

INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out) or market.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost and depreciated over its estimated useful life using the straight-line method for financial reporting and both accelerated and straight-line methods for tax reporting.

INTANGIBLE ASSETS

Intangible assets resulting from acquisitions are amortized using the straight-line method over periods up to 40 years. On a periodic basis, the Company estimates the future undiscounted cash flows of the businesses to which intangible assets relate in order to ensure that the carrying values of such intangible assets have not been impaired.

PREPAID ALLOWANCES

Prepaid allowances arise when the Company prepays sales discounts and marketing allowances to certain customers in connection with multi-year sales contracts. These costs are capitalized and amortized over the lives of the contracts, generally ranging from three to five years. The amounts reported in the Consolidated Balance Sheet are stated at the lower of unamortized cost or management's estimate of the net realizable value of these costs.

RESEARCH AND DEVELOPMENT

Research and development costs are expensed as incurred.

STOCK-BASED EMPLOYEE COMPENSATION

Stock-based compensation is accounted for by using the intrinsic value-based method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

FOREIGN CURRENCY TRANSLATION

Assets and liabilities of the Company's foreign subsidiaries, other than those located in highly inflationary countries, are translated at current exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as a component of shareholders' equity. For entities in highly inflationary countries, a combination of current and historical rates is used to determine translation gains and losses, which are reported directly in the Consolidated Statement of Income.

ACCOUNTING AND DISCLOSURE CHANGES

In the first quarter of 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share." This statement revised the standards for computation and presentation of earnings per share (EPS), requiring the presentation of basic and diluted EPS on the income statement. Basic EPS is based on the weighted-average shares outstanding during the applicable period. Diluted EPS reflects the potential dilution which could occur if all dilutive securities (such as outstanding stock options) were converted to common shares. The EPS amounts for all periods have been presented in compliance with SFAS No. 128.

In the fourth quarter of 1998, the Company adopted SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This statement does not change the recognition or measurement of pension or postretirement benefit plans, but revises and standardizes disclosure requirements.

In the fourth quarter of 1998, the Company adopted the American Institute of Certified Public Accountants' (AICPA) Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed for or Obtained for Internal Use." This statement requires the capitalization of certain costs incurred in connection with developing or obtaining software for internal use. Adoption of SOP 98-1 did not have a material impact on the Company's financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In June 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income," which requires that an enterprise report, by major components and as a single total, the change in its net assets during the period from non-owner sources. The FASB also issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which establishes annual and interim reporting standards for an enterprise's operating segments and related disclosures about its products, services, geographic areas and major customers. The Company will adopt these statements in 1999. Adoption of these standards will not impact the Company's results of operations and financial position and will be limited to the presentation of its disclosures.

In April 1998, the AICPA issued SOP 98-5, "Reporting on the Costs of Start-up Activities." This statement, which is effective for fiscal years beginning after December 15, 1998, requires that costs of start-up activities, including organization costs, be expensed as incurred. The Company does not anticipate a material impact on its results of operations and financial position.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, which is effective for fiscal years beginning after June 15, 1999, will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that do not qualify as hedges under the new standard must be adjusted to fair value through income. If a derivative qualifies as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in value will be immediately recognized in earnings. The Company adopted SFAS No. 133 in the first quarter of 1999 and does not anticipate a material impact on its results of operations and financial position.

RECLASSIFICATIONS

Certain amounts in prior years have been reclassified to the 1998 presentation.

2. INVESTMENTS

The Company owns from 20% to 50% of its unconsolidated food products affiliates. Although the Company reports its share of net income from the affiliates, their financial statements are not consolidated with those of the Company. The Company's share of undistributed earnings of the affiliates was $30.5 million at November 30, 1998. Summarized year-end information from the financial statements of these companies representing 100% of the businesses follows:

(MILLIONS)	1998	1997	1996
Net sales	$ 344.4	$ 345.4	$ 328.0
Gross profit	131.1	131.7	121.5
Net income	11.9	15.7	12.9
Current assets	$ 161.2	$ 154.0	$ 149.9
Noncurrent assets	71.7	73.2	79.6
Current liabilities	106.1	90.8	96.1
Noncurrent liabilities	39.5	46.5	46.0

3. FINANCING ARRANGEMENTS
The Company's outstanding debt is as follows:

(MILLIONS)	1998	1997
Short-term borrowings		
Commercial paper (1)	$ 94.4	$ 79.5
Other	44.7	32.8
	$ 139.1	$ 112.3
Weighted-average interest rate of short-term borrowings at year end	6.57%	6.92%
Long-term debt		
8.95% note due 2001 (1)	$ 74.7	$ 74.6
9.75% installment notes due through 1999 and 2001	8.8	12.3
9.00% installment notes due 1999	1.6	3.9
5.78% - 7.77% medium-term notes due 2004 to 2006	95.0	95.0
7.63% - 8.12% medium-term notes due 2024 (2)	55.0	55.0
9.34% pound sterling installment note due through 2001	11.3	14.8
10.00% Canadian dollar bond due 1999	6.5	7.0
3.13% yen note due 1999	.9	2.6
9.74% Australian dollar note due 1999	7.5	8.2
Other	13.6	12.1

Total long-term debt	274.9	285.5
Less current portion	24.5	9.0
	$ 250.4	$ 276.5

(1) Commercial paper which will be used to retire the 8.95% note due 2001 is hedged by a forward starting interest rate swap for the period 2001 through 2011. Interest rate payments will be fixed at 6.35% during the period.
(2) The holders have a one-time option to require retirement of these notes during 2004.

The fair value of the Company's short-term borrowings approximated the recorded value. The fair value of long-term debt including the current portion of long-term debt was $298.8 million and $308.3 million at November 30, 1998 and 1997, respectively. The Company's long-term debt agreements contain various restrictive covenants, including limitations on the payment of cash dividends. Under the most restrictive covenants, $152.0 million of retained earnings was available for dividends at November 30, 1998.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Maturities of long-term debt during the four years subsequent to November 30, 1999 are as follows

(in millions):

2000 - $ 7.6	2002 - $.4
2001 - $86.7	2003 - $.3

The Company has available credit facilities with domestic and foreign banks for various purposes. The amount of unused credit facilities at November 30, 1998 was $388.7 million, of which $300.0 million supports a commercial paper borrowing arrangement. Credit facilities in support of commercial paper issuance require a commitment fee of $.2 million. All other credit facilities require no commitment fee and are subject to the availability of funds.

Rental expense under operating leases was $14.1 million in 1998, $13.6 million in 1997 and $12.4 million in 1996. Future annual fixed rental payments for the years ending November 30 are as follows (in millions):

1999 - $10.4	2002 - $5.0
2000 - $ 9.1	2003 - $2.5
2001 - $ 6.7	Thereafter - $8.3

At November 30, 1998, the Company had unconditionally guaranteed $12.0 million of the debt of unconsolidated affiliates. The Company has guaranteed the residual value of a leased distribution center at 85% of its original cost.

4. FINANCIAL INSTRUMENTS

The Company utilizes derivative financial instruments to enhance its ability to manage risk, including foreign currency and interest rate exposures which exist as part of its ongoing business operations. The Company does not enter into contracts for speculative or trading purposes, nor is it a party to any leveraged derivative instrument. The use of derivative financial instruments is monitored through regular communication with senior management and the utilization of written guidelines.

In evaluating the fair value of financial instruments, the Company generally uses third-party market quotes or calculates an estimated fair value on a discounted cash flow basis using the rates available for instruments with the same remaining maturities.

FOREIGN CURRENCY

The Company is exposed to potential losses from foreign currency fluctuations affecting net investments and earnings denominated in foreign currencies. The Company selectively hedges the potential effect of these foreign currency fluctuations related to operating activities and net investments in foreign operations by entering into foreign currency exchange contracts with highly-rated financial institutions. Realized and unrealized gains and losses on hedges of firm commitments are included in the cost basis of the asset being hedged and are recognized as the asset is expensed through cost of goods sold. Realized and unrealized gains and losses on contracts that hedge anticipated transactions are recognized currently in net earnings. Realized and unrealized gains and losses on contracts that hedge net investments are recognized in the foreign currency translation adjustment in shareholders' equity.

At November 30, 1998, the Company had forward and option contracts maturing in 1999 to purchase or sell $40.7 million of foreign currencies versus $3.5 million at November 30, 1997. The fair value of these contracts was $1.1 million and $(.1) million at November 30, 1998 and 1997, respectively.

INTEREST RATES

The Company finances a portion of its operations through debt instruments, primarily commercial paper, notes and bank loans whose fair values are indicated in Note 3. The Company utilizes interest rate swap agreements to achieve a desired proportion of variable versus fixed rate debt. The amounts paid or received on hedges related to debt are recognized as an adjustment to interest expense. The notional amount of interest rate swaps was $75.0 million at November 30, 1998. The cost to settle the swaps was $2.0 million at November 30, 1998. The Company intends to hold the forward starting interest rate swaps until maturity.

OTHER FINANCIAL INSTRUMENTS

The Company's other significant financial instruments include cash and cash equivalents, receivables and accounts payable. As of November 30, 1998 and 1997, the fair value of other financial instruments held by the Company approximated the recorded value.

Investments, consisting principally of investments in unconsolidated affiliates, are not readily marketable. Therefore, it is not practicable to estimate their fair value.

CONCENTRATIONS OF CREDIT RISK

The Company is exposed to concentrations of credit risk with trade accounts receivable, prepaid allowances and financial instruments. Because the Company has a large and diverse customer base with no single customer accounting for a significant percentage of trade accounts receivable and prepaid allowances, there was no material concentration of credit risk in these accounts at November 30, 1998. The Company evaluates the credit worthiness of the counterparties to financial instruments and considers nonperformance credit risk to be remote.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. PENSION AND PROFIT SHARING PLANS

PENSION PLAN

The Company's pension expense follows:

	United States			International		
(MILLIONS)	1998	1997	1996	1998	1997	1996
Defined benefit plans						
Service cost	$ 6.2	$ 5.5	$ 5.7	$ 2.7	$ 1.8	$ 2.1
Interest cost	11.4	10.7	10.4	3.2	2.9	2.6
Expected return on plan assets	(11.2)	(10.2)	(9.3)	(4.9)	(3.9)	(3.3)
Amortization of prior service cost	.1	--	--	.1	.1	.1
Amortization of transition asset	(.5)	(.5)	(.5)	(.1)	(.1)	(.1)
Recognized net actuarial loss (gain)	1.6	1.6	1.0	(.3)	(.3)	(.3)
Other retirement plans	.2	--	--	.8	1.2	1.1
	$ 7.8	$ 7.1	$ 7.3	$ 1.5	$ 1.7	$ 2.2

The Company's U.S. plans held .5 million shares, with a fair value of $15.1 million, of the Company's stock at November 30, 1998. Dividends paid on these shares in 1998 were $.3 million.

Rollforwards of the benefit obligation, fair value of plan assets and a reconciliation of the plans funded status at September 30, the measurement date, follow:

	United States		International	
(MILLIONS)	1998	1997	1998	1997
Change in benefit obligation				
Beginning of the year	$ 156.2	$ 146.3	$ 43.8	$ 38.1
Service cost	6.2	5.5	2.7	1.8
Interest cost	11.4	10.7	3.2	2.9
Employee contributions	--	--	1.1	1.1
Plan changes	--	.8	--	--
Actuarial loss	21.3	4.2	2.4	1.6
Benefits paid	(9.6)	(11.3)	(1.8)	(1.2)
Foreign currency impact	--	--	(1.6)	(.5)
End of year	$ 185.5	$ 156.2	$ 49.8	$ 43.8
Change in fair value of plan assets				
Beginning of the year	$ 134.2	$ 117.4	$ 55.2	$ 47.0
Actual return on plan assets	5.4	18.9	5.4	8.5
Employer contributions	11.2	9.2	--	.5
Employee contributions	--	--	1.1	1.1
Benefits paid	(9.6)	(11.3)	(1.8)	(1.2)
Foreign currency impact	--	--	(2.0)	(.7)
End of year	$ 141.2	$ 134.2	$ 57.9	$ 55.2
Reconciliation of funded status				
Funded status	$ (44.3)	$ (22.0)	$ 8.1	$ 11.4
Unrecognized net actuarial loss (gain)	43.4	17.9	(8.5)	(11.0)
Unrecognized prior service cost	.4	.5	1.0	1.1
Unrecognized transition asset	--	(.5)	(.5)	(.7)
Accrued pension liability	$ (.5)	$ (4.1)	$ .1	$ .8

Amounts recognized in the consolidated balance sheet consist of the following:

	United States		International	
(MILLIONS)	1998	1997	1998	1997
Prepaid pension cost	$ 5.1	$ 5.4	$ .8	$ .9
Accrued pension liability	(17.9)	(9.5)	(.7)	(.1)
Intangible asset	2.0	--	--	--
Deferred income taxes	3.7	--	--	--
Additional minimum pension liability	6.6	--	--	--

	$ (.5)	$ (4.1)	$ .1	$ .8

The accumulated benefit obligation for the U.S. plans was $153.9 million and $129.1 million as of September 30, 1998 and 1997, respectively.

	United States 1998	1997	International 1998	1997
Significant assumptions				
Discount rate	7.0%	7.5%	6.5%	7.5%
Salary scale	4.0%	4.5%	3.5-4.0%	4.5-5.0%
Expected return on plan assets	10.0%	10.0%	8.5-9.5%	8.5-9.5%

Profit Sharing Plan

Profit sharing plan expense was $4.2 million, $4.4 million and $3.4 million in 1998, 1997 and 1996, respectively.

The Profit Sharing Plan held 2.5 million shares, with a fair value of $83.3 million, of the Company's stock at November 30, 1998. Dividends paid on these shares in 1998 were $1.6 million.

6. OTHER POSTRETIREMENT BENEFITS

The Company's other postretirement benefit expense follows:

(MILLIONS)	1998	1997	1996
Other postretirement benefits			
Service cost	$ 2.1	$ 1.9	$ 2.0
Interest cost	4.4	4.3	4.6
Amortization of prior service cost	(.1)	(.1)	(.1)
	$ 6.4	$ 6.1	$ 6.5

Rollforwards of the benefit obligation, fair value of plan assets and a reconciliation of the plan's funded status at November 30, the measurement date, follow:

(MILLIONS)	1998	1997
Change in benefit obligation		
Beginning of the year	$ 61.5	$ 62.3
Service cost	2.1	1.9
Interest cost	4.4	4.3
Employee contributions	1.5	1.5
Plan changes	(.5)	--
Actuarial loss (gain)	5.9	(4.0)
Benefits paid	(5.1)	(4.5)
End of the year	$ 69.8	$ 61.5
Change in fair value of plan assets		
Beginning of the year	$ --	$ --
Employer contributions	3.6	3.0
Employee contributions	1.5	1.5
Benefits paid	(5.1)	(4.5)
End of the year	$ --	$ --
Reconciliation of funded status		
Funded status	$ (69.8)	$ (61.5)
Unrecognized net actuarial loss (gain)	2.5	(3.5)
Unrecognized prior service cost	(1.3)	(.9)
Other postretirement benefit liability	$(68.6)	$ (65.9)

The assumed weighted-average discount rates were 7.0% and 7.5% for 1998 and 1997, respectively.

The assumed annual rate of increase in the cost of covered health care benefits is 8.5% for 1999. It is assumed to decrease gradually to 4.5% in the year 2007 and remain at that level thereafter. Changing the assumed health care cost trend would have the following effect:

(MILLIONS)	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on benefit obligation as of November 30, 1998	$ 6.5	$ (5.8)
Effect on total of service and interest cost components in 1998	$ .8	$ (.7)

7. INCOME TAXES

The provision for income taxes consists of the following:

(MILLIONS)	1998	1997	1996
Income taxes			
Current			
Federal	$ 37.6	$ 24.4	$ 33.5
State	6.7	5.5	8.4
International	8.6	3.8	8.3
	52.9	33.7	50.2
Deferred			
Federal	.1	10.7	(20.0)
State	(.6)	2.3	(2.8)
International	2.5	5.9	(3.6)
	2.0	18.9	(26.4)
Total income taxes	$ 54.9	$ 52.6	$ 23.8

The components of income from consolidated continuing operations before income taxes follow:

(MILLIONS)	1998	1997	1996
Pretax income			
United States	$ 126.9	$ 115.6	$ 59.3
International	25.6	26.7	2.4
	$ 152.5	$ 142.3	$ 61.7

A reconciliation of the U.S. federal statutory rate with the effective tax rate follows:

	1998	1997	1996
Federal statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefits	2.6	4.3	4.3
Tax effect on international operations	.6	.1	6.4
Tax credits	(2.2)	(2.6)	(4.3)
Amended prior year tax return	--	--	(6.4)
Other, net	--	.2	3.7
Effective tax rate	36.0%	37.0%	38.7%

Deferred tax liabilities and assets are comprised of the following:

(MILLIONS)	1998	1997
Deferred tax assets		
Postretirement benefit obligations	$ 35.7	$ 33.5
Accrued expenses and other reserves	15.3	16.9
Inventory	3.8	4.1
Net operating losses and tax credits	7.2	7.3
Other	16.0	12.8
Valuation allowance	(6.2)	(6.4)

Deferred tax assets	71.8	68.2
Deferred tax liabilities		
Depreciation	41.9	38.3
Other	16.0	13.9
Deferred tax liabilities	57.9	52.2
Net deferred tax asset	$ 13.9	$ 16.0

Deferred tax assets are primarily in the United States. The Company has a history of having taxable income and anticipates future taxable income to realize these assets.

U.S. income taxes are not provided for unremitted earnings of international subsidiaries and affiliates. The Company's intention is to reinvest these earnings permanently or to repatriate the earnings only when it is tax effective to do so. Accordingly, the Company believes that any U.S. tax on repatriated earnings would be substantially offset by U.S. foreign tax credits. Unremitted earnings of such entities were $94.7 million at November 30, 1998.

8. STOCK PURCHASE AND OPTION PLANS

The Company has an Employee Stock Purchase Plan (ESPP) enabling substantially all U.S. employees to purchase the Company's common stock at the lower of the stock price on the grant date or the exercise date. Similarly, options were granted for certain foreign-based employees in lieu of their participation in the ESPP. Options granted under both plans have two-year terms and are fully exercisable on the grant date.

Under the Company's 1990 and 1997 Stock Option Plans and the McCormick (U.K.) Share Option Schemes, options to purchase shares of the Company's common stock have been or may be granted to employees. The option price for shares granted under these plans is the fair market value on the grant date. Options have five- and ten-year terms and generally become fully exercisable between two and five years of continued employment.

The Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation expense has been recognized for the Company's stock option plans. If the Company had elected to recognize compensation based on the fair value of the options granted at grant date as prescribed by SFAS No. 123, net income and earnings per share would have been as follows:

(MILLIONS EXCEPT PER SHARE DATA)	1998	1997	1996
Pro forma net income	$ 100.1	$ 94.5	$ 40.6
Pro forma earnings per share			
Diluted	1.36	1.25	.50
Basic	1.37	1.25	.50

The effects of applying SFAS No. 123 on pro forma net income are not indicative of future amounts until the new rules are applied to all outstanding non-vested awards.

The per share weighted-average fair value of options granted during the year was $7.20, $4.63 and $4.56 in 1998, 1997 and 1996, respectively. The fair value for these options was estimated at the date of grant using a

Black-Scholes option pricing model with the following range of assumptions for the Stock Option Plans, McCormick (U.K.) Share Option Schemes and the ESPP (including options to foreign employees):

	1998	1997	1996
Risk-free interest rates	5.5% - 5.7%	5.9% - 6.7%	5.4% - 6.4%
Dividend yields	2.0%	2.0%	2.0%
Expected volatility	23.6%	23.0%	23.0%
Expected lives	1.3 - 5.3 years	1.6 - 4.6 years	1.6 - 4.6 years

A summary of the Company's stock option plans for the years ended November 30 follows:

(OPTIONS IN MILLIONS)	1998		1997		1996	
	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
Beginning of year	3.2	$23.11	2.7	$22.71	2.6	$22.11
Granted	1.2	$33.15	1.3	$24.25	.7	$22.35
Exercised	(.6)	$22.57	(.3)	$21.94	(.4)	$18.38
Forfeited	(.1)	$22.27	(.5)	$24.91	(.2)	$22.09
End of year	3.7	$26.50	3.2	$23.11	2.7	$22.71
Exercisable - end of year	1.9	$23.06	1.8	$22.73	1.8	$22.95

(OPTIONS IN MILLIONS)	Options outstanding			Options exercisable	
Range of exercise price	Shares	Weighted-average remaining life in years	Weighted-average exercise price	Shares	Weighted-average exercise price
$6.75 to $23.00	1.3	1.8	$22.36	1.2	$22.36
$23.13 to $33.13	1.2	2.9	$24.54	.7	$24.28
$33.25	1.2	9.3	$33.25	--	$33.25
	3.7	4.5	$26.50	1.9	$23.06

Under all stock purchase and option plans, there were 4.8 million and 6.1 million shares reserved for future grants at November 30, 1998 and 1997, respectively.

9. EARNINGS PER SHARE

The Company adopted the provisions of SFAS No. 128 "Earnings Per Share" in 1998. Application of its provisions results in disclosure of two earnings per share measures, basic and diluted, on the face of the Consolidated Statement of Income.

The reconciliation of shares outstanding for the years ended November 30 follows:

(MILLIONS)	1998	1997	1996
Average shares outstanding - basic	73.3	75.7	80.6
Effect of dilutive securities			
Stock options and ESPP	.5	.2	.1
Average shares outstanding - diluted	73.8	75.9	80.7

10. CAPITAL STOCKS

Holders of Common Stock have full voting rights except that (1) the voting rights of persons who are deemed to own beneficially 10% or more of the outstanding shares of voting Common Stock are limited to 10% of the votes entitled to be cast by all holders of shares of Common Stock regardless of how many shares in excess of 10% are held by such person; (2) the Company has the right to redeem any or all shares of stock owned by such person unless such person acquires more than 90% of the outstanding shares of each class of the Company's common stock; and (3) at such time as such person controls more than 50% of the vote entitled to be cast by the holders of outstanding shares of voting Common Stock, automatically, on a share-for-share basis, all shares of Common Stock Non-Voting will convert into shares of Common Stock.

Holders of Common Stock Non-Voting will vote as a separate class on all matters on which they are entitled to vote. Holders of Common Stock Non-Voting are entitled to vote on reverse mergers and statutory share exchanges where the capital stock of the Company is converted into other securities or property, dissolution of the Company and the sale of substantially all of the assets of the Company, as well as forward mergers and consolidation of the Company.

11. BUSINESS RESTRUCTURING AND DISCONTINUED OPERATIONS

Business Restructuring

The Company recorded restructuring charges of $70.4 million ($46.3 million after-tax or $.57 per share) and $58.1 million ($39.6 million after-tax or $.49 per share) in 1994 and 1996, respectively. These charges related to the consolidation of manufacturing facilities, reduction of administrative staff and divestiture of non-core businesses. In addition, there were charges directly related to the 1996 restructuring plan which could not be accrued at that time.

In the fourth quarter of 1998, the Company completed these restructuring plans. Because the realignment of several overseas operations resulted in losses less than originally anticipated, the Company recorded a restructuring credit of $3.1 million in 1998. In addition, the Company incurred $1.9 million of restructuring charges which could not be accrued in 1996, primarily related to costs to move equipment and personnel from a closed U.S. packaging plant. Concurrent with these activities, the Company discontinued its manufacturing operations in Venezuela, resulting in a restructuring charge of

$3.5 million. Charges related to this initiative, which was completed in 1998, included $1.1 million for severance and personnel costs, $1.8 million for the writedown of assets to net realizable value and $.6 million for other exit costs. The credit for the completion of the restructuring plan, charges directly related to the restructuring plans which could not be previously accrued and the new initiative in Venezuela resulted in a net restructuring charge of $2.3 million ($1.5 million after-tax or $.02 per share) in 1998.

In the third quarter of 1997, the Company reevaluated its restructuring plans and recorded a restructuring credit of $9.5 million because the agreement in principle to dispose of an overseas food brokerage and distribution business was not consummated and several projects were completed with losses less than originally anticipated. The Company also recorded a restructuring charge of $5.7 million to streamline the food brokerage and distribution business and close a U.S. packaging plant. Including this additional restructuring charge, the credit for the restructuring plan reevaluation and charges directly related to the restructuring plans which could not be previously accrued, the Company recorded a net restructuring credit of $3.2 million ($2.0 million after-tax or $.03 per share) in 1997.

DISCONTINUED OPERATIONS

On August 29, 1996, the Company sold substantially all the assets of Gilroy Foods, Incorporated (GFI) and Gilroy Energy Company, Inc. (GEC) to ConAgra, Inc. and Calpine Corporation, respectively, for $263.3 million in total. Based on the settlement of contract terms, the Company recognized income from discontinued operations, net of income taxes of $1.0 million in 1997. An after-tax charge of $.3 million was previously recognized in 1996.

The operating results of GFI and GEC for 1996 have been reclassified to discontinued operations. The Company allocated interest expense to discontinued operations based on the debt specifically associated with GEC and an allocation of interest to GFI assuming a debt to capital ratio similar to the Company's. Income taxes were allocated based on the statutory tax rates applicable to the discontinued operations. Sales, interest expense and income taxes applicable to discontinued operations in 1996 were $129.4 million, $11.2 million and $3.8 million, respectively.

The sale of GEC necessitated prepayment of a 11.68% non-recourse installment note, resulting in an extraordinary net loss of $7.8 million in 1996.

The Company signed a three-year non-compete agreement with Calpine Corporation. Under this agreement, McCormick received payments of $7.0 million, $8.0 million and $4.5 million in 1998, 1997 and 1996, respectively, which were included in the "Other (income) expense, net" caption in the Consolidated Statement of Income.

12. BUSINESS SEGMENTS AND GEOGRAPHIC AREAS

BUSINESS SEGMENTS

The Company operates in two business segments, Food Products and Packaging Products. The Food Products segment manufactures, markets and distributes spices, seasonings, flavorings and other specialty food products and sells these products to the consumer food market, the foodservice market and to industrial food processors throughout the world. Because the Food Products segment represents the majority of the Company, all Corporate items and eliminations have been included in this segment. The Packaging Products segment manufactures and markets plastic packaging products for the food, cosmetic and health care industry, predominantly in the United States.

(MILLIONS)	Food Products	Packaging Products	Total
1998			
NET SALES	$1,692.3	$188.8	$1,881.1
OPERATING INCOME (1)	163.4	19.4	182.8
ASSETS	1,115.9	143.2	1,259.1
CAPITAL EXPENDITURES	37.8	17.0	54.8
DEPRECIATION AND AMORTIZATION	43.6	11.2	54.8
1997			
Net sales	$1,595.2	$205.8	$1,801.0
Operating income (2)	150.4	20.4	170.8
Assets	1,133.1	123.1	1,256.2
Capital expenditures	34.1	9.8	43.9
Depreciation and amortization	38.6	10.7	49.3
1996			
Net sales	$1,532.3	$200.2	$1,732.5
Operating income (loss) (3)	99.2	(5.9)	93.3
Assets	1,196.5	130.1	1,326.6
Capital expenditures	63.6	11.1	74.7
Depreciation and amortization	51.8	12.0	63.8

(1) Includes restructuring charges of $1.1 for Food Products and $1.2 for Packaging Products.

(2) Includes restructuring (credits) charges of $(7.1) for Food Products and $3.9 for Packaging Products.

(3) Includes restructuring charges of $41.1 for Food Products and $17.0 for Packaging Products.

Packaging net sales include sales to the Food Products segment of $30.0 million, $25.9 million and $30.2 million in 1998, 1997 and 1996, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Geographic Areas

(MILLIONS)	Americas	Europe	Asia/ Pacific	Total
1998				
Net sales	$1,444.6	$348.5	$88.0	$1,881.1
Net income - continuing operations (1)	86.8	16.5	.5	103.8
Assets	933.2	236.0	89.9	1,259.1
1997				
Net sales	$1,377.5	$339.0	$84.5	$1,801.0
Net income - continuing operations (2)	77.5	17.5	2.4	97.4
Assets	920.3	256.4	79.5	1,256.2
1996				
Net sales	$1,332.9	$329.3	$70.3	$1,732.5
Net income (loss) - continuing operations (3)	48.2	(6.3)	1.6	43.5
Assets	980.0	264.3	82.3	1,326.6

(1) Includes after-tax restructuring charges (credits) of $4.2 for Americas and $(2.7) for Europe.
(2) Includes after-tax restructuring charges (credits) of $1.4 for Americas, $(1.6) for Europe and $(1.8) for Asia/Pacific.
(3) Includes after-tax restructuring charges of $19.6 for Americas, $18.6 for Europe and $1.4 for Asia/Pacific.
Note: Certain countries have been reclassified from the prior years' presentations to more appropriately reflect the Company's operations.

13. SUPPLEMENTAL FINANCIAL STATEMENT DATA

(MILLIONS)	1998	1997
Inventories		
Finished products and work-in-process	$ 138.6	$ 136.7
Raw materials	112.3	115.4
	$ 250.9	$ 252.1
Property, plant and equipment		
Land and improvements	$ 26.2	$ 29.3
Buildings	187.6	192.8
Machinery and equipment	477.4	445.9
Construction in progress	32.1	25.5
Accumulated depreciation	(346.3)	(313.5)
	$ 377.0	$ 380.0
Intangible assets		
Cost	$ 212.9	$ 205.5
Accumulated amortization	(52.0)	(47.5)
	$ 160.9	$ 158.0
Other accrued liabilities		
Payroll and employee benefits	$ 43.6	$ 48.5
Sales allowances	40.5	46.0
Income taxes	19.7	22.1
Other	104.7	110.0
	$ 208.5	$ 226.6
Other long-term liabilities		
Other postretirement benefits	$ 68.6	$ 65.9
Other	29.8	20.4
	$ 98.4	$ 86.3

(MILLIONS)	1998	1997	1996
Depreciation	$ 49.9	$ 43.9	$ 49.2
Research and development	16.9	16.1	12.2
Interest paid	37.3	38.1	47.3
Income taxes paid	49.0	25.8	44.9

14. SELECTED QUARTERLY DATA (UNAUDITED)

(MILLIONS EXCEPT PER SHARE DATA)	First	Second	Third	Fourth
1998				
NET SALES	$415.2	$435.5	$444.8	$585.6
GROSS PROFIT	133.2	141.3	146.3	228.1
OPERATING INCOME	30.0	30.4	38.9	83.5
NET INCOME	16.2	16.1	21.5	50.0
EARNINGS PER SHARE				
BASIC	.22	.22	.29	.69
DILUTED	.22	.22	.29	.68
DIVIDENDS PAID PER SHARE	.16	.16	.16	.16
MARKET PRICE				
HIGH	30.19	34.38	36.06	33.94
LOW	26.38	28.81	29.06	27.13
1997				
Net sales	$407.4	$413.7	$422.9	$557.0
Gross profit	136.7	134.5	138.5	218.9
Operating income	28.4	28.6	36.1	77.7
Net income (1)	15.2	14.8	20.2	48.2
Earnings per share (1)				
Basic	.20	.20	.27	.65
Diluted	.20	.20	.27	.65
Dividends paid per share	.15	.15	.15	.15
Market price				
High	25.38	26.88	26.88	27.06
Low	22.63	22.81	23.31	23.50

(1) During the third quarter of 1997, the Company recognized $1.0 of income from discontinued operations, net of income taxes. The impact of this income on basic and diluted earnings per share was $.01.

REPORT OF MANAGEMENT

We are responsible for the preparation and integrity of the consolidated financial statements appearing in our Annual Report. The consolidated financial statements were prepared in conformity with generally accepted accounting principles and include amounts based on management's estimates and judgments. All other financial data in this report have been presented on a basis consistent with the information included in the financial statements.

The Company maintains a system of internal controls that is designed to provide reasonable assurance as to the fair and reliable preparation and presentation of the consolidated financial statements, as well as to safeguard assets from unauthorized use or disposition. The internal control system is supported by formal policies and procedures which are reviewed, modified and improved as changes occur in business conditions and operations. The Company's commitment to proper selection, training and development of personnel also contributes to the effectiveness of the internal control system.

The Audit Committee of the Board of Directors, which is composed solely of outside directors, meets periodically with members of management, the internal auditors and the independent auditors to review and discuss internal accounting controls and accounting and financial reporting matters. The independent auditors and internal auditors have full and free access to the Audit Committee at any time.

The independent auditors review and evaluate the internal control systems and perform such tests on those systems as they consider necessary to reach their opinion on the Company's consolidated financial statements taken as a whole. In addition, McCormick's internal auditors perform audits of accounting records, review accounting systems and internal controls and recommend improvements when appropriate.

Although there are inherent limitations in the effectiveness of any system of internal controls, we believe our controls as of November 30, 1998 provide reasonable assurance that the financial statements are reliable and that our assets are reasonably safeguarded.

/s/ Robert J. Lawless
Robert J. Lawless
PRESIDENT & CHIEF EXECUTIVE OFFICER

/s/ Francis A. Contino
Francis A. Contino
EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER

/s/ J. Allan Anderson
J. Allan Anderson
VICE PRESIDENT & CONTROLLER,
CHIEF ACCOUNTING OFFICER

REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDERS

McCormick & Company, Incorporated

We have audited the accompanying consolidated balance sheets of McCormick & Company, Incorporated and subsidiaries as of November 30, 1998 and 1997 and the related consolidated statements of income, cash flows and shareholders' equity for each of the three years in the period ended November 30, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of McCormick & Company, Incorporated and subsidiaries at November 30, 1998 and 1997 and the consolidated results of their operations and their cash flows for each of the three years in the period ended November 30, 1998 in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

Baltimore, Maryland
January 18, 1999

HISTORICAL FINANCIAL SUMMARY

(MILLIONS EXCEPT PER SHARE DATA)	1998	1997	1996	1995	1994
FOR THE YEAR					
Net sales	$1,881.1	$1,801.0	$1,732.5	$1,691.1	$1,529.4
Percent increase	4.4%	4.0%	2.4%	10.6%	9.2%
Operating income	182.8	170.8	93.3	172.6	86.0
Operating income excluding restructuring	185.1	167.6	151.4	168.7	156.5
Income from unconsolidated operations	6.2	7.7	5.6	2.1	7.9
Net income - continuing operations	103.8	97.4	43.5	86.8	42.5
Net income (1)	103.8	98.4	41.9	97.5	61.2
PER COMMON SHARE (2)					
Earnings per share - diluted (6)					
Continuing operations	$1.41	$1.29	$.54	$1.07	$.52
Discontinued operations (1)	--	.01	.08	.13	.23
Extraordinary item	--	--	(.10)	--	--
Accounting change (3)	--	--	--	--	--
Net earnings	1.41	1.30	.52	1.20	.75
Earnings per share - basic (1)(3)(6)	1.42	1.30	.52	1.20	.75
Common dividends declared (4)	.65	.61	.57	.53	.49
Market closing price - end of year	33.38	26.50	24.63	23.63	19.00
Book value per share	5.35	5.31	5.75	6.39	6.03
AT YEAR END					
Total assets	$1,259.1	$1,256.2	$1,326.6	$1,614.3	$1,555.7
Current debt	163.6	121.3	108.9	297.3	214.0
Long-term debt	250.4	276.5	291.2	349.1	374.3
Shareholders' equity	388.1	393.1	450.0	519.3	490.0
Total capital	802.1	790.9	850.1	1,165.7	1,078.3
STATISTICS & RATIOS					
Percentage of net sales					
Gross profit	34.5%	34.9%	34.9%	34.5%	36.5%
Operating income	9.7%	9.5%	5.4%	10.2%	5.6%
Net income - continuing operations	5.5%	5.4%	2.5%	5.1%	2.8%
Effective tax rate	36.0%	37.0%	38.7%	36.1%	40.5%
Depreciation and amortization	$54.8	$49.3	$63.8	$63.7	$62.5
Capital expenditures	$54.8	$43.9	$74.7	$82.1	$87.7
Return on equity	27.7%	25.2%	8.6%	20.3%	12.8%
Debt to capital	51.6%	50.3%	47.1%	55.5%	54.6%
Dividend payout ratio (5)	44.8%	47.6%	50.5%	44.4%	36.4%
Average shares outstanding (6)					
Basic	73.3	75.7	80.6	81.2	81.2
Diluted	73.8	75.9	80.7	81.3	81.6

(millions except per share data)	1993	1992	1991	1990	1989
For the Year					
Net sales	$1,400.9	$1,323.9	$1,276.3	$1,166.2	$1,110.2
Percent increase	5.8%	3.7%	9.4%	5.0%	1.0%
Operating income	142.1	121.4	100.6	86.9	74.5
Operating income excluding restructuring	142.1	121.4	100.6	86.9	74.5
Income from unconsolidated operations	10.3	9.9	8.8	3.7	3.5
Net income - continuing operations	82.9	73.6	60.4	51.8	47.1
Net income (1)	73.1	95.2	80.9	69.4	135.5
Per Common Share (2)					
Earnings per share - diluted (6)					
Continuing operations	$1.01	$.90	$.73	$.62	$.54
Discontinued operations (1)	.21	.26	.25	.21	1.00
Extraordinary item	--	--	--	--	--
Accounting change (3)	(.33)	--	--	--	--
Net earnings	.89	1.16	.98	.83	1.54
Earnings per share - basic (1)(3)(6)	.90	1.19	1.01	.86	1.59
Common dividends declared (4)	.45	.40	.31	.24	.19
Market closing price - end of year	23.25	28.50	20.63	11.50	12.50
Book value per share	5.70	5.45	4.88	4.56	4.18
At Year End					
Total assets	$1,313.2	$1,130.9	$1,037.4	$946.9	$864.5
Current debt	84.7	122.6	78.2	30.4	20.3
Long-term debt	346.4	201.0	207.6	211.5	210.5
Shareholders' equity	466.8	437.9	389.2	364.4	346.2
Total capital	897.9	761.5	675.0	606.3	577.0
Statistics & Ratios					
Percentage of net sales					
Gross profit	38.5%	38.9%	36.9%	36.0%	35.2%
Operating income	10.1%	9.2%	7.9%	7.5%	6.7%
Net income - continuing operations	5.9%	5.6%	4.7%	4.4%	4.2%
Effective tax rate	41.4%	39.4%	38.4%	38.0%	38.1%

Depreciation and amortization	$50.5	$43.8	$40.5	$36.6	$34.8
Capital expenditures	$76.1	$79.3	$73.0	$58.4	$53.4
Return on equity	17.0%	23.3%	21.8%	20.4%	40.0%
Debt to capital	48.0%	42.5%	42.3%	39.9%	40.0%
Dividend payout ratio (5)	36.1%	32.8%	28.6%	28.9%	30.8%
Average shares outstanding (6)					
Basic	80.8	80.1	80.0	80.9	85.3
Diluted	81.8	81.9	82.4	83.7	87.8

(1) THE COMPANY DISPOSED OF ITS WHOLLY-OWNED REAL ESTATE SUBSIDIARY IN 1989 AND BOTH GILROY FOODS, INCORPORATED AND GILROY ENERGY COMPANY, INC. IN 1996.
(2) ALL SHARE DATA ADJUSTED FOR 2-FOR-1 STOCK SPLITS IN JANUARY 1992 AND JANUARY 1990.
(3) IN 1993, THE COMPANY ADOPTED SFAS NO. 106, "EMPLOYERS' ACCOUNTING FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS."
(4) INCLUDES FOURTH QUARTER DIVIDENDS WHICH WERE DECLARED IN DECEMBER FOLLOWING THE CLOSE OF EACH FISCAL YEAR.
(5) DOES NOT INCLUDE GAINS OR LOSSES ON SALES OF DISCONTINUED OPERATIONS, CUMULATIVE EFFECTS OF ACCOUNTING CHANGES, RESTRUCTURING CHARGES (CREDITS) AND EXTRAORDINARY ITEMS.
(6) RESTATED BASED ON SFAS NO. 128, "EARNINGS PER SHARE."

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

Executive Committee
Charles P. McCormick, Jr.*
Robert J. Lawless
Francis A. Contino
Robert G. Davey
Carroll D. Nordhoff

James T. Brady +
FORMER SECRETARY
MARYLAND DEPARTMENT OF BUSINESS &
ECONOMIC DEVELOPMENT

James S. Cook +?*
FORMER EXECUTIVE IN RESIDENCE
COLLEGE OF BUSINESS ADMINISTRATION
NORTHEASTERN UNIVERSITY

Edward S. Dunn, Jr. ?
C. J. MCNUTT CHAIR
ERIVAN K. HAUB SCHOOL OF BUSINESS
SAINT JOSEPH'S UNIVERSITY

Dr. Freeman A. Hrabowski, III +?
PRESIDENT
UNIVERSITY OF MARYLAND BALTIMORE
COUNTY

George V. McGowan ?*
CHAIRMAN OF THE EXECUTIVE COMMITTEE
BALTIMORE GAS AND ELECTRIC COMPANY

Robert W. Schroeder
VICE PRESIDENT & GENERAL MANAGER
MCCORMICK/SCHILLING DIVISION

William E. Stevens +?
EXECUTIVE VICE PRESIDENT
MILLS & PARTNERS

Karen D. Weatherholtz
VICE PRESIDENT - HUMAN RELATIONS

+ AUDIT COMMITTEE MEMBER
? COMPENSATION COMMITTEE MEMBER
* SCHEDULED TO RETIRE MARCH 17, 1999

CORPORATE OFFICERS

Charles P. McCormick, Jr.
CHAIRMAN OF THE BOARD

Robert J. Lawless
PRESIDENT & CHIEF EXECUTIVE OFFICER

Susan L. Abbott
VICE PRESIDENT - REGULATORY &
ENVIRONMENTAL AFFAIRS

J. Allan Anderson
VICE PRESIDENT & CONTROLLER

Allen M. Barrett, Jr.
VICE PRESIDENT - CORPORATE
COMMUNICATIONS

Francis A. Contino
EXECUTIVE VICE PRESIDENT &
CHIEF FINANCIAL OFFICER

Robert G. Davey
PRESIDENT -
GLOBAL INDUSTRIAL GROUP

Dr. Hamed Faridi
VICE PRESIDENT -
RESEARCH & DEVELOPMENT

Randall B. Jensen
VICE PRESIDENT -
OPERATIONS RESOURCES

Christopher J. Kurtzman
VICE PRESIDENT & TREASURER

Roger T. Lawrence
VICE PRESIDENT -
QUALITY ASSURANCE

C. Robert Miller, II
VICE PRESIDENT - MANAGEMENT
INFORMATION SYSTEMS

Carroll D. Nordhoff

EXECUTIVE VICE PRESIDENT

Robert W. Skelton
VICE PRESIDENT, GENERAL COUNSEL
& SECRETARY

Gordon M. Stetz, Jr.
VICE PRESIDENT - ACQUISITIONS &
FINANCIAL PLANNING

Karen D. Weatherholtz
VICE PRESIDENT - HUMAN RELATIONS

Joyce L. Brooks
ASSISTANT TREASURER - FINANCIAL SERVICES

W. Geoffrey Carpenter
ASSOCIATE GENERAL COUNSEL &
ASSISTANT SECRETARY

David P. Smith
ASSISTANT TREASURER

J. Gregory Yawman
ASSOCIATE COUNSEL & ASSISTANT SECRETARY

THE BOARD OF DIRECTORS

[BOARD OF DIRECTORS PICTURE]

FROM LEFT TO RIGHT, SEATED:
DAVEY, NORDHOFF, CONTINO,
LAWLESS, MCCORMICK;
STANDING: DUNN, STEVENS, HRABOWSKI, SCHROEDER,
MCGOWAN, COOK, BRADY, WEATHERHOLTZ.

MCCORMICK WORLDWIDE

U.S.A.

CONSOLIDATED OPERATING UNITS

FOOD SERVICE GROUP
Hunt Valley, Maryland
F. Christopher Cruger
VICE PRESIDENT & GENERAL MANAGER

GLOBAL RESTAURANT DIVISION
Hunt Valley, Maryland
Howard W. Kympton, III
VICE PRESIDENT & GENERAL MANAGER

MCCORMICK FLAVOR DIVISION
Hunt Valley, Maryland
Paul C. Beard
VICE PRESIDENT & GENERAL MANAGER

MCCORMICK/SCHILLING DIVISION
Hunt Valley, Maryland
Robert W. Schroeder
VICE PRESIDENT & GENERAL MANAGER

SETCO, INC.
Anaheim, California
Donald E. Parodi
PRESIDENT

TUBED PRODUCTS, INC.
Easthampton, Massachusetts
Harvey W. Casey
PRESIDENT

Affiliates

SIGNATURE BRANDS, L.L.C. (50%)
Ocala, Florida

SUPHERB FARMS (50%)
Turlock, California

OUTSIDE U.S.A.

CONSOLIDATED OPERATING UNITS

GLOBAL FOOD INGREDIENTS
EUROPE
Haddenham, England
Michael A. C. Beard
MANAGING DIRECTOR

MCCORMICK GLENTHAM (PTY)
LIMITED
Midrand, South Africa
Jonathan P. Eales
MANAGING DIRECTOR

MCCORMICK CANADA, INC.
London, Ontario, Canada
Alan D. Wilson
PRESIDENT

MCCORMICK DE CENTRO AMERICA,
S.A. DE C.V.
San Salvador, El Salvador
Arduino Bianchi
MANAGING DIRECTOR

MCCORMICK FOODS AUSTRALIA
PTY. LTD.
Clayton, Victoria, Australia
Timothy J. Large
MANAGING DIRECTOR

MCCORMICK (GUANGZHOU) FOOD
COMPANY, LTD.
Guangzhou,
People's Republic of China
Victor K. Sy
MANAGING DIRECTOR

MCCORMICK INGREDIENTS
SOUTHEAST ASIA PRIVATE
LIMITED
Jurong, Republic of Singapore
Hector Veloso
MANAGING DIRECTOR

MCCORMICK PESA, S.A. DE C.V.
Mexico City, Mexico
Lazaro Gonzalez
MANAGING DIRECTOR

MCCORMICK S.A.
Regensdorf Z.H., Switzerland
Ernest Abouchar
MANAGING DIRECTOR

MCCORMICK U.K. PLC
Haddenham, England
John C. Molan
MANAGING DIRECTOR

MCCORMICK FOODSERVICE
LIMITED
Haddenham, England
Neville Beal
MANAGING DIRECTOR

OY MCCORMICK AB
Helsinki, Finland
Risto J. Maila
MANAGING DIRECTOR

SHANGHAI MCCORMICK FOODS
COMPANY, LIMITED (90%)
Shanghai,
People's Republic of China
Victor K. Sy
PRESIDENT

AFFILIATES

AVT-MCCORMICK INGREDIENTS
LIMITED (50%)
Cochin, India

MCCORMICK DE MEXICO,
S.A. DE C.V. (50%)
Mexico City, Mexico

MCCORMICK KUTAS FOOD SERVICE
LTD. (50%)
Haddenham, England

MCCORMICK-LION LIMITED (49%)
Tokyo, Japan

MCCORMICK PHILIPPINES, INC.
(50%)
Manila, Philippines

P. T. SUMATERA TROPICAL SPICES
(30%)
Padang, Sumatera, Indonesia

STANGE (JAPAN) K.K. (50%)
Tokyo, Japan

VAESSEN SCHOEMAKER DE MEXICO,
S.A. DE C.V. (50%)
Mexico City, Mexico

INVESTOR INFORMATION

CORPORATE ADDRESS

McCormick & Company, Incorporated
18 Loveton Circle
Sparks, MD 21152-6000
U.S.A.
(410) 771-7301

STOCK INFORMATION

NASDAQ National Market List
Symbol: MCCRK

STOCK DIVIDEND DATES - 1999

Record Date	Payment Date
03/31/99	04/13/99
07/02/99	07/15/99
10/01/99	10/13/99
12/31/99	01/24/2000

There were more than 12,000 shareholders of record, approximately 4,000 holders in McCormick's 401(K) plan for employees, and an estimated 25,000 "street-name" beneficial holders whose shares are held in names other than their own, for example, in brokerage accounts.

INVESTOR SERVICES

The Company offers an Investor Services Plan which provides shareholders of record the opportunity to automatically reinvest dividends, make optional cash purchases of stock through the Company, place stock certificates into book-entry safekeeping and sell book-entry shares through the Company. Individuals who are not current shareholders may purchase their initial shares directly from the Company. All transactions are subject to limitations set forth in the Plan prospectus, which may be obtained by contacting Investor Services at:
(800) 424-5855 or
(410) 771-7537

To obtain without cost a copy of the annual report filed with the Securities & Exchange Commission (SEC) on Form 10-K, contact the Treasurer's Office at the Corporate address or contact the SEC web site:
http://www.sec.gov

For general questions about McCormick or information in the annual or quarterly reports, contact the Treasurer's Office at the Corporate address or telephone:
Report ordering:
(800) 424-5855 or
(410) 771-7537
Analysts' inquiries:
(410) 771-7244

Another source of McCormick information is located on the Internet. Our web site is:
http://www.mccormick.com

MISSING OR DESTROYED CERTIFICATES OR CHECKS

Shareholders whose certificates or dividend checks are missing or destroyed should notify Investor Services immediately so that a "stop" can be placed on the old certificate or check, and a new certificate or check can be issued.

ADDRESS CHANGE

Shareholders should advise Investor Services immediately of any change in address. Please include the old address and the new address. All changes of address must be submitted in writing.

TRANSFER AGENT AND REGISTRAR

Contact Investor Services at the Corporate address or telephone:
(800) 424-5855 or
(410) 771-7786

MULTIPLE DIVIDEND CHECKS AND DUPLICATE MAILINGS

Some shareholders hold their stock in different but similar names (for example, as John Q. Doe and J. Q. Doe). When this occurs, it is necessary to create a separate account for each name. Even though the mailing addresses are the same, we are required to mail separate dividend checks and annual and quarterly reports for each account.

We encourage shareholders to eliminate multiple dividend checks and mailings by contacting Investor Services and requesting an account consolidation.

Shareholders who want to eliminate duplicate mailings but still receive multiple dividend checks and proxy material may do so by contacting Investor Services.

TRADEMARKS

Use of -Registered Trademark- or -TM- in this annual report indicates trademarks owned or used by McCormick & Company, Incorporated and its subsidiaries and affiliates.

THIS REPORT IS PRINTED ON
RECYCLABLE PAPER.

[LOGO]

MCCORMICK & COMPANY, INCORPORATED

18 LOVETON CIRCLE
SPARKS, MARYLAND 21152-6000
U.S.A.
410-771-7301

EXHIBIT 23 - CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of McCormick & Company, Incorporated and subsidiaries of our report dated January 18, 1999, included in the 1998 Annual Report to Shareholders of McCormick & Company, Incorporated.

Our audits also included the financial statement schedule of McCormick & Company, Incorporated and subsidiaries listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the following Registration Statements of McCormick & Company, Incorporated and subsidiaries and in the related Prospectuses (if applicable) of our report dated January 18, 1999, with respect to the consolidated financial statements of McCormick & Company, Incorporated and subsidiaries included in the 1998 Annual Report to Shareholders and incorporated by reference in this Annual Report (Form 10-K), and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) of the McCormick & Company, Incorporated.

Form	Registration Number	Date Filed
S-3	333-47611	3/9/98
S-8	33-23727	3/21/97
S-8	33-58197	3/23/95
S-3	33-66614	7/27/93
S-3	33-40920	5/29/91
S-8	33-33724	3/2/90
S-8	33-33725	3/2/90
S-3	33-32712	12/12/89
S-8	33-24660	3/16/89
S-8	33-24658	9/15/88
S-3	33-24659	9/15/88

/s/ Ernst & Young LLP

Baltimore, Maryland
February 16, 1999

5
1,000

12-MOS
NOV-30-1998
NOV-30-1998
17,711
0
216,788
3,984
250,893
503,733
723,323
346,291
1,259,053
517,934
250,363
0
0
169,010
219,161
1,259,053
1,881,146
1,881,146
1,232,222
466,094
(6,604)
0
36,935
152,499
54,900
103,828
0
0
0
103,828
1.42
1.41

Exhibit 99

MCCORMICK & COMPANY, INCORPORATED
18 LOVETON CIRCLE
SPARKS, MARYLAND 21152

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MARCH 17, 1999

The Annual Meeting of the Stockholders of McCormick & Company, Incorporated will be held at the Hunt Valley Inn, Hunt Valley, Maryland at 10:00 a.m., March 17, 1999, for the purpose of considering and acting upon:

(a) the election of directors to act until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified;

(b) the approval of the 1999 Directors' Non-Qualified Stock Option Plan, which Plan, as set forth in Exhibit A to the Proxy Statement, has been adopted by the Board of Directors subject to the approval of the stockholders;

(c) the approval of the 1999 Employees Stock Purchase Plan, which Plan, as set forth in Exhibit B to the Proxy Statement, has been adopted by the Board of Directors subject to the approval of the stockholders;

(d) the ratification of the appointment of Ernst & Young LLP as independent auditors of the Company to serve for the 1999 fiscal year; and

(e) any other matters that may properly come before such meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on December 31, 1998 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Meeting or any adjournments thereof. ONLY HOLDERS OF COMMON STOCK SHALL BE ENTITLED TO VOTE. Holders of Common Stock Non-Voting are welcome to attend and participate in this meeting.

IF YOU ARE A HOLDER OF COMMON STOCK, A PROXY CARD IS ENCLOSED. PLEASE SIGN THE PROXY CARD PROMPTLY AND RETURN IT IN THE ENCLOSED SELF-ADDRESSED ENVELOPE IN ORDER THAT YOUR STOCK MAY BE VOTED AT THIS MEETING. THE PROXY MAY BE REVOKED BY YOU AT ANY TIME BEFORE IT IS VOTED.

February 17, 1999

Robert W. Skelton
Secretary

PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement is furnished on or about February 17, 1999 to the holders of Common Stock in connection with the solicitation by the Board of Directors of the Company of proxies to be voted at the Annual Meeting of Stockholders or any adjournments thereof. Any proxy given may be revoked at any time insofar as it has not been exercised. Such right of revocation is not limited or subject to compliance with any formal procedure. The shares represented by all proxies received will be voted in accordance with the instructions contained in the respective proxies. The cost of the solicitation of proxies will be borne by the Company. In addition to the solicitation of proxies by use of the mails, officers and regular employees of the Company may solicit proxies by telephone, telegraph, or personal interview. The Company also may request brokers and other custodians, nominees, and fiduciaries to forward proxy soliciting material to the beneficial owners of shares held of record by such persons, and the Company may reimburse them for their expenses in so doing.

At the close of business on December 31, 1998, there were outstanding 9,520,741 shares of Common Stock which represent all of the outstanding voting securities of the Company. Except for certain voting limitations imposed by the Company's Charter on beneficial owners of ten percent or more of the outstanding Common Stock, each of said shares of Common Stock is entitled to one vote. Only holders of record of Common Stock at the close of business on December 31, 1998 will be entitled to vote at the meeting or any adjournments thereof.

PRINCIPAL STOCKHOLDERS

On December 31, 1998, the assets of The McCormick Profit Sharing Plan (the "Plan") included 2,437,821 shares of the Company's Common Stock, which represented 25.6% of the outstanding shares of Common Stock. The address for the Plan is 18 Loveton Circle, Sparks, Maryland 21152. The Plan is not the beneficial owner of the Common Stock for purposes of the voting limitations described in the Company's Charter. Each Plan participant has the right to vote all shares of Common Stock allocated to such participant's Plan account. The Plan's Investment Committee possesses investment discretion over the shares, except that, in the event of a tender offer, each participant of the Plan is entitled to instruct the Investment Committee as to whether to tender Common Stock allocated to such participant's account. Membership on the Investment Committee consists of four directors, Francis A. Contino, Robert G. Davey, Carroll D. Nordhoff, and Karen D. Weatherholtz, and the Company's Vice President & Controller, J. Allan Anderson, the Company's Vice President & Treasurer, Christopher J. Kurtzman and the Company's Vice President, General Counsel & Secretary, Robert W. Skelton.

Harry K. Wells and his wife Lois L. Wells, whose address is P. O. Box 409, Riderwood, Maryland 21139, held in two trusts 576,623 shares of Common Stock as of December 31, 1998, representing 6% of the outstanding shares of Common Stock.

ELECTION OF DIRECTORS

Effective March 17, 1999, Messrs. Charles P. McCormick, Jr., James S. Cook and George V. McGowan will retire from the Board of Directors. Mr. McCormick has served as a member of the Board of Directors since 1955 and, with the exception of a period of approximately one year when he served as Chairman Emeritus, Mr. McCormick has served as Chairman of the Board since 1988. Mr. McCormick's leadership, dedication and commitment have been an invaluable resource to the Company and its stockholders. Messrs. Cook and McGowan have served with distinction as members of the Board for nearly 20 years and as chairs of the Audit and Compensation Committees. The Company is grateful for the contributions of these gentlemen during their many years of service.

Mr. Francis A. Contino was elected as a member of the Board of Directors effective June 15, 1998. On December 21, 1998, Messrs. James T. Brady and Edward S. Dunn, Jr. were elected as members of the Board of Directors. None has previously stood for election to the Board at an Annual Meeting of Stockholders.

The persons listed in the following table have been nominated for election as directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified. Management has no reason to believe that any of the nominees will be unavailable for election. In the event a vacancy should occur, the proxy holders reserve the right to reduce the total number of nominations for election. There is no family relationship between any of the nominees. No nominee has a substantial interest in any matter to be acted upon at the Annual Meeting.

The following table shows, as of December 31, 1998, the names and ages of all nominees, the principal occupation and business experience of each nominee during the last five years, the year in which each nominee was first elected to the Board of Directors, the amount of securities beneficially owned by each nominee, and directors and executive officers as a group, and the nature of such ownership. No nominee owns more than one percent of either class of the Company's common stock.

REQUIRED VOTE OF STOCKHOLDERS. The favorable vote of at least a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present is required for the election of each nominee.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR EACH OF THE NOMINEES LISTED BELOW.

Name	Age	Principal Occupation & Business Experience	Year First Elected Director	Amount and Nature* of Beneficial Ownership	
				Common	Common Non-Voting
James T. Brady	58	Consultant, (April 1998 to present); Secretary, Maryland Department of Business and Economic Development, (1995 to April 1998); Managing Partner, Arthur Anderson LLP (1978-1995)	1998	0	0
Francis A. Contino	53	Executive Vice President & Chief Financial Officer (June 1998 to present); Managing Partner (Baltimore Office), Ernst &Young LLP (1995 to June 1998); Director of Audit Practice, Ernst & Young LLP (1990 to 1995)	1998	0	1,307
Robert G. Davey	49	President - Global Industrial Group (June 1998 to present); Executive Vice President & Chief Financial Officer (1996 to June 1998); Vice President & Chief Financial Officer (1994 to 1996)	1994	39,420	9,533
Edward S. Dunn, Jr.	55	C.J. McNutt Chair in Food Marketing, Erivan Haub School of Business, St. Joseph's University (1998 to present); President, Dunn Consulting (1997 to 1998); President, Harris Teeter, Inc. (1989 to 1997)	1998	0	1,000
Freeman A. Hrabowski, III	48	President, University of Maryland Baltimore County (1992 to Present)	1997	647	500

Name	Age	Principal Occupation & Business Experience	Year First Elected Director	Amount and Nature*of Beneficial Ownership	
				Common	Common Non-Voting
Robert J. Lawless	52	President (1996 to Present), Chief Executive Officer (1997 to Present) & Chief Operating Officer (1995 to Present), Executive Vice President (1995 to 1996); Senior Vice President - The Americas (1994 to 1995);	1994	69,422	20,961
Carroll D. Nordhoff	53	Executive Vice President (1994 to Present)	1991	70,906	20,854
Robert W. Schroeder	53	Vice President & General Manager, McCormick/Schilling Division (1995 to Present); Vice President - Sales & Marketing, McCormick/Schilling Division (1994 to 1995)	1996	20,469	9,445
William E. Stevens	56	Executive Vice President, Mills & Partners, (1996 to Present); President and Chief Executive Officer, United Industries Corp. (1989 to 1996)	1988	3,644	8,700
Karen D. Weatherholtz	48	Vice President - Human Relations (1988 to Present)	1992	24,828	6,324
Directors and Executive Officers as a Group (15 persons)...				340,326 (3.6%)	125,660

* Includes shares of Common Stock and Common Stock Non-Voting known to be beneficially owned by directors and executive officers alone or jointly with spouses, minor children and relatives (if any) who have the same home as the director or executive officer. Also includes the following numbers of

shares which could be acquired within 60 days of December 31, 1998 pursuant to the exercise of stock options: Mr. Davey - 24,099 shares of Common Stock, 8,033 shares of Common Stock Non-Voting; Dr. Hrabowski - 400 shares of Common Stock, 500 shares of Common Stock Non-Voting; Mr. Lawless - 39,798 shares of Common Stock, 13,265 shares of Common Stock Non-Voting; Mr. Nordhoff - 34,783 shares of Common Stock, 11,595 of Common Stock Non-Voting; Mr. Schroeder - 16,337 shares of Common Stock, 4,446 of Common Stock Non-Voting; Mr. Stevens - 2,000 shares of Common Stock, 2,000 shares of Common Stock Non-Voting; Ms. Weatherholtz - 10,114 shares of Common Stock, 3,372 shares of Common Stock Non-Voting; and directors and executive officers as a group - 167,749 shares of Common Stock, 56,618 shares of Common Stock Non-Voting. Also includes shares of Common Stock which are beneficially owned by certain directors and officers by virtue of their participation in the McCormick Profit Sharing Plan: Mr. Davey - 2,606 shares; Mr. Lawless - 1,563 shares; Mr. Nordhoff - 7,853 shares; Ms. Weatherholtz - 8,648 shares; and directors and executive officers as a group - 35,334 shares.

BOARD COMMITTEES

The Board of Directors has established the following committees to perform certain specific functions. There is no Nominating Committee of the Board of Directors. Board Committee membership as of February 17, 1999 is listed below.

AUDIT COMMITTEE. This Committee reviews the plan for and the results of the independent audit and internal audit, reviews the Company's financial information and internal accounting and management controls, and performs other related duties. The following directors are currently members of the Committee and serve at the pleasure of the Board of Directors: Messrs. Brady, Cook, Hrabowski and Stevens. The Audit Committee held six meetings during the last fiscal year.

COMPENSATION COMMITTEE. This Committee establishes and oversees executive compensation policy; makes decisions about base pay, incentive pay and any supplemental benefits for the Chief Executive Officer, other members of the Executive Committee, and any other executives listed in the proxy statement as one of the five highest paid executives; and approves the grant of stock options, the timing of the grants, the price at which the options are to be offered, and the amount of the options to be granted to employee directors and officers. The following directors are members of the Committee and serve at the pleasure of the Board of Directors: Messrs. Cook, Dunn, Hrabowski, McGowan and Stevens. None of the Committee members are employees of the Company or are eligible to participate in any Company stock option program which is administered by the Committee. The Compensation Committee held four meetings during the last fiscal year.

EXECUTIVE COMMITTEE. This Committee possesses authority to exercise all of the powers of the Board of Directors in the management and direction of the affairs of the Company between meetings of the Board of Directors, subject to specific limitations and directions of the Board of Directors and subject to limitations of Maryland law. This Committee also reviews and approves all benefits and salaries of a limited group of senior executives and reviews and approves individual awards under approved stock option plans for all persons except directors and officers (see Compensation Committee). The following directors are currently members of the Committee and serve at the pleasure of the Board of Directors: Messrs. Contino, Davey, Lawless, McCormick and Nordhoff. The Executive Committee held 22 meetings during the last fiscal year.

ATTENDANCE AT MEETINGS

During the last fiscal year, there were eight meetings of the Board of Directors. With the exception of Mr. McCormick, all of the Directors were able to attend at least 75% of the total number of meetings of the Board and the Board Committees on which they served. Mr. McCormick attended seven of eight Board meetings, but the total number of Board and Board Committee meetings was less than 75%.

OTHER DIRECTORSHIPS

Certain individuals nominated for election to the Board of Directors hold directorships in other companies. Mr. Brady is a director of Constellation Enterprises, Inc. and First Maryland Bancorp. Dr. Hrabowski is a director of Baltimore Gas and Electric Company, the Baltimore Equitable Society, and Mercantile Shareholders Corporation. Mr. Lawless is a director of Carpenter Technology Corporation. Mr. Stevens is a director of The Earthgrains Company.

REPORT ON EXECUTIVE COMPENSATION

COMPENSATION PHILOSOPHY AND OBJECTIVES

The Company has at the core of its compensation philosophy to attract, motivate and retain top quality executives who will think and act like owners and who will make decisions in the best interests of our shareholders. This is accomplished by offering a total compensation package that reflects the stated financial goals of the Company, provides support and direction for our corporate strategy, and compensates competitively for each executive's responsibilities and performance. Through a mix of bas salary, an annual incentive program, a mid-term incentive program, and a long-term incentive program, the Company is able to achieve focus on individual, operating unit, and corporate success.

To assist the Company in determining the relevance and competitiveness of its executive compensation, periodic special studies are conducted by independent compensation consultants. The most recent study was conducted during 1997, when the Compensation Committee engaged Towers Perrin to review the Company's compensation policies and practices. Implementation of the consultant's recommendations have resulted in total compensation levels that are competitive with peer companies.

BASE SALARIES

Salary levels of the Company's senior executives are reviewed annually and, where appropriate, are adjusted to reflect individual responsibilities and performance as well as the Company's competitive position within the food industry. The Compensation Committee sets base salaries by targeting midpoints of the marketplace median and adjusting each executive officer's salary to reflect individual performance, experience, and contribution. The Compensation Committee considers salaries paid to senior executives at companies which are comparable to the Company (based on line of business or sales volume) in establishing base salaries for senior executives of the Company. Those companies included most of the fifteen companies in the S&P Food Products Index and other manufacturing companies which are not included in that index but which had similar sales volumes.

ANNUAL INCENTIVE PROGRAM

The following methodology was used to determine bonus payouts for fiscal year 1998.

ACTIONS AT THE START OF THE FISCAL YEAR:

- A target bonus was set for each participating executive based upon a percentage of the midpoint of the salary range for the executive's job and was calculated to provide median compensation for growth that is comparable to peer companies in the food industry.

- The Compensation Committee approved the level of payment to be made for superior performance relative to peer companies. In no case does the maximum payment to an individual exceed two times the target bonus. No bonus is paid to a participating executive if there is no growth in earnings per share.

- The amount of target bonus payable to operating unit executives was based on a formula, weighted two-thirds on achievement of the operating profit and economic value added objectives of the executive's operating unit and one-third on growth in the Company's earnings per share.

ACTIONS AT FISCAL YEAR END:

- Financial statements were prepared for the Company and each operating unit.

- Calculations were made according to the formula for each operating unit and for the Company.

MID-TERM INCENTIVE PROGRAM

In 1998, the Compensation Committee, the Board of Directors and shareholders approved a Mid-Term Incentive Program for the three-year period beginning December 1, 1997 and ending November 30, 2000. Any payout, if earned, will occur at the end of the three-year period. The Compensation Committee believes that this new Program will play an important role in aligning the compensation of top executives with the key strategic needs of the Company during the next three years. This Program facilitates clear focus on the strategic objectives that will drive the Company's success; specifically, sales growth and total shareholder return. It is targeted to eight executives who are in positions which have a significant impact on the achievement of the objectives of the Company as a whole, and who must provide strategic focus to a time horizon that extends beyond any one fiscal year. The Program is designed such that award amounts are tightly linked to the level of achievement of the Program's objectives, and the rewards are highly leveraged, so that superior payouts are made only for superior performance. It enhances our overall incentive program when combined with stock options to achieve McCormick's longer term strategies, and it provides a means to motivate and retain top talent at the most senior levels.

LONG-TERM INCENTIVE PROGRAM

Under the Long-Term Incentive Program, stock options are granted by the Compensation Committee to approximately 440 management employees of the Company, including executive officers. The purpose of stock option grants is to aid the Company in securing and retaining capable employees by offering them an incentive, in the form of a proprietary interest in the Company, to join or continue in the service of the Company and to maximize their efforts to promote its economic performance. This incentive is created by granting options that have an exercise price of not less than 100% of the fair market value of the underlying stock on the date of grant, so that the employee may not profit from the option unless the Company's stock price increases. Options granted are designed to help the Company retain employees in that they are not fully exercisable in the early years and "vest" only if the employee remains with the Company. Accordingly, an employee must remain with the Company for a period of years in order to enjoy the full economic benefit of the option. The number of options granted is a function of the recipient's salary grade level.

CHIEF EXECUTIVE OFFICER COMPENSATION

Mr. Lawless' base compensation is shown in the salary column of the Summary Compensation Table on page 11. During 1998, Mr. Lawless received a merit increase determined according to the same criteria as other executives.

In March 1998, Mr. Lawless was awarded a stock option in the amount of 83,800 shares. Mr. Lawless' annual incentive award for fiscal year 1998 was $247,800 and was determined by the criteria and calculations applied to other executives and described on page 8.

1998 COMPENSATION ACTIONS - OTHER EXECUTIVE OFFICERS

Salary increases, annual incentive awards and long-term incentive grants for executive officers were granted in a manner consistent with those granted to other Company managers.

Submitted By:

COMPENSATION COMMITTEE	EXECUTIVE COMMITTEE
George V. McGowan, Chairman	Robert J. Lawless, Chairman
James S. Cook	Francis A. Contino
Edward S. Dunn, Jr.	Robert G. Davey
Freeman A. Hrabowski, III	Charles P. McCormick, Jr.
William E. Stevens	Carroll D. Nordhoff

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the period from December 1, 1997 until March 18, 1998, the Compensation Committee was comprised of three independent outside directors. Members are James S. Cook, George V. McGowan (Chairman) and William E. Stevens. Freeman A. Hrabowski, III was added as a member of the Compensation Committee on March 18, 1998, and Edward S. Dunn, Jr. became a member on January 18, 1999. No member of the Committee has any interlocking or insider relationship with the Company which is required to be reported under the applicable rules and regulations of the Securities and Exchange Commission.

At the close of fiscal year 1998, members of the Executive Committee were Francis A. Contino, Robert G. Davey, Robert J. Lawless (Chairman), Charles P. McCormick, Jr. and Carroll D. Nordhoff. All except Mr. McCormick are employees and executive officers of the Company. Mr. McCormick is a retired employee of the Company. The table beginning on page 4 of this Proxy Statement sets forth the business experience of each of the members.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid by the Company and its subsidiaries for services rendered during each of the fiscal years ended November 30, 1998, 1997 and 1996 to the Chief Executive Officer of the Company and each of the four most highly compensated executive officers who were executive officers on the last day of the 1998 fiscal year, determined by reference to total salary and bonus paid to such individuals for the 1998 fiscal year.

					Long Term Compensation	
	Annual Compensation				Awards	All Other
Name and Principal Position	Fiscal Year	(1) Salary ($)	Bonus ($)	Other Annual Compensation ($)	Securities Underlying Options/SARs (#)	Compensation ($) (2)
ROBERT J. LAWLESS	1998	534,700	247,800		83,800	9,405
President & Chief	1997	479,567	385,000	(4)	53,000	6,117
Executive Officer	1996	359,567	123,540		25,000	4,005
ROBERT G. DAVEY	1998	344,700	144,000		38,800	6,505
President - Global	1997	284,567	195,240	(4)	28,600	4,991
Industrial Group	1996	227,483	66,500		17,800	3,389
ROBERT W. SCHROEDER	1998	271,550	146,425		26,400	5,702
Vice President & General	1997	250,400	142,000	(4)	22,100	4,908
Manager-	1996	219,167	47,000		14,800	3,475
McCormick/Schilling Division						
CARROLL D. NORDHOFF	1998	281,200	110,000		31,800	6,044
Executive Vice President	1997	267,400	170,160	(4)	28,600	5,245
	1996	255,594	63,300		21,000	3,722
FRANCIS A. CONTINO	1998	146,283 (3)	55,000 (3)	(4)	33,000	0
Executive Vice President &						
Chief Financial Officer						

(1) Includes Corporate Board of Directors fees and service awards.

(2) Amounts paid or accrued under the Company's Profit Sharing Plan for the accounts of such individuals. Figures for 1998 are estimates. The stated figure includes payments persons would have received under the Company's Profit Sharing Plan but for certain limits imposed by the Internal Revenue Code: (i) for 1998 for Messrs. Davey, Lawless, Nordhoff and Schroeder in the amounts of $2,239, $5,139, $1,778, and $1,436, respectively; (ii) for 1997 for Messrs. Davey,

Lawless, Nordhoff and Schroeder payments in the amounts of $725, $1,858, $979 and $642, respectively; (iii) for 1996 for Messrs. Davey, Lawless, Nordhoff and Schroeder payments in the amounts of $319, $935, $652 and $406, respectively.

(3) Mr. Contino became employed by the Company on June 15, 1998. The salary and bonus numbers are amounts paid since June 15, 1998 based on an annual salary of $310,000 and a full year bonus of $110,000.

(4) There is no amount of other annual compensation that is required to be reported.

COMPENSATION OF DIRECTORS

Corporate Board of Directors fees were paid at the rate of $7,200 per year for each director who was an employee of the Company during the fiscal year ended November 30, 1998. Fees paid to each director who was not an employee of the Company consist of an annual retainer fee of $20,000 in cash, $2,000 in Common Stock of the Company, and $1,100 for each Board meeting attended. Non-employee directors serving on Board Committees receive $1,000 for each Committee meeting attended, with Committee chairs receiving an additional $250 for each Committee meeting attended.

PENSION PLAN TABLE

The following table shows the estimated annual benefits (on a single-life basis), including supplemental benefits, payable upon retirement (assuming retirement at age 65) to participants in the designated average compensation and years of service classifications:

AVERAGE COMPENSATION	YEARS OF SERVICE					
	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS	35 YEARS
$350,000	$60,694	$91,041	$121,388	$151,735	$182,082	$212,429
400,000	69,394	104,091	138,788	173,485	208,182	242,879
450,000	78,094	117,141	156,188	195,235	234,282	273,329
500,000	86,794	130,191	173,588	216,985	260,382	303,779
550,000	95,494	143,241	190,988	238,735	286,482	334,229
600,000	104,194	156,291	208,388	260,485	312,582	364,679
650,000	112,894	169,341	225,788	282,235	338,682	395,129
700,000	121,594	182,391	243,188	303,985	364,782	425,579

The Company's Pension Plan is non-contributory. A majority of the employees of the Company and participating subsidiaries are eligible to participate in the Plan upon completing one year of service and attaining age 21. The Plan provides benefits (which are reduced by an amount equal to 50% of the participant's Social Security benefit) based on an average of the participant's highest consecutive 60 months of compensation, excluding any cash bonuses, and length of service. In 1979, the Company adopted a supplement to its Pension Plan to provide a limited group of its senior executives with an inducement to retire before age 65. That group of senior executives will receive credit for additional service for employment after age 55. In 1983, the supplement was expanded to include a significant portion of the senior executives' bonuses in the calculation of pension benefits. The supplement was amended in 1996 to provide that if a senior executive with Company service outside the U.S. retires after serving at least his or her last three years in the U.S., all of the executive's years of Company service, including years of service with foreign subsidiaries of the Company, will be counted in calculating pension benefits. The group of senior executives includes those listed in the table on page 11.

For purposes of calculating the pension benefit, the average of the highest consecutive 60 months of compensation for Messrs. Contino, Davey, Lawless, Nordhoff and Schroeder as of November 30, 1998 was $197,083, $352,381, $581,133, $359,191 and $313,163, respectively. The years of credited service for Messrs. Contino, Davey, Lawless, Nordhoff and Schroeder as of the same date were 1/2, 5, 8, 28 and 13 years, respectively.

Mr. Lawless and Mr. Davey are also entitled to receive pension benefits under the registered pension plan ("RPP") offered to employees of McCormick Canada, Inc. Benefits under the RPP are based on the average of the participant's highest three consecutive years of earnings. Upon retirement the Company has agreed to pay Mr. Lawless and Mr. Davey a supplemental benefit equal to the excess, if any, of the benefit calculated under the RPP (assuming all their service at McCormick Canada and the Company had been under the RPP) over (i) the pension benefit accrued under RPP (based on years of service with McCormick Canada) plus (ii) the benefit accrued under the Company's Pension Plan (based on years of service with the Company).

STOCK OPTIONS

During the last fiscal year, the Company has granted stock options to certain employees, including executive officers, pursuant to stock option plans approved by the Company's stockholders.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

	Individual Grants*				Potential Realizable Value At Assumed Annual Rates of Stock Price Appreciation For Option Term ($)**		
Name	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted To Employees in Fiscal Year	Exercise or Base Price ($/Shares)	Expiration Date	0%	5%	10%
Robert J. Lawless	83,800	7.00	$33.25	03/17/08	$0	$1,752,258	$4,440,562
Robert G. Davey	38,800	3.20	$33.25	03/17/08	$0	$811,308	$2,056,012
Carroll D. Nordhoff	31,800	2.60	$33.25	03/17/08	$0	$664,938	$1,658,082
Robert W. Schroeder	26,400	2.20	$33.25	03/17/08	$0	$552,024	$1,398,936
Francis A. Contino	33,000	2.70	$31.72	06/14/08	$0	$658,350	$1,668,150

* In general, the stock options are exercisable cumulatively as follows: none of the shares granted during the first year of the option; not more than 25% of the shares granted during the second year of the option; not more than 50% of the shares granted during the third year of the option, less any shares for which the option has been previously exercised; not more than 75% of the shares granted during the fourth year of the option, less any shares for which the option has been previously exercised; and 100% of the shares granted, less any portion of such option previously exercised, at any time during the period between the end of the fourth year of the option and the expiration date. Approximately 440 employees of the Company were granted options under the Company's option plans during the last fiscal year.

** The dollar amounts under these columns are the result of calculations at 0%, and at the 5% and 10% compounded annual rates set by the Securities and Exchange Commission, and therefore are not intended to forecast future appreciation, if any, in the price of the Company's common stock. The potential realizable values illustrated at 5% and 10% compound annual appreciation assume that the price of the Company's common stock increases $20.91 and $52.99 per share, respectively, over the 10-year term of the options. If the named executives realize these values, the Company's stockholders will realize aggregate appreciation in the price of the approximately 72 million shares of the Company's common stock outstanding as of December 31, 1998 of approximately $1.52 billion and $3.84 billion, over the same period.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION/SAR VALUES

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Shares Underlying Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options/SARs at FY-End ($) Exercisable/Unexercisable
Robert J. Lawless	3,000	$20,250	53,063/125,787	$539,042/$419,202
Robert G. Davey	3,000	$19,593	32,132/68,568	$332,316/$301,621
Carroll D. Nordhoff	8,000	$58,500	46,378/61,522	$484,910/$299,228
Robert W. Schroeder	4,800	$42,619	20,783/50,317	$215,857/$237,630
Francis A. Contino	0.00	$0	0/33,000	$0/$55,852

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Mr. McCormick and Mr. Cook, directors of the Company, filed Form 4 Reports with the Securities and Exchange Commission for the month of March 1998, which reported, on a timely basis, the exercise of an option for 500 shares each of Common Stock and Common Stock Non-Voting. The options were exercised by Mr. Cook on March 9, 1998, and by Mr. McCormick on March 16, 1998. These Reports were amended on May 7, 1998, to report the sale of the acquired shares on the date of exercise.

Set forth below is a line graph comparing the yearly percent change in the Company's cumulative total shareholder return (stock price appreciation plus reinvestment of dividends) on the Company's common stock with (i) the cumulative total return of the Standard & Poor's 500 Stock Index, assuming reinvestment of dividends, and (ii) the cumulative total return of the Standard & Poor's Food Products Index, assuming reinvestment of dividends.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN*
AMONG MCCORMICK & COMPANY, INCORPORATED,
S&P 500 STOCK INDEX & S&P FOOD PRODUCTS INDEX**

[Graph]

	1993	1994	1995	1996	1997	1998
McCormick	100	82	105	111	122	157
S&P 500	100	101	140	178	229	186
S&P Food	100	103	132	166	225	254

Assumes $100 invested on December 1, 1993 in McCormick & Company, Incorporated common stock; S&P 500 Stock Index and S&P Food Products Index

* Total Return Assumes Reinvestment of Dividends

** Fiscal Year ending November 30

DIRECTORS' NON-QUALIFIED STOCK OPTION PLAN

In 1991, the Board of Directors adopted a Non-Qualified Stock Option Plan for members of the Board of Directors who are not employees of the Company. The Plan is designed to enhance the identity of these directors' interests with the interests of the Company's stockholders and to give them a greater stake in the future growth of the Company.

The stockholders approved the issuance of up to 30,000 shares of Common Stock and 30,000 shares of Common Stock Non-Voting under the Plan (share numbers have been adjusted for a 2-for-1 stock split in 1992). Options for nearly all of these shares have been granted, and the Board of Directors has adopted the 1999 Directors' Non-Qualified Stock Option Plan in order to continue to grant options to these directors. Messrs. Brady, Dunn, Hrabowski and Stevens will be eligible to receive options in March 1999. The Board of Directors believes that stock option plans have been successful in achieving their purposes, and the Plan is being submitted to stockholders at this time. The full text of the Plan is set forth in Exhibit A to this Proxy Statement. The Company intends to file a registration statement under the Securities Act of 1933 to register the shares subject to the Plan prior to the issuance of any securities under the Plan.

Under the 1999 Plan, 30,000 shares of Common Stock and 30,000 shares of Common Stock Non-Voting may be issued. The Plan provides that an option shall be granted each year on the third Wednesday of March to each member of the Board of Directors who is not an employee of the Company for 1,000 shares of Common Stock and 1,000 shares of Common Stock Non-Voting at a price per share equal to the NASDAQ National Market closing price of McCormick common stock as reported in THE WALL STREET JOURNAL for the date of the grant. Members of the Board of Directors eligible to participate in this program may, in their discretion, elect not to receive an option. The number of shares issuable upon the exercise of an option is subject to adjustment in the event of certain changes in the Company's capital structure.

The Board of Directors has the authority to administer the Plan and may delegate its powers and functions in these respects to a committee of directors not eligible to participate in the Plan.

Payment of the option price may be in cash or shares of the Company's common stock. No option shall be granted for a period in excess of ten years. In the event the optionee ceases to be a director as a result of disability, death or retirement, the options are exercisable at any time prior to the expiration date. In the event the optionee ceases to be a director for reasons other than disability, death or retirement, the options expire unless they are exercised within thirty days after the optionee ceases to be a director. Options are not transferable otherwise than by will or under the laws of descent and distribution. Optionees are required to agree to remain a member of the Board of Directors of the Company for a certain period of time, as specified in the Plan and the option agreements.

The Company has been advised by counsel that, in general, upon exercise of a non-qualified stock option, the option holder is treated for Federal income tax purposes as receiving compensation income at that time equal to the excess value of the stock on that date over the option price. Generally, a deduction equivalent to the compensation realized by the option holder will be allowed to the Company at the same time. The optionee's basis in such stock will include his option price plus the amount of compensation income realized as a result of exercise. When the optionee sells the stock, he will recognize a long-term capital gain or loss if, at the time of the sale, he has held the stock for more than one year from the date of compensation recognition. If the optionee has held such stock for one year or less, his capital gain will be short-term.

The Board of Directors may terminate, suspend or amend the Plan in whole or in part from time to time, subject to the limitations contained in Section 13 of the Plan, which is set forth in A.

REQUIRED VOTE OF STOCKHOLDERS. The favorable vote of at least a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present is required for the approval of the Plan.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE PLAN.

1999 EMPLOYEES STOCK PURCHASE PLAN

Since 1966 it has been the policy of the Company to make available to virtually all of its employees the opportunity to purchase shares of the Company's stock through employees stock purchase plans. Since the Board of Directors believes that these plans have been successful in achieving their purposes, a new employees stock purchase plan is being submitted to the stockholders at this time.

On January 18, 1999, the Board of Directors adopted the "1999 Employees Stock Purchase Plan," which is designed to meet the requirements of the Internal Revenue Code for employee stock purchase plans. The full text of the Plan is set forth in Exhibit B to this Proxy Statement and reference is made thereto for a complete statement of its terms and provisions. If the Plan is not approved by the required vote of stockholders, it will terminate. The Company intends to file a registration statement under the Securities Act of 1933 to register the shares subject to the Plan prior to the issuance of any securities subject to issuance under the Plan.

Participation in the Plan is limited to persons who on March 17, 1999 are employees of the Company and designated subsidiaries and, with stated exceptions, all such employees are eligible to participate. It is estimated that approximately 5,200 employees will be eligible to participate in the Plan.

Under the Plan, options are to be granted on March 17, 1999 to each eligible employee to purchase the maximum number of shares of Common Stock Non-Voting of the Company which, at the March 17, 1999 price can be purchased with approximately 10% of said employee's compensation for one year, as defined in the Plan. Payment for all shares purchased will be made through payroll deductions over a 24-month period, beginning June 1, 1999. After payroll deductions have begun, prepayment for the total shares purchasable is permitted at any time before May 31, 2001. Interest on all such amounts will accrue at the rate of 5% per year, and will be paid to the employees after completion of payment for their shares or upon prior withdrawal from the Plan. The purchase price per share is the NASDAQ National Market closing price of the Company's Common Stock Non-Voting in the over-the-counter market as reported in THE WALL STREET JOURNAL for either March 17, 1999 or for the date of exercise, whichever price is lower. The closing price of the Common Stock Non-Voting as reported in THE WALL STREET JOURNAL for February 1, 1999 was $29.1875.

Subject to certain limitations set forth in the Plan, employees are permitted, at any time prior to May 31, 2001, to terminate or reduce their payroll deductions, to reduce their options to purchase, to exercise their options in whole or in part, or to withdraw all or part of the balance in their accounts, with interest.

The Plan also contains provisions governing the rights and privileges of employees or their representatives in the event of termination of employment, retirement, severance, lay-off, disability, death or other events.

Certificates for all shares of stock purchased under the Plan will be delivered as soon as practicable after May 31, 2001, or on such earlier date as full payment is made for all shares which the employee has elected to purchase. No employee or his or her legal representative will have any rights as a stockholder with respect to any shares to be purchased until completion of payments for all the shares and the issuance of the stock certificate.

The Plan contemplates that all funds contributed by employees will be under the control of the Company and may be used for any corporate purpose.

FEDERAL INCOME TAX CONSEQUENCES: The Company has been advised by counsel that if a participant acquires stock upon the exercise of an option under the Plan, the participant will not recognize income, and the Company will not be allowed a deduction as a result of such exercise, if the following conditions are met: (i) the Plan is approved by the stockholders of the Company on or before January 17, 2000; (ii) at all times during the period beginning with the grant of the option and ending on the day three months before the date of such exercise, the participant was an employee of the Company or a subsidiary of the Company; and (iii) the participant makes no disposition of the stock within two years after the grant of the option or within one year after the transfer of the stock to the participant. In the event of a sale or other disposition of such stock by the participant after compliance with the applicable conditions set forth above, any gain realized over the price paid for the stock will be treated as long-term capital gain, and any loss will be treated as long-term capital loss, in the year of the sale. If the conditions stated in clauses (i) and (ii) are not met, the participant will recognize compensation income upon the exercise of the option. If the conditions in clauses (i) and (ii) are met, but the condition in clause (iii) is not met, the participant will recognize compensation income and, if applicable, capital gains, upon the early disposition of the stock. In either case the amount of compensation will be equal to the excess of the value of the stock on the date of exercise over the purchase price, except that in the case of a person subject to Section 16(b) of the Securities Exchange Act of 1934, the amount of compensation income will be determined based on the value of the stock on the date on which the Section 16(b) restriction lapses (and the inclusion in income of the compensation will be delayed until that time). In general, compensation income will be subject to income tax at regular income tax rates. If the participant is treated as having received compensation income, an equivalent deduction generally will be allowed to the Company. For the purpose of the foregoing, an option is exercised on May 31, 2001 or such earlier date as the employee makes an irrevocable election to purchase stock. No income will result to participants upon the issuance of the options.

The Company has been further advised by counsel that the interest accrued on an employee's stock purchase account will be taxable income to such employee and a deduction will be allowed to the Company or a subsidiary of the Company.

REQUIRED VOTE OF STOCKHOLDERS. The favorable vote of at least a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present is required for the approval of the Plan.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE PLAN.

The following table shows the estimated maximum number of shares of Common Stock Non-Voting that each listed person, and each listed group, will be entitled to acquire in accordance with the provisions of the 1999 Employees Stock Purchase Plan (based on the stock price in effect on February 1, 1999). The Dollar Value equals the number of shares that can be acquired by each person or group multiplied by the February 1, 1999 stock price.

NEW PLAN BENEFITS

1999 EMPLOYEES STOCK PURCHASE PLAN *

NAME AND POSITION	DOLLAR VALUE	NUMBER OF SHARES
ROBERT J. LAWLESS President, Chief Executive Officer & Chief Operating Officer	$50,000**	1,713**
ROBERT G. DAVEY President - Global Industrial Group	$37,500	1,284
FRANCIS A. CONTINO Executive Vice President & Chief Financial Officer	$32,000	1,096
CARROLL D. NORDHOFF Executive Vice President	$28,600	979.00
ROBERT W. SCHROEDER Vice President & General Manager, McCormick/Schilling Division	$28,000	959
EXECUTIVE OFFICER GROUP (11 PERSONS)	$290,511	9,953
OUTSIDE DIRECTOR GROUP (4 PERSONS)	N/A	N/A
NON-EXECUTIVE OFFICER/EMPLOYEE		
GROUP (APPROXIMATELY 5,200 PERSONS)	$18,734,745	641,875

FOOTNOTES

* Ms. Weatherholtz, who is a nominee to the Board of Directors in addition to the persons listed in the New Plan Benefits table, will receive an option under the Plan to purchase 656 shares of Common Stock

Non-Voting. Director nominees who are not employees of the Company are not eligible to participate in the Plan. No person will receive options for as much as 5% of the shares subject to the Plan.

** The maximum amount allowed under the Plan is $50,000.

The Plan contemplates that the Company will make available sufficient shares of its Common Stock Non-Voting to allow each eligible employee to elect to purchase the full number of shares covered by the options granted. On the basis of the closing price of the shares of the Company's Common Stock Non-Voting on February 1, 1999, it is estimated that a maximum of 651,828 shares will be required if each eligible employee elects to participate to the full extent of his or her option. The Plan provides for adjustments in the case of certain changes in the Company's capital structure.

REQUIRED VOTE OF STOCKHOLDERS. The favorable vote of at least a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present is required for the approval of the Plan.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE PLAN.

RATIFICATION OF APPOINTMENT OF AUDITORS

The Board of Directors, upon recommendation of the Audit Committee, has appointed the accounting firm of Ernst & Young LLP to serve as the independent auditors of the Company for the current fiscal year subject to ratification by the stockholders of the Company. Ernst & Young LLP were first appointed to serve as independent auditors of the Company in 1982 and are considered by management of the Company to be well qualified.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

REQUIRED VOTE OF STOCKHOLDERS. The favorable vote of at least a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present is required for ratification of the appointment of independent auditors.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR RATIFICATION.

OTHER MATTERS

Management knows of no other matters which may be presented for consideration at the meeting. However, if any other matters properly come before the meeting, it is the intention of the persons named in the proxy to vote such proxy in accordance with their judgment on such matters.

VOTING PROCEDURES

Each matter submitted to the stockholders for a vote is deemed approved if a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present votes in favor of the matter. The presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum.

Stockholder votes are tabulated manually by the Company's Shareholder Relations Office. Broker non-votes are neither counted in establishing a quorum nor voted for or against matters presented for stockholder consideration; proxy cards which are executed and returned without any designated voting direction are voted in the manner stated on the proxy card. Abstentions and broker non-votes with respect to a proposal are not counted as favorable votes, and therefore have the same effect as a vote against the proposal.

STOCKHOLDER PROPOSALS FOR 2000 ANNUAL MEETING

Proposals of stockholders to be presented at the 2000 Annual Meeting must be received by the Secretary of the Company prior to October 16, 1999 to be considered for inclusion in the 2000 proxy material.

EXHIBIT A

MCCORMICK & COMPANY, INCORPORATED
DIRECTORS' NON-QUALIFIED STOCK OPTION PLAN

SECTION 1 - ADMINISTRATION

This Plan shall be administered by the Board of Directors at the principal office of the Company; provided that the Board of Directors may delegate to any committee of the Board of Directors, comprised of members not eligible to receive options hereunder, any or all of the powers conferred upon the Board of Directors under this Plan, except any powers which under applicable Maryland law may not be delegated by the Board of Directors. The Board of Directors and/or its designee is authorized to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, and to make all other determinations necessary or advisable for its administration.

SECTION 2 - SHARES SUBJECT TO THE PLAN

Up to thirty thousand (30,000) shares of Common Stock and thirty thousand (30,000) shares of Common Stock Non-Voting of this Company shall be reserved for issuance by this Company pursuant to the exercise of the options to be granted hereunder. If an option ceases to be exercisable in whole or in part by reason of expiration of the term of the option or upon or following the date on which the optionee ceases to be a director, the shares which are subject to such option but as to which the option has not been exercised shall continue to be available under the Plan. Shares shall be made available from authorized and unissued stock.

SECTION 3 - PARTICIPANTS

Any member of the Board of Directors of the Company who is not also an employee of the Company shall be eligible to participate in this Plan.

SECTION 4 - ALLOTMENT OF SHARES

On the third Wednesday of March of each year, the Company shall grant an option to each participant in this Plan, unless such participant elects not to receive such option, to purchase one thousand (1,000) shares of Common Stock and one thousand (1,000) shares of Common Stock Non-Voting of this Company.

SECTION 5 - OPTION PRICE

The option price per share for options granted hereunder shall be NASDAQ National Market closing price as reported in THE WALL STREET JOURNAL for the date on which the options are granted.

SECTION 6 - OPTION PERIOD AND LIMITATIONS UPON EXERCISE OF OPTIONS

The period during which an option may be exercised shall be determined by the Board, except that no option shall be exercisable after the expiration of ten (10) years from the date of the granting thereof. Each participant must agree to remain a director of the Company until the next Annual Meeting of Stockholders or until his successor is duly elected and qualified. An option may be exercised in full at any time, or from time to time in part, during the option period subject to such limitations and restrictions as may be included in the option agreement, including provisions insuring compliance with all applicable laws and regulations pertaining to the sale of these securities.

SECTION 7 - EXERCISE OF OPTIONS AND PAYMENT FOR STOCK

The option may be exercised by sending a written notice to the Company to the attention of the Secretary together with payment in full for the stock. Payment for the stock may be in the form of cash or shares of the Company's common stock. Upon receipt of notice and payment, the Company shall be obligated to have the stock issued to the optionee. A participant shall have none of the rights of a shareholder until shares are issued to him.

SECTION 8 - RESIGNATION/REMOVAL

Subject to Sections 9 and 10, the right to exercise an option shall terminate thirty (30) days after a participant ceases to be a director.

SECTION 9 - RIGHTS IN THE EVENT OF RETIREMENT OR DISABILITY

If a participant ceases to be director on account of his retirement from the Board of Directors or total and permanent disability without having fully exercised his options, he shall have the right to exercise his options at any time up until their expiration date.

SECTION 10 - RIGHTS IN THE EVENT OF DEATH

If a participant dies prior to termination of the right to exercise his option without having fully exercised his option, the executors, administrators or personal representatives or legatees or distributees of his estate shall have the right, at any time prior to the expiration of the term of the option, to exercise such option in full or in part.

SECTION 11 - EFFECT OF CHANGE IN STOCK SUBJECT TO THE PLAN

In the event there is any change in the Common Stock or Common Stock Non-Voting of the Company through the declaration of stock dividends, or through recapitalization resulting in stock splits, or combinations or exchanges of shares, or otherwise, the number of shares available for option and the shares subject to any option previously granted and the option price shall be appropriately adjusted; provided, however, in such cases, fractional parts of shares will be disregarded.

SECTION 12 - NON-ASSIGNABILITY

Options shall not be transferable other than by will or by the laws of descent and distribution and during a participant's lifetime are exercisable only by him.

SECTION 13 - AMENDMENT

The Board may terminate, suspend, or amend the Plan in whole or in part from time to time, as may be required by the Internal Revenue Code or by the Securities Exchange Act of 1934, without the approval of the stockholders of the Company. The Board may amend or modify the Plan for such other reasons as it may deem appropriate; provided that no such amendments or modifications may be made within a period of less than six months of adoption of the Plan or any subsequent amendment thereto; and provided further, that no action shall be taken without the approval of the stockholders of the Company to increase the maximum number of shares subject to the Plan (except in accordance with the provisions of Section 11 hereof), to change the option price, to change the class of participants eligible to receive such options under the Plan, or to extend the term of the Plan. No amendment or termination or modification of the Plan shall in any manner affect any option theretofore granted without the consent of the optionee, except that the Board may amend or modify the Plan in a manner that does affect options theretofore granted upon a finding by the Board that such amendment or modification is in the best interest of the holder of outstanding options affected thereby.

SECTION 14 - EFFECTIVE DATE

This Plan shall become effective as of March 17, 1999.

EXHIBIT B

MCCORMICK & COMPANY, INCORPORATED
1999 EMPLOYEES STOCK PURCHASE PLAN

SECTION 1 - PURPOSE

The purpose of this Plan is to afford to employees of McCormick & Company, Incorporated and designated subsidiaries (namely, McCormick Canada, Inc., Mojave Foods Corporation, Setco, Inc., and Tubed Products, Inc.) (the "Corporations") an opportunity to acquire shares of Common Stock Non-Voting of McCormick & Company, Incorporated (the "Company") pursuant to options to purchase granted by this Plan to them.

SECTION 2 - NUMBER OF SHARES OFFERED

The offering pursuant to this Plan is for a number of shares of the Company's Common Stock Non-Voting sufficient to allow each employee to elect to purchase the full number of shares purchasable pursuant to the terms of Section 6 of this Plan.

SECTION 3 - ELIGIBLE EMPLOYEES

All persons who on March 17, 1999, are employees of the Corporations will be eligible to participate in this Plan, except for the following who shall not be eligible:

(a) Any employee whose customary employment as of March 17, 1999, was 19 hours or less per week or for not more than 5 months during the calendar year;

(b) Any employee who, immediately after March 17, 1999, would own (as defined in the Internal Revenue Code, Sections 423 and 424(d)) stock, and/or hold outstanding options to purchase stock, possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any subsidiary;

(c) Any employee whose grant of an option hereunder would permit his rights to purchase stock under this Plan and under all other employee stock purchase plans, if any, of the Company or its subsidiaries to accrue at a rate which exceeds $25,000 of the fair market value of such stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time; and

(d) Any employee residing in a state where the offer or sale of the shares provided by this Plan is not authorized or permitted by applicable state law.

SECTION 4 - EFFECTIVE DATE

The options under this Plan are granted as of March 17, 1999, subject to approval of this Plan by the stockholders of the Company within 12 months of its adoption by the Board of Directors.

SECTION 5 - PURCHASE PRICE

The purchase price for all shares shall be the NASDAQ National Market closing price of the Company's Common Stock Non-Voting on the over-the-counter market as reported in THE WALL STREET JOURNAL either:

(a) For March 17, 1999 (which is the date of the grant), or (b) For the date such option is exercised, whichever price is lower.

SECTION 6 - NUMBER OF SHARES PURCHASABLE

Each eligible employee is, by the terms of this Plan, granted an option to purchase a maximum number of shares of Common Stock Non-Voting of the Company (increased by any fractional amount required to make a whole share) which, at the purchase price, as determined in accordance with Section 5(a), will most closely approximate 10% of his compensation for one year, as below defined. Notwithstanding any other provision of this Plan, no employee may elect to purchase less than five shares nor may any options be exercised for less than five shares.

Such compensation for one year shall be deemed to be the base wage paid to such employee by the Corporations. The base wage for such employee shall be computed as follows:

(a) The straight-line hourly base wage rate of such employee in effect on March 17, 1999, multiplied by 2080 hours (40 hours per week multiplied by 52 weeks), or by such number as the Company deems to constitute the number of hours in a normal work year for such employee; or

(b) The salary of such employee in effect on March 17, 1999, annualized.

SECTION 7 - ELECTION TO PURCHASE AND PAYROLL DEDUCTION

No later than April 30, 1999, an eligible employee may elect to purchase all or part of the shares which he is entitled to purchase under Section 6. Such election shall be made by the execution and delivery to the Corporations of an approved written form authorizing uniform periodic payroll deductions over a two-year period beginning June 1, 1999, in such amounts as will in the aggregate (exclusive of interest which, it is contemplated, will be paid to the employee at the end of such period) equal the total option price for all of the shares covered by this election to purchase. If an employee fails to make such election by April 30, 1999, the option provided by this Plan shall terminate on that date. Except as otherwise provided in the Plan, after payroll deductions have begun, prepayment for the total shares purchasable will be permitted at any time prior to May 31, 2001. In the event an employee makes such prepayment, there shall be no payroll deductions under the Plan on behalf of said employee after such prepayment.

SECTION 8 - INTEREST ON PAYROLL DEDUCTIONS

The Company and participating subsidiaries will maintain a record of amounts credited to each employee authorizing a payroll deduction pursuant to Section 7. Interest will accrue on payroll deductions beginning June 1, 1999, on the average balance of such deductions during the period of this Plan at the rate of 5% per year. Such interest shall be payable to the employee on or about May 31, 2001, or at such time as said employee may for any reason terminate his election to purchase shares under this Plan, or at such time as said employee exercises his option to purchase stock under the Plan and provides or pays in full the sum necessary to purchase such shares.

SECTION 9 - CHANGES IN ELECTIONS TO PURCHASE

An employee may, at any time prior to May 31, 2001, by written notice to the Corporations, direct the Corporations to reduce or cease payroll deductions (or, if the payment for shares is being made through periodic cash payments, notify the Corporations that such payments will be reduced or terminated) or withdraw part or all of the money in his account and continue payroll deductions, in accordance with the following alternatives:

(a) Exercise his option to purchase the number of shares which may be purchased at the purchase price with all or any specified part of the amount (including interest) then credited to his account, and withdraw any amount (including interest) remaining in such account; or

(b) Reduce the amount of his subsequent payroll deductions (or periodic cash payments) and/or withdraw all or any specified part of the amount then credited to his account, in which event his option to purchase shall be reduced to the number of shares which may be purchased, at the March 17, 1999 price, with the amount, if any, remaining in his account (exclusive of interest) plus the aggregate amount of the authorized payroll deductions (or periodic cash payments) to be made thereafter; or

(c) Withdraw the amount (including interest) in his account and terminate his option to purchase

An employee may make only one withdrawal of all or part of his account and continue his payroll deductions. If the employee thereafter wishes to withdraw any funds from his account, he must withdraw the entire amount (including interest) in his account and terminate his option to purchase.

Any reduction made in the number of shares subject to an option to purchase is subject to the provisions of Section 6 and shall be permanent.

SECTION 10 - VOLUNTARY TERMINATION OF EMPLOYMENT OR DISCHARGE

In the event an employee voluntarily leaves the employ of the Corporations, otherwise than by retirement under a plan of the Corporations, or is discharged for cause prior to May 31, 2001, he can elect within 10 days after termination of his employment to:

(a) Exercise his option to purchase the number of shares which may be purchased at the purchase price with all or any specified part of the amount (including interest) then credited to his account, and withdraw any amount (including interest) remaining in such account; or

(b) Withdraw the amount (including interest) in his account and terminate his option to purchase; or

(c) Exercise his option up to the number of shares purchasable under this Plan (Section 6) with full payment for such shares.

If the employee fails to make an election within 10 days after termination of employment, he shall be deemed to have elected subsection 10(b) above.

SECTION 11 - RETIREMENT OR SEVERANCE

In the event an employee who has an option to purchase shares leaves the employ of the Corporations on or after March 17, 1999, because of retirement under a plan of the Corporations, or because of termination of his employment by the Corporations for any reason except discharge for cause, he may elect, within 10 days after the date of such retirement or termination, to:

(a) In the event of retirement only, continue his option to purchase shares by making periodic cash payments to the Corporations in amounts equal to the payroll deductions previously authorized; or

(b) Exercise his option for the number of shares which may be purchased at the purchase price with all or any specified part of the amount (including interest) then credited to his account, and withdraw any amount (including interest) remaining in such account; or

(c) Exercise his option up to the number of shares purchasable under this Plan (Section 6) with full payment for such shares within said 10 day period; or

(d) Withdraw the amount (including interest) in his account and terminate his option to purchase.

In the event the employee does not make an election within the aforesaid 10 day period, he will be deemed to have elected subsection 11(d) above.

SECTION 12 - LAY-OFF, AUTHORIZED LEAVE OF ABSENCE OR DISABILITY

Payroll deductions for shares for which an employee has an option to purchase may be suspended during any period of absence of the employee from work due to lay-off, authorized leave of absence or disability or, if the employee so elects, periodic payments for such shares may continue to be made in cash.

If such employee returns to active service prior to May 31, 2001, his payroll deductions will be resumed and if said employee did not make periodic cash payments during his period of absence, he shall, by written notice to his employing Corporation within 10 days after his return to active service, but not later than May 31, 2001, elect:

(a) To make up any deficiency in his account resulting from a suspension of payroll deductions by an immediate cash payment; or

(b) Not to make up such deficiency, in which event the number of shares to be purchased by him shall be reduced to the number of whole shares which may be purchased at the March 17, 1999 price, with the amount, if any, then credited to his account (including interest) plus the aggregate amount, if any, of all payroll deductions to be made thereafter; or

(c) Withdraw the amount (including interest) in his account and terminate his option to purchase.

An employee on lay-off, authorized leave of absence or disability on May 31, 2001, shall deliver written notice to his employing Corporation on or before May 31, 2001, electing one of the alternatives provided in the foregoing clauses (a), (b) and (c) of this Section 12. If any employee fails to deliver such written notice within 10 days after his return to active service or by May 31, 2001, whichever is earlier, he shall be deemed to have elected subsection 12(c) above.

If the period of an employee's lay-off, authorized leave of absence or disability shall terminate on or before May 31, 2001, and the employee shall not resume active employment with the Corporations, he shall make an election in accordance with the provisions of Section 10 of this Plan.

SECTION 13 - DEATH

In the event of the death of an employee while his option to purchase shares is in effect, the legal representatives of such employee may, within 90 days after his death (but not later than May 31, 2001) by written notice to the employing Corporation, elect to:

(a) Make up any deficiency in such employee's account occurring after his death or by reason of his prior illness and to continue to make periodic cash payments for the remainder of the period ending May 31,2001; or

(b) Withdraw the amount (including interest) in his account and terminate his option to purchase; or

(c) Exercise the employee's option for the number of shares which may be purchased at the purchase price with all or any specified part of the amount (including interest) then credited to his account, and withdraw any amount (including interest) remaining in such account; or

(d) Exercise his option up to the number of shares purchasable under this Plan (Section 6) with full payment for such shares.

In the event the legal representatives of such employee fail to deliver such written notice to the employing Corporation within the prescribed period, the election to purchase shares shall terminate and the amount, including interest, then credited to the employee's account shall be paid to such legal representatives.

SECTION 14 - FAILURE TO MAKE PERIODIC CASH PAYMENTS

Under any of the circumstances contemplated by this Plan, where the purchase of shares is to be made through periodic cash payments in lieu of payroll deductions, the failure to make any such payments shall reduce, to the extent of the deficiency in such payments, the number of shares purchasable under this Plan.

SECTION 15 - FUNDS IN STOCK OPTION ACCOUNTS

Amounts credited to the employee's account shall be under the control of the Company and may be used for any corporate purpose. Amounts credited to the accounts of employees of subsidiaries of the Company named in Section 1 of this Plan shall be remitted to the Company from time to time. The amount, exclusive of interest, credited to the account of each employee shall be applied to pay for shares purchased by such employee and any amount not used for this purpose shall be repaid to the employee by the Company.

SECTION 16 - RIGHTS AS STOCKHOLDER

No employee, former employee, or his representatives shall have any rights as a stockholder with respect to any shares of stock which any employee has elected to purchase under this Plan until full payment for all shares has been made and a certificate for such shares has been issued. Certificates for shares will be issued as soon as practicable after full payment for such shares has been made. However, certificates for shares will not be issued prior to approval of the Plan by the stockholders of th Company.

SECTION 17 - NON-ASSIGNABILITY

No assignment or transfer by any employee, former employee or his legal representatives of any option, election to purchase shares or any other interest under this Plan will be recognized; any purported assignment or transfer, whether voluntary or by operation of law (except by will or the laws of descent and distribution), shall have the effect of terminating such option, election to purchase or other interest. An employee's option and election to purchase shall be exercisable only by him during his lifetime and upon his death, by his legal representative in accordance with Section 13. If an election to purchase is terminated by reason of the provisions of this Section 17, the only right thereafter continuing shall be the right to have the amount then credited to the employee's account, including interest, paid to the employee or other person entitled thereto, as the case may be.

SECTION 18 - EFFECT OF CHANGES IN SHARES

In the event of any change in the capital stock of the Company through merger, consolidation or reorganization, or in the event of any dividend to holders of shares of the Common Stock Non-Voting of the Company payable in stock of the same class in an amount in excess of 2% in any year, or in the event of a stock split, or in the event of any other change in the capital structure of the Company, the Company will make such adjustments with respect to the shares of stock subject to this offering as it deems equitable to prevent dilution or enlargement of the rights of participating employees.

SECTION 19 - ADMINISTRATION; MISCELLANEOUS

(a) The Compensation Committee of the Company (the "Committee") or such employee or employees as they may designate, shall be responsible for the administration of this Plan, including the interpretation of its provisions, and the decision of the Committee or of such other employee or employees with respect to any question arising under the Plan shall be final and binding for all purposes.

(b) Uniform policies shall be pursued in the administration of this Plan and there shall be no discrimination between particular employees or groups of employees. The Committee, or such employee or employees as they may designate to administer this Plan, shall have the authority, which shall be exercised without discrimination, to make exceptions to the provisions of this Plan under unusual circumstances where strict adherence to such provision would work undue hardship.

(c) The Company may allow a reasonable extension of the time within which an election to purchase shares under this Plan shall be made, if it shall determine there are circumstances warranting such action, in which event such extension shall be made available on a uniform basis to all employees similarly situated; provided that in no event shall the period for payroll deductions be extended beyond May 31, 2001.

SECTION 20 - AMENDMENT AND DISCONTINUANCE

The Board of Directors of the Company may alter, suspend or terminate the Plan; provided, however, that, except to conform the Plan from time to time to the requirements of the Internal Revenue Code with respect to employee stock purchase plans, no action of the Board shall increase the period during which this Plan shall remain in effect, or further limit the employees of the Corporations who are eligible to participate in the Plan, or increase the maximum period during which any option granted under the Plan may remain unexercised, or (other then as set forth in Section 18 above) increase the number of shares of stock to be optioned under the Plan or reduce the purchase price per share, with respect to the shares optioned or to be optioned under the Plan, or without the consent of the holder of the option, otherwise alter or impair any option granted under the Plan.