



McCormick & Company, Inc.
Second quarter 2009 financial
results and business outlook
June 25, 2009

The following slides accompany a June 25, 2009 presentation to investment analysts. This information should be read in conjunction with the press release issued June 25, 2009.



Forward-looking information

Certain information contained in this release, including expected trends in net sales and earnings performance, are “forward-looking statements” within the meaning of Section 21E of the Securities 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. Results may be materially affected by external factors such as damage to our reputation or brand name, business interruptions due to natural disasters or similar unexpected events, actions of competitors, customer relationships and financial condition, the ability to achieve expected cost savings and margin improvements, the successful acquisition and integration of new businesses, fluctuations in the cost and availability of raw and packaging materials, and global economic conditions generally which would include the availability of financing, interest and inflation rates as well as foreign currency fluctuations and other risks described in the Company’s filings with the Securities and Exchange Commission.

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



2Q 2009 Financial Results



Gordon Stetz

Executive Vice President & CFO



Adjusted EPS rose 8%

Second quarter ended	<u>5/31/09</u>	<u>5/31/08</u>
Earnings per share	\$.38	\$.41
Restructuring charges (credits)	<u>.04</u>	<u>(.02)</u>
Adjusted earnings per share	\$ <u>.42</u>	\$ <u>.39</u>

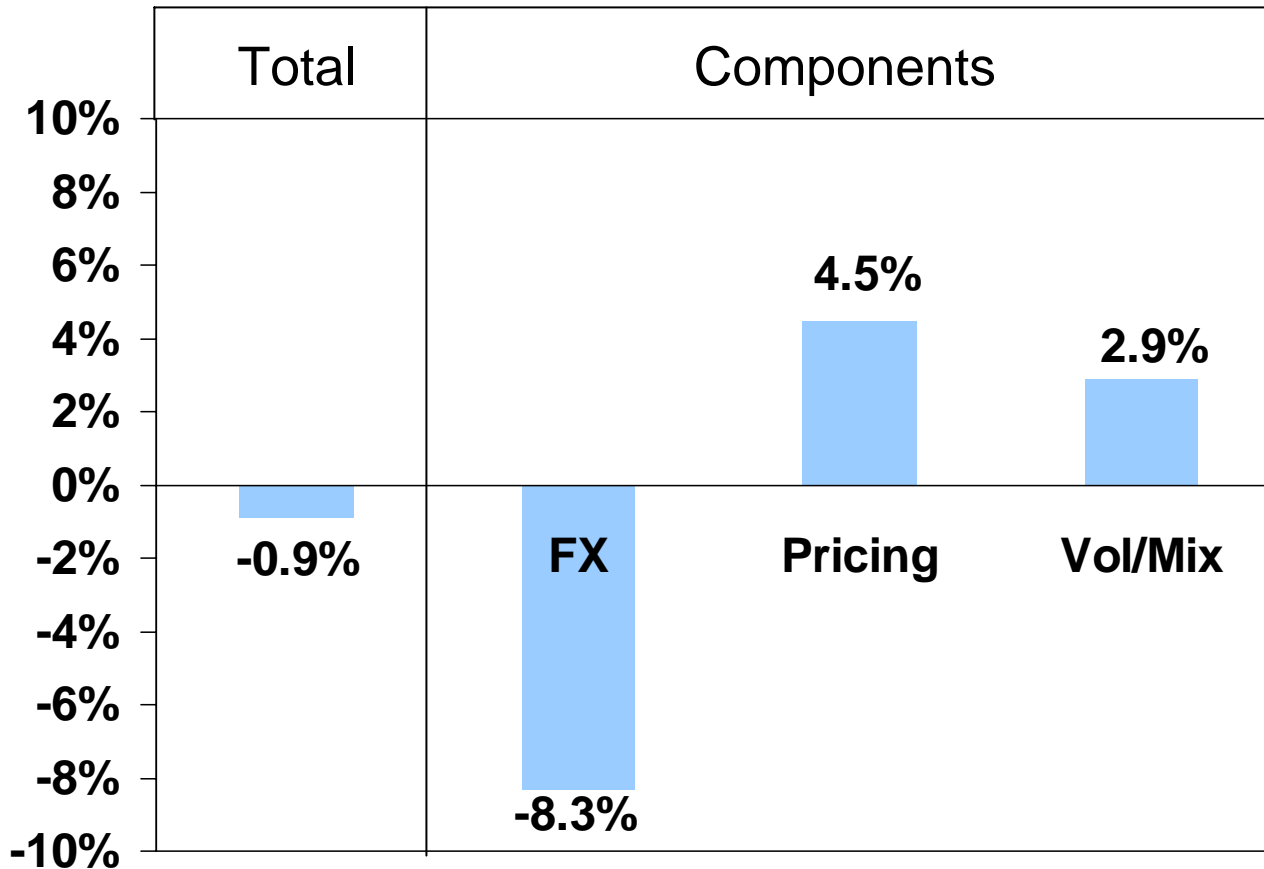
Increase

7.7%





Grew sales in local currency by 7.4%

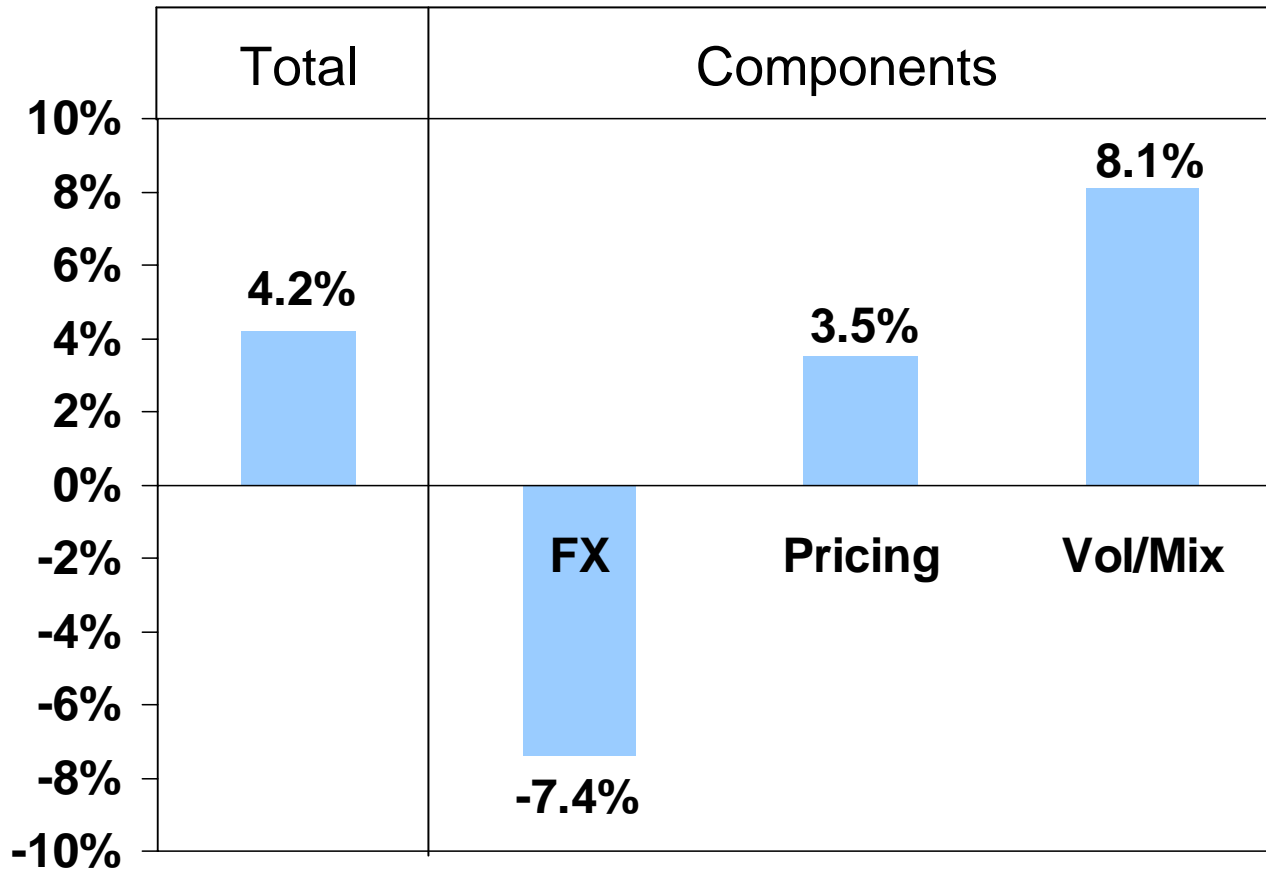


Acquisitions added 5.4% to volume and product mix

Total Company 2Q 2009 net sales growth



Grew sales in local currency by 11.6% - Consumer business



Acquisitions added 8.7% to volume and product mix

Consumer business 2Q 2009 net sales growth

Consumer business - Americas



Consumer business - Americas

2Q 2009 net sales growth

Total increase	16.1%
Currency impact	<u>(2.5%)</u>
Increase - local currency	18.6%
Price	3.8%
Volume/Product mix	14.8%

- Acquisitions added 13.3% to volume and product mix



- Increased dry seasoning mix sales



- Double-digit growth for grilling products



- Branded spice and seasoning sales increased





Consumer business - EMEA

Consumer business - EMEA

2Q 2009 net sales growth

Total decrease (20.6%)

Currency impact (17.2%)

Decrease- local currency (3.4%)

Price 3.3%

Volume/Product mix (6.7%)

- Compares to 2% growth in first quarter

- Challenging economy affecting U.K. sales; achieving growth in France

- Increase in promotion and couponing to emphasize brand value



Consumer business – Asia/Pacific



Consumer business – Asia/Pac

2Q 2009 net sales growth

Total decrease (6.3%)

Currency impact (14.5%)

Increase - local currency 8.2%

Price .9%

Volume/Product mix 7.3%

- In China, expanded into 10 additional cities and gaining 1,500 more street market locations

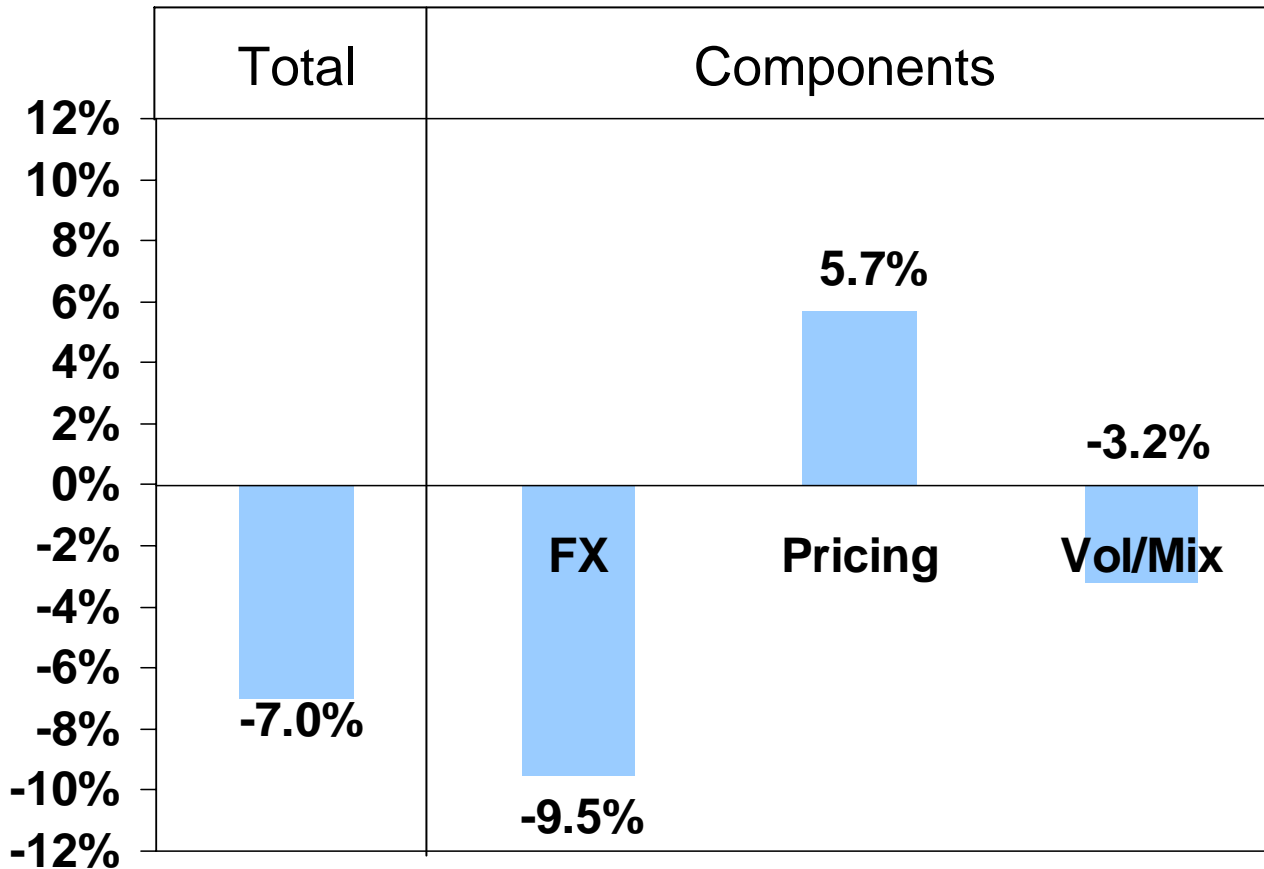


- Strong increase in slow-cooker seasoning sales in Australia





Grew sales in local currency by 3% - Industrial business



Acquisitions added 1.4% to volume and product mix

Industrial business 2Q 2009 net sales growth

Industrial business - Americas



Industrial business - Americas	
<i>2Q 2009 net sales growth</i>	
Total increase	.8%
Currency impact	<u>(4.8%)</u>
Increase - local currency	5.6%
Price	6.1%
Volume/Product mix	(.5%)

- Acquisitions added 2.1% to volume and product mix
- Higher sales of snack seasonings and new seasoning products to quick service restaurants
- Reduction in bulk spices and food ingredients as well as lower sales to food service distributors.

Industrial business - EMEA



Industrial business - EMEA

2Q 2009 net sales growth

Total decrease (28.3%)

Currency impact (25.1%)

Decrease- local currency (3.2%)

Price 7.1%

Volume/Product mix (10.3%)

- Interruption in sales due to U.K. food service distributor bankruptcy; now supplying products directly to these customers
- In general, food service sales also affected by consumer slow down in eating out, although many are still going to quick service restaurants

Industrial business – Asia/Pacific



Industrial business – Asia/Pac	
<i>2Q 2009 net sales growth</i>	
Total decrease	(14.7%)
Currency impact	<u>(8.4%)</u>
Decrease- local currency (6.3%)	
Price	.1%
Volume/Product mix	(6.4%)

- Solid first quarter growth followed by second quarter decline
- Olympics-related promotions beginning in 2Q 2008 created tough comparison
- Excited about long-term growth prospects in China, even at more moderate pace



Gross profit margin up 90 bp

Second quarter ended	<u>5/31/09</u>	<u>5/31/08</u>
Gross profit margin	39.9%	39.0%

Driving improvement -

- Comprehensive Continuous Improvement (CCI)
- Restructuring program
- Discretionary cost controls
- Driving more favorable business mix





Increased operating income

(In millions)

Second quarter ended	<u>5/31/09</u>	<u>5/31/08</u>	
Operating income	\$ 82.5	\$ 80.5	
Restr. charges (credits)	<u>6.9</u>	<u>(3.1)</u>	
Adj. operating income	<u>\$ 89.4</u>	<u>\$ 77.4</u>	+15.5%

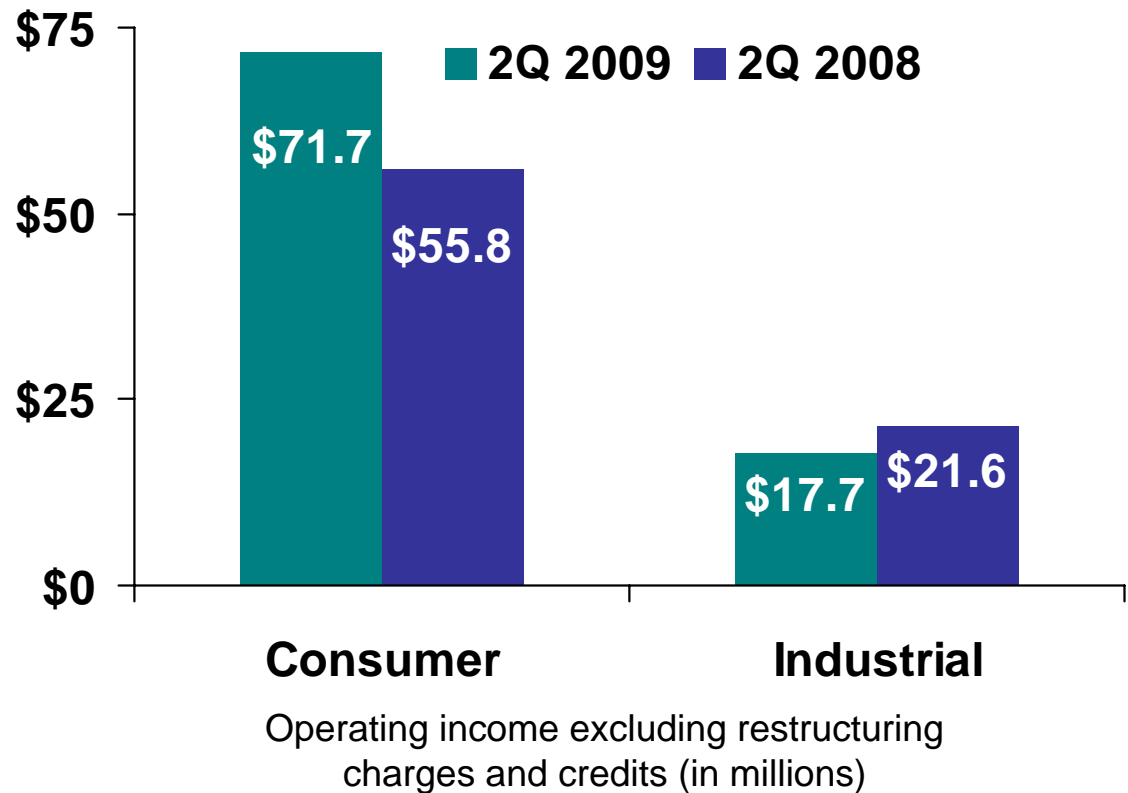
Selling, general & administrative expense -

- \$10.3 million higher marketing support, up 33%
- \$7.0 million costs related to U.K. distributor bankruptcy
- Reductions from CCI, cost controls, scale from Lawry's
- Favorable benefit costs vs year ago period



Operating income growth for consumer and industrial segments

- Consumer business operating income rose 28.5%
- Industrial business operating income declined 18.1%
- Industrial OI would have increased by \$3.1 million had distributor bankruptcy not occurred





Factors behind higher EPS

Second quarter ended	<u>5/31/09</u>	<u>5/31/08</u>
Earnings per share	\$.38	\$.41
Restructuring charges	<u>.04</u>	<u>(.02)</u>
Adjusted earnings per share	\$.42	\$.39
Increase	.03	
Higher operating income	.06	
Net interest expense	(.01)	
Higher tax rate	(.02)	



Balance sheet and cash flow

- Cash flow from operations was \$96.7 million in first half; up \$41.6 million in 2Q versus year-ago period
- On-track with 2009 goal to reduce cash conversion cycle by 3 to 5 days
- Improved receivables and inventory
- Incremental pension contribution of \$20 million in 2Q and another \$12 million contributed in mid-June
- During 2009, paying down debt from Lawry's

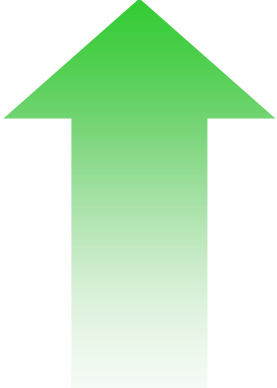
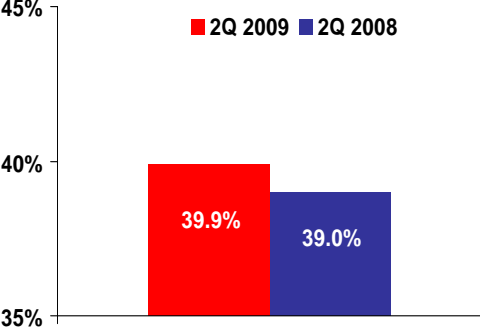
Business Update and Financial Outlook



Alan Wilson
President & CEO



Generating solid financial results in difficult economy

2Q Net sales	2Q Gross profit	2Q EPS*
 7% increase in local currency	Up 90 bp  ■ 2Q 2009 ■ 2Q 2008	+ 8% 2009 \$.42 2008 \$.39

* On comparable basis, excluding restructuring charges and credits

Driving 2009 financial performance

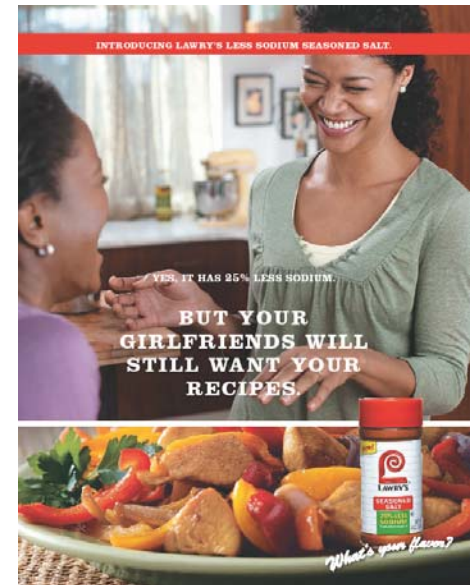


Addition of **Lawry's** with few incremental costs.



What's your flavor?

Television



Print

Business is delivering on sales, margin and profit accretion goals.

Driving 2009 financial performance



Managing costs with ...

- ❖ Effective pricing mechanisms
- ❖ Comprehensive Continuous Improvements (CCI)
- ❖ Restructuring program

... to fuel investment in the business

Driving 2009 financial performance



Emphasis on goals and performance ...

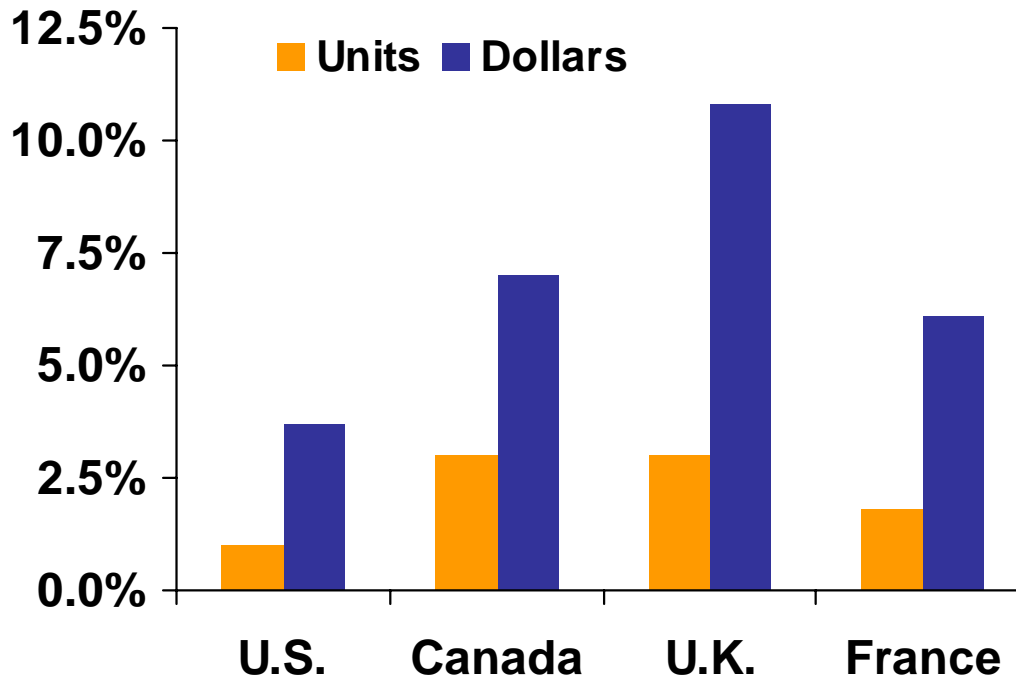
- Working capital management
- Cost containment
- Retail new product placement
- Marketing program launch
- Innovation for strategic industrial partners
- Expanded retail presence in China
- Rapid reaction to U.K. food service situation



Driving 2009 financial performance



Strong brands and growing categories



Consumer spice & seasoning purchases in latest 52 week period



2009 Financial outlook

Projected earnings per share



GAAP range \$2.24 to \$2.28

Restructuring charges \$0.05

Adjusted EPS \$2.29 to \$2.33

7 to 9% growth rate on comparable basis*

* Adjusted EPS for 2008 excludes the impact of restructuring charges and unusual items.



2009 Financial outlook

Additional guidance



2 to 3% sales growth, including currency impact

At least 50 bp gross profit margin

\$20 million incremental marketing support

Measurable increase in operating income margin



Summary

- Demonstrated ability to overcome expected and unexpected headwinds
- Funding incremental marketing to drive future growth
- Favorable mix and cost reductions providing flexibility in managing business
- Well-positioned for another record year at McCormick

TAKING GREAT FLAVOR TO NEW HEIGHTS



McCormick & Company, Inc.

GAAP to non-GAAP Reconciliation



The Company has provided below a reconciliation of non-GAAP earnings per share results for fiscal year 2008 which exclude restructuring charges, as well as unusual items which were comprised of amounts related to the Lawry's acquisition, including the gain on the sale of Season-All, and a non-cash impairment charge to reduce the value of the Silvo brand.

2008 Earnings per share – diluted	\$1.94
Impact of restructuring charges	.09
Impact of impairment charge	.15
Net gain related to Lawry's acquisition	<u>(.04)</u>
Adjusted earnings per share – diluted	<u>\$2.14</u>

Reconciliations of non-GAAP financial information for the second quarter of 2009 are included in the June 25, 2009 press release.