SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended MAY 31, 2002 Commission File Number 0-748

McCORMICK & COMPANY, INCORPORATED

(Exact name of registrant as specified in its charter)

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

18 LOVETON CIRCLE, P.O. BOX 6000, SPARKS, MD	21152-6000
(Address of principal executive offices)	(Zip Code)

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

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 filing requirements for the past 90 days. Yes X No

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

	Shares Outstanding June 30, 2002
Common Stock	15,914,807
Common Stock Non-Voting	123,994,446

PART I - FINANCIAL INFORMATION

ITEM 1

FINANCIAL STATEMENTS

McCORMICK & COMPANY, INCORPORATED
CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
(in thousands except per share amounts)

	Three Months Ended May 31,		Six Months Ended May 31,	
	2002	2001	2002	2001
Net				

sales $552,620
$531,168
$1,071,526
$1,030,615 Cost
of goods sold
359,925 350,484
693,580 680,302
-------- ------
-- ---------- -
--------- Gross
profit 192,695
180,684 377,946
350,313
Selling,
general and
administrative
expense 135,534
131,114 268,320
255,804 Special
charges 1,659 0
2,026 0 -------
- -------- ----
------ --------
-- Operating
income 55,502
49,570 107,600
94,509 Interest
expense 11,118
13,458 22,181
27,745 Other
(income)/expense
397 399 (650)
(574) --------
-------- ------
---- ----------
Income before
income taxes
43,987 35,713
86,069 67,338
Income taxes
13,794 11,821
27,040 22,289 -
------- -------
- ---------- --
-------- Net
income from
consolidated
operations
30,193 23,892
59,029 45,049
Income from
unconsolidated
operations
4,141 3,181
9,819 9,260
Minority
interest (721)
(437) (1,394)
(1,087) -------
- -------- ----
------ --------
-- Net income
$33,613 $26,636
$67,454 $53,222
======= =======
======= =======
Earnings per
common share -
basic Net
income $.24
$.19 $.48 $.39
==== ==== ====
==== Net income
excluding
goodwill (note
7) $.24 $.22
$.48 $.43 ====
==== ==== ====
Earnings per
common share -
assuming

dilution Net
income $.24
$.19 $.47 $.38
==== ==== ====
==== Net income
excluding
goodwill (note
7) $.24 $.21
$.47 $.43 ====
==== ==== ====
Cash dividends
declared per
common share
$.105 $.10 $.21
$.20 ===== ====
==== ====

See notes to condensed consolidated financial statements.

McCORMICK & COMPANY, INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

May 31, May
31, 2002
2001 Nov.
30,
(Unaudited)
(Unaudited)
2001 -------
---- -------
---- ----
ASSETS
Current
Assets Cash
and cash
equivalents
$40,158
$47,484
$31,331
Accounts
receivable,
net 277,433
248,641
295,539
Inventories
Raw
materials
and supplies
118,732
127,770
117,988
Finished
products and
work-in
process
170,995
157,400
160,085 ----
------ -----
----- ------
---- 289,727
285,170
278,073
Other
current
assets
31,490
20,158
30,857 -----
----- ------
---- -------

--- Total
current
assets
638,808
601,453
635,800
Property,
plant and
equipment
961,762
825,398
887,318
Less:
accumulated
depreciation
(493,840)
(430,739)
(462,869) --
-------- ---
------- ----
------ Total
property,
plant and
equipment,
net 467,922
394,659
424,449
Goodwill,
net 475,813
435,738
458,800
Intangible
assets, net
6,327 5,476
5,842
Prepaid
allowances
130,273
104,918
99,263 Other
assets
131,161
108,898
147,870 ----
------ -----
----- ------
---- Total
assets
$1,850,304
$1,651,142
$1,772,024
==========
==========
==========
LIABILITIES
AND
SHAREHOLDERS'
EQUITY
Current
Liabilities
Short-term
borrowings
$270,801
$221,761
$209,843
Current
portion of
long-term
debt 972
81,379 1,036
Trade
accounts
payable
165,539
169,930
183,974
Other
accrued
liabilities
275,123
236,351

318,990 ----
------ -----
----- ------
---- Total
current
liabilities
712,435
709,421
713,843
Long-term
debt 453,989
454,298
454,068
Other long-
term
liabilities
141,472
117,176
141,098 ----
------ -----
----- ------
---- Total
liabilities
1,307,896
1,280,895
1,309,009
Shareholders'
Equity
Common stock
75,036
58,008
60,364
Common stock
non-voting
153,074
135,232
142,522
Retained
earnings
375,851
280,729
344,068
Accumulated
other
comprehensive
income
(61,553)
(103,722)
(83,939) ---
------- ----
------ -----
----- Total
shareholders'
equity
542,408
370,247
463,015 ----
------ -----
----- ------
---- Total
liabilities
and
shareholders'
equity
$1,850,304
$1,651,142
$1,772,024
==========
==========
==========

See notes to condensed consolidated financial statements.

McCORMICK & COMPANY, INCORPORATED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(in thousands)

Six Months Ended May 31, 2002 2001 ---- ---- Cash flows from operating activities Net income $67,454 $53,222 Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization 32,279 36,606 Income from unconsolidated operations (9,819) (9,260) Changes in operating assets and liabilities (79,333) (51,214) Dividends from unconsolidated affiliates 17,893 17,448 Other 2,188 39 -------- -------- Net cash provided by operating activities 30,662 46,841 -------- -------- Cash flows from investing activities Capital expenditures (75,081) (51,635) Other 1,503 526 -------- -------- Net cash used in investing activities (73,578) (51,109) -------- -------- Cash flows from financing activities Short-term borrowings, net 60,772 (251,362) Long-term debt borrowings 0 296,656 Long-term debt

repayments (167) 0 Common stock issued 26,327 19,212 Common stock acquired by purchase (7,567) (9,605) Dividends paid (29,207) (27,470) -------- -------- Net cash provided by financing activities 50,158 27,431 -------- -------- Effect of exchange rate changes on cash and cash equivalents 1,585 431 -------- -------- Increase in cash and cash equivalents 8,827 23,594 Cash and cash equivalents at beginning of period 31,331 23,890 -------- -------- Cash and cash equivalents at end of period $ 40,158 $ 47,484 ======== ========

See notes to condensed consolidated financial statements.

McCORMICK & COMPANY, INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments necessary to present fairly the financial position and the results of operations for the interim periods.

The results of consolidated operations for the three and six month periods ended May 31, 2002 are not necessarily indicative of the results to be expected for the full year. Historically, the Company's consolidated sales and net income are lower in the first half of the fiscal year and increase in the second half. The increase in sales and earnings in the second half of the year is mainly due to the U.S. consumer business, where customers purchase for the fourth quarter holiday season.

For further information, refer to the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended November 30, 2001.

ACCOUNTING AND DISCLOSURE CHANGES

In November 2001, the Emerging Issues Task Force (EITF) issued EITF 01-09, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products." This required the Company to classify certain marketing expenses, which were previously classified as selling, general, and administrative expenses, as a reduction of sales in 2002. Concurrent with the adoption of EITF 01-09, the Company also reclassified certain expenses from selling, general, and administrative expense to cost of goods sold. Prior periods were also reclassified. The effect of these reclassifications on the second quarter of 2001 was a decrease to sales of $35.9 million, an increase in cost of goods sold of $4.9 million, and a decrease in selling, general, and administrative expenses of $40.8 million. These reclassifications decreased gross profit margin as a percentage of sales from 39.1% to 34.0% and increased operating income as a percentage of sales from 8.7% to 9.3%. The effect of these reclassifications on the six months ended May 31, 2001 was a decrease to sales of $70.0 million, an increase in cost of good sold of $9.7 million, and a decrease in selling, general, and administrative expenses of $79.7 million. These reclassifications decreased gross profit margin as a percentage of sales from 39.1% to 34.0% and increased operating income as a percentage of sales from 8.6% to 9.2%. These reclassifications do not impact net income.

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 applies to all business combinations with a closing date after June 30, 2001. This statement eliminates the pooling-of-interest method of accounting, and further clarifies the criteria for recognition of intangible assets separately from goodwill. Under SFAS No. 142, goodwill and indefinite lived intangible assets are no longer amortized but are subject to annual impairment tests in accordance with the new standard. Separable intangible assets that have finite lives will continue to be amortized over their useful lives. The Company has adopted SFAS No. 141 and No. 142 as of December 1, 2001. Refer to Note 7 for further information.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 significantly changes the criteria that would have to be met to classify an asset as held-for-sale, extends the reporting of discontinued operations to all components of an entity, and requires expected future operating losses from discontinued operations to be recorded in the period in which the losses are incurred (rather than as of the date management commits to a formal plan to dispose of a segment as previously required). The Company has adopted SFAS No. 144 as of December 1, 2001. There was no material effect upon adoption of this statement.

2. SPECIAL CHARGES

During the fourth quarter of 2001, the Company adopted a plan to further streamline its operations. This plan included the consolidation of several distribution and manufacturing locations, the reduction of administrative and manufacturing positions, and the reorganization of several joint ventures. The total plan will cost approximately $32.6 million ($25.6 million after tax) and will be completed by 2003. Total cash expenditures in connection with these costs will approximate $13.7 million, which will be funded through internally generated funds. Once fully implemented, annualized savings are expected to be approximately $8.0 million ($5.3 million after tax). These savings will be used for investment spending on initiatives such as brand support and supply chain management. The aforementioned savings and administrative expenses are expected to be included within the cost of goods sold and selling, general, and administrative expenses in the consolidated statement of income.

In the fourth quarter of 2001, the Company recorded charges of $11.7 million ($7.7 million after tax) under this plan. Of this amount $10.8 million was classified as special charges and $0.9 million as cost of goods sold in the consolidated statement of income. Additional amounts under the plan were not recorded since they were either incremental costs directly related to the implementation of the plan, or the plans were not sufficiently detailed to allow for accounting accrual.

The costs recorded in the fourth quarter of 2001 related to the consolidation of

manufacturing in Canada, a distribution center consolidation in the U.S., a product line elimination and a realignment of our sales operations in the U.K., and a workforce reduction of 275 positions which encompasses plans in all segments and across all geographic areas. As of May 31, 2002, 173 of the 275 position

reductions had been realized.

During the three and six months ended May 31, 2002, the Company recorded special charges of $1.7 million and $2.0 million ($1.1 million and $1.3 million after tax), respectively. The costs recorded in the first half of 2002 were part of the streamlining actions announced in the fourth quarter of 2001, but could not be accrued at that time. They included severance and other exit costs related to a realignment of our sales and marketing operations in the U.S., severance and relocation costs associated with the aforementioned closure of a U.S. distribution center, and a loss on the sale of a Canadian manufacturing facility. These expenses were classified as special charges in the consolidated statement of income.

The major components of the special charges and the remaining accrual balance as of May 31, 2002 follow:

	Severance and personnel costs	Asset write-downs	Other exit costs	Total
2001 Special charges	$6.3	$1.6	$3.8	$11.7
Amounts utilized	(0.5)	(1.6)	-	(2.1)
November 30, 2001	$5.8	$ -	$3.8	$9.6
2002 Special charges	$0.1	$1.0	$0.9	$2.0
Amounts utilized	(1.4)	(1.0)	(1.4)	(3.8)
May 31, 2002	$4.5	$ -	$3.3	

$7.8
=====
======
=====
=====

3. EARNINGS PER SHARE

The following table sets forth the reconciliation of shares outstanding:

	Three months ended May 31, 2002	Three months ended May 31, 2001	Six months ended May 31, 2002	Six months ended May 31, 2001
	(in thousands)			
Average shares outstanding - basic	139,668	137,648	139,163	137,338
Effect of dilutive securities:				
Stock options and employee stock purchase plan	3,316	2,460	3,034	2,054
Average shares outstanding - assuming dilution	142,984	140,108	142,197	139,392

4. COMPREHENSIVE INCOME

The following table sets forth the components of comprehensive income:

Three Months Ended Six Months Ended
May 31, May 31,
2002 2001 2002 2001
---- ---- ---- ----
(in

thousands)
Net income
$33,613
$26,636
$67,454
$53,222
Other
comprehensive
income (net
of tax):
Minimum
pension
liability
adjustment
1,793 -
(3,899) -
Net
unrealized
gain/(loss)
on pension
assets 335 -
1,332 -
Foreign
currency
translation
adjustments
36,481
(36,640)
25,301
(17,428)
Derivative
financial
instruments
(1,183)
1,981 (348)
(7,029) ----
--- ----- --
----- ------
-
Comprehensive
income
$71,039
$(8,023)
$89,840
$28,765
=======
========
=======
=======

5. BUSINESS SEGMENTS

The Company operates in three business segments: consumer, industrial and packaging. The consumer and industrial segments manufacture, market and distribute spices, herbs, seasonings, flavorings and other specialty food products throughout the world. The consumer segment sells consumer spices, herbs, extracts, proprietary seasoning blends, sauces and marinades to the consumer food market under a variety of brands, including the McCormick brand in the U.S., Ducros in continental Europe, Club House in Canada, and Schwartz in the U.K. The industrial segment sells to food processors, restaurant chains, distributors, warehouse clubs and institutional operations. The packaging segment manufactures and markets plastic packaging products for food, personal care and other industries, predominantly in the U.S. Tubes and bottles are also produced for the Company's food segments.

In each of its segments, the Company produces and sells many individual products that are similar in composition and nature. It is impractical to segregate and identify profits for each of these individual product lines.

The Company measures segment performance based on operating income. Intersegment sales are generally accounted for at current market value or cost plus a markup. Because of manufacturing integration for certain products within the food segments, inventory cost, including the producing segment's overhead and depreciation, is transferred and recognized in the operating income of the receiving segment. Corporate and eliminations includes general corporate expenses, intercompany eliminations and other charges not directly attributable to the segments.

Total
Corporate &
Consumer
Industrial
Food
Packaging
Eliminations
Total -------
- ----------
---- --------
- -----------
- ----- (in
millions)
QUARTER ENDED
MAY 31, 2002
Net sales
$245.4 $261.4
$506.8 $45.8
$ - $552.6
Intersegment
sales - 2.0
2.0 10.0
(12.0) -
Operating
income 30.8
27.1 57.9 4.9
(7.3) 55.5
Operating
income
excluding
special
charges and
goodwill
amortization
31.8 27.7
59.5 5.0
(7.3) 57.2
Income from
unconsolidated
operations
3.8 0.3 4.1 -
- 4.1 SIX
MONTHS ENDED
MAY 31, 2002
Net sales
$482.6 $505.9
$988.5 $83.0
$ - $1,071.5
Intersegment
sales - 4.9
4.9 20.1
(25.0) -
Operating
income 66.1
50.4 116.5
7.7 (16.6)
107.6
Operating
income
excluding
special
charges and
goodwill
amortization
67.4 50.9
118.3 7.9
(16.6) 109.6
Income from
unconsolidated
operations
9.1 0.7 9.8 -
- 9.8

Total
Corporate &
Consumer
Industrial
Food
Packaging

					Eliminations	Total
					(in millions)	
QUARTER ENDED MAY 31, 2001						
Net sales	$232.0	$249.9	$481.9	$49.3	$ -	$531.2
Intersegment sales	-	2.5	2.5	9.0	(11.5)	-
Operating income	25.9	24.4	50.3	6.1	(6.8)	49.6
Operating income excluding special charges and goodwill amortization	28.8	24.7	53.5	6.1	(6.8)	52.8
Income from unconsolidated Operations	2.9	0.3	3.2	-	-	3.2
SIX MONTHS ENDED MAY 31, 2001						
Net sales	$460.2	$476.1	$936.3	$94.3	$ -	$1,030.6
Intersegment sales	-	5.1	5.1	18.2	(23.3)	-
Operating income	53.0	43.7	96.7	11.4	(13.6)	94.5
Operating income excluding special charges and goodwill amortization	58.7	44.3	103.0	11.6	(13.6)	101.0
Income from unconsolidated operations	8.7	0.6	9.3	-	-	9.3

6. LONG-TERM DEBT

During the first quarter of 2001 the Company issued a total of $300 million in medium-term notes under a $375 million shelf registration statement filed with the Securities and Exchange Commission (SEC). The primary purpose of these notes was to finance the acquisition of Ducros, which was completed in August 2000, and replace substantially all of the existing commercial paper notes that were used to temporarily finance the acquisition. Medium-term notes in the amount of $150 million were issued in January 2001 and mature in 2006, with interest paid semi-annually at the rate of 6.4%. Additional medium-term notes in the amount of $150 million were issued in January 2001 and mature in 2008, with interest paid semi-annually at the rate of 6.8%.

In September 2000 the Company entered into forward starting interest rate swaps to manage the interest rate risk associated with the anticipated issuance of fixed-rate medium-term notes. These forward starting swaps were settled in the first quarter of 2001, concurrent with the issuance of the medium-term notes. The settlement costs on these swaps in the first quarter of 2001 included in other comprehensive income was $14.7 million. The notes were issued at a discount of $2.2 million and $1.1 million of debt origination fees were incurred. The discount, swap settlement and debt issuance costs are being amortized over the life of the medium-term notes and

included as a component of interest expense. With these costs considered, the effective interest rate on the medium-term notes is 7.62%.

In July 2001, the Company retired $75.0 million of 8.95% fixed-rate notes with commercial paper. The variable interest on the commercial paper is being hedged by interest rate swaps from 2001 through 2011. Net interest payments will be fixed at 6.35% over that period. The interest rate swaps settle at six month intervals. The first settlement in January 2002 was $.9 million. Hedge ineffectiveness was not material.

7. GOODWILL AND INTANGIBLE ASSETS

Effective December 1, 2001, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which establishes financial accounting and reporting for acquired goodwill and other intangible assets. Under SFAS No. 142, goodwill and indefinite-lived intangible assets are no longer amortized but are reviewed at least annually for impairment. Separable intangible assets that have finite useful lives will continue to be amortized over their useful lives.

SFAS No. 142 required that goodwill be tested for impairment at the reporting unit level at adoption and at least annually thereafter, utilizing a two-step methodology. The initial step required the Company to determine the fair value of each reporting unit and compare it to the carrying value, including goodwill, of such unit. If the fair value exceeded the carrying value, no impairment loss was recognized. However, if the carrying value of the reporting unit exceeded its fair value, the goodwill of this unit might have been impaired. The amount, if any, of the impairment would then be measured in the second step.

In connection with adopting this standard as of December 1, 2001, the Company completed step one of the test for impairment, which indicated that the fair values of the reporting units exceeded their carrying values, as determined utilizing a discounted cash flow model; therefore no impairment has been recognized.

In the condensed consolidated statement of income, the Company has presented earnings per share based on "Net income excluding goodwill." This represents a pro-forma restatement of 2001 as if SFAS No. 141 and No. 142 had been adopted at the beginning of the year and accordingly goodwill amortization has been eliminated. The impact on net income, and basic and diluted earnings per share for the quarter and six months ended May 31, 2001 is set forth below:

QUARTER
ENDED MAY
31, 2001:
Reported
net income
$26,636
Adjustment
for
amortization
of goodwill
3,022 -----
-- Adjusted
net income
$29,658
=======
Reported
basic
earnings
per share
$0.19
Adjustment

for
amortization
of goodwill
0.03 ------
- Adjusted
basic
earnings
per share
$0.22
=======
Reported
diluted
earnings
per share
$0.19
Adjustment
for
amortization
of goodwill
0.02 ------
- Adjusted
diluted
earnings
per share
$0.21
======= SIX
MONTHS
ENDED MAY
31, 2001:
Reported
net income
$53,222
Adjustment
for
amortization
of goodwill
6,063 -----
-- Adjusted
net income
$59,285
=======
Reported
basic
earnings
per share
$0.39
Adjustment
for
amortization
of goodwill
0.04 ------
- Adjusted
basic
earnings
per share
$0.43
=======
Reported
diluted
earnings
per share
$0.38
Adjustment
for
amortization
of goodwill
0.05 ------
- Adjusted
diluted
earnings
per share
$0.43
=======

The following table displays the intangible assets that continue to be subject to amortization and intangible assets not subject to amortization as of May 31, 2002 (in thousands):

Gross

Carrying
Accumulated
Amount
Amortization
------ ----

Amortized
intangible
assets $150
$73
Unamortized
intangible
assets:
Goodwill
$545,551
$69,738
Other
Intangibles
6,833 583 -
------- ---

$552,384
$70,321
$552,534
$70,394
========
=======

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Sales for the quarter were $552.6 million, an increase of 4.0% versus the second quarter of 2001. The majority of the increase was due to higher volume for the quarter, achieved through strong sales of both core items and new products, and the positive impact of the timing of certain customer purchases. Gross profit margin for the second quarter was 34.9%, 0.9 percentage points above last year. This was due to higher volumes, continued success in shifting sales to higher-margin, more value-added products, as well as favorable raw material costs, global procurement initiatives and ongoing efforts to improve efficiencies.

Diluted earnings per share reported for the second quarter were $0.24 versus $0.19 in 2001. Excluding goodwill amortization, diluted earnings per share for the second quarter of 2001 were $0.21. On this comparable basis, diluted earnings per share for the second quarter increased 14.3%.

Included in operating income were two unusual events this quarter. In our U.S. consumer business, certain customers "bought-in" additional products in advance of a price increase at the end of the first quarter of 2002. This caused a first quarter increase and a second quarter decrease in sales and earnings when comparing 2002 to 2001. In addition, certain customers of our U.S. consumer business, bought-in additional product as safety stock in the second quarter in anticipation of our divisional implementation of new systems under our Beyond 2000 program in early June. While the effect of a buy-in cannot be precisely quantified, we estimate that the buy-in between the first and second quarter decreased second quarter earnings per share $.01 to $.02 and the buy-in between the second and third quarter increased second quarter earnings per share $.02 to $.03. This second quarter buy-in will have a negative effect on the third quarter. These events are timing issues and are not expected to effect full year results.

Also in the second quarter we recorded $3.0 million of inventory and receivable write-offs in our U.K. brokerage business. Late last year, we outsourced the customer service function for this business to its distributor. The distributor did not adequately control the customer service process, which led to these charges. We have brought the customer service function back in-house and are switching distributors at the end of June. We do not anticipate additional charges and we are considering several alternatives for this part of our

operation. In addition, the brokerage business has not been performing to expectations. When this profit shortfall is added to the charges noted above it decreased our earnings per share by $.02, when comparing the second quarter of 2002 to 2001.

Special charges for the period were costs associated with previously announced streamlining actions that could not be accrued last year. They include costs of the consolidation of a manufacturing facility in Canada and the closure of a U.S. distribution center.

The Company adopted SFAS No. 141 and No. 142 effective December 1, 2001. Items referred to as "excluding goodwill amortization" are provided in order to make the years presented comparable. Gross profit margin, operating income and net income "excluding special charges" presents the applicable measure excluding the impact of items identified in the consolidated financial statements as special charges.

RESULTS OF OPERATIONS

Net sales for the quarter ended May 31, 2002, increased 4.0% over the comparable quarter of 2001. Excluding the favorable impact of foreign exchange, sales increased 3.8% in 2002.

For the six months ended May 31, 2002, net sales increased 4.0% over the comparable period last year. Excluding the impact of foreign exchange, sales increased 4.4% in 2002.

	Three months ended May 31,		Six months ended May 31,	
	2002	2001	2002	2001
	(in millions)			
NET SALES				
Consumer	$245.4	$232.0	$482.6	$460.2
Industrial	261.4	249.9	505.9	476.1
Packaging	45.8	49.3	83.0	94.3
	$552.6	$531.2	$1,071.5	$1,030.6

Consumer sales for the second quarter rose 5.8% versus last year's second quarter. Excluding a favorable impact from foreign exchange, sales rose 5.4% with increases in both volume and price. The Company achieved higher sales of new products, as well as core products. In local currency, consumer sales rose 7.6% in the Americas, due to the benefit of customer purchases in advance of the Company's U.S. implementation of new systems under its Beyond 2000 program and U.S. price increases. These increases were offset in part by lower second quarter sales resulting from higher customer purchases in advance of a U.S. price increase at the end of the first quarter. In Europe, sales in local currency were up 2.1%. This increase is mainly attributable to higher volumes. In local currency, sales in Asia/Pacific increased 2.3% due primarily to favorable product mix in China. The increase in sales in China has slowed from the first quarter of this year due to competitive pricing pressures as well as a reorganization of our sales force. For the six months ended May 31, 2002,

consumer sales increased $22.5 million or 4.9%. Excluding the impact of foreign exchange, sales increased 5.5% due to increased volume.

Industrial sales in the second quarter increased 4.6% versus last year's second quarter. Higher volume drove this increase. In local currency, industrial sales increased 4.4% in the Americas. A portion of this increase was due to U.S. customer purchases in advance of the implementation of Beyond 2000, which had a positive impact on sales to food service customers. In addition, second quarter seasonings and flavors sales were strong in the U.S. In local currency, sales in Europe increased 3.2% due to increased volume. Sales in Asia/Pacific,

in local currency, rose 8.8% also attributable to increased volume. Sales in China and Australia were up due to increased promotional activities. For the six months ended May 31, 2002, industrial sales increased $29.8 million or 6.3%. Excluding the impact of foreign exchange, sales increased 6.6% due to volume growth offset slightly by product mix.

Difficult results from the packaging business continued through the first half of 2002. The packaging business reported third party sales for the second quarter down 7.1% versus last year. Sales for the six months ended May 31, 2002, decreased $11.4 million or 12.0%. These sales declines were primarily due to a decrease in demand for products supplied to the health and personal care industry.

Gross profit margin for the second quarter was 34.9%, 0.9 percentage points above last year. In the industrial business, gross profit margin improvement was mainly due to higher volumes and continued success in shifting sales to higher-margin, more value-added products. In our consumer business, gross profit margin improvement was due to favorable raw material costs, and the impact of the higher volume of sales on our production costs. Global procurement initiatives and on-going efforts to improve efficiencies impacted both the industrial and consumer businesses. These factors also impacted the six months ended May 31, 2002, improving the Company's gross profit margin to 35.3% from 34.0% in the comparable period last year.

Selling, general and administrative expenses in the prior year included amortization of goodwill of $3.2 million for the second quarter and $6.5 million for the six months ended May 31, 2001. Excluding goodwill amortization, selling, general and administrative expenses increased in the second quarter and six months ended May 31, 2002, as compared to last year in both dollars and as a percentage of net sales. These increases were primarily due to increased distribution expenses, higher employee benefits, pension, and insurance costs, and a higher investment for the Beyond 2000 program. The increase in employee benefits is mainly due to higher earnings, while pension expense increased due to a reduced discount rate assumption and reduced investment income. The Company's insurance costs have increased concurrent with an industry wide trend.

	Three months ended May 31,		Six months ended May 31,	
	2002	2001	2002	2001
(in millions)				
OPERATING INCOME				
Consumer	$30.8	$25.9	$66.1	$53.0
Industrial	27.1	24.4	50.4	43.7
Packaging	4.9	6.1	7.7	11.4
Combined segments (1)	$62.8			

$56.4
$124.2
$108.1

(1)- Excludes impact of general corporate expenses included as Corporate & Eliminations. See Note 5 in the Notes to Condensed Consolidated Financial Statements.

Total operating income increased $5.9 million or 12.0% for the quarter ended May 31, 2002, as compared to last year. Excluding special

charges and goodwill amortization, operating income increased $4.4 million or 8.3% and operating income margin increased to 10.3% from 9.9%.

In the consumer business, operating income was $30.8 million in the second quarter. Excluding special charges and goodwill amortization for both years, operating income for 2002 was $31.8 million versus $28.8 million in 2001, an increase of 10.5%. Income from strong sales in the quarter was partially offset by poor performance and inventory and receivables write-offs in the U.K. brokerage business. In the industrial business, operating income for the quarter was $27.1 million. Excluding special charges and goodwill amortization for both years, operating income for 2002 was $27.7 million versus $24.7 million in 2001, an increase of 12.2%. The increase was due to higher volumes, a shift in sales to more higher-margin, value-added products, and effective cost reduction initiatives. Operating income, including inter-segment business, for the packaging business in the second quarter of 2002 declined to $4.9 million from $6.1 million in 2001. Midway through 2001, the state of the economy caused a decline in demand for products supplied to the health and personal care industry. Actions have been taken to adjust production activities, including a reduction in our workforce. At the end of the second quarter, customer demand for packaging was beginning to show signs of recovery.

For the six months ended May 31, 2002, operating income margin increased from 9.8% to 10.2% over the comparable period last year excluding special charges and goodwill amortization.

Interest expense for the three and six months ended May 31, 2002, was $11.1 million and $22.2 million, respectively, versus $13.5 million and $27.7 million for the comparable period last year. This decrease was due to favorable interest rates and lower average debt levels.

The effective tax rate for both the quarter and six months ended May 31, 2002, was 31.4% versus 33.1% for the comparable periods last year. The lower tax rate was primarily attributable to the elimination of goodwill amortization, which is generally a non-tax deductible expense.

Income from unconsolidated operations was $4.1 million and $9.8 million for the three and six month periods ended May 31, 2002, respectively. Results for the comparable period last year were $3.2 million and $9.3 million, respectively. The increase was primarily attributable to strong performance by our North American joint ventures.

SPECIAL CHARGES

During the fourth quarter of 2001, the Company adopted a plan to further streamline its operations. This plan included the consolidation of several distribution and manufacturing locations, the reduction of administrative and manufacturing positions, and the reorganization of several joint ventures. The total plan will cost approximately $32.6 million ($25.6 million after tax) and will be completed by 2003. Total cash expenditures in connection with these costs will approximate $13.7 million, which will be funded through internally generated funds. Once fully implemented, annualized savings are expected to be approximately $8.0 million ($5.3 million after tax). These savings will be used

for investment spending on initiatives such as brand support and supply chain management. The aforementioned savings and administrative expenses are expected to be included within the cost of goods sold and selling, general, and administrative expenses in the consolidated statement of income.

In the fourth quarter of 2001, the Company recorded charges of $11.7 million ($7.7 million after tax) under this plan. Of this amount $10.8 million was classified as special charges and $0.9 million as cost of goods sold in the

consolidated statement of income. Additional amounts under the plan were not recorded since they were either incremental costs directly related to the implementation of the plan, or the plans were not sufficiently detailed to allow for accounting accrual.

The costs recorded in the fourth quarter of 2001 related to the consolidation of manufacturing in Canada, a distribution center consolidation in the U.S., a product line elimination and a realignment of our sales operations in the U.K., and a workforce reduction of 275 positions which encompasses plans in all segments and across all geographic areas. As of May 31, 2002, 173 of the 275 position reductions had been realized.

During the three and six months ended May 31, 2002, the Company recorded special charges of $1.7 million and $2.0 million ($1.1 million and $1.3 million after tax), respectively. The costs recorded in the first half of 2002 were part of the streamlining actions announced in the fourth quarter of 2001, but could not be accrued at that time. They included severance and other exit costs related to a realignment of our sales and marketing operations in the U.S., severance and relocation costs associated with the aforementioned closure of a U.S. distribution center, and a loss on the sale of a Canadian manufacturing facility. These expenses were classified as special charges in the consolidated statement of income.

MARKET RISK SENSITIVITY

FOREIGN EXCHANGE RISK

The fair value of the Company's portfolio of forward and option contracts was $(.4) million and $.7 million as of May 31, 2002 and May 31, 2001, respectively.

INTEREST RATE RISK

The fair value of the Company's interest rate swaps was $(6.2) million and $(.7) million as of May 31, 2002 and May 31, 2001, respectively. The Company intends to hold the interest rate swaps until maturity.

During the first quarter of 2001, the Company settled the forward starting interest rate swaps used to manage the interest rate risk associated with the medium-term notes issued during the quarter. See Note 6 of Notes to Condensed Consolidated Financial Statements for more details.

FINANCIAL CONDITION

In the condensed consolidated statement of cash flows, net cash provided by operating activities was $30.7 million for the six months ended May 31, 2002 compared to $46.8 million provided for the six months ended May 31, 2001. This decrease was due primarily to the timing of the working capital components of receivables and prepaid allowances. There was a significant increase in U.S. consumer receivables at the end of the second quarter due to a buy-in in anticipation of our implementation of new systems under the Beyond 2000 program in early June. Prepaid allowances increased over the same period last year due to the timing of new contracts, as well as consolidation in the retail industry. The six-month decrease was partially offset by favorable profits excluding depreciation and amortization.

Cash flows related to investing activities used cash of $73.6 million in the six months ended May 31, 2002 versus $51.1 million in the comparable period of 2001. Increased capital expenditures versus the prior year made up the majority of the increase in the cash used for investing activities. This increase was primarily related to spending for our B2K project.

Cash flows from financing activities provided cash of $50.2 million in the first half of 2002 compared to $27.4 million in the same period last year. The Company finalized its medium-term note program for the Ducros acquisition in the first quarter of 2001. See Note 6 of Notes to Condensed Financial Statements. The common stock issued and common stock acquired by purchase generally related to the Company's stock compensation plans.

The Company's ratio of debt-to-total capital was 56.6% as of May 31, 2002, down from 66.5% at May 31, 2001 and 58.3% at November 30, 2001. The decrease since May 31, 2001 was due to the combination of lower average debt levels and increases in shareholder's equity. Although debt has increased since November 30, 2001 it is not at the level from one year ago. The decrease in the ratio from year-end was due primarily to increases in shareholder's equity.

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing the financial statements in accordance with generally accepted accounting principles (GAAP), management is required to make estimates and assumptions that have an impact on the assets, liabilities, revenue, and expense amounts reported. These estimates can also affect supplemental information disclosures of the Company, including information about contingencies, risk, and financial condition. The Company believes, given current facts and circumstances, its estimates and assumptions are reasonable, adhere to generally accepted accounting principles, and are consistently applied. Inherent in the nature of an estimate or assumption is the fact that actual results may differ from estimates and estimates may vary as new facts

and circumstances arise. In preparing the financial statements, the Company makes routine estimates and judgments in determining the net realizable value of accounts receivable, inventory, fixed assets, and prepaid allowances. Management believes the Company's most critical accounting estimates and assumptions are in the following areas:

Customer Contracts

In several of its major markets, the Consumer segment sells its products by entering into annual or multi-year contracts with its customers. These contracts include provisions for items such as sales discounts, marketing allowances and performance incentives. The discounts, allowances, and incentives are expensed based on certain estimated criteria such as sales volume of indirect customers, customers reaching anticipated volume thresholds, and marketing spending. The Company routinely reviews these criteria, and makes adjustments as facts and circumstances change.

Goodwill Valuation

The Company reviews the carrying value of goodwill annually utilizing a discounted cash flow model. Changes in estimates of future cash flows caused by items such as unforeseen events or changes in market conditions, could negatively affect the reporting unit's fair value and result in an impairment charge. However, the current fair values of our reporting units are significantly in excess of carrying values, and accordingly management believes that only significant changes in the cash flow assumptions would result in impairment.

Income Taxes

The Company files income tax returns and estimates income taxes in each of the taxing jurisdictions in which it operates. The Company is subject to a tax audit in each of these jurisdictions, which could result in changes to the estimated taxes. The amount of these changes would vary by jurisdiction and would be recorded when known. Management has recorded valuation allowances to reduce its deferred tax assets to the amount that is more likely than not to be realized. In doing so, management has considered future taxable income and ongoing tax planning strategies in assessing the need for a valuation allowance.

Pension and Post Retirement Benefits

Pension and other post-retirement plans' costs require the use of assumptions for discount rates, investment returns, projected salary increases and benefits, mortality rates, and health care cost trend rates. The actuarial assumptions used in the Company's pension reporting are reviewed annually and compared with external benchmarks to ensure that they accurately account for the Company's future pension obligations. See Notes 7 and 8 of the Company's Annual Report on Form 10-K for the year ended November 30, 2001, for a discussion of these assumptions and how a change in certain of these assumptions could affect the Company's earnings.

FORWARD-LOOKING INFORMATION

Certain statements contained in this report, including those related to the estimated expenditures and annualized savings related to the Company's streamlining activities, the holding period and 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 may be materially affected by external factors such as: competitive conditions, customer relationships and financial condition, availability and cost of raw and packaging materials, governmental actions and political events, and general economic conditions, including fluctuations in interest and exchange rates for foreign currency. 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.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding the Company's exposure to certain market risks, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in the Company's Annual Report on Form 10-K for the year ended November 30, 2001. Except as described in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there have been no significant changes in the Company's financial instrument portfolio or market risk exposures since year end.

PART II - OTHER INFORMATION

Item 4. Submission of matters to a vote of Security Holders

(a) The Company held its Annual Meeting of Stockholders on March 20, 2002.

(b) No response required.

(c) 1. The following individuals were nominees for the Board of Directors. The number of votes for or withheld for each nominee is as follows: Barry H. Beracha - for 7,089,519 , withheld 23,109; James T. Brady - for 7,087,203, withheld 25,425; Francis A. Contino - for 7,036,619, withheld 76,009; Robert G. Davey - for 7,079,247, withheld 33,381; Edward S. Dunn, Jr. - for 7,090,027, withheld 22,601; Dr. J. Michael Fitzpatrick - for 7,087,191, withheld 25,437; Dr. Freeman A. Hrabowski, III - for 7,087,442, withheld 25,186; Robert J. Lawless - for 7,084,666, withheld 27,962; John Molan - for 7,038,860, withheld 73,768; Carroll D. Nordhoff - for 7,089,143 withheld 23,485; Robert W. Schroeder - for 7,087,637, withheld 24,991; William E. Stevens - for 7,088,802, withheld 23,826; Karen D. Weatherholtz - for 7,085,215, withheld 27,413.

2. The approval of the 2002 McCormick Mid-Term Incentive Plan. The number of votes for, against, abstaining or broker non-vote is as follows: For 6,901,587; Against 178,646; Abstain 32,395; Broker Non-Votes 0.

3. The ratification of the appointment of Ernst & Young as independent auditors. The number of votes for, against or abstaining is as follows: For 7,044,654; Against 63,506; Abstain 4,468; Broker Non-Votes 0.

(d) No response required.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits — See Exhibit Index at pages 21-23 of this Report on Form 10-Q.

(b) Reports on Form 8-K. — None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

McCORMICK & COMPANY, INCORPORATED

Date: July 10, 2002

By: /s/ Francis A. Contino

Francis A. Contino
Executive Vice President &
Chief Financial Officer

Date: July 10, 2002 By: /s/ Kenneth A. Kelly, Jr.

Kenneth A. Kelly, Jr.
Vice President & Controller

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 &
Incorporated by
reference
Company,
Incorporated
dated April l6,
from
Registration
Form S-8, 1990
Registration
No. 33-39582 as
filed with the
Securities and
Exchange
Commission on
March 25, 1991.
Articles of
Amendment to
Charter of
Incorporated by
reference
McCormick &
Company,
Incorporated
from
Registration
Form dated
April 1, 1992
S-8
Registration
Statement No.
33-59842 as
filed with the
Securities and
Exchange
Commission on
March 19, 1993.
By-laws of
McCormick &
Company,
Incorporated by
reference
Incorporated-
Restated and
from
Registrant's
Form Amended as
of June 17,
1996. 10-Q 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 With respect to rights of security holders, including holders of equity securities, see Exhibit 3 (Restatement of Charter) and the Summary of Certain Exchange Rights, a copy of which was attached as Exhibit 4.1 of the Registrant's Form 10-Q for the quarter ended August 31, 2001 as filed with the Securities and Exchange Commission on October 12, 2001, which report is incorporated by reference. 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 instrumentupon request of the Securities and Exchange Commission.

(10) Material Contracts

i) Registrant's supplemental pension plan for certain senior officers, as amended and restated effective June 19, 2001, is described in the McCormick Supplemental Executive Retirement Plan, a copy of which was attached as Exhibit 10.1 to the Registrant's Form 10-Q for the quarter

ended August 31, 2001, as filed with the Securities and Exchange Commission on October 12, 2001, 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. 333-23727 and 333-57590, as filed with the Securities and Exchange Commission on March 21, 1997 and March 26, 2001 respectively, which statements are incorporated by reference.

iii) The 2002 McCormick Mid-Term Incentive Plan, which is provided to a limited number of senior executives, is described on pages 23 through 31 of the Registrant's definitive Proxy Statement dated February 15, 2002, as filed with the Commission on February 15, 2002, which pages are incorporated by reference.

iv) Directors' Non-Qualified Stock Option Plan provided to members of the Registrant's Board of Directors who are not also employees of the Registrant, is described in Registrant's S-8 Registration Statement No. 333-74963 as filed with the Securities and Exchange Commission on March 24, 1999, which statement is incorporated by reference.

v) The Deferred Compensation Plan, in which directors, officers and certain other management employees participate, is described in the Registrant's S-8 Registration Statement No. 333-93231 as filed with the Securities and Exchange Commission on December 21, 1999, which statement is incorporated by reference.

vi) Stock Purchase Agreement among the Registrant, Eridania Beghin-Say and Compagnie Francaise de

Sucrerie - CFS, dated August 31, 2000, which agreement is incorporated by reference from Registrant's Report on Form 8-K, as filed with the Securities and Exchange Commission on September 15, 2000, as amended on Form 8-K/A filed with the Securities and Exchange Commission on November 14, 2000.

(11) Statement re computation of per-share earnings.	Not applicable.
(15) Letter re unaudited interim financial information.	Not applicable.
(18) Letter re change in accounting principles.	Not applicable.
(19) Report furnished to security holders.	Not applicable.
(22) Published report regarding matters submitted to vote of securities holders.	Not applicable.
(23) Consents of experts and counsel.	Not applicable.
(24) Power of attorney.	Not applicable.
(99) Additional exhibits.	None.