

Form 10-Q

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

For Quarter Ended February 28, 1995 Commission File Number 0-748

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

MARYLAND
(State or other jurisdiction of
incorporation or organization)

52-0408290
(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 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 February 28, 1995
Common Stock	13,091,000
Common Stock Non-Voting	68,127,000

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MCCORMICK & COMPANY, INCORPORATED

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PART I. FINANCIAL INFORMATION
McCORMICK & COMPANY, INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)

	Feb. 28, 1995	Feb. 28, 1994	Nov. 30, 1994
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 11,460	\$ 18,201	\$ 15,566
Accounts receivable - net	185,426	159,968	208,811
Inventories			
Raw materials	134,931	113,830	125,413
Work in process	54,311	48,403	42,987
Finished goods	212,554	168,843	206,067
	401,796	331,076	374,467
Prepaid expenses	16,016	13,369	15,343
Deferred income taxes	43,470	13,003	43,470
Total current assets	658,168	535,617	657,657
Investments			
Property - net	52,581	66,097	62,410
Property - net	505,506	474,247	504,599
Excess cost of acquisitions - net	187,281	134,330	196,166
Prepaid allowances	209,499	146,902	143,181
Other assets	6,386	4,569	4,688
Total assets	\$1,619,421	\$1,361,762	1,568,701
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Notes payable	\$325,469	\$171,350	\$202,542
Current portion long-term debt	13,725	8,275	11,532
Outstanding checks	21,188	12,062	17,955
Accounts payable, trade	113,618	95,621	128,236
Accrued payroll	30,720	15,742	30,424
Accrued sales allowances	26,449	25,719	38,373
Accrued restructuring costs	22,070	-	50,334
Other accrued expenses and liab.	103,265	81,694	107,125
Income taxes	11,755	17,780	14,307
Total current liabilities	668,259	428,243	600,828
Long-term debt			
Deferred income taxes	368,265	343,562	374,288
Employee benefit liabilities	20,383	39,959	19,229
Other liabilities	70,902	67,670	68,375
Other liabilities	16,592	4,959	16,017
Total liabilities	1,144,401	884,393	1,078,737
Shareholders' Equity			
Common Stock, no par value	50,758	50,944	50,006
Common Stock Non-Voting, no par	104,760	98,919	101,697
Retained earnings	345,790	336,616	343,285
Foreign currency translation adj.	(26,288)	(9,110)	(5,024)

Total shareholders' equity	475,020	477,369	489,964
Total liabilities and shareholders' equity	\$1,619,421	\$1,361,762	1,568,701

See notes to financial statements.

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MCCORMICK & COMPANY, INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Dollars In Thousands Except Per Share Amounts)

	Three Months Ended	
	February 28, 1995	February 28, 1994
Net sales	\$425,433	\$367,723
Cost of goods sold	283,617	234,952
Gross profit	141,816	132,771
Selling, general and administrative expense	97,873	96,532
Profit from operations	43,943	36,239
Other income (expense) - net	1,849	(63)
Interest expense	13,650	8,126
Income before income taxes	32,142	28,050
Provision for income taxes	12,000	10,790
Income from consolidated operations	20,142	17,260
Income (loss) unconsolidated operations	(796)	1,050
Net income	\$ 19,346	\$ 18,310
Earnings per common share	\$0.24	\$0.23
Cash dividends declared per common share	\$0.13	\$0.12

See notes to financial statements.

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MCCORMICK & COMPANY, INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Dollars In Thousands)

Three Months Ended

	Feb. 28, 1995	Feb. 28, 1994
Cash flows from operating activities		
Net income	\$ 19,346	\$ 18,310
Depreciation and amortization	16,050	13,130
Provision for deferred income taxes	1,208	932
Gain on sale of assets	(1)	(49)
Share of (income) loss unconsolidated oper.	796	(1,050)
Dividend received unconsolidated subsidiary	-	-
Changes in assets and liabilities net of businesses acquired and disposed	(131,556)	(65,344)
Net cash used in operating activities	(94,157)	(34,071)
Cash flows from investing activities		
Acquisitions of businesses	(981)	(23,083)
Purchases of property, plant and equipment	(16,805)	(21,284)
Proceeds from sale of assets	67	31
Other investments	(2,524)	(106)
Net cash used in investing activities	(20,243)	(44,442)
Cash flows from financing activities		
Notes payable	123,897	75,182
Long-term debt		
Borrowings	110	20,059
Repayments	(3,633)	(2,242)
Common stocks		
Issued	5,097	3,626
Acquired by purchase	(7,314)	(2,577)
Dividends paid	(10,544)	(9,724)
Minority interest	499	-
Net cash provided by financing activities	108,112	84,324
Effect of exchange rate changes on cash and cash equivalents	2,182	(448)
Increase/(Decrease) in cash and cash equivalents	(4,106)	5,363
Cash and cash equivalents at beginning of period	15,566	12,838
Cash and cash equivalents at end of period	\$ 11,460	\$ 18,201

See notes to financial statements.

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McCORMICK & COMPANY, INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Thousands Except per Share Amounts)

1. In the opinion of the Company, the accompanying consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of February 28, 1995, February 28, 1994 and November 30, 1994, and the results of operations for the three month periods ended February 28, 1995 and February 28, 1994, and the cash flows for the three month periods ended February 28, 1995 and February 28, 1994. Certain reclassifications have been made to the 1994 financial statements to conform with the 1995 presentation.
2. The results of consolidated operations for the three month periods ended February 28, 1995 are not necessarily indicative of the results to be expected for the full year. Historically, the Company's consolidated sales and profits are lower in the first two quarters of the fiscal year, and increase in the third and fourth quarters.
3. Earnings per common share for the three month period ended February 28, 1995 was computed by dividing net income by the weighted average number of common shares outstanding

(81,191,000). Earnings per common share for the three month period ended February 28, 1994 was computed by dividing net income by the weighted average number of common shares outstanding (81,136,000). The dilutive effect of common stock equivalents is not material.

4. Interest paid during the three month periods ended February 28, 1995 and February 28, 1994 was \$12,300 and \$11,200 respectively. Income taxes paid during the same periods were \$12,200 and \$7,200 respectively.
5. Changes in foreign currency exchange rates required adjustments to both the Excess Cost of Acquisition account and the Foreign Currency Translation Adjustments account at February 28, 1995 and are primarily responsible for the changes in the translation adjustment account for the periods presented. These exchange rate changes plus amounts recorded as a result of business acquisitions largely account for the change in the Excess Cost of Acquisition account for the periods presented.
6. During the first quarter of 1995 the Company renewed certain prepaid allowance contracts. Payments associated with these contracts are reflected in the Prepaid Allowance account at February 28, 1995.

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The estimated fair values of the Company's significant financial instruments at February 28, 1995 follows:

	Estimated Fair Value	Carrying Amount
Cash & cash equivalents.....	\$ 11,460	\$ 11,460
Trade receivables.....	162,913	162,913
Short-term borrowings.....	325,469	325,469
Current portion of long-term debt.....	13,725	13,725
Accounts payable and accrued expenses..	296,122	296,122
Long-term debt.....	354,997	368,265

The table below summarizes by currency the contractual amounts of the Company's forward exchange contracts, all of which are held for purposes other than trading, at February 28, 1995:

	Forward Contracts	Asset Carrying Amount	Fair Value
Currency: Mexican Peso	\$10,000	\$5,485	\$4,024

8. At February 28, 1995 the Company had available credit facilities with domestic and foreign banks in the aggregate of \$320,000. There were no borrowings outstanding against these facilities.
9. In the fourth quarter of 1994, the Company recorded a \$70,445 charge for restructuring its business operations. This restructuring charge reduced 1994 net income for the year and for the fourth quarter by \$46,295 or \$.57 per share. The charge provides for costs associated with reducing the workforce and a program that will eliminate redundant facilities and positions, improve productivity and efficiency, and eliminate certain businesses and product lines. Specific actions include a reduction of approximately 600 positions worldwide through position eliminations and a voluntary special retirement program; closing an industrial products plant and a foodservice products plant and transferring the production to other existing facilities; realignment of some of our operations in the U.K.; offering for sale the Golden West Foods, Inc. frozen foods subsidiary; and consolidating certain administrative activities.

As of February 28, 1995, the Company has reduced its workforce by approximately 250 positions due to position eliminations and retirements; has begun closing its production facilities in Hayward, California and Hunt Valley, Maryland and is transferring the production to other existing facilities; and has consolidated several functional activities primarily at the Hunt Valley operations. The components of the

restructuring charge and remaining liability at February 28, 1995 are as follows:

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	Restructuring Charge	11/30/94 Liability	2/28/95 Liability
Workforce reduction	\$ 24,375	\$ 24,263	\$ 2,915
Plant consolidations and closings	33,477	33,414	29,849
Other restructuring projects	12,593	6,513	5,210
	70,445	64,190	37,974
Income tax benefits	(24,150)	(23,434)	(13,000)
	\$ 46,295	\$ 40,756	\$ 24,974

Included in the remaining liability are fixed asset write-offs of \$11,791 and other asset write-offs of \$2,097.

The pre-tax restructuring liability which is anticipated to be expended in the next 12 months is included as a current liability in the balance sheet. The remaining portion is included in other non-current liabilities.

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McCORMICK & COMPANY, INCORPORATED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Consolidated net sales for the quarter ended February 28, 1995 increased 16% over the corresponding period last year. This increase was largely attributable to sales volume gains. Sales increases were posted by the Company's industrial, European and Asia/Pacific operations. Acquisitions made during the past twelve months accounted for 6% of the increase.

Earnings per share was \$.24, up slightly from \$.23 last year. Net income increased 5.7%. Gross profit margins, however, declined to 33.3% from 36.1% last year as a result of a higher mix of

industrial sales which have a lower gross margin.

Profit from operations was up 21% or \$7.7 million from last year. This was due to an increase in earnings from our foreign operations, our industrial spice and flavorings business and favorable results and adjustments from our restructuring program announced in the fourth quarter of 1994. Earnings were unfavorably impacted by \$5.5 million of higher interest expense which resulted from both higher debt levels and interest rates.

Income from our unconsolidated joint ventures was down \$1.8 million or approximately \$.02 per share due primarily to the economic problems in Mexico. The Mexican peso was devalued by approximately 40% in the first quarter of 1995. This devaluation had the effect of reducing shareholders' equity in the amount of approximately \$13 million. During 1994, the Company had entered into a forward contract for the delivery of Mexican Pesos in April of 1995 to hedge its exposure to a devaluation of this particular currency, therefore, the devaluation did not have a significant impact on the results of operations for the first quarter of 1995. Management is taking steps to help mitigate the impact on future earnings of the devaluation, including price increases where possible, identifying U.S. import opportunities for Mexican-sourced raw materials and additional sales opportunities.

Return on equity (ROE) calculated by dividing twelve months to date net income by average shareholders' equity during that period, increased to 13.0% at February 28, 1995 from 12.8% at year-end 1994 versus 21.8% at February 28, 1994. The restructuring charge booked in the fourth quarter of FY 1994 is the primary reason for the decline in ROE versus the first quarter of 1994.

In the first quarter the Company changed the accounting cycle for certain foreign operations to be concurrent with, and achieve uniformity with the domestic cycle. This was done in preparation for the reengineering of global financial systems. The effect of this change increased net income by \$0.8 million.

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Restructuring

In the fourth quarter of 1994, the Company announced a comprehensive restructuring of its business operations. As a result of this program, the Company recorded a restructuring charge in the amount of \$70 million before tax and \$46 million after tax. While the majority of the restructuring plan will be completed late in 1995, the following progress has been made during the first quarter of 1995:

- * The worldwide workforce has been reduced by approximately 250 positions effective February 1, 1995 through position eliminations and a special early retirement program. In conjunction with this workforce reduction, termination benefits of approximately \$3.5 million were paid and charged to the restructuring liability in the first quarter of 1995. The remaining cost of this portion of the workforce reduction will be paid by the Company's employee benefit plans as retirement benefits. The additional employee benefit plan liabilities associated with these retirement benefits approximate \$18 million and have been charged to the restructuring liability in the first quarter of 1995. The remainder of the workforce reduction up to our goal of the elimination of 600 positions will be completed as production facilities identified for closure in the restructuring plan are closed. Severance costs were reduced by approximately \$0.5 million as a result of a higher than expected rate of employee elections to transfer to positions at other locations and other opportunities to continue employment.
- * The process of closing the McCormick Flavor Group's plant in Hayward, California and the Food Service Division's plant in Hunt Valley, Maryland are underway. It is expected that these plants will be closed and their production needs absorbed by other facilities by year end. Negotiations for the sale of Golden West Foods, Inc. are currently underway. The expected before tax loss on the disposal of these facilities was reduced by \$1.5 million on the basis of current estimates.
- * Plans for the realignment of some operating facilities in the U.K. are being finalized. The physical realignment is

expected to begin late in 1995 and be completed in 1996.

- * In conjunction with the workforce reduction effected February 1, 1995, the Company has completed or has plans to complete the consolidation of certain administrative functions. These remaining consolidations will be completed during 1995.
- * The sale of the Company's interest in a Moroccan joint venture was completed during the quarter with a reserve reduction of \$1 million.

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- * The Company is negotiating for the construction of a \$20 million consolidated distribution center to distribute the finished goods produced by all of its Hunt Valley plants. Construction of this facility is expected to be completed in early 1996. Upon completion of the facility, the Company will have the option to either purchase or lease the facility. On the basis of negotiations thus far, the reserve for costs associated with this project has been reduced by \$0.9 million.

Cash expenditures associated with the restructuring plan during the first quarter of 1995 totaled \$2.6 million net of anticipated tax benefits.

Savings from the portions of the restructuring plan that were completed in the first quarter of 1995 will consist principally of lower personnel costs after February 1, 1995. These savings will be invested in the Company's brands through product development and consumer promotion activities.

Financial Condition

The Company's capital structure (excluding \$55.4 million non-recourse debt) was 57.9% debt to total capital at February 28, 1995, up from 52.0% at year-end 1994 and 49.4% at February 28, 1994. During the first quarter of 1995, the Company increased its net borrowings approximately \$120 million. This cash was primarily used to secure long term business contracts, provide for capital spending, fund seasonal working capital needs in the first quarter, and to temporarily fund the cash payments made under the restructuring plan. The Company has begun a plan to improve working capital management which is anticipated to result in reductions in the investment in inventories by the end of 1995. Working capital reductions under this plan will be used to reduce debt and fund the costs of the restructuring plan. The Company's current ratio declined during the quarter to 1.0 from 1.1 at year-end 1994 largely due to the Company's increased use of commercial paper borrowings. The Company maintains \$320 million of committed credit facilities that provide additional liquidity. These facilities were not in use at the end of the first quarter.

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PART II - OTHER INFORMATION

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

Item 601

Exhibit
Number

Reference

- (3) Articles of Incorporation and By-Laws
- Restatement of Charter of McCormick & Company, Incorporated dated April 16, 1990. Incorporated by reference from Registrant's Form S-8 Registration Statement 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 SEC on March 19, 1993.
- By-Laws of McCormick & Company, Incorporated - Restated and Amended as of March 18, 1992. Attached.
- (10) Material Contracts Consulting agreement between Registrant and Charles P. McCormick, Jr. dated August 1, 1994.
- (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: April 14, 1995

By:

Robert G. Davey
Vice President &
Chief Financial Officer

Date: April 14, 1995

By:

J. Allan Anderson
Vice President & Controller

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BY-LAWS
of
McCORMICK & COMPANY, INCORPORATED
RESTATED AND AMENDED
AS OF MARCH 18, 1992

ARTICLE I.

Office

1. 1Principal Office. The principal office shall be at 18 Loveton Circle, P.O. Box 6000, Sparks, Maryland 21152-6000.

The Corporation may also have offices at such other places as the Board of Directors may from time to time appoint, or the business of the Corporation may require.

2. 2Seal. The seal of the Corporation shall be in circular form with the words:

McCormick & Company, Incorporated
Maryland 1915

encircling a large Mc.

ARTICLE II.

Stockholders' Meetings.

3. 3Place of Meeting. All meetings of the stockholders shall be held at the time and place determined by the Board of Directors of the Corporation.

4. 4Annual Meeting. An annual meeting for the election of Directors and for the transaction of such other business as maybe properly brought before the meeting shall be held on the third Wednesday in March of every year beginning with the year 1972.

5. Notice of Annual Meeting. At least ten days prior to the meeting, written notice of the annual meeting shall be mailed to each stockholder, in accordance with the Charter and laws of the State of Maryland, at such address as shall appear on the books of the Corporation.

6. Quorum. The holders of a majority of the stock issued and outstanding, and entitled to vote thereat, present in person, or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such majority shall not be present, or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person, or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of voting stock shall be present. At such adjourned meeting, at which the requisite amount of voting stock shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

7. Voting of Stockholders. At each meeting of stockholders, every stockholder having the right to vote shall be entitled to vote in person, or by proxy. Proxies shall be in writing, and dated, but need not be sworn to, witnessed or acknowledged, and shall be filed with the Secretary at or before the meeting. Each stockholder shall have one vote for each share of stock having voting power, registered in his name on the books of the Corporation, except that no share of stock shall be voted at any election for directors which has been transferred on the books of the Corporation within twenty days next preceding such election. The vote for directors, and, upon the demand of any stockholder, the vote upon any question before the meeting, shall be by ballot. All elections shall be had and all questions decided by a majority of the votes entitled to be cast in the aggregate by all stockholders present in person or by proxy at such meeting.

8. 5List of Stockholders. A complete record of

stockholders entitled to vote at the ensuing election, arranged in alphabetical order, with the residence of each and the number of voting shares held by each shall be prepared by the Secretary and filed in the office of the Secretary, at least ten days before every election.

9. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by the statute, may be called by the President, and shall be called by the President or Secretary upon written request of a majority of the Board of Directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

10. Business at Special Meetings. Business transacted at all special meetings shall be confined to the objects stated in the call.

11. 6Written Notice of Special Meeting. Written notice of a special meeting of stockholders, stating the time, place and object thereof shall be mailed, postage prepaid, at least ten days before such meeting, to each stockholder entitled to vote thereat, at such address as appears on the books of the Corporation.

ARTICLE III

Directors - Management of Company Vested in Directors.

12. 7Management Vested in Directors. The business and affairs of this Company shall be managed under the direction of its Board of Directors. Directors shall be elected at the Annual Meeting of Stockholders, and each Director shall be elected to serve until his successor shall be elected and shall qualify, or until his death, resignation or removal. A Director who is an employee of the Corporation shall cease to be a Director concurrent with his termination, resignation or retirement from active employment; provided however, that the Chairman of the Board of Directors may continue to serve until the next Annual Meeting of Stockholders following his retirement from active employment. Non-employee directors shall be ineligible for election or re-election to the Board of Directors after reaching age 70. The Board of Directors shall keep minutes of its meetings and a full account of its transactions. The number of Directors may, by a vote of a majority of the entire Board of Directors, be increased or decreased to such number (not less than three, nor, unless this Section has been amended by the Board, more than 20) as the Board of Directors may deem proper or expedient, but such action shall not affect the tenure of office of any Director.

13. 8Chairman and Vice Chairman of the Board of Directors. The Board shall from time to time designate one of its members as Chairman of the Board of Directors and may designate another of its members as Vice Chairman of the Board of Directors. It shall be the duty of the Chairman of the Board of Directors to preside at all meetings of the Board and of stockholders, and of the Vice Chairman, if any, to preside at such meetings in the absence of the Chairman.

14. Residual Power in Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, or by the certificate of incorporation, or by these By-Laws directed or required to be exercised or done by the stockholders.

15. 9Compensation of Directors. The Board of Directors shall by resolution determine what, if any, fees shall be paid to the Directors for their services as members of the Board. Expenses of attendance, if any, may be allowed for attendance at each or any regular or special meeting of the Board.

16. 10Annual Meeting of the Board of Directors. After each meeting of stockholders at which the Board of Directors shall have been elected, the Board of Directors shall meet for the purpose of organization, and the transaction of other business at such time and place as may be designated by the stockholders at said meeting or, in the absence of such designation, shall meet as soon as practicable at such place as may be designated by the Board

of Directors. No notice of such meeting shall be necessary to the newly elected directors in order legally to constitute a meeting, provided a majority of the whole Board shall be present.

17. Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

18. Special Meetings. Special Meetings of the Board may be called by the Chairman of the Board, the President, or the Secretary by notice served personally upon each Director, or mailed, telegraphed or telephoned to his address as shown upon the books of the Company. Special meetings shall be called by the Chairman of the Board, the President or Secretary in like manner and with like notice on the written request of a majority of the Directors.

19. Quorum. At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation or by these By-Laws.

20. Removal of Directors. At any meeting of stockholders called for the purpose, any director may by the vote of a majority of all the shares of stock outstanding and entitled to vote be removed from office, with or without cause, and another may be appointed in the place of the person so removed, which other shall serve for the remainder of the term.

21. Vacancies on Board of Directors. If any member shall die or resign, or if the stockholders shall remove any director without appointing another in his place, a majority of the remaining directors (although such majority is less than a quorum) may elect a successor to hold office for the unexpired portion of the term of the director whose place shall have become vacant and until his successor shall have been duly chosen and qualified. Vacancies in the Board of Directors created by an increase in the number of directors may be filled by the vote of a majority of the entire Board, as constituted prior to such increase, and directors so elected by the Board to fill such vacancies shall hold office until the next succeeding annual meeting of the stockholders and thereafter until their successors shall be elected and qualified.

22. 12Committees. The Board of Directors, by resolution, is authorized to appoint an Executive Committee from among its members and grant to such committee any and all powers and duties authorized by the applicable provisions of the Annotated Code of Maryland, including specifically the authority for members of the Executive Committee present at a meeting whether or not a quorum is present, to appoint a member of the Board of Directors to act in the place of an absent member of the Executive Committee.

The Board of Directors, by resolution, may provide for such other standing or special committees from among the Directors or employees of the Corporation, as the Board deems desirable, necessary or expedient, and may discontinue the same at the Board's pleasure. Each such committee shall have such power and perform such duties not inconsistent with law or these By-Laws, as may be assigned to it by the Board of Directors.

23. Compensation of Committees. Compensation of committee members may be such as may be allowed by the Board of Directors.

ARTICLE IV.

Officers.

24. 13Executive Officers. The Officers of this Corporation shall be a Chairman of the Board of Directors, a President, one or more Executive Vice Presidents, one or more Vice Presidents, a Secretary, a Treasurer and other such officers as the Board of Directors may deem necessary or expedient for the proper conduct of the business of the Corporation. The officers of the Corporation shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Each such officer shall hold office for a term of one year and thereafter until his successor is elected and qualified, or until

his death, resignation, or removal.

25. Chairman of the Board of Directors. The Chairman of the Board of Directors shall have general direction over the policies and affairs of the Corporation. He shall, when present, preside at all meetings of stockholders and the Board of Directors. Except where by law the signature of the President is required, the Chairman shall possess the same power as the President to sign all certificates, contracts, and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, he shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board or the President may be the Chief Executive Officer of the Corporation.

26. President. The President shall have general and active management of the business operations of the Corporation. The President may also be the Chairman of the Board of Directors. He shall report to the Chairman of the Board and shall keep the Board of Directors informed concerning all matters within his knowledge which the interests of the Corporation may require to be brought to their notice. He shall have prepared annually a full and true statement of the affairs of the Corporation which shall be submitted to the stockholders at the Annual Meeting and he shall have additional powers, obligations, and duties as may be assigned to him by the Board of Directors. The President or an Executive Vice President may be the Chief Operating Officer of the Corporation.

27. Executive Vice Presidents and Vice Presidents. The Executive Vice Presidents and Vice Presidents shall have all such powers and duties as may be assigned to them by the President or the Board of Directors. In the absence of the President and Chairman of the Board, an Executive Vice President or Vice President may be designated to perform the duties and functions of the President.

28. Secretary. The Secretary shall keep a full and accurate record of all meetings of the stockholders and directors, and shall have the custody of all books and papers belonging to the Company which are located in its principal office. He shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors, and all other notices required by law or by these By-Laws. He shall be the custodian of the corporate seal or seals; he shall see that the corporate seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized, and when so affixed may attest the same; and in general, he shall perform all duties ordinarily incident to the office of a Secretary of a Corporation, and such other duties as from time to time may be assigned to him by the Board of Directors.

29. Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation all monies or other valuable effects in such banks, trust companies, or other depositories as shall, from time to time, be selected by the Board of Directors; he shall render to the President and to the Board of Directors whenever requested, an account of the financial condition of the Corporation; and in general, shall perform all the duties ordinarily incident to the office of a Treasurer of a corporation, and such other duties as may be assigned to him by the Board of Directors or by the President.

30. Subordinate Officers. The Board of Directors may elect such subordinate officers as it may deem desirable. Each such officer shall hold office for such period, and shall have such authority and perform such duties, as the Board of Directors may prescribe. The Board of Directors may, from time to time, authorize any officer to appoint subordinate officers and to prescribe the powers and duties thereof.

31. Duties of Subordinate Officers. In addition to any other duties prescribed by the Board of Directors, a subordinate officer, if directed by the Board of Directors, shall perform all or any part of the duties herein granted any officer.

32. Compensation. The Board of Directors shall have power to fix the compensation of all officers and employees of the Corporation. It may authorize any officer upon whom the power of appointing subordinate officers may have been conferred to fix

the compensation of such subordinate officers, or may appoint a committee to fix the salaries of all officers and may appoint an individual to fix the salaries of employees.

33. Officers Holding More Than One Office. Two or more offices (except that of President and Vice President) may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

34. Removal. The Board of Directors shall have power at any regular or special meeting to remove any officer with or without cause, and such action shall be conclusive on the officer so removed. The Board may authorize any officer to remove subordinate officers.

35. Vacancies. The Board of Directors at any regular or special meeting shall have power to fill a vacancy occurring in any office for the unexpired portion of the term.

ARTICLE V.

Power to Sign Papers and Instruments of Corporation

36. The Board of Directors, from time to time, shall have full power and authority to appoint such officer or officers, agent or agents, as it shall deem necessary, proper, or expedient, to sign all deeds, mortgages, bonds, indentures, contracts, checks, drafts, notes, obligations, orders for the payment of money, and other instruments, papers, or documents which may be necessary, proper or expedient in order to carry on the business of the Corporation.

ARTICLE VI.

Other Management Boards

37. The Board of Directors may provide for such other management boards as they deem proper, necessary, and desirable for efficient management of the Corporation's business, and may discontinue or change the same at the Board's pleasure. Such boards shall be selected from executive, administrative, or professional employees of the Corporation or its subsidiaries, or from employees showing potential ability in these classifications as determined by scientific rating charts. Each such management board shall have such power and perform such duties not inconsistent with law or these By-Laws, as may be assigned to it by the Board of Directors. Each such management board shall be governed by their own By-Laws, not inconsistent with law or these By-Laws.

38. Compensation of the other management boards, or members thereof, may be such as allowed by the Board of Directors or by a duly authorized individual or committee so authorized by the Board.

ARTICLE VII.

39. Fiscal Year. The fiscal year of the Corporation shall commence on whatever date is determined as most practical by the Board of Directors, and shall end twelve months thereafter.

ARTICLE VIII.

40. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends; or for repairing or maintaining any property of the Corporation; or for such other purposes as the Directors shall think conducive to the interests of the Corporation.

ARTICLE IX.

Stock

41. Certificates. Each stockholder shall be entitled to a stock certificate or certificates certifying the number and kind of shares owned by him. Said certificate shall be issued,

signed and sealed by such officers and in such manner as may be directed by the Board of Directors.

42. Transfer of Shares. Shares of stock shall be transferable only on the books of the Corporation by the holder thereof in person, or by his duly authorized attorney, or by endorsement satisfactory to the Corporation, and on surrender of the certificate or certificates so duly endorsed.

43. Closing Books of the Corporation Against Transfer of Stock; Record Dates. The Board of Directors may fix a time not exceeding twenty (20) days preceding the date of any meeting of stockholders, any dividend payment date, or any date for the allotment of rights, during which the books of the Corporation shall be closed against the transfer of stock. In lieu of providing for the closing of the books against transfer of stock as aforesaid, the Board of Directors may fix in advance a time not exceeding ninety (90) days preceding any dividend date, or any date for the allotment of rights, as record date for the determination of the stockholders entitled to receive such dividend or rights, as the case may be, and, in that event, only stockholders of record on such date shall be entitled to receive such dividend or rights, as the case may be. Except as set forth in Paragraph 7 of these By-Laws, the Board of Directors may fix in advance a time not exceeding ninety (90) days preceding any meeting of stockholders as record date for the determination of stockholders entitled to vote at a stockholders' meeting to be called by the Board of Directors.

44. Mutilated, Lost or Destroyed Certificates. The holder of any mutilated certificate shall immediately notify the Corporation, and the Board of Directors may, in its discretion, cause one or more certificates, for the same number of shares in the aggregate, to be issued to such holder upon the surrender of the mutilated certificate. Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of that fact. The Board of Directors, in its sole discretion, and subject to such terms and conditions as the Board of Directors may determine, may issue new stock certificate or certificates in place of the lost, mutilated, or destroyed certificate or certificates.

45. Registered Stockholders. The Corporation shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable, or other claim, or interest, in such shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Maryland.

ARTICLE X.

Sundry Provisions.

46. Notices. Whenever under the provisions of these By-Laws notice is required to be given to any director, officer or stockholder, it shall not be construed to require personal notice, but such notice may be given in writing, by mail, by depositing the same in the post office or letterbox in a post paid sealed wrapper, addressed to such director, officer or stockholder at such address as appears on the books of the Corporation, or in default of other address, to such director, officer, or stockholder at the General Post Office in the City of Baltimore, Maryland, and such notice shall be deemed to be given at the time when the same shall be thus mailed. Any director, officer or stockholder may waive any notice required to be given under these By-Laws.

47. Stock of Other Corporations. Shares of stock in other corporations owned or held by the Corporation may be voted by the Corporation by such officer, agent or proxy as the Board of Directors may from time to time appoint and, in the absence of such appointment, may be voted by the President or a Vice President, or by proxy or proxies appointed by the President or a Vice President. Any and all proxies, waivers, consents and other instruments may be executed and any and all other action may be taken by the Corporation as owner or holder of shares of stock in other corporation by such officer, agent or proxy as the Board of Directors may appoint, or, in the absence of such appointment, by the President or a Vice President.

48. Indemnification.

(a) The Corporation shall indemnify (i) its

directors to the full extent provided by the General Laws of the State of Maryland now or hereafter in force, including the advance of expenses under the procedures provided by such laws; (ii) its officers to the same extent it shall indemnify its directors; and (iii) its officers who are not directors to such further extent as shall be authorized by the Board of Directors and be consistent with law. The foregoing shall not limit the authority of the Corporation to indemnify other employees and agents consistent with law.

(b) The provision of paragraph (a) shall apply to all proceedings arising (i) after the time of adoption of this by-law amendment (the "effective date") in connection with any facts and circumstances occurring after the effective date; (ii) after the effective date in connection with any facts or circumstances occurring before the effective date; and (iii) prior to the effective date, whether before or after July 1, 1981, to the extent necessary or appropriate to make any indemnification provisions of the Corporation consistent with applicable indemnification provisions of the General Laws of the State of Maryland. This by-law shall not limit any rights of any person with respect to facts and circumstances occurring or proceedings arising prior to the effective date to the extent such rights are consistent with law applicable to the time in question.

49. 19Amendments.

(a) Except as hereinafter provided, these By-Laws, or any of them, or any additional or amended By-Laws, may be altered or repealed and any By-Laws may be adopted at any regular meeting of the Board of Directors without notice, or at any special meeting, the notice of which shall set forth the terms of the proposed amendments, by the vote of a majority of the entire Board.

(b) This Section 49 of the By-Laws relating to amendments be amended only at a regular meeting of stockholders without notice, or at a special meeting of stockholders, the notice of which shall set forth the terms of the proposed amendment, in either case by the vote of a majority of the votes entitled to be cast in the aggregate by all stockholders present in person or by proxy at such meeting.

FOOTNOTES

1Amended	12/20/68 & 3/18/92
2Amended	3/5/58
3Amended	3/1/71
4Amended	2/3/65 & 3/1/71 & 1/24/72
5Amended	3/5/58 & 3/17/80
6Amended	3/5/58
7Amended	7/19/82 & 9/21/87
8Amended	7/25/69 & 11/30/70
9Amended	3/16/83
10Amended	3/1/71
11Amended	3/5/58
12Amended	9/16/68 & 11/30/70
13Amended	11/30/70 & 3/21/79
14Amended	3/21/79 & 2/16/87
15Amended	7/25/69 & 11/30/70 & 3/21/79 & 2/16/87
16Amended	3/5/58 & 1/24/72 & 2/16/87
17Amended	3/5/58
18Corrected	3/3/48 & 7/19/82 & 10/18/82

5689C.#17C

August 1, 1994

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

Dear Buzz:

On behalf of the Board of Directors of McCormick & Company, Incorporated (the "Company"), I would like to take this opportunity to confirm your election to the role of Chairman of the Board by unanimous vote of the Board at its meeting on July 18, 1994.

In your role as Chairman, you have agreed to provide your counsel, guidance and expertise regarding the affairs of the Company as from time to time may be requested by the Board of Directors and/or the President of the Company. To that end, it is anticipated that such consultative services will require that you devote approximately 10-12 days per month to the affairs of the Company. You have agreed to continue to provide such services as Chairman until such time as the Board of Directors has determined that an orderly transition of that position and its attendant duties can be effectuated.

In consideration of your agreement to render such services, you will receive a monthly stipend of Sixteen Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$16,666.67), payable on or about the fifteenth day of each month, together with such additional cash payments as may be deemed appropriate by the Compensation Committee of the Board of Directors consistent with the performance of the Company. In addition, the Company will reimburse you for reasonable and customary expenses incurred by you in providing such services, including, but not necessarily limited to, travel expenses, meals, lodging, and business related entertainment.

Charles P. McCormick, Jr.
August 1, 1994
Page 2

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/H. Eugene Blattman
H. Eugene Blattman
President & CEO

BY: /s/Karen D. Weatherholtz
Karen D. Weatherholtz
Vice President-Human Relations
Secretary-Compensation
Committee

AGREED AND ACCEPTED this

23rd day of August, 1994.

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

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