



McCORMICK

# McCormick & Company, Inc.

## 3rd Quarter 2016 Financial Results and Business Outlook

September 30, 2016

*McCormick Brings Passion to Flavor™*

The following slides accompany a September 30, 2016 presentation to investment analysts. This information should be read in conjunction with the press release issued on that date.

## Forward-looking information

Certain information contained in these materials and our remarks are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements may be identified by the use of words such as “may,” “will,” “expect,” “should,” “anticipate,” “intend,” “believe” and “plan.” These statements may relate to: the expected results of operations of businesses acquired by us, the expected impact of raw material costs and our pricing actions on our results of operations and gross margins, the expected productivity and working capital improvements, expectations regarding growth potential in various geographies and markets, expected trends in net sales and earnings performance and other financial measures, the expectations of pension and postretirement plan contributions, the holding period and market risks associated with financial instruments, the impact of foreign exchange fluctuations, the adequacy of internally generated funds and existing sources of liquidity, such as the availability of bank financing, our ability to issue additional debt or equity securities and our expectations regarding purchasing shares of our common stock under the existing authorizations.

These and other forward-looking statements are based on management’s current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Results may be materially affected by factors such as: damage to our reputation or brand name; loss of brand relevance; increased use of private label or other competitive products; product quality, labeling, or safety concerns; negative publicity about our products; business interruptions due to natural disasters or unexpected events; actions by, and the financial condition of, competitors and customers; our inability to achieve expected and/or needed cost savings or margin improvements; negative employee relations; the lack of successful acquisition and integration of new businesses; issues affecting our supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials; government regulation, and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally, including the availability of financing, and interest and inflation rates; the investment return on retirement plan assets, and the costs associated with pension obligations; foreign currency fluctuations; the stability of credit and capital markets; risks associated with our information technology systems, the threat of data breaches and cyber attacks; volatility in our effective tax rate; climate change; infringement of our intellectual property rights, and those of customers; litigation, legal and administrative proceedings; and other risks described in our filings with the Securities and Exchange Commission.

Actual results could differ materially from those projected in the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

# Lawrence Kurzius

*President & Chief Executive Officer*



*McCormick Brings Passion to Flavor™*



## 3Q 2016 Financial results

### Balanced approach driving both sales and productivity improvements

**Adjusted earnings per share**                      **\$1.03**

**Net sales growth**                                      **6%\***

**Adjusted operating income growth**    **15%\***

*\* In constant currency*



*Adjusted operating income and adjusted EPS exclude the impact of items affecting comparability in FY2016 and 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.*

# 3Q 2016 Financial results – Consumer segment

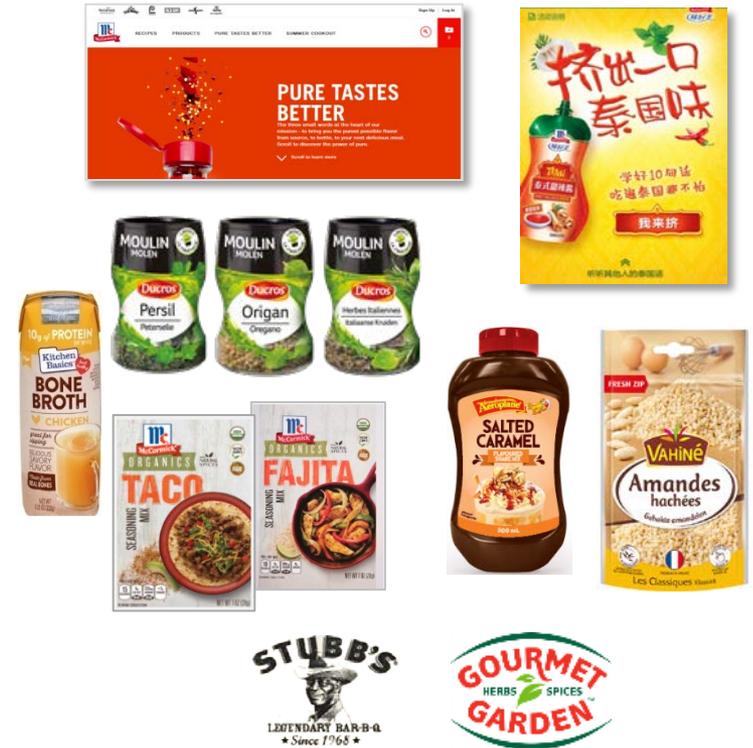
Grew **net sales 7%** in constant currency, with increases in each region

Progress with all 3 growth drivers: base business sales, innovation, acquisitions

- Base business growth in Americas; double-digit increase in China
- Launch of new products
- Incremental sales from acquisition of Stubb's and Gourmet Garden

Increased **adjusted operating income 12%** in constant currency

- Cost savings led by CCI
- Favorable mix, including strength of North America branded business, and actions to improve product mix and margins in Asia/Pacific



Adjusted operating income excludes the impact of items affecting comparability in 3Q and FY 2016 and 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

## 3Q 2016 Financial results – Industrial segment

Grew **net sales 4%** in constant currency, with increases in each region

- Gained share of branded food service sales
- Meeting growing consumer demand for flavorful, healthy food
- Success with Brand Aromatics, acquired in 2015

Increased **adjusted operating income 23%** in constant currency

- Adjusted operating income margin rose >100 bps
- Cost savings led by CCI
- Favorable mix from more complex, value-added and higher margin products, including FlavorCell



*Adjusted operating income excludes the impact of items affecting comparability in 3Q and FY 2016 and 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.*

# 2016 Outlook

**Increased guidance for 2016 adjusted earnings per share to \$3.75 - \$3.79**

**Favorable impact of 3Q results offset in part by**

- **Unfavorable foreign currency exchange rates**
- **Reduction in share repurchases**
- **Increased cost of vanilla and garlic**

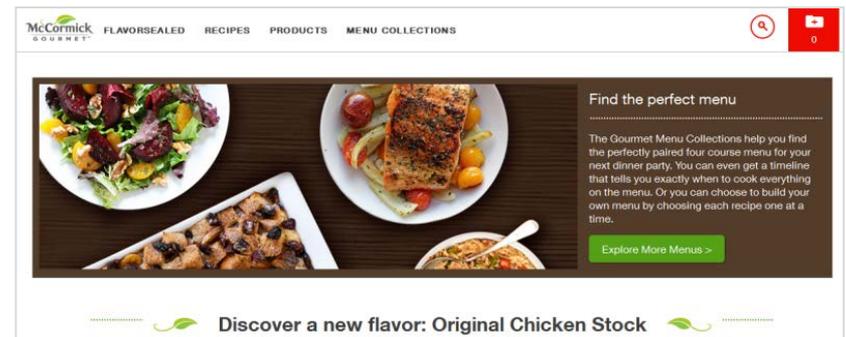


*Adjusted EPS excludes the impact of items affecting comparability in FY 2016 and 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.*

# U.S. Consumer business update

## Strong sales growth for McCormick and Lawry's brand spices and seasonings

- Conversion to non-GMO labelling
- Activating marketing for award-winning herb grinders
- Increase digital marketing to nearly 2/3 U.S. advertising
  - ✓ **15% higher traffic** to mccormick.com for recipes, “how-to” videos and other content
  - ✓ **McCormick brand #5 of 126** in L2 Research’s “Digital IQ” ranking for third consecutive year
- Getting more value out of each marketing dollar with 20% reduction in non-working media and shift to digital marketing
- Grew Grill Mate sales 6%, including introduction of single-use marinades
- Sales of gourmet organic rose at double-digit rate; expect retail sales disruption to ease in 4Q 2016



# U.S. Consumer business update

## Plans for 4Q 2016 holiday period

- Driving brand loyalty through TV, digital, in-store communications
- Featuring latest core innovation
- Re-activating successful Purity campaign to drive McCormick brand spices and seasonings
  - ✓ Measured **2 percentage point increase** in Millennial household penetration
  - ✓ Lifted Millennials' purchase intent by **15 percentage points**
  - ✓ **9% increase** in retail sales during seven week "on-air" period



In-store communication



Holiday TV

## PURE IN PRACTICE

Discover why pure tastes better for yourself



Herb Chicken Skillet with Spinach and Tomatoes



Cinnamon Pancakes



Grilled Asian Orange-Ginger Chicken

Re-activating Purity campaign

# Summary



- Driving toward solid finish and great fiscal year results
- Uniquely positioned as global leader in flavor
- On-trend with today's consumer and healthy eating
- Strategies to drive strong sales growth balanced with building fuel for growth

# Mike Smith

*Executive Vice President & CFO*

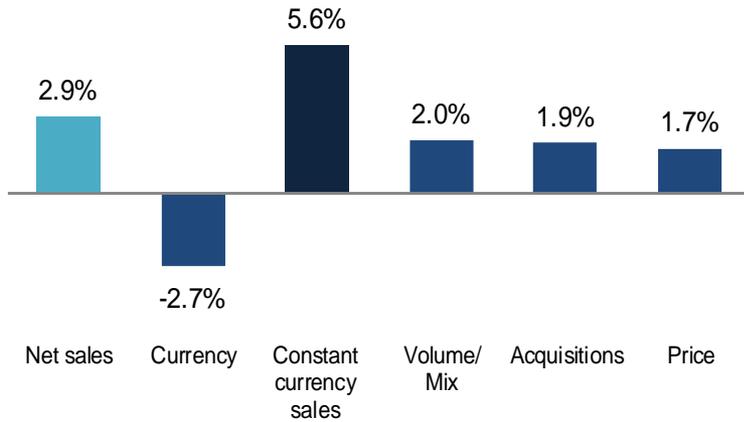


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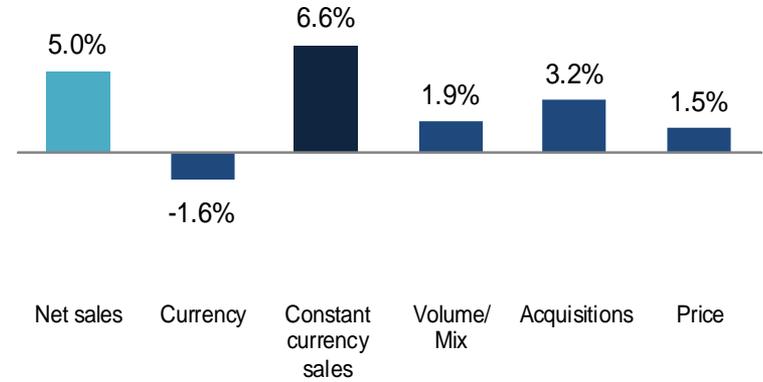


# 3Q 2016 Sales results

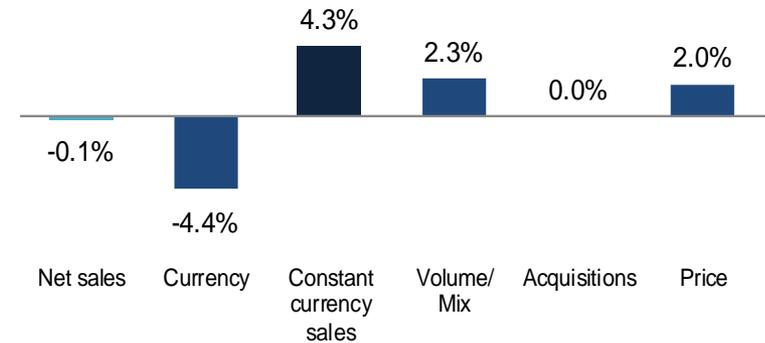
## Total Company



## Consumer

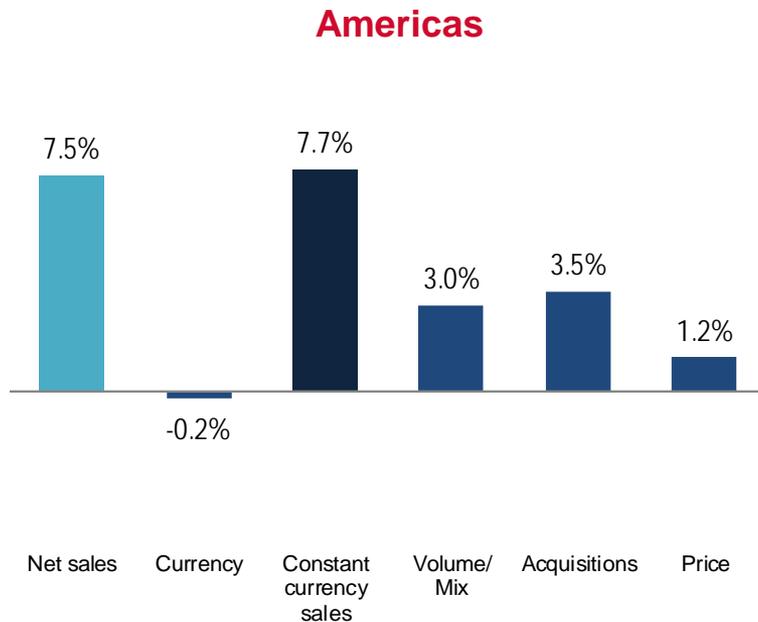


## Industrial



See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

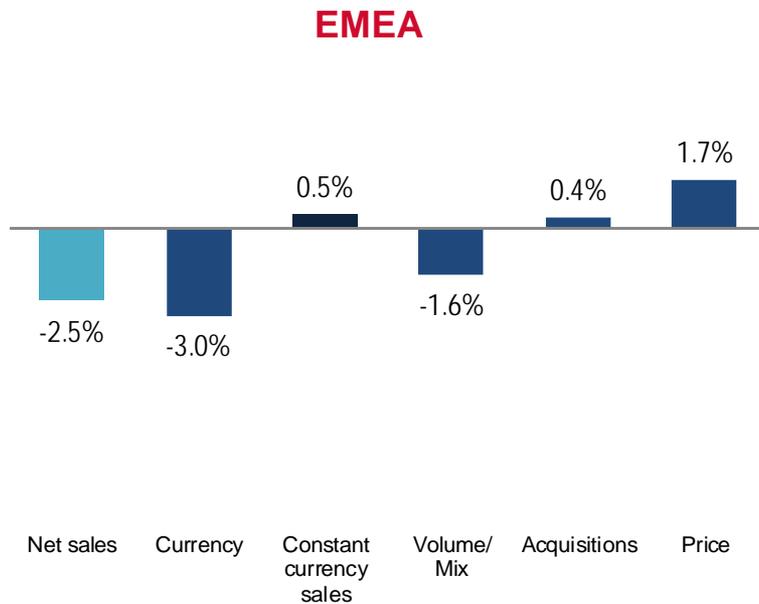
## 3Q 2016 Sales results: Consumer segment



- Higher U.S. sales of McCormick and Lawry's brand spices and seasonings, Zatarain's brand items, Kitchen Basics products
- Slight decline in U.S. sales of private label and economy products
- Acquisitions of Stubb's in August 2015 and Gourmet Garden in April 2016 contributed to growth

See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

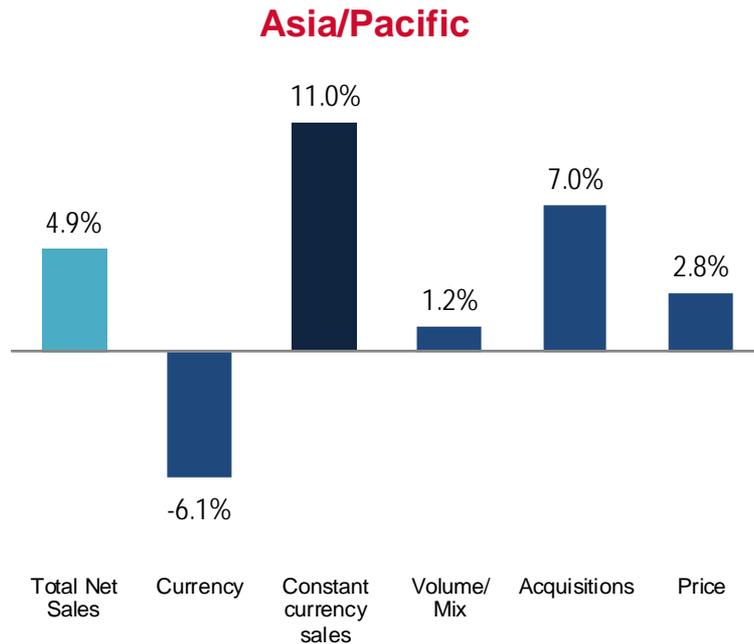
## 3Q 2016 Sales results: Consumer segment



- Growth in France and Poland offset by declines in the UK due to currency headwinds post-Brexit.

See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

## 3Q 2016 Sales results: Consumer segment



- April 2016 acquisition of Gourmet Garden contributed to growth
- Strong sales growth in China mainly driven by promotional activity and pricing
- Lower volume in India reduced sales in region by 6 percentage points; reduction relates to discontinuation of low margin products

See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

## 3Q 2016 Operating income: Consumer segment

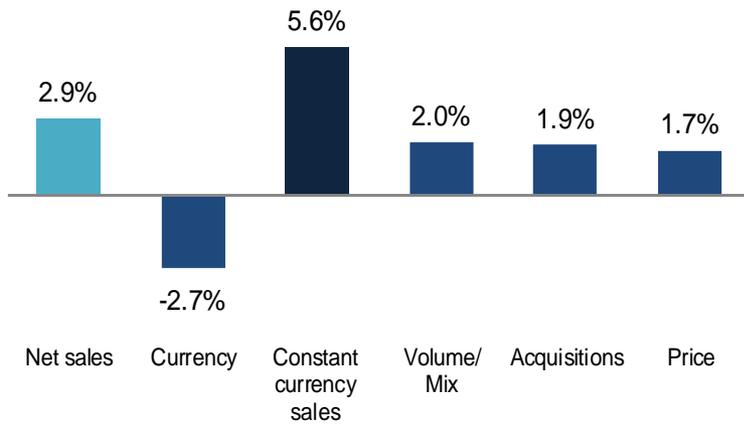
<i>(in millions)</i>	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>Fav(Unfav) Change</b>
Operating income	<b>\$124.9</b>	\$99.9	25%
Operating income, excluding special charges*	<b>127.3</b>	114.6	11%

- In constant currency, adjusted operating income rose 12% from year-ago period.\*
- Sales growth and cost savings more than offset unfavorable impact of higher material costs and \$2 million increase in brand marketing

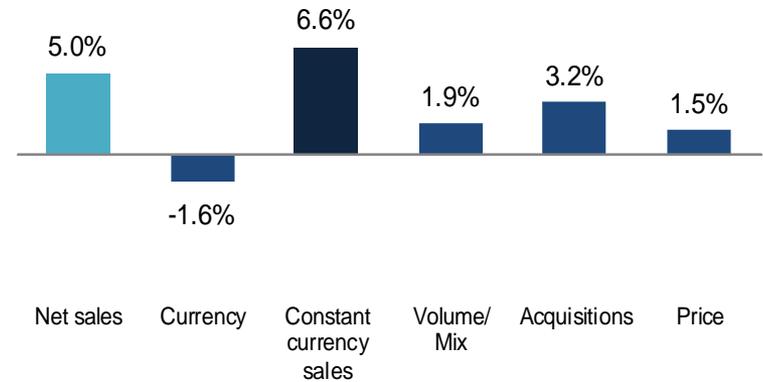
\* Adjusted operating income and adjusted operating income growth rate exclude the impact of items affecting comparability in 3Q 2016 and 3Q 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32.

# 3Q 2016 Sales results

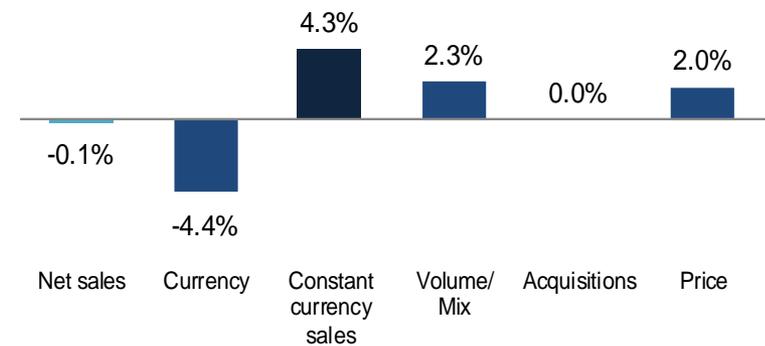
## Total Company



## Consumer

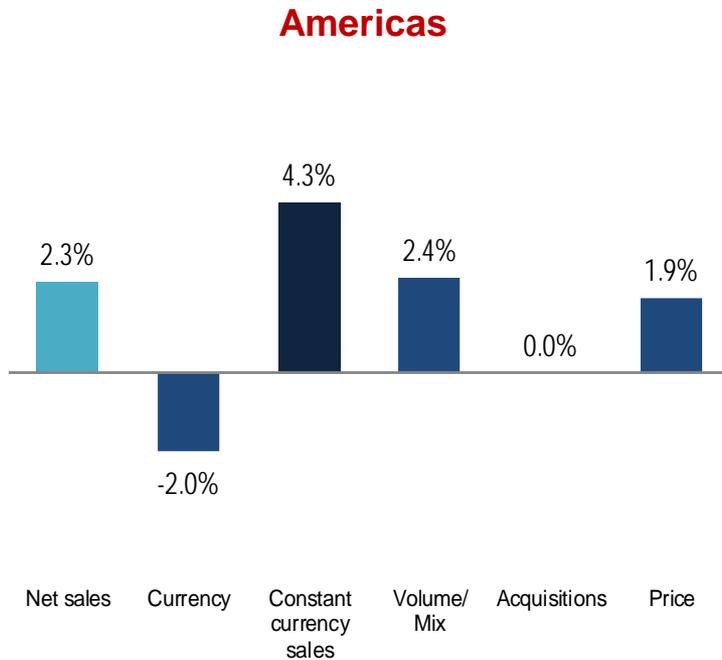


## Industrial



See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

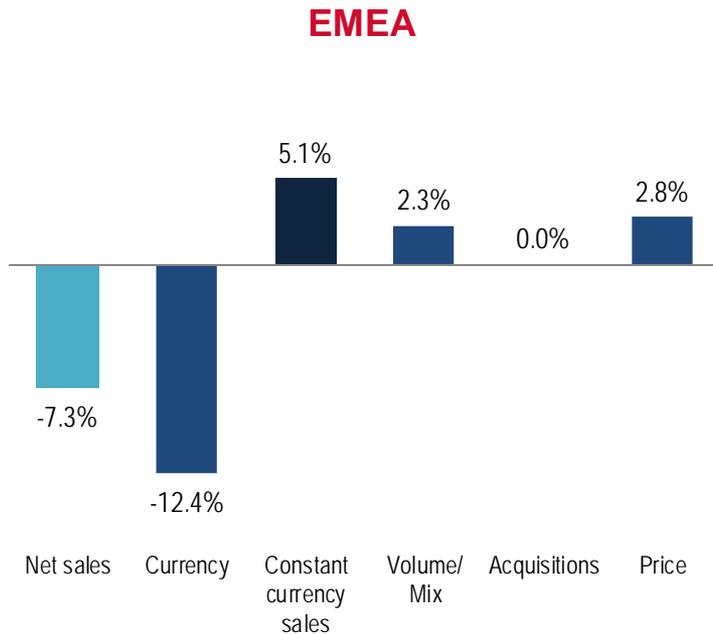
## 3Q 2016 Sales results: Industrial segment



- In U.S., strong sales of U.S. branded food service products and wins with new restaurant customers
- In Latin America, growing sales of snack seasonings and other products supplied from operation in Mexico
- Pass-through of higher costs in Canada - related in part to currency - offset by weaker volume

See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

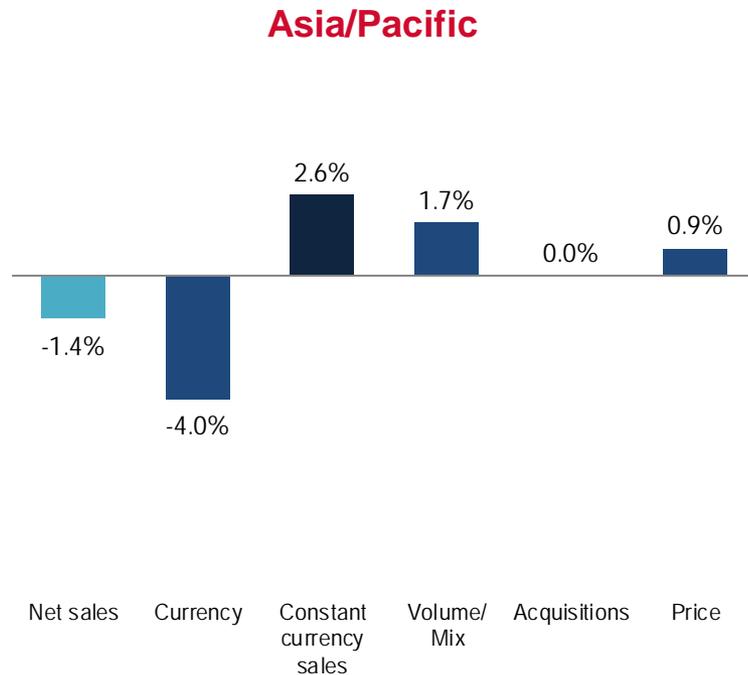
## 3Q 2016 Sales results: Industrial segment



- Solid performance with branded food service products and customized flavor solutions.

See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

## 3Q 2016 Sales results: Industrial segment



- Strong growth in Australia and Southeast Asia, due in part to new product wins and promotional activity by quick service restaurant customers
- Unfavorable impact to sales in China from customer decision to add secondary supply source

See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.

## 3Q 2016 Operating income: Industrial segment

<i>(in millions)</i>	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>Fav (Unfav) Change</b>
Operating income	<b>\$42.9</b>	\$38.8	11%
Operating income, excluding special charges*	<b>44.8</b>	39.2	14%

- In constant currency, adjusted operating income grew 23%\*
- Sales growth, cost savings and more favorable business mix more than offset unfavorable impact of higher material cost and \$1 million increase in brand marketing
- Quarter-to-quarter volatility in customer activity expected to cause industrial segment adjusted operating income growth to slow in 4Q 2016
- For fiscal year, projecting increase in adjusted operating income and improved margins versus 2015

\* Adjusted operating income and adjusted operating income growth rate exclude the impact of items affecting comparability in 3Q 2016 and 3Q 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32.

## Operating income, gross profit, SG&A

<i>(in millions)</i>	<b>3Q 2016</b>	<b>3Q 2015</b>	<b>Fav (Unfav) Change</b>
Operating income	<b>\$167.8</b>	\$138.7	21%
Operating income, excluding special charges*	<b>172.1</b>	153.8	12%
Gross profit margin	<b>41.6%</b>	39.8%	180 bps
Selling, general & administrative expenses as percent of net sales	<b>25.8%</b>	25.6%	(20 bps)
Promotion & advertising	<b>\$49.4</b>	\$46.5	(6%)

- Adjusted operating income rose 15% in constant currency.
- Special charges were \$4 million in 3Q 2016 and \$15 million in 3Q 2015
- Higher gross profit margin driven by cost savings from CCI and streamlining actions, favorable mix, pricing actions taken to offset material cost inflation
- 20 basis point increase in selling, general and administrative expenses as a percentage of net sales included \$3 million increase in brand marketing

\* Adjusted operating income and adjusted operating income growth rate exclude the impact of items affecting comparability in 3Q 2016 and 3Q 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32.

## Income taxes

*(in millions)*

	<b>3Q 2016</b>	<b>3Q 2015</b>
Income taxes	<b>\$34.3</b>	\$37.4
Income tax rate	<b>22.3%</b>	29.8%

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- On GAAP basis, tax rate of 22.3% was below 29.8% in 3Q 2015 and previous 2H 2016 tax rate guidance, mainly due to discrete tax items
- Absent additional discrete tax items, expect tax rate of 28% to 29% in 4Q 2016 and 25% to 26% for fiscal year 2016.

## Income from unconsolidated operations

<i>(in millions)</i>	3Q 2016	3Q 2015	Fav (Unfav) Change
Income from unconsolidated operations	\$8.1	\$9.7	(16%)

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- Income from unconsolidated operations in 3Q 2015 included \$2 million favorable impact from special charges attributable to minority interest in Kohinoor.
- Unfavorable impact from currency in 3Q 2016 compared to 3Q 2015.
- Strong underlying performance led by joint venture in Mexico, which grew sales at high single-digit rate in local currency
- Anticipate a greater impact from unfavorable currency and expect income from unconsolidated operations for FY 2016 to decline approximately 15%

## Earnings per share

	3Q 2016	3Q 2015	Fav(Unfav) Change
Earnings per share	\$1.00	\$0.76	32%
Adjusted earnings per share*	1.03	0.85	21%
Growth in adjusted operating income	\$0.11		
Lower tax rate	0.06		
Lower shares outstanding	0.01		
Change in adjusted EPS*	<u>\$0.18</u>		

- Adjusted earnings per share \$0.18 above year-ago period
- Increase driven by higher adjusted operating income, lower tax rate, lower shares outstanding
- Year-to-year comparison includes unfavorable currency impact

\* Adjusted earnings per share excludes the impact of items affecting comparability in 3Q 2016 and 3Q 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32.

## Balance sheet and cash flow

Year-to-date cash flow from operations of \$322 million compared to \$317 million in year-ago period

- Mainly due to Increase in net income
- Cash conversion cycle down versus year-ago period
- Reaffirm \$150 million to \$160 million in capital expenditures. Announced future capital investments to support growth in Southeast Asia.
- Returned \$343 million of cash to shareholders through dividends and share repurchases
- At August 31, 2016, \$391 million remained on \$600 million share repurchase authorization

Strong cash flow providing the funds for continued investment in acquisitions and other growth strategies. Low debt leverage positions McCormick to finance these investments.

## 2016 Financial outlook

		<u>Including currency impact</u>
<b>Sales growth in constant currency</b>	approximately 6%	<i>approximately 3%</i>
Impact of acquisitions 2% to 3%, pricing 1% to 2%		
<b>Adjusted operating income increase in constant currency*</b>	approximately 10%	<i>approximately 7%</i>
CCI and additional cost savings	\$100M - \$110M	
Material cost inflation	low single digit	
Gross profit margin increase	higher end 50-100 bps	
Brand marketing increase	approximately \$15M	
Income from unconsolidated operations	down ~15%	
Effective tax rate	25% to 26%	
<b>Adjusted earnings per share **</b>	\$3.75 - \$3.79	
Growth from 2015 adjusted EPS of \$3.48, excluding currency	12% to 13%	<i>8% to 9%</i>
Shares outstanding	~ 1% reduction	
Capital expenditures	\$150-\$160M	

\* From adjusted operating income of \$614 million in 2015. See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32.

\*\* Adjusted EPS guidance excludes the approximately \$0.07 impact of projected special charges expected to be recorded in 2016. See reconciliation of GAAP to non-GAAP financial metrics on slides 29 to 32.

## Key Takeaways from 3Q 2016

**Great financial results.** In constant currency, grew sales 6% and adjusted operating income margin 15%.

**Executing on effective strategy** to drive sales and lower costs.

Expect 2016 to be **record year** for McCormick.



See reconciliation of GAAP to non-GAAP financial measures on slides 29 to 32, including the impact of constant currency.



*McCormick Brings Passion to Flavor™*

# Non-GAAP Financial Measures

The following tables include financial measures of adjusted operating income, adjusted net income and adjusted diluted earnings per share, each excluding the impact of special charges for the periods presented. These represent non-GAAP financial measures which are prepared as a complement to our financial results prepared in accordance with United States generally accepted accounting principles. In our consolidated income statement, we include a separate line item captioned “special charges” in arriving at our consolidated operating income. Special charges consist of expenses associated with certain actions undertaken by the company to reduce fixed costs, simplify or improve processes, and improve our competitiveness and are of such significance in terms of both up-front costs and organizational/ structural impact to require advance approval by our Management Committee, comprised of our President and Chief Executive Officer; Executive Vice President; Executive Vice President and Chief Financial Officer; President Global Industrial Segment and McCormick International; President Global Consumer Segment and North America; and Senior Vice President, Human Relations. Upon presentation of any such proposed action (including details with respect to estimated costs, which generally consist principally of employee severance and related benefits, together with ancillary costs associated with the action that may include a non-cash component or a component which relates to inventory adjustments that are included in cost of goods sold; impacted employees or operations; expected timing; and expected benefits) to the Management Committee and the Committee’s advance approval, expenses associated with the approved action are classified as special charges upon recognition and monitored on an on-going basis through completion.

We believe that these non-GAAP financial measures are important. The exclusion of special charges and the impact of foreign currency exchange rates provides additional information that enables enhanced comparisons to prior periods and, accordingly, facilitates the development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends.

These non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. In addition, these non-GAAP financial measures may not be comparable to similarly titled measures of other companies because other companies may not calculate them in the same manner that we do. We intend to continue to provide these non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of these non-GAAP financial measures will provide consistency in our financial reporting. A reconciliation of these non-GAAP financial measures to the related GAAP financial measures is provided on the following page:

# Non-GAAP Financial Measures

(in millions except per share data)	Three Months Ended		Nine Months Ended	
	8/31/2016	8/31/2015	8/31/2016	8/31/2015
Operating income	\$ 167.8	\$ 138.7	\$ 421.9	\$ 336.2
Impact of special charges included in cost of goods sold	—	3.4	—	3.4
Impact of other special charges (including non-cash impairment charge of \$9.6 million for the three and nine months ended August 31, 2015)	4.3	11.7	9.8	59.1
Total special charges	4.3	15.1	9.8	62.5
Adjusted operating income	\$ 172.1	\$ 153.8	\$ 431.7	\$ 398.7
% increase (decrease) versus prior period	11.9%		8.3%	
Income from unconsolidated operations	\$ 8.1	\$ 9.7	\$ 24.2	\$ 27.0
Impact of special charges attributable to non-controlling interests (1)	—	(1.9)	—	(1.9)
Adjusted income from unconsolidated operations	\$ 8.1	\$ 7.8	\$ 24.2	\$ 25.1
	3.8%		(3.6)%	
Net income	\$ 127.7	\$ 97.6	\$ 314.9	\$ 252.4
Impact of special charges above (2)	3.4	14.0	7.4	46.8
Impact of total special charges attributable to non-controlling interests (1)	—	(1.9)	—	(1.9)
Adjusted net income	\$ 131.1	\$ 109.7	\$ 322.3	\$ 297.3
% increase versus prior period	19.5%		8.4%	
Earnings per share - diluted	\$ 1.00	\$ 0.76	\$ 2.46	\$ 1.95
Impact of special charges above	0.03	0.11	0.05	0.36
Impact of total special charges attributable to non-controlling interests	—	(0.02)	—	(0.01)
Adjusted earnings per share - diluted	\$ 1.03	\$ 0.85	\$ 2.51	\$ 2.30
% increase versus prior period	21.2%		9.1%	

(1) Represents the portion of the Kohinoor total special charge of \$13.0 million attributable to Kohinoor's 15% minority stakeholder.

(2) For net income, special charges of \$4.3 million and \$9.8 million for the three months and nine months ended August 31, 2016 and \$15.1 million and \$62.5 million for the three and nine months ended August 31, 2015 are net of taxes of \$0.9 million, \$2.4 million, \$1.1 million and \$15.7 million, respectively.

# Non-GAAP Financial Measures

Percentage changes in sales and adjusted operating income expressed in “constant currency” are presented excluding the impact of foreign currency exchange. To present this information for historical periods, current period results for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the corresponding period of the prior fiscal year, rather than at the actual average exchange rates in effect during the current fiscal year. As a result, the foreign currency impact is equal to the current year results in local currencies multiplied by the change in the average foreign currency exchange rate between the current fiscal period and the corresponding period of the prior fiscal year.

## Constant currency growth rates

Three Months Ended August 31, 2016

	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
<b>Net sales</b>			
<b>Consumer segment</b>			
Americas	7.5%	(0.2)%	7.7%
EMEA	(2.5)%	(3.0)%	0.5%
Asia/Pacific	4.9%	(6.1)%	11.0%
Total consumer segment	5.0%	(1.6)%	6.6%
<b>Industrial segment</b>			
Americas	2.3%	(2.0)%	4.3%
EMEA	(7.3)%	(12.4)%	5.1%
Asia/Pacific	(1.4)%	(4.0)%	2.6%
Total industrial segment	(0.1)%	(4.4)%	4.3%
<b>Total net sales</b>	2.9%	(2.7)%	5.6%
<b>Adjusted operating income</b>			
Consumer segment	11.1%	(0.5)%	11.6%
Industrial segment	14.3%	(8.7)%	23.0%
<b>Total adjusted operating income</b>	11.9%	(2.6)%	14.5%

Nine Months Ended August 31, 2016

	Percentage Change as Reported	Impact of Foreign Currency Exchange	Percentage Change on Constant Currency Basis
<b>Net sales</b>			
<b>Consumer segment</b>			
Americas	5.3%	(0.7)%	6.0%
EMEA	6.0%	(5.2)%	11.2%
Asia/Pacific	0.1%	(5.3)%	5.4%
Total consumer segment	4.7%	(2.3)%	7.0%
<b>Industrial segment</b>			
Americas	2.0%	(2.3)%	4.3%
EMEA	(5.3)%	(10.6)%	5.3%
Asia/Pacific	—%	(5.1)%	5.1%
Total industrial segment	0.2%	(4.3)%	4.5%
<b>Total net sales</b>	2.9%	(3.1)%	6.0%
<b>Adjusted operating income</b>			
Consumer segment	7.4%	(1.6)%	9.0%
Industrial segment	10.6%	(6.7)%	17.3%
<b>Total adjusted operating income</b>	8.3%	(3.0)%	11.3%

# Non-GAAP Financial Measures

To present the percentage change in projected 2016 adjusted earnings per share on a constant currency basis, projected sales and adjusted operating income for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the company's budgeted exchange rate for 2016 and are compared to the 2015 results, translated into U.S. dollars using the same 2016 budgeted exchange rate, rather than at the average actual exchange rates in effect during fiscal year 2015. This calculation is performed to arrive at adjusted net income (however, no adjustment is made for the company's share of income in unconsolidated operations that are denominated in currencies other than the U.S. dollar) divided by historical shares outstanding for fiscal year 2015 or projected shares outstanding for fiscal year 2016, as appropriate.

## Fiscal year 2015 actual results and 2016 projections

(in millions except per share data)

	Twelve Months Ended	
	2016 Projection	11/30/15
Operating income		\$ 548.4
Impact of special charges		65.5
Adjusted operating income		<u>\$ 613.9</u>
Earnings per share - diluted	\$3.68 to \$3.72	\$ 3.11
Impact of special charges, including special charges attributable to non-controlling interests	0.07	0.37
Adjusted earnings per share - diluted	<u>\$3.75 to \$3.79</u>	<u>\$ 3.48</u>
Percentage change in sales	~3%	
Impact of foreign currency exchange rates	(3)%	
Percentage change in sales on constant currency basis	<u>~6%</u>	
Percentage change in adjusted operating income	~7%	
Impact of foreign currency exchange rates	(3)%	
Percentage change in adjusted operating income on constant currency basis	<u>~10%</u>	
Percentage change in adjusted earnings per share	8% to 9%	
Impact of foreign currency exchange rates	(4)%	
Percentage change in adjusted earnings per share on constant currency basis	<u>12% to 13%</u>	

## Fourth quarter 2015 actual results and 2016 projection

	Three Months Ended	
	11/30/2016 Projection	11/30/15
Earnings per share - diluted	\$1.22 to \$1.26	\$ 1.16
Impact of special charges	0.02	0.02
Adjusted earnings per share - diluted	<u>\$1.24 to \$1.28</u>	<u>\$ 1.18</u>
% increase versus prior period	5% to 8%	