



McCormick Announces Actions to Streamline Operations

June 7, 1999

Sparta, MD, June 7 - McCormick & Company, Incorporated (NYSE: MCC) today announced several actions to streamline operations, primarily in Europe. The Company also announced a change in the actuarial method used to estimate pension expenses.

The net impact of the streamlining actions and actuarial change on second quarter earnings is a decrease of \$10 million to net income, or 20 cents per share. Additional after-tax expenses of \$4 million are projected to be incurred in the third and fourth quarters. The total expected net impact of the changes and actuarial change to 1999 earnings per share is a decrease of 27 cents per share. A first expense of 2 cents per share is projected to occur in 2000 as the streamlining actions are concluded. Annualized after-tax savings are projected at \$6 million and will be used, in part, to fund programs for future sales and earnings growth.

Changes associated with the streamlining actions include workforce reductions, building and equipment disposals, goodwill write-downs, and other related expenses. These changes will total \$24 million after-tax. The actions in Europe, together with improved systems and processes in other locations, will result in the elimination of approximately 200 positions, primarily outside the U.S. In Europe, McCormick will consolidate certain U.K. manufacturing operations, improve efficiencies within previously consolidated sites, and merge operations between the U.K. and other European locations. As a result, the Company will be better able to serve current retail, food service, and industrial customers in Europe and respond with agility to future changes in this important market.

In the second quarter of 1999, the Company changed its actuarial method for calculating the market-related value of plan assets used in determining the expected return-on-asset component of annual pension expense. This modification will result in a one-time, after-tax gain of \$5 million in the second quarter.

Commented Robert J. Luskies, Chairman, President & CEO, "These actions are the result of our efforts to streamline and simplify our business and will enable McCormick to better focus on and invest in those major worldwide markets that offer us the best prospects for growth. These markets include the U.S., Europe, Canada, Mexico, Australia, and China.

"The Company continues to have effective growth initiatives and profit improvement programs in place and will report another quarter of strong sales and operating results next week. It is important that we continue to review our businesses and challenge ourselves to improve operations. This will generate additional funding for technical innovation, new product development, and consumer product advertising in McCormick's key markets."

This news release contains certain forward-looking statements which are based on management's current views and assumptions regarding future events and financial performance. References should be made to the Company's annual report and Form 10-K for the fiscal year ended November 30, 1998 and Form 10-Q for the period ended February 28, 1999. These documents contain and identify those factors that could cause the actual results to differ materially from those contained in our projections or forward-looking statements.

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