



McCormick Reports Third Quarter Results

September 16, 1998
SPRINGFIELD, MO, SEPT. 16 - McCormick & Company, Incorporated (NASDAQ:MCCB), today reported third quarter earnings per share of 28c versus 27c for the prior year, an increase of 7%. Net sales for the quarter were \$445 million, up 5% over the third quarter of 1997.

Earnings per share for the nine months ended August 31 were 77c, up 15% over the comparable period last year. Net sales for the nine months were \$1.3 billion, an increase of 4%.

The Company's U.S. food business had excellent results for the quarter, recording a 10% sales increase and a comparable operating profit increase due in part to distribution gains announced earlier this year. Overall results were dampened, however, by unfavorable currency exchange rates in a number of foreign markets, and the Company's plastic packaging business has been impacted by persistent weak market conditions in Asia.

Commented Robert J. Lanfless, President & CEO, "This marks the eighth consecutive quarter of earnings improvement. We are pleased with performance for the quarter, which was driven by our U.S. consumer business. We continue to be challenged by weak foreign currencies in certain countries and the negative impact of the Asian economy on our packaging business. Overall, sales and profits continue to grow. Our underlying business is strong, and we expect that our growth will continue into the fourth quarter and beyond."

Consolidated Income Statement

(in thousands except per share data)

	Three months ended (thru August)	Year ended
	11/09/98	11/09/97
NET SALES	\$585,498	\$554,974
Cost of goods sold	(311,559)	(310,060)
Gross profit	273,939	244,914
Percentage	46.8%	44.1%
Selling, general and administrative expense	(143,171)	(141,146)
Restructuring charge (credit)	1,500	(2,205)
Operating income	\$131,268	\$101,563
Interest expense	(9,402)	(9,285)
Other income (expense), net	(2,101)	(3,398)
Income from consolidated continuing operations	\$119,765	\$89,880
Income taxes	(21,573)	(25,915)
Net income from consolidated continuing operations	\$98,192	\$63,965
Income from discontinued operations	1,061	2,336
Net income from continuing operations	\$99,253	\$66,301
Income from discontinued operations, net of income taxes	-	1,073
NET INCOME	\$99,253	\$67,374
EARNINGS PER SHARE - BASIC	\$0.69	\$0.42
Continuing operations	\$0.69	\$0.42
Discontinued operations	-	\$0.01
EARNINGS PER SHARE - BASIC	\$0.69	\$0.43
Average shares outstanding - basic	143,722	153,943
EARNINGS PER SHARE - DILUTED	\$0.68	\$0.41
Continuing operations	\$0.68	\$0.41
Discontinued operations	-	\$0.01
EARNINGS PER SHARE - DILUTED	\$0.68	\$0.41
Average shares outstanding - diluted	143,722	153,943

Condensed Consolidated Balance Sheet

(in thousands)

	11/09/98	11/09/97
Assets		
Receivables	\$ 212,884	\$ 217,196
Inventory	260,893	250,384
Prepaid allocations	143,722	153,943
Property, net	371,022	385,053
Other assets	274,400	275,190
Total assets	\$ 1,259,923	\$ 1,286,766
Liabilities and shareholders' equity		
Short-term borrowings	\$ 143,679	\$ 132,303
Other current liabilities	354,255	374,947
Long-term debt	560,363	574,499
Other liabilities	102,385	88,384
Shareholders' equity	149,111	156,110
Total liabilities and shareholders' equity	\$ 1,259,923	\$ 1,286,766