McCormick Reports Record First Quarter

March 16, 1999

SPARKS, MD, MARCH 16 -- McCormick & Company, Incorporated (NASDAQ:MCCRK), today reported record sales and earnings per share for the first quarter of 1999. Earnings per share for the quarter were 25¢ versus 22¢ for the prior year, an increase of 14%. Net sales for the quarter were $442 million, up 6% over the first quarter of 1998. Excluding the effects of foreign exchange and divested businesses, sales increased 8%. Sales for the Company's worldwide consumer food business rose 10% while industrial and food service sales increased 4%. Operating income for the global food businesses increased 10%.

In the quarter, gross margins increased to 32.9% from 32.1%. Compared to the first quarter of 1998, inventories were reduced by 8%, and operating cash flows improved by $45 million. This improved profitability and strong cash flows enabled the Company to complete its 10 million share repurchase program three months ahead of schedule.

Commented Robert J. Lawless, President & CEO, "We are pleased with first quarter results. In particular, our global consumer businesses achieved double-digit sales and profit growth. Again this quarter, our consumer programs in the U. S. boosted sales of the Company's branded products.

"Solid sales, gross profit, and operating profit improvement indicate that our strategies are working. The positive momentum generated over the last three quarters makes us confident that we will achieve our 1999 financial objectives."

First Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

(in thousands except per-share data)

	Three months ended	
	2/28/99	2/28/98
Net Sales	$441,543	$415,202
Cost of goods sold	296,204	282,030
Gross profit	145,339	133,172
Percentage	32.9%	32.1%
Selling, general and administrative expense	112,678	103,143
Operating income	32,661	30,029
Interest expense	8,134	8,389
Other (income) expense, net	(1,095)	(1,515)
Income before income taxes	25,622	23,155
Income taxes	9,198	8,336
Net income from consolidated operations	16,424	14,819
Income from unconsolidated operations	1,746	1,390
NET INCOME	$18,170	$16,209
EARNINGS PER SHARE - BASIC AND DILUTED	$0.25	$0.22
Average shares outstanding - basic	72,326	73,753
Average shares outstanding - diluted	72,953	74,283

Condensed Consolidated Balance Sheet (Unaudited)

(in thousands)

	2/28/99	2/28/98
Assets		
Receivables	$176,367	$171,214
Inventories	246,392	268,133
Prepaid allowances	153,729	150,243
Property, plant and equipment, net	372,209	380,240
Other assets	268,469	267,693
Total assets	$1,217,166	$1,237,523

Liabilities and shareholders' equity

Short-term borrowings	$190,764	$193,991
Other current liabilities	311,635	310,508
Long-term debt	247,956	266,526
Other liabilities	99,225	88,669
Shareholders' equity	367,586	377,829
Total liabilities and shareholders' equity	$1,217,166	$1,237,523