



McCormick Reports Increase in First Quarter Sales and Profits

March 19, 2001

SPRING, Md., March 19 (PRNewswire) - McCormick & Company, Incorporated (NYSE: MNC), today reported a 10% increase in sales and 9% increase in net income and earnings per share for the first quarter of fiscal 2001.

Earnings per share for the quarter ended February 28 increased 9% to 38 cents from 35 cents in 2000. The Duconis business diluted earnings per share for the quarter by 4 cents per share, slightly better than expected. Excluding dilution from the Duconis acquisition, earnings per share for 2001 were 40 cents, an increase of 7 cents versus the prior year. On a per share basis, the rise was achieved through 5 cents of higher operating profit, 1 cent in reduced net interest expense and 1 cent from a lower effective tax rate.

Sales for the quarter were \$254 million, up 10% over the first quarter of 2000. Excluding foreign exchange and the Duconis business, sales increased 2.4%. Gross profit margin for the quarter was 36.1%, 3.7 percentage points over last year. This increase resulted from a shift in product mix to higher margin, more value-added products, including the recently acquired Duconis business, as well as cost reduction initiatives. Operating profit margin for this year's quarter reached 8.4% versus 7.8% in 2000.

Consumer Business

Sales for McCormick's consumer business rose 20% over last year's first quarter and increased 1% excluding the impact of Duconis and foreign exchange. In local currency, consumer sales were down 1% in the Americas, up 3% in Europe (excluding Duconis) and up 4% in Asia. This quarter, consumer sales in the Americas were lower than anticipated. Following our fourth quarter sales, the first quarter rebounding of stores by our customers was below the level experienced in previous first quarters. Operating income for the quarter increased 10% to \$27.2 million. As a percent of net sales, operating income decreased to 10.7% from 10.7% including the dilutive effect of Duconis.

Industrial Business

Industrial sales increased 1% versus last year's quarter and 3% excluding foreign exchange. In local currency, industrial sales increased 1% in the Americas, 6% in Europe and 11% in Asia. The strongest increases were achieved in sales of snack seasonings and sales to food service customers. Operating income for the quarter increased 31% to \$10.5 million versus last year. As a percent of net sales, operating income increased to 8.3%, which compares to 6.8% in 2000.

Packaging Business

The packaging business reported third party sales up 7% for the quarter over last year, with the increase again in our tube business. Operating profit (including intersegment business) was \$2.2 million, a decrease of 1%. As a percent of net sales, operating profit decreased to 0.6% from 10.4% mainly as a result of higher resin costs.

Chairman's Comments

Constance Pridemore, Chairman, President & CEO, "Our first quarter has provided a strong start to fiscal 2001. Sales exceeded our 12-14% target range with Duconis results above expectation and an improved industrial performance. While sales in our American consumer business were impacted by customer inventory adjustments, we continue to be encouraged by the fact that growth of our branded products is outpacing that of the product categories in which we compete. We are well on our way to reaching our goal of a 40% gross profit margin. Our 9% earnings per share increase in the first quarter was better than expected and possible on well in excess of our growth target of 8-10% for the year.

"Our strategies for growth are delivering positive results in a number of areas. Integration of the Duconis acquisition is proceeding well, and this business has outperformed our expectations. The Beyond 2000 program is in full swing, on plan and already contributing to gross profit margin improvements.

"McCormick is committed to delivering superior financial results and building shareholder value. The momentum gained over the last few years is building, and all signs are positive for another excellent year for the Company and our shareholders."

Forward-Looking Statement

Certain information contained in this release, including expected trends in net sales and earnings performance, are "forward-looking statements" within the meaning of Section 21E of the Securities and Exchange Act of 1934. Forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could be materially affected by external factors such as actions of competitors, customer relationships, fluctuations in the cost and availability of supply chain resources and foreign economic conditions, including currency rate fluctuations.

About McCormick

McCormick & Company, Incorporated is the global leader in the manufacture, marketing and distribution of spices, seasonings and flavors to the entire food industry - to foodservice and food processing businesses as well as to retail outlets. In addition, the packaging group manufactures and markets specialty plastic bottles and tubes for personal care and other industries.

First Quarter Report McCormick & Company, Incorporated

Consolidated Income Statement (Unaudited)

(In thousands except per-share data)

Three Months Ended

2/28/01 2/29/00

NET SALES		
Consumer	\$249,537	\$201,092
Industrial	218,948	217,301
Packaging	45,026	42,010
Total for sales	\$513,511	\$460,403
Cost of goods sold	329,009	298,571
Gross profit	208,495	163,832
Gross profit margin	39.1%	35.4%
Selling, general & administrative expense	163,356	127,243
Special charges	0	502
Operating income	44,639	36,087
Interest expense	14,267	7,456
Other (income)/expense	(973)	140
Income before income taxes	31,425	28,541
Income taxes	10,468	10,189
Net income from consolidated operations	21,157	18,352
Income from unconsolidated operations	5,429	4,065
NET INCOME	\$26,586	\$24,417
EARNINGS PER SHARE - ASSUMING DILUTION	\$0.38	\$0.35
EARNINGS PER SHARE - BASIC	\$0.39	\$0.35
Average shares outstanding - assuming dilution	69,260	69,818
Average shares outstanding - basic	68,505	69,537

Note: The Company has reallocated amortization of goodwill from other

income to selling, general & administrative expense. All amounts have been included in income to the current year presentation. Goodwill amortization was \$3,280 and \$1,255 for the first quarter of 2001 and 2000, respectively.

Condensed Consolidated Balance Sheet (Unaudited)

	2/28/01	2/29/00
Assets		
Receivables	\$264,117	\$180,622
Inventory	284,456	247,124
Prepaid expenses	116,240	123,524
Property, plant and equipment, net	581,746	362,356
Other assets	642,027	286,477
Total assets	\$1,889,126	\$1,200,295
Liabilities and shareholders' equity		
Short-term borrowings	\$131,857	\$188,172
Other current liabilities	386,190	323,803
Long-term debt	458,098	239,871
Other liabilities	115,857	96,992
Shareholders' equity	384,454	353,379
Total liabilities and shareholders' equity	\$1,889,126	\$1,200,295

SOURCE: McCormick & Company, Incorporated

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