



McCormick to Acquire Zatarain's, Leading New Orleans-Style Food Brand in U.S.

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SPARKS, Md., May 8, 2003 /PRNewswire-FirstCall via COMTEX/ -- McCormick & Company, Incorporated (NYSE: MKC) today announced that it has signed a definitive agreement to purchase the Zatarain's business from Citigroup Venture Capital and other investors for \$180 million in cash. This purchase price is a multiple of approximately eight times current year EBITDA (earnings before interest, tax, depreciation and amortization).

Robert J. Lawless, Chairman, President & CEO of McCormick, stated, "A key avenue for growth for McCormick is the acquisition of leading brands in key markets. We look for acquisitions to provide substantial growth and complement our established strategy of leadership in the development and marketing of flavors for food. The Zatarain's acquisition fits squarely within this strategy."

Zatarain's is the leading national brand focused on the unique flavors of New Orleans-style cuisine. Zatarain's markets flavored rice and dinner mixes, products to prepare and season seafood and many other items that add flavor to food. In each of the last five years, annual sales growth has exceeded 15%. The business is headquartered near New Orleans, Louisiana, where the majority of the Zatarain's products are manufactured. McCormick intends to operate the Zatarain's business in the current headquarters and manufacturing facility.

Subject to customary regulatory approvals, the purchase is expected to be completed by early June 2003 and will be financed through cash from operations and short-term credit facilities.

The acquisition is expected to be immediately accretive to earnings before including the impact of synergies. For fiscal year 2003, the acquisition is expected to add approximately \$45 million to McCormick's net sales and \$0.01- \$0.02 to earnings per share. In fiscal 2004, the acquisition is expected to add approximately \$100 million to McCormick's net sales and \$0.06-\$0.08 to earnings per share.

Mr. Lawless further commented, "Our initial target for McCormick's 2003 sales growth was 3-7%. In March, we indicated that we were likely to reach the top end of this range as a result of the rebound in demand for packaging products, the acquisition of Uniqsauces in January 2003, the favorable foreign exchange environment and recent distribution gains. The Zatarain's business adds another 2% to 2003 sales, and we now expect to achieve a sales increase of 6-9% this year.

"Earnings per share were targeted to grow 9-11% in 2003. The recently announced settlement of the Ducros purchase price adjustment adds \$0.02 to earnings per share, and accretion from the Zatarain's business adds another \$0.01-\$0.02. As a result, we believe that 10-12% of earnings per share growth is now achievable in 2003."

"The management and employees of Zatarain's have built a thriving business and created terrific products. Founded in 1889, the same year that the McCormick business began, Zatarain's has a proud heritage and is the leading New Orleans-style brand in the southeast. In recent years the brand has been expanding successfully into other regions of the United States, capitalizing on outstanding products and the growing popularity of New Orleans cuisine. We believe that sales of Zatarain's products will continue to grow with more penetration in the United States and continued new product innovation. Opportunities for sales growth exist in international markets and further expansion in the food service channels."

Acquisition Information

A Zatarain's fact sheet that summarizes current information related to the acquisition can be found on McCormick's website at www.mccormick.com, under Company Information, Investor Information.

Forward-looking Statement

Certain information contained in this release, including expected synergies and projections, are "forward-looking statements" within the meaning of Section 21E of the Securities 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. The Company undertakes no obligation to update or revise publicly, any forward-looking statements, whether as a result of new information, future events or otherwise.

About McCormick & Company, Incorporated

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. McCormick reported 2002 net sales of \$2.3 billion. For more information about McCormick, visit the Company's website on the Internet at: www.mccormick.com.

SOURCE McCormick & Company, Incorporated

McCormick & Company Corporate Communications, +1-410-771-7310

<http://www.mccormick.com>