



McCormick Completes Sale of Packaging Business

August 14, 2003

SPRING, Ill., Aug. 14, 2003 **PRNewswire** PRN:CMC -- McCormick & Company, Incorporated (NYSE: MNC) today announced that it has completed the sale of substantially all of the operating assets of the packaging business to Kerr Group, Inc. Under terms of the sale agreement, the packaging business was sold for \$142.5 million and included the assumption of all normal trade liabilities. Of the \$142.5 million, \$122.5 million was paid in cash and the remaining \$20.0 million will be paid over five years based on meeting certain performance objectives. McCormick and Kerr have also entered into a multi-year supply agreement.

The operating results and the net gain on the sale of the packaging business and the U.K. brokerage business (announced on July 2, 2003) will be reported as discontinued operations. Financial results for previous periods will be reclassified to separate these discontinued operations from continuing operations. In the third quarter of fiscal year 2003, the Company expects to report a \$0.06-\$0.07 earnings per share net gain from the sale of these discontinued operations. Through the third quarter, earnings per share from operations of the discontinued businesses is expected to be \$0.03-\$0.04. For continuing operations in 2003, the Company projects sales growth of 8-10% and an increase in earnings per share at the upper end of its 10-12% target. In 2002, earnings per share from continuing operations was \$1.22, and for 2003, an 11-12% increase would result in earnings per share from continuing operations of \$1.35-\$1.37. McCormick is driving this excellent performance with strong sales and higher margins. In 2003, the Company has also benefited from interest income related to the settlement of the DuPont purchase price adjustment.

Commenting on the sale of the packaging business, Robert J. Loucks, Chairman, President & CEO of McCormick, stated, "With the completion of this transaction, McCormick is fully focused on our core business of spices, seasonings and flavors. Our focus businesses, both consumer and industrial, are our platform for future growth and the key to delivering shareholder value."

Reclassification of the Business Results of Discontinued Operations

The sale of the operating assets of the packaging business and the previously announced sale of the McCormick's U.K. brokerage business, will be reported as discontinued operations beginning in the third quarter of 2003. For information on the reclassification necessary to reflect these transactions as discontinued operations in previously issued financial statements, please visit www.mccormick.com, under Company Information, Investor Information, "Reclassification of Business Results." This reclassification has been revised to reflect changes to the information previously posted to the Company website.

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 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, market acceptance of new products, actual amounts and timing of special charge items, removal and disposal costs, final negotiations of third-party contracts, the impact of the stock market conditions on its share repurchase program, fluctuations in the cost and availability of supply-chain resources and global 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. McCormick reported 2002 net sales from continuing operations of \$2.0 billion. For more information about McCormick, visit the Company's website on the Internet at www.mccormick.com.

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