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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended November 30, 2001 — Commission file number 0-748

McCORMICK & COMPANY, INCORPORATED

Maryland (State of incorporation)	**52-0408290** (IRS Employer Identification No.)
18 Loveton Circle **Sparks, Maryland** (Address of principal executive offices)	**21152** (Zip Code)

Registrant's telephone number, including area code (410) 771-7301

Securities registered pursuant to Section 12(b) of the Act: Not applicable

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, No Par Value (Title of Class)	**Common Stock Non-Voting, No Par Value** (Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /x/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. /x/

The aggregate market value of the voting stock held by non-affiliates of the registrant at January 31, 2002...$227,043,597

The aggregate market value of the non-voting stock held by non-affiliates of the registrant at January 31, 2002....$2,701,931,190

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

NUMBER OF SHARES OUTSTANDING

Class		Date
Common Stock	7,912,180	January 31, 2002
Common Stock Non-Voting	61,422,303	January 31, 2002

DOCUMENTS INCORPORATED BY REFERENCE

Document	Part of 10 into which incorporated
Registrant's 2001 Annual Report to Stockholders	Part I, Part II, Part IV
Registrant's Proxy Statement dated February 15, 2002	Part III

PART I

As used herein, the "Registrant" means McCormick & Company, Incorporated and its subsidiaries, unless the context otherwise requires.

Item 1. Business

The Registrant, a diversified specialty food company, is a global leader in the manufacture, marketing and distribution of spices, herbs, seasonings, flavorings and other specialty food products to the entire food industry. The Registrant also, through subsidiary corporations, manufactures and markets specialty plastic bottles and tubes for food, personal care and other industries. The Registrant was formed in 1915 under Maryland law as the successor to a business established in 1889.

The Registrant operates in three business segments: consumer; industrial; and packaging. The consumer segment sells spices, herbs, extracts, proprietary seasoning blends, sauces and marinades to the consumer food market under a variety of brands, including the "McCormick" brand, and the "Club House" brand in Canada, the "Schwartz" brand in the U.K. and the "Ducros" brand in Europe. The industrial segment sells spices, herbs, extracts, proprietary seasonings, condiments, coatings and compound flavors to food processors, restaurant chains, distributors, warehouse clubs and institutional operations. The packaging segment sells plastic packaging products to the food, personal care and other industries, primarily in the U.S. See Note 13 "Business Segments and Geographic Areas" of the Notes to Consolidated Financial Statements on pages 44 and 45 of the Registrant's Annual Report to Stockholders for 2001, which pages are incorporated by reference. Additional financial information about the Registrant's business segments is incorporated by reference from "Management's Discussion and Analysis" on pages 22 through 30 of the Annual Report to Stockholders for 2001, which pages are incorporated by reference.

The Registrant's Annual Report to Stockholders for 2001, which is enclosed as Exhibit 13, contains a description of the business on pages 11 through 19, which pages are incorporated by reference. Unless otherwise indicated, all references to amounts in this Report or in the Registrant's Annual Report to Stockholders for 2001 are amounts from continuing operations.

Raw Materials

Many of the spices and herbs purchased by the Registrant are imported into the U.S. from the country of origin, although significant quantities of some materials, such as paprika, dehydrated vegetables, onion and garlic, and food ingredients other than spices and herbs, originate in the U.S. The Registrant is a direct importer of certain raw materials, mainly black pepper, vanilla beans, cinnamon, herbs and seeds from their countries of origin. In addition, the Registrant also purchases cheese and dairy powders from U.S. sources for use in many industrial products.

The raw materials most important to the Registrant are cheese and dairy powders, black pepper, onion, garlic, capsicums (paprika and chili peppers) and vanilla beans. The Registrant is not aware of any restrictions or other factors that would have a material adverse effect on the availability of these raw materials. Because the raw materials are agricultural products, the Registrant uses a combination of open market purchases and advance purchase commitments, most of which are short-term in nature, to minimize volatility in price and uncertainty of supply.

Substantially all of the raw materials used in the packaging segment originate in the U.S.

Customers

The Registrant's products are sold through its own sales organization, brokers and distributors. In the consumer segment, these products are generally resold to consumers through grocery, mass merchandise, drug and other retail outlets. In the industrial segment, these products are used by food

and beverage manufacturers as ingredients for their finished goods and by foodservice customers to enhance the flavor of their foods. In the packaging segment, plastic bottles and tubes are sold to pharmaceutical, cosmetics and other companies in the personal care industry as well as to the food industry.

The Registrant has a large number of customers for its products. No single customer accounted for as much as 10% of consolidated net sales in 2001. Sales to the Registrant's five largest customers represented approximately 24% of consolidated net sales.

The dollar amount of backlog orders of the Registrant's business is not material to an understanding of the Registrant's business, taken as a whole. No material portion of the Registrant's business is subject to renegotiation of profits or termination of contracts or subcontracts at the election of the Government.

Trademarks, Licenses and Patents

The Registrant owns a number of trademark registrations. Although in the aggregate these trademarks may be material to the Registrant's business, the loss of any one of those trademarks, with the exception of the Registrant's "McCormick," "Schwartz," "Club House" and "Ducros" trademarks, would not have a material adverse effect on the Registrant's business. The "McCormick" trademark is extensively used by the Registrant in connection with the sale of virtually all of the Registrant's food products worldwide, with the exception of Canada, Europe and the U.K. The terms of the trademark registrations are as prescribed by law and the registrations will be renewed for as long as the Registrant deems them to be useful.

The Registrant has entered into a number of license agreements authorizing the use of its trademarks by affiliated and non-affiliated entities. In the aggregate, the loss of license agreements with non-affiliated entities would not have a material adverse effect on the Registrant's business. The term of the license agreements is generally 3 to 5 years or until such time as either party terminates the agreement. Those agreements with specific terms are renewable upon agreement of the parties.

The Registrant owns various patents, but they are not viewed as material to the Registrant's business.

Seasonal Nature of Business

Due to seasonal factors inherent in the business, the Registrant's sales and income are lower in the first two quarters of the fiscal year and increase in the third and fourth quarters. The seasonality reflects customer and consumer buying patterns, primarily in the consumer segment.

Working Capital

In order to meet increased demand for its products during its fourth quarter, the Registrant usually builds its inventories during the third quarter. The Registrant generally finances working capital items (inventory and receivables) through short-term borrowings, which include the use of lines of credit and the issuance of commercial paper. For a description of the Registrant's liquidity and capital resources, see Note 5 "Financing Arrangements" of the Notes to Consolidated Financial Statements on pages 39 and 40 of the Registrant's Annual Report to Stockholders for 2001, which page is incorporated by reference, and the "Financial Condition" section of "Management's Discussion and Analysis" on pages 26 and 27 of the Registrant's Annual Report to Stockholders for 2001, which pages are incorporated by reference.

Competition

The Registrant is a global leader in the manufacture and sale of spices, herbs, extracts, seasonings and flavorings and competes in a geographic market that is international and highly competitive. For further discussion, see pages 11 through 19 in the Registrant's Annual Report to Stockholders for 2001, which pages are incorporated by reference.

Research and Quality Control

The Registrant has emphasized quality and innovation in the development, production and packaging of its products. Many of the Registrant's products are prepared from confidential formulae developed by its research laboratories and product development departments. The long experience of the Registrant in its field contributes substantially to the quality of the products offered for sale. Quality specifications exist for the Registrant's products, and continuing quality control inspections and testing are performed. Total expenditures for these and other related activities during fiscal years 2001, 2000 and 1999 were approximately $53 million, $48.4 million and $42.8 million, respectively. Of these amounts, expenditures for research and development amounted to $27.1million in 2001, $24.9 million in 2000 and $21.4 million in 1999. The amount spent on customer-sponsored research activities is not material.

Environmental Regulations

Compliance with Federal, State and local provisions related to protection of the environment has had no material effect on the Registrant's business. There were no material capital expenditures for environmental control facilities in 2001 and there are no material expenditures planned for such purposes in 2002.

Employees

The Registrant had on average approximately 8,493 employees during 2001. The Registrant believes its relationship with employees to be very good. The Registrant has no collective bargaining contracts in the United States and eight such agreements affecting approximately 1,050 employees in its foreign subsidiaries.

International Operations

The Registrant is subject in varying degrees to certain risks typically associated with a global business, such as local economic and market conditions, exchange and price controls, restrictions on investments, royalties and dividends and exchange rate fluctuations. Within the consumer and industrial segments, approximately one-third of net sales in 2001 was from international operations.

For additional information, see "Geographic Areas" within Note 13 of the Notes to Consolidated Financial Statements on page 45 of the Registrant's Annual Report to Stockholders for 2001, which page is incorporated by reference, and the "Market Risk Sensitivity" section of "Management's Discussion and Analysis" on pages 28 and 29 of the Registrant's Annual Report to Stockholders for 2001, which pages are incorporated by reference.

Forward-Looking Information

For a discussion of forward-looking information, see the "Forward-Looking Information" section of "Management's Discussion and Analysis" on page 30 of the Registrant's Annual Report to Stockholders for 2001, which page is incorporated by reference.

Item 2. Properties

The Registrant's principal executive offices and main research facilities are owned and located in suburban Baltimore, Maryland.

The following is a list of the Registrant's principal manufacturing properties, all of which are owned except for the facilities in Monroe Township, New Jersey, Sydney, Australia and one of the facilities in Melbourne, Australia:

United States

Hunt Valley, Maryland—consumer and industrial (4 principal plants)
Salinas, California—consumer and industrial
Commerce, California—consumer
Dallas, Texas—industrial
Atlanta, Georgia—industrial
South Bend, Indiana—industrial
Anaheim, California—packaging
Oxnard, California—packaging
Easthampton, Massachusetts—packaging
Monroe Township, New Jersey—packaging

Canada

London, Ontario—consumer and industrial
Mississauga, Ontario—industrial

United Kingdom

Haddenham, England—consumer and industrial
Paisley, Scotland—industrial

France

Carpentras—consumer and industrial
Monteaux—consumer (2 principal plants)

Australia

Melbourne—consumer and industrial
Sydney—consumer and industrial

China

Shanghai—consumer and industrial
Guangzhou—industrial

In addition to distribution facilities and warehouse space available at its manufacturing facilities, the Registrant leases regional distribution facilities in Belcamp, Maryland and Salinas, California. The Registrant also owns or leases several other properties used for manufacturing consumer and industrial products and for sales, distribution and administrative functions.

The Registrant's plants and principal properties are well maintained and adequate to support the current operations of the business and certain additional growth.

Item 3. Legal Proceedings

None.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted during the fourth quarter of Registrant's fiscal year 2001 to a vote of security holders.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Registrant has disclosed in Note 15 "Selected Quarterly Data (Unaudited)" of the Notes to Consolidated Financial Statements on page 45 of the Registrant's Annual Report to Stockholders for 2001, which page is incorporated by reference, the information relating to the market price and dividends paid on Registrant's common stocks.

The Registrant's non-voting common stock and voting common stock are listed and traded on the New York Stock Exchange. The approximate number of holders of common stock of the Registrant based on record ownership as of January 31, 2002 was as follows:

Title of Class	Approximate Number of Record Holders
Common Stock, no par value	2,000
Common Stock Non-Voting, no par value	10,000

The Registrant is subject in varying degrees to certain risks typically associated with a global business, such as local economic and market conditions, exchange and price controls, restrictions on investments, royalties and dividends and exchange rate fluctuations. Within the consumer and industrial segments in the aggregate, approximately one-third of net sales in 2001 was from international operations.

Item 6. Selected Financial Data

This information is set forth on the line items entitled "Net sales," "Net income-continuing operations," "Earnings per share—assuming dilution—continuing operations," "Common dividends declared," "Long-term debt" and "Total assets" in the "Historical Financial Summary" on page 31 of the Registrant's Annual Report to Stockholders for 2001, which line items are incorporated by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This information is set forth in "Management's Discussion and Analysis" on pages 22 through 30 of the Registrant's Annual Report to Stockholders for 2001, which pages are incorporated by reference.

Item 7A. Quantitative and Qualitative Disclosures About Material Risk

This information is set forth in the "Market Risk Sensitivity" section of "Management's Discussion and Analysis" on pages 28 and 29 of the Registrant's Annual Report to Stockholders for 2001, which pages are incorporated by reference, and in Note 6 "Financial Instruments" on page 40 of the Registrant's Annual Report to Stockholders for 2001, which page is incorporated by reference.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data are included on pages 33 through 45 of the Registrant's Annual Report to Stockholders for 2001, which pages are incorporated by reference. The Report of Independent Auditors from Ernst & Young LLP on such financial statements is included on page 32 of the Registrant's Annual Report to Stockholders for 2001, which page is incorporated by

reference. The supplemental schedule for 1999, 2000, and 2001 is included on page 12 of this Report on Form 10-K.

The unaudited quarterly data is included in Note 15 "Selected Quarterly Data (Unaudited)" of the Notes to Consolidated Financial Statements on page 45 of the Registrant's Annual Report to Stockholders for 2001, which page is incorporated by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant and Compliance with Section 16(a) of the Exchange Act

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 15, 2002, which sets forth the information required by this Item in the "Election of Directors" section on pages 3 through 6, which pages are incorporated by reference and in the "Section 16(a) Beneficial Ownership Reporting Requirements" section on page 17, which page is incorporated by reference. In addition to the executive officers and directors discussed in the Proxy Statement, H. Grey Goode, Jr., Kenneth A. Kelly, Jr., Christopher J. Kurtzman, Robert W. Skelton and Gordon M. Stetz, Jr. are also executive officers of the Registrant.

Mr. Goode is 53 years old and has had the following work experience during the last five years: 1/01 to present—Vice President-Tax; 9/96 to 01/01—Director of Tax.

Mr. Kelly is 47 years old and has had the following work experience during the last five years: 2/00 to present—Vice President and Controller; 7/97 to 2/00—Vice President of Finance and Administration/McCormick Schilling Division; 3/96 to 7/97—Director of Corporate Accounting.

Mr. Kurtzman is 49 years old and has had the following work experience during the last five years: 2/96 to present—Vice President and Treasurer.

Mr. Skelton is 54 years old and has had the following work experience during the last five years: 6/97 to present—Vice President, General Counsel and Secretary; 4/96 to 6/97—Vice President and General Counsel.

Mr. Stetz is 41 years old and has had the following work experience during the last five years: 6/98 to present—Vice President, Acquisitions and Financial Planning; 2/95 to 6/98—Assistant Treasurer, Investor Relations/Financial Services.

Item 11. Executive Compensation

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 15, 2002, which sets forth the information required by this Item on pages 8 through 16, which pages are incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 15, 2002, which sets forth the information required by this Item on pages 2 through 6, which pages are incorporated by reference.

Item 13. Certain Relationships and Related Transactions

The Registrant has filed with the Commission a definitive copy of its Proxy Statement dated February 15, 2002, which sets forth the information required by this Item at page 7, which page is incorporated by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as a part of this Form:

1. The consolidated financial statements for McCormick & Company, Incorporated and subsidiaries which are listed in the Table of Contents appearing on page 11 of this Report.

2.

The financial statement schedules required by Item 8 of this Form 10-K that are listed in the Table of Contents appearing on page 11 of this Report.

3. The exhibits that are filed as a part of this Form 10-K and required by Item 601 of Regulation S-K are listed on the accompanying Exhibit Index at pages 13 through 15 of this Report.

(b) None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

McCORMICK & COMPANY, INCORPORATED

By: /s/ Robert J. Lawless Robert J. Lawless	Chairman, President & Chief Executive Officer	February 18, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Principal Executive Officer:

/s/ Robert J. Lawless Robert J. Lawless	Chairman, President & Chief Executive Officer	February 18, 2002

Principal Financial Officer:

/s/ Francis A. Contino Francis A. Contino	Executive Vice President & Chief Financial Officer	February 18, 2002

Principal Accounting Officer:

/s/ Kenneth A. Kelly, Jr. Kenneth A. Kelly, Jr.	Vice President & Controller	February 18, 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons, being a majority of the Board of Directors of McCormick & Company, Incorporated, on the date indicated:

THE BOARD OF DIRECTORS:	**DATE:**
/s/ Barry H. Beracha Barry H. Beracha	February 18, 2002
/s/ James T. Brady James T. Brady	February 18, 2002
/s/ Francis A. Contino Francis A. Contino	February 18, 2002
/s/ Robert G. Davey Robert G. Davey	February 18, 2002
/s/ Edward S. Dunn, Jr. Edward S. Dunn, Jr.	February 18, 2002
/s/ J. Michael Fitzpatrick J. Michael Fitzpatrick	February 18, 2002
/s/ Freeman A. Hrabowski, III Freeman A. Hrabowski, III	February 18, 2002
/s/ Robert J. Lawless	February 18, 2002

Robert J. Lawless

/s/ John C. Molan John C. Molan	February 18, 2002
/s/ Carroll D. Nordhoff Carroll D. Nordhoff	February 18, 2002
/s/ Robert W. Schroeder Robert W. Schroeder	February 18, 2002
/s/ William E. Stevens William E. Stevens	February 18, 2002
/s/ Karen D. Weatherholtz Karen D. Weatherholtz	February 18, 2002

McCORMICK & COMPANY, INCORPORATED

TABLE OF CONTENTS AND RELATED INFORMATION

Included in the Registrant's 2001 Annual Report to Stockholders, the following consolidated financial statements are incorporated by reference in Item 8*:

Consolidated Statement of Income for the Years Ended November 30, 2001, 2000 & 1999
Consolidated Balance Sheet, November 30, 2001 & 2000
Consolidated Statement of Cash Flows for the Years Ended November 30, 2001, 2000 & 1999
Consolidated Statement of Shareholders' Equity for the Years Ended November 30, 2001, 2000 & 1999
Notes to Consolidated Financial Statements
Report of Independent Auditors

Included in Part IV of this Annual Report:

Supplemental Financial Schedules:
II—Valuation and Qualifying Accounts

Schedules other than those listed above are omitted because of the absence of the conditions under which they are required or because the information called for is included in the consolidated financial statements or notes thereto.

*** Pursuant to Rule 12b-23 issued by the Commission under the Securities Exchange Act of 1934, as amended, a copy of the 2001 Annual Report to Stockholders of the Registrant for its fiscal year ended November 30, 2001 accompanies this Annual Report on Form 10-K.**

Supplemental Financial Schedule II
Consolidated

McCORMICK & COMPANY, INCORPORATED

VALUATION AND QUALIFYING ACCOUNTS
(IN MILLIONS)

.McCORMICK & COMPANY, INCORPORATED
VALUATION AND QUALIFYING ACCOUNTS (IN MILLIONS)

Column A	Column B	Column C	Column D	Column E
Description	Balance Beginning of Year	Additions Costs and Expenses	Deductions	Balance End Of Year
Year ended November 30, 2001				
Allowance for doubtful receivables	$6.6	$3.7	$2.8(1)	$7.5
Year ended November 30, 2000				
Allowance for doubtful receivables	$3.8	$6.5(2)	$3.7(1)	$6.6
Year ended November 30, 1999				
Allowance for doubtful receivables	$4.0	$1.7	$1.9(1)	$3.8

Notes:
(1) Accounts written off net of recoveries.

(2) Additions include allowances acquired in the Ducros acquisition.

EXHIBIT INDEX

ITEM 601 EXHIBIT NUMBER		REFERENCE OR PAGE
(2)	Plan of acquisition, reorganization, arrangement, liquidation or succession	Not applicable.
(3)	Articles of Incorporation and By-Laws	
	Restatement of Charter of McCormick & Company, Incorporated dated April 16, 1990	Incorporated by reference from Registration Form S-8, Registration No. 33-39582 as filed with the Securities and Exchange Commission on March 25, 1991.
	Articles of Amendment to Charter of McCormick & Company, Incorporated dated April 1, 1992	Incorporated by reference from Registration Form S-8 Registration Statement No. 33-59842 as filed with the Securities and Exchange Commission on March 19, 1993.
	By-laws of McCormick & Company, Incorporated—Restated and Amended as of June 17, 1996	Incorporated by reference from Registrant's Form 10-Q for the quarter ended May 31, 1996 as filed with the Securities and Exchange Commission on July 12, 1996.
(4)	Instruments defining the rights of security holders, including indentures	With respect to rights of holders of equity securities, see Exhibit 3 (Restatement of Charter) and the Summary of Certain Exchange Rights, a copy of which was attached as Exhibit 4.1 of the Registrant's Form 10-Q for the quarter ended August 31, 2001 as filed with the Securities and Exchange Commission on October 12, 2001, which report is incorporated by reference. No instrument of Registrant with respect to long-term debt involves an amount of authorized securities which exceeds 10 percent of the total assets of the Registrant and its subsidiaries on a consolidated basis. Registrant agrees to furnish a copy of any such instrument upon request of the Commission.
(9)	Voting Trust Agreement	Not applicable.
(10)	Material Contracts	

i) Registrant's supplemental pension plan for certain senior officers, as amended and restated effective June 19, 2001, is described in the McCormick Supplemental Executive Retirement Plan, a copy of which was attached as Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended August 31, 2001, as filed with the Securities and Exchange Commission on October 12, 2001, which report is incorporated by reference.

ii) Stock option plans, in which directors, officers and certain other management employees participate, are described in Registrant's S-8 Registration Statement No. 333-57590 as filed with the Securities and Exchange Commission on March 25, 2001, which statement is incorporated by reference.

iii) The 2002 McCormick Mid-Term Incentive Plan provided to a limited number of senior executives, is described on pages 23 through 31 of the Registrant's definitive Proxy Statement dated February 15, 2002, as filed with the Commission on February 15, 2002, which pages are incorporated by reference.

iv) Directors' Non-Qualified Stock Option Plan provided to members of the Registrant's Board of Directors who are not also employees of the Registrant, is described in Registrant's S-8 Registration Statement No. 333-74963 as filed with the Securities and Exchange Commission on March 24, 1999, which statement is incorporated by reference.

(v) The Deferred Compensation Plan in which directors, officers and certain other management employees participate, is described in the Registrant's S-8 Registration Statement No. 333-93231 as filed with the Securities and Exchange Commission on December 12, 1999, which statement is incorporated by reference.

(vi) Stock Purchase Agreement among the Registrant, Eridania Beghin-Say and Compagnie Francaise de Sucrerie—CFS, dated August 31, 2000, which agreement is incorporated by reference from Registrant's Report on Form 8-K, as filed with the Securities and Exchange Commission on September 15, 2000, as amended on Form 8-K/A filed with the Securities and Exchange Commission on November 14, 2000.

(11)	Statement re computation of per-share earnings	Footnote 11 on page 43 of Exhibit 13.
(12)	Statements re computation of ratios	Pages 22 and 26 through 27 of Exhibit 13.

(13)	Annual Report to Security Holders	
	McCormick & Company, Incorporated Annual Report to Stockholders for 2001	Submitted in electronic format.
(16)	Letter re change in certifying accountant	Not applicable.
(18)	Letter re change in accounting principles	Not applicable.
(21)	Subsidiaries of the Registrant	Page 46 of Exhibit 13.
(22)	Published report regarding matters submitted to vote of securities holders	Not applicable.
(23)	Consent of independent auditors	Page 16 of this Report on Form 10-K.
(24)	Power of attorney	Not applicable.
(27)	Financial Data Schedule	Not required.
(99)	Additional exhibits	Registrant's definitive Proxy Statement dated February 15, 2002

QuickLinks

NUMBER OF SHARES OUTSTANDING
DOCUMENTS INCORPORATED BY REFERENCE
PART I
PART II
PART III
PART IV
SIGNATURES
McCORMICK & COMPANY, INCORPORATED
SIGNATURES
McCORMICK & COMPANY, INCORPORATED TABLE OF CONTENTS AND RELATED INFORMATION
McCORMICK & COMPANY, INCORPORATED VALUATION AND QUALIFYING ACCOUNTS (IN MILLIONS) .McCORMICK & COMPANY, INCORPORATED VALUATION AND QUALIFYING ACCOUNTS (IN MILLIONS)
EXHIBIT INDEX

People Products Growth
[McCORMICK LOGO] McCORMICK & COMPANY 2001 ANNUAL REPORT

CONTENTS

1 Letter to Shareholders
5 Financial Highlights
6 Report on Operations
20 A Spirit of Community
22 Management's Discussion and Analysis
31 Historical Financial Summary
32 Report of Management
32 Report of Independent Auditors
33 Consolidated Statement of Income
34 Consolidated Balance Sheet
35 Consolidated Statement of Cash Flows
36 Consolidated Statement of Shareholders' Equity
37 Notes to Consolidated Financial Statements
46 McCormick Worldwide
47 Investor Information
48 Corporate Officers
49 Board of Directors

OUR MISSION

The primary mission of McCormick & Company is to profitably expand its worldwide leadership position in the spice, seasoning and flavoring markets.

COMPANY DESCRIPTION

McCormick is the global leader in the manufacture, marketing and distribution of spices, seasonings and flavors to the entire food industry. Customers range from retail outlets and food service providers to food processing businesses. In addition, our packaging group manufactures and markets plastic bottles and tubes for the food, personal care and other industries. Founded in 1889 and built on a culture of Multiple Management, McCormick has approximately 8,400 employees.

ANNUAL MEETING

The annual meeting will be held at 10 a.m., Wednesday, March 20, 2002, at Marriott's Hunt Valley Inn, 245 Shawan Road (EXIT 20A OFF I-83 NORTH OF BALTIMORE), Hunt Valley, Maryland 21031.

CHINESE FIVE-SPICE

Centuries ago in China, it was believed that the universe was composed of a fine balance of five elements: water, metal, wood, fire and earth. This notion of balance resonated throughout many aspects of Chinese life, including cooking. Chinese Five-Spice embodies this philosophy as it balances equal parts anise, Szechuan peppercorn, cinnamon, cloves and fennel seed into a blend that is pungent, fragrant, hot and slightly sweet - all at once. This year's annual report is scented with Chinese Five-Spice.

LETTER TO SHAREHOLDERS

TOTAL SHAREHOLDER RETURN
Includes Dividends
[GRAPH]

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 MKC
 S&P
FOOD
 S&P
500 --
------
------
------
------
------
------
------
 -- 1
year
18.29%
```

3.13%
-12.24%
3 year
11.30%
-0.69%
0.16%
10
year
9.94%
10.43%
14.04%

Fiscal 2001 was a year of success and achievement for McCormick. We continued our solid financial performance, with four more quarters of strong sales and outstanding earnings growth. We successfully integrated Ducros, our largest acquisition ever. Our strategies for growth generated strong momentum. And, most importantly, we provided our shareholders with a solid return on their investment.

During 2001, in the midst of a softening global economy, the world was struck by the tragic events of September 11th. All of us at McCormick are saddened at the loss of so many lives and extend our sympathy to the many families affected by the attacks. These events resulted in severe financial problems in many industries, and a marked downturn in worldwide economic growth and stability. While our financial results were not significantly impacted, we operate today in a less certain environment.

Despite the uncertainty, we have no doubt that we will continue to move forward. Many factors have combined to give us a strong foundation for growth, but three in particular stand out: the talents and dedication of our employees; the loyalty and confidence of our many customers around the world; and the support of shareholders who believe in the Company.

SOLID FINANCIAL PERFORMANCE

As shown on page 5, net sales in 2001 rose 12%, gross profit margin reached 41%, and earnings per share, excluding special charges, increased 11%. This financial performance was among the best in the food industry. We also improved our debt-to-total-capital from a year earlier and raised our quarterly dividend by 5%. Our dividend, combined with our higher stock price at year-end, provided a total return to shareholders of 18% for the year.

Including fiscal 2001, McCormick has now achieved:

- 12 consecutive quarters of meeting or exceeding Wall Street earnings estimates
- Five consecutive years of increased economic value added
- 15 consecutive years of dividend increases (and 77 consecutive years of dividend payments)

While the year 2001 was another record year for McCormick, the U.S. and global economies did not fare as well. Recognizing that we are not immune to the impact of these difficult financial times on our customers and consumers, the Company formalized a plan to more rapidly streamline its operations to meet the challenges that we and all companies will face in 2002 and beyond. A more complete description can be found on pages 27 and 28.

SEGMENT RESULTS

The consumer business achieved continued growth in sales volume and profitability. We increased sales of our branded products through effective promotion, advertising and merchandising and through the introduction of new products. In the U.S., we relaunched our gourmet product line to improve our competitive position. In France, we strengthened same-store sales by implementing a new merchandising system. And in China, we continued to penetrate new cities to expand the availability of the McCormick brand.

Our industrial business had an excellent year. We developed the flavors for several successful new product launches for our restaurant and snack food customers. Sales of U.S. snack seasonings grew 12%. With a 21% increase in 2001 sales, China now accounts for 4% of sales for this segment. Once again, our profit margins improved as we sold more value-added, technically superior products.

In 2001, our packaging business was impacted by the softening economy which caused a dramatic decline in demand for many of our customers' products, particularly in the personal care industry. We have taken appropriate actions to adjust our cost structure to the lower demand. We are also vigorously pursuing new business with targeted accounts.

KEY AREAS OF FOCUS IN 2001

We focused our resources on three primary initiatives in 2001: Ducros, Beyond 2000 (B2K) and new product innovation.

In August 2000, we acquired Ducros S.A., the leading spice business in Europe. Ducros was the largest acquisition in the history of the Company, and a successful integration was essential. At the time of the acquisition, we determined that a realignment of our manufacturing facilities in France and the U.K. would provide greater efficiency and reduce costs. Today, consumer products for the European market are manufactured primarily in our facilities in France, while industrial production is located in the U.K. Projects to improve procurement and other functions are under way and will yield further cost reductions. We are pleased with the progress of the integration and the financial results for Ducros in 2001. As we move forward, we are approaching Europe as an integrated market. Our prospects for future growth in this market are excellent.

B2K is a global initiative designed to improve our business processes and support those processes with state-of-the-art information technology. Through B2K we will link different parts of our business with an integrated system, provide broader access to information, standardize processes and empower our employees. We have put together a team of more than 200 employees and consultants who are working full-time to ensure a successful outcome. Following extensive training of employees, two of our operating units will begin to use the new technology and processes in mid-year 2002. Other major operating units will adopt B2K processes over the following two years. We are excited about the increased efficiencies and deeper business knowledge that will result from this effort. B2K creates a platform for future profit improvement, better working capital management and enhanced relationships with our trading partners on a global scale.

BOB LAWLESS WITH ROD GORDON, PLANT MANAGER OF McCORMICK'S HUNT VALLEY PLANT

[photo]

Product innovation at McCormick begins with the identification of consumer trends and interests. We track the latest flavors and most popular dishes. We even examine food preparation and cooking methods. Taste is paramount. A PARADE MAGAZINE survey, published in November 2001, reported that 82% of consumers say that taste - not cost - determines which foods they purchase and prepare. Our ability to identify flavors that consumers prefer benefits both our consumer and industrial businesses. In 2001, 11% of our net sales came from new products developed in the last three years.

CREATING MOMENTUM

An important source of our success is our growth strategy, which creates the momentum needed to continue moving McCormick forward. This strategy focuses on four objectives:

- improve margins in every segment
- deliver preferred flavors
- partner with customers to grow both sales and profits
- invest in acquisitions

Margin improvement is a key driver of our success. After falling to a low of 34.5% in 1998, gross profit margin has risen steadily, reaching a record 40.9% in 2001. We have accomplished this improvement by increasing sales of higher-margin, value-added products. We also have reduced costs - through customer and product segmentation; lower-cost procurement of materials and services on a more global basis; use of trading exchanges in areas such as logistics; and vigilance in expense containment. B2K will enable us to further increase gross profit and operating profit margins over the next several years. Besides leading to higher earnings, margin improvement through B2K and other initiatives will provide the funds for future investment in new product development, brand marketing and acquisitions.

We recently coined the phrase "consumer-preferred flavors." The phrase sums up our ability to identify and deliver flavors that consumers like best, and it applies to both our consumer and industrial businesses. In our consumer business, this ability guides our investment in new products and in existing products that have the potential for future growth. In our industrial business, we expand our flavor ability through our Technical Innovation Center. While our sensory capabilities are already well recognized and among the best in the industry, we have been investing in staff, equipment and facilities at the Center to make them even better.

In our consumer business, we form sales-based supply contracts with our customers in several key markets. These agreements reinforce our position as category leader and make higher sales a shared objective. In our industrial business, we have built many long-term relationships in which we play an increasingly important role in developing the next blockbuster snack seasoning, sandwich sauce or beverage flavor. Across all of our businesses, we have the skills, determination, market knowledge and resources to create partnerships in which McCormick and its customers can enjoy success.

OUR CORE VALUES

- ------------------------------------
WE BELIEVE...

OUR PEOPLE ARE THE MOST IMPORTANT
INGREDIENT OF OUR SUCCESS.

OUR TOP PRIORITY IS TO CONTINUOUSLY
ADD VALUE FOR OUR SHAREHOLDERS.

CUSTOMERS ARE THE REASON WE EXIST.

OUR BUSINESS MUST BE CONDUCTED
HONESTLY AND ETHICALLY.

THE BEST WAY TO ACHIEVE OUR GOALS
IS THROUGH TEAMWORK.

Acquisitions remain an important component of our growth strategy. We currently see many opportunities to acquire a brand or product or add a technical capability that will build our leadership position in our categories. We are actively reviewing such opportunities.

In all aspects of our growth strategy, effective execution is key. We recognize this reality and are supporting our strategy with sound programs that are well-defined and measurable.

MANAGEMENT CHANGES

During the past year, we elected a new Board member: Dr. Michael Fitzpatrick, President and Chief Operating Officer of Rohm and Haas Company. Two corporate officers retired: Al Anderson, Senior Vice President, in April 2001; and Randy Jensen, Vice President - Operations Resources, in January 2002. We thank Al and Randy for their years of service and their contributions to the prosperity of our Company. Mike Navarre was named Vice President - Operations.

A POSITIVE OUTLOOK

Interest in flavors continues to expand, and flavors are the essence of what McCormick delivers. Our portfolio of strong brands and industrial products has created a platform for continuous growth through internal product development and acquisitions. As we optimize our supply chain, we are generating higher earnings and providing funds for future investment. Our employees contribute to the favorable outlook as well. They are among the most talented in the industry, and our emphasis on continued professional development helps them maintain that edge.

We believe it is important to communicate to our shareholders our specific financial objectives for the coming year. Our goals for 2002 include sales growth of 4-6%, consistent with our long-term objective for annual sales growth. We also expect to increase earnings per share 9-11%, slightly below our long-term objective of 10-12% per year. We have moderated our expectations for the current year as a result of a less certain economic outlook, the anticipation of higher expenses including benefit costs, and our commitment to continue our investment in B2K, brand marketing and other growth initiatives.

We all know that competition is fierce, but we wouldn't have it any other way. Tough competition requires ongoing improvement - higher levels of research and development, better systems and processes and investment in continuous training. We have responded in all these areas. We have also worked hard to build long-term relationships with prominent customers. We believe we have the right strategy for growth and the ability to achieve superior financial performance.

I am proud of our Company and have the utmost confidence in our ability to deliver increased value to McCormick shareholders.

/S/ ROBERT J. LAWLESS
ROBERT J. LAWLESS, CHAIRMAN, PRESIDENT & CEO

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED NOVEMBER 30 (MILLIONS EXCEPT PER SHARE DATA)	2001	2000	% change
AS REPORTED:			
Net sales	$ 2,372.3	$ 2,123.5	11.7%
Gross profit margin	40.9 %	37.9 %	
Operating income	$ 240.6	$ 225.0	6.9%
Net income	146.6	137.5	6.6%
Earnings per share - assuming dilution	2.09	1.98	5.6%
Dividends paid per share	$ .80	$ .76	5.3%
Market price per share -			

close
43.00
37.25
15.4%
Average
shares
outstanding
- assuming
dilution
70.1 69.6
.7% - ----

---- OTHER
PERFORMANCE
MEASURES:
- --------

Excluding
special
charges:
Gross
profit
margin
41.0 %
37.9%
Operating
income $
252.3 $
226.1
11.6% Net
income
154.3
138.3
11.6%
Earnings
per share
- assuming
dilution
2.20 1.99
10.6%
Economic
value
added
(EVA) 78.7
68.2 15.4%
- --------

See page 22 for definition of "Other Performance Measures."

NET SALES
IN BILLIONS

1997
1998
1999
2000
2001 -


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1,801.0
1,881.1
2,006.9
2,123.5
2,372.3
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                                                       EARNINGS PER SHARE -
                                                        ASSUMING DILUTION
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 1997
 1998
 1999
 2000
 2001
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  -
$1.30
$1.41
$1.43
$1.98
$2.09
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                                                       ECONOMIC VALUE ADDED
                                                           IN MILLIONS
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1997
1998
1999
2000
2001
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 ---
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  -
23.4
33.1
42.3
68.2
78.7
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REPORT ON OPERATIONS

RECORD SALES & PROFITS

As in previous years, the Company in 2001, set specific financial goals for net sales, gross profit margin and earnings per share. The goals are shown in the table below.

Net sales growth was 11.7%. Excluding the impact of foreign exchange, sales increased 13.2%. When the incremental sales from Ducros in the first three quarters is also excluded, the increase achieved was 3.8%. Foreign exchange in 2001 was primarily impacted by currencies in the U.K., France, Australia and Canada. Higher volumes were the primary driver of sales growth, with a lower contribution from product mix and pricing.

Sales rose 20.3% in our consumer business due to the addition of Ducros and growth in many primary markets. In the industrial business, sales increased 4.8% with gains from Ducros and key customer groups - restaurants, warehouse clubs and food processors. Our packaging business experienced softness in the second half of 2001, when its cosmetic and personal care customers experienced reduced demand for their products. Packaging sales for the year increased 0.9%.

Gross profit margin has exceeded our targets for three years in a row. The 2001 gross profit margin was 40.9%, an increase of 300 basis points over the 37.9% gross profit margin achieved in 2000. Approximately two-thirds of this improvement was due to the acquisition of Ducros, which has a higher gross profit margin (offset in part by higher operating expenses). Since 1998, we have increased gross profit margin by 640 basis points. We have achieved the bulk of this increase through cost reduction initiatives and a shift in product mix to more value-added, higher-margin products. Cost reduction initiatives under way include procurement on a more global basis, supplier rationalization, effective customer and product segmentation, capital expenditures to improve efficiencies, and careful control of expenses. The shift to more value-added, higher-margin products has been aided by the acquisition of Ducros and the introduction of successful new products in our industrial business.

At the end of 2001, we identified several actions that would streamline operations and improve profitability. Accordingly, we recorded special charges of $11.7 million in the fourth quarter. We expect to

	GOAL	ACHIEVED
Net Sales Growth	12-14%	13.2% (1)
Gross Profit Margin	40%	41.0% (2)
Earnings Per Share Growth	8-10%	10.6% (2)

(1) EXCLUDES THE EFFECT OF FOREIGN CURRENCY EXCHANGE.
(2) EXCLUDES SPECIAL CHARGES. SEE FINANCIAL HIGHLIGHTS ON PAGE 5.

GROSS PROFIT MARGIN

1997
1998
1999

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 2000
 2001
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-----
-----
-----
-----
-----
-----
  -
Goals
35.5%
36.7%
40.0%
Actual
34.9%
34.5%
35.7%
37.9%
40.9%
```

McCORMICK HAS EXCEEDED ITS GOAL FOR GROSS PROFIT MARGIN IMPROVEMENT IN EACH OF THE LAST THREE YEARS

BEYOND 2000:
FUEL FOR GROWTH

Beyond 2000 (B2K) is a global initiative designed to improve our business processes and support those processes with state-of-the-art information technology.

B2K will improve profitability and allow us to invest in programs to grow sales and margins. It is our "fuel for growth."

To ensure a successful outcome, McCormick has more than 200 key employees and consultants dedicated to this effort. The Company is providing the necessary capital for the project and also ample time, spreading the implementation of B2K over several years.

Employees like Denise Layfield are full-time members of the B2K team. Denise has built an expertise in production and logistics during her 25-year career at McCormick.

"The change in processes and technology from B2K will provide the infrastructure and tools to optimize our supply chain, reducing cost and improving inventory efficiency."

DENISE LAYFIELD, DIRECTOR - SUPPLY CHAIN STRATEGY   [PHOTO]

DENISE IS WORKING WITH BOTH McCORMICK EMPLOYEES AND CONSULTANTS ON B2K TO IMPROVE PROCESSES AND INCREASE PROFITABILITY.

record an additional $20.9 million of charges in 2002. These charges relate to costs associated with the streamlining actions, which include facility consolidations, other workforce reductions and reorganization of several joint ventures.

The fourth quarter of 2001 was our 12th consecutive quarter of meeting or exceeding Wall Street estimates for earnings per share. As projected early in 2001, the Ducros acquisition resulted in 10(cent) dilution per share. Excluding the impact of special charges, earnings per share increased 10.6% for the year. The strong gain in earnings was due to the increases in sales and gross profit margin as well as a lower tax rate, lower interest rates and outstanding results from our unconsolidated operations. These improvements also enabled us to fund initiatives such as B2K.

We achieved improvements in other key financial measures as well. We reduced our debt-to-total-capital ratio to 58.3% at November 30, 2001, from 65.8% a year earlier. We expect to reach a 45-55% level early in 2003, although future acquisitions could alter this projection. Economic value added (EVA) for 2001 rose to $78.7 million from $68.2 million in 2000.

PROMISING GROWTH PROSPECTS

The Company's strategies for growing sales include promoting existing brands and introducing new products. We focus our marketing resources on those branded products that offer convenience and taste. This approach has resulted in sales gains of over 20% on certain product lines. We also apply our superior sensory capabilities to develop and deliver consumer-preferred flavors. This is particularly important in our industrial business, where our customers are actively seeking new flavors for their products. In Europe, the addition of Ducros has created a platform for sales growth. And in China, we are growing with our industrial customers and moving into additional regions to supply our branded products to consumers. With these varied opportunities for growth, we expect to achieve long-term annual sales increases of 4-6% with increased volume of current products, the addition of new products, success in new distribution and pricing actions.

WE RELAUNCHED OUR CONSUMER WEB SITE AT WWW.MCCORMICK.COM IN 2001. IN ADDITION TO OUR LARGE RECIPE DATABASE AND EXTENSIVE PRODUCT INFORMATION, OUR WEB SITE OFFERS INTERACTIVE FEATURES SUCH AS E-MAIL NEWSLETTERS, PERSONALIZED RECIPE RECOMMENDATIONS, SWEEPSTAKES AND BULLETIN BOARDS ON SEASONAL TOPICS. CONSUMER REACTION HAS BEEN VERY FAVORABLE. WITH THE DRAMATIC GROWTH IN OUR SITE TRAFFIC AND EXPANDED CONSUMER DATABASE, WE HAVE IMPROVED OUR ABILITY TO COMMUNICATE WITH CONSUMERS IN A TARGETED, PERSONALIZED WAY.

[graphic]

2001 NET SALES

Spices & Herbs	37%
Value-Added	63%

MORE THAN 60% OF SALES IN 2001 WERE VALUE-ADDED PRODUCTS.

DUCROS:
A PLATFORM FOR GROWTH

In August 2000, McCormick acquired Ducros S.A., the number one consumer spice and herb company in Europe and the second largest spice company worldwide.

This was the largest acquisition in the history of the Company. The objective was to create a platform for growth in Europe, and a successful integration was a top priority in 2001.

Through five quarters, the financial results of Ducros have met expectations and the integration has proceeded well. Manufacturing facilities have been realigned, with production centered in France for consumer products and in the U.K. for industrial products.

Vital to this particular effort was Hubert Lacote, a Ducros employee responsible for the packaging engineering during the realignment of plants.

"We at Ducros are pleased to be fully participating in projects such as the plant realignment, as well as the ongoing, daily operation of the business."

HUBERT LACOTE, ENGINEERING MANAGER

HUBERT WORKED WITH OTHER EMPLOYEES IN FRANCE AND THE U.K. TO REALIGN OUR EUROPEAN PRODUCTION FACILITIES IN 2001. AS A RESULT OF THEIR EFFORTS, WE HAVE INCREASED EFFICIENCY AND ARE WELL-POSITIONED TO SUPPLY OUR CUSTOMERS.

[photo]

Gross profit margin will continue to rise as we introduce more value-added, higher-margin products into our product mix. In the supply chain area, we have accelerated our global approach to procurement across our worldwide businesses, and have begun other initiatives to improve our efficiency internally and also externally with customers and suppliers. Across all of our operations, we will continue to be vigilant in controlling expenses.

One of our greatest opportunities for margin gains lies in a strategic initiative we call Beyond 2000 (B2K). Begun in late 1999, B2K is a global program of business process improvement enabled by state-of-the-art information technology. This program will optimize our supply chain, reengineer our back office processes, strengthen our product development and extend collaboration with our trading partners. Two of our operating units will begin to use the new technology and processes in mid-year 2002. Other major operating units will convert over the following two years. B2K will not only enhance our ability to deliver profitable growth and optimize working capital, but will also create the eBusiness capabilities that our world-class customers will require.

We are confident that these initiatives will enable us to increase gross profit and operating profit margins further. For 2002, our objective is to increase gross profit margin by 50-75 basis points.

Long-term, we expect the increases in sales and profit margin to grow annual earnings per share by 10-12%. Our goal in 2002 is to increase earnings per share (excluding special charges) by 9-11%. We have lowered the objective for 2002, in anticipation of incremental costs associated with the implementation of B2K and due to the state of the economy. Acquisitions will continue to be part of our growth plan; they will extend our product range and geographic reach by adding leading brands and strategic industrial businesses.

We believe that our strategies for growth are effective and sustainable, and that we have talented people who are well placed and highly motivated. We foster their talents and motivation through career development opportunities, focused training and appropriate incentives. Team structure, open dialogue and employee participation through our Multiple Management program encourage the exchange of ideas and promote excellence in performance.

Our financial results in recent years have been among the best in the food industry. We believe that the outlook for the Company continues to be favorable. Our products and people have us well positioned for future growth; we have the right growth strategies in place; and we are committed to the creation of shareholder value.

[photo]

REPORT ON OPERATIONS
CONSUMER BUSINESS

McCormick's consumer business provides spices, herbs, extracts, proprietary seasoning blends, sauces and marinades to retail outlets such as grocery, drug and mass merchandise stores. We have operations in North America, Central America, Europe, Australia and China. Joint ventures are located in the U.S., Mexico, France, the Philippines and Japan. From these operations, our consumer products are sold throughout the world.

In 2001, net sales for the consumer business grew 20.3% over 2000. Excluding the impact of foreign exchange, sales increased 22.0%. When the incremental impact of Ducros for the first three quarters is also excluded, net sales grew 4.1%. Excluding only special charges, operating income grew 5.9%. Primarily due to the lower operating margin of the Ducros business, operating income, excluding special charges, as a percent of net sales decreased to 14.0% from 15.9% in 2000.

MARKET OVERVIEW

Interest in bold flavors and exotic varieties is increasing. One indication is that consumers are purchasing more spices and herbs. In all of our primary markets, spices and herbs sold through retail outlets increased in 2001. The most significant increases were in the U.K. and France (+6%), Canada (+8%) and Australia (+7%).

We are increasing sales by introducing exciting new products and by improving the promotion, advertising and merchandising of our branded products. McCormick offers a full line of branded products which competes with other national brands, regional brands and private label products. Due to customer preference, McCormick is often the only national brand in a store. Additionally, McCormick is often the supplier of choice for the private label products.

McCormick has the leading retail branded share in many geographic markets, including the U.S., Canada, U.K., France, Belgium, Spain, Portugal, China and other smaller markets. McCormick's branded share in the U.S. and Canada exceeds 40% and 50%, respectively, and in the U.K. and France, it exceeds 35% and 55%, respectively.

The retail industry has consolidated in markets around the world, creating larger customers. Efforts by these retailers to reduce inventory in the distribution system had a modest impact on our sales in 2001. Such efforts are still under way. Nevertheless, we continue to benefit from strong relationships with our customers. We have built those relationships by applying our category management, product development and promotional capabilities. We also benefit from multi-year, sales-based customer supply contracts in several key markets. These contracts, which often include the supply of private label products, make growing sales a shared objective.

[Photograph]

2001 NET SALES

Americas	59%
Europe	37%
Asia/Pacific	4%

OPERATING PROFIT

(Excluding special charges)
IN MILLIONS

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 1999
 2000
 2001
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137.0
157.7
167.0
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2001 PERFORMANCE HIGHLIGHTS

- NEW PRODUCTS BUILD SALES. New products launched in the last three years accounted for 7% of McCormick's 2001 consumer business sales.

- GOURMET LINE REVITALIZED IN U.S. Cooking programs on cable networks have helped to drive the demand for exotic new spices and blends. To meet that demand, in 2001 we relaunched our gourmet line with new products, attractive labels and recipe ideas.

- BETTER MERCHANDISING IN FRANCE. We rolled out a new in-store display system and introduced 26 new items in France last year. The system, which features a more consumer-focused layout, is now being used by the majority of our key accounts. Initial consumer reaction has been very positive.

- DISTRIBUTION GAINS IN CANADA. As of June 2001, our products became available in all major Canadian food chains, bringing our market share above 50%.

- RAPID GROWTH IN CHINA. The number of cities where McCormick product is available increased 30% in 2001. This broader distribution, together with product promotion and new items, increased sales in our consumer business in China by 16%.

STRATEGY AND OUTLOOK

McCormick's goal for its consumer business is to profitably grow branded sales volume in markets around the world. The Company will accomplish this through VALUE PRICING; EFFECTIVE USE OF PROMOTIONS, ADVERTISING AND MERCHANDISING; NEW PRODUCT DEVELOPMENT; AND STRATEGIC ACQUISITIONS.

In the U.S., the Company continues to achieve volume gains through the Quest program, a pricing and promotional initiative between McCormick and its customers. The program, which has been rolled out to most of McCormick's retail customers, provides pricing for key items that is net of certain discounts and allowances. The goal of the program is to enable customers to benefit through higher volumes and consumers to benefit through better price value.

In markets around the world, we are focusing our promotional, advertising and merchandising efforts on products with the highest growth potential. We can achieve excellent growth

[Photograph]

2001 NET SALES

New Products	7%
(untitled)	93%

NEW PRODUCTS LAUNCHED IN THE LAST THREE YEARS ACCOUNTED FOR 7% OF 2001 CONSUMER BUSINESS SALES.

CHINA:
RAPID SALES GROWTH

Sales in China, while still a small part of McCormick's consumer business, have grown at a compound annual rate of 11% in the last five years.

The McCormick brand in China includes spices and herbs, seasoning mixes, ketchup, soy sauce, gelatin, ice cream toppings and jams.

In China, more than 30 cities have a population exceeding one million. In 2001, the number of cities where our products are distributed increased by 30%.

Zhuang Hong is pictured here in a local grocery store. A regional sales manager based in Beijing, Zhuang was instrumental in achieving this rapid expansion.

"Our products are popular with consumers and the opportunity for growth in China is enormous. The government-sponsored National Seasoning Association of China selected McCormick from among 2,000 companies operating in the country, as one of the top 20 seasoning providers."

[Photograph] ZHUANG HONG, REGIONAL SALES MANAGER FOR NORTHERN CHINA

THROUGH THE EFFORTS OF ZHUANG AND McCORMICK'S ENTIRE SALES FORCE IN CHINA, WE INCREASED BY 30% THE NUMBER OF CITIES WHERE OUR PRODUCTS ARE DISTRIBUTED IN THAT COUNTRY.

[Photograph]

by increasing consumer awareness of products that offer great flavor and convenience. Examples of such growth in 2001 included sales increases of nearly 20% for GRILL MATES(R) in the U.S.; of 153% for SIMPLY SEAFOOD(R) in Australia; and of 26% for ONE-STEP SEASONING(TM) in Canada. Over the last five years we have increased the level of brand marketing spending and improved our market knowledge to better leverage this spending to drive sales.

New products add vitality and excitement to our product lines. Resources invested in product development, launches and support turn promising ideas into marketplace successes. McCormick vigorously monitors flavor trends, cooking styles and consumer habits in order to design new products that respond to consumers' desire for delicious flavor and convenient, simple meal preparation.

We will also grow our consumer business by acquiring leading brands that bring us new types of flavors or that extend our reach into new geographic markets. Examples of new flavors might include a hot sauce, unique seasoning or zesty spread. The acquisition of leading brands in new markets will enable us to become a global supplier for our global retail customers.

The outlook for our consumer business is promising. We have strong retail customer relationships, a leading share in key markets and brands that are well recognized by both customers and consumers. Our strategies to grow sales are effective. We are confident that we will achieve sales growth and higher profits for our consumer business in 2002 and beyond.

CONSUMER BRANDS
McCormick
Golden Dipt
Produce Partners
Old Bay
Mojave
Club House
Schwartz
Ducros
Vahine
Aeroplane
Keen's
Cake Mate

REPORT ON OPERATIONS
INDUSTRIAL BUSINESS

McCormick's industrial business supplies products from North America, Europe and the Asia/Pacific region to markets worldwide. Our customers include food processors, restaurant chains, distributors and warehouse clubs. Products include spices, blended seasonings, condiments, coatings and compound flavors. While the McCormick name may not be on the food package, our products are in a wide range of snack foods, savory side dishes, desserts, beverages, confectionery items, cereals, baked goods and more.

Net sales growth was 4.8% in 2001. Excluding the impact of foreign exchange, sales increased 6.3%. When the incremental impact of Ducros for the first three quarters is also excluded, sales grew 4.1%. Volume growth was achieved in key areas of the business, including blended seasonings sold to food processors and food service products sold to warehouse clubs. Direct sales to restaurants also grew, recovering from a difficult year in 2000; the sales increase was spurred by several new products that were popular menu items for our customers. Excluding special charges, operating income increased 21.0%, and operating income as a percent of net sales increased to 9.6% from 8.3% in 2000. This outstanding improvement was a result of sales growth as well as a gain in gross profit margin. Contributing to the margin gain were cost reductions, favorable prices for raw materials and a shift in sales to higher-margin, more value-added products.

MARKET OVERVIEW

Consumer interest in new and exciting flavors continues to grow. Whether people are ordering a meal at a casual restaurant, buying a frozen dinner to microwave at home, or choosing a snack from a vending machine, flavor drives their purchase decision. Trends driving an increase in demand for flavor include the use of more fortified and functional foods (which require higher flavor "loading" to enhance palatability) and a continuing move to convenience foods (which require flavor to replace taste lost during processing).

The primary customers for industrial flavors are prominent food companies, growing through global expansion and mergers and acquisitions. These companies actively manage their supply chain and carefully manage price and inventory with suppliers. A trend among these customers toward outsourcing a portion of their product development creates a need for suppliers with superior development, culinary and sensory skills, and dependable product delivery. We believe that we are one of the best in the industry at meeting these needs.

McCormick is the leading supplier of blended seasonings and spices to U.S. food processors, with a market share of

2001 NET SALES

Americas	78%
Europe	15%
Asia/Pacific	7%

OPERATING PROFIT
(Excluding special charges)

IN MILLIONS

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1999
2000
2001
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  -
74.3
79.0
95.6
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TECHNICAL INNOVATION CENTER: VALUE-ADDED PRODUCT DEVELOPMENT

A major requirement of our industrial customers is product innovation. New flavor systems are vital to our success - flavors for everything from snack chips to beverages, salad dressings to chicken.

We begin with our knowledge of emerging eating trends, work through product development and conclude by applying our superior sensory capabilities. As a result, we deliver to our customers integrated products that are winners with consumers. To sum up this capability, McCormick coined the term "consumer-preferred flavors."

In the photograph below, Anna Kanno is evaluating a coatings product developed for one of the restaurant chains that McCormick supplies.

"We have the resources in the U.S. and around the world, committed to world-class research and development capabilities. These capabilities make us and our customers successful."

ANNA KANNO, FOOD TECHNOLOGIST [PHOTO]

ANNA DEVELOPS PRODUCTS FOR RESTAURANTS. OUR INDUSTRIAL CUSTOMERS LOOK TO MCCORMICK FOR INNOVATIVE FLAVORS THAT WILL BE "WINNERS" WITH CONSUMERS.

almost 50%. We also have the leading share of spice and seasoning sales to distributors and to warehouse clubs. In compound and processed flavors, we are currently small in size when compared to the largest suppliers, but have achieved a rapid increase in our share.

While competition in the industrial business is strong, we enjoy an advantage because of our ability to provide a wide range of customized flavor solutions to our customers.

2001 PERFORMANCE HIGHLIGHTS

o SUCCESS WITH NEW PRODUCTS. New products launched in the last three years accounted for 15% of 2001 sales in the industrial business.

o CONTINUED WINS IN SNACK SEASONING PRODUCTS. U.S. sales of these products grew 12%, following 10% growth in 2000. This was accomplished through new products and partnerships with strategic customers.

o REBOUND IN SALES TO RESTAURANTS. Direct sales to restaurant chains were up 8% in the U.S., despite a difficult market environment.

o RECOGNITION AS PREMIER SUPPLIER. In 2001, we were recognized by a major broadline distributor and a leading casual dining chain for our ability to deliver winning products and to excel in service.

o ACTIONS TO INCREASE MARGIN. Excluding special charges, operating profit margin improved to 9.6% from 8.3%. A key factor in this increase was our shift to more higher-margin, value-added products.

STRATEGY AND OUTLOOK

In our industrial business, we are developing and delivering the flavors that consumers prefer. Our primary strategies are to grow by DEVELOPING NEW PRODUCTS; STRENGTHENING CUSTOMER RELATIONSHIPS; AND MAKING STRATEGIC ACQUISITIONS.

New product success is essential in this business, where product turnover is rapid. Our involvement in every step of product development - from thorough trend analysis to superior sensory testing - is increasing our ability to create winning products for our customers. As customer reliance on McCormick for product development has increased, we have increased our resources and capabilities. We have a number of promising new products in the pipeline for 2002.

McCormick is committed to building upon its reputation as a premier supplier. Whether the customer is a restaurant chain, food processor, distributor or warehouse club, the ability to consistently deliver a cost effective, high-quality product on time is essential. We will reach a higher level of technological sophistication with the upcoming implementation of our B2K program.

2001 NET SALES

New Products	15%
(untitled)	85%

New products launched in the last three years accounted for 15% of 2001 sales in the industrial business.

In August 2000, the Ducros acquisition created a broader European platform that enables us to better serve our global customers. Our customers are also growing through acquisitions, extending their products and market areas. In anticipation of increased opportunities to supply our customers, we will continue to expand our product capabilities and geographic reach. We look to future strategic acquisitions as a way to meet this objective.

The economic softness in the U.S. and international markets creates a challenging environment for our industrial business. The restaurant industry is under pressure to maintain customer traffic and has pressured suppliers to reduce product cost. Food processors with recent acquisitions are expected to report synergies - typically, the kind that involve cost reductions - to their shareholders. At the same time, the desire for flavors continues to grow. In this environment, McCormick must have a dual focus. While maintaining our superiority in product development and customer service, we must also keep an eye on our entire supply chain. We are confident that our leadership position, strategic customers and ability to deliver consumer-preferred flavors will ensure future sales growth and profitability.

Industrial Products

INGREDIENTS
- Spices and Herbs
- Extracts
- Essential oils and Oleoresins

COATING SYSTEMS

SEASONINGS
- Seasoning blends
- Salty snack seasonings
- Side dish seasonings (rice, pasta, potato)
- Sauces and Gravies

Batters
Breaders
Marinades
Glazes
Rubs

CONDIMENTS
Sandwich sauces
Ketchup
Mustards
Jams and Jellies
Seafood cocktail sauces
Salad dressings
Flavored oils

COMPOUND FLAVORS
Beverage flavors
Dairy flavors
Confectionery flavors

PROCESSED FLAVORS
Meat flavors
Savory flavors

REPORT ON OPERATIONS
PACKAGING BUSINESS

McCormick's packaging businesses, Setco and Tubed Products, manufacture and market plastic bottles and tubes for the food, personal care and other industries. Third-party net sales increased 0.9% in 2001. Excluding special charges, operating income (including intersegment business) declined 9.8%. As a percent of net sales, operating income, excluding special charges, decreased to 8.8% from 9.9% as a result of lower volumes and unfavorable product mix.

MARKET OVERVIEW

Tubes continue to be the preferred packaging in the cosmetic industry because they provide sanitary dispensing and feature lightweight design. Competition for this business is aggressive and has intensified pricing pressure. In the vitamin and herbal market, adverse media reports regarding label claims began in 2000 and continued into 2001, affecting our sales of bottles to this industry.

Through the first half of 2001, sales of our packaging products were strong and resin supplies and costs were beginning to stabilize. However, the softening of the U.S. economy in the second half caused a decline in consumer demand for many of our customers' products, particularly tubes for personal care items and cosmetics.

2001 PERFORMANCE HIGHLIGHTS

o NEW PRODUCTS IN HIGH DEMAND. New designs, new closures and other new features are in high demand by our customers. In 2001, 13% of sales were from products developed in the last three years.

o ACTIONS TAKEN TO REDUCE COSTS. The profit impact of lower volume was offset in part by actions to lower costs, including a workforce reduction, negotiation of lower resin costs and the addition of more automated equipment and processes.

STRATEGY AND OUTLOOK

The lower demand for some of our products is expected to continue at least into the first quarter of 2002. Our focus will continue to be on cost reduction to maintain profit levels in our production facilities.

Simultaneously, we are directing our efforts at those customers who are major purchasers in their market, whether it is the drug and vitamin sector, personal care area or other sector. We are expanding our product decorating capabilities to meet customer needs and are vigorously pursuing new business with targeted accounts.

McCormick is a leading supplier of specialized packaging. The current environment demands flexibility to rapidly address fluctuations in demand, and creativity to develop innovative features. We will maintain our position by strengthening these capabilities. We will improve sales and profitability by leveraging relationships with existing customers and forging new customer relationships.

OPERATING PROFIT
(Excluding special charges)
IN MILLIONS

1999
2000
2001

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  -
19.6
21.5
19.4
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A SPIRIT OF COMMUNITY

In freedom-loving countries around the world, the year 2001 will be remembered as a period of great sadness - and great resolve. The terrorists' attacks in the United States demonstrated the vulnerability of the way of life we cherish. Yet the attacks also raised among us a determination to protect that lifestyle. Citizens have a renewed interest in community service.

McCormick employees around the world have, for many years, been active members of their communities using spare hours to make life better for families and neighbors - and, often, people they do not even know. These profiles briefly tell the stories of a few of our employees who carry on the McCormick tradition of making a difference.

McCormick's tradition of community service dates back to our founder. It is important to our employees - from the plant floor to executive offices. And the impact is felt from Maryland to Shanghai. The employees profiled on these pages are representative of hundreds of employees who spend spare time serving their communities.

A TRAGIC CAR ACCIDENT LED JEFF ADAMS TO JOIN A LOCAL VOLUNTEER FIRE COMPANY.

[PHOTOGRAPH]

JEFF ADAMS

It's been 10 years since the accident. Jeff was driving home one evening on a two-lane road in rural Maryland. Another driver wanted to share the lane with Jeff, but that driver was heading in the opposite direction. Jeff and the other driver learned this at the crest of a hill where they had a devastating head-on collision that killed the other driver. Responding to the accident were the men of the Hereford (Maryland) Volunteer Fire Company. They sent Jeff to the University of Maryland Hospital Shock Trauma Unit where, as Jeff, says, he "spent two weeks having the pieces put back together."

The Manager of Packaging Systems in McCormick's U.S. Consumer Products Division, Jeff thought the least he could do upon recovery was visit the firehouse and thank those who saved him.

"The first thing they did at the firehouse was hand me an application. I've been there nine years now, and the other volunteer fire fighters use my story when they try to recruit new volunteers," Jeff said. Jeff has trained for more than 2,500 hours and, at his peak, was working 30 hours a week out of the fire station - after his working hours at McCormick. "This is my payback for what they did for me. My true reward is helping people. When you come across people in trouble, and you can help them - that's reward enough."

Jeff is also the treasurer of the fire company and oversaw fundraising that led to a $2.5 million building renovation.

RICK AYERS

Rick was honored with the 2000-2001 Volunteer of the Year Award from Victim Services of Middlesex County near London, Ontario. "If I die tomorrow, I'll know that I put something back into my community," he said.

And what Rick does for Middlesex and the Stratethroy-Caradoc Township is a wrenching chore that would challenge even those most committed to community service. Rick accompanies police and provides immediate emotional and practical support for victims of crimes and families faced with tragic situations like robbery, suicide and death. Rick and his team help lessen the trauma of being victimized and help others cope with life-changing tragic circumstances.

"You never truly get comfortable with it," said Rick, head custodian at McCormick's facility in London, Ontario. "These are tough times - notifying next of kin about a death or helping someone who has been robbed. In my role, I do what I have to do. There aren't many positive things at a moment like that, but I realize that I am offering help at a very trying time."

During the year, Rick responded to 45 different crisis calls. If not at McCormick or volunteering for Victim Services, Rick can be found volunteering at the Hospice of London (Ontario) helping bring some joy to the lives of terminally ill patients.

[PHOTOGRAPH]

IN TIMES OF EXTREME TRAUMA, VICTIMS RECEIVE MUCH-NEEDED SUPPORT FROM RICK AYERS.

[PHOTOGRAPH]

WHEN OSCAR RIVAS' HOMELAND OF EL SALVADOR WAS DEVASTATED, HE LED A CAMPAIGN WITH THE HELP OF OTHER EMPLOYEES TO RAISE FUNDS TO REBUILD A SCHOOL.

OSCAR RIVAS

The images he saw on the television were horrific. Oscar knew he had to do something to help. He could not stand by, watch the tragedy unfold - and do nothing. It was January of 2001, and he was watching news coverage of devastating earthquakes in his native El Salvador.

More than two decades earlier, Oscar came to California from El Salvador. He began working for McCormick's packaging business, Setco, in Anaheim. Now a Quality Control Inspector, Oscar spearheaded a fundraising effort to assist those victimized by the earthquakes back home.

"I met with some other employees to discuss raising some money," Oscar said. "The first week, the group of volunteers had a simple cash drive to raise money. Later we used pot luck meals and other food sales to collect even more money for the cause.

"My relatives don't live in El Salvador any more, but I still felt such sadness when I saw what had happened because of the earthquakes. I was touched in the same way people were touched by what happened in New York City and Washington D.C."

The money raised by Oscar and his co-workers at Setco went to rebuild a school in El Salvador destroyed by one of the earthquakes.

A SPIRIT OF McCORMICK

MANAGEMENT'S DISCUSSION AND ANALYSIS

Certain performance measures used in this section are not defined by accounting principles generally accepted in the United States. Refer to the bottom of this page for a discussion of the definitions and use of these terms.

OVERVIEW

For 2001, the Company reported net income of $146.6 million or $2.09 of diluted earnings per share compared to $137.5 million or $1.98 of diluted earnings per share in 2000. During 2001, the Company recorded special charges related to streamlining operations. Excluding the impact of these special charges, net income on a comparable basis was $154.3 million or $2.20 of diluted earnings per share in 2001 compared to $138.3 million or $1.99 of diluted earnings per share last year.

The Company continued to grow sales and profits in both its consumer and industrial business segments. This improvement included continued increases in gross profit margin. The packaging segment experienced softness in 2001, especially in the second half of the year when our cosmetic and personal care customers began to anticipate reduced demand for their products.

On August 31, 2000, the Company acquired, through its subsidiary, McCormick France, S.A.S., one hundred percent of the share capital of Ducros, S.A., and Sodis, S.A.S. from Eridania Beghin-Say, S.A. Ducros is the leading consumer spice and herb business in Europe as well as the leading manufacturer and distributor of dessert aid products. Sodis manages the racking and merchandising of the Ducros products in supermarkets and hypermarkets. Collectively, these two operations are referred to as "Ducros" in this report.

OTHER PERFORMANCE MEASURES

The other performance measures described below are used throughout this annual report to present alternative views of the Company's performance. Management believes that these other performance measures are used by industry analysts and investors to evaluate the Company's performance relative to its peers and, therefore, when read in conjunction with the financial statements, are informative. These measures are not defined by accounting principles generally accepted in the United States and may be calculated differently from similar measures used by other companies.

"ECONOMIC VALUE ADDED" (EVA) - McCormick defines economic value added as net income from operations, excluding interest and amortization expense, in excess of a capital charge for average capital employed. An "EVA" mark is owned by Stern Stewart & Co.

"EXCLUDING IMPACT OF SPECIAL CHARGES AND ACCOUNTING CHANGES" - Gross profit margin, operating income and net income excluding the impact of special charges and accounting changes presents the applicable measure excluding the impact of items identified in the consolidated financial statements as special charges and cumulative effect of accounting changes.

"EXCLUDING DUCROS" - Certain measures are presented excluding the results from the Ducros business and interest on the debt used to finance the acquisition, which was acquired on August 31, 2000. For the year ended November 30, 2000, this means excluding the results of Ducros for the fourth quarter ended November 30, 2000. For the year ended November 30, 2001, this means excluding the results of Ducros for the nine months ended August 31, 2001.

"RETURN ON INVESTED CAPITAL" (ROIC) - McCormick defines return on invested capital as net income from operations, excluding interest and amortization expense, divided by the sum of interest-bearing debt and equity (including minority interest).

The purchase price for the stock of Ducros was 2.75 billion French francs (equivalent to $379 million). The purchase price allocation to assets and liabilities acquired, which was estimated at November 31, 2000, was finalized in 2001. This resulted in an increase in goodwill of $14.5 million. The purchase contract allows for a potential adjustment to the purchase price. This adjustment procedure has not been concluded, however the potential adjustment under the contract can only decrease the purchase price. Any reduction in the purchase price would be recorded as a decrease to goodwill.

Because this acquisition took place on August 31, 2000, the Ducros financial results were included with the Company's results from the fourth quarter of 2000 onward. This acquisition had a dilutive effect of $.03 when comparing 2000 to 1999 and a $.10 dilutive effect when comparing 2001 to 2000. Starting in the fourth quarter of 2001, results of the Company were comparable as Ducros was included in both periods. When future reference is made to "excluding Ducros," it refers to the Company's financial results for 2001 excluding Ducros for the nine months ended August 31, 2001.

In summary, diluted earnings per share for 2001 increased by $.11 over 2000. Major items decreasing earnings per share in 2001 were Ducros by $.10 and special charges by $.11. Excluding these two items, earnings per share increased $.32. On a per share basis, this was achieved through higher operating income of $.16, a lower tax rate of $.07, reduced interest expense (excluding Ducros) of $.06 and increased income from unconsolidated operations of approximately $.03.

BEYOND 2000

Late in 1999, the Company initiated the Beyond 2000 (B2K) program as a global initiative of business process improvement. B2K is designed to optimize our supply chain, reengineer our back office processes, strengthen our product development process, extend collaborative processes with our trading partners and generally enhance our capabilities to deliver profit. We have increased our overall levels of capital spending and expense from historical levels to support this effort.

RESULTS OF OPERATIONS-- 2001 COMPARED TO 2000

Sales from consolidated operations increased 11.7% to $2.4 billion in 2001. Excluding the unfavorable effect of foreign currency exchange rates and the acquisition of Ducros, sales grew 3.8%.

In 2001, net sales for the consumer business increased 20.3% compared to 2000. Excluding the impact of Ducros and the impact of foreign currency exchange rates, net sales grew 4.1%. In local currency, consumer sales in the Americas were up 3.3% due to favorable sales volume and pricing. We increased sales of our branded products through effective promotion, advertising and merchandising and through the introduction of new products. In Europe, sales in local currency grew 6.1% excluding Ducros. This increase was attributable to favorable sales volume particularly in the U.K. In the Asia/Pacific region, sales in local currency increased 5.7% due to higher volume in China as we continued to penetrate new regions and expand the availability of the McCormick brand.

Our industrial business also had a successful year in 2001, as net sales increased 4.8% versus 2000. Excluding the impact of Ducros and foreign exchange, sales grew 4.1%. In local currency, industrial sales in the Americas were up 3.8% due to higher restaurant sales, sales of new flavor and seasoning products to our snack seasoning customers, and increased sales to warehouse clubs. In Europe, sales in local currency grew 4.0% excluding Ducros due largely to favorable sales volume in the U.K. In the Asia/Pacific region, sales in local currency increased 8.5% due to sales growth with global restaurant customers in China.

In 2001, net sales for the packaging business increased 0.9% versus 2000. In the first half of 2001, tube and bottle sales were strong and resin costs were stabilizing. However, the second half of 2001 saw softening in the U.S. economy which caused a decline in consumer demand for our customers' products, particularly tubes for personal care and cosmetics.

DEBT TO TOTAL CAPITAL

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 1997
 1998
 1999
 2000
 2001
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  -
50.3%
51.6%
47.2%
65.8%
58.3%
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The Company's share of sales from unconsolidated operations in 2001 was $215.7 million, down 0.4% versus 2000. Sales growth of 6.4% in our North American joint ventures, including McCormick de Mexico and Signature Brands, was offset by unfavorable foreign currency translation at our Japanese affiliates.

Gross profit margin increased to 40.9% in 2001 from 37.9% in 2000, a 300 basis point improvement. Approximately two-thirds of this improvement was attributable to the Ducros business which has a higher gross profit margin than the Company's other businesses. This business also has a higher level of sales and marketing expense. In the consumer business, gross profit margin improvement was due to a combination of the addition of the Ducros business, price increases in the U.S. business, lower costs of certain raw materials, and cost reduction initiatives. In the industrial business, gross profit margin improvement was mainly due to a shift in product mix to higher-margin, more value-added products as well as cost reduction initiatives and reduced costs of certain raw materials. Lower volumes and product mix in our packaging business resulted in lower margins in 2001.

Selling, general and administrative expenses were higher in 2001 than 2000 on both a dollar basis and as a percentage of net sales. These increases were primarily due to the new Ducros business, including $8.2 million in related goodwill amortization, increased distribution expenses due to higher energy costs, and higher investment for the B2K program. The 2000 results included a $3.8 million charge for the bankruptcy of an industrial customer.

Operating income margin was 10.1% in 2001 compared to 10.6% in 2000. Excluding special charges, operating income margin was 10.6% in 2001.

In the consumer business, operating income margin was 13.6% in 2001 compared to 15.9% in 2000. Excluding special charges, operating income margin was 14.0% in 2001. The decrease in operating income margin versus prior year was due primarily to the lower operating income margin of the Ducros business. Increases in operating profit due to price increases and reduced raw material costs were offset by increased investment spending in programs such as B2K.

In the industrial business, operating income margin was 9.0% in 2001 compared to 8.2% in 2000. Excluding special charges, operating income margin was 9.6% in 2001 and 8.3% in 2000. The increase in operating income margin versus prior year is due to cost reduction initiatives and a shift in sales to higher-margin, more value-added products. In addition, there were favorable effects of reduced raw material costs.

In the packaging business, operating income margin was 8.5% in 2001 compared to 9.9% in 2000. Excluding special charges, operating income margin was 8.8% in 2001. The decrease in operating margin versus prior year is due to competitive pricing pressure and product mix impacting our gross margins.

Pension expense was $8.1 million, $8.4 million and $11.1 million for the years ended November 30, 2001, 2000 and 1999, respectively. In 2001, the return on plan assets was negative and the discount rate decreased from 8.0% to 7.25%. Given these factors, additional funding of the U.S. pension plan was necessary in 2001 and the expense for 2002 is expected to increase to be at or above the expense for 1999.

Interest expense increased in 2001 versus 2000 due to higher average debt levels in 2001 as a result of the Ducros acquisition. Excluding Ducros, interest expense in 2001 decreased compared to 2000 due to favorable interest rates and lower average debt levels.

Other income increased in 2001 compared to 2000. This increase is attributable to interest income

and exchange gains on foreign currency transactions.

The effective tax rate for 2001 was 33.0%, down from 35.8% in 2000. Excluding special charges, the effective tax rate for 2001 was 33.1%. The Company transacts business in many different taxing jurisdictions around the world, all of which assess different tax rates. The mix of earnings among these jurisdictions is what caused a lower tax rate in 2001 versus 2000.

Income from unconsolidated operations increased to $21.5 million in 2001 versus $18.6 million in 2000, primarily due to continued strong performance from our McCormick de Mexico and Signature Brands joint ventures. The Ducros acquisition included an investment in a joint venture with a minority interest. This minority interest was $2.4 million in 2001 versus $0.5 million in 2000, as 2000 results include only the fourth quarter of Ducros.

RESULTS OF OPERATIONS-- 2000 COMPARED TO 1999

For 2000, the Company reported net income of $137.5 million or $1.98 of diluted earnings per share compared to $103.3 million or $1.43 of diluted earnings per share in 1999. Excluding the impact of special charges to streamline operations and the cumulative effect of an accounting change, net income on a comparable basis was $138.3 million in 2000 compared to $121.7 million in 1999.

Consolidated net sales increased 5.8% to $2.1 billion in 2000. Excluding the unfavorable effect of foreign currency exchange rates and excluding the acquisition of Ducros, sales grew 3.9%. Sales improvements, which were realized in all business segments, were primarily volume-related. Higher unit volume increased sales by 4.5%, the acquisition of Ducros increased sales by 3.1%, while the effect of foreign currency exchange rates decreased sales by 1.2%, and the combined effect of price and product mix decreased sales 0.6%. In the consumer segment, sales increased 10.2% over the prior year. Ducros added 6.3% to this growth while the unfavorable effects of foreign currency exchange rates decreased sales by 1.7%. Excluding these effects, sales increased 5.6%, which was driven by volume growth in all major markets. This growth was mainly due to promotional and marketing programs and new product launches. The Company's industrial segment grew sales 1.7% in 2000 over 1999. Excluding the unfavorable effect of foreign currency exchange rates, industrial segment sales grew 2.0%. There was good sales growth of blended seasonings to food processors and the food service product line to distributors and warehouse club stores in the United States. However, this was partially offset by weak sales to restaurant customers due to lack of customer promotion on key products and the competitive environment among chain restaurants. Sales of our ingredient products declined due to lower pricing caused by reduced raw material costs. In the packaging segment, sales increased 5.1% in 2000 as compared to 1999. The increase in sales was all due to volume gains in our tubed products business.

The Company's share of sales from unconsolidated operations in 2000 was $216.6 million, up 15.3% versus 1999, primarily due to sales growth in our McCormick de Mexico and Signature Brands joint ventures.

Gross profit margin increased to 37.9% in 2000 from 35.7% in 1999. The acquired Ducros business has a higher gross profit margin than the existing McCormick businesses. This business also has a higher level of sales and marketing expenses. Gross profit margins for the Company were favorably impacted by the effect of Ducros and by global growth in the higher margin consumer segment. Within the industrial segment, increased sales of higher margin products, new products, operating efficiencies and increased sales to foodservice customers improved margins. Raw material price pressures, primarily in resins, decreased margins in our packaging business.

Selling, general and administrative expenses were higher in 2000 than 1999 on both a dollar basis and as a percentage of sales. The higher level of expense is primarily due to the effect of Ducros, a $3.8 million charge for the bankruptcy of AmeriServe - an industrial customer, increased spending in product development and advertising, and increased spending on the Company's B2K initiative. These increases are partially offset by increases in royalty income.

Operating income margin was 10.6% in 2000 compared to 8.5% in 1999. Excluding special charges, operating income margin improved to 10.6% in 2000 compared to 9.8% in 1999.

Interest expense increased in 2000 versus 1999 due to a combination of higher average debt levels, mainly caused by the acquisition of Ducros, and higher average interest rates.

Other income decreased in 2000 compared to 1999. Income from the three-year non-compete agreement with Calpine Corporation, entered into as a part of the 1996 sale of Gilroy Energy Company, Inc., was $4.6 million in 1999. Because 1999 was the last year of the agreement, there is no comparable amount in 2000.

The effective tax rate for 2000 was 35.8%, down from 40.2% in 1999. The 1999 rate was higher as it included the impact of certain non-deductible expenses related to the 1999 special charges. Excluding this impact, the effective tax rate for 1999 was 35.9%.

Income from unconsolidated operations increased to $18.6 million in 2000 versus $13.4 million in 1999, primarily due to continued strong performance from our McCormick de Mexico joint venture.

FINANCIAL CONDITION

Continued strong cash flows from operations enabled the Company to fund operating projects and investments designed to meet our growth objectives and reduce debt levels.

In the consolidated statement of cash flows, cash provided by operating activities was $204.5 million in 2001 compared to $202.0 million in 2000 and $229.3 million in 1999. Over the past three years, there has been an annual increase in cash flow from profits, excluding depreciation and amortization, and from dividends received from our unconsolidated affiliates. In 1999 and 2000, cash flow also increased due to reductions in working capital items. In 2001, working capital items decreased cash flow. There were favorable trends in both receivables and inventories when 2001 is compared to 2000. These were offset by a $14.7 million interest rate swap settlement in the first quarter of 2001 used to fix the interest rate of the Ducros acquisition financing. Additional offsets include $12.2 million of additional retirement plan funding caused by reduced investment performance and a leveling off of prepaid allowances in 2001, which had been significantly decreasing over the past several years.

Investing activities used cash of $111.9 million in 2001 versus $442.6

million in 2000 and $45.9 million in 1999. The major use of cash for investing activities in 2000 was the acquisition of businesses, including the acquisition of Ducros in the third quarter. Capital expenditures in 2001 of $112.1 million exceeded prior year amounts which approximated depreciation. The increment over prior years included planned spending on B2K.

Financing activities used cash of $85.4 million in 2001 versus providing cash of $254.6 million in 2000 and using cash of $188.5 million in 1999. The Company financed $370.0 million of the Ducros acquisition through its issuance of commercial paper in August 2000, thereby increasing cash flows from short-term borrowings. The Company funded the balance of the purchase price from internally generated funds. In the first quarter of 2001, the Company finalized its medium-term note program for the Ducros acquisition and issued $300.0 million of notes, which replaced the existing commercial paper notes used to finance the transaction. In addition, during the third quarter of 2001, the Company retired $75.0 million of 8.95% fixed rate notes by issuing commercial paper. The variable rate on the $75.0 million of commercial paper is being fixed at 6.35% by interest rate swaps from 2001 through 2011. The common stock issued and common stock acquired by purchase in 2001 generally relates to the Company's stock compensation plans. In 2000, however, the Company purchased 2.5 million shares of common stock for $72.3 million under the Company's $250 million share repurchase program. Due to the acquisition of Ducros, the Company suspended the repurchase of shares in May 2000.

Dividend payments increased to $55.1 million in 2001, up 5.4% compared to $52.3 million in 2000. Dividends paid in 2001 totaled $.80 per share, up from

$.76 per share in 2000. In November 2001, the Board of Directors approved a 5.0% increase in the quarterly dividend from $.20 to $.21 per share. Over the last 10 years, dividends have increased 10 times and have risen at a compounded annual rate of 11.1%.

The Company's ratio of debt-to-total-capital was 58.3% as of November 30, 2001, a decrease from 65.8% at November 30, 2000. The decrease was due to a $47.2 million reduction in debt based on positive cash flow generated from operations and increased shareholders' equity. We expect to return to our target range of 45-55% for the debt-to-total-capital ratio by the end of fiscal year 2002, although future acquisitions could alter this projection.

Management believes that internally generated funds and existing sources of liquidity are sufficient to meet current and anticipated financing requirements during the next 12 months.

SPECIAL CHARGES

Over the last three years, the Company made significant progress in streamlining its operations in a manner consistent with its strategic plan. Gross profit margins improved dramatically during this period by 640 basis points. All of this served as our primary fuel for revenue growth and improved profits. With our investment in B2K, we are well positioned to continue this record of improving margins into the future.

While the year 2001 was another record year for McCormick, the U.S. and global economies did not fare as well, and by the fall, the U.S. was in a recession. Recognizing that we are not immune to the impact of these difficult financial times on our customers and consumers, the Company formalized a plan to more rapidly streamline its operations to meet the challenges that we and all companies will face in 2002 and beyond.

During the fourth quarter of 2001, the Company adopted a plan to further streamline its operations. This plan includes the consolidation of several distribution and manufacturing locations, the reduction of administrative and manufacturing positions, and the reorganization of several joint ventures. The total plan will cost approximately $32.6 million ($25.6 million after tax) and will be implemented over the next 18 months. Total cash expenditures in connection with these costs will approximate $13.7 million, which will be funded through internally generated funds. Once fully implemented, annualized savings are expected to be approximately $8.0 million ($5.3 million after tax). These savings will be used for investment spending on initiatives such as brand support and supply chain management. The aforementioned savings and administrative expenses are expected to be included within the cost of goods sold and selling, general and administrative expenses in the consolidated statement of income.

In the fourth quarter of 2001, the Company recorded charges of $11.7 million ($7.7 million after tax) under this plan. Of this amount, $10.8 million was classified as special charges and $0.9 million as cost of goods sold in the consolidated statement of income. Additional amounts under the plan were not recorded since they are either incremental costs directly related to the implementation of the plan and will be expensed as incurred, or the plans were not sufficiently detailed to allow for accounting accrual. The Company expects to record these additional costs in 2002.

The costs recorded in the fourth quarter of 2001 related to the consolidation of manufacturing in Canada, a distribution center consolidation in the U.S., a product line elimination and a realignment of our sales operations in the U.K., and a workforce reduction of 275 positions which encompasses plans in all segments and across all geographic areas. As of November 30, 2001, 135 of the 275 position reductions had been realized.

The major components of the special charges include charges for employee termination benefits of $6.3 million, impairment charges of $1.6 million, and other related exit costs of $3.8 million. Asset impairments consist of $0.7 million of property, plant and equipment and $0.9 million of inventory, which were recorded as a direct result of the Company's decision to exit facilities or product lines. Other exit costs consist primarily of lease terminations.

During 1999, the Company recorded special charges of $26.7 million ($23.2 million after-tax) associated with a plan to streamline operations approved by the Company's Board of Directors in May 1999. Of this amount, $25.7 million was classified as special charges and $1.0 million as cost of goods sold in the consolidated statement of income in 1999.

In Europe, the Company consolidated certain U.K. facilities, improved efficiencies within previously consolidated European operations and realigned operations between the U.K. and other European locations.

The major components of the special charges included workforce reductions, building and equipment disposals, write-downs of intangible assets and other related exit costs. In total, the streamlining actions resulted in the elimination of approximately 300 positions, primarily outside the U.S. Asset write-downs, including $5.7 million of property, plant and equipment, $9.1 million of intangible assets and $1.0 million in inventory, were recorded as a direct result of the Company's decision to exit facilities, businesses or operating activities. The fair value of the intangible assets, primarily related to goodwill from prior acquisitions in Finland and Switzerland, was based on a discounted value of estimated future cash flows. Other exit costs consist primarily of employee and equipment relocation costs, lease exit costs and consulting fees.

During 2000, the Company recorded $1.1 million of additional special charges associated with the 1999 restructuring, which could not be accrued in 1999.

Refer to note 2 of the notes to consolidated financial statements for further information.

MARKET RISK SENSITIVITY

The Company utilizes derivative financial instruments to enhance its ability to manage risk, including foreign exchange and interest rate exposures, which exist as part of its ongoing business operations. The Company does not enter into contracts for trading purposes, nor is it a party to any leveraged derivative instrument. The use of derivative financial instruments is monitored through regular communication with senior management and the utilization of written guidelines. The information presented below should be read in conjunction with notes 5 and 6 of the notes to consolidated financial statements.

FOREIGN EXCHANGE RISK - The Company is exposed to fluctuations in foreign currency cash flows primarily related to raw material purchases. The Company is also exposed to fluctuations in the value of foreign currency investments in subsidiaries and unconsolidated affiliates and cash flows related to repatriation of these investments. Additionally, the Company is exposed to volatility in the translation of foreign currency earnings to U.S. dollars. Primary exposures include the U.S. dollar versus functional currencies of the Company's major markets (Euro, British pound sterling, Australian dollar, Canadian dollar, Mexican peso, Japanese yen, Swiss franc and Chinese RMB). The Company may enter into forward and option contracts to manage foreign currency risk. During 2001, the foreign currency translation component in other comprehensive income is principally related to the impact of exchange rate fluctuations on the Company's net investments in the U.K., France, Australia and Canada. The Company did not hedge its net investments in subsidiaries and unconsolidated affiliates in 2001, 2000, and 1999.

At November 30, 2001, the Company had foreign exchange contracts maturing in 2002 to purchase or sell $41.2 million of foreign currencies versus $0.8 million at November 30, 2000. These contracts are primarily denominated in Euro, British pound sterling and Canadian dollar and are principally used to hedge the anticipated purchase of raw materials. The fair value of these contracts was $0.7 million and $0.0 million at November 30, 2001 and 2000, respectively.

INTEREST RATE RISK - The Company's policy is to manage interest cost using a mix of fixed and variable rate debt. The Company uses interest rate swaps to achieve a desired proportion. The table that follows provides principal cash flows and related interest rates excluding the effect of interest rate hedges by fiscal year of maturity at November 30, 2001 and 2000. For foreign currency-denominated debt, the information is presented in U.S. dollar equivalents. Variable interest rates are based on the weighted-average rates of the portfolio at November 30, 2001.

COMMODITY RISK - The Company purchases certain raw materials which are subject to price volatility caused by weather and other unpredictable factors. While future movements of raw material costs are uncertain, a variety of programs, including periodic raw material purchases and customer price adjustments help the Company address this risk. Generally, the Company does not use derivatives to manage the volatility related to this risk.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The Company's significant contractual obligations as of November 30, 2001 are for debt, operating leases and purchase obligations. Debt by year of maturity is provided in the table below. Future rental payments under operating leases are provided in note 5 of notes to consolidated financial statements. Purchase obligations are $67.4 million, for purchases of raw materials in the normal course of business and do not go beyond one year. The Company's significant commercial commitments are lines of credit and standby letters of credit. Lines of credit are disclosed in note 5 of notes to consolidated financial statements and standby letters of credit are $7.9 million, for insurance related matters.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 1999, the Securities and Exchange Commission (SEC) released Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements." The Emerging Issues Task Force (EITF) issued EITF 00-10, "Accounting for Shipping and

YEAR OF MATURITY AT NOVEMBER 30, 2001 (MILLIONS)	2002	2003	2004	2005	Thereafter	Total	Fair Value
DEBT							
Fixed rate	$.7	$.2	$16.0	$32.0	$400.2	$449.1	$461.8
Average interest rate	5.65%	3.74%					

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   7.17%
   7.17%
7.50% - --
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    ---
 Variable
   rate
$210.1 $.3
 $.3 $.3
   $4.8
  $215.8
  $215.8
  Average
 interest
rate 3.17%
   2.43%
   2.43%
   2.43%
3.00% - --
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Note: The variable interest on commercial paper which was used to retire the $75 million, 8.95% note due 2001 is hedged by forward starting interest rate swaps for the period 2001 through 2011. Net interest payments will be fixed at 6.35% during the period. Forward starting interest rate swaps, settled upon the issuance of the medium-term notes, effectively fixed the interest rate on $294 million of the notes at a weighted average fixed rate of 7.62%.

```
  YEAR OF
 MATURITY
    AT
 NOVEMBER
 30, 2000
(MILLIONS)
 2001 2002
 2003 2004
Thereafter
Total Fair
Value - --
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----------
----------
 --- DEBT
Fixed rate
$78.5 $4.1
 $.1 $16.0
  $134.0
  $232.7
  $235.4
  Average
 interest
rate 8.96%
```

```
   6.28%
   8.20%
   7.17%
7.17% - --
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    ---
 Variable
   rate
$473.4 $.3
  $.3 $.3
   $5.1
  $479.4
  $479.4
  Average
 interest
rate 6.66%
   6.61%
   6.61%
   6.61%
5.69% - --
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Note: The variable interest on commercial paper which will be used to retire the $75 million, 8.95% note due 2001 is hedged by forward starting interest rate swaps for the period 2001 through 2011. Net interest payments will be fixed at 6.35% during the period. In September of 2000, the Company entered into forward starting interest rate swaps to manage the interest rate risk associated with the anticipated issuance of $294 million fixed rate medium-term notes expected to be issued in early 2001. The Company's intention is to cash settle these swaps upon issuance of the medium-term notes thereby effectively locking in the fixed interest rate in effect at the time the swaps were initiated.

Handling Fees and Costs," which required the Company to reclassify certain shipping and handling costs billed to customers as sales. These pronouncements, which were adopted in 2001, had no material impact on the Company's financial statements.

In November 2001, the EITF issued EITF 01-09, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products," which is a codification of EITF's 00-14, 00-22 and 00-25. This will require the Company to reclassify certain marketing expenses as a reduction of sales. Concurrent with the adoption of EITF 01-09, the Company will also reclassify certain expenses from selling, general and administrative expense to cost of goods sold. These reclassifications will take place in the first quarter of 2002, and prior periods will be reclassified. The effect of these reclassifications on 2001 will be a decrease to sales of $153.9 million, an increase in cost of goods sold of $20.0 million, and a decrease in selling, general and administrative expenses of $173.9 million. These reclassifications will decrease gross profit margin as a percentage of sales from 40.9% to 35.9% and increase operating income as a percentage of sales from 10.1% to 10.8% in 2001. These reclassifications will not impact net income.

In June 2001, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards (SFAS) No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 applies to all business combinations with a closing date after June 30, 2001.

This statement eliminates the pooling-of-interest method of accounting and further clarifies the criteria for recognition of intangible assets separately from goodwill. Under SFAS No. 142, goodwill and indefinite lived intangible assets will no longer be amortized but will be subject to annual impairment tests in accordance with the new standard. Separable intangible assets that have finite lives will continue to be amortized over their useful lives. The Company will adopt SFAS No. 142 on December 1, 2001. No goodwill impairment will result upon adoption. The Company recorded $13.0 million ($12.2 million after tax) of goodwill amortization expense for the year ended November 30, 2001.

FORWARD-LOOKING INFORMATION

Certain information contained in this report includes "forward-looking statements" within the meaning of section 21(E) of the Securities and Exchange Act. The Company intends the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in this section. All statements regarding the Company's expected financial plans, future capital requirements, forecasted, demographic and economic trends relating to its industry, ability to complete acquisitions, to realize anticipated cost savings, and other benefits from acquisitions, and to recover acquisition-related costs, and similar matters are forward-looking statements. In some cases, these statements can be identified by the Company's use of forward-looking words such as "may," "will," "should," "anticipate," "estimate," "expect," "plan," "believe," "predict," "potential," "or "intend." The forward-looking information is based on various factors and was derived using numerous assumptions. However, these statements only reflect the Company's predictions. These statements are subject to known and unknown risks, uncertainties, and other factors that could cause the Company's actual results to differ materially from the statements. Important factors that could cause the Company's actual results to be materially different from its expectations include 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 stock market conditions on its share repurchase program, fluctuations in the cost and availability of supply-chain resources and global economic conditions, including interest and currency rate fluctuations, and inflation rates. 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.

HISTORICAL FINANCIAL SUMMARY

(MILLIONS EXCEPT PER SHARE DATA)	2001	2000	1999	1998	1997	1996	1995
For the year							
Net Sales	$2,372.3	$2,123.5	$2,006.9	$1,881.1	$1,801.0	$1,732.5	$1,691.1
Percent increase	11.7 %	5.8 %	6.7 %	4.4 %	4.0 %	2.4 %	10.6 %
Operating income	240.6	225.0	170.1	182.1	170.5	92.6	171.7
Operating income							

excluding special charges 252.3 226.1 196.8 184.4 167.3 150.7 167.8 Income from unconsolidated operations 21.5 18.6 13.4 6.2 7.7 5.6 2.1 Net income - continuing operations 146.6 137.5 98.5 103.8 97.4 43.5 86.8 Net income (1) (7) (3) 146.6 137.5 103.3 103.8 98.4 41.9 97.5 - - ------------- ------------- ------------- ------------- ------------- ------------- ------------- ------------ PER COMMON SHARE (2) Earnings per share - assuming dilution (6) Continuing operations $2.09 $1.98 $1.36 $1.41 $1.29 $0.54 $1.07 Discontinued operations (1) - - - - 0.01 0.08 0.13 Extraordinary item - - - - - (0.10) - Accounting change (3) (7) - - 0.07 - - - - Net earnings $2.09 $1.98 $1.43 $1.41 $1.30 $0.52 $1.20 Earnings per share - basic (1) (3) (6) (7) $2.13 $2.00 $1.45 $1.42 $1.30 $0.52 $1.20 Common dividends declared (4) $0.81 $0.77 $0.70 $0.65 $0.61 $0.57 $0.53 Market closing price - end of year $43.00 $37.25 $32.06 $33.38 $26.50 $24.63 $23.63 Book value per

share $6.72
$5.25 $5.43
$5.35 $5.31
$5.75 $6.39 -

AT YEAR END
Total assets
$1,772.0
$1,659.9
$1,188.8
$1,259.1
$1,256.2
$1,326.6
$1,614.3
Current debt
210.8 551.9
100.6 163.6
121.3 108.9
297.3 Long-
term debt
454.1 160.2
241.4 250.4
276.5 291.2
349.1
Shareholders'
equity 463.1
359.3 382.4
388.1 393.1
450.0 519.3
Total capital
(9) 1,141.0
1,082.8 724.4
802.1 790.9
850.1 1,165.7
- -----------

-- STATISTICS
& RATIOS
Percentage of
net sales
Gross profit
margin 40.9 %
37.9 % 35.7 %
34.5 % 34.9 %
34.9 % 34.5 %
Operating
income 10.1 %
10.6 % 8.5 %
9.7 % 9.5 %
5.3 % 10.2 %
Net income -
continuing
operations
6.2 % 6.5 %
4.9 % 5.5 %
5.4 % 2.5 %
5.1 %
Effective tax
rate 33.0 %
35.8 % 40.2 %
36.0 % 37.0 %
38.7 % 36.1 %
Depreciation
and
amortization
$73.0 $61.3
$57.4 $54.8
$49.3 $63.8
$63.7 Capital

```
expenditures
$112.1 $53.6
$49.3 $54.8
$43.9 $74.7
$82.1
Economic
Value Added
(EVA) (8)
$78.7 $68.2
$42.3 $33.1
$23.4 $(44.6)
- Return on
equity 35.7 %
39.4 % 28.4 %
27.7 % 25.2 %
8.6 % 20.3 %
Return on
invested
capital (8)
15.4 % 17.3 %
15.1 % 14.8 %
14.2 % 7.4 %
- Debt-to-
total-capital
58.3 % 65.8 %
47.2 % 51.6 %
50.3 % 47.1 %
55.5 %
Dividend
payout ratio
(5) 36.3 %
38.3 % 40.2 %
44.9 % 45.8 %
54.4 % 44.9 %
Average
shares
outstanding
Basic 68.9
68.8 71.4
73.3 75.7
80.6 81.2
Assuming
dilution 70.1
69.6 72.0
73.8 75.9
80.7 81.3 - -
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(MILLIONS
EXCEPT PER
SHARE DATA)
1994 1993
1992 1991 - -
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For the year
Net Sales
$1,529.4
$1,400.9
$1,323.9
$1,276.3
Percent
increase 9.2
% 5.8 % 3.7 %
9.4 %
Operating
income 86.7
143.2 122.9
100.1
Operating
```

```
income
excluding
special
charges 157.2
143.2 122.9
100.1 Income
from
unconsolidated
operations
7.9 10.3 9.9
8.8 Net
income -
continuing
operations
42.5 82.9
73.6 60.4 Net
income (1)
(7) (3) 61.2
73.1 95.2
80.9 - ------
-------------
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-------------
-- PER COMMON
SHARE (2)
Earnings per
share -
assuming
dilution (6)
Continuing
operations
$0.52 $1.01
$0.90 $0.73
Discontinued
operations
(1) 0.23 0.21
0.26 0.25
Extraordinary
item - - - -
Accounting
change (3)
(7) - (0.33)
- - Net
earnings
$0.75 $0.89
$1.16 $0.98
Earnings per
share - basic
(1) (3) (6)
(7) $0.75
$0.90 $1.19
$1.01 Common
dividends
declared (4)
$0.49 $0.45
$0.40 $0.31
Market
closing price
- end of year
$19.00 $23.25
$28.50 $20.63
Book value
per share
$6.03 $5.70
$5.45 $4.88 -
-------------
-------------
-------------
-------------
-------------
-------- AT
YEAR END
Total assets
$1,555.7
$1,313.2
$1,130.9
$1,037.4
Current debt
214.0 84.7
122.6 78.2
```

Long-term debt 374.3 346.4 201.0 207.6 Shareholders' equity 490.0 466.8 437.9 389.2 Total capital (9) 1,078.3 897.9 761.5 675.0 - --

STATISTICS & RATIOS Percentage of net sales Gross profit margin 36.5 % 38.5 % 38.9 % 36.9 % Operating income 5.7 % 10.2 % 9.3 % 7.8 % Net income - continuing operations 2.8 % 5.9 % 5.6 % 4.7 % Effective tax rate 40.5 % 41.4 % 39.4 % 38.40 % Depreciation and amortization $62.5 $50.5 $43.8 $40.5 Capital expenditures $87.7 $76.1 $79.3 $73.0 Economic Value Added (EVA) (8) - - - - Return on equity 12.8 % 17.0 % 23.3 % 21.8 % Return on invested capital (8) - - - - Debt-to-total-capital 54.6 % 48.0 % 42.5 % 42.3 % Dividend payout ratio (5) 36.1 % 36.1 % 32.8 % 28.6 % Average shares outstanding Basic 81.2 80.8 80.1 80.0 Assuming dilution 81.6 81.8 81.9 82.4 - --

(1) The Company disposed of both Gilroy Foods, Incorporated and Gilroy Energy Company, Inc. in 1996.

(2) All share data adjusted for 2-for-1 stock splits in January 1992.

(3) In 1993, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions."

(4) Includes fourth quarter dividends which, in some years, were declared in December following the close of each fiscal year.

(5) Does not include gains or losses on sales of discontinued operations, cumulative effects of accounting changes, special charges (credits) and extraordinary items.

(6) In 1998, the Company adopted SFAS No. 128, "Earnings Per Share" and prior years' earnings per share have been restated.

(7) In 1999, the Company changed its actuarial method for computing pension expense. The accounting change resulted in a $4.8 million after-tax adjustment.

(8) The Company began calculating EVA and ROIC in 1996.

(9) Total capital includes interest bearing debt, minority interest and shareholders' equity.

REPORT OF MANAGEMENT

We are responsible for the preparation and integrity of the consolidated financial statements appearing in our Annual Report. The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States and include amounts based on management's estimates and judgments. All other financial data in this report have been presented on a basis consistent with the information included in the financial statements.

The Company maintains a system of internal controls that is designed to provide reasonable assurance as to the fair and reliable preparation and presentation of the consolidated financial statements, as well as to safeguard assets from unauthorized use or disposition. The internal control system is supported by formal policies and procedures which are reviewed, modified and improved as changes occur in business conditions and operations. The Company's commitment to proper selection, training and development of personnel also contributes to the effectiveness of the internal control system.

The Audit Committee of the Board of Directors, which is composed solely of outside directors, meets periodically with members of management, the internal auditors and the independent auditors to review and discuss internal accounting controls and accounting and financial reporting matters. The independent auditors and internal auditors have full and free access to the Audit Committee at any time.

The independent auditors review and evaluate the internal control systems and perform such tests on those systems as they consider necessary to reach their opinion on the Company's consolidated financial statements taken as a whole. In addition, McCormick's internal auditors perform audits of accounting records, review accounting systems and internal controls and recommend improvements when appropriate.

Although there are inherent limitations in the effectiveness of any system of internal controls, we believe our controls as of November 30, 2001 provide reasonable assurance that the financial statements are reliable and that our assets are reasonably safeguarded.

/s/ Robert J. Lawless
ROBERT J. LAWLESS
CHAIRMAN, PRESIDENT & CHIEF EXECUTIVE OFFICER

/s/ Francis A. Contino
FRANCIS A. CONTINO
EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER

/s/ Kenneth A. Kelly, Jr.
KENNETH A. KELLY, JR.
VICE PRESIDENT & CONTROLLER, CHIEF ACCOUNTING OFFICER

REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDERS
McCormick & Company, Incorporated

We have audited the accompanying consolidated balance sheets of McCormick & Company, Incorporated and subsidiaries as of November 30, 2001 and 2000 and the related consolidated statements of income, cash flows and shareholders' equity for each of the three years in the period ended November 30, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of McCormick & Company, Incorporated and subsidiaries at November 30, 2001 and 2000 and the consolidated results of their operations and their cash flows for each of the three years in the period ended November 30, 2001 in conformity with accounting principles generally accepted in the United States.

As discussed in Note 7 to the financial statements, the Company changed its accounting method for calculating the market-related value of plan assets used in determining the expected return-on-asset component of annual pension expense in 1999.

/s/ Ernst & Young LLP
Baltimore, Maryland
January 22, 2002

CONSOLIDATED STATEMENT OF INCOME

```
 FOR THE YEAR
    ENDED
 NOVEMBER 30
  (MILLIONS
  EXCEPT PER
 SHARE DATA)
  2001 2000
1999 - ------
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-------------
 -----------
 Net sales $
  2,372.3 $
  2,123.5 $
2,006.9 Cost
of goods sold
   1,401.0
   1,318.7
1,289.7 - ---
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- Gross
profit 971.3
804.8 717.2
Selling,
general and
administrative
expense 719.9
578.7 521.4
Special
charges 10.8
1.1 25.7 - --

-- Operating
income 240.6
225.0 170.1
Interest
expense 52.9
39.7 32.4
Other income,
net 2.7 .7
4.6 - -------

Income from
consolidated
operations
before income
taxes 190.4
186.0 142.3
Income taxes
62.9 66.6
57.2 - ------

Net income
from
consolidated
operations
127.5 119.4
85.1 Income
from
unconsolidated
operations
21.5 18.6
13.4 Minority
interest 2.4
.5 - - ------

Net income
before
cumulative
effect of an

```
accounting
change 146.6
137.5 98.5
Cumulative
effect of an
accounting
change, net
of income
taxes - - 4.8
- -----------
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------ Net
income $
146.6 $ 137.5
$ 103.3 - ---
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- - ---------
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EARNINGS PER
COMMON SHARE
- BASIC
Continuing
operations $
2.13 $ 2.00 $
1.38
Cumulative
effect of an
accounting
change - -
.07 - -------
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Total
earnings per
share - basic
$ 2.13 $ 2.00
$ 1.45 - ----
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- -----------
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------------- ------------- ------------- ------ EARNINGS PER COMMON SHARE - ASSUMING DILUTION Continuing operations $ 2.09 $ 1.98 $ 1.36 Cumulative effect of an accounting change - - .07 - ------- ------------- ------------- ------------- ------------- ------------- ------------- ------------- ------------- ---------- Total earnings per share - assuming dilution $ 2.09 $ 1.98 $ 1.43 - ------ ------------- ------------- ------------- ------------- ------------- ------------- ------------- ------------- ----------- - ------------- ------------- ------------- ------------- ------------- ------------- ------------- ------------- ------------- ----

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 37-45.

CONSOLIDATED BALANCE SHEET

AT NOVEMBER 30 (MILLIONS) 2001 2000 - ------------ ------------ ------------ ------------ ------------ ------------ ------------ ------------ ------------ ----------- CURRENT ASSETS Cash and cash equivalents $ 31.3 $ 23.9

Receivables,
less
allowances
of $7.5 for
2001 and
$6.6 for
2000 295.5
303.3
Inventories
278.1 274.0
Prepaid
expenses and
other
current
assets 30.9
18.8 - -----

------ Total
current
assets 635.8
620.0 - ----

Property,
plant and
equipment,
net 424.5
373.0
Intangible
assets, net
464.6 453.0
Prepaid
allowances
99.3 96.1
Investments
and other
assets 147.8
117.8 - ----

Total assets
$ 1,772.0 $
1,659.9 - --

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CURRENT LIABILITIES		
Short-term borrowings	$ 209.8	$ 473.1
Current portion of long-term debt	1.0	78.8
Trade accounts payable	184.0	185.3
Other accrued liabilities	318.9	290.0
Total current liabilities	713.7	1,027.2
Long-term debt	454.1	160.2
Deferred taxes	25.8	3.2
Other long-term liabilities	115.3	110.0
Total liabilities	1,308.9	1,300.6

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SHAREHOLDERS'
EQUITY
Common
stock, no
par value;
authorized
160.0
shares;
issued and
outstanding:
2001- 7.9
shares, 2000
- 8.3 shares
60.4 49.8
Common stock
non-voting,
no par
value;
authorized
160.0
shares;
issued and
outstanding:
2001 - 61.3
shares, 2000
- 60.0
shares 142.5
125.5
Retained
earnings
344.1 263.3
Accumulated
other
comprehensive
income
(83.9)
(79.3) - ---
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Total
shareholders'
equity 463.1
359.3 - ----
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Total
liabilities
and
shareholders'
equity
$1,772.0 $
1,659.9 - --
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SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 37-45.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED NOVEMBER 30 (MILLIONS) 2001 2000 1999 - ------ ----------------- ----------------- ----------------- ----------------- ----------------- ----------------- ------- OPERATING ACTIVITIES Net income $ 146.6 $ 137.5 $ 103.3 Adjustments to reconcile net income to net cash provided by operating activities Special charges and accounting change 11.7 - 21.9 Depreciation and amortization 73.0 61.3 57.4 Deferred income taxes 2.2 (5.1) 6.4 Other .5 .5 1.6 Income from unconsolidated operations (21.5) (18.6) (13.4) Changes in operating assets and liabilities Receivables 9.5 (24.5) (2.1) Inventories (3.3) (9.8) 16.0 Prepaid allowances (3.3) 13.0 34.6 Trade accounts payable (1.6) (4.8) 3.2 Other assets and liabilities (27.7) 41.8 (7.6) Dividends received from unconsolidated affiliates 18.4 10.7 8.0 - ------- ----------------- ----------------- -----------------

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------ Net cash
provided by
operating
activities 204.5
202.0 229.3 - ----

INVESTING
ACTIVITIES
Acquisitions of
businesses -
(386.6) - Capital
expenditures
(112.1) (53.6)
(49.3) Proceeds
from sale of
assets .7 1.6 3.0
Other (.5) (4.0)
.4 - -------------

Net cash used in
investing
activities (111.9)
(442.6) (45.9) - -

FINANCING
ACTIVITIES Short-term borrowings,
net (263.3) 380.2
(46.4) Long-term
debt borrowings
297.8 - .3 Long-term debt
repayments (82.1)
(10.0) (24.3)
Common stock
issued 29.2 9.0
11.6 Common stock
acquired by
purchase (11.9)
(72.3) (81.0)
Dividends paid
(55.1) (52.3)
(48.7) - ---------

---- Net cash
(used in)/provided
by financing
activities (85.4)
254.6 (188.5) - --

----------- Effect
of exchange rate

changes on cash and cash equivalents .2 (2.1) (.6) - ----- ------------------ ------------------ ------------------ ------------------ ------------------ ------------------ -------- Increase/(decrease) in cash and cash equivalents 7.4 11.9 (5.7) Cash and cash equivalents at beginning of year 23.9 12.0 17.7 - - ------------------ ------------------ ------------------ ------------------ ------------------ ------------------ ------------ Cash and cash equivalents at end of year $ 31.3 $ 23.9 $ 12.0 - ---- ------------------ ------------------ ------------------ ------------------ ------------------ ------------------ --------- - ------ ------------------ ------------------ ------------------ ------------------ ------------------ ------------------ -------

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 37-45.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Common Accumulated Common Stock Common Other Total Stock Non-Voting Stock Retained Comprehensive Shareholders' (MILLIONS EXCEPT PER SHARE DATA) Shares Shares Amount Earnings Income Equity - --- ------------ ------------ ------------ ------------ ------------ ------------ ------------ ------------

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Balance, November 30, 1998 9.7 62.8 $ 169.0 $ 262.3 $ (43.2) $ 388.1 Comprehensive income: Net income 103.3 103.3 Currency translation adjustments - - Minimum pension liability adjustment, net of tax ($3.6 million) 6.6 6.6 Change in realized and unrealized gains on derivative financial instruments, net of tax ($1.3 million) 2.4 2.4 -----------
Comprehensive income 112.3 -----------
Dividends paid ($.68/share) (48.7) (48.7) Shares purchased and retired (.5) (2.1) (6.8) (74.2) (81.0) Shares issued .3 .2 11.6 11.6 Other .1 .1 Equal exchange (.6) .6 - -
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Balance, November 30, 1999 8.9 61.5 $ 173.8 $ 242.8 $ (34.2) $ 382.4 Comprehensive income: Net income 137.5 137.5 Currency translation

adjustments
(40.1)
(40.1)
Change in
realized and
unrealized
gains on
derivative
financial
instruments,
net of tax
($2.8
million)
(5.0) (5.0)

Comprehensive
income 92.4

Dividends
paid
($.76/share)
(52.3)
(52.3)
Shares
purchased
and retired
(.8) (1.7)
(7.5) (64.8)
(72.3)
Shares
issued .3 .1
9.0 9.0
Other .1 .1
Equal
exchange
(.1) .1 - -

Balance,
November 30,
2000 8.3
60.0 $ 175.3
$ 263.3 $
(79.3) $
359.3
COMPREHENSIVE
INCOME: NET
INCOME 146.6
146.6
CURRENCY
TRANSLATION
ADJUSTMENTS
7.2 7.2
CHANGE IN
REALIZED AND
UNREALIZED
GAINS ON
DERIVATIVE
FINANCIAL
INSTRUMENTS,
NET OF TAX
($4.8
MILLION)
(9.9) (9.9)
PENSION
ADJUSTMENT
(1.9) (1.9)

COMPREHENSIVE
INCOME 142.0

DIVIDENDS
PAID

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($.80/SHARE)
   (55.1)
   (55.1)
   SHARES
 PURCHASED
AND RETIRED
 (.2) (.1)
(1.6) (10.3)
   (11.9)
   SHARES
ISSUED .6 .6
 29.2 29.2
 OTHER (.4)
 (.4) EQUAL
  EXCHANGE
 (.8) .8 - -
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  BALANCE,
NOVEMBER 30,
  2001 7.9
 61.3 $202.9
 $ 344.1 $
  (83.9) $
463.1 - ----
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SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, PAGES 37-45.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION
The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. Investments in unconsolidated affiliates, over which we exercise significant influence, but not control, are accounted for by the equity method. Accordingly, our share of the net income or loss of such unconsolidated affiliates is included in consolidated net income. Significant intercompany transactions have been eliminated.

USE OF ESTIMATES
Preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual amounts could differ from these estimates.

CASH AND CASH EQUIVALENTS

All highly liquid investments purchased with an original maturity date of three months or less are classified as cash equivalents.

INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out) or market.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost and depreciated over its estimated useful life using the straight-line method for financial reporting and both accelerated and straight-line methods for tax reporting.

INTANGIBLE ASSETS

Intangible assets resulting from acquisitions are amortized using the straight-line method over periods up to 40 years. The recoverability of intangible assets is evaluated periodically when events or circumstances indicate a possible inability to recover the carrying amount. When factors indicate that an intangible asset should be evaluated for impairment, the Company uses various analyses, including projections of cash flows and other profitability measures, to evaluate recoverability. An impaired intangible asset is written down to fair value, which is generally the discounted value of estimated future cash flows.

PREPAID ALLOWANCES

Prepaid allowances arise when the Company prepays sales discounts and marketing allowances to certain customers in connection with multi-year sales contracts. These costs are capitalized and amortized over the lives of the contracts, generally ranging from three to five years. The amounts reported in the consolidated balance sheet are stated at the lower of unamortized cost or management's estimate of the net realizable value of these costs.

REVENUE RECOGNITION

Sales are recognized when revenue is realized or realizable and earned. In general, revenue is recognized when risk and title to the product transfer to the customer, which usually occurs at the time the company ships the goods to the customer.

SHIPPING AND HANDLING

Shipping and handling costs are included in selling, general and administrative expenses. The total amount of shipping and handling costs was $55.5 million, $42.6 million, and $39.0 million for 2001, 2000, and 1999, respectively.

RESEARCH AND DEVELOPMENT

Research and development costs are expensed as incurred.

STOCK-BASED EMPLOYEE COMPENSATION

Stock-based compensation is accounted for by using the intrinsic value-based method in accordance with Accounting Principles Board Opinion (APB) No. 25, "Accounting for Stock Issued to Employees." Under APB No. 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized. As permitted, the Company has elected to adopt the disclosure provisions only of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation." Refer to Note 10 for further information.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities of the Company's foreign subsidiaries are translated at current exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported in other comprehensive income in shareholders' equity.

ACCOUNTING AND DISCLOSURE CHANGES

In December 1999, the Securities and Exchange Commission (SEC) released Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements." The Emerging Issues Task Force (EITF) issued EITF 00-10, "Accounting for Shipping and Handling Fees and Costs," which required the Company to reclassify certain shipping and handling costs billed to customers as sales. These pronouncements, which were adopted in 2001, had no material impact on the Company's financial statements.

In November 2001, the EITF issued EITF 01-09, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products," which is a codification of EITF's 00-14, 00-22, and 00-25. This will require the Company to reclassify certain marketing expenses as a reduction of sales. Concurrent with the adoption of EITF 01-09, the Company is also reclassifying certain expenses from selling, general and administrative expense to cost of goods sold. These reclassifications will take place in the first quarter of 2002 and prior periods will be reclassified. The effect of these reclassifications on 2001 will be a decrease to sales of $153.9 million, an increase in cost of goods sold of $20.0 million, and a decrease in selling, general and administrative expenses of $173.9 million. These reclassifications will decrease gross profit margin as a percentage of sales from 40.9% to 35.9% and increase operating income as a percentage of sales from 10.1% to 10.8% in 2001. These reclassifications will not impact net income.

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 applies to all business combinations with a closing date after June 30, 2001. This statement eliminates the pooling-of-interest method of accounting, and further clarifies the criteria for recognition of intangible assets separately from goodwill. Under SFAS No. 142, goodwill and indefinite lived intangible assets will no longer be amortized but will be subject to annual impairment tests in accordance with the new standard. Separable intangible assets that have finite lives will continue to be amortized over their useful lives. The Company will adopt

SFAS No. 142 on December 1, 2001. No goodwill impairment will result upon adoption. The Company recorded $13.0 million of goodwill amortization expense ($12.2 million after tax) for the year ended November 30, 2001.

RECLASSIFICATIONS

Certain amounts in prior years have been reclassified to conform to the 2001 presentation.

2. SPECIAL CHARGES

During the fourth quarter of 2001, the Company adopted a plan to further streamline its operations. This plan includes the consolidation of several distribution and manufacturing locations, the reduction of administrative and manufacturing positions, and the reorganization of several joint ventures. The total plan will cost approximately $32.6 million ($25.6 million after tax) and will be implemented over the next 18 months. Total cash expenditures in connection with these costs will approximate $13.7 million, which will be funded through internally generated funds. Once fully implemented, annualized savings are expected to be approximately $8.0 million ($5.3 million after tax). These savings will be used for investment spending on initiatives such as brand support and supply chain management. The aforementioned savings and administrative expenses are expected to be included within the cost of goods sold and selling, general and administrative expenses in the consolidated statement of income.

In the fourth quarter of 2001, the Company recorded charges of $11.7 million ($7.7 million after-tax) under this plan. Of this amount $10.8 million was classified as special charges and $0.9 million as cost of goods sold in the consolidated statement of income. Additional amounts under the plan were not recorded since they are either incremental costs directly related to the implementation of the plan and will be expensed as incurred, or the plans were not sufficiently detailed to allow for accounting accrual. The Company expects to record these additional costs in 2002.

The costs recorded in the fourth quarter of 2001 relate to the consolidation of manufacturing in Canada, a distribution center consolidation in the U.S., a product line elimination and a realignment of our sales operations in the U.K., and a workforce reduction of 275 positions which encompasses plans in all segments and across all geographic areas. As of November 30, 2001, 135 of the 275 position reductions had been realized.

The major components of the special charges include charges for employee termination benefits of $6.3 million, impairment charges of $1.6 million, and other related exit costs of $3.8 million. Asset impairments consist of $0.7 million of property, plant and equipment and $0.9 million of inventory which were recorded as a direct result of the Company's decision to exit facilities or product lines. Other exit costs consist primarily of lease terminations.

The major components of the special charges and the remaining accrual balance as of November 30, 2001 follow:

Severance
and
personnel
Asset
Other
(MILLIONS)
costs
write-
downs exit
costs
Total - --


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2001
SPECIAL
CHARGES $
6.3 $1.6
$3.8 $11.7
AMOUNTS
UTILIZED
(.5) (1.6)
- (2.1) -
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$ 5.8 $ -
$3.8 $ 9.6
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During 1999, the Company recorded special charges of $26.7 million ($23.2 million after-tax) associated with a plan to streamline operations approved by the Company's Board of Directors in May 1999. Of this amount, $25.7 million was classified as special charges and $1.0 million as cost of goods sold in the consolidated statement of income in 1999.

In Europe, the Company consolidated certain U.K. facilities, improved efficiencies within previously consolidated European operations and realigned operations between the U.K. and other European locations.

The major components of the special charges included workforce reductions, building and equipment disposals, write-downs of intangible assets and other related exit costs. In total, the streamlining actions resulted in the elimination of approximately 300 positions, primarily outside the U.S. Asset write-downs, including $5.7 million of property, plant and equipment, $9.1 million of intangible assets and $1.0 million in inventory, were recorded as a direct result of the Company's decision to exit facilities, businesses or operating activities. The fair value of the intangible assets, primarily related to goodwill from prior acquisitions in Finland and Switzerland, was based on a discounted value of estimated future cash flows. Other exit costs consisted primarily of employee and equipment relocation costs, lease exit costs and consulting fees.

During 2000, the Company recorded $1.1 million of additional special charges associated with the 1999 restructuring, which could not be accrued in 1999.

The major components of the special charges and the remaining accrual balance as of November 30, 2001 follow:

```
Severance
and
personnel
Asset
Other
(MILLIONS)
costs
write-
downs exit
costs
Total - --
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1999
Special
charges
(credits)
$ 7.9 $
15.8 $ 3.0
$ 26.7
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  Amounts
 utilized
  (4.0)
  (15.8)
  (1.2)
(21.0) - -
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$ 3.9 $ -
 $ 1.8 $
 5.7 2000
 Special
 charges
(credits)
.8 (.3) .6
   1.1
 Amounts
 utilized
 (3.7) .3
  (2.3)
(5.7) - --
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-------- $
1.0 $ - $
 .1 $ 1.1
   2001
 AMOUNTS
 UTILIZED
 (1.0) -
(.1) (1.1)
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$ - $ - -
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3. ACQUISITIONS

On August 31, 2000, the Company acquired Ducros, S.A. and Sodis, S.A.S. from Eridania Beghin-Say, for 2.75 billion French francs (equivalent to $379 million). The purchase contract allows for a potential adjustment to the purchase price. This adjustment procedure has not been concluded, however the potential adjustment under the contract can only decrease the purchase price. Any reduction in the purchase price would be recorded as a decrease to goodwill. Ducros, headquartered in France, manufactures and markets spices and herbs, and dessert aid products. Key brands include Ducros, Vahine, and Margao which are produced mainly in France. Sodis manages the racking and merchandising of Ducros products in supermarkets and hypermarkets.

$370 million of the purchase was financed through 6.7% commercial paper with the remainder funded by internally generated funds. The Company replaced $300 million of commercial paper with 6.4% and 6.8% medium-term notes in January 2001. The effective interest rate on the medium-term notes is 7.62% due to the amortization of the discount ($2.2 million), origination fees ($1.1 million), and swap settlement costs ($14.7 million). (See footnote 6) The acquisition was accounted for under the purchase method, and the results of Ducros and Sodis have been included in the Company's consolidated results from the date of acquisition.

During 2001, the purchase price allocation was finalized. The purchase price has been allocated to the assets ($193.6 million), liabilities ($157.6 million), and minority interest ($10.6 million), based upon their fair market values. Included in liabilities is $11.4 million of accruals for the reorganization of resources in the Ducros organization in Europe. Actions under this plan, which was formulated in conjunction with the acquisition, include the consolidation of sales areas and offices and the exit from certain smaller markets. The major components of the accrual include charges for employee termination benefits of $8.9 million and other exit costs of $2.5 million. $2.0 million of these accruals were utilized in 2001, and the remaining accrual is $9.4 million. Goodwill ($353.6 million) is being amortized over 40 years.

4. INVESTMENTS

Although the Company reports its share of net income from affiliates, their financial statements are not consolidated with those of the Company. The Company's share of undistributed earnings of the affiliates was $53.7 million at November 30, 2001.

Summarized year-end information from the financial statements of these companies representing 100% of the businesses follows:

(MILLIONS)	2001	2000	1999
Net sales	$ 436.3	$ 437.7	$ 378.3
Gross profit	209.1	200.7	158.7
Net income	43.0	36.1	26.7
Current assets	$ 161.0	$ 177.1	$ 168.0
Noncurrent assets	110.7	106.4	82.6
Current liabilities	83.3	92.5	97.1
Noncurrent liabilities	46.2	62.7	46.1

Royalty income from unconsolidated affiliates was $9.4 million, $9.0 million and $5.1 million for 2001, 2000, and 1999, respectively.

5. FINANCING ARRANGEMENTS

The Company's outstanding debt is as follows:

(MILLIONS)

	2001	2000
Short-term borrowings		
Commercial paper (1)	$ 173.5	$ 443.0
Other	36.3	30.1
	$ 209.8	$ 473.1
Weighted-average interest rate of short-term borrowings at year end	3.17%	6.65%
Long-term debt		
8.95% note due 2001(1)	$ -	$ 74.9
5.78% - 7.77% medium-term notes due 2004 to 2006	95.0	95.0
7.63% - 8.12% medium-term notes due 2024(2)	55.0	55.0
6.40% - 6.80% medium-term notes due 2006 to 2008(3)	298.2	-
9.34% pound sterling installment note due through 2001	-	3.1
Other	6.9	11.0

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455.1
239.0 Less
current
portion
1.0 78.8 -
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- $ 454.1
$ 160.2 -
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(1) The variable interest rate on $75 million commercial paper that was used to retire the 8.95% note in 2001 is hedged by forward starting interest rate swaps for the period 2001 through 2011. Net interest payments will be fixed at 6.35% during this period.

(2) Holders have a one-time option to require retirement of these notes in 2004.

(3) Forward starting interest rate swaps, settled upon the issuance of the medium-term notes, effectively fixed the interest rate on $294 million of the notes at a weighted average fixed rate of 7.62%.

The fair value of the Company's short-term borrowings approximated the recorded value. The fair value of long-term debt including the current portion of long-term debt was $467.8 million and $241.7 million at November 30, 2001 and 2000, respectively.

Maturities of long-term debt during the four years subsequent to November 30, 2002 are as follows (in millions):

2003 -	$ .5
2005 -	$ 32.3
2004 -	$16.3
2006 -	$196.4

The Company has available credit facilities with domestic and foreign banks for various purposes. The amount of unused credit facilities at November 30, 2001 was $392.7 million, of which $350.0 million supports a commercial paper borrowing arrangement. Of these unused facilities, $225.0 million expire in 2006 and the remainder expire in 2002. Some credit facilities in support of commercial paper issuance require a commitment fee. Annualized commitment fees at November 30, 2001 were $0.3 million.

Rental expense under operating leases was $17.0 million in 2001, $17.9 million in 2000 and $17.4 million in 1999. Future annual fixed rental payments for the years ending November 30 are as follows (in millions):

2002 -	$ 11.9
2005 -	$ 2.4
2003 -	$ 7.3
2006 -	$ 1.3
2004 -	$ 4.8
Thereafter -	$ .7

At November 30, 2001, the Company had unconditionally guaranteed $0.7 million of the debt of unconsolidated affiliates. The Company has guaranteed 85% of the residual value of a

leased distribution center and the debt of the lessor from which this facility is leased. The lease, which expires in 2005 and has two subsequent five-year renewal options, is treated as an operating lease. Rent expense under the lease is determined as LIBOR plus 0.375% applied to the initial cost of the facility. At November 30, 2001, the debt under this guarantee was $14 million. A third party maintains a substantial residual equity investment in the lessor, and therefore, this entity is not consolidated with the Company.

6. FINANCIAL INSTRUMENTS

The Company utilizes derivative financial instruments to enhance its ability to manage risk, including foreign currency and interest rate exposures which exist as part of its ongoing business operations. The Company does not enter into contracts for trading purposes, nor is it a party to any leveraged derivative instrument. The use of derivative financial instruments is monitored through regular communication with senior management and the utilization of written guidelines.

The Company's derivatives are accounted for under the requirements of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." All derivatives are recognized at fair value in the consolidated balance sheet. In evaluating the fair value of financial instruments, including derivatives, the Company uses third-party market quotes or calculates an estimated fair value on a discounted cash flow basis using the rates available for instruments with the same remaining maturities.

FOREIGN CURRENCY

The Company is potentially exposed to foreign currency fluctuations affecting net investments, transactions and earnings denominated in foreign currencies. The Company selectively hedges the potential effect of these foreign currency fluctuations by entering into foreign currency exchange contracts with highly-rated financial institutions.

Contracts which are designated as hedges of anticipated purchases denominated in a foreign currency (generally purchases of raw materials in U.S. dollars by operating units outside the U.S.) are considered cash flow hedges. The gains and losses on these contracts are deferred in other comprehensive income until the hedged item is recognized in income, at which time the net amount deferred in other comprehensive income is also recognized in income. Gains and losses from hedges of assets, liabilities or firm commitments are recognized through income, offsetting the change in fair value of the hedged item.

At November 30, 2001, the Company had foreign currency exchange contracts maturing within one year to purchase or sell $41.2 million of foreign currencies versus $0.8 million at November 30, 2000. The fair value of these contracts was $0.7 million and $0.0 million at November 30, 2001 and 2000, respectively. All of these contracts were designated as hedges of anticipated purchases denominated in a foreign currency to be completed within one year and therefore are considered cash flow hedges. Hedge ineffectiveness was not material.

INTEREST RATES

The Company finances a portion of its operations through debt instruments, primarily commercial paper, notes and bank loans whose fair values are indicated in Note 5. The Company utilizes interest rate swap agreements as cash flow hedges to lock in the interest rate on borrowings or anticipated borrowings and therefore achieve a desired proportion of variable versus fixed rate debt.

The variable interest on commercial paper which was used to retire the 8.95% note due 2001 is hedged by forward starting interest rate swaps for the period 2001 through 2011. Net interest payments on $75 million of commercial paper will be effectively fixed at 6.35% during the period. The unrealized gain or loss on these swaps is recorded in other comprehensive income, as the Company intends to hold these forward starting interest rate swaps until maturity. Subsequent to the starting date of these swaps, the net cash settlements are reflected in interest expense in the applicable period.

In September of 2000, the Company entered into forward starting interest rate swaps to manage the interest rate risk associated with the anticipated issuance of $294 million fixed rate medium-term notes, which were issued in January 2001. The Company settled these swaps for a cash payment of $14.7 million upon issuance of the medium-term notes. The loss on these swaps was deferred in other comprehensive income and is being amortized over the five to seven year life of the medium-term notes as a component of interest expense.

The notional amount of all open interest rate swaps was $75 million and $369 million at November 30, 2001 and 2000, respectively. The fair market value of all the swaps was $(6.0) and $(3.8) million at November 30, 2001 and 2000, respectively. Hedge ineffectiveness was not material.

OTHER FINANCIAL INSTRUMENTS

The Company's other financial instruments include cash and cash equivalents, receivables and accounts payable. As of November 30, 2001 and 2000, the fair value of other financial instruments held by the Company approximated the recorded value.

Investments, consisting principally of investments in unconsolidated affiliates, are not readily marketable. Therefore, it is not practicable to estimate their fair value.

CONCENTRATIONS OF CREDIT RISK

The Company is potentially exposed to concentrations of credit risk with trade accounts receivable, prepaid allowances and financial instruments. Because the Company has a large and diverse customer base with no single customer accounting for a significant percentage of trade accounts receivable and prepaid allowances, there was no material concentration of credit risk in these accounts at November 30, 2001. The Company evaluates the credit worthiness of the counterparties to financial instruments and considers nonperformance credit risk to be remote.

7. PENSION AND 401(K)/PROFIT SHARING PLANS

The Company's pension expense is as follows:

	United States			International		
(MILLIONS)	2001	2000	1999	2001	2000	1999
Defined benefit plans						
Service cost	$ 7.7	$ 7.1	$ 7.4	$ 3.5	$ 2.7	$ 2.8
Interest costs	14.6	13.8	12.7	3.6	3.3	3.2
Expected return on plan assets	(15.5)	(14.1)	(11.9)	(5.3)	(4.7)	(5.2)
Amortization of prior service costs	.1	.1	.1	.1	.1	.1
Amortization of transition assets	.2	.2	(.6)	-	(.1)	(.1)
Curtailment loss	-	-	-	(.4)	-	.2
Recognized net actuarial loss (gain)	1.0	1.3	3.3	(.1)	-	(.1)
Other retirement plans	-	-	.1	.9	.5	.7

$ 8.1 $ 8.4 $ 11.1 $ 2.3 $ 1.8 $ 1.6

The Company's U.S. pension plans held .5 million shares, with a fair value of $19.8 million, of the Company's stock at November 30, 2001. Dividends paid on these shares in 2001 were $0.4 million.

Rollforwards of the benefit obligation, fair value of plan assets and a reconciliation of the pension plans' funded status at September 30, the measurement date, follow:

	United States		International	
(MILLIONS)	2001	2000	2001	2000
Change in benefit obligation				
Beginning of the year	$ 186.9	$ 176.5	$ 59.0	$ 58.9
Service cost	7.7	7.1	3.5	2.7
Interest costs	14.6	13.8	3.6	3.3
Employee contributions	-	-	1.2	1.2
Plan changes and other	(.1)	.6	.8	-
Curtailment	-	-	(.5)	-
Actuarial loss	28.5	.6	2.0	.6
Benefits paid	(8.8)	(11.7)	(2.1)	(2.1)
Foreign currency impact	-	-	(.7)	(5.6)
End of the year	$ 228.8	$ 186.9	$ 66.8	$ 59.0

------------- - Change in fair value of plan assets Beginning of the year $ 167.4 $ 154.7 $ 65.6 $ 60.7 Actual return on plan assets (9.6) 15.4 (11.4) 10.5 Employer contributions 16.2 7.6 2.3 1.1 Employee contributions - - 1.2 1.2 Benefits paid (7.2) (10.3) (2.1) (2.1) Foreign currency impact - - (.5) (5.8) - -- - End of the year $ 166.8 $ 167.4 $ 55.1 $ 65.6 - -- - Reconciliation of funded status (Under)/over funded status $ (62.0) $ (19.5) $(11.7) $ 6.6 Unrecognized net actuarial loss (gain) 79.9 24.5 10.8 (7.6) Unrecognized prior service cost .7 .2 .5 .5 Unrecognized transition asset (liability) .2 .5 (.2) (.3) Employer contributions - - .3 .3 - - -- $ 18.8 $ 5.7 $ (.3) $ (.5) - --

Included in the United States in the table above is a benefit obligation of $20.0 million and $17.0 million for 2001 and 2000, respectively, related to an unfunded pension plan. The accrued liability related to this plan was $12.3 million and $10.5 million as of November 30, 2001 and 2000, respectively.

Amounts recognized in the consolidated balance sheet consist of the following:

	United States		International	
(MILLIONS)	2001	2000	2001	2000
Prepaid pension cost	$ 18.8	$ 5.7	$ .9	$ .5
Accrued pension liability	-	-	(1.2)	(1.0)
	$ 18.8	$ 5.7	$ (.3)	$ (.5)

The accumulated benefit obligation for the U.S. pension plans was $184.9 million and $152.4 million as of September 30, 2001 and 2000, respectively.

	United States		International	
(MILLIONS)	2001	2000	2001	2000
Significant assumptions				
Discount rate	7.25%	8.0%	5.75-6.5%	6.0-6.5%
Salary scale	4.5%	4.5%	3.5-4.0%	3.5-4.0%
Expected return on plan assets	10.0%	10.0%	8.5%	8.5%

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CUMULATIVE EFFECT OF AN ACCOUNTING CHANGE

In 1999, the Company changed its actuarial method of calculating the market-related value of plan assets used in determining the expected return-on-asset component of annual pension expense. This modification resulted in a cumulative effect of accounting change credit of $4.8 million after-tax or $.07 per share ($7.7 million before tax) recorded in the first quarter of 1999. Under the previous method, all realized and unrealized gains and losses were gradually included in the calculated market-related value of plan assets over a five-year period. Under the new method, the total expected investment return, which anticipates realized and unrealized gains and losses on plan assets, is included in the calculated market-related value of plan assets each year. Only the difference between total actual investment return, including realized and unrealized gains and losses, and the expected investment return is gradually included in the calculated market-related value of plan assets over a five-year period.

Under the new actuarial method, the calculated market-related value of plan assets more closely approximates fair value, while still mitigating the effect of annual market value fluctuations. It also reduces the growing difference between the fair value and calculated market-related value of plan assets that has resulted from the recent accumulation of unrecognized gains and losses. While this change better represents the amount of ongoing pension expense, the new method did not have a material impact on the Company's results of operations in 2001, 2000 or 1999 and is not expected to have a material impact in future years.

401(k) PLAN/PROFIT SHARING PLAN

Effective December 1, 2000, the Board of Directors approved an amendment to eliminate the "Profit Sharing Feature" of the McCormick Profit Sharing Plan. At the same time, the Company match in the "401(k) feature" was enhanced such that the Company matches 100% of the participant's contribution up to the first 3% of the participant's salary, and 50% of the next 2% of a participant's salary. In conjunction with these amendments, the plan was also renamed the McCormick 401(k) Retirement Plan.

Company contributions charged to expense under the McCormick 401(k) Retirement Plan and the McCormick Profit Sharing Plan were $6.6 million, $5.8 million and $6.0 million in 2001, 2000 and 1999, respectively.

The McCormick 401(k) Retirement Plan held 2.3 million shares, with a fair value of $99.1 million, of the Company's stock at November 30, 2001. Dividends paid on these shares in 2001 were $1.8 million.

8. OTHER POSTRETIREMENT BENEFITS

The Company's other postretirement benefit expense follows:

(MILLIONS)	2001	2000	1999
Other postretirement benefits			
Service cost	$ 2.6	$ 2.4	$ 2.6
Interest cost	5.5	5.3	4.9
Amortization of prior service cost	(.7)	(.7)	

```
     (.1)
 Accelerated
 recognition
   of prior
 unrecognized
 service cost
- (.6) - - --
-------------
-------------
-------------
-------------
-------------
 --- $ 7.4 $
6.4 $ 7.4 - -
-------------
-------------
-------------
-------------
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     ----
```

Rollforwards of the benefit obligation, fair value of plan assets and a reconciliation of the plan's funded status at November 30, the measurement date, follow:

```
  (MILLIONS)
2001 2000 - -
-------------
-------------
-------------
-------------
  ----------
  Change in
   benefit
  obligation
 Beginning of
  the year $
 71.3 $ 65.1
 Service cost
   2.6 2.4
Interest cost
   5.5 5.3
   Employee
contributions
   2.0 1.7
  Actuarial
 loss 5.6 2.0
Benefits paid
(5.2) (5.2) -
-------------
-------------
-------------
-------------
 -----------
  End of the
year $ 81.8 $
71.3 - ------
-------------
-------------
-------------
-------------
 ----- Change
in fair value
   of plan
    assets
 Beginning of
 the year $ -
 $ - Employer
contributions
   3.2 3.5
   Employee
contributions
   2.0 1.7
Benefits paid
(5.2) (5.2) -
-------------
-------------
-------------
-------------
 -----------
  End of the
```

year	$ -	$ -
Reconciliation of funded status		
Funded status	$(81.8)	$ (71.3)
Unrecognized net actuarial loss (gain)	7.3	1.8
Unrecognized prior service cost	(5.3)	(6.0)
Other postretirement benefit liability	$(79.8)	$ (75.5)

The assumed weighted-average discount rates were 7.25% and 8.00% for 2001 and 2000, respectively.

The assumed annual rate of increase in the cost of covered health care benefits is 7.20% for 2001. It is assumed to decrease gradually to 5.25% in the year 2007 and remain at that level thereafter. Changing the assumed health care cost trend would have the following effect:

(MILLIONS)	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on benefit obligation as of November 30, 2001	$ 6.8	$ (6.1)
Effect on total of service and interest cost components in 2001	$ 1.0	$ (.8)

9. INCOME TAXES

The provision for income taxes consists of the following:

(MILLIONS)	2001	2000	1999
Income taxes			
Current			
Federal	$ 43.6	$ 51.4	$ 35.6
State	3.4	5.2	2.7
International	13.7	15.1	12.5
	60.7	71.7	50.8
Deferred			
Federal	3.5	(5.2)	4.8
State	.6	(.7)	1.3
International	(1.9)	.8	.3
	2.2	(5.1)	6.4
Total income taxes	$ 62.9	$ 66.6	$ 57.2

The components of income from consolidated continuing operations before income taxes follow:

(MILLIONS)	2001	2000	1999
Pretax			

income

United States	$ 125.6	$ 133.7	$ 119.3
International	64.8	52.3	23.0
	$ 190.4	$ 186.0	$ 142.3

A reconciliation of the U.S. federal statutory rate with the effective tax rate follows:

	2001	2000	1999
Federal statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefits	1.3	1.6	1.9
Tax effect of international operations	(2.3)	(.4)	.5
Tax credits	(1.6)	(1.8)	(1.6)
Nondeductible special charges	-	-	4.2
Other, net	.6	1.4	.2
Effective tax rate	33.0%	35.8%	40.2%

Deferred tax assets and liabilities are comprised of the following:

(MILLIONS)	2001	2000

Deferred tax assets		
Postretirement benefit obligations	$ 42.7	$ 37.6
Accrued expenses and other reserves	15.9	14.2
Inventory	3.4	4.0
Net operating losses and tax credits	12.3	7.3
Other	29.8	22.3
Valuation allowance	(11.5)	(7.3)
	92.6	78.1
Deferred tax liabilities		
Depreciation	39.5	36.9
Other	45.6	31.5
	85.1	68.4
Net deferred tax asset	$ 7.5	$ 9.7

Deferred tax assets are primarily in the U.S. The Company has a history of having taxable income and anticipates future taxable income to realize these assets.

U.S. income taxes are not provided for unremitted earnings of international subsidiaries and affiliates. The Company's intention is to reinvest these earnings permanently or to repatriate the earnings only when it is tax effective to do so. Accordingly, the Company believes that any U.S. tax on repatriated earnings would be substantially offset by U.S. foreign tax credits. Unremitted earnings of such entities were $106.3 million at November 30, 2001.

10. STOCK PURCHASE AND OPTION PLANS

The Company has an Employee Stock Purchase Plan (ESPP) enabling substantially all U.S. employees to purchase the Company's common stock at the lower of the stock price on the grant date or the exercise date. Similarly, options were granted for certain foreign-based employees in lieu of their participation in the ESPP. Options granted under the plans have two or three year terms.

Under the Company's 1997 and 2001 Stock Option Plans, the McCormick (U.K.) Share Option Schemes, and the McCormick France Share Option Plan, options to purchase shares of the Company's common stock have been or may be granted to employees. The option price for shares granted under these plans is the fair market value on the grant date. Options granted under these plans have five or ten year terms.

The Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation expense has been recognized for the Company's stock option plans. If the Company had elected to recognize compensation based on the fair value of the options granted at grant date as prescribed by SFAS No. 123, net income and earnings per share would have been as follows:

(MILLIONS EXCEPT PER SHARE DATA)	2001	2000	1999
Pro forma net income	$ 131.7	$ 131.1	$ 98.2
Pro forma earnings per share			
Assuming dilution	1.88	1.88	1.36
Basic	1.91	1.91	1.38

The effects of applying SFAS No. 123 on pro forma net income are not indicative of future amounts until the new rules are applied to all outstanding non-vested awards.

The per share weighted-average fair value of options granted during the year was $10.81, $6.65, and $6.02 in 2001, 2000 and 1999, respectively. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following range of assumptions for the Stock Option Plans, McCormick (U.K.) Share Option Schemes, McCormick France Share Option Plan, and the ESPP (including options to foreign employees):

	2001	2000	1999

Risk-free interest rates	5.0%	5.6%	4.9%-5.4%
Dividend yields	2.0%	2.0%	2.0%
Expected volatility	26.0%	24.5%	24.2%
Expected lives	1.6-7.2 years	1.6-4.8 years	1.6-6.0 years

A summary of the Company's stock option plans for the years ended November 30 follows:

(OPTIONS IN MILLIONS)	2001		2000		1999	
	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
Beginning of year	5.5	$27.62	4.5	$27.86	3.7	$26.50
Granted						

```
2.2 $36.41
1.5 $25.65
1.6 $29.06
Exercised
(1.1)
$24.84
(.4)
$22.68
(.6)
$23.54
Forfeited
(.1)
$27.72
(.1)
$27.65
(.2)
$25.91 - -
----------
----------
----------
----------
----------
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----------
----------
-------
End of
year 6.5
$30.91 5.5
$27.62 4.5
$27.86 - -
----------
----------
----------
----------
----------
----------
----------
----------
-------
Exercisable
-- end of
year 2.6
$29.63 2.5
$27.33 2.3
$25.54 - -
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(OPTION
SHARES IN
MILLIONS)
Options
outstanding
Options
exercisable
- --------
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----------
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----------
------
Weighted
Weighted
Weighted
Range of
average
average
average
exercise
remaining
```

```
 exercise
 exercise
   price
  Shares
life (yrs)
   price
  Shares
price - --
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----------
----------
----------
----------
----------
----------
 -- $18.76
 - $23.03
 0.1 3.9
$22.16 0.1
  $22.16
 $23.03 -
$27.30 2.0
5.8 $25.10
0.9 $24.71
 $27.30 -
$31.57 1.2
7.1 $29.05
0.6 $29.04
 $31.57 -
$35.84 2.9
8.1 $34.80
0.8 $33.21
 $35.84 -
$40.11 0.2
2.0 $39.98
0.2 $40.02
 $40.11 -
$44.38 0.1
8.1 $42.94
0.0 $44.38
- --------
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----------
----------
----------
----------
------ 6.5
6.9 $30.91
2.6 $29.63
- --------
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```

Under all stock purchase and option plans, there were 8.7 million and 1.2 million shares reserved for future grants at November 30, 2001 and 2000, respectively.

11. EARNINGS PER SHARE

The reconciliation of shares outstanding used in the calculation of the required earnings per share measures, basic and assuming dilution, for the years ended November 30 follows:

```
(millions)
 2001 2000
1999 - ---
----------
----------
----------
----------
----------
----------
   -----
  Average
  shares
```

outstanding -- basic	68.9	68.8	71.4
Effect of dilutive securities			
Stock options and ESPP	1.2	.8	.6
Average shares outstanding -- assuming dilution	70.1	69.6	72.0

12. CAPITAL STOCKS

Holders of Common Stock have full voting rights except that (1) the voting rights of persons who are deemed to own beneficially 10% or more of the outstanding shares of voting Common Stock are limited to 10% of the votes entitled to be cast by all holders of shares of Common Stock regardless of how many shares in excess of 10% are held by such person; (2) the Company has the right to redeem any or all shares of stock owned by such person unless such person acquires more than 90% of the outstanding shares of each class of the Company's Common Stock; and (3) at such time as such person controls more than 50% of the vote entitled to be cast by the holders of outstanding shares of voting Common Stock, automatically, on a share-for-share basis, all shares of Common Stock Non-Voting will convert into shares of Common Stock.

Holders of Common Stock Non-Voting will vote as a separate class on all matters on which they are entitled to vote. Holders of Common Stock Non-Voting are entitled to vote on reverse mergers and statutory share exchanges where the capital stock of the Company is converted into other securities or property, dissolution of the Company and the sale of substantially all of the assets of the Company, as well as forward mergers and consolidation of the Company.

13. BUSINESS SEGMENTS AND GEOGRAPHIC AREAS

BUSINESS SEGMENTS

The Company operates in three business segments: consumer, industrial and packaging. The consumer and industrial segments manufacture, market and distribute spices, seasonings, flavorings and other specialty food products throughout the world. The consumer segment sells consumer spices, herbs, extracts, proprietary seasoning blends, sauces and marinades to the consumer food market under a variety of brands, including the McCormick brand in the U.S., Ducros in continental Europe, Club House in Canada, and Schwartz in the U.K. The industrial segment sells to food processors, restaurant chains, distributors, warehouse clubs and institutional operations. The packaging segment manufactures and markets plastic packaging products for food, personal care and other industries, predominantly in the U.S. Tubes and bottles are also produced for the Company's food segments.

In each of its segments, the Company produces and sells many individual products which are similar in composition and nature. It is impractical to segregate and identify profits for each of these individual product lines.

The Company measures segment performance based on operating income. Although the segments are managed separately due to their distinct distribution channels and marketing strategies, manufacturing and warehousing is often integrated across the food segments to maximize cost efficiencies. Management does not segregate jointly utilized assets by individual food segment for internal reporting, evaluating performance or allocating capital. Asset-related information has been disclosed in aggregate for the food segments.

Accounting policies for measuring segment operating income and assets are substantially consistent with those described in Note 1, "Summary of Significant Accounting Policies." Intersegment sales are generally accounted for at current market value or cost plus mark up. Because of manufacturing integration for certain products within the food segments, inventory cost, including the producing segment's overhead and depreciation, is transferred and recognized in the operating income of the receiving segment. Corporate and eliminations includes general corporate expenses, intercompany eliminations and other charges not directly attributable to the segments. Corporate assets include cash, deferred taxes and certain investments and fixed assets.

			Total		Corporate &	
(MILLIONS)	Consumer	Industrial	Food	Packaging	Eliminations	Total
2001 NET SALES	$1,191.9	$ 1,000.4	$ 2,192.3	$ 180.0	$ -	$ 2,372.3
INTERSEGMENT SALES	-	9.6	9.6	41.3	(50.9)	-
OPERATING INCOME	161.9	89.7	251.6	18.7	(29.7)	240.6
OPERATING INCOME EXCLUDING SPECIAL CHARGES	167.0	95.6	262.6	19.4	(29.7)	252.3
INCOME FROM UNCONSOLIDATED OPERATIONS	19.5	2.0	21.5	-	-	21.5
ASSETS	-	-	1,451.7	141.2	179.1	1,772.0
CAPITAL EXPENDITURES	-	-	87.0	15.3	9.8	112.1
DEPRECIATION AND AMORTIZATION	-	-	58.5	12.4	2.1	73.0

------------- ------------- ------------- --- 2000 Net Sales $ 990.5 $ 954.6 $ 1,945.1 $178.4 $ - $ 2,123.5 Intersegment sales - 9.9 9.9 39.7 (49.6) - Operating income 157.6 78.0 235.6 21.5 (32.1) 225.0 Operating income excluding special charges 157.7 79.0 236.7 21.5 (32.1) 226.1 Income from unconsolidated operations 16.5 2.1 18.6 - - 18.6 Assets - - 1,400.3 137.7 121.9 1,659.9 Capital expenditures - - 36.5 11.6 5.5 53.6 Depreciation and amortization - - 47.3 11.8 2.2 61.3 - -- ------------- ------------- ------------- ------------- ------------- ------------- ------------- ------------- ------------- --- 1999 Net Sales $ 898.5 $ 938.7 $ 1,837.2 $ 169.7 $ - $ 2,006.9 Intersegment sales - 11.5 11.5 34.3 (45.8) - Operating income 123.2 61.5 184.7 19.5 (34.1) 170.1 Operating income excluding special charges 137.0 74.3 211.3 19.6 (34.1) 196.8 Income from unconsolidated operations 13.4 - 13.4 - - 13.4 Assets - - 983.2 117.5 88.1

						1,188.8
Capital expenditures	-	-	39.7	8.3	1.3	49.3
Depreciation and amortization	-	-	44.5	11.5	1.4	57.4

GEOGRAPHIC AREAS

The Company has net sales and long-lived assets in the following geographic areas:

(MILLIONS)	United States	Europe	Other Countries	Total
2001				
NET SALES	$1,485.9	$593.7	$292.7	$2,372.3
LONG-LIVED ASSETS (1)	367.2	459.4	62.5	889.1
2000				
Net sales	$1,437.4	$393.6	$292.5	$2,123.5
Long-lived assets (1)	322.0	440.0	64.0	826.0
1999				
Net sales				

	$1,393.9	$349.8	$263.2	$2,006.9
Long-lived assets (1)	319.0	114.2	72.9	506.1

(1) Long-lived assets include property, plant and equipment and intangible assets, net of accumulated depreciation and amortization, respectively.

14. SUPPLEMENTAL FINANCIAL STATEMENT DATA

(MILLIONS)	2001	2000
Inventories		
Finished products and work-in-process	$ 160.1	$ 153.5
Raw materials	118.0	120.5
	$ 278.1	$ 274.0
Property, plant and equipment		
Land and improvements	$ 21.6	$ 25.2
Buildings	207.1	200.3
Machinery and equipment	582.0	521.9
Construction in progress	76.6	32.6
Accumulated depreciation	(462.8)	(407.0)
	$ 424.5	$ 373.0
Intangible assets Cost	$ 534.4	$ 510.2

```
  Accumulated
 amortization
   (69.8 )
(57.2) - ----
-------------
-------------
-------------
-------------
  ------- $
464.6 $ 453.0
- -----------
-------------
-------------
-------------
-------------
 Investments
  and other
    assets
Investments $
 83.2 $ 75.2
 Other assets
64.6 42.6 - -
-------------
-------------
-------------
-------------
 ---------- $
147.8 $ 117.8
- -----------
-------------
-------------
-------------
-------------
Other accrued
 liabilities
 Payroll and
   employee
  benefits $
 83.6 $ 78.2
    Sales
  allowances
  69.3 69.1
 Income taxes
  26.0 28.7
 Other 140.0
114.0 - -----
-------------
-------------
-------------
-------------
   ------ $
318.9 $ 290.0
- -----------
-------------
-------------
-------------
-------------
 Other long-
     term
 liabilities
    Other
postretirement
  benefits $
 79.8 $ 75.5
  Other 35.5
34.5 - ------
-------------
-------------
-------------
-------------
----- $ 115.3
$ 110.0 - ---
-------------
-------------
-------------
-------------
   --------


 (MILLIONS)
 2001 2000
1999 - ----
```

Depreciation	$ 59.6	$ 54.2	$ 52.5
Research and development	27.1	24.9	21.4
Interest paid	48.5	39.7	33.0
Income taxes paid	46.9	69.8	55.3

(MILLIONS)	2001	2000
Accumulated other comprehensive income		
Foreign currency translation adjustment	$(69.7)	$(76.8)
Fair value of open interest rate swaps	(4.0)	(2.5)
Unamortized value of settled interest rate swaps	(8.5)	-
Pension adjustment	(1.9)	-
Unrealized gain on foreign currency exchange contracts	.2	-
	$(83.9)	$(79.3)

15. SELECTED QUARTERLY DATA (UNAUDITED)

(MILLIONS EXCEPT PER SHARE DATA	First	Second	Third	Fourth
2001 NET SALES	$ 533.5	$ 567.1	$ 570.7	$ 701.0
GROSS PROFIT	208.5	221.5	228.9	312.4
OPERATING INCOME	44.9	49.6	56.4	89.7
NET INCOME	26.6	26.6	34.3	59.1
EARNINGS PER SHARE				
BASIC	.39	.39	.50	.85
ASSUMING DILUTION	.38	.38	.49	.84
DIVIDENDS PAID PER SHARE	.20	.20	.20	.20
MARKET PRICE				
HIGH	40.21	42.94	45.67	46.54
LOW	34.00	36.50	39.00	39.30

2000 Net
sales $
462.4 $
485.7 $
495.9 $
679.5
Gross
profit
163.8
170.5
172.9
297.6
Operating
income
36.1
40.9
51.1
96.9 Net
Income
24.4
24.2
31.3
57.6
Earnings
per
share
Basic
.35 .35
.46 .84
Assuming
Dilution
.35 .35
.45 .84
Dividends
paid per
share
.19 .19
.19 .19
Market
price
High
32.88
36.56
36.50
37.69
Low
23.75
24.88
28.56
27.63 -

McCORMICK WORLDWIDE

U.S.A.
OUTSIDE
U.S.A.
CONSOLIDATED
OPERATING
UNITS
CONSOLIDATED
OPERATING
UNITS
McCORMICK
(U.K.)
LIMITED
Haddenham,

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CONSUMER
PRODUCTS
DIVISION
MANAGING
DIRECTOR
SHANGHAI
McCORMICK
FOODS Hunt
Valley,
Maryland
COMPANY,
LIMITED (90%)
Robert W.
Schroeder
McCORMICK
FOODS
AUSTRALIA
Shanghai,
People's
Republic of
China
PRESIDENT,
U.S. CONSUMER
FOODS PTY.
LTD. Victor
K. Sy
Clayton,
Victoria,
Australia
CHAIRMAN
McCORMICK
PACKAGING
GROUP Timothy
J. Large
Donald E.
Parodi
MANAGING
DIRECTOR
AFFILIATES
OUTSIDE THE
U.S.A. VICE
PRESIDENT
McCORMICK
(GUANGZHOU)
FOOD
McCORMICK DE
MEXICO,
SETCO, INC.
COMPANY
LIMITED S.A.
DE C.V. (50%)
Anaheim,
California
Guangzhou,
People's
Republic of
China Mexico
City, Mexico
Donald E.
Parodi Victor
K. Sy
PRESIDENT
GENERAL
MANAGER
McCORMICK
KUTAS FOOD
SERVICE LTD.

(50%) TUBED
PRODUCTS,
INC.
McCORMICK
INGREDIENTS
Haddenham,
England
Easthampton,
Massachusetts
SOUTHEAST
ASIA PRIVATE
LIMITED
Stephen J.
Rafter
Jurong,
Republic of
Singapore
McCORMICK-
LION LIMITED
(49%)
PRESIDENT
Russell Eves
Tokyo, Japan
MANAGING
DIRECTOR
U.S.A.
AFFILIATES
MCCORMICK
PHILIPPINES,
INC. (50%)
McCORMICK
PESA, S.A. DE
C.V. Manila,
Philippines
McCORMICK
FRESH HERBS,
LLC (50%)
Mexico City,
Mexico
Commerce,
California
Lazaro
Gonzalez
STANGE
(JAPAN) K.K.
(50%)
MANAGING
DIRECTOR
Tokyo, Japan
SIGNATURE
BRANDS, LLC
(50%) Ocala,
Florida
McCORMICK
S.A.
Regansdorf
Z.H.,
Switzerland
SUPHERB FARMS
(50%) John C.
Molan
Turlock,
California
MANAGING
DIRECTOR

INVESTOR INFORMATION

World Headquarters
McCormick & Company, Incorporated
18 Loveton Circle
Sparks, MD 21152-6000
U.S.A.
(410) 771-7301
www.mccormick.com

STOCK INFORMATION

New York Stock Exchange
Symbol: MKC

[MKC Listed NYSE logo]

DIVIDEND DATES - 2002

RECORD
DATE
PAYMENT
DATE
04/01/02
04/12/02
06/28/02
07/12/02
09/30/02
10/11/02
12/31/02
01/22/03

McCORMICK & COMPANY HAS PAID DIVIDENDS FOR 77 CONSECUTIVE YEARS.

There are approximately 12,000 shareholders of record, approximately 4,000 holders in McCormick's 401(k) plan for employees and an estimated 25,000 "street-name" beneficial holders whose shares are held in names other than their own, for example, in brokerage accounts.

INVESTOR INQUIRIES

To obtain without cost a copy of the annual report filed with the Securities & Exchange Commission (SEC) on Form 10-K, contact the Treasurer's Office at the Corporate address or web site.

For general questions about McCormick or information in the annual or quarterly reports, contact the Treasurer's Office at the Corporate address or by telephone:
Report ordering:
(800) 424-5855 or (410) 771-7537
Analysts' inquiries:
(410) 771-7244
Our web site, www.mccormick.com, has annual reports, SEC filings, press releases, webcasts and other information.

SHAREHOLDER INQUIRIES

For questions about your account, statements, dividend payments, reinvestment and direct deposit, address changes, lost certificates, stock transfers, ownership changes or other administrative matters, contact Wells Fargo Shareowner Services.

TRANSFER AGENT AND REGISTRAR

Wells Fargo Bank Minnesota, N.A.,
Shareowner Services
161 North Concord Exchange
South St. Paul, MN 55075
(800) 468-9716 or 651-450-4064
www.wellsfargo.com/shareownerservices

Account access via web site
www.shareowneronline.com

INVESTOR SERVICES PLAN (DIVIDEND REINVESTMENT PLAN)

The Company offers an Investor Services Plan which provides plan participants the opportunity to automatically reinvest dividends, purchase shares directly, place stock certificates into safekeeping and sell shares. Individuals who are not current shareholders may purchase their initial plan shares directly. All transactions are subject to the limitations set forth in the Investor Services Plan prospectus, which may be obtained by contacting Wells Fargo Shareowner Services at:
(800) 468-9716 or 651-450-4064
www.wellsfargo.com/shareownerservices

STOCK PRICE HISTORY

3
MONTHS
ENDED
HIGH

LOW
CLOSE
11/30/01
$46.54
$39.30
$43.00
08/31/01
45.67
39.00
45.20
05/31/01
42.94
36.50
40.40
02/28/01
40.21
34.00
39.30

TRADEMARKS

Use of (R) or (TM) in this annual report indicates trademarks owned or used by McCormick & Company, Incorporated and its subsidiaries and affiliates.

ON THE COVER: LAURIE HARRSEN
- DIRECTOR OF PUBLIC RELATIONS, CONSUMER PRODUCTS DIVISION
ADLER DESIGN GROUP DESIGNED THIS YEAR'S REPORT.
THIS REPORT IS PRINTED ON RECYCLED PAPER.

CORPORATE OFFICERS

Robert J. Lawless
CHAIRMAN, PRESIDENT &
CHIEF EXECUTIVE OFFICER

Susan L. Abbott
VICE PRESIDENT - REGULATORY &
ENVIRONMENTAL AFFAIRS

Allen M. Barrett, Jr.
VICE PRESIDENT - CORPORATE
COMMUNICATIONS

Francis A. Contino
EXECUTIVE VICE PRESIDENT &
CHIEF FINANCIAL OFFICER

Robert G. Davey
PRESIDENT - GLOBAL INDUSTRIAL GROUP

Stephen J. Donohue
VICE PRESIDENT - STRATEGIC SOURCING

Dr. Hamed Faridi
VICE PRESIDENT -
RESEARCH & DEVELOPMENT

H. Grey Goode, Jr.
VICE PRESIDENT - TAX

Kenneth A. Kelly, Jr.
VICE PRESIDENT & CONTROLLER

Christopher J. Kurtzman
VICE PRESIDENT & TREASURER

Roger T. Lawrence
VICE PRESIDENT - QUALITY ASSURANCE

C. Robert Miller, II
VICE PRESIDENT - MANAGEMENT
INFORMATION SYSTEMS

Michael J. Navarre
VICE PRESIDENT - OPERATIONS

Carroll D. Nordhoff
EXECUTIVE VICE PRESIDENT

Robert W. Skelton
VICE PRESIDENT, GENERAL
COUNSEL & SECRETARY

Gordon M. Stetz, Jr.
VICE PRESIDENT - ACQUISITIONS
& FINANCIAL PLANNING

Karen D. Weatherholtz
SENIOR VICE PRESIDENT -
HUMAN RELATIONS

Jeryl Wolfe
VICE PRESIDENT -
GLOBAL BUSINESS SOLUTIONS

Joyce L. Brooks
ASSISTANT TREASURER -
FINANCIAL SERVICES

W. Geoffrey Carpenter
ASSOCIATE GENERAL COUNSEL &
ASSISTANT SECRETARY

J. Gregory Yawman
ASSOCIATE COUNSEL &
ASSISTANT SECRETARY

BOARD OF DIRECTORS

Executive Committee of the Board
Robert J. Lawless
Francis A. Contino
Robert G. Davey
Carroll D. Nordhoff

Barry H. Beracha*
CHIEF EXECUTIVE OFFICER
SARA LEE BAKERY GROUP

James T. Brady +
MANAGING DIRECTOR, MID-ATLANTIC
BALLANTRAE INTERNATIONAL, LTD.

Edward S. Dunn, Jr.*
PRESIDENT & CEO
COLONIAL WILLIAMSBURG COMPANY

Dr. J. Michael Fitzpatrick*
PRESIDENT & CHIEF OPERATING OFFICER
ROHM AND HAAS COMPANY

Dr. Freeman A. Hrabowski, III +*
PRESIDENT
UNIVERSITY OF MARYLAND
BALTIMORE COUNTY

John C. Molan
PRESIDENT, EUROPE, MIDDLE EAST
& AFRICA

Robert W. Schroeder
PRESIDENT, U.S. CONSUMER FOODS

William E. Stevens +*
CHAIRMAN, BBI GROUP, INC.

Karen D. Weatherholtz
SENIOR VICE PRESIDENT -
HUMAN RELATIONS

+AUDIT COMMITTEE MEMBER
*COMPENSATION COMMITTEE MEMBER

(shown l-r, seated front) Brady, Weatherholtz, Molan, Fitzpatrick, Dunn, Hrabowski; (standing back) Stevens, Lawless, Davey, Nordhoff, Beracha, Schroeder, Contino

[PHOTOGRAPH]

[McCormick logo]

McCORMICK & COMPANY, INCORPORATED
18 Loveton Circle   Sparks, Maryland 21152-6000   U.S.A.   410-771-7301

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of McCormick & Company, Incorporated and subsidiaries of our report dated January 22, 2002 included in the 2001 Annual Report to Shareholders of McCormick & Company, Incorporated.

Our audits also included the financial statement schedule of McCormick & Company, Incorporated and subsidiaries listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the following Registration Statements of McCormick & Company, Incorporated and subsidiaries and in the related Prospectuses (if applicable) of our report dated January 22, 2002, with respect to the consolidated financial statements of McCormick & Company, Incorporated and subsidiaries included in the 2001 Annual Report to Shareholders and incorporated by reference in this Annual Report (Form 10-K) for the year ended November 30, 2001, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) of McCormick & Company, Incorporated.

Form	Registration Number	Date Filed
S-8	333-57590	03/26/2001
S-3/A	333-46490	1/23/2001
S-8	333-93231	12/21/1999
S-8	333-74963	3/24/1999
S-3	333-47611	3/9/1998
S-8	333-23727	3/21/1997
S-3	33-66614	7/27/1993
S-3	33-40920	5/29/1991
S-8	33-33274	3/2/1990
S-3	33-32712	12/21/1989
S-3	33-24660	3/16/1989
S-3	33-24659	9/15/1988
S-8	33-24658	9/15/1988

/s/ Ernst & Young LLP

Baltimore, Maryland

McCORMICK & COMPANY, INCORPORATED
18 LOVETON CIRCLE
SPARKS, MARYLAND 21152

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MARCH 20, 2002

The Annual Meeting of the Stockholders of McCormick & Company, Incorporated will be held at the Hunt Valley Inn, Hunt Valley, Maryland at 10:00 a.m., March 20, 2002, for the purpose of considering and acting upon:

(a) the election of directors to act until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified;

(b) the approval of the 2002 McCormick Mid-Term Incentive Plan, which is attached as Exhibit A to the Proxy Statement and which has been adopted by the Compensation Committee and the Board of Directors subject to the approval of the stockholders;

(c) the ratification of the appointment of Ernst & Young LLP as independent auditors of the Company to serve for the 2002 fiscal year; and

(d) any other matters that may properly come before such meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on January 31, 2002 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Meeting or any adjournments thereof. ONLY HOLDERS OF COMMON STOCK SHALL BE ENTITLED TO VOTE. Holders of Common Stock Non-Voting are welcome to attend and participate in this meeting.

IF YOU ARE A HOLDER OF COMMON STOCK, A PROXY CARD IS ENCLOSED. PLEASE VOTE YOUR PROXY PROMPTLY BY TELEPHONE, BY INTERNET OR BY MAIL AS DIRECTED ON THE PROXY CARD IN ORDER THAT YOUR STOCK MAY BE VOTED AT THIS MEETING. THE PROXY MAY BE REVOKED BY YOU AT ANY TIME BEFORE IT IS VOTED.

February 15, 2002

Robert W. Skelton
Secretary

PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement is furnished on or about February 15, 2002 to the holders of Common Stock in connection with the solicitation by the Board of Directors of the Company of proxies to be voted at the Annual Meeting of Stockholders or any adjournments thereof. Any proxy given may be revoked at any time insofar as it has not been exercised. Such right of revocation is not limited or subject to compliance with any formal procedure. The shares represented by all proxies received will be voted in accordance with the instructions contained in the respective proxies. The cost of the solicitation of proxies will be borne by the Company. In addition to the solicitation of proxies by use of the mails, officers and regular employees of the Company may solicit proxies by telephone, electronic mail or personal interview. The Company also may request brokers and other custodians, nominees, and fiduciaries to forward proxy soliciting material to the beneficial owners of shares held of record by such persons, and the Company may reimburse them for their expenses in so doing.

At the close of business on January 31, 2002, there were outstanding 7,912,180 shares of Common Stock which represent all of the outstanding voting securities of the Company. Except for certain voting limitations imposed by the Company's Charter on beneficial owners of ten percent or more of the outstanding Common Stock, each of said shares of Common Stock is entitled to one vote. Only holders of record of Common Stock at the close of business on January 31, 2002 will be entitled to vote at the meeting or any adjournments thereof.

PRINCIPAL STOCKHOLDERS

On January 31, 2002, the assets of The McCormick 401(k) Retirement Plan (the "Plan") included 2,310,461 shares of the Company's Common Stock, which represented 29.2% of the outstanding shares of Common Stock. The address for the Plan is 18 Loveton Circle, Sparks, Maryland 21152. The Plan is not the beneficial owner of the Common Stock for purposes of the voting limitations described in the Company's Charter. Each Plan participant has the right to vote all shares of Common Stock allocated to such participant's Plan account. The Plan's Investment Committee possesses investment discretion over the shares, except that, in the event of a tender offer, each participant of the Plan is entitled to instruct the Investment Committee as to whether to tender Common Stock allocated to such participant's account. Membership on the Investment Committee consists of three directors, Francis A. Contino, Carroll D. Nordhoff, and Karen D. Weatherholtz, and the Company's Vice President & Controller, Kenneth A. Kelly, Jr., the Company's Vice President & Treasurer, Christopher J. Kurtzman and the Company's Vice President, General Counsel & Secretary, Robert W. Skelton.

Harry K. Wells and his wife Lois L.Wells, whose address is P. O. Box 409, Riderwood, Maryland 21139, held in two trusts 536,623 shares of Common Stock as of January 31, 2002, representing 6.8% of the outstanding shares of Common Stock.

ELECTION OF DIRECTORS

The persons listed in the following table have been nominated for election as directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified. Management has no reason to believe that any of the nominees will be unavailable for election. In the event a vacancy should occur, the proxy holders reserve the right to reduce the total number of nominations for election. There is no family relationship between any of the nominees.

The following table shows, as of January 31, 2002, the names and ages of all nominees, the principal occupation and business experience of each nominee during the last five years, the year in which each nominee was first elected to the Board of Directors, the amount of securities beneficially owned by each nominee, and directors and executive officers as a group, and the nature of such ownership. Except as shown in the table, no nominee owns more than one percent of either class of the Company's Common Stock.

REQUIRED VOTE OF STOCKHOLDERS. The favorable vote of at least a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present is required for the election of each nominee.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR EACH OF THE NOMINEES LISTED BELOW.

Year First Principal Occupation & Elected Amount and Nature* of Name Age Business Experience Director Beneficial Ownership - ------------------------ --- ----------------- Common Non- Common Voting -------------------- Barry H. Beracha 59 Executive Vice President, Sara Lee 2000 1,898 250 Corporation, and Chief Executive Officer, Sara Lee Bakery Group (August 2001 to present); Chairman of the Board & Chief Executive Officer, The Earthgrains Company (1993 to 2001) James T. Brady 61 Managing Director - Mid- 1998 1,911 3,510 Atlantic, Ballantrae International, Ltd. (1999 to present); Consultant, (1998 to 1999); Secretary, Maryland Department of Business and Economic Development (1995 to 1998) Francis A. Contino 56 Executive Vice President & 1998 72,055 21,032 Chief Financial Officer (1998 to present); Managing Partner (Baltimore Office), Ernst &Young LLP (1995 to 1998) Robert G. Davey 52 President - Global Industrial Group 1994 116,410 36,240 (1998 to present); Executive Vice President & Chief Financial Officer (1996 to 1998); Edward S. Dunn, Jr. 58 President and Chief Executive Officer, 1998 2,929 3,649 Colonial Williamsburg Company (June, 2001 to present); C.J. McNutt Chair in Food Marketing, St. Joseph's University (1998 to 2001); President, Dunn Consulting (1997 to present); President, Harris Teeter, Inc. (1989 to 1997) 4 J. Michael Fitzpatrick 55 President & Chief Operating Officer, 2001 53 0 Rohm and Haas Company (1999 to present); Vice President & Chief Technology Officer, Rohm and Haas Company (1995 to 1999) Freeman A. Hrabowski, III 51 President, University of 1997 5,518 3,796 Maryland Baltimore County (1992 to present) Robert J. Lawless 55 Chairman of the Board (1999 to 1994 278,717 87,606 present); President (1996 to present); (3.5%) Chief Executive Officer (1997 to present) & Chief Operating Officer

(1995 to present); Executive Vice President (1995 to 1996) John C. Molan 55 President - Europe, Middle East & 2000 116,449 39,637 Africa (October 2000 to present); Group Vice President & Managing Director - Europe & Asia (1998 to 2000); Vice President & Managing Director - Europe (1996 to 1998) Carroll D. Nordhoff 56 Executive Vice President 1991 120,330 32,859 (1994 to present) Robert W. Schroeder 56 President - U.S. Consumer 1996 89,747 30,058 Products Division (1999 to present); Vice President & General Manager McCormick/Schilling Division (1995 to 1999) William E. Stevens 59 Chairman, BBI Group (2000 to 1988 7,039 11,700 present); Chairman and Chief Executive Officer, Wesmark Group (1999 to 2001); Executive Vice President, Mills & Partners, (1996 to 1999) Karen D. Weatherholtz 51 Senior Vice President - Human 1992 50,709 13,846 Relations (1999 to present); Vice President - Human Relations (1988 to 1999) Directors and Executive Officers as a Group (18 persons).. 1,036,916 359,774 (12.1%)

* Includes shares of Common Stock and Common Stock Non-Voting known to be beneficially owned by directors and executive officers alone or jointly with spouses, minor children and relatives (if any) who have the same home as the director or executive officer. Also includes the following numbers of shares which could be acquired within 60 days of January 31, 2002 pursuant to the exercise of stock options: Mr. Beracha - 250 shares of Common Stock, 250 shares of Common Stock Non-Voting; Mr. Brady - 750 shares of Common Stock, 750 shares of Common Stock Non-Voting; Mr. Contino - 61,951 shares of Common Stock, 20,651 shares of Common Stock Non-Voting; Mr. Davey - 90,148 shares of Common Stock, 30,050 shares of Common Stock Non-Voting; ; Mr. Dunn - 1,500 shares of Common Stock, 1,500 shares of Common Stock Non-Voting; Dr. Hrabowski - 3,400 shares of Common Stock, 3,500 shares of Common Stock Non-Voting; Mr. Lawless - 218,925 shares of Common Stock, 72,975 shares of Common Stock Non-Voting; Mr. Molan -112,275 shares of Common Stock, 37,424 shares of Common Stock Non-Voting; Mr. Nordhoff - 67,238 shares of Common Stock, 22,413 of Common Stock Non-Voting; Mr. Schroeder - 72,787 shares of Common Stock, 24,262 of Common Stock Non-Voting; Mr. Stevens - 3,500 shares of Common Stock, 3,500 shares of Common Stock Non-Voting; Ms. Weatherholtz - 32,774 shares of Common Stock, 10,924 shares of Common Stock Non-Voting; and directors and executive officers as a group -778,536 shares of Common Stock, 265,878 shares of Common Stock Non-Voting. Also includes shares of Common Stock which are beneficially owned by virtue of participation in the McCormick 401(k) Retirement Plan: Mr. Contino - 6,893 shares of Common Stock; Mr. Davey - 4,814 shares of Common Stock; Mr. Lawless -8,061 shares of Common Stock; Mr. Nordhoff - 8,901 shares of Common Stock; Mr. Schroeder - 4,773 shares of Common Stock; Ms. Weatherholtz - 9,339 shares of Common Stock; and directors and executive officers as a group - 52,353 shares of Common Stock. Also includes shares of Common Stock which are beneficially owned by virtue of participation in the Deferred Compensation Plan: Mr. Beracha -1,522 shares of Common Stock; Mr. Dunn - 661 shares of Common Stock; Dr. Fitzpatrick - 53 shares of Common Stock; and Dr. Hrabowski - 1,016 shares of Common Stock.

BOARD COMMITTEES

The Board of Directors has established the following committees to perform certain specific functions. There is no Nominating Committee of the Board of Directors. Board Committee membership as of February 15, 2002 is listed below.

AUDIT COMMITTEE. This Committee reviews the plan for and the results of the independent audit and internal audit, reviews the Company's financial information and internal accounting and management controls, and performs other related duties. The following directors are currently members of the Committee and serve at the pleasure of the Board of Directors: Messrs. Brady and Stevens and Dr. Hrabowski. The Audit Committee held four meetings during the last fiscal year.

COMPENSATION COMMITTEE. This Committee establishes and oversees executive compensation policy; makes decisions about base pay, incentive pay and any supplemental benefits for the Chief Executive Officer, other members of the Executive Committee, and any other executives listed in the proxy statement as one of the five highest paid executives; and approves the grant of stock options, the timing of the grants, the price at which the options are to be offered, and the number of shares for which options are to be granted to employee directors and officers. In addition, the Committee oversees the process of CEO succession planning and reviews the Company's strategy for succession to other key leadership positions. The following directors are members of the Committee and serve at the pleasure of the Board of Directors: Messrs. Beracha, Dunn and Stevens and Dr. Fitzpatrick and Dr. Hrabowski. None of the Committee members is an employee of the Company or is eligible to participate in any Company stock option program that is administered by the Committee. The Compensation Committee held four meetings during the last fiscal year.

EXECUTIVE COMMITTEE. This Committee possesses authority to exercise all of the powers of the Board of Directors in the management and direction of the affairs of the Company between meetings of the Board of Directors, subject to specific limitations and directions of the Board of Directors and subject to limitations of Maryland law. This Committee also reviews and approves all benefits and salaries of a limited group of senior executives and reviews and approves individual awards under approved stock option plans for all persons except directors and officers (see Compensation Committee). The following directors are currently members of the Committee and serve at the pleasure of the Board of Directors: Messrs. Contino, Davey, Lawless and Nordhoff. The Executive Committee held 20 meetings during the last fiscal year.

ATTENDANCE AT MEETINGS

During the last fiscal year, there were seven meetings of the Board of Directors. All of the Directors were able to attend at least 75% of the total number of meetings of the Board and the Board Committees on which they served.

OTHER DIRECTORSHIPS

Certain individuals nominated for election to the Board of Directors hold directorships in other companies. Mr. Beracha is a director of The Pepsi Bottling Group, Inc. and Transora, Inc. Mr. Brady is a director of Constellation Energy Group, Inc. and Allfirst Financial, Inc. Dr. Fitzpatrick is a director of Rohm and Haas Company and Carpenter Technology Corporation. Dr. Hrabowski is a director of Constellation Energy Group, Inc., The Baltimore Equitable Society and Mercantile Shareholders Corporation. Mr. Lawless is a director of The Baltimore Life Insurance Company, Carpenter Technology Corporation and Constellation Energy Group, Inc. Mr. Stevens is a director of MEMC Electronic Materials, Inc.

REPORT ON EXECUTIVE COMPENSATION

COMPENSATION PHILOSOPHY

The Company's compensation program is designed (a) to attract, retain and motivate highly talented individuals through a combination of base pay and performance-based incentive awards; (b) to enhance the identity of the employees' interests with the interests of the Company's stockholders; and (c) to reward individual performance based on the achievement of the Company's financial goals and strategic objectives. The structure and benefits of the compensation program must be competitive with other programs for similarly placed employees of food and other manufacturing companies of a size similar to the Company. Independent compensation consultants are retained from time to time for advice and guidance in assessing whether the Company's compensation program is competitive. Most recently, Sibson & Company was retained to conduct a study for such purposes and, based on the study, concluded that, although enhancements may be appropriate for certain aspects of the Company's longer term incentive awards, the Company's compensation program is generally competitive.

SALARIES

Salaries of the Company's senior management employees are reviewed, and where appropriate, adjusted annually. Salary ranges are established for each senior management position based on the marketplace median for that position and a salary is assigned to the manager within that range based on individual performance, prior experience and contribution to the financial goals and strategic objectives of the Company. Salaries for the Company's chief executive officer and its five other highest paid executive officers are reviewed and approved by the Compensation Committee. Salaries for other senior management employees are reviewed and approved by the Executive Committee.

INCENTIVE AWARDS

Annual bonuses are paid to senior management employees pursuant to a formula. A limited number of corporate executives are paid a bonus based upon the achievement of specified levels of earnings growth. Other corporate executives and general managers of subsidiaries and divisions are paid a bonus based on the achievement of specified operating profit and working capital targets as well as earnings growth targets. If the targeted performance is achieved, a bonus is paid in an amount equal to either a percentage of salary or a percentage of the midpoint of the salary range for the employee's position. If performance exceeds targeted levels, an employee may be paid up to twice that amount. If the targets are not achieved, no bonus is paid. Annual bonuses for the Company's chief executive officer and its five other highest paid executive officers are reviewed and approved by the Compensation Committee. Bonuses for other senior management employees are reviewed and approved by the Executive Committee.

The Company also has a mid-term incentive program which was first adopted, with the approval of the Company's stockholders, in 1998. The 1998 plan is described in the Company's proxy statement dated February 18, 1998. In November 2001, the Compensation Committee adopted, subject to stockholder approval, the 2002 Mid-Term Incentive Plan, a copy of which is attached to this proxy statement as Exhibit A. Please see pages 17 to 19 of this proxy statement for a summary of the Plan. Benefits under this program are paid upon the achievement of established targets for sales growth and total shareholder return over a period of three years. The targets are established prior to the commencement of each three year cycle. The Company believes that this program plays an important role in aligning the compensation of executives with the key financial goals which drive the Company's success and create shareholder value. Participation in the program is limited to those few executives who are in positions which have a significant impact on the achievement of the goals and who must provide the long term strategic leadership necessary to accomplish the goals. The mid-term incentive program is administered by the Compensation Committee.

The Company has regularly granted stock options to its key management employees since the mid-1960's. The Company continues to believe that the stock option programs are an effective vehicle for causing its key management employees to identify with the interests of its stockholders. The number of shares for which an option is granted is determined by the wage grade assigned to the executive although additional shares are occasionally awarded to an individual for exemplary performance. Each of the option agreements contains a vesting schedule which provides an inducement to employees to remain in the employment of the Company in order to maximize the economic benefit of the option. The Compensation Committee is responsible for the administration of the stock option plan with respect to the Company's officers and directors. The Executive Committee administers the plan for all other participants.

CHIEF EXECUTIVE OFFICER COMPENSATION

Compensation for the Company's chief executive officer is structured the same as compensation for other senior management employees. As disclosed in the Table on page 11 of this proxy statement, Mr. Lawless' compensation for 2001 consisted of a salary, a cash bonus and

a grant of an option under the Company's stock option plan. In addition, he was paid a fee for his membership on the Board of Directors. The criteria used by the Committee in determining the amount of compensation paid to Mr. Lawless were the same as those previously disclosed in this Report for other senior management employees.

Submitted by:

COMPENSATION COMMITTEE	EXECUTIVE COMMITTEE
William E. Stevens, Chairman	Robert J. Lawless, Chairman
Barry H. Beracha	Francis A. Contino
Edward S. Dunn, Jr.	Robert G. Davey
J. Michael Fitzpatrick	Carroll D. Nordhoff
Freeman A. Hrabowski, III	

COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Until the appointment of Dr. Fitzpatrick in November 2001, the

Compensation Committee consisted of Messrs. Stevens, Beracha and Dunn and Dr. Hrabowski. No member of the Committee is an officer or an employee of the Company or any of its subsidiaries, and no member has any interlocking or insider relationships with the Company which are required to be reported under applicable rules and regulations of the Securities and Exchange Commission.

At the close of fiscal year 2001, members of the Executive Committee were Messrs. Lawless, Contino, Davey and Nordhoff. All are employees and executive officers of the Company. The table beginning at page 4 of this proxy statement sets forth the business experience of each of the members.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid by the Company and its subsidiaries for services rendered during each of the fiscal years ended November 30, 2001, 2000 and 1999 to the Chief Executive Officer of the Company and each of the four most highly compensated executive officers who were executive officers on the last day of the 2001 fiscal year, determined by reference to total salary and bonus paid to such individuals for the 2001 fiscal year.

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  -- Annual
Compensation
  Long Term
Compensation
 - ---------
 -----------
 -----------
 -----------
 -----------
 -----------
 -----------
 -----------
 -----------
    ------
    Awards
 Payouts ---
 -----------
  ----------
  Fiscal (1)
  (1) Other
    Annual
  Securities
   (2) (3)
   Name and
  Principal
 Year Salary
    Bonus
Compensation
  Underlying
   LTIP All
    Other
   Position
 ($) ($) ($)
Options/SARs
   Payouts
Compensation
 (#) ($) ($)
 - ---------
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 -----------
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 -----------
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-- ROBERT
J. LAWLESS
2001
701,367
1,120,000
(4) 143,000
0 19,507
Chairman of
the Board,
2000
633,033
899,600
113,000
955,500
13,958
President &
Chief 1999
583,033
786,200
83,800 0
9,745
Executive
Officer
ROBERT G.
DAVEY 2001
434,700
473,000 (4)
65,000 0
15,407
President-
Global 2000
405,117
422,000
58,000
336,000
9,909
Industrial
Group 1999
380,950
395,200
42,700 0
7,816
FRANCIS A.
CONTINO
2001
365,700
360,000 (4)
50,000 0
14,096
Executive
Vice 2000
347,367
355,000
43,000
262,500
5,383
President &
1999
326,367
301,000
31,800 0
3,136 Chief
Financial
Officer
CARROLL D.
NORDHOFF
2001
319,117
313,000 (4)
50,000 0
13,717
Executive
Vice 2000
306,373
310,000
43,000
309,750
8,254

```
  President
    1999
   292,283
   301,000
  31,800 0
    6,910
  ROBERT W.
  SCHROEDER
    2001
   350,950
269,598 (4)
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(1) Includes Corporate Board of Directors fees and service awards. Compensation deferred at the election of the named officer is included in the category and year it would have otherwise

been reported had it not been deferred.

(2) Amounts shown as "LTIP Payouts" are payments under the three-year cycle of the Mid-Term Incentive Program for the period ended November 30, 2000. Awards were paid in shares of restricted stock of the Company based on the stock price on November 30, 2000.

(3) Amounts paid or accrued under the Company's 401(k) Retirement Plan for the accounts of such individuals. The stated figures represent the amounts that would have been contributed to the individual's account under the Company's 401(k) Retirement Plan but for certain limits imposed by the Internal Revenue Code. Amounts in excess of these limits were paid in cash to these individuals as follows: In 2001, for Messrs. Contino, Davey, Lawless, Nordhoff and Schroeder the excess amounts were $3,037, $4,347, $8,448, $2,658 and $3,007, respectively; in 2000 for Messrs. Davey, Lawless, Nordhoff and Schroeder the excess amounts were $4,526, $8,575, $2,871 and $2,445, respectively; in 1999 for Messrs. Davey, Lawless, Nordhoff and Schroeder the excess amounts were $2,433, $4,362, $1,528 and $1,237, respectively.

(4) There is no amount of other annual compensation that is required to be reported.

COMPENSATION OF DIRECTORS

Corporate Board of Directors fees are paid at the rate of $7,200 per year for each director who is an employee of the Company. Fees paid to each director who is not an employee of the Company consist of an annual retainer fee of $25,000 in cash, $10,000 in Common Stock of the Company, and $1,250 for each Board meeting attended. Non-employee directors serving on Board

Committees receive $1,000 for each Committee meeting attended, with Committee chairs receiving an additional $250 for each Committee meeting attended. Under the Directors' Non-Qualified Stock Option Plan, each year non-employee directors are granted options for 1,250 shares of Common Stock and 1,250 shares of Common Stock Non-Voting.

PENSION PLAN TABLE

The following table shows the estimated annual benefits (on a single-life basis), including supplemental benefits, payable upon retirement (assuming retirement at age 65) to participants in the designated average compensation and years of service classifications:

AVERAGE	YEARS OF SERVICE					
COMPENSATION	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS	35 Years
$500,000	$83,886	$125,828	$167,770	$209,713	$251,655	$294,222
$600,000	$101,286	$151,928	$202,570	$253,213	$303,855	$355,122
$700,000	$118,686	$178,028	$237,370	$296,713	$356,055	$416,022
$800,000	$136,086	$204,128	$272,170	$340,213	$408,255	$476,922
$900,000	$153,486	$230,228	$306,970	$383,713	$460,455	$537,822
$1,000,000						

$170,886
$256,328
$341,770
$427,213
$512,655
$598,722
$1,100,000
$188,286
$282,428
$376,570
$470,713
$564,855
$659,622
$1,200,000
$205,686
$308,528
$411,370
$514,213
$617,055
$720,522
$1,300,000
$223,086
$334,628
$458,170
$557,713
$687,255
$802,422
$1,400,000
$240,486
$360,728
$480,970
$601,213
$721,455
$842,322 -

The Company's Pension Plan is non-contributory. A majority of the employees of the Company and participating subsidiaries are eligible to participate in the Plan upon completing one year of service and attaining age 21. The Plan provides benefits (which are reduced by an amount equal to 50% of the participant's Social Security benefit) based on an average of the participant's highest five consecutive 12-month periods of compensation, excluding any cash bonuses, and length of service. The Company has a supplement to its Pension Plan to provide a limited group of its senior executives with an inducement to retire before age 65. That group of senior executives will receive credit for additional service for employment after age 55. The supplement includes a significant portion of the senior executives' bonuses in the calculation of pension benefits and provides that if a senior executive with Company service outside the U.S. retires after serving at least his or her last three years in the U.S., all of the executive's years of Company service, including years of service with foreign subsidiaries of the Company, will be counted in calculating pension benefits. The group of senior executives includes those listed in the table on page 11.

For purposes of calculating the pension benefit, the average of the highest five consecutive 12-month periods of compensation for the executives listed in the compensation table as of November 30, 2001 is as follows: Mr. Contino - $614,595; Mr. Davey - $696,995; Mr. Lawless - $1,269,248; Mr. Nordhoff - $538,059; Mr. Schroeder - $476,385. The years of credited service for these executives as of the same date (including, for Messrs. Lawless and Davey, service with foreign subsidiaries of the Company) are: Mr. Contino - -3.5; Mr. Davey - 24.5; Mr. Lawless - 25; Mr. Nordhoff - 31; Mr. Schroeder - -16.

In 1999, the Company adopted a deferred compensation plan which allows a limited number of management employees to defer the payment of portions of salary and bonus. Plan participants may invest their deferred compensation in any one or a combination of the plan's investment funds. In most cases, deferred amounts plus earnings are paid out upon the participant's retirement or termination of employment.

STOCK OPTIONS

During the last fiscal year, the Company has granted stock options to certain employees, including executive officers, pursuant to stock option plans approved by the Company's stockholders.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

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 Potential
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For Option
Term ($)**
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Individual
Grants* - -
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Number of %
 of Total
Exercise or
Expiration
Securities
Options/SARs
 Base Date
   Name
Underlying
Granted To
  Price
Options/SARs
 Employees
    in
($/Shares)
Granted (#)
Fiscal Year
0% 5% 10% -
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 -- Robert
J. Lawless
  143,000
   6.48%
 $35.6875
 1/22/2011
    $0
$3,056,584
$7,889,959
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 -- Robert
 G. Davey
  65,000
   2.94%
 $35.6875
 1/22/2011
    $0
$1,389,356
$3,586,345
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-- Francis
A. Contino
  50,000
   2.27%
 $35.6875
 1/22/2011
    $0
$1,068,736
$2,758,727
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-- Carroll
D. Nordhoff
  50,000
   2.27%
 $35.6875
 1/22/2011
    $0
 $1,068,736
 $2,758,727
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  -- Robert
     W.
  Schroeder
   48,000
   2.17%
  $35.6875
  1/22/2011
     $0
 $1,025,986
 $2,648,378
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* The stock options are exercisable cumulatively as follows: none of the shares granted during the first year of the option; not more than 25% of the shares granted during the second year of the option; not more than 50% of the shares granted during the third year of the option, less any shares for which the option has been previously exercised; not more than 75% of the shares granted during the fourth year of the option, less any shares for which the option has been previously exercised; and 100% of the shares granted, less any portion of such option previously exercised, at any time during the period between the end of the fourth year of the option and the expiration date. All stock options granted under the stock option plans become fully exercisable in the event of a change in control of the Company. Approximately 500 employees of the Company were granted options under the Company's option plans during the last fiscal year.

** The dollar amounts under these columns are the result of calculations at 0%, and at the 5% and 10% compounded annual rates set by the Securities and Exchange Commission, and therefore are not

intended to forecast future appreciation, if any, in the price of the Company's Common Stock. The potential realizable values illustrated at 5% and 10% compound annual appreciation assume that the price of the Company's Common Stock increases $21.37 and $55.17 per share, respectively, over the 10-year term of the options. If the named executives realize these values, the Company's stockholders will realize aggregate appreciation in the price of the approximately 69.3 million shares of the Company's Common Stock and Common Stock Non-Voting outstanding as of January 31, 2002 of approximately $1.5 billion and $ 3.8 billion, over the same period.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR
AND
FISCAL YEAR-END OPTION/SAR VALUES

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     ---- Value of
  Unexercised Number of
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Name	Shares Acquired on Exercise (#)	Value Realized ($)	Shares Underlying Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable	In-the-Money Options/SARs at FY-End ($) Exercisable/Unexercisable
Robert J. Lawless	25,000	$361,661	181,879 / 294,721	$2,661,191/ $3,483,582
Robert G. Davey	42,277	$791,513	64,951 / 143,672	$854,472 / $1,794,661
Francis A. Contino	0	0	51,402 / 106,398	$705,182 / $1,277,293
Carroll D. Nordhoff	4,469	$74,141	74,979 / 110,221	$1,123,267 / 1,339,813
Robert W. Schroeder	14,800	$274,274	59,352 / 97,048	$878,091 / $1,145,531

PERFORMANCE GRAPH - SHAREHOLDER RETURN

Set forth below is a line graph comparing the yearly percent change in the Company's cumulative total shareholder return (stock price appreciation plus reinvestment of dividends) on the Company's Common Stock with (i) the cumulative total return of the Standard & Poor's 500 Stock Price Index, assuming reinvestment of dividends, and (ii) the cumulative total return of the Standard & Poor's Food Products Index, assuming reinvestment of dividends.

1996

1997
1998
1999
2000
2001
McCormick
100 110
142 139
166 195
S&P 500
100 129
159 192
184 162
S&P Food
100 134
151 124
143 147

The graph assumes that $100 was invested on December 1, 1996 in McCormick & Company, Incorporated Common Stock, the Standard & Poor's 500 Stock Price Index and the Standard & Poor's Food Products Index, and that all dividends were reinvested.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than 10 percent of a registered class of the Company's equity securities, to file with the SEC and the New York Stock Exchange, initial reports of ownership and reports of changes in beneficial ownership of such equity securities of the Company. To the Company's knowledge, based upon the reports filed and written representations that no other reports were required, during the fiscal year ended November 30, 2001, no director or executive officer of the Company failed to file on a timely basis reports required by Section 16(a).

THE 2002 McCORMICK MID-TERM INCENTIVE PLAN

On March 18, 1998, stockholders approved the Company's first Mid-Term Incentive Program. The Program was designed to create incentives for the Company's most senior executive officers and other key employees to achieve long-term key financial goals and strategic objectives for the Company, thereby increasing stockholder value. The Compensation Committee believes that the 1998 Program was successful in achieving its objectives and has approved a new 2002 Mid-Term Incentive Plan ("MTIP"). Upon recommendation of the Committee, the Board of Directors approved the MTIP on January 22, 2002, subject to stockholder approval. The Company is seeking stockholder approval of the MTIP to qualify compensation paid under the MTIP as "qualified performance-based compensation," as defined in Section 162(m) of the Internal Revenue Code (the "Code"). The following is only a summary of certain material features of the MTIP. The full text of the MTIP is attached as Exhibit A. The Compensation Committee recommends approval of the MTIP.

The MTIP is designed to provide an incentive to a limited number of the Company's most senior executives to take actions to cause the Company to achieve targeted objectives for sales growth and total shareholder return. The MTIP would be comprised of several three-year cycles. The commencement date of each cycle is subject to the discretion of the Compensation Committee, which has determined that the first three-year cycle would start on December 1, 2001.

Prior to the commencement of each cycle, the Company will establish, with the approval of the Compensation Committee, a goal for sales growth and total shareholder return. As used in the MTIP, "total shareholder return" means the increase (or decrease) in fair market value of a share of common stock, together with dividends deemed reinvested, during the cycle. Total shareholder return for the Company during a cycle will be compared to the total shareholder return of other companies in the "Peer Group" defined in the MTIP. For the first cycle, the Peer Group is the S&P Food Products Index. The amount of benefit to be paid under the MTIP to participants depends on the extent to which the sales growth target is achieved and also on the relative position of the Company, based on its total shareholder return for the three-year cycle, as compared to other companies in the Peer Group. Payments will be adjusted if actual performance over the cycle is greater than or less than the goals. Payment will be in the form of shares of McCormick Common Stock based on the value of such shares at the time that the payment is due. The MTIP provides that the maximum benefit that may be paid to the highest level participant at the end of any three-year cycle shall not exceed the fair market value of one hundred thousand (100,000) shares of the Common Stock of the Company.

The Compensation Committee will administer the MTIP and will designate as participants those key executives who are in positions which have a significant impact on the achievement of the Company's objectives for sales growth and total shareholder return. Directors of the Company who are not also employees of the Company are not eligible to participate in the MTIP. For the cycle beginning December 1, 2001, the Company has named six key executives as participants, including Messrs. Lawless, Contino, Davey, Nordhoff and Schroeder.

Participants will become vested in MTIP benefits upon completion of each three-year cycle, except for special circumstances, such as retirement, death or disability. If a participant's employment terminates prior to the completion of a cycle as a result of retirement, death or disability, a pro rata benefit is paid based on the participant's length of service in the cycle. If a participant terminates employment voluntarily or is terminated involuntarily for cause during a cycle, all benefits under the current cycle are forfeited.

In general, upon receipt of shares of stock pursuant to the MTIP, it is expected that recipients will recognize ordinary income for U.S. income tax purposes. Subject to the usual rules concerning reasonable compensation, and assuming as expected that compensation paid under the MTIP is "qualified performance-based compensation" within the meaning of Section 162(m) of the Code, the Company will be entitled to a tax deduction for that same amount at the time a participant recognizes ordinary income.

The shares of stock issued to MTIP participants will not be registered under the Securities Act of 1933, and will, therefore, be "restricted" securities upon issuance. Recipients will be required to make a Section 83(b) election under the Internal Revenue Code.

REQUIRED VOTE OF STOCKHOLDERS

The affirmative vote of the holders of a majority of shares of Common Stock, present in person or by proxy, voted at the meeting, is required for approval of the MTIP.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE 2002 MCCORMICK MID-TERM INCENTIVE PLAN.

NEW PLAN BENEFITS

Regulations of the Securities and Exchange Commission call for a table setting forth the amounts that will be received by (i) the Chief Executive Officer and the four other executive officers named on page 11 of this proxy statement, (ii) the Company's executive officers as a group, (iii) directors who are not executive officers as a group, and (iv) all employees, including officers who are not executive officers, as a group, under the Plan being submitted to the stockholders for approval, if such amounts are determinable. If such amounts are not determinable, which is the case for the MTIP, the Company is required to set out the amounts which would have been received for the last fiscal year if the plans had been in effect. In the case of the MTIP, the Company is unable to provide meaningful information as to amounts which would have been received for the last fiscal year if the Plan had been in effect, since payment, if any, is entirely dependent on comparing two variables at a future point in time. The awards paid under earlier performance cycles of the Mid-Term Incentive Program adopted in 1998 are included under "LTIP Payouts" in the Summary Compensation Table on page 11.

REPORT OF AUDIT COMMITTEE

AND
FEES OF INDEPENDENT ACCOUNTANTS

REPORT OF AUDIT COMMITTEE

The Board of Directors of the Company has adopted a charter for the Audit Committee that charges the Committee with the responsibility for, among other things, reviewing the Company's audited financial statements and the financial reporting process. In carrying out that responsibility, the Committee has reviewed and discussed the Company's audited financial statements with management and it has discussed the matters required to be discussed by Statement of Auditing Standards 61, as amended, with the independent auditors. In addition, the Committee has reviewed the written disclosures required by Independence Standards Board Standard No. 1, which were received from the Company's independent accountants, and has discussed the independent accountants' independence with them. The Audit Committee has reviewed the fees of the independent accountants for non-audit services and believes that such fees are compatible with the independence of the independent accountants.

Based on these reviews and discussions, the Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the Company's fiscal year ended November 30, 2001.

The members of the Audit Committee are "independent" as defined in Sections 303.01(B)(2)(a) and (B)(3) of the New York Stock Exchange's listing standards.

James T. Brady, Chairman
Freeman A. Hrabowski, III
William E. Stevens

FEES OF INDEPENDENT ACCOUNTANTS

The aggregate fees billed for professional services rendered by Ernst & Young LLP for the audit of the Company's annual financial statements for the most recent fiscal year and the review of the financial statements included in the Company's Quarterly Reports on Form 10-Q for the fiscal year were $1.1 million. Audit-related fees for the fiscal year were $2.4 million. No professional services were rendered or fees billed by Ernst & Young LLP for financial information systems design and implementation for the most recent fiscal year. The aggregate fees billed for professional services rendered by Ernst & Young LLP other than audit fees, (but including and audited-related fees) for the most recent fiscal year were $3.8 million.

RATIFICATION OF APPOINTMENT OF AUDITORS

The Board of Directors, upon recommendation of the Audit Committee, has appointed the accounting firm of Ernst & Young LLP to serve as the independent auditors of the Company for the current fiscal year subject to ratification by the stockholders of the Company. Ernst & Young LLP were first appointed to serve as independent auditors of the Company in 1982 and are considered by management of the Company to be well qualified.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

REQUIRED VOTE OF STOCKHOLDERS. The favorable vote of at least a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present is required for ratification of the appointment of independent auditors.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR RATIFICATION.

OTHER MATTERS

Management knows of no other matters that may be presented for consideration at the meeting. However, if any other matters properly come before the meeting, it is the intention of the persons named in the proxy to vote such proxy in accordance with their judgment on such matters.

VOTING PROCEDURES

Each matter submitted to the stockholders for a vote is deemed approved if a majority of the shares of Common Stock of the Company present in person or by proxy at a meeting at which a quorum is present votes in favor of the matter. The presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum.

Stockholder votes are tabulated by Wells Fargo Bank Minnesota, N.A., the Company's transfer agent. Broker non-votes are neither counted in establishing a quorum nor voted for or against matters presented for stockholder consideration; proxy cards that are executed and returned without any designated voting direction are voted in the manner stated on the proxy card. Abstentions and broker non-votes with respect to a proposal are not counted as favorable votes, and therefore have the same effect as a vote against the proposal.

HOUSEHOLDING OF ANNUAL DISCLOSURE DOCUMENTS

The Securities and Exchange Commission recently approved a new rule governing the delivery of annual disclosure documents. The rule allows the Company to send a single set of our annual report and proxy statement to any household at which two or more stockholders reside if we believe that the stockholders are members of the same family. This rule benefits both stockholders and the Company. It reduces the volume of duplicate information received at your house and helps to reduce the Company's expenses. Each stockholder will continue to receive a separate proxy card.

If your household received a single set of disclosure documents for this year, but you would prefer to receive your own copy, please contact our transfer agent, Wells Fargo Bank Minnesota, N.A., by calling their toll-free number, 800-468-9716.

If you would like to receive your own set of the Company's annual disclosure documents in future years, please follow the directions below. Similarly, if you share an address with another McCormick stockholder and together both of you wish to receive only a single set of the Company's annual disclosure documents, please follow these directions:

Please contact our transfer agent, Wells Fargo Bank, and inform them of your request by calling them at 800-468-9716 or writing to them at P.O. Box 64854, St. Paul, MN 55164-0854.

STOCKHOLDER PROPOSALS FOR 2003 ANNUAL MEETING

Proposals of stockholders to be presented at the 2003 Annual Meeting must be received by the Secretary of the Company prior to October 20, 2002 to be considered for inclusion in the 2003 proxy material.

EXHIBIT A

2002 McCORMICK MID-TERM INCENTIVE PLAN

ARTICLE I. ESTABLISHMENT:

On November 20, 2001, the Compensation Committee of the Board of Directors of McCormick & Company, Incorporated (the "Company") approved and adopted a mid-term incentive plan for executives as described herein, which plan shall be known as the "2002 McCormick Mid-Term Incentive Plan" (the "Plan"). The Plan shall be effective for all Performance Cycles (as defined below) commencing on or after December 1, 2001, subject to its approval by the stockholders of the Company. No payments shall be made pursuant to the Plan until after the Plan has been approved by the stockholders of the Company.

ARTICLE II. PURPOSE:

The Plan is designed to reinforce key strategic objectives of the Company and advance the interests of the Company's stockholders by attracting and retaining key executives, and by rewarding such executives for taking actions which increase sales growth and enhance shareholder return over three-year periods ("Performance Cycles").

ARTICLE III. ADMINISTRATION:

3.1 COMPOSITION OF THE COMMITTEE: The Plan shall be administered by the Compensation Committee of the Company's Board of Directors, or a successor committee (the "Committee"), which shall consist of members appointed from time to time by the Board of Directors and shall be comprised of not less than such number of directors as shall be required to permit the Plan to satisfy the requirements of the performance-based compensation exception to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). The Committee administering the Plan shall be composed solely of "outside directors" within the meaning of Section 162(m) of the Code.

3.2 POWER AND AUTHORITY OF THE COMMITTEE: The Committee shall have full power and authority, subject to all the applicable provisions of the Plan and applicable law, to: (a) establish, amend, suspend, terminate or waive such rules and regulations and appoint such agents as it deems necessary or advisable for the proper administration of the Plan; (b) construe, interpret and administer the Plan, and any instrument or agreement relating thereto, or to an Award (as defined below in Section 3.4) made under the Plan; and (c) make all other determinations and take all other actions necessary or advisable for the administration of the Plan. Unless otherwise expressly provided in the Plan, each determination made and each action taken by the Committee pursuant to the Plan, or any instrument or agreement relating thereto, or to an Award made under the Plan shall be

within the sole discretion of the Committee, may be made at any time and shall be final, binding and conclusive for all purposes on all persons, including, but not limited to, holders of Awards, and their legal representatives and beneficiaries, and employees of the Company or of any "Affiliate" of the Company. For purposes of the Plan, and any instrument or agreement relating thereto, or to an Award made under the Plan, the term "Affiliate" shall mean any entity that, directly or indirectly, through one or more intermediaries, is controlled by the Company and any entity in which the Company has a significant equity interest, in each case as determined by the Committee in its sole discretion.

3.3 DELEGATION: The Committee may delegate its powers and duties under the Plan to one or more officers of the Company or any Affiliate, or a committee of such officers, subject to such terms, conditions and limitations as the Committee may establish in its sole discretion; provided, however, that the Committee shall not delegate its power to (a) amend the Plan as provided in Article IX hereof, or (b) make determinations regarding Awards.

3.4 QUALIFIED PERFORMANCE-BASED COMPENSATION: An opportunity to receive compensation pursuant to the Plan (hereinafter referred to as an "Award") is intended to be "qualified performance-based compensation" within the meaning of Section 162(m) of the Code. The following requirements shall apply to each Award made under the Plan:

(a) The Plan shall have been approved by the stockholders of the Company at the Company's 2002 annual meeting of stockholders.

(b) The right to receive payment pursuant to an Award shall be determined solely on account of the attainment of the pre-established objective performance goals selected by the Committee in connection with the grant of the Award. Such goals shall be based on (i) cumulative consolidated net sales growth, and (ii) cumulative total shareholder return compared to pre-selected peer groups as described below in Article 5.2. While the amount of an Award may vary among Participants (as defined below in Article 4.2), the goals established by the Committee for an Award Cycle shall apply to all Participants in the same manner.

(c) The commencement date of each three-year Performance Cycle shall be determined by the Committee. New Performance Cycles may be established by the Committee each year, or every second year, or at such other intervals as the Committee may deem appropriate.

(d) Not later than 90 days after the beginning of each Performance Cycle selected by the Committee, it shall: (i) designate the

Performance Cycle and all Participants for such Performance Cycle; (ii) designate the Peer Group (as defined below in Article 5.2(b)); and (iii) establish objective performance factors for all

Participants for that Performance Cycle on the basis of cumulative sales growth and total shareholder returns for the selected Peer Group.

(e) Following the close of each Performance Cycle and prior to payment of any amount to any Participant under the Plan, the Committee must certify the attainment of the performance factors upon which any Awards to Participants for that Performance Cycle are to be based.

(f) The maximum amount which may be paid to any Participant pursuant to any Award with respect to any Performance Cycle shall not exceed the fair market value of one hundred thousand (100,000) shares of the Common Stock of the Company, determined in the manner provided in Article 5.2 (b)(ii) for determining "fair market value" at the end of the Performance Cycle.

(g) Each of the foregoing provisions, and all of the other terms and conditions of the Plan as it applies to any Award, shall be interpreted in such a fashion so as to qualify all compensation paid thereunder as "qualified performance-based compensation" within the meaning of Section 162(m) of the Code.

ARTICLE IV. ELIGIBILITY AND PARTICIPATION:

4.1 ELIGIBILITY: The Plan is unfunded and is maintained by the Company for a select group of senior executives. In order to be eligible to participate in the Plan, an employee of the Company or of its Affiliates must be selected by the Committee. In determining the employees who will participate in the Plan, the Committee may take into account the nature of the services rendered by the respective employees, their present and potential contributions to the success of the Company and such other factors as the Committee, in its sole discretion, shall deem relevant. A director of the Company or of an Affiliate who is not also an employee of the Company or an Affiliate shall not be eligible to participate in the Plan. No member of the Committee shall be eligible to participate in the Plan.

4.2 PARTICIPATION: The Committee shall determine the employees to be granted an Award, the amount of each Award, the time or times when Awards will be made, the period of time to be included in each Performance Cycle, and all other terms and conditions of each Award. The Awards need not be the same for all recipients of an Award (the "Participant") or for Participants similarly situated, except that the performance goals applicable to each Award shall be applied to all Participants for an Award Cycle in the same manner, as described below in Article 5.2. The Committee's decision to approve an Award to an employee in any year shall not require the Committee to approve a similar Award or any Award at all to that employee or any other employee or person at any future date. The Company and the Committee shall not have any obligation for uniformity of treatment of any person, including, but not limited to, Participants and their legal representatives and beneficiaries and employees of the Company or of any Affiliate.

4.3 EMPLOYMENT: In the absence of any specific agreement to the contrary, no Award to a Participant under the Plan shall affect any right of the Company, or of any Affiliate of the Company, to terminate, with or without cause, the Participant's employment with the Company or any Affiliate at any time. Neither the establishment of the Plan, nor the granting of any Award hereunder, shall give any Participant (a) any rights to remain employed by the Company or any Affiliate; (b) any benefits not specifically provided for herein or in any Award granted hereunder; or (c) any rights to prevent the Company or any Affiliate from modifying, amending or terminating any of its other benefit plans of any nature whatsoever.

ARTICLE V. AWARDS:

5.1 GENERAL: The Committee shall determine the Award or Awards to be made to each Participant, and each Award shall be subject to the terms and conditions of the Plan. An Award shall be made solely in the form of a statement of a dollar amount based on attaining a specific targeted goal, subject to an increase in such amount for exceeding the targeted goal or a reduction for failing to meet the targeted goal but exceeding the minimum goal. Failure to attain the minimum goal causes the Award to be forfeited. Awards may be granted singly or in combination, or in addition to, in tandem with, or in substitution for, any grants or rights under any other employee or compensation plan of the Company or of any Affiliate.

5.2 AWARDS: Subject to the discretion of the Committee to reduce an Award, as provided below in Article 5.4, the payment to be made to a Participant on account of an Award shall be determined based on:

(a) Cumulative consolidated net sales growth of the Company during the Performance Cycle (excluding the effects on sales growth of acquisitions and divestitures occurring during the Performance Cycle) compared to the objective set by the Committee for such sales growth at the commencement of the Performance Cycle; and

(b) Total shareholder return ranked against a peer group in the following manner:

(i) The Committee shall designate a number of companies listed on the New York Stock Exchange or American Stock Exchange, or quoted on NASDAQ, selected by the Committee in its sole discretion as comparable to the Company (the "Peer Group"). In the event any Peer Group companies are not thereafter listed on either the New York Stock Exchange or American Stock Exchange, or quoted on NASDAQ, during the Performance Cycle, such companies will drop out of the Peer Group, and the size of the Peer Group shall be reduced accordingly.

(ii) The Committee shall determine fair market value of a share of the common stock of each company in the Peer Group, and of the Company, as of the beginning and the end of the Performance Cycle. For purposes of the Plan, "fair market value" shall be: (a) the average of the closing price of a company's common stock on the New York Stock Exchange or on the American Stock Exchange for the ten trading days designated by the Committee at the beginning and end of the Performance Cycle; and (b) if the common stock is not listed on the New York Stock Exchange or the American Stock Exchange but is quoted on NASDAQ, the average of the last sale (National Market System) or the average between the highest bid and lowest asked prices for a share of common stock (National List) as quoted on NASDAQ for the ten trading days designated by the Committee at the beginning and end of the Performance Cycle.

(iii) Within thirty days after the end of any Performance Cycle, the Committee shall calculate the total shareholder return for each company remaining in the Peer Group and for the Company. For purposes of the Plan, "total shareholder return" shall be calculated as follows for each company in the Peer Group and for the Company. The fair market value of a share of common stock shall be determined for each Peer Group company and the Company at the beginning of the Performance Period (the "Beginning Value"). During the Performance Cycle each dividend paid by any Peer Group company and the Company on a share of common stock shall be deemed invested in that company's common stock at the closing price of such stock on the date the dividend was paid. At the end of the Performance Cycle, the fair market value of a share of common stock plus the fair market value of any additional whole or fractional share of common stock deemed purchased with dividends shall be determined for each remaining Peer Group company and the Company (the "Ending Value"). In the event of stock splits or other recapitalizations (excepting stock repurchases or issuances of new stock for acquisitions), the Committee shall make such adjustment as it deems appropriate to maintain comparability between the Beginning Value and Ending Value.

The percentage increase (or decrease) of Ending Value compared to Beginning Value is the total shareholder return.

(iv) The Peer Group companies and the Company will be ranked according to total shareholder return during the Performance Cycle. The Committee will apply the Company's ranking, in such manner as the Committee may determine for any Performance Cycle, to determine the amount of the Award for each Participant.

5.3 PAYMENT OF AWARDS: Before payment of an Award, the Committee shall certify the amount of the Award. Payment of Awards shall be made solely in shares of the

Company's Common Stock. At the commencement of each Performance Cycle, potential Awards to be paid at the end of the Performance Cycle are expressed in dollars. At the end of each Performance Cycle, the cash amount of the Award is converted to shares of the Company's Common Stock based on the fair market value of such shares (as defined in Article 5.2(b)(ii) of the Plan) as of the end date of the Performance Cycle. The Award shares are not registered under the Securities Act of 1933, as amended, or any state securities laws. The shares are therefore restricted and the certificates will bear a legend evidencing the restriction.

5.4 DISCRETIONARY REDUCTION: The Committee shall retain sole and full discretion to reduce, in whole or in part, the amount of any Award otherwise payable to any Participant under this Plan.

5.5 DELIVERY OF COMMON STOCK: Certificates for shares of Common Stock in the number that are determined by the Award amount will be delivered as soon as reasonably possible after the end of the Program Cycle. No fractional shares shall be delivered; any amount applicable to fractional shares will be credited to the amount of tax withholding due from a Participant. The Company shall have no liability to deliver any shares of Common Stock under the Program unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933, as amended), and the applicable requirements of any securities exchange or similar entity.

5.6 SHARE ADJUSTMENTS: In the event of any merger, consolidation, reorganization, stock split, stock dividend or other event affecting the Common Stock, an appropriate adjustment shall be made in the maximum number of shares specified in Article 3.4(f) which may be granted pursuant to an Award to any one Participant and the total number of shares available for Awards and in all other provisions of the Plan that include a reference to a number of shares, and in the numbers of shares covered by, and other terms and provisions of, outstanding Awards. The foregoing adjustments and the manner of application of the foregoing provisions shall be determined by the Committee in its sole discretion.

5.7 EARLY DISTRIBUTION OF BENEFITS: Notwithstanding any provision of the Plan to the contrary, the Committee, in its sole discretion, may authorize payment of an Award to a Participant in advance of the end of a Performance Cycle in any amount up to the full amount of the Award that would have been paid to the Participant at the end of the Performance Cycle upon attainment of the target goal for that Performance Cycle in any circumstance that, under section 162 of the Code and the regulations thereunder, would not disqualify the Plan as a performance-based compensation plan by reason of the exercise of such discretion by the Committee.

ARTICLE VI. TERMINATION OF EMPLOYMENT:

In the event of the retirement, disability, or death of a Participant, or in the event of an involuntary termination of a Participant's employment with the Company or an Affiliate for reasons other than "Cause", prior to the end of a Performance Cycle, an Award will be paid to the Participant based on a pro rata adjustment of the target amount, adjusted for actual performance as of the date of termination of employment. In the event of an involuntary termination for "Cause" or a voluntary termination by the Participant prior to the end of a Performance Cycle, all benefits under the Plan will be forfeited by the Participant. For purposes of this Plan, "Cause" means any willful and continuous failure by the Employee to substantially perform his duties with the Company (unless the failure to perform is due to the Employee's Disability) or any willful misconduct or gross negligence by the Employee which results in material economic harm to the Company, or any conviction of the Employee of a felony. No act or failure to act shall be considered "willful" for purposes of this definition if the Employee reasonably believed in good faith that such act or failure to act was in, or not opposed to, the best interests of the Company. In the event of a willful and continuous failure by the Employee to substantially perform his duties, the Company shall notify the Employee in writing of such failure to perform and the Employee shall have a period of thirty (30) days after such notice to resume substantial performance of his duties.

ARTICLE VII. NON-TRANSFERABILITY:

Except as may otherwise be permitted by the Committee, no Award shall be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of during the time in which the requirement of attainment of performance objectives has not been achieved. Each Award shall be paid during the Participant's lifetime only to the Participant or, if permissible under applicable law, to the Participant's legal representatives.

ARTICLE VIII. TAXES:

In order to comply with all applicable federal or state income, social security, payroll, withholding or other tax laws or regulations, the Company may take such action, and may require a Participant to take such action, as it deems appropriate to ensure that all applicable federal or state income, social security, payroll, withholding or other taxes, which are the sole and absolute responsibility of the Participant, are withheld or collected from such Participant.

ARTICLE IX. AMENDMENT AND TERMINATION:

9.1 AMENDMENTS TO AND TERMINATION OF PLAN: Except to the extent prohibited by applicable law and unless otherwise expressly provided in the Plan, the Committee may amend, alter, suspend, discontinue or terminate the Plan; provided, however, that notwithstanding any other provision of the Plan, without the approval of the stockholders of the Company, no such amendment, alteration, suspension, discontinuation or termination shall be made

that, absent such approval, would cause any compensation paid pursuant to any Award granted pursuant to the Plan to no longer qualify as "qualified performance-based compensation" within the meaning of Section 162(m) of the Code.

9.2 CORRECTION OF DEFECTS, OMISSIONS AND INCONSISTENCIES: Except to the extent prohibited by applicable law and unless otherwise expressly provided in the Plan, the Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan, and Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

ARTICLE X. MISCELLANEOUS:

10.1 GOVERNING LAW: The Plan shall be governed by and construed in accordance with the laws of the State of Maryland.

10.2 SEVERABILITY: If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan, or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan, or the Award, such provision shall be stricken as to such jurisdiction, and the remainder of the Plan, or any such Award, shall remain in full force and effect.

10.3 NO TRUST OR FUND CREATED: Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a

Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or of any Affiliate.

10.4 NATURE OF PAYMENTS: Any and all payments pursuant to any Award granted hereunder shall constitute special incentive payments to the Participant, and, except as hereinafter provided, such payments shall not be taken into account in computing the amount of the Participant's remuneration for purposes of determining the amount of any benefit payable to or with respect to the Participant under any employee pension benefit plan or employee welfare benefit plan (as those terms are defined in Section 3 of ERISA) or under the supplemental executive retirement plan or in any agreement between the Company (or any Affiliate) and the Participant to provide similar benefits.

10.5 NO ILLEGAL TRANSACTIONS: The Plan and any Award granted hereunder are subject to all laws and regulations of any governmental authority which may be applicable thereto; and, notwithstanding any provision of the Plan or any Award, Participants shall not be entitled to receive the benefit of any Award, and the Company and any Affiliate shall not be

obligated to pay any such benefits to a Participant, if such receipt or payment of benefits would constitute a violation by the Participant or the Company or any Affiliate of any provision of any such law or regulation.

10.6 HEADINGS: Headings are given to the Articles and sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision.

PROXY

MCCORMICK & COMPANY, INCORPORATED
PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Robert J. Lawless, Carroll D. Nordhoff and Robert W. Skelton and each of them, the proxies of the undersigned, with several power of substitution, to vote all shares of Common Stock which the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on March 20, 2002, and at any and all adjournments thereof, in accordance with the following ballot and in accordance with their best judgment in connection with such other business as may properly come before the Meeting:

IN THE ABSENCE OF SPECIFIC INSTRUCTIONS APPEARING ON THE PROXY, PROXIES WILL BE VOTED FOR THE ELECTION OF DIRECTORS, FOR THE APPROVAL OF THE 2002 McCORMICK MID-TERM INCENTIVE PLAN AND FOR THE RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS AS SET FORTH HEREIN, AND IN THE BEST DISCRETION OF THE PROXIES AS TO ANY OTHER MATTERS WHICH THE PROXIES DO NOT KNOW A REASONABLE TIME BEFORE THE SOLICITATION ARE TO BE PRESENTED AT THE MEETING, OR AS MAY OTHERWISE PROPERLY COME BEFORE THE MEETING.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ITEMS 1, 2 AND 3

1. ELECTION OF DIRECTORS:

- - 01 B. H. Beracha
02 J. T. Brady
03 F. A. Contino
04 R. G. Davey
05 E. S. Dunn, Jr.
06 J. M. Fitzpatrick
07 F. A. Hrabowski, III
08 R. J. Lawless
09 J.C. Molan
10 C. D. Nordhoff
11 R. W. Schroeder
12 W. E. Stevens
13 K. D. Weatherholtz

VOTE FOR all nominees (except as marked)

VOTE WITHHELD from all nominees

(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right)

WITHHELD ____

2. PROPOSAL TO APPROVE THE 2002 McCORMICK MID-TERM INCENTIVE PLAN.
THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL.

FOR [ ] AGAINST [ ] ABSTAIN [ ]

3. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS.
THE BOARD OF DIRECTORS RECOMMEND A VOTE FOR THE PROPOSAL.

FOR [ ] AGAINST [ ] ABSTAIN [ ]

4. IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING.

Date:

(Please sign exactly as your name(s) appears on Proxy. If held in joint tenancy, all persons must sign. Trustees, administrators, etc. should include title and authority. Corporations should provide the full name of corporation and title of authorized officer signing the proxy.