SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For Quarter Ended August 31, 2004

Commission File Number 001-14920

McCORMICK & COMPANY, INCORPORATED
(Exact name of registrant as specified in its charter)

MARYLAND (State or other jurisdiction of incorporation or organization)	**52-0408290** (I.R.S. Employer Identification No.)
18 Loveton Circle, P. O. Box 6000, Sparks, MD (Address of principal executive offices)	**21152-6000** (Zip Code)

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

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 filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No o

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

	Shares Outstanding August 31, 2004
Common Stock	14,826,409
Common Stock Non-Voting	121,889,127

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PART I – FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

McCORMICK & COMPANY, INCORPORATED

CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
(in thousands except per share amounts)

	Three Months Ended August 31, 2004	Three Months Ended August 31, 2003	Nine Months Ended August 31, 2004	Nine Months Ended August 31, 2003
Net sales	$ 613,544	$ 557,612	$ 1,782,069	$ 1,570,973
Cost of goods sold	374,385	345,131	1,089,298	974,587
Gross profit	239,159	212,481	692,771	596,386
Selling, general and administrative expense	164,963	148,403	493,848	420,326
Special charges/(credits)	195	1,349	(6,184)	1,942
Operating income	74,001	62,729	205,107	174,118
Interest expense	10,558	10,027	29,826	29,216
Other income, net	(532)	(703)	(1,216)	(7,317)
Income from consolidated operations before income taxes	63,975	53,405	176,497	152,219
Income taxes	19,769	17,098	54,538	46,988
Net income from consolidated operations	44,206	36,307	121,959	105,231
Income from unconsolidated operations	3,222	4,401	8,309	9,728
Minority interest	(1,232)	(628)	(3,113)	(2,954)
Net income from continuing operations	46,196	40,080	127,155	112,005
Discontinued operations (net of tax):				
Net income from discontinued operations	—	1,665	—	4,838
Gain on sale of discontinued operations	—	9,561	—	9,561
Net income	$ 46,196	$ 51,306	$ 127,155	$ 126,404
Earnings per common share:				
Basic:				
Net income from continuing operations	$ 0.34	$ 0.29	$ 0.93	$ 0.80
Net income from discontinued operations	$ —	$ 0.01	$ —	$ 0.03
Gain on sale of discontinued operations	$ —	$ 0.07	$ —	$ 0.07
Net income	$ 0.34	$ 0.37	$ 0.93	$ 0.91
Average shares outstanding - basic	136,961	139,447	137,341	139,549
Diluted:				
Net income from continuing operations	$ 0.33	$ 0.28	$ 0.90	$ 0.79
Net income from discontinued operations	$ —	$ 0.01	$ —	$ 0.03
Gain on sale of discontinued operations	$ —	$ 0.07	$ —	$ 0.07
Net income	$ 0.33	$ 0.36	$ 0.90	$ 0.89
Average shares outstanding - diluted	141,687	143,087	141,984	142,658
Cash dividends paid per common share	$ 0.14	$ 0.12	$ 0.42	$ 0.34

See notes to condensed consolidated financial statements.

McCORMICK & COMPANY, INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	August 31, 2004 (unaudited)	August 31, 2003 (unaudited)	November 30, 2003
ASSETS			
Current Assets			
Cash and cash equivalents	$ 25,909	$ 12,184	$ 25,141
Receivables, net	325,675	281,718	344,686
Inventories			
Raw materials and supplies	168,582	182,791	172,237
Finished products and work-in process	208,605	204,928	190,537

	377,187	387,719	362,774
Prepaid expenses and other current assets	45,728	29,591	26,754
Total current assets	774,499	711,212	759,355
Property, plant and equipment	945,464	836,683	912,394
Less: accumulated depreciation	(490,708)	(416,841)	(454,074)
Total property, plant and equipment, net	454,756	419,842	458,320
Goodwill, net	611,487	665,939	708,731
Intangible assets, net	114,453	7,382	8,191
Prepaid allowances	70,589	92,224	83,771
Investments and other assets	132,114	120,504	127,112
Total assets	$ 2,157,898	$ 2,017,103	$ 2,145,480
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Short-term borrowings	$ 164,669	$ 203,518	$ 154,334
Current portion of long-term debt	3,097	705	16,703
Trade accounts payable	161,172	167,926	178,775
Other accrued liabilities	289,522	274,966	360,170
Total current liabilities	618,460	647,115	709,982
Long-term debt	496,274	450,011	448,623
Other long-term liabilities	211,512	181,306	209,457
Total liabilities	1,326,246	1,278,432	1,368,062
Minority interest	26,006	19,234	22,254
Shareholders' Equity			
Common stock	121,457	85,952	91,136
Common stock non-voting	198,584	168,752	171,465
Retained earnings	449,192	499,919	472,552
Accumulated other comprehensive income (loss)	36,413	(35,186)	20,011
Total shareholders' equity	805,646	719,437	755,164
Total liabilities and shareholders' equity	$ 2,157,898	$ 2,017,103	$ 2,145,480

See notes to condensed consolidated financial statements.

McCORMICK & COMPANY, INCORPORATED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended August 31,	
	2004	**2003**
Cash flows from continuing operating activities		
Net income	$ 127,155	$ 126,404
Gain on sale of discontinued operations	—	(9,561)
Net income from discontinued operations	—	(4,838)
Net income from continuing operations	127,155	112,005
Adjustments to reconcile net income from continuing operations to net cash flow from continuing operating activities:		
Depreciation and amortization	53,427	46,953
Loss on sale of fixed assets	446	308
Income from unconsolidated operations	(8,309)	(9,728)
Changes in operating assets and liabilities	(66,571)	(146,943)
Dividends from unconsolidated affiliates	2,400	16,278
Net cash flow from continuing operating activities	108,548	18,873
Cash flows from continuing investing activities		
Acquisition of businesses	—	(199,517)
Purchase price adjustment	—	50,007
Capital expenditures	(45,132)	(56,322)
Proceeds from sale of discontinued assets	—	138,261
Proceeds from sale of fixed assets	1,971	9,243
Net cash flow from continuing investing activities	(43,161)	(58,328)

Cash flows from continuing financing activities		
Short-term borrowings, net	10,328	66,379
Long-term debt borrowings	50,088	—
Long-term debt repayments	(16,394)	(567)
Common stock issued	54,046	24,643
Common stock acquired by purchase	(108,438)	(40,570)
Dividends paid	(57,755)	(47,470)
Net cash flow from continuing financing activities	(68,125)	2,415
Effect of exchange rate changes on cash and cash equivalents	3,506	6,377
Net cash flow from discontinued operations	—	(4,485)
Increase (decrease) in cash and cash equivalents	768	(35,148)
Cash and cash equivalents at beginning of period	25,141	47,332
Cash and cash equivalents at end of period	$ 25,909	$ 12,184

See notes to condensed consolidated financial statements.

McCORMICK & COMPANY, INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of McCormick & Company, Incorporated (the "Company") have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments, which are of a normal and recurring nature, necessary to present fairly the financial position and the results of operations for the interim periods.

The results of consolidated operations for the three and nine month periods ended August 31, 2004 are not necessarily indicative of the results to be expected for the full year. Historically, the Company's consolidated sales and net income are lower in the first half of the fiscal year and increase in the second half. The increase in sales and earnings in the second half of the year is mainly due to the U.S. consumer business, where customers purchase for the fourth quarter holiday season.

For further information, refer to the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended November 30, 2003.

Accounting and Disclosure Changes

In January 2003, the Financial Accounting Standards Board (FASB) issued and subsequently revised Interpretation No. 46, "Consolidation of Variable Interest Entities." Interpretation No. 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. Prior to Interpretation No. 46, entities were generally consolidated by a company that had a controlling financial interest through ownership of a majority voting interest in the entity. Interpretation No. 46 was effective for structures that are commonly referred to as special purpose entities for periods ending after December 15, 2003. Application for all other types of variable interest entities is required in financial statements for periods ended after March 15, 2004. The Company adopted Interpretation No. 46 as it relates to special purpose entities in the fourth quarter of 2003. As a result, the Company consolidated an entity that is the lessor of a distribution center used by the Company. In the second quarter of 2004, the Company adopted the remaining provisions of Interpretation No. 46 and there was no material effect on the condensed consolidated financial statements.

In May 2004, the FASB issued Staff Position 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003" which provides guidance on

the accounting for the effects of the Act. FASB Staff Position 106-2 is effective for the first interim or annual period beginning after June 15, 2004. The Company adopted FASB Staff Position 106-2 in the third quarter 2004, effective June 1, 2004. See Note 6 for impact of adoption.

Stock Based Employee Compensation

The Company uses the intrinsic value method as defined in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," to account for stock options issued to employees and directors. Accordingly, upon grant, no compensation expense is recognized for these stock options since all options granted have an exercise price equal to the market value of the underlying stock on the grant date. The following table illustrates the effect on net income and earnings per common share if the Company had applied the fair value recognition provisions of SFAS No. 123, "Accounting for Stock Based Compensation."

	Three Months Ended August 31, 2004	Three Months Ended August 31, 2003	Nine Months Ended August 31, 2004	Nine Months Ended August 31, 2003
	(in thousands)			
Net income as reported	$ 46,196	$ 51,306	$ 127,155	$ 126,404
Add: stock based employee compensation (credit) expense recorded, net of tax	(235)	—	212	—
Deduct: pro forma stock based employee compensation expense, net of tax	(3,426)	(2,721)	(9,976)	(8,575)
Pro forma net income	$ 42,535	$ 48,585	$ 117,391	$ 117,829
Earnings per common share:				
Basic - as reported	$ 0.34	$ 0.37	$ 0.93	$ 0.91
Basic - pro forma	$ 0.31	$ 0.35	$ 0.85	$ 0.84
Diluted - as reported	$ 0.33	$ 0.36	$ 0.90	$ 0.89
Diluted - pro forma	$ 0.30	$ 0.34	$ 0.83	$ 0.83

Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation. The effect of these reclassifications is not material to the condensed consolidated financial statements.

2. DISCONTINUED OPERATIONS

Following a review in 2002, the packaging business and U.K. brokerage operation were determined to be non-core to the Company. On August 12, 2003, the Company completed the sale of substantially all the operating assets of its packaging segment (Packaging) to the Kerr Group, Inc. Packaging manufactured certain products used for packaging the Company's spices and seasonings as well as packaging products used by manufacturers in the vitamin, drug and personal care industries. The Company recorded a net gain on the sale of Packaging of $11.6 million (net of income taxes of $8.0 million) in the third quarter of 2003. Included in this gain is a net pension and post

retirement curtailment gain of $3.6 million. On July 1, 2003 the Company sold the assets of Jenks Sales Brokers (Jenks), a division of the Company's wholly owned U.K. subsidiary, to Jenks' senior management. Jenks provided sales and distribution services for consumer product companies, including the Company, and was previously reported as a part of the Company's consumer segment. The Company recorded a net loss on the sale of Jenks of $2.0 million (net of an income tax benefit of $0.4 million) in the third quarter of 2003.

The operations of Packaging and Jenks have been reported as "Income from discontinued operations, net" in the condensed consolidated statement of income in accordance with the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". Interest expense has been allocated to discontinued operations based on the ratio of the net assets of the discontinued operations to the total net assets of the Company. The cash flows of Packaging and Jenks have been reported as "Net cash flow from discontinued operations" in the consolidated statement of cash flows. The disclosures in the notes to consolidated financial statements exclude discontinued operations.

Summary operating results for the discontinued businesses for the three and nine months ended August 31, 2003 are as follows (in thousands):

	Three Months Ended August 31, 2003	Nine Months Ended August 31, 2003
Net sales from Packaging	$ 33,855	$ 120,336
Net sales from Jenks	8,138	59,570
Net sales from discontinued operations	$ 41,993	$ 179,906
Pre-tax income from Packaging	$ 3,574	$ 12,648
Interest expense allocation	(664)	(2,538)
Income taxes	(1,138)	(3,953)
Net income from Packaging	1,772	6,157
Pre-tax loss from Jenks	(139)	(1,783)
Interest expense allocation	(15)	(100)
Income taxes	47	564
Net loss from Jenks	(107)	(1,319)
Net income from discontinued operations	$ 1,665	$ 4,838

The following table presents summarized cash flow information for the discontinued operations for the nine months ended August 31, 2003 (in thousands):

	2003
Operating activities	$ 3,764
Investing activities	(5,199)
Financing activities	(3,050)

Net cash flow from discontinued operations	$	(4,485)

3. SPECIAL CHARGES/(CREDITS)

During the fourth quarter of 2001, the Company adopted a plan to further streamline its operations. This plan included the consolidation of several distribution and manufacturing locations, the reduction of administrative and manufacturing positions, and the reorganization of several joint ventures. As of August 31, 2004, 378 of the 385 planned position reductions had taken place.

The total plan will cost approximately $32.6 million ($25.6 million after tax). Total cash expenditures in connection with these costs will approximate $16.7 million, which will be funded through internally generated funds. The remaining $15.9 million of costs associated with the plan will consist of write-offs of assets. The total cost of the plan includes $1.8 million of special charges related to Packaging and Jenks that have been classified as income from discontinued operations in the condensed consolidated statements of income.

Once the plan is fully implemented, annualized cash savings from the plan are expected to be approximately $8.0 million ($5.3 million after tax), most of which have been realized to date. Savings under the plan are being used for spending initiatives such as brand support and supply chain management. These savings are included within the cost of goods sold and selling, general and administrative expenses in the condensed consolidated statement of income.

Costs yet to be incurred ($4.2 million) from the plan include the reorganization of a joint venture and additional costs related to the consolidation of manufacturing locations. Additional cash expenditures under the plan will approximate $3.1 million. These actions are currently expected to be completed in 2005.

During the three and nine months ended August 31, 2004, the Company recorded special charges under the 2001 restructuring plan of $0.2 million ($0.1 million after tax) and $2.5 million ($1.7 million after tax), respectively. The costs recorded in 2004 primarily include costs to relocate machinery and equipment and the write-off of certain assets related to the consolidation of industrial manufacturing facilities in the U.K. During the three and nine months ended August 31, 2003, the Company recorded special charges under the 2001 restructuring plan of $1.3 million ($0.9 million after tax) and $1.9 million ($1.4 million after tax), respectively. The costs recorded in 2003 primarily include additional costs associated with the consolidation of production facilities in Canada and further severance and relocation costs related to the workforce reduction. These expenses were classified in the special charges/(credits) line in the condensed consolidated statement of income.

The major components of the special charges and the remaining accrual balance related to the 2001 restructuring plan as of August 31, 2004 follow (in thousands):

	Severance and personnel costs	Asset write-downs	Other exit costs	Total
November 30, 2003	$ 4,715	$ —	$ 102	$ 4,817
Special charges	20	785	1,663	2,468
Amounts utilized	(2,089)	(785)	(1,765)	(4,639)
August 31, 2004	$ 2,646	$ —	$ —	$ 2,646

The major components of the special charges and the remaining accrual balance related to the 2001 restructuring plan as of August 31, 2003 follow (in thousands):

	Severance and personnel costs	Asset write-downs	Other exit costs	Total
November 30, 2002	$ 4,141	$ —	$ 1,681	$ 5,822
Special charges	799	(617)	1,760	1,942
Amounts utilized	(3,266)	617	(3,441)	(6,090)
August 31, 2003	$ 1,674	$ —	$ —	$ 1,674

Also included in special charges/(credits) for the nine months ended August 31, 2004 is a net gain of $8.7 million ($5.5 million after tax) related to funds received from a class action lawsuit that was settled in the Company's favor in the second quarter of 2004. This matter dated back to 1999 when a number of class action lawsuits were filed against manufacturers and sellers of various flavor enhancers for their violation of antitrust laws. The Company, as a purchaser of such products, participated as a member of the plaintiff class. In the second quarter of 2004, the Company received $11.1 million as a settlement of this claim and as a result of the settlement, was required to settle claims against the Company for a portion of this gross amount. The net gain recorded was $8.7 million. This amount was recorded as a special credit and was not allocated to the business segments. This additional cash is being used to fund sales growth and cost reduction initiatives in 2004.

4. EARNINGS PER SHARE

The following table sets forth the reconciliation of average shares outstanding (in thousands):

	Three months ended August 31,		Nine months ended August 31,	
	2004	2003	2004	2003
	(in thousands)			

Average shares outstanding - basic	136,961	139,447	137,341	139,549
Effect of dilutive securities:				
Stock options and employee stock purchase plan	4,726	3,640	4,643	3,109
Average shares outstanding - diluted	141,687	143,087	141,984	142,658

During the quarter ended August 31, 2004, the Company issued 410,446 shares of common stock under its stock purchase and option plans and repurchased 809,026 shares of common stock in connection with its stock buyback program. During the nine months ended August 31, 2004, the Company issued 2,752,147 shares of common stock under its stock purchase and option plans and repurchased 3,225,297 shares of

common stock in connection with its stock buyback program. Under its stock option plans, the Company may issue shares on a net basis at the request of the option holder. This occurs when the option price is settled by tendering outstanding shares held by the option holder for at least six months.

5. COMPREHENSIVE INCOME

The following table sets forth the components of comprehensive income (in thousands):

	Three months ended August 31, 2004	Three months ended August 31, 2003	Nine months ended August 31, 2004	Nine months ended August 31, 2003
	(in thousands)			
Net income	$ 46,196	$ 51,306	$ 127,155	$ 126,404
Other comprehensive income (loss), (net of tax):				
Minimum pension liability adjustment	295	415	(475)	(273)
Net unrealized gain/(loss) on investments	165	646	763	729
Foreign currency translation adjustments	(4,079)	(46,257)	13,516	59,861
Derivative financial instruments	(549)	6,068	2,598	1,804
Comprehensive income	$ 42,028	$ 12,178	$ 143,557	$ 188,525

6. PENSION AND POSTRETIREMENT BENEFITS

The following table presents the components of the Company's pension expense for the three months ended August 31, 2004 and 2003 (in thousands):

	United States 2004	United States 2003	International 2004	International 2003
Defined benefit plans				
Service cost	$ 2,910	$ 2,835	$ 1,282	$ 1,146
Interest costs	4,945	4,827	1,592	1,357
Expected return on plan assets	(4,649)	(4,253)	(1,658)	(1,680)
Amortization of prior service costs	4	2	18	20
Amortization of transition assets	—	—	(21)	(21)
Recognized net actuarial loss/(gain)	2,872	1,862	142	(12)
Less: discontinued operations	—	(556)	—	—
Total pension expense	$ 6,082	$ 4,717	$ 1,355	$ 810

The following table presents the components of the Company's pension expense for the nine months ended August 31, 2004 and 2003 (in thousands):

	United States 2004	United States 2003	International 2004	International 2003
Defined benefit plans				
Service cost	$ 8,729	$ 8,694	$ 3,858	$ 3,437
Interest costs	14,834	14,482	4,778	4,070
Expected return on plan assets	(13,948)	(12,759)	(4,979)	(5,039)
Amortization of prior service costs	12	5	53	61
Amortization of transition assets	—	—	(62)	(62)
Recognized net actuarial loss/(gain)	8,617	5,638	426	(37)
Less: discontinued operations	—	(1,952)	—	—
Total pension expense	$ 18,244	$ 14,108	$ 4,074	$ 2,430

In the second quarter of 2004, the Company paid $22 million for its annual contribution to its U.S. pension plan. Contributions to international plans are generally funded throughout the year. Total contributions to the Company's pension plans in 2004 are expected to be approximately $30.0 million.

The following table presents the components of the Company's other postretirement benefits expense for the three months and nine months ended August 31, 2004 and 2003 (in thousands):

	Three months ended August 31, 2004	Three months ended August 31, 2003	Nine months ended August 31, 2004	Nine months ended August 31, 2003
Other postretirement benefits				
Service cost	$ 667	$ 738	$ 2,001	$ 2,307

Interest costs	1,312	1,140	4,024	4,018
Amortization of prior service costs	(284)	(369)	(852)	(1,150)
Amortization of losses	252	188	896	676
One time recognition of curtailment gains	—	(3,466)	—	(3,466)
Discontinued operations	—	2,878	—	1,398
Total other postretirement expense	$ 1,947	$ 1,109	$ 6,069	$ 3,783

In December of 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) was enacted in the U.S. The Act introduced a prescription drug benefit under Medicare as well as a federal subsidy of 28% of drug costs between $250 and $5,000, tax-free (the Subsidy), to sponsors of retiree health benefit plans that provide a benefit that meets certain criteria. The Company's other postretirement plans covering U.S. retirees currently provide certain prescription benefits to eligible participants. The Company's actuaries have determined that one of the Company's prescription drug plans for retirees and their dependents retired prior to January 1, 2004 provides a benefit that is at least actuarially equivalent to Medicare Part D under the Act.

In connection with the adoption of FASB Staff Position 106-2, the Act had the effect of reducing the accumulated postretirement benefit obligation by $3.0 million. This resulted in an unrecognized net gain to the plan, which is currently being amortized. The annual reduction in the Company's other postretirement benefits expense due to the Subsidy is expected to be approximately $0.4 million, which includes the amortization of the unrecognized net gain. The provisions of the Act do not have a material effect on the condensed consolidated financial statements.

7. FINANCIAL INSTRUMENTS

On April 1, 2004, the Company issued a total of $50 million in medium-term notes under its existing $375 million shelf registration statement filed with the Securities and Exchange Commission in January 2001. The $50 million of medium-term notes mature on April 15, 2009 and pay interest semi-annually at a rate of 3.35%. The proceeds from the new issuance were used to pay off commercial paper debt.

In addition, on April 1, 2004, the Company entered into an interest rate swap contract with a total notional amount of $50 million to receive interest at 3.356% and pay a variable rate of

interest based on six-month LIBOR minus .21%. The Company designated this swap, which expires on April 15, 2009, as a fair value hedge of the changes in fair value of the $50 million of medium-term notes maturing on April 15, 2009. No hedge ineffectiveness will be recognized as the interest rate swap's provisions match the applicable provisions of the debt.

8. ACQUISITIONS

In the second quarter of 2004, the Company completed the purchase price allocation for the Zatarain's acquisition. The excess of the $180.0 million purchase price over the fair value of the net assets purchased was $176.2 million, which includes $3.4 million of fees directly related to the acquisition. An analysis of the various types of intangible assets resulted in the determination that the excess purchase price should be classified as the value of the brand name and goodwill. No other intangible assets were identified as a result of this analysis. The Company has concluded that the value of the excess purchase price resides in the consumer trust and recognition of the Zatarain's brand name as authentic New Orleans style cuisine. As a result, the Company has assigned $106.4 million of the excess purchase price to unamortizable brands based on an analysis of the premium value that is derived from consumer loyalty and trust in the brand quality. The remaining $69.8 million of intangible assets were allocated to goodwill. The Company will review these intangible assets for impairment at least annually using the discounted cash flow method.

9. BUSINESS SEGMENTS

The Company operates in two business segments: consumer and industrial. The Company sold its packaging segment during the third quarter of 2003 (see Note 2). The consumer and industrial segments manufacture, market and distribute spices, herbs, seasonings and other flavors throughout the world. The consumer segment sells to retail outlets, including grocery, drug, dollar and mass merchandise stores under a variety of brands, including McCormick and Zatarain's, Ducros and Vahine 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 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 to maximize cost efficiencies. Because of manufacturing integration for certain products within the segments, products are not sold from one segment to another but rather inventory is transferred at cost. Corporate and eliminations includes general corporate expenses and other charges not directly attributable to the segments.

Segment information for the nine months ended August 31, 2003 has been restated to exclude discontinued operations. Certain fixed overhead charges previously allocated to Packaging have been reallocated to the other business segments.

	Consumer	**Industrial**	**Corporate & Eliminations**	**Total**
		(in thousands)		
Three months ended August 31, 2004				
Net sales	$ 303,239	$ 310,305	$ —	$ 613,544
Special charges/(credits)	31	164	—	195
Operating income	56,776	31,207	(13,982)	74,001
Income from unconsolidated operations	2,620	602	—	3,222
Nine months ended August 31, 2004				

	Consumer	Industrial	Corporate & Eliminations	Total
Net sales	$ 899,630	$ 882,439	$ —	$ 1,782,069
Special charges/(credits)	86	2,355	(8,624)	(6,184)
Operating income	151,390	85,478	(31,761)	205,107
Income from unconsolidated operations	6,593	1,716	—	8,309

	Consumer	Industrial	Corporate & Eliminations	Total
	(in thousands)			
Three months ended August 31, 2003				
Net sales	$ 271,634	$ 285,978	$ —	$ 557,612
Special charges/(credits)	622	727	—	1,349
Operating income	45,304	27,872	(10,447)	62,729
Income from unconsolidated operations	3,590	811	—	4,401
Nine months ended August 31, 2003				
Net sales	$ 755,693	$ 815,280	$ —	$ 1,570,973
Special charges/(credits)	1,493	449	—	1,942
Operating income	121,539	80,074	(27,495)	174,118
Income from unconsolidated operations	8,309	1,419	—	9,728

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Sales for the third quarter of 2004 were $613.5 million, an increase of 10.0% above the third quarter of 2003. Higher volumes, prices and product mix contributed 7.4% of the increase and 2.6% was added by favorable foreign exchange rates. Sales for the nine months ended August 31, 2004 were $1,782.1 million, an increase of 13.4% above the same period of the previous year. Higher volumes, prices and product mix contributed 9.3%, of which 3.2% was from the Zatarain's acquisition, and favorable foreign exchange rates added another 4.1% on a year to date basis.

Diluted earnings per share from continuing operations for the third quarter increased 17.9% to $0.33 compared to $0.28 in the third quarter of 2003. The $0.05 increase in diluted earnings per share in the third quarter of 2004 compared to 2003 was the net effect of the following:

- Performance from the Company's consumer and industrial businesses contributed an increase of $0.05 per share from continuing operations in the third quarter of 2004 compared to the prior year. This was the result of higher sales and

improved gross profit margin, partially offset by higher selling, general, and administrative expenses, including advertising expense. Gross profit margin rose to 39.0% from 38.1% due to a shift to more value added products, and some benefit from the net impact of pricing actions, as well as success with cost reduction activities.

- Special charges decreased $0.01 as compared to the third quarter of 2003. These charges related to the Company's 2001 restructuring plan.

- Unconsolidated net income decreased $0.01 as compared to the third quarter of 2003. This decrease is due to weaker results from the Company's Signature Brands and Japan joint ventures.

Year-to-date, net cash flow from continuing operating activities was $108.5 million compared to $18.9 million in the prior year. For the third quarter, net cash flow from continuing operating activities rose to $42 million from $6 million a year ago. Contributing to the increases for the quarter and year were higher net income from continuing operations and a reduction in inventory that is being driven by supply chain initiatives.

Diluted earnings per share from continuing operations for the nine months ended August 31, 2004 was $0.90 compared to $0.79 for the same period of 2003, an increase of 13.9%. This increase was a net result of a $0.14 per share increase in operating results, a $0.04 per share increase from the lawsuit settlement, a $0.02 per share decrease from international reorganization expense, a $0.01 per share decrease from interest and other expense, $0.01 per share decrease in unconsolidated net income and a $0.03 per share decrease in interest income related to the 2003 Ducros purchase price settlement.

In August 2003, the Company completed the sale of substantially all of the operating assets of its packaging segment (Packaging). In July 2003 the Company sold the assets of Jenks Sales Brokers (Jenks), a division of the Company's wholly owned U.K. subsidiary, to Jenks' senior management. The results of Packaging and Jenks have been classified as "Income from discontinued operations, net" in the condensed consolidated statement of income. Jenks was previously included in the Company's consumer segment and Packaging was previously reported as a separate segment. Certain fixed overhead charges previously allocated to Packaging have been reallocated to the other business segments. The cash flows of Packaging and Jenks have been reported as "Net cash flow from discontinued operations" in the consolidated statement of cash flows.

RESULTS OF OPERATIONS - SEGMENTS

CONSUMER BUSINESS

	Three months ended August 31,		Nine months ended August 31,	
	2004	2003	2004	2003
	(in thousands)			
Net sales	$ 303,239	$ 271,634	$ 899,630	$ 755,693

Operating income	56,776	45,304	151,390	121,539

For the third quarter of 2004, sales from McCormick's consumer business increased 11.6% when compared to 2003. Higher volume added 5.5%, price and favorable product mix added 3.2%, and favorable foreign exchange rates added 2.9%. Consumer sales in the Americas rose 13.5%, with 8.2% from higher volumes, 5.0% from higher prices and favorable product mix, and 0.3% from foreign exchange. Sales volumes in the U.S. benefited from new product activity, including the Zatarain's Ready-to-Serve rice product, and increased advertising and promotions. Additional products that saw volume growth in the quarter were grinders, Hispanic products, GrillMates, and vanilla. Sales in the third quarter continued to benefit from new distribution gained in 2003 with a major grocery retailer. In addition to these volume increases, pricing was higher in the Americas for vanilla products in response to higher vanilla bean costs. Consumer sales in Europe increased 9.2% for the quarter, with 8.4% due to favorable foreign exchange. Sales in this region were affected by more intense competitive conditions. In the U.K., private label in the Company's category is quite developed and as a result, discount retail chains are making few new inroads. However, pricing competition in general among what are now three primary retail chains is vigorous. We have responded to this situation with more competitive pricing on certain items in the Company's range of products. In France, private label share in the Company's category is small. This creates a greater opportunity for discount retail chains to make inroads with lower quality spices and herbs at lower cost, especially with the difficult consumer economy and unemployment situation in France. As a result of this competition, certain category sales in France were impacted during the quarter. In the Asia/Pacific region, sales increased 1.7%. Favorable foreign exchange added 5.0%, while a less favorable product mix in Australia and an emphasis on higher margin products in China led to a net 3.3% decline in volume, price and product mix in that region.

For the nine months ended August 31, 2004, total consumer sales increased 19.0% when compared to 2003. The acquisition of Zatarain's in the second quarter of 2003 accounted for 6.6% of this increase, favorable foreign exchange rates added 5.0% and higher volume and the effects of pricing and product mix added another 7.4% to sales.

Third quarter operating income from continuing operations for the consumer business increased 25.3% compared to the same period of 2003, despite a $2.6 million increase in advertising. The operating income increase was driven by strong sales performance, an emphasis on higher-margin products and cost reduction efforts. Operating income

margin (operating income as a percentage of sales) increased to 18.7% in the third quarter of 2004 from 16.7% in the comparable period last year due to success with cost reduction activities.

For the nine months ended August 31, 2004, operating income from continuing operations for the consumer business increased 24.6% compared to the same period of 2003. Operating income margin for the nine months ended August 31, 2004 increased to 16.8% compared to 16.1% in the comparable period last year. These increases were the result of similar factors as for the quarter discussed above.

INDUSTRIAL BUSINESS

	Three months ended August 31, 2004	Three months ended August 31, 2003	Nine months ended August 31, 2004	Nine months ended August 31, 2003
	(in thousands)			
Net sales	$ 310,305	$ 285,978	$ 882,439	$ 815,280
Operating income	31,207	27,872	85,478	80,074

For the third quarter of 2004, sales for the Company's industrial business increased 8.5% when compared to 2003. Volume added 4.7%, favorable foreign exchange rates added 2.3%, and price and product mix added 1.5%. In the Americas, industrial sales increased 9.0% largely due to a 7.8% volume increase driven by new products such as coating systems. Despite new customer gains, sales volumes to broadline food distributors were somewhat weak this quarter. We do not expect a strong improvement in the fourth quarter sales to the food service distributor channel. The remaining 1.2% increase for the quarter in the U.S. was in price and product mix. Higher costs for certain raw materials including vanilla, cheese and soy oil were passed through in higher pricing. Industrial sales in Europe increased 9.6% for the quarter, with an 11.1% increase from foreign exchange and a decrease of 1.5% from lower volume, net of some favorable price and product mix. A shift in emphasis to higher margin products resulted in reduced sales of certain lower margin products. Sales also continue to be pressured by an initiative to rationalize food service customers and SKU's following the 2003 acquisition of the Uniqsauces business. The objective of this initiative is to focus the Company's resources on value-added and higher margin products, improve the Company's market position for condiments, ingredients, and other products in Europe, and increase the profitability of this part of the Company's business. This initiative will continue to pressure industrial sales in Europe in the fourth quarter of 2004. In the Asia/Pacific region, industrial sales rose 1.5%, with a 2.5% increase from foreign exchange. The mix of products across industrial customers resulted in a 1.0% net decline in volume, price and product mix for the third quarter. Performance was affected by the elimination of certain bulk ingredient sales. Excluding the impact of the bulk ingredient sales, volume, price and product mix for the region would have been up 3.2%, benefiting from higher sales with quick service restaurant customers.

For the nine months ended August 31, 2004, total industrial sales increased 8.2% with 3.2% from favorable foreign exchange rates, 3.1% from higher volumes, and 1.9% from favorable pricing and product mix.

In the third quarter of 2004, industrial business operating income increased 12.0%. Higher sales, an emphasis on more value-added, higher margin products, and cost reduction efforts for the quarter led to the increase. Operating income margin increased to 10.1% in the third quarter of 2004 from 9.7% in the comparable period last year as a result of the factors discussed above.

For the nine months ended August 31, 2004, operating income from continuing operations for the industrial business increased 6.7% compared to the same period of 2003. This increase is primarily the result of the strong increase in sales, partially offset by the international reorganization costs and special charges in the second quarter. Operating income margin for the nine months ended August 31, 2004 decreased to 9.7% compared to 9.8% in the comparable period last year as a result of the factors discussed above.

RESULTS OF OPERATIONS – COMPANY

Gross profit margin (gross profit as a percentage of sales) increased 0.9% to 39.0% in the third quarter of 2004 from 38.1% in the comparable period of the prior year. Gross profit margin in the third quarter of 2004 was favorably impacted by progress with cost saving supply chain initiatives, a continued focus on more value-added products, and the net impact of higher pricing, predominantly in the consumer segment. Gross profit margin for the nine months ended August 31, 2004 increased to 38.9% compared to 38.0% for the same period of 2003. This increase is also a result of the items discussed above.

Selling, general and administrative expenses increased in the third quarter of 2004 as compared to the same period of the prior year in both dollars and as a percentage of net sales. Selling, general and administrative expenses as a percentage of sales were 26.9% in the third quarter of 2004 compared to 26.6% in the third quarter of 2003. The increase in selling, general and administrative expenses as a percentage of sales is due to an increase in distribution costs of $4.3 million and an increase in advertising expenses of $2.6 million compared to the third quarter of 2003. The increase in advertising relates to new products and seasonal marketing events, in Europe and the U.S. In addition, selling, general and administrative expenses were impacted by higher distribution costs related to higher sales volumes, as well as fuel surcharges and the new transportation regulations in the U.S. For the nine months ended August 31, 2004, selling, general and administrative expenses as a percentage of sales increased to 27.7% from 26.8% for the same period of 2003 as a result of the items mentioned above.

Pension expense for 2004 is expected to increase approximately 35% over the 2003 expense of $22.1 million. In connection with the valuation performed at the end of 2003, the discount rate was reduced from 7.0% to 6.0% and the long-term rate of return was reduced from 9.0% to 8.5%. These changes are reflective of a continued low interest rate environment and market returns in recent years. The changes in assumptions are the primary drivers of the expected increase in pension expense during 2004.

Interest expense in the third quarter of 2004 increased by $0.5 million compared to the third quarter of 2003. Higher average debt levels during 2004 were partially offset by lower average short-term interest rates.

For the nine months ended August 31, 2004, other income, net decreased to $1.2 million from $7.3 million in 2003. In the second quarter of 2003, the Company recorded $5.4 million of interest income related to the Ducros purchase price settlement.

Income from unconsolidated operations for the quarter decreased $1.2 million when compared to the third quarter of 2003 and is $1.4 million below 2003 on a year to date basis. This decrease is due primarily to the results of the Company's Signature Brands and Japan joint ventures. Signature Brands was affected this quarter by the later timing of some holiday orders. The Company expects the timing of these orders and new product activity will lead to improved results in the fourth quarter. The Company's retail joint venture in Japan moved its business to a new distributor in the second quarter and expects to build sales in this market over time. The joint venture in Japan is currently working through a period of start-up costs associated with the transition until a higher level of sales is achieved. The joint venture in Mexico has shown some improvement this quarter, with results equal to the same period last year.

The effective tax rate for the quarter ended August 31, 2004 was 30.9% versus 32.0% for the quarter ended August 31, 2003.

Income from discontinued operations for the three and nine months ended August 31, 2003 was $1.7 million and $4.8 million, respectively. These amounts consist of the pretax income from Packaging and Jenks reduced by an allocation of interest expense and income taxes and the net gain on sale of Packaging and Jenks.

SPECIAL CHARGES/(CREDITS)

During the three and nine months ended August 31, 2004, the Company recorded special charges under the 2001 restructuring plan of $0.2 million ($0.1 million after tax) and $2.5 million ($1.7 million after tax), respectively. The costs recorded in 2004 primarily include costs to relocate machinery and equipment and the write-off of certain assets related to the consolidation of industrial manufacturing facilities in the U.K. During the three and nine months ended August 31, 2003, the Company recorded special charges under the 2001 restructuring plan of $1.3 million ($0.9 million after tax) and $1.9 million ($1.3 million after tax), respectively. The costs recorded in 2003 primarily include additional costs associated with the consolidation of production facilities in Canada and further severance and relocation costs related to the workforce reduction.

Also included in special charges/(credits) for the nine months ended August 31, 2004 is a net gain of $8.7 million related to funds received from a class action lawsuit that was settled in the Company's favor in the second quarter of 2004. This matter dated back to 1999 when a number of class action lawsuits were filed against

manufacturers and sellers of various flavor enhancers for their violation of antitrust laws. The Company, as a purchaser of such products, participated as a member of the plaintiff class. In the second quarter of 2004, the Company received $11.1 million as a settlement of this claim and as a result of the settlement, was required to settle claims against the Company for a portion of this gross amount. The net gain recorded was $8.7 million. This amount was recorded as a special credit and was not allocated to the business segments. This additional cash is being used to fund sales growth and cost reduction initiatives in 2004.

ACQUISITIONS

In the second quarter of 2004, the Company completed the purchase price allocation for the Zatarain's acquisition. The excess of the $180.0 million purchase price over the fair value of the net assets purchased was $176.2 million, which includes $3.4 million of fees directly related to the acquisition. An analysis of the various types of intangible assets resulted in the determination that the excess purchase price should be classified as the value of the brand name and goodwill. No other intangible assets were identified as a result of this analysis. The Company has concluded that the value of the excess purchase price resides in the consumer trust and recognition of the Zatarain's brand name as authentic New Orleans style cuisine. As a result, the Company has assigned $106.4 million of the excess purchase price to unamortizable brands based on an analysis of the premium value that is derived from consumer loyalty and trust in the brand quality. The remaining $69.8 million of intangible assets were allocated to goodwill. The Company will review these intangible assets for impairment at least annually using the discounted cash flow method.

MARKET RISK SENSITIVITY

Foreign Exchange Risk

The fair value of the Company's portfolio of forward and option contracts was an unrealized loss of $0.5 million as of August 31, 2004, compared to unrealized losses of $2.3 million as of August 31, 2003 and $1.7 million as of November 30, 2003. The notional value of the Company's portfolio of forward and option contracts was $34.1 million as of August 31, 2004, lower than the $38.4 million as of August 31, 2003 and the $58.9 million as of November 30, 2003. The reduction in notional value since November 30, 2003 is primarily due to a decrease in foreign exchange contracts covering Canadian dollar exposures.

Interest Rate Risk

The Company manages its interest rate exposure by entering into both fixed and variable rate debt. In addition, the Company uses interest rate derivatives to achieve what it considers to be a cost effective mix of fixed and variable rate indebtedness. As of August 31, 2004, the Company had a total of $225 million of interest rate swap contracts as discussed below.

In July 2001, the Company entered into interest rate swap contracts for a total notional amount of $75 million to pay a fixed

rate of interest of 6.35%. In return, under these swap contracts, the Company will receive a variable rate of interest, based on the six-month LIBOR, for the period from 2001 through 2011. The net effect of the interest rate swap contracts effectively fixes the interest rate of $75 million of commercial paper at 6.35%. As of August 31, 2004 the fair value of these swap contracts was an unrealized loss of $10.3 million compared to an unrealized loss of $9.2 million in the same period last year and an unrealized loss of $10.9 million as of November 30, 2003. The Company has designated these outstanding interest rate swap contracts as cash flow hedges of the variable interest rate risk associated with $75 million of commercial paper. The unrealized loss on these swap contracts is recorded in other comprehensive income, as the Company intends to maintain the commercial paper outstanding and hold these swap contracts until maturity. Realized gains or losses are reflected in interest expense in the applicable period. Hedge ineffectiveness associated with these hedges was not material in the quarter.

In August 2003, the Company entered into interest rate swap contracts for a total notional amount of $100 million to receive interest at 6.4% and pay a variable rate of interest based on six-month LIBOR. The Company designated these swaps, which expire on February 1, 2006, as fair value hedges of the changes in fair value of $100 million of the $150 million 6.4% fixed rate medium-term note maturing on February 1, 2006. As of August 31, 2004, the fair value of these swap contracts was an unrealized loss of $0.3 million compared to an unrealized loss of $1.2 million in the same period last year and an unrealized loss of $0.5 million as of November 30, 2003. The unrealized loss on these swap contracts is offset by a corresponding decrease in value of the hedged debt. No hedge ineffectiveness is recognized in the condensed consolidated statement of income as the interest rate swaps' provisions match the applicable provisions of the debt.

On April 1, 2004, the Company entered into a $50 million interest rate swap contract in conjunction with the issuance of $50 million of medium term notes on the same day. This interest rate swap contract receives interest at 3.356% and pays a variable rate of interest based on six-month LIBOR minus .21%. The Company designated this swap, which expires on April 15, 2009, as a fair value hedge of the changes in fair value of $50 million of medium-term notes maturing on April 15, 2009. As of August 31, 2004, the fair value of this swap contract was an unrealized loss of $0.7 million, which is offset by a corresponding decrease in value of the hedged debt. No hedge ineffectiveness is recognized as the interest rate swap's provisions match the applicable provisions of the debt.

Credit Risk

The customers of the consumer business are predominantly food retailers and food wholesalers. Recently, consolidations in these industries have created larger customers, some of which are highly leveraged. This has increased the Company's exposure to credit risk. Several customers over the past two years have filed for bankruptcy protection; however, these bankruptcies have not had a material effect on the Company's results. The Company feels that the risks have been

adequately provided for in its bad debt allowance.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

As of August 31, 2004, there has not been a material change in the Company's contractual obligations and commercial commitments outside of the ordinary course of business since November 30, 2003.

LIQUIDITY AND FINANCIAL CONDITION

In the condensed consolidated statement of cash flows, the changes in operating assets and liabilities are presented excluding the effects of changes in foreign currency exchange rates, as these do not reflect actual cash flows. Accordingly, the amounts in the condensed consolidated statement of cash flows do not agree with changes in the operating assets and liabilities that are presented in the condensed consolidated balance sheet. The net cash flows from operating, investing and financing activities are presented excluding the effects of discontinued operations.

Due to the nature of the business, the Company generates much of its cash flow in the fourth quarter of the fiscal year. In the condensed consolidated statement of cash flows, net cash provided by continuing operating activities was $108.5 million for the nine months ended August 31, 2004 compared to $18.9 million in the nine months ended August 31, 2003. The increase in operating cash flow is primarily the result of a lower increase in inventory in 2004 compared to 2003 and increased net income from continuing operations. The increase in inventory in 2003 was due to the Company's strategic decision to purchase vanilla beans in order to ensure an on-going supply and manage cost for this raw material. As of August 31, 2004, vanilla bean inventory was down $19 million compared to August 31, 2003.

Net cash flow from continuing investing activities used cash of $43.2 million in the nine months ended August 31, 2004 compared to $58.3 million in the same period last year. Net capital expenditures (capital expenditures less proceeds from sale of fixed assets) decreased to $43.2 million in 2004 compared to $47.1 million last year. Net capital expenditures for the full year 2004 are expected to be approximately $80 million. During the nine months ended August 31, 2003, the Company paid $180.0 million for the acquisition of Zatarain's and $19.5 million for the acquisition of the Uniqsauces business. The Company also received $55.4 million related to the Ducros purchase price settlement, of which $5.4 million related to the interest portion is included in net cash flow from continuing operating activities.

Net cash flow from continuing financing activities used $68.1 million during the nine months ended August 31, 2004 compared to $2.4 million provided in the same period last year. Short-term borrowings increased by $10.3 million during 2004 compared to an increase of $66.4 million for the comparable period of 2003. In the second quarter of 2004, the Company issued a total of $50 million in medium-term notes under its existing $375 million shelf registration. The $50 million of medium-term notes mature on April 15, 2009 and pay interest

semi-annually at a rate of 3.35%. The proceeds of this issuance were used to pay down short-term debt. The Company paid down long-term debt of $16.4 million in 2004 compared to $0.6 million in 2003. During 2004, the Company issued common stock for $54.0 million to employees who exercised previously granted stock options compared to $24.6 million from such exercises in the prior year. In addition, the Company acquired 3.2 million shares for $108.4 million in 2004 under the Company's share repurchase plan compared to 1.7 million shares for $40.6 million in 2003. During the second quarter of 2004, the Company completed its $250 million authorization and began to buy against its $300 million authorization approved by the Board of Directors in the fourth quarter of 2003. As of August 31, 2004, $213.9 million remained of the $300 million authorization. Without significant acquisition activity, the Company expects this program to extend into 2006. The Company has paid $57.8 million of dividends in 2004 compared to $47.5 million for the same period of 2003. Dividends paid in the first quarter of 2004 were declared on November 25, 2003.

The Company's ratio of debt-to-total capital (total capital includes debt, minority interest and shareholders' equity) was 44.4% as of August 31, 2004, down from 47.0% at August 31, 2003 and even with 44.4% at November 30, 2003. This decrease from the prior period was primarily the result of an increase in shareholders' equity due to fluctuations in foreign exchange rates as well as earnings in excess of dividends. During the period, the Company's short-term debt varies; however, it is usually lower at the end of a quarter. The average short-term borrowings outstanding for the nine months ended August 31, 2004 and 2003 was $289.4 million and $281.4 million, respectively.

The reported values of the Company's assets and liabilities have been significantly affected by fluctuations in foreign exchange rates between periods. During the nine months ended August 31, 2004, the exchange rates for the Euro, British pound sterling, Canadian dollar and Australian dollar were higher than the same period last year. Exchange rate fluctuations resulted in an increase in accounts receivable of approximately $19.0 million, inventory of approximately $14.0 million, goodwill of approximately $50.0 million and other comprehensive income of approximately $84.0 million since August 31, 2003.

Management believes that internally generated funds and its existing sources of liquidity under its credit facilities are sufficient to meet current and anticipated financing requirements over the next 12 months. The Company's availability of cash under its credit facilities has not materially changed since year-end. If the Company were to undertake an acquisition that requires funds in excess of its existing sources of liquidity, it would look to sources of funding from additional credit facilities or equity issuances.

ACCOUNTING AND DISCLOSURE CHANGES

In January 2003, the Financial Accounting Standards Board (FASB) issued and subsequently revised Interpretation No. 46, "Consolidation of Variable Interest Entities." Interpretation No. 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest

entity's activities or entitled to receive a majority of the entity's residual returns or both. Prior to Interpretation No. 46, entities were generally consolidated by a company that had a controlling financial interest through ownership of a majority voting interest in the entity. Interpretation No. 46 was effective for structures that are commonly referred to as special purpose entities for periods ending after December 15, 2003. Application for all other types of variable interest entities is required in financial statements for periods ended after March 15, 2004. The Company adopted Interpretation No. 46 as it relates to special purpose entities in the fourth quarter of 2003. As a result, the Company consolidated an entity that is the lessor of a distribution center used by the Company. In the third quarter of 2004, the Company adopted the remaining provisions of Interpretation No. 46 and there was no material effect on the condensed consolidated financial statements.

In May 2004, the FASB issued Staff Position 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug Improvement and Modernization Act of 2003" which provides guidance on the accounting for the effects of the Act. FASB Staff Position 106-2 is effective for the first interim or annual period beginning after June 15, 2004. The Company has adopted FASB Staff Position 106-2 effective June 1, 2004 and has made the required quarterly disclosures in the footnotes to the condensed consolidated financial statements. See Note 6 for impact of adoption.

FORWARD-LOOKING INFORMATION

Certain statements contained in this report, including those related to the expected results of operations of businesses acquired by the Company, annualized savings from the Company's streamlining activities, the holding period and market risks associated with financial instruments, the impact of foreign exchange fluctuations and the adequacy of internally generated funds and existing sources of liquidity are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Operating results may be materially affected by external factors such as: competitive conditions, customer relationships and financial condition, availability and cost of raw and packaging materials, governmental actions and political events, and economic conditions, including fluctuations in interest and exchange rates for foreign currency. 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.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding the Company's exposure to certain market risks, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in the Company's Annual Report on Form 10-K for the year ended November 30, 2003. Except as described in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there have been no significant changes in the Company's financial instrument portfolio or market risk exposures since year

end.

ITEM 4 CONTROLS AND PROCEDURES

Based on their evaluation as of August 31, 2004, the Company's management, including its Chairman, President & Chief Executive Officer and its Executive Vice President, Chief Financial Officer & Supply Chain, have concluded that the Company's disclosure controls and procedures are effective to ensure that material information relating to the Company is included in the reports that the Company files or submits under the Securities Exchange Act of 1934. Except as discussed below, there have been no changes in the Company's internal control over financial reporting identified in connection with such evaluation that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

In conjunction with the B2K implementation in the Company's U.S. industrial business, changes were made to the Company's internal controls over financial reporting in order to adapt to the new SAP software environment. Management believes that the new controls are effective.

PART II – OTHER INFORMATION

ITEM 2. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

The following table summarizes the Company's purchases of Common Stock (CS) and Common Stock Non-Voting (CSNV) during the third quarter of 2004:

ISSUER PURCHASES OF EQUITY SECURITIES

Period		**Total Number of Shares Purchased**	**Average Price Per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs**
June 1, 2004 to	CS-	0	$ —	0	$234.8 million
June 30, 2004	CSNV-	186,026	$ 34.88	186,026	
July 1, 2004 to	CS-	40,000	$ 35.79	40,000	$225.9 million
July 31, 2004	CSNV-	193,000	$ 35.19	193,000	
August 1, 2004 to	CS-	18,676	$ 32.58	18,676	$213.9 million
August 31, 2004	CSNV-	371,324	$ 33.33	371,324	
Total	CS-	58,676	$ 34.76	58,676	$213.9 million
	CSNV-	750,350	$ 34.19	750,350	

Note: During the quarter, the Company continued to purchase against its $300 million authorization approved by the Board of Directors in the fourth quarter of 2003. As of August 31, 2004, $213.9 million remained of the $300 million authorization. Without significant acquisition activity, the Company expects this program to extend into 2006.

ITEM 6. EXHIBITS

(a) Exhibits. See Exhibit Index at pages 28 - 32 of this Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

McCORMICK & COMPANY, INCORPORATED

Date:	October 8, 2004	By:	/s/ Francis A. Contino Francis A. Contino Executive Vice President, Chief Financial Officer & Supply Chain
Date:	October 8, 2004	By:	/s/ Kenneth A. Kelly, Jr. Kenneth A. Kelly, Jr. Vice President & Controller

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.
	Articles of Amendment to Charter of McCormick & Company, Incorporated dated March 27, 2003	Incorporated by reference from Registration Form S-8, Registration Statement No. 333-104084 as filed with the Securities and Exchange Commission on March 28, 2003
	By-Laws of McCormick & Company, Incorporated Restated and Amended on September 17, 2002	Incorporated by reference from Exhibit 10.1 of the Registrant’s Form 10-Q for the quarter ended August 31, 2002 as filed with the Securities and Exchange Commission on October 11, 2002.

(4)	Instruments defining the rights of security holders, including indentures	i) See Exhibit 3 (Restatement of Charter) ii) Summary of Certain Exchange Rights, incorporated by reference from 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. iii) Indenture dated December 5, 2000 between Registrant and SunTrust Bank, filed herewith as Exhibit 4(iii). Registrant hereby undertakes to furnish to the Securities and Exchange Commission, upon its request, copies of additional instruments of Registrant with respect to long-term debt that involve an amount of securities that do not exceed 10 percent of the total assets of the Registrant and its subsidiaries on a consolidated basis, pursuant to Regulation S-K, Item 601b(4)(iii)(A).
(9)	Voting Trust Agreements	Not applicable.

(10) Material contracts

(i) Asset Purchase Agreement dated June 26, 2003 among Kerr Group, Inc., Kerr Acquisition Sub I, LLC and Setco, Inc., a former wholly-owned subsidiary of Registrant, which agreement is incorporated by reference from Exhibit 10(i) of Registrant’s Form 10-Q for the quarter ended August 31, 2003, as filed with the Securities and Exchange Commission on October 14, 2003.*

(ii) Asset Purchase Agreement dated June 26, 2003 among Kerr Group, Inc., Kerr Acquisition Sub II, LLC and Tubed Products, Inc., a former wholly-owned subsidiary of Registrant, which agreement is incorporated by reference from Exhibit 10(ii) of Registrant’s Form 10-Q for the quarter ended August 31, 2003, as filed with the Securities and Exchange Commission on October 14, 2003.*

(iii) Asset Purchase Agreement dated June 26, 2003 among Kerr Group, Inc., Kerr Acquisition Sub II, LLC and O.G. Dehydrated, Inc., a former wholly-owned subsidiary of Tubed Products, Inc., which agreement is incorporated by reference from Exhibit 10(iii) of Registrant’s Form 10-Q for the quarter ended August 31, 2003, as filed with the Securities and Exchange Commission on October 14, 2003.*

(iv) Registrant's supplemental pension plan for certain senior officers, as amended and restated effective June 19, 2001, is contained 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, and incorporated by reference herein.**

(v) The 2001 Stock Option Plan, in which officers and certain other management employees participate, is set forth on pages 33 through 36 of the Registrant's definitive Proxy Statement dated February 15, 2001, as filed with the Securities and Exchange Commission on February 14, 2001, and incorporated by reference herein.**

(vi) The 1997 Stock Option Plan, in which officers and certain other management employees participate, is set forth in Exhibit B of the Registrant's definitive Proxy Statement dated February 19, 1997, as filed with the Securities and Exchange Commission on February 18, 1997, and incorporated by reference herein.**

(vii) The 2002 McCormick Mid-Term Incentive Plan, which is provided to a limited number of senior executives, is set forth 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, and incorporated by reference herein.**

(viii) 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 set forth on pages 24 through 26 of the Registrant's definitive Proxy Statement dated February 17, 1999 as filed with the Securities and Exchange Commission on February 16, 1999, and incorporated by reference herein.**

(ix) Deferred Compensation Plan, as restated on January 1, 2000, and amended on August 29, 2000, September 5, 2000 and May 16, 2003, in which directors, officers and certain other management employees participate, a copy of which Plan document and amendments was attached as Exhibit 10(viii) of the Registrant's Form 10-Q for the quarter ended August 31, 2003 as filed with the Securities and Exchange Commission on October 14, 2003, and incorporated by reference herein.**

(x) Stock Purchase Agreement among the Registrant, Eridania Beghin-Say and Compagnie Francaise de Sucrerie - CFS, dated July 12, 2000, which agreement is incorporated by reference from Exhibit 2 of Registrant's Report on Form 8-K, as filed with the Securities and Exchange Commission on September 15, 2000.

(xi) Stock Purchase Agreement dated May 7, 2003 among the Registrant, Zatarain's Brands, Inc., and the stockholders set forth on the stockholder signature pages of the Agreement, which agreement is incorporated by reference from Exhibit 10(vii) of Registrant's Form 10-Q for the quarter ended May 31, 2003, as filed with the Securities and Exchange Commission on July 11, 2003.

(xii) 364-Day Credit Agreement, dated May 30, 2003 among Registrant, Certain Financial Institutions and Wachovia Bank, National Association, which agreement is incorporated by reference from Exhibit 10(xi) of Registrant's 10-Q for the quarter ended August 31, 2003, as filed with the Securities and Exchange Commission on October 14, 2003.

(xiii) 364-Day Credit Agreement, dated June 19, 2001 among Registrant and Certain Financial Institutions, which agreement is incorporated by reference from Exhibit 10(xii) of Registrant's 10-Q for the quarter ended August 31, 2003, as filed with the Securities and Exchange Commission on October 14, 2003.

(xiv) Revolving Credit Agreement, dated as of June 19, 2001 among Registrant and Certain Financial Institutions, which agreement is incorporated by reference from Exhibit 10(xiii) of Registrant's 10-Q for the quarter ended August 31, 2003, as filed with the Securities and Exchange Commission on October 14, 2003.

(xv) Consulting agreement between Registrant and Robert W. Schroeder dated January 1, 2004, which agreement is incorporated by reference from Exhibit 10(xv) of Registrant's Form 10-K for the fiscal year ended November 30, 2003, as filed with the Securities and Exchange Commission on January 29, 2004.**

(xvi) Retirement Agreement between Registrant and John C. Molan dated January 27, 2004, which agreement is attached to this report as Exhibit 10(xvi).**

(11)	Statement re: computation of per share earnings	Not applicable.
(15)	Letter re: unaudited interim financial information	Not applicable.
(18)	Letter re: change in accounting principles	Not applicable.
(19)	Report furnished to security holders	Not applicable.

(22)	Published report regarding matters submitted to vote of securities holders	Not applicable.

(23)	Consents of experts and counsel	Not applicable.
(24)	Power of attorney	Not applicable.
(31)	Rule 13a-14(a)/15d-14(a) Certifications	Attached.
(32)	Section 1350 Certifications	Attached.
(99)	Additional Exhibits	None

* Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

** Management contract or compensatory plan or arrangement.

THIS AGREEMENT dated this 27th day of July, 2004

BETWEEN

McCormick (UK) Limited whose registered office is at Computershare Investor Services plc, Lochside House, 7 Lochside Ave, Edinburgh Park, Edinburgh EH12 9DJ ("the Company")

and

McCormick & Company, Incorporated whose registered office is at 18 Loveton Circle, Sparks, Maryland, 21152, USA ("McCormick Inc")

and

John C. Molan of Little Birches, Coronation Road, Ascot, Berkshire, SL5 9 LG, England ("the Executive")

IT IS AGREED as follows:

1. Termination

1.1 Subject to Clause 1.5 below, the employment of the Executive with the Company and all Associated Companies shall terminate on 31 December 2004 ("the Termination Date").

1.2 With effect from 1 January 2004, the Executive will be employed in the position of Executive Vice President. He will cease to be employed in the capacity of President - Europe and Asia and will no longer be required to perform any of the duties or responsibilities specific to that role.

1.3 The Executive acknowledges that his duties of confidentiality, loyalty and fidelity to the Company, McCormick Inc and any other Associated Company and all implied obligations arising out of his employment by the Company and any offices held in relation to the Company or any Associated Company shall remain in force up to and including the Termination Date or the date that the Executive ceases to hold any such office respectively. The Executive further agrees that:

1.3.1 he shall continue to devote the whole of his time, attention, skill and ability to the discharge of his duties of employment;

1.3.2 he shall comply with all lawful and reasonable instructions of the Company and McCormick Inc and shall faithfully and diligently perform such duties and exercise such powers as may be assigned to him or vested in him by the Company or McCormick Inc;

1.3.3 he shall use his best endeavours to assist his successor as

President - Europe, Middle East and Africa and to ensure the effective handover of responsibility to him;

1.3.4 he shall continue to be bound by the Company's and McCormick Inc's policies and procedures; and

1.3.5 the Company may require the Executive not to attend at work and/or not to undertake all or any of his duties during all or any of the period from now until the Termination Date PROVIDED ALWAYS that the Company shall continue to pay the Executive's salary in accordance with Clause 1.4 below.

1.4 Provided that the Executive complies with his obligations set out at 1.3 above, the Executive shall continue to be paid his basic salary, and to participate in McCormick Inc's Management Incentive Bonus Plan ("Bonus Plan") and McCormick Inc's Mid-Term Incentive Plan ("Incentive Plan") from the date of this Agreement until the Termination Date.

1.5 Without prejudice to any other rights or remedies the Company may have, the Company retains the right to terminate the Executive's employment summarily and prior to the Termination Date if the Executive shall at any time:

1.5.1 be guilty of dishonesty, or other gross misconduct, or gross incompetence or wilful neglect of duty; or

1.5.2 act in any manner (whether in the course of his duties or otherwise) which is likely to bring him, the Company or any Associated Company into disrepute or prejudice the interests of the Company or any Associated Company; or

1.5.3 become bankrupt, apply for or have made against him a receiving order under Section 286 Insolvency Act 1986, or have any order made against him to reach a voluntary arrangement as defined by Section 253 of that Act; or

1.5.4 be or become of unsound mind; or

1.5.5 be guilty of continuing unsatisfactory conduct or poor performance of his duties, after having received a written warning from the Company relating to the same; or

1.5.6 be convicted of an indictable offence.
Any delay by the Company in exercising such right to termination shall not constitute a waiver thereof.

1.6 The Company shall have the right to suspend the Executive on full pay pending any investigation into any potential dishonesty, gross misconduct or any other circumstances which may give rise to a right to the Company to terminate pursuant to Clause 1.5 above.

1.7 The Executive agrees that he will not at any time after the Termination Date (or, if terminated early pursuant to Clause 1.5, at any time after the date on which his employment with the Company and any Associated Company terminates) represent himself as still having

any connection with the Company or any Associated Company, save as a former employee for the purpose of communicating with prospective employers or complying with any applicable statutory requirements.

1.8 For the avoidance of doubt, the early termination of the employment of the Executive with the Company and any Associated Company pursuant to Clause 1.5 shall not affect the entitlement of the Executive to the sums and benefits detailed in clauses 2, 3, 4 and 5 of this Agreement, but for the avoidance of doubt the Executive shall not be entitled to any payment in lieu of salary, any bonus or any benefits whatsoever for the period from the date of actual termination pursuant to Clause 1.5 to the Termination Date.

2. Severance Compensation

2.1 Provided that the Executive:

(i) does not bring any claims or proceedings relating to his employment with the Company or any Associated Company against the Company or any Associated Company or its or their employees, officers or shareholders, whether in an Employment Tribunal, the High Court, a County Court or otherwise; and

(ii) on or within 7 days of the Termination Date signs a release and settlement of claims in the form attached to this Agreement at Annex 3;

the Company shall on its own behalf, and on behalf of all Associated Companies without any admission of liability whatsoever, pay to the Executive a sum that shall be determined by McCormick Inc’s Compensation Committee and notified to the Executive no later than November 2004 and which shall amount to the sum of £258,705 (being the Executive’s basic salary as of April 1, 2004) plus an upward adjustment equal to the amount of the merit increase that McCormick Inc’s Compensation Committee shall in its absolute discretion assess no later than November 2004 as being the merit increase that the Executive would have been awarded had he been in employment with the Company in April 2005; as compensation in respect of possible claims of the type referred to in Clause 9 below, and in respect of the on-going obligations contained in Clause 12 below. The Company shall also pay to the Executive a sum equal to £9,300 which represents the car allowance which would have been paid to the Executive at the rate of £775 per month had he been in employment with the Company from 1 January 2005 until 31 December 2005. These sums shall be paid within 14 days of the Termination Date.

2.2 £100,000 of the compensation payment referred to in Clause 2.1 above shall be treated firstly as an advance payment of any (a) unfair dismissal basic award, compensatory award, and/or additional award, and/or (b) any award under ss. 24 and 25 of the Employment Rights Act 1996 and/or (c) any compensation awarded arising out of a claim for sex, race or disability discrimination, except insofar as it has been repaid to the Company under Clause 9.5 below, before being allocated to any other Statutory Employment Protection Claim, although no admission of liability for any such compensation or awards is hereby made.

3. Additional Compensation

3.1 Provided that the Executive:

(i) does not bring any claims or proceedings relating to his employment with the Company or any Associated Company against the Company or any Associated Company or its or their employees, officers or shareholders, whether in an Employment Tribunal, the High Court, a County Court or otherwise; and

(ii) on or within 7 days of the Termination Date signs a release and settlement of claims in the form attached to this Agreement at Annex 3;

by way of further compensation for possible claims of the type referred to in Clause 9 below and without any admission of liability whatsoever, notwithstanding the termination of his employment, the Company shall also pay to the Executive a sum equal to the bonus payable under the Bonus Plan for Fiscal Year 2004, plus a sum equal to the target bonus established by the McCormick Inc Compensation Committee for Fiscal Year 2005, and a pro rated target bonus for Fiscal Year 2006 based on one month’s service (1 December 2005 to 31 December 2005). The amount of the pro rated target bonus for Fiscal Year 2006 shall be determined at the discretion of the McCormick Inc Compensation Committee no later than November 2004. In addition, the Company shall pay to the Executive, as required by the rules of the Incentive Plan, a sum equal to the mid-term incentive bonus to be determined by McCormick Inc’s Compensation Committee for Performance Cycle 3, which ends on 30 November 2004. The Company shall also pay to the Executive a pro rated amount of the mid-term incentive bonus for Performance Cycle 4, which ends on 30 November 2006, pro rated to the Termination Date. This pro rated amount shall be determined at the discretion of the McCormick Inc Compensation Committee no later than November 2004. The Company shall also pay to the Executive a sum equal to the difference between the pro rated mid-term incentive bonus the Executive would have received under the Incentive Plan for Performance Cycle 4 if his employment with the Company had terminated on 31 December 2005 and the pro rated mid-term incentive bonus which he actually receives under the Incentive Plan for Performance Cycle 4 pursuant to this clause. This sum shall be determined at the discretion of the McCormick Inc Compensation Committee, subject to Clause 3.2 below, no later than November 2004. All such sums shall be paid within 14 days of the Termination Date.

3.2 Where payments under Clause 3.1 involve an exercise of discretion by the McCormick Inc Compensation Committee it shall be assumed that McCormick Inc achieved 100% of the targets set by the Bonus Plan and the Incentive Plan for the periods in question. Payments will be subject to deductions for tax and national insurance.

4. Continuation of Benefits

4.1 Provided that the Executive:

(i) does not bring any claims or proceedings relating to his

employment with the Company or any Associated Company against the Company or any Associated Company or its or their employees, officers or shareholders, whether in an Employment Tribunal, the High Court, a County Court or otherwise; and

(ii) on or within 7 days of the Termination Date signs a release and settlement of claims in the form attached to this Agreement at Annex 3;

the Company shall, by way of further compensation for possible claims of the type referred to in Clause 9 below and without any admission of liability whatsoever, at its own cost, procure that the Executive shall remain covered by the Company's life assurance scheme, private medical insurance scheme and prolonged disability insurance scheme until the earlier of 31 December 2005 and the date the Executive becomes employed by or provides services to any third party in any position which benefits from the same or similar benefits. The Company shall comply with its obligations to the Inland Revenue in respect of any tax or employee national insurance contributions payable in relation to such benefits and, to the extent necessary, the Executive shall reimburse the Company for the same.

5. Stock Options

5.1 Provided that the Executive:

(i) does not bring any claims or proceedings relating to his employment with the Company or any Associated Company against the Company or any Associated Company or its or their employees, officers or shareholders, whether in an Employment Tribunal, the High Court, a County Court or otherwise; and

(ii) on or within 7 days of the Termination Date signs a release and settlement of claims in the form attached to this Agreement at Annex 3;

McCormick Inc shall, by way of further compensation for possible claims of the type referred to in Clause 9 below and without any admission of liability whatsoever, ensure that the Executive is allotted stock options in accordance with the relevant McCormick Inc stock option plans during the course of fiscal year 2005. In calculating the stock options due to the Executive, McCormick Inc shall ensure that he is treated no less favourably than McCormick Inc executives of rank similar to that held by the Executive prior to the termination of his employment.

6. Pension
The Company shall, without any admission of liability whatsoever, use reasonable endeavours to procure that the trustees of the McCormick (UK) Plc Pension & Life

Assurance Scheme and the McCormick (UK) Plc Supplementary Pension Scheme (the "Pension Schemes") shall augment the Executive's pension entitlement under the Pension Schemes (subject to Inland Revenue limits and to the governing documentation of the Pension Schemes) so

that he is treated for pension benefit purposes only as if he had continued in pensionable service under the Pension Schemes for the period to 31 December 2005. The Company shall pay any contributions to the Pension Scheme as may be necessary for this purpose.

7. Legal Cost`

The Company shall pay the Executive's legal costs up to a limit of £1000 (inclusive of disbursements and VAT) provided that:

7.1 the Executive's solicitor provides the Company with written confirmation that such legal costs were incurred solely in advising him regarding the termination of his employment and the preparation of this Agreement; and

7.2 payment is made by the Company directly to the Executive's solicitor against receipt of a copy of an invoice from his solicitor addressed to him.

8. Compromise Agreement

8.1 It is agreed that the Executive's acceptance of the terms of this Agreement constitutes a compromise agreement satisfying all of the conditions relating to compromise agreements under S.203(3) Employment Rights Act 1996 (as amended), S.77(4A) Sex Discrimination Act 1975 (as amended), S.72(4A) Race Relations Act 1976, S.9(3) Disability Discrimination Act 1995, S.288 Trade Union and Labour Relations (Consolidation) Act 1992 (as amended), S.49(4) National Minimum Wage Act 1998, S.35(3) Working Time Regulations 1998, Schedule 4, paragraph 2(2) Employment Equality (Religion or Belief) Regulations 2003 and Schedule 4, paragraph 2(2) Employment Equality (Sexual Orientation) Regulations 2003.

8.2 Mr. James Davies of Lewis Silkin Solicitors is a qualified independent lawyer ("the Adviser") who has advised the Executive on the terms and effect of this Agreement and has signed a certificate attached as Annex 1 hereto. The Executive confirms that he has been advised by the Adviser that there is in force a policy of insurance or an indemnity provided for members of a profession or professional body covering the risk of claims by the Executive in respect of any loss arising in consequence of that advice.

9. Settlement and Waiver

9.1 The Executive believes he may have statutory claims, and therefore could bring proceedings, against the Company, or any Associated Company, or its or their employees, officers or shareholders, for unfair dismissal in relation to the termination of his employment with the Company and any Associated Company.

9.2 The Executive agrees to accept the sums and benefits to be given to him under Clauses 2, 3, 4 and 5 of this Agreement in full and final settlement of:

9.2.1 his prospective entitlement to bring the proceedings referred to in Clause 9.1

above; and

9.2.2 all other claims and rights of action (whether under statute, common law or otherwise) in any jurisdiction in the world, howsoever arising, (including but not limited to contractual claims, breach of contract, tort and the Executive's prospective entitlement to bring any other Statutory Employment Protection Claim which could be brought in an Employment Tribunal) which the Executive has or may have against the Company, McCormick Inc or any other Associated Company, its or their officers, employees or shareholders, arising from or connected with the Executive's employment with the Company or any Associated Company, the termination thereof or any other matter concerning the Company or any Associated Company,

PROVIDED ALWAYS that this Clause 9.2 shall not apply to any pension rights or pension benefits which have accrued to the Executive up to the Termination Date. The Executive hereby agrees that, except for the sums and benefits referred to in this Agreement, no other sums or benefits are due to him from the Company or any Associated Company.

9.3 The Executive agrees and warrants that the claims and prospective entitlement to bring proceedings listed in Clause 9.1 above are all of the statutory claims and prospective entitlement to bring statutory proceedings that he believes he has, or may have, against the Company, any Associated Company, its or their employees, officers or shareholders arising out of or in connection with his employment with the Company, or any Associated Company, including the termination thereof The Executive further warrants that he has raised with the Adviser referred to in Clause 9.2 above all facts and issues relevant to his employment and its termination which could give rise to a statutory complaint, before entering into this Agreement.

9.4 The Executive confirms that he enters into the warranty in Clause 9.3 above, having taken advice from the Adviser, (as confirmed at Clause 8.2 above), on the statutory claims and prospective entitlement to bring statutory proceedings which he has or may have against the Company, or any Associated Company, its or their employees, officers or shareholders.

9.5 The Company enters into this Agreement in reliance upon the warranty given by the Executive at Clause 9.3 above.

10. Directorship

The Executive shall contemporaneously with the signing of this Agreement resign in writing from all directorships and other offices (including his membership of the Management Committee) which he holds with the Company or any Associated Company in the form set out in the draft letter attached hereto in Annex 2, such resignations taking effect from 27 January 2004.

11. Company Property

The Executive hereby undertakes to account for and return to the Company on the Termination Date (or, if terminated early pursuant to Clause 1.2, on the date on which his employment with the Company and all Associated Companies terminates) all property (including but not

limited to documents and disks, mobile telephone, credit cards, equipment, keys and passes) belonging to it or any Associated Company which is or has been in his possession or under his control. Documents and disks shall include but not be limited to correspondence, files, e-mails, memos, reports, minutes, plans, records, surveys, software, diagrams, computer print-outs, floppy disks, manuals, customer documentation or any other medium for storing information. The Executive's obligations under this Clause 11 shall be deemed to include the return of all copies, drafts, reproductions, notes, extracts or summaries (howsoever made) of the foregoing. The Executive shall, if requested by the Company, confirm in writing his compliance with his obligations under this Clause 11.

12. The Executive's On-going Obligations

In consideration of the payment by the Company to the Executive of the sum set out in Clause 2.1 above, the Executive hereby agrees:

12.1 that by virtue of his position as President - Asia and Europe and as a director on the Board prior to 27 January 2004, and in his position as Executive Vice President supporting his successor as President - Europe, Middle East and Africa subsequent to 27 January 2004, he has or will have had access to trade secrets and confidential information belonging to the Company or to Associated Companies and has or will have obtained personal knowledge of and influence over its or their senior employees and therefore agrees to be bound by the restraints set out in Annex 4 and that such restrictions and Clause 12.3 below are reasonable and necessary to protect the legitimate business interests of the Company and its Associated Companies;

12,2 that in the event that he is offered employment, consultancy or other business activities in the period covered by the restraints referred to in Annex 4, he will deliver to the person making such an offer a copy of that Annex;

12.3 not to divulge or make use of (whether directly or indirectly and whether for his own or another's benefit or purposes) any trade secrets or confidential information including but not limited to such information relating to strategic business and financial plans, annual budgets and forecasts, sales and marketing plans, pricing policies and practices, deals and proposed deals with customers, customer lists, acquisition strategies and information on prospective targets, technical know-how and processing data, research and product development plans and projects, source codes, computer systems, software, designs, formulae, prototypes, and past and proposed business dealings or transactions belonging to or which relate to the affairs of the Company or any Associated Company, or any document marked "Confidential" (or with a similar expression), or any information which the Executive has been told is confidential or which he might reasonably expect the Company would regard as confidential or information which has been given in confidence to the Company or any Associated Company by a third party. This obligation shall apply from the Termination Date and without limitation in time, but shall not apply to any disclosures required by law or to any information in the public domain other than by way of unauthorised disclosure (whether by the Executive or another person);

12.4 that he will, on the request of the Company or any Associated Company, assist it or them in any threatened or actual litigation concerning it or them where he has in his possession or knowledge any facts or other matters which the Company or any Associated Company reasonably considers is relevant to such legal proceedings (including but not limited to giving statements/affidavits, meeting with their legal and other professional advisers, attending any legal hearing and giving evidence) PROVIDED ALWAYS that the Company or the relevant Associated Company shall reimburse the Executive for reasonable expenses properly incurred by him in giving such assistance, as are agreed by the Company;

12.5 not to make, or cause to be made, (directly or indirectly) any derogatory or critical comments or statements (whether orally or in writing) about the Company or any Associated Company or their respective officers or employees; and

12.6 subject to Clause 12.2 not to disclose (directly or indirectly) to any person or organisation the existence or contents of this Agreement except to his professional advisers, the Inland Revenue and his spouse, PROVIDED ALWAYS that disclosure to his professional advisers and spouse shall be on terms that they agree to keep the same confidential and PROVIDED ALWAYS, for the avoidance of doubt, that nothing in this Clause 12.6 shall prevent the Executive from supplying a copy of this Agreement and the Annexes hereto to any court of competent jurisdiction, or as otherwise required by law.

13. The Company's Ongoing Obligations

In consideration of the Executive's undertakings set out in Clause 12 above, the Company agrees to give to any prospective employer (or employment agency) on request a fair and reasonable reference concerning the Executive's employment with the Company subject always to the Company's compliance with its obligations to third parties relating to the giving of references, and provided always that all such requests (whether oral or in writing) must be directed to McCormick Inc's Senior Vice President, Human Relations.

14. Tax Indemnity

Save for any tax and national insurance contributions deducted by the Company, the Executive hereby undertakes to indemnify and hold the Company harmless against all other taxes and national insurance contributions in respect of the payments and benefits provided, or to be provided, pursuant to this Agreement, and all costs, claims, expenses or proceedings, penalties and interest incurred by the Company which arise out of or in connection with any liability to pay (or deduct) tax or national insurance contributions in respect of such payments and benefits.

15. Definition

For the purposes of this Agreement the following words and phrases shall have the meanings set out below:

15.1 An "Associated Company" includes McCormick Inc., the Company and any other firm, company, business entity or other organisation:

15.1.1 which is directly or indirectly controlled by McCormick Inc. or the Company; or

15.1.2 which directly or indirectly controls McCormick. Inc or the Company; or

15.1.3 which is directly or indirectly controlled by a third party who also directly or indirectly controls McCormick. Inc or the Company; or

15.1.4 of which McCormick Inc. or the Company or any Associated Company is a partner; or

15.1.5 of which McCormick Inc. or the Company or any Associated Companies referred to in Clauses 15.1.1 to 15.1.4 above owns or has a beneficial interest (whether directly or indirectly) in 20% or more of the issued share capital or 20% or more of the capital assets.

15.2 All references in this Agreement to McCormick Inc., the Company or any Associated Companies shall include any successor in title or assign of McCormick Inc., the Company or any of the Associated Companies.

15.3 "Board" means the Board of Directors of McCormick Inc.

15.4 "Control" has the meaning set out in S.416 Taxes Act 1988 (as amended).

15.5 "Statutory Employment Protection Claim" means any claim under the Employment Rights Act 1996 (as amended), Sex Discrimination Act 1975 (as amended), Equal Pay Act 1970 (as amended), Race Relations Act 1976, Disability Discrimination Act 1995, Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended), Working Time Regulations 1998 (as amended), Art.141 of the EC Treaty, Equal Pay Directive No 75/117, other EU Directives, Trade Union & Labour Relations (Consolidation) Act 1992 (as amended), National Minimum Wage Act 1998, Public Interest Disclosure Act 1998, the Data Protection Act 1998, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 the Employment Act 2002, the Employment Equality (Religion or Belief) Regulations 2003 and the Employment Equality (Sexual Orientation) Regulations 2003.

16. Severability

The various provisions and sub-provisions of this Agreement are severable and if any provision or identifiable part thereof is held to be unenforceable by any court of competent jurisdiction then such unenforceability shall not affect the enforceability of the remaining provisions or identifiable parts thereof in this Agreement.

17. Entire Agreement

The terms of this Agreement constitute the entire agreement and understanding between the parties hereto and it supersedes and replaces all prior negotiations, agreements, arrangements or understandings (whether implied or expressed, orally or in writing) concerning the subject-matter hereof, all of which are hereby treated as terminated by mutual consent.

18. Miscellaneous

18.1 This Agreement is governed by English Law and the parties hereby submit to the exclusive jurisdiction of the English Courts.

18.2 Headings are inserted for convenience only and shall not affect the construction of this Agreement.

SIGNED by or on behalf of the parties on the date first above written:

/s/ Iwan Williams
For and on behalf of McCormick (UK) Limited

/s/ Karen D. Weatherholtz
For and on behalf of McCormick & Company

/s/ John C. Molan
John C. Molan

ANNEX 1

ADVISER'S CERTIFICATE PURSUANT TO CLAUSE $

I, James Davies, confirm that John C. Molan of Little Birches, Coronation Road, Ascot, Berkshire, SL5 9LG, England ("the Executive") has received independent legal advice from me on the terms and effect of this Agreement in accordance with the provisions of Sections 203(3) Employment Rights Act 1 996 (as amended), Section 77(4A) Sex Discrimination Act 1975 (as amended), Section 72(4A) Race Relations Act 1976, Section 9(3) Disability Discrimination Act 1995, Section 288 Trade Union and Labour Relations (Consolidation) Act 1992 (as amended), Section 35(2) Working Time Regulations 1998 (as amended) and Section 49(4) National Minimum Wage Act 1998.

I also warrant and confirm that I am a solicitor of the Supreme Court, who holds a valid practising certificate and whose Firm, Lewis Silkin Solicitors, is covered by a policy of insurance, or an indemnity provided for members of a profession or professional body, which covers the risk of claims by the Executive in respect of any loss arising in consequence of such advice that I have given to the Executive in connection with the terms and effect of this Agreement.
SIGNED:

/s/James Davies DATED: 27 / 07 / 04
James Davies
Solicitor

ANNEX 2

FORMAT OF LETTER RESIGNING FROM DIRECTORSHIPS/OTHER OFFICES

The Board of Directors
McCormick & Company, Inc
18 Loveton Circle [Date]
Sparks
Maryland 21152
USA

Dear Sirs

Resignation from directorships and other offices

I write to confirm my resignation, with effect from 27 January 2004, of my directorship on McCormick & Company, Inc's main Board of Directors.

I further confirm that I have no cause of action against the Company, McCormick & Company, Inc or any Associated Companies (as defined in Clause 15 of the Severance Agreement entered into between me and McCormick (UK) Limited and McCormick & Company, Inc dated July 27, 2004) or its or their respective officers or employees, and hereby waive all and any such claims against it or them, arising from or connected with the above resignations.

Yours faithfully

/s/ John C. Molan

John C. Molan

ANNEX 3

FORM OF RELEASE ANT) SETTLEMENT OF CLAIMS

Without prejudice to the generality of the settlement and waiver I agreed to in Clause 9 of the Agreement entered into between McCormick (UK) Limited, McCormick and Company, Inc and myself dated July 27, 2004 (“the Agreement”), I now confirm that I accept in any event the sums and benefits to be paid to me on the terms and subject to the conditions set out in the Agreement in full and final settlement of all claims and rights of action (whether under statute common law or otherwise) in any jurisdiction in the world, howsoever arising, (including but not limited to contractual claims, breach of contract, tort and statutory employment protection claims) which I have or may have against McCormick (UK) Limited, McCormick and Company, Inc or any other Associated Company (as defined in the Agreement referred to above), it or their officers, employees or shareholders, a rising from or connected with my employment with McCormick (UK) Limited or any other Associated Company, the termination thereof, or any other matter concerning McCormick (UK) Limited or any Associated Company.

I hereby agree that except for the sums of benefits referred to in the Agreement, no other sum or benefits are due to me from McCormick (UK) Limited or any Associated Company.

I agree that, in the event that I bring any claims or proceedings, whether statutory or otherwise, relating to my employment with the Company or any Associated Company, or the termination thereof, against the Company, any Associated Company, its or their employees, officers or shareholders, whether in an Employment Tribunal, the High Court, a County Court or otherwise (excluding claims relating to any pension rights or pension benefits which have accrued to me up to the Termination Date, as defined in the Agreement), I will repay to the Company on demand and in full the sums and benefits paid to me pursuant to the Agreement, less any statutory redundancy payment paid.

John C. Molan

31 December 2004

ANNEX 4

RESTRICTIVE COVENANTS

1. Non-Competition

The Executive hereby agrees that he shall not (without the consent in writing of the Board) for a period of six months immediately following the Termination Date within the Prohibited Area and whether on his own behalf or in conjunction with or on behalf of any other person, firm, company or other organisation, (and whether as an employee, director, principal, agent, consultant or in any other capacity whatsoever,) in competition with the Company be directly or indirectly (i) employed or engaged in, or (ii) perform services in respect of, or (iii) be otherwise concerned with the research into, the development, manufacture, distribution, sale or marketing of spices, herbs, seasonings or flavourings for the retail food service or industrial market or any other product which is of the same or similar type to any product researched, or developed, or manufactured, distributed or sold, or marketed by the Company during the twelve months immediately preceding the Termination Date PROVIDED ALWAYS that the provisions of this paragraph 1 shall apply only in respect of products with which the Executive was either personally concerned or for which he was responsible whilst employed by the Company during the twelve months immediately preceding the Termination Date.

2. Non-Solicitation of Customers

The Executive hereby agrees that he shall not for a period of nine months immediately following the Termination Date whether on his own behalf or in conjunction with or on behalf of any person, company, business entity or other organisation (and whether as an employee, director, principal, agent, consultant or in any other capacity whatsoever), directly or indirectly (i) solicit or, (ii) assist in soliciting, or (iii) accept, or (iv) facilitate the acceptance of, or (v) deal with, in competition with the Company, the custom or business of any Customer or Prospective Customer :

2.1 with whom the Executive has had material contact or dealings on behalf of the Company during the twelve months immediately preceding the Termination Date; or

2.2 for whom the Executive was, in a management capacity on behalf of the Company, directly responsible during the twelve months immediately preceding the Termination Date.

3. Non-Solicitation of Employees

The Executive hereby agrees that he will not for a period of nine months immediately following the Termination Date either on his own behalf or in conjunction with or on behalf of any other person, company, business entity, or other organisation (and whether as an employee, principal, agent, consultant or in any other capacity whatsoever), directly or indirectly:

3.1 (i) induce, or (ii) solicit, or (iii) entice or (iv) procure, any person who is a Company Employee to leave the Company's or any Associated Company's employment (as applicable);

3.2 be personally involved to a material extent in (i) accepting into employment or (ii) otherwise engaging or using the services of, any person who is a Company Employee.

4. Interference with Suppliers

The Executive hereby agrees that he shall not, whether on his own behalf or in conjunction with or on behalf of any person, company, business entity or other organisation, (and whether as an employee, director, agent, principal, consultant or in any other capacity whatsoever), directly or indirectly (i) for a period of nine months immediately following the Termination Date and (ii) in relation to any contract or arrangement which the Company has with any Supplier for the exclusive supply of goods or services to the Company and/or to its Associated Companies, for the duration of such contract or arrangement:

4.1 interfere with the supply of goods or services to the Company from any Supplier;

4.2 induce any Supplier of goods or services to the Company to cease or decline to supply such goods or services in the future.

5. Associated Companies

5.1 The provisions of paragraphs 5.2 and 5.3 below shall only apply in respect of those Associated Companies (i) to whom the Executive gave his services, or (ii) for whom he was responsible, or (iii) with whom he was otherwise concerned, in the twelve months immediately preceding the Termination Date.

5.2 Paragraphs 1, 2, 3, 4 and 6 in this Annex 4 shall apply as though references to the "Associated Company" were substituted for references to the "Company". The obligations undertaken by the Executive pursuant to this Annex 4 shall, with respect to each Associated Company, constitute a separate and distinct covenant and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favour of the Company or any other Associated Company.

5.3 In relation to each Associated Company referred to in paragraphs 5.1 and 5.2 above, the Company contracts as trustee and agent for the benefit of each such Associated Company. The Executive agrees that, if required to do so by the Company, he will enter into covenants in the same terms as those set out in paragraphs 1, 2, 3, 4 and 6 hereof directly with all or any of such Associated Companies, mutatis mutandis. If the Executive fails, within 7 days of receiving such a request from the Company, to sign the necessary documents to give effect to the foregoing, the Company shall be entitled, and is hereby irrevocably and unconditionally authorised by the Executive, to execute all such documents as are required to give effect to the

foregoing, on his behalf.

6. Definition,

For the purposes of this Annex 4, the following words and cognate expressions shall have the meanings set out below:

6.1 "Associated Company", "Board" and "Company" shall have the meanings set out in the Agreement attached hereto, and shall include their successors in title and assigns (as applicable).

6.2 "Company Employee" means any person who was employed by (i) the Company or (ii) any Associated Company, for at least 6 months prior to and on the Termination Date and with whom the Executive had material contact or dealings in performing his duties of his employment (including his position as director on the Board) and who was a director level employee.

6.3 "Customer" shall mean any person, firm, company or other organisation whatsoever to whom the Company has supplied goods or services.

6.4 "Prohibited Area" means the United Kingdom, the USA, Canada, Europe and Asia provided that the Executive has been responsible (whether alone or jointly with others), concerned or active on behalf of the Company (in his capacity as Executive Vice President, as a director on the Board or otherwise) for the country concerned during any part of the twelve months immediately preceding the Termination Date.

6.5 "Prospective Customer" shall mean any person, firm, company or other organisation with whom the Company has had any negotiations or material discussions regarding the possible supply of goods or services by the Company.

6.6 "Supplier" means any person, company, business entity or other organization whatsoever who:

6.6.1 has supplied goods or services to the Company during any part of the twelve month immediately preceding the Termination Date; or

6.6.2 has agreed prior to the Termination Date to supply goods or services to the Company to commence at any time in the twelve months following the Termination Date; or

6.6.3 as at the Termination Date, supplies goods or services to the Company under an exclusive contract or arrangement between that Supplier and the Company.

6.7 "Termination Date" shall mean 31 December 2004.

EXHIBIT 31.1

CERTIFICATION

I, Robert J. Lawless, Chairman, President and Chief Executive Officer of McCormick & Company, Incorporated, certify that:

1. I have reviewed this report on Form 10-Q of McCormick & Company, Incorporated (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):

---

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 8, 2004

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

EXHIBIT 31.2

CERTIFICATION

I, Francis A. Contino, Executive Vice President, Chief Financial Officer & Supply Chain of McCormick & Company, Incorporated, certify that:

1. I have reviewed this report on Form 10-Q of McCormick & Company, Incorporated (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):

---

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 8, 2004

/s/ Francis A. Contino
Francis A. Contino
Executive Vice President, Chief
Financial Officer & Supply Chain

EXHIBIT 32.1

McCORMICK & COMPANY, INCORPORATED
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of McCormick & Company, Incorporated (the “Company”) on Form 10-Q for the period ending August 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert J. Lawless, Chairman, President & Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

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

Date: October 8, 2004

EXHIBIT 32.2

McCORMICK & COMPANY, INCORPORATED
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of McCormick & Company, Incorporated (the "Company") on Form 10-Q for the period ending August 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Francis A. Contino, Executive Vice President, Chief Financial Officer & Supply Chain of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Francis A. Contino
Francis A. Contino
Executive Vice President, Chief
Financial Officer & Supply Chain

Date: October 8, 2004