



The *Flavor* of Together

First Quarter 2014 Financial Results and Business Outlook

March 25, 2014



The following slides accompany a March 25, 2014 presentation to investment analysts.
This information should be read in conjunction with the press release issued on that date.

Forward-looking information

Certain information contained in these materials and our remarks are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements may be identified by the use of words such as “may,” “will,” “expect,” “should,” “anticipate,” “intend,” “believe” and “plan.” These statements may relate to: the expected results of operations of businesses acquired by us, the expected impact of raw material costs and our pricing actions on our results of operations and gross margins, the expected productivity and working capital improvements, expectations regarding growth potential in various geographies and markets, expected trends in net sales and earnings performance and other financial measures, the expectations of pension and postretirement plan contributions and anticipated charges associated with such plans, the holding period and market risks associated with financial instruments, the impact of foreign exchange fluctuations, the adequacy of internally generated funds and existing sources of liquidity, such as the availability of bank financing, our ability to issue additional debt or equity securities and our expectations regarding purchasing shares of our common stock under the existing authorizations.

These and other forward-looking statements are based on management’s current views and assumptions and involve risks and uncertainties that could significantly affect expected results. Results may be materially affected by factors such as: damage to our reputation or brand name; loss of brand relevance; increased private label use; product quality, labeling, or safety concerns; negative publicity about our products; business interruptions due to natural disasters or unexpected events; actions by, and the financial condition of, competitors and customers; our ability to achieve expected and/or needed cost savings or margin improvements; the successful acquisition and integration of new businesses; issues affecting our supply chain and raw materials, including fluctuations in the cost and availability of raw and packaging materials; government regulation, and changes in legal and regulatory requirements and enforcement practices; global economic and financial conditions generally, including the availability of financing, and interest and inflation rates; the investment return on retirement plan assets, and the costs associated with pension obligations; foreign currency fluctuations; the stability of credit and capital markets; risks associated with our information technology systems, the threat of data breaches and cyber attacks; volatility in our effective tax rate; climate change; infringement of our intellectual property rights, and those of customers; litigation, legal and administrative proceedings; and other risks described in our filings with the Securities and Exchange Commission.

Actual results could differ materially from those projected in the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

McCormick Brings Passion to Flavor™



First quarter 2014 results and business update



Alan Wilson
Chairman, President & CEO



First quarter 2014 results and fiscal year outlook

Grew sales 8% in local currency

- WAPC accounted for ~1/2 of increase
- Innovation, distribution expansion, brand marketing and pricing drove base business

Improved gross profit margin 70 bps and increased operating income 11%

- Higher sales, favorable business mix and CCI cost savings
- 16% increase in brand marketing

Increased EPS 9%

- Higher operating income offset in part by increase in tax rate

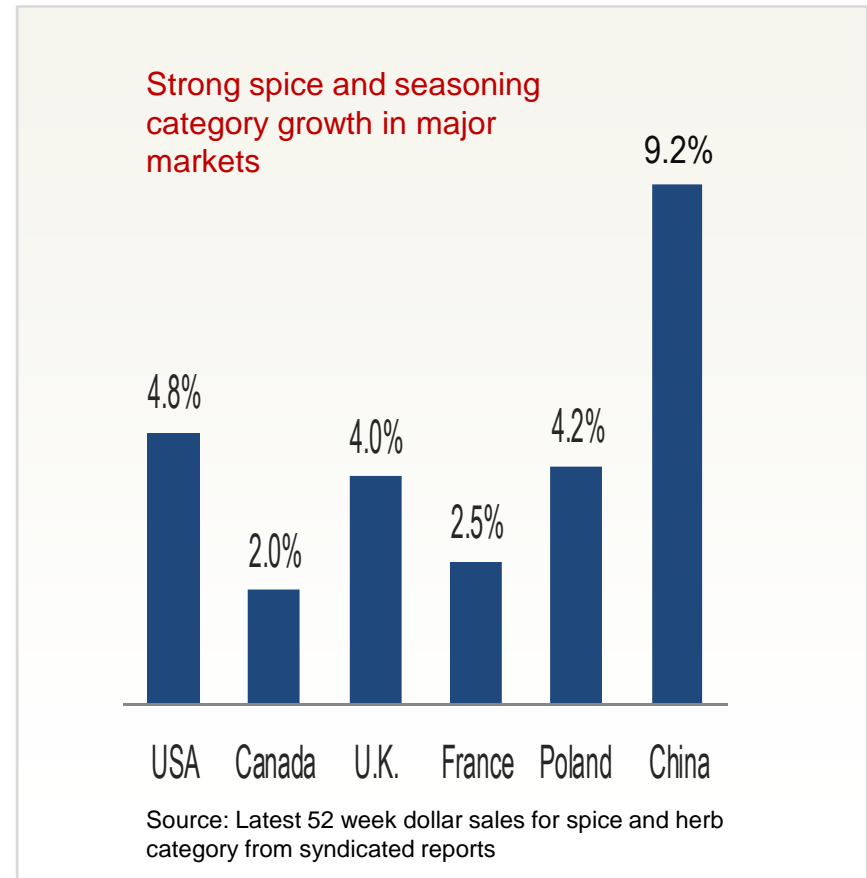
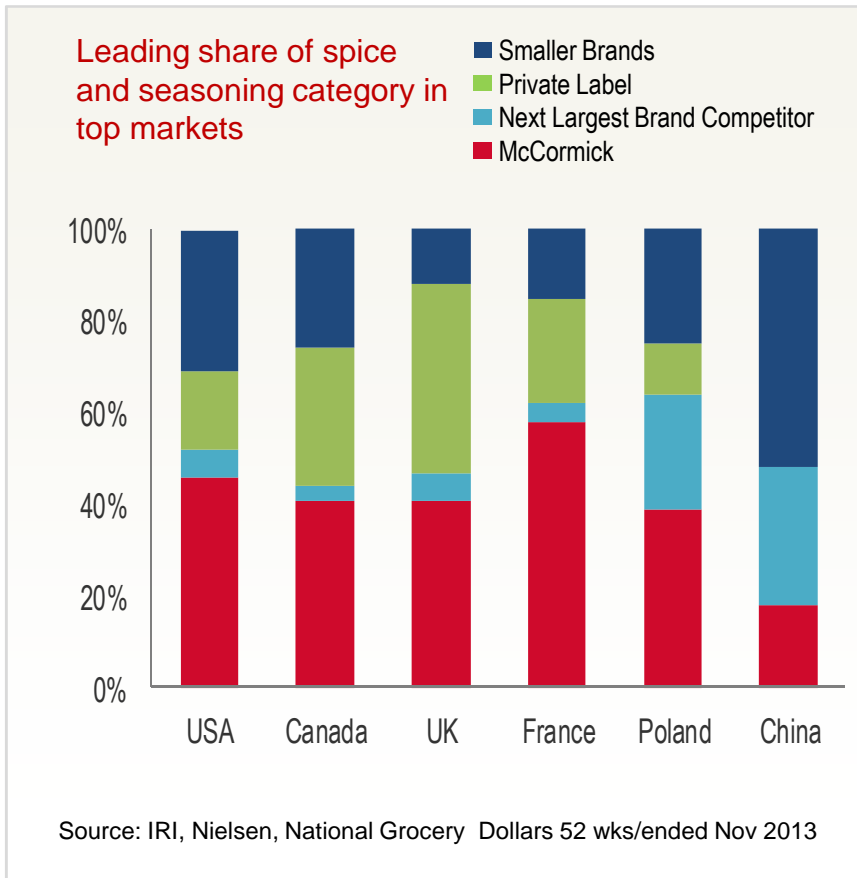
Reaffirming 2014 outlook

- Grow sales 3% - 5%
- EPS of \$3.22 to \$3.29

McCormick Brings Passion to Flavor™



Global leader in flavor in consumer business



Consumer demand for flavor is growing



- 64% of Millennials “love to cook”; 1/3 indicate “more health-conscious”
- 54% all consumers prefer hot or spicy sauces, dips and condiments – up 8 percentage points in 2 years
- Cuisine specific or ethnic fare accounts for 44% of U.S. flavoring occasions
- Increasing middle class and working women in emerging markets transitioning bulk to packaged spices

Source: American Millennials: Deciphering the Enigma Generation”; 2011 study by Barkley Service Management Group and BCG; Technomics; “Interesting Heat:” Global Expansion in Spicy, Zesty Flavours Enters New Phase, Euromonitor, Michael Schaefer, 6.14.12; The Alcott Group: McCormick Consumer Segmentation; April 2012 / HRCP Market Map; July 2012

McCormick Brings Passion to Flavor™



First quarter 2014 overview

Consumer business

Grew sales 9% in local currency

- WAPC accounted for 7 percentage points of increase
- Excluding WAPC, grew sales in China by 20%
- Europe, Middle East, & Africa (EMEA) grew sales 4% in local currency
- Americas sales in local currency about even with year-ago period;
2% pricing offset by lower volume and product mix

McCormick Brings Passion to Flavor™



Actions underway in U.S. consumer business

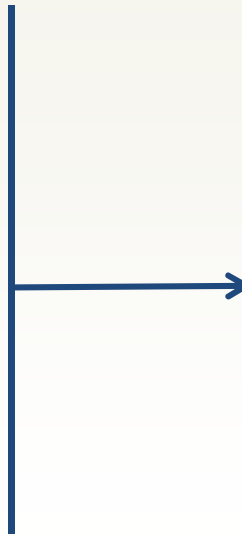
Strengthening brand equity with the consumer

- Increased investment in marketing
- Insight-based innovation

+

Winning at retail

- Realigned sales organization
- Investing in insights and analytics
- Category leadership program



Drive
growth

McCormick Brings Passion to Flavor™



Consumer-insight based product Innovation

Americas



Gluten-free recipe mixes



Extra rich vanilla



Lawry's oven fry mix



Indian Essentials

\$0.99 Recipe Inspirations

Grill Mates burger seasonings



EMEA



Poland Grill Mates



U.K. Flavour shots



France Vahiné dessert items



Asia/Pacific



Australia Slow Cookers



Australia Marinade in a Bag



13 spice blend in China

McCormick Brings Passion to Flavor™



First quarter 2014 overview

Industrial business

Grew sales 6% in local currency

- Grew Americas sales 3% in local currency; strength with food and beverage manufacturers more than offset weak demand from quick service restaurants
- Grew EMEA sales 12% in local currency; continued success with quick service restaurants
- Recovery in China from weak 2013 demand; grew sales 20% in local currency

McCormick Brings Passion to Flavor™



McCormick in advantaged position

- Leading positions in growing categories
- Breadth of products ... from value-priced to premium
- Flavors for all types of eating occasions
- Market-leading customers
- Expanding geographic presence



5 FLAVOR INSIGHTS

CHILES OBSESSION

MODERN MASALA

CLEVER COMPACT COOKING

MEXICAN WORLD TOUR

CHARMED BY BRAZIL

These insights reflect emerging trends and key cultural influences that are shaping the tastes of tomorrow. Together, they tell an exciting story about how people everywhere are coming together for more diverse, colorful and flavorful meals than ever before.



McCormick Brings Passion to Flavor™



Strategic imperatives driving success



McCormick Brings Passion to Flavor™



First quarter 2014 results



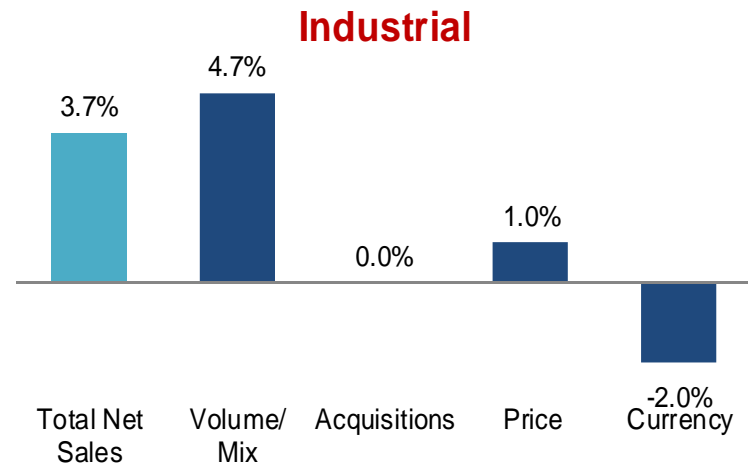
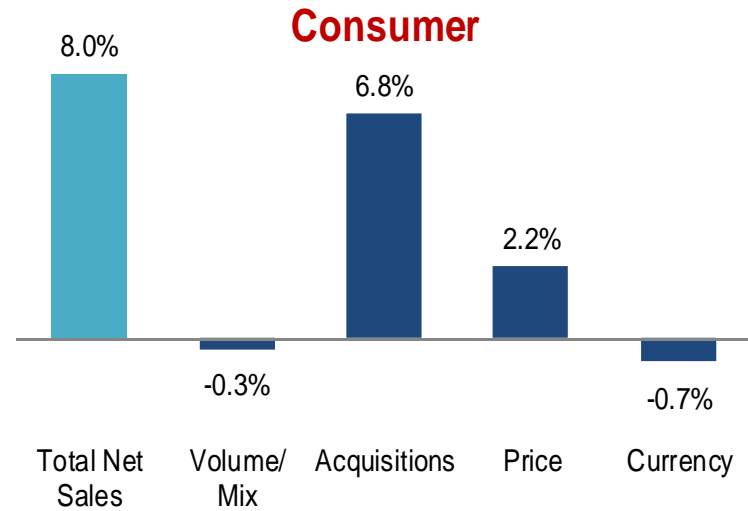
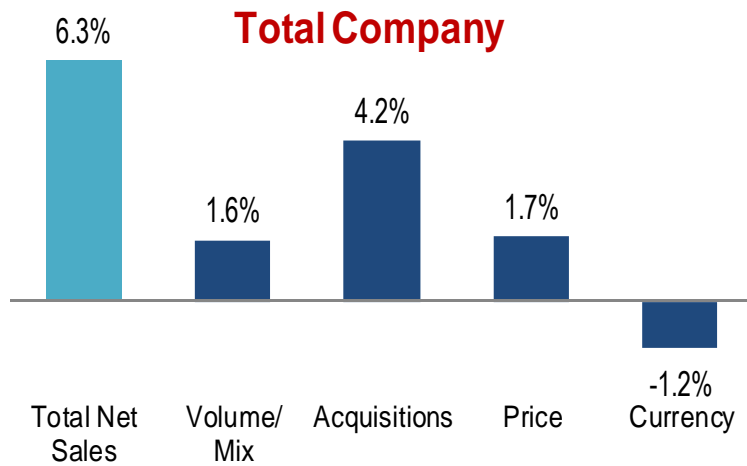
McCORMICK

Gordon Stetz

*Executive Vice President
& CFO*



1Q 2014 Sales results

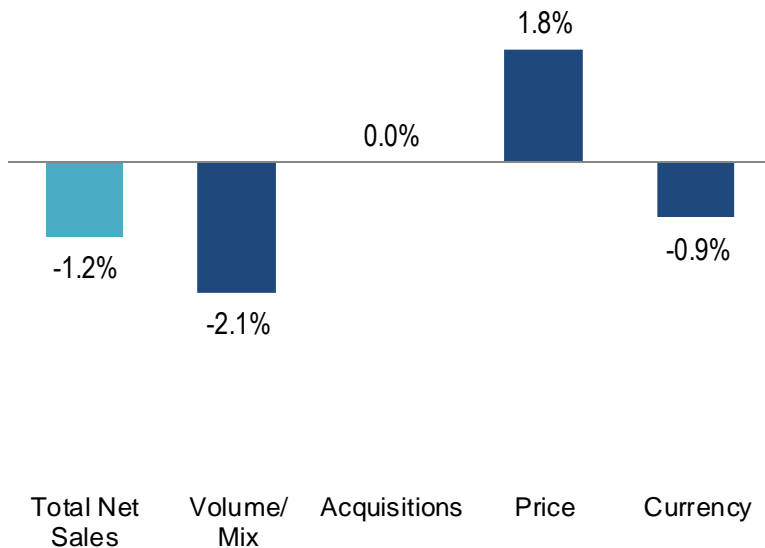


McCormick Brings Passion to Flavor™



1Q 2014 Sales results: Consumer business

Americas



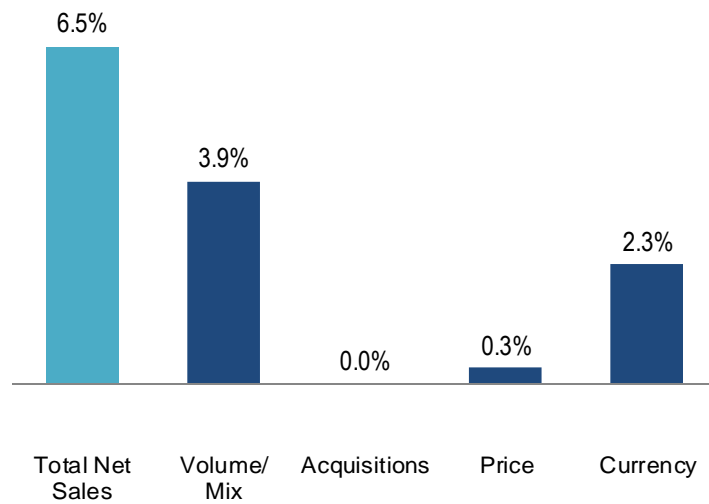
- Compares to 7% increase in 1Q 2013 vs 1Q 2012
- 1Q 2014 sales about even to year ago period with impact of 4Q 2013 pricing actions, offsetting lower volume and product mix
- Early indication of improvement with actions to strengthen brand equity and win at retail

McCormick Brings Passion to Flavor™



1Q 2014 Sales results: Consumer business

EMEA



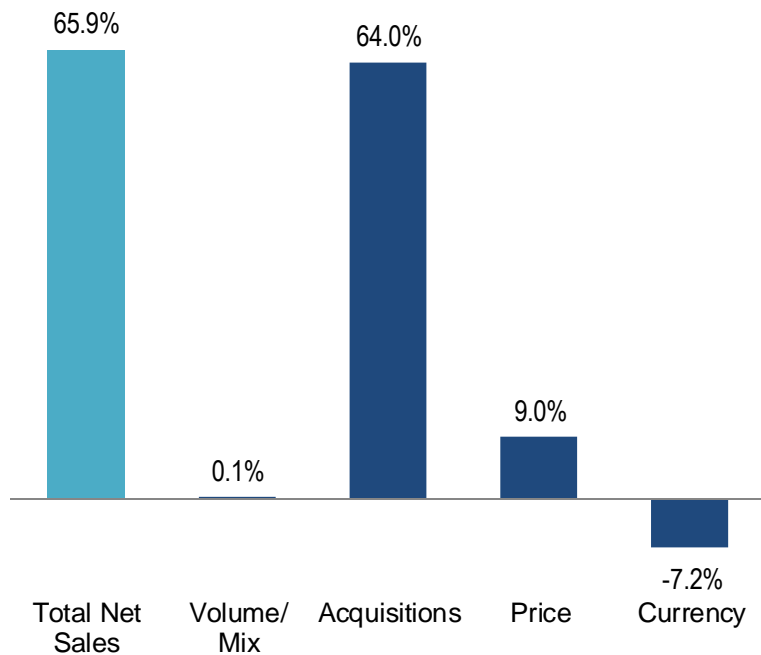
- Growth driven by brand building and product innovation
- Increased brand marketing support 38%
- Particular strength in France and several smaller markets

McCormick Brings Passion to Flavor™



1Q 2014 Sales results: Consumer business

Asia/Pacific



- WAPC impact significant in 1Q 2014 with further incremental benefit to 2Q 2014
- Grew base business sales in China 20%
- Sales in India continued to reflect higher pricing taken in response to steep cost increases

McCormick Brings Passion to Flavor™



1Q 2014 Operating income: Consumer business

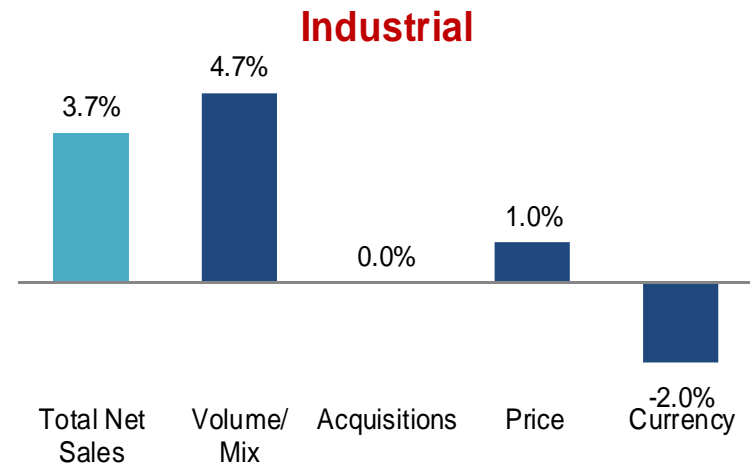
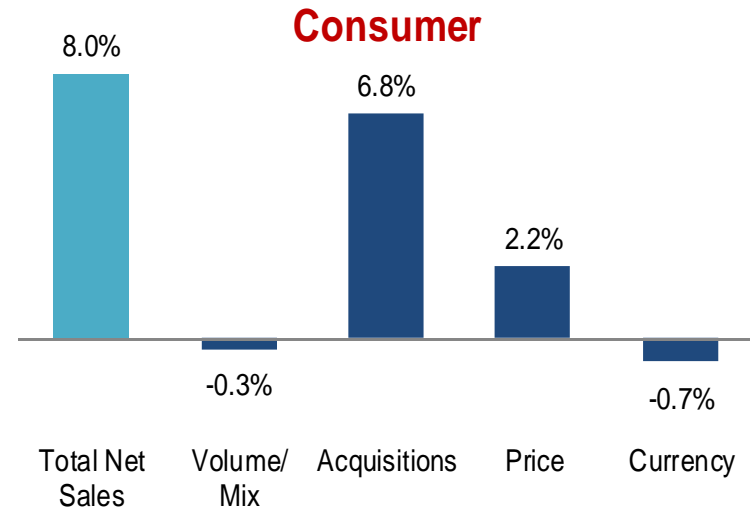
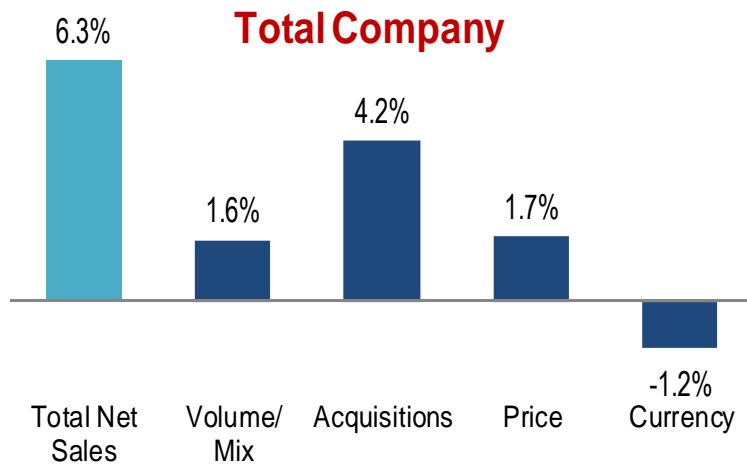
	1Q 2014	1Q 2013	Fav(Unfav) Change
Operating income	\$94.3	\$87.7	7.6%

- Favorable impact from higher sales, favorable business mix and CCI cost savings
- \$6 million increase in brand marketing support

McCormick Brings Passion to Flavor™



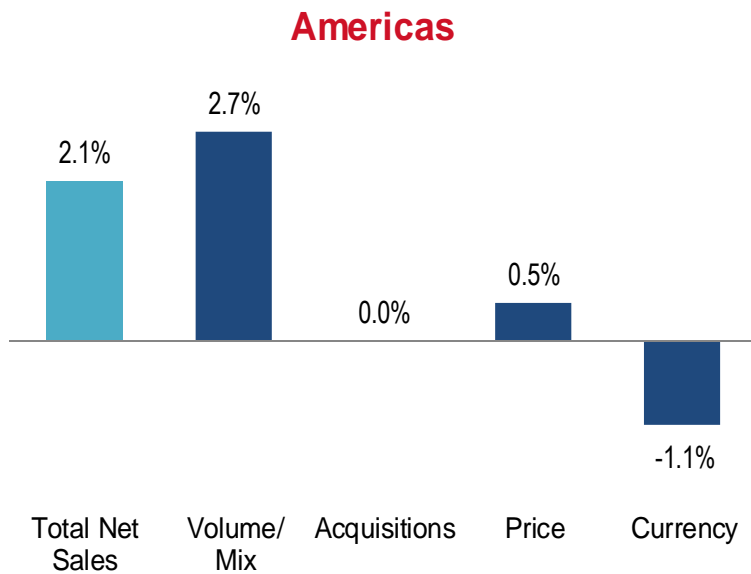
1Q 2014 Sales results



McCormick Brings Passion to Flavor™



1Q 2014 Sales results: Industrial business

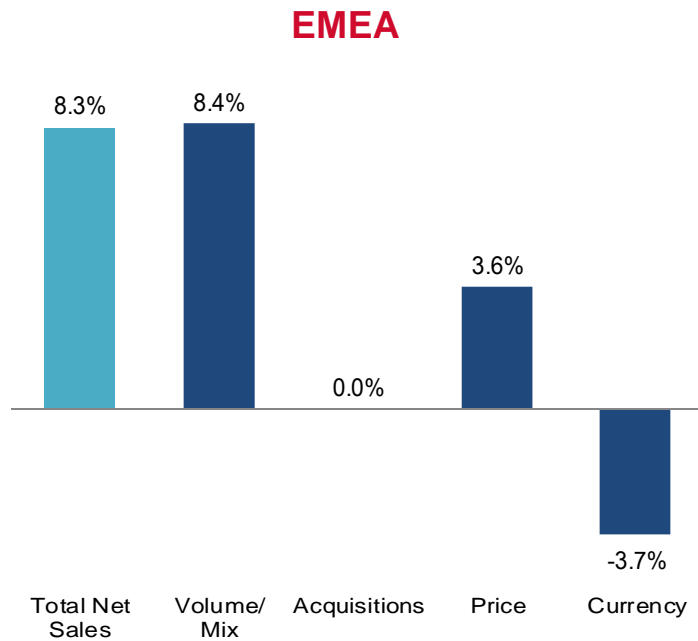


- Grew sales of snack seasonings and other flavors to food manufacturers
- Solid sales of branded food service products
- Continued weak demand from quick service restaurants this period

McCormick Brings Passion to Flavor™



1Q 2014 Sales results: Industrial business

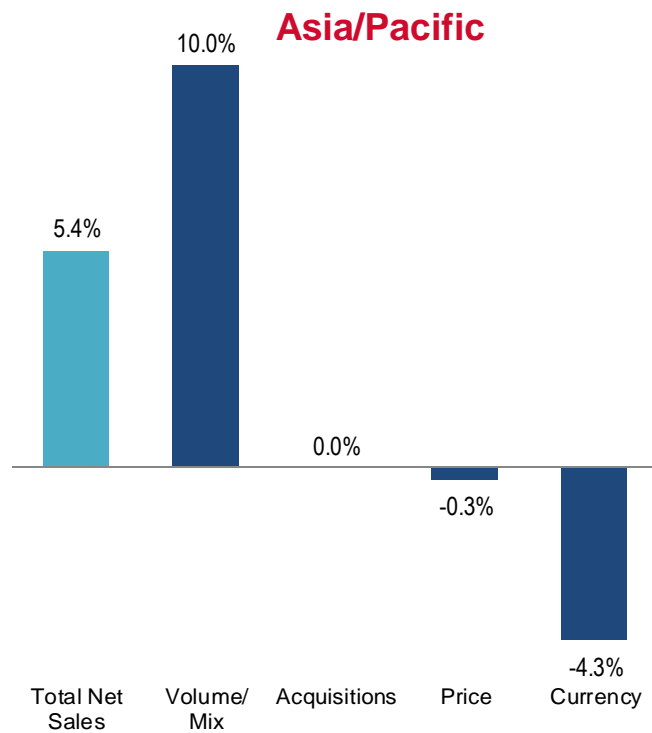


- Another quarter of strong sales to quick service restaurants with product innovation and distribution gains
- Pricing taken in response to higher material costs

McCormick Brings Passion to Flavor™



1Q 2014 Sales results: Industrial business



- Improved sales to quick service restaurants in China
- Compares to weak period in 1Q 2013 that was affected by weak demand from quick service restaurants related to consumer concerns about poultry consumption

1Q 2014 Operating income: Industrial business

	1Q 2014	1Q 2013	Fav(Unfav) Change
Operating income	\$30.3	\$24.3	24.3%

- Favorable impact from higher sales, favorable mix of business, and CCI cost savings
- Reversal of 22% year-ago decline in first quarter 2013 vs first quarter of 2012

McCormick Brings Passion to Flavor™



Operating income, gross profit, SG&A

	1Q 2014	1Q 2013	Fav(Unfav) Change
Operating income	\$124.6	\$112.0	11.3%
Gross profit margin	39.4%	38.7%	70 bps
Selling, general & administrative expenses as percent of net sales	26.9%	26.7%	(20 bps)

- Increase in operating income due to higher sales, more favorable business mix and CCI cost savings
- Increased brand marketing support \$7 million

McCormick Brings Passion to Flavor™



Income taxes

	1Q 2014	1Q 2013
Income taxes	\$35.0	\$28.1
Income tax rate	31.1%	28.5%

- Increase due to discontinuation of R&D tax credit, tax law change in France, and mix of income across tax jurisdictions

McCormick Brings Passion to Flavor™



Income from unconsolidated operations

	1Q 2014	1Q 2013	Fav(Unfav) Change
Income from unconsolidated operations	\$5.1	\$5.4	(6%)

- Decrease in quarter due primarily to costs associated with relocation to new manufacturing facility for joint venture in Mexico
- Unfavorable impact of relocation expected to extend into 2Q 2014, followed by strong growth in second half of 2014

McCormick Brings Passion to Flavor™



Earnings per share of \$0.62

	1Q 2014	1Q 2013	Fav(Unfav) Change
Earnings per share	\$0.62	\$0.57	8.8%

Increased operating income	0.07
Higher tax rate	(0.02)
Reduction in shares outstanding	0.01
Other, net	(0.01)
Increase in EPS	<u>\$0.05</u>

McCormick Brings Passion to Flavor™



Balance sheet and cash flow

- Cash flow from operations \$77 million vs \$32 million in 1Q 2013
- \$57 million used to repurchase shares; \$303 million still available on \$400 million authorization
- Balance sheet remains strong, close to target debt level and well-positioned to fund investments to drive growth

McCormick Brings Passion to Flavor™



2014 Financial outlook

Sales growth in local currency*	3% to 5%
Includes 1% pricing, 1% to 2% WAPC	
Operating income increase **	6% to 8%
CCI cost savings	At least \$45 million
Material cost inflation	Low single-digit increase
Gross profit margin increase	50 to 100 bp
Incremental brand marketing	At least \$25 million
Income from unconsolidated operations	At least 15%
Tax rate	30% to 31%
Earnings per share	\$3.22 - \$3.29
Capital expenditures	\$120-\$130 million
Shares outstanding	1% to 2% reduction

* Unfavorable currency impact expected to lower sales 1%

** From adjusted operating income of \$591 million in 2013; See reconciliation of GAAP to non-GAAP financial measures on slide 32.

McCormick Brings Passion to Flavor™



2014 Financial outlook

	2014 Projection	2013
Projected EPS/ Adjusted EPS*	\$3.22 to \$3.29	\$3.13
Growth rate	3% to 5%	

Estimated impact of tax rate and special charges on projected rate of growth for 2014 EPS from 2013 adjusted EPS*:

Tax rate increase	\$0.14 to \$0.18
Special charges	\$0.01
Impact on growth rate	5 to 6 percentage points

* See reconciliation of GAAP to non-GAAP financial measures on slide 32

McCormick Brings Passion to Flavor™





McCormick Brings Passion to Flavor™



Non-GAAP Financial Measures

The table below includes financial measures of operating income, net income and diluted earnings per share excluding the impact of \$25 million of charges related to reorganization activity in EMEA recorded in the fourth quarter of 2013. Also excluded is the impact of a \$15 million loss on voluntary pension settlement recorded in the fourth quarter of 2013 that relates to a previously announced lump sum payout program offered to former U.S. employees with deferred vested pension benefits. These are non-GAAP financial measures which are prepared as a complement to our financial results prepared in accordance with United States generally accepted accounting principles. We believe this non-GAAP information is important for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of our ongoing operations and analyze our business performance and trends. Management believes the non-GAAP measures provides a more consistent basis for assessing the Company's performance than the closest GAAP equivalent.

These non-GAAP measures may be considered in addition to results prepared in accordance with GAAP, but it should not be considered a substitute for, or superior to, GAAP results. We intend to continue to provide these non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of these non-GAAP financial measures will provide consistency in our financial reporting. A reconciliation of these non-GAAP measures to GAAP financial results is provided below.

(in millions except per share data)	Twelve Months Ended	
	11/30/13	11/30/12
Operating income	\$ 550.5	\$ 578.3
Impact of special charges and loss on voluntary pension settlement	40.3	—
Adjusted operating income	<u>\$ 590.8</u>	<u>\$ 578.3</u>
% increase versus prior period	2%	
Net income	\$ 389.0	\$ 407.8
Impact of special charges and loss on voluntary pension settlement	29.2	—
Adjusted net income	<u>\$ 418.2</u>	<u>\$ 407.8</u>
% increase versus prior period	3%	
Earnings per share	\$ 2.91	\$ 3.04
Impact of special charges and loss on voluntary pension settlement	0.22	—
Adjusted earnings per share	<u>\$ 3.13</u>	<u>\$ 3.04</u>
% increase versus prior period	3%	

McCormick Brings Passion to Flavor™

