



Alan D. Wilson
*Chairman, President &
Chief Executive Officer*

While global economic conditions challenged all companies, 2009 was another year of excellent financial performance and strong operational achievement at McCormick. For example:

- While net sales rose slightly, the increase in local currency was 5%.
- Led by our Comprehensive Continuous Improvement (CCI) program, we exceeded our expense

reduction goal by 40%, delivering \$42 million of cost savings.

- We reported earnings per share of \$2.27, near the top end of our \$2.24 to \$2.28 goal for 2009. On a comparable basis, this was an increase of 10%.
- Following a five-day reduction in 2008, we achieved our goal to reduce our cash conversion cycle another five days in 2009, helping to boost cash flow from operations to a record \$416 million.

Furthermore, with the significant cash generated by our business, we lowered the debt related to our acquisition of Lawry's in 2008 and maintained our solid balance sheet. We also used cash to pay dividends to our shareholders, increasing these payments by 10% in 2009.

Restructuring actions, a favorable business mix and CCI – our ongoing initiative to reduce costs throughout our operations – combined to push our gross

profit margin to 41.6%, compared with 40.6% in 2008. The integration of the Lawry's business with few additional costs was also an important driver of this margin improvement.

With higher margins we are fueling our investments to drive growth. In 2009 we invested in our leading brands with \$20 million of incremental marketing support behind Lawry's, holiday advertising and new product launches. Lawry's, new products, expanded distribution and higher marketing support led to a 7% increase in consumer business sales when measured in local currency. Including the impact of unfavorable currency exchange rates, we achieved higher profits for both our consumer and industrial segments. Excluding the impact of restructuring charges and unusual items, we increased operating income by 16% for our consumer business and 8% for our industrial business.

While our joint venture in Mexico had a successful year with sales in local currency up 19%, the profit contribution from this business was hampered by an unfavorable currency impact. Overcoming a decline in income from unconsolidated operations, as well as a higher tax rate, we grew 2009 earnings per share 10% on a comparable basis with 2008.

At the core of this extraordinary performance is the one ingredient that I believe separates McCormick from other companies – what I refer to as McCormick's "passion for flavor," which lives within our employees around the globe. This passion inspires our product innovation and fuels our drive to grow sales and improve margins year after year through strategic investments in our business.

A passion for flavor

More than just an annual report title, McCormick's passion for flavor is a foundation of our business – a business that emphasizes the importance of eating well.

Certainly, taste plays a key role in eating well. In fact, in a recent U.S. survey, taste continues to rank first in what we choose to eat, ahead of quality, health and convenience. To that end, each year our culinary experts convene a council of leading chefs from around the world to define the latest trends and publish our eagerly anticipated “*Flavor Forecast*.”

Equally important to eating well, in our estimation, are the concepts of health/wellness and convenience. Thus our passion for flavor takes us toward products that resonate with consumers who demand more than great taste. For example, in the U.S. we recently relaunched our dry seasoning mixes with most of them reformulated to remove MSG, transfat and artificial flavors. This smart solution, coupled with the trend of more consumers eating at home, led to a 6% increase in units sold during the year. Likewise, we have introduced reduced-sodium versions of some of our most popular products to help consumers address health concerns such as salt content.

Similarly, we are helping consumers in France who bake at home by extending our popular Vahiné® dessert brand into new specialty cake mixes. Product innovation is also vital to our industrial customers. Led by new products developed for leading, multinational quick

service restaurants, 13% of industrial sales in 2009 were from products launched in the past three years.

This passion for flavor, coupled with an acute sense of market needs and preferences, has created an enviable position in the marketplace for our brands. In our largest geographic markets, our share of the spice and seasoning category is significantly higher than that of our nearest competitor.

We are supporting our brands with record levels of marketing, up 35% in the past three years. The effectiveness of our spending has also increased. For example, in 2009 our sales lift from both print and television in the U.S. and Europe exceeded the average of other consumer product companies. To reinforce the added value of our branded products with consumers, we increased our coupon and promotion activity, and in print ads featured ways to make an inexpensive meal with our products. Likewise, we extended our communication around the science validating health benefits of culinary spices and herbs to consumers in Europe and the Asia/Pacific region.

We are elevating our relationship within the food service industry from spice and extract expert to flavor partner. Having introduced Schwartz for Chefs® in the U.K., we recently launched a McCormick for Chefs™ campaign in the U.S., which encompasses recipe ideas, chef-friendly packaging and a back-of-house shelving system.

Our passion for flavor continues to grow globally as we expand our



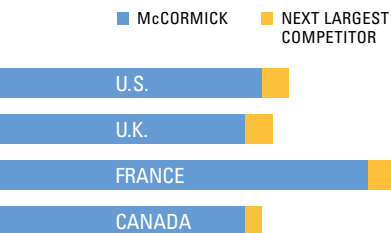
To reinforce the value of our branded products, we increased our coupon and promotion activity in France and other major markets.



We relaunched our dry seasoning mixes to help consumers, who are increasingly preparing meals at home, eat well.



In 2009, we funded construction of two new health clinics in Indonesia to support the local spice farmers.



The category share of McCormick's spice and seasoning brands in our top four geographic markets far exceeds that of the next largest branded competitor.

geographic footprint in developing markets like China. In just the past two years, we doubled the number of major Chinese cities where consumers can purchase our products.

Our passion for flavor sets the direction for our acquisition strategy, which remains a key growth initiative. It has now been more than a year since we acquired Lawry's, and the profit from this business has exceeded our expectations. It is our largest acquisition to date and we have been pleased with the results accomplished by our integration team. Going forward, we will continue to build our portfolio of great brands with acquisitions both in developed and emerging markets.

Leveraging our business around the globe

In addition to driving future sales growth, our employees have become more adept at managing costs, margins and cash.

Two years ago, we set objectives and measured our performance with what we call "McCormick Profit." Under this approach, which complements our CCI efforts, each business is rewarded for both increasing profit and managing working capital. Our higher margins and a shorter cash conversion cycle demonstrate our effectiveness in successfully managing through a difficult environment.

We are committed to operating our business in a sustainable manner. Since 2005 our global operations have reduced

greenhouse gases by 24%, water usage by 19% and electricity usage by 14%.

Our impact on the places where we operate extends to regions where independent farmers grow spices and herbs. During 2009, we funded construction of two new health clinics in Indonesia which withstood devastating earthquakes and helped treat many who were injured.

Our employees are the heart of our business, and we operate with a strong set of values. Our Multiple Management philosophy, established in 1932, encourages the participation and inclusion of all employees. In this spirit, we are implementing McCormick's High-Performance System, which encourages teamwork and has led to better training, lower turnover and greater efficiency. We have a strong culture of respect for one another that extends to our suppliers, our customers and our communities.

Growing forward

Two key growth characteristics distinguish McCormick and bode well for the Company's ability to compete successfully in the global marketplace.

First and foremost, we are a global leader in the profitable and growing spice and seasonings retail product category. Within that category, we have the broadest line of products – from economy-priced store brands to premium gourmet items. As a result, we enjoy strong category share in our major geographic markets.

Second, on the industrial side of our business, we provide a broad range of flavor solutions to the leading and most

recognizable multinational restaurant businesses and many of the large multinational packaged food manufacturers. All of these customers rely on us for safe, consistent and innovative products.

These characteristics, coupled with a disciplined approach to managing our financial resources, have allowed the Company to achieve a double-digit increase in earnings per share in each of the past four years when measured on a comparable basis. This is particularly remarkable in light of unprecedented spikes in raw material costs in 2007, a severe economic downturn in the global economy in 2008 and currency market headwinds over the past 12 months.

Shareholder return is further enhanced by our strong dividend track record. In November 2009, your Board of Directors approved the Company's 24th consecutive year of dividend increase, and we have paid dividends every year since 1925.

Underlying this performance is our strategy for growth: continuous margin improvement, further investment in the business and steadily increasing sales and profit. This strategy has served us well during these extreme economic conditions. We fully expect it to continue to deliver solid financial results as we move forward.

Acknowledgments

Following his retirement as President and CEO in early 2008, Bob Lawless retired from the Board of Directors in 2009 after 11 years as Chairman. During his tenure, Bob strengthened the Board's governance by transitioning to primarily independent directors. He was instrumental in setting our strategy, inspiring performance and achieving results. I would like to personally thank him for his leadership and service. Also during 2009, Cile Perich, our Vice President – Human Relations, joined the Company's Management Committee.

Led by your Board members, McCormick's leadership team has the right experience and high motivation to manage through challenges and remain focused on the profitable growth of our business. Throughout this report you will see just a few of our 7,500 employees throughout our worldwide operations who have the talent and energy that are behind our success. I thank McCormick employees everywhere for their hard work and accomplishments. Together we are driving sales, managing costs and increasing cash and profit.

We appreciate your interest and support and hope that, as a McCormick shareholder, you share our confidence in our continued growth and success.



Alan D. Wilson
Chairman, President & CEO



McCormick's Management Committee celebrated 10 years on the New York Stock Exchange during 2009: (l-r) Mark Timbie, Chuck Langmead, Cile Perich, Alan Wilson, Gordon Stetz, Lawrence Kurzius

In January 2010, FORTUNE magazine named McCormick to its "100 Best Companies to Work For" list. Alan stated, "Our culture and people, coupled with our long track record of growth and performance, make us a great employer."

Vision:

McCormick will be the leading global supplier of value-added flavor solutions. Building on strong brands and innovative products, we will be the recognized leader in providing superior quality, value and service to customers and consumers around the world.