



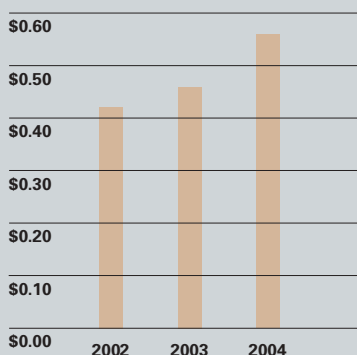
We're turning up the heat!



investment features

- > leading brands in key markets
- > a majority of the top 100 food processors are our customers
- > long-term goals to increase sales 3-7% and earnings per share 10-12%
- > goals to reduce costs \$25 million in 2005, \$30 million in 2006
- > dividends paid every year since 1925 and 18 consecutive years of dividend increases

dividends paid per share



company description

McCormick is a global leader in the manufacture, marketing and distribution of spices, herbs, seasonings and flavors to the entire food industry. Customers range from retail outlets and food service providers to food processing businesses.

Founded in 1889 and built on a culture of Multiple Management, McCormick has approximately 8,000 employees.

historical highlights

- 1889** Founding of McCormick & Co., Inc.
- 1932** Multiple Management business philosophy established.
- 1947** Acquired Schilling, gaining coast-to-coast distribution in U.S. Joint venture in Mexico formed.
- 1960s** Acquired Canada's largest spice firm. Expansion into Australia, industrial business, real estate business, cake decorating and packaging business.
- 1980s** Acquired leading brand of spices and seasonings in the U.K. Established business in China. Expanded industrial business with acquisition of Stange and packaging business with acquisition of Setco. Sold real estate business.
- 1990s** Expanded consumer business through acquisitions including *Golden Dipt*[®] in the U.S., *Keen's* in Australia and *Butty* in Switzerland. Fierce competitor impacted financial results in the mid-1990s, but led to rejuvenation of our business and improved sales and profits by 1998.
- 2000** Leading position in Europe gained through acquisition of Ducros S.A.
- 2002** Began implementation of Beyond 2000 (B2K), a global initiative utilizing information technology to increase efficiency and profitability.
- 2003** Acquired Zatarain's, the leading U.S. brand of authentic New Orleans-style food. Also acquired Uniqsauces. Sold packaging business and a U.K. brokerage business.
- 2004** Acquired Silvo, extending our European consumer business into the Netherlands with the leading brand.

strategy for growth



chairman's message: **strategy for growth**

For each step of our strategy...improve margins, invest in the business and increase sales and profit... we are turning up the heat!

A key to **margin improvement** is our B2K program, a global initiative that is significantly improving our business processes through state-of-the-art technology. Utilizing the power of B2K, employees are pursuing supply chain efficiencies throughout the Company. Following cost reductions of \$24 million in 2004, we expect to reduce costs \$25 million in 2005 and an additional \$30 million in 2006. In addition, we are driving margins with the development of more value-added consumer-preferred flavors. Today, more than 70% of McCormick's sales are value-added products versus ingredients.

Margin improvement fuels our growth. A portion of this fuel will be **invested in the business**. We are accelerating the marketing support behind our brands and have more than doubled advertising expense since 1999. Product development expense has increased 84% since 1999, leading to many successful new products. In 2004, 13% of sales were new products launched during the past three years. We are also increasing sales and profits with strategic acquisitions such as Zatarain's, the leading brand of New Orleans-style cuisine. Acquisitions during 2003 and 2004 have added nearly \$200 million in annual sales.

Our annual goals are to **grow sales** 5% with a range of 3-7% and to **increase earnings per share** 10-12%. We are growing sales through innovation, acquisitions and extending our geographic reach. Higher sales and margin improvement are increasing not only earnings per share but cash flow. We expect cash from operations, less net capital expenditures and dividends of approximately \$450 million from 2005 to 2007. In a tough environment, these are aggressive goals for McCormick and, for that matter, any packaged food company. But we like a challenge at McCormick and have established a strong track record in meeting our goals.



Robert J. Lawless Chairman, President & CEO

Our key ingredient is the people of McCormick. Their enthusiasm, values and drive to win are unmatched. Throughout the Company, our high performance employees are delivering great results – to our customers, our consumers and our shareholders. I am confident of our continued commitment and ability to build shareholder value at McCormick.

vision statement

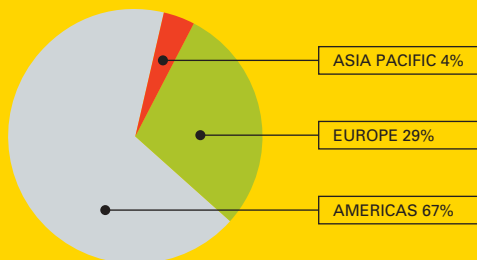
McCormick will be the leading global supplier of high value-added flavor solutions.

Building on strong brands and innovative products, we will provide superior quality and service to customers and consumers around the world.

consumer business

McCormick's consumer business markets seasoning blends, spices, herbs, extracts, sauces, marinades and specialty foods. Our customers span a broad range of retail outlets and include grocery, drug, mass merchandise and dollar stores.

2004 net sales by region



growth initiatives

- > Develop innovative products.
- > Increase marketing effectiveness.
- > Expand distribution.
- > Expand through acquisitions.

Following the acquisition of Zatarain's in 2003, we increased 2004 sales of this brand 20%. The increase was due in part to the successful introduction of a new "Ready-to-Serve" line of rice mixes.

McCormick is the #1 spice and seasoning brand among Hispanic consumers in the U.S. In 2004, we strengthened this leading position with new products, and in 2005, for the first time, will advertise on a major Hispanic television network.



market position

Consumers want to add flavor to their foods – bold and zesty, kid-friendly and fun, ethnic and exotic. But preparation must be easy.

Our actions are driving category growth in many key markets. In 2004, the spice and seasoning category rose 2% in the U.S., 5% in Canada and 1% in the U.K.

With both brand and private label products, we enjoy a leading share in our largest markets. In the U.S. and the U.K. our share has increased to nearly 50%, and in France and Canada our share exceeds 50%. We also have a leading share in China and a strong presence in additional markets in Europe and Asia.

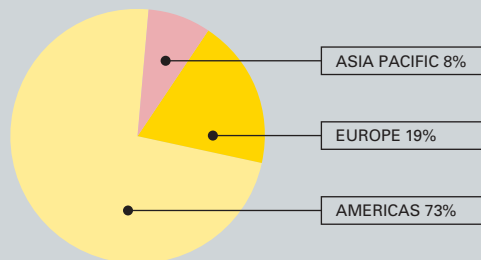
outlook

Interest in flavors continues to grow as consumers all over the world are exposed to different cuisines than their own. But food preparation must be quick and easy. McCormick is satisfying this appetite for outstanding flavor and simple preparation with leading brands in key markets around the world.

industrial business

McCormick's industrial business markets blended seasonings, spices and herbs, condiments, compound flavors and extracts, and coating systems to other food processors and to the away-from-home channel, both directly and through distributors and warehouse clubs.

2004 net sales by region



growth initiatives

- > Support the global expansion of our industry-leading customers.
- > Build current and new strategic partnerships.
- > Provide consumer-preferred value-added products.

Chefs in China are adding flavor with our McCormick brand line of spices and seasonings. We grew sales of these food service products 8% in 2004.

Our customers count on McCormick to deliver innovation, quality products and reliable service. New products launched in the last three years accounted for 22% of 2004 sales.



market position

Interest in flavors continues to grow.

With blended seasonings, spices and herbs, condiments, compound flavors and extracts, and coating systems, McCormick has the broadest range of flavor solutions in the industry. While there are many industrial competitors, most market only one or two of these five categories.

Spending for research and development has more than doubled since 1998. Our focus has been on value-added, higher margin products. Together, our development, application, culinary and sensory areas enable us to deliver consumer-preferred flavors.

outlook

We are building our leadership position in flavors. With our wide range of flavor solutions and ability to create consumer-preferred products, customers increasingly turn to McCormick for new product ideas and as a preferred supplier of great flavor solutions.

community service

In McCormick's 115-year history, the record of community service is long and proud. Communities around the world where the Company has facilities have benefited from a variety of philanthropic activities. Through financial contributions and the active participation of employees, McCormick supports numerous causes that improve the quality of life.

The Company has a formal program of charitable giving that grants funds to worthwhile causes with civic, health, welfare, education and the arts receiving the most attention. Programs like the Unsung Heroes Awards, student scholarships, and Charity Day, which fosters employee giving to a wide range of civic causes, have existed for more than 60 years.

The McCormick Community Service Award was initiated in 2004 to honor employees who devote time and energy to better their communities. The grand prize-winner was employee Steve Sausnock, seen receiving the award from Chairman Bob Lawless (1). On behalf of the Optimist Club, Steve distributed the \$25,000 grant to numerous charities and organizations such as the Providence (Md.) Volunteer Fire Company (2), "Shop with a Cop" which pairs needy children with police officers for mentoring (3), and Our Daily Bread soup kitchen (4). The Community Service Award is the latest chapter in McCormick's long history of philanthropy.



our core values

We believe...

- > our people are the most important ingredient of our success.
- > our top priority is to continuously add value for our shareholders.
- > customers are the reason we exist.
- > our business must be conducted honestly and ethically.
- > the best way to achieve our goals is through teamwork.

five-year financial highlights

(millions except for per share data)

	2004	2003	2002	2001	2000
For the year ended November 30⁽¹⁾					
Net sales ⁽²⁾	\$2,526.2	\$2,269.6	\$2,044.9	\$1,939.1	\$1,863.5
Percent increase	11.3%	11.0%	5.5%	4.1%	5.9%
Gross profit margin ⁽²⁾	39.9%	39.6%	39.1%	38.0%	35.2%
Operating income ⁽³⁾	332.7	295.5	262.4	219.6	200.5
Net income from continuing operations ⁽³⁾	214.5	199.2	173.8	137.1	124.5
Earnings per share from continuing operations – diluted ⁽³⁾⁽⁴⁾	1.52	1.40	1.22	.98	.89
Avg. shares outstanding – diluted ⁽⁴⁾	141.3	142.6	142.3	140.2	139.2
Dividends paid	\$ 76.9	\$ 64.1	\$ 58.6	\$ 55.1	\$ 52.3
Dividends paid per share	.56	.46	.42	.40	.38

At year-end⁽¹⁾

Total assets	\$2,369.6	\$2,145.5	\$1,930.8	\$1,772.0	\$1,659.9
Current debt	173.2	171.0	137.3	210.8	551.9
Long-term debt	465.0	448.6	450.9	451.1	157.2
Shareholders' equity	889.7	755.2	592.3	463.1	359.3
Debt-to-total-capital ⁽⁵⁾	40.9%	44.4%	49.0%	58.2%	65.7%

(1) In 2003, the Company sold its packaging segment and Jenks Sales Brokers in the U.K. All years have been restated for the sale of the packaging segment. Only 2002 and 2001 have been restated for the sale of Jenks.

(2) In 2002, the Company implemented EITF 01-09. Results have been reclassified for 2001 and 2000.

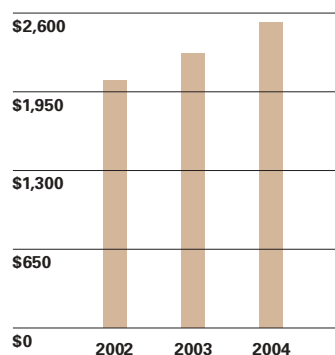
(3) In 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets." Prior year results have not been restated.

(4) All share data adjusted for 2-for-1 stock split effective April 2002.

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

net sales

in millions

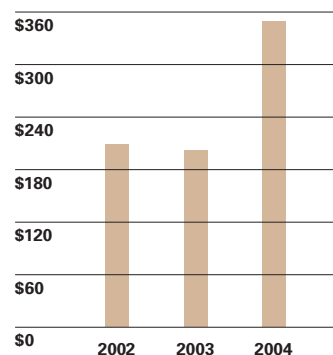


earnings per share from continuing operations – diluted

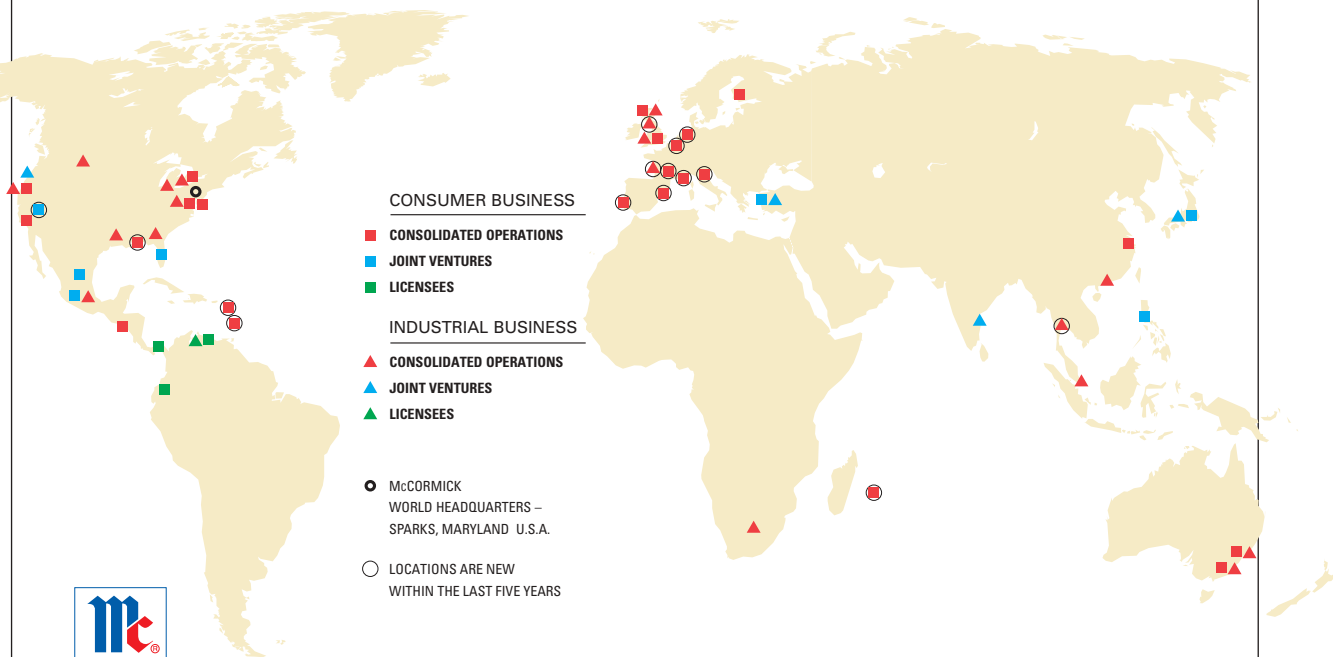


cash flow from operations

in millions



McCormick worldwide



investor information

Corporate Address & Website

McCormick & Company, Incorporated
18 Loveton Circle
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Stock Information

New York Stock Exchange
Symbol: MKC



Transfer Agent & Registrar

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(877) 778-6784 or (651) 450-4064
www.wellsfargo.com/shareownerservices

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Investor Services Plan (Dividend Reinvestment and Direct Purchase Plan)

The Company offers an Investor Services Plan which provides shareholders of record the opportunity to automatically reinvest dividends, make optional cash purchases of stock through the Company, place stock certificates into safekeeping and sell shares through the Plan. Individuals who are not current shareholders may purchase their initial shares directly from the Plan. All transactions are subject to the limitations set forth in the Plan prospectus, which may be obtained by contacting Wells Fargo Shareowner Services at: (877) 778-6784 or (651) 450-4064
www.wellsfargo.com/shareownerservices

