

Current Liab. ANNUAL RATES Est'd '11-'13 Past 5 Yrs. 5.5% 7.5% 9.0% 9.0% 10 Yrs. to '17-'19 of change (per sh) Sales 6.0% 8.0% 9.0% 11.5% 5.0% 7.0% 8.0% 8.0% 'Cash Flow' Earnings Dividends Book Value 12.0% 11.0% 10.0%

Fiscal Year Ends	QUA Feb.28	RTERLY S May 31	SALES (\$ n Aug.31		Full Fiscal Year
2011	782.8	883.7	920.4	1110.7	3697.6
2012	906.7	984.0	977.7	1145.8	4014.2
2013	934.4	1002.6	1016.4	1170.0	4123.4
2014	993.4	1033.4	1042.8	1205.4	4275
2015	1025	1075	1100	1250	4450
Fiscal	EARNINGS PER SHARE A BFu				
Year Ends	Feb.28	May 31	Aug.31	Nov.30	Fiscal Year
2011	.57	.55	.69	.98	2.79
2012	.55	.60	.78	1.11	3.04
2013	.57	.59	.78	1.20	3.13
2014	.62	.64	.95	1.14	3.35
2015	.70	.75	1.00	1.20	3.65
Cal-	QUARTERLY DIVIDENDS PAID C =				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2010	.26	.26	.26	.26	1.04
2011	.28	.28	.28	.28	1.12
2012	.31	.31	.31	.31	1.24
2013	.34	.34	.34	.34	1.36
2014	.37	.37	.37	.37	

McCormick continues to do well. The company logged healthy top-line gains over the first three quarters of fiscal 2014 (ends November 30th) due to strong momentum in international markets, which largely offset some consumer weakness in the United States. Too, McCormick's Continuous Comprehensive Improvement (CCI) program helped this sales growth find its way down to the bottom line. And although earnings will likely slip in the fourth quarter, owing to a substantial brand marketing push planned for the period, earnings should still advance nicely for the full year (our estimate is now \$3.35 a share), on an around 4% top-line increase. This is in line with management's guidance.

Fiscal 2015 should bring additional

gains. The spice maker ought to continue o benefit from favorable demand for its offerings around the globe in the coming year. Too, consumer trends in the U.S. market will likely strengthen. Indeed, given the brand strength associated with the company's products worldwide, and its healthy pipeline of offerings, McCormick seems quite well positioned for ongoing

top- and bottom-line gains. In all, we look for sales to grow another 4% for the year, with an about 9% advance in earnings per share.

Growth drivers appear in place for the long haul. McCormick seems committed to expanding its global footprint and increasing brand strength worldwide, which should position it well for the 3- to 5-year span. It will likely continue to churn out additional offerings, as well, further boosting results. In all, our estimates call for steady advances in share earnings over the 2017-2019 time frame, driven by solid sales and margin growth.

These shares are now ranked to track the broader market averages in the year ahead. In addition, this issue garners our top marks for Safety (1) and Price Stability (100), signaling there is little risk here. A steadily rising dividend adds appeal, as well. That said, 3- to 5year capital appreciation potential is slightly below average at the recent quotation. At this juncture, this equity would best suit those looking for a safe haven, in our view.

Kathryn M. Drew

October 24, 2014

(A) Fisc. yr. ends Nov. 30. (B) Diluted earnings. Excl. nonrec. losses: '98, 2¢; '99, 26¢; '01, 11¢; '04, 1¢; '05, 5¢; '06, 12¢, '07, 19¢; '13, 22¢. Next egs. report due late

Jan. Earnings may not add due to rounding.
(C) Divs. historically paid in mid-Jan., Apr., July & Oct. ■ Div'd reinvest. plan avail. (D) Incl. in-

tang. In '13: \$2131.9 mill., \$16.25/sh. **(E)** In mill., adj. for split.

Company's Financial Strength Stock's Price Stability 100 Price Growth Persistence 75 Earnings Predictability