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## News Release

### McCormick Completes Acquisition of Drogheria & Alimentari, A Leader in Spices and Seasonings in Italy

SPARKS, Md., May 29, 2015 /PRNewswire/ -- McCormick & Company, Incorporated (NYSE: MKC), a global leader in flavor, today announced that it has completed the purchase of 100% of the shares of Drogheria & Alimentari (D&A), a privately held company based in Italy. McCormick announced the agreement to acquire D&A on February 20, 2015.



- D&A is a leader in spices and seasonings in Italy. Annual sales are approximately €50 million (\$55 million U.S. dollars), with 80% in Italy and 20% exported to 60 other countries.
- McCormick expects to record an acquisition price of €72 million (\$79 million U.S. dollars) subject to certain closing adjustments. The expected purchase price consists of a cash payment of approximately €50 million and a potential earn-out payment in 2018 of up to €35 million based upon the performance of the business, with a preliminary acquisition-date fair value of €22 million.
- The addition of the D&A business complements McCormick's strong brands across Europe and expands the company's global leadership in spices and seasonings with a sizeable footprint in Italy.

Founded in 1880, D&A has approximately 120 employees and a modern manufacturing facility located in Florence, Italy. As a supplier of both brand and private label products, D&A has approximately one third of the spice and seasoning category in Italy and exports its products to 60 other countries. McCormick anticipates strong growth for these premium products, particularly in the U.S. and key international markets where consumers are seeking unique and authentic ethnic flavors. McCormick expects to work with the former owners of the business and in the near-term, grow annual sales of D&A products at a mid-single digit rate.

Subject to certain closing adjustments, McCormick expects to record a purchase price for D&A of €72 million (approximately \$79 million U.S. dollars). This expected purchase price consists of a €50 million cash payment that was funded with cash and debt, and a potential earn-out payment of up to €35 million that has a

preliminary acquisition-date fair value of €22 million. The potential earn-out payment is payable to D&A's former owners in 2018 upon the achievement of specified financial performance by D&A. Once the preliminary acquisition-date fair value of the potential earn-out payment is finalized, changes in the fair value will be recognized in income on an on-going basis until settlement in 2018. Due to the estimated impact of transaction and integration costs, McCormick expects no earnings per share impact in 2015. In 2016, McCormick expects the acquisition to be fully accretive, excluding any net increase in fair value of the potential earn-out payment.

### **About McCormick**

McCormick & Company, Incorporated is a global leader in flavor. With \$4.2 billion in annual sales, the company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry – retail outlets, food manufacturers and foodservice businesses. Every day, no matter where or what you eat, you can enjoy food flavored by McCormick. *McCormick Brings Passion to Flavor™*.

For more information, visit [www.mccormickcorporation.com](http://www.mccormickcorporation.com).