



McCORMICK

# *Bringing Passion to Flavor*

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McCormick & Company, Inc.

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We live in interesting times

## We are in a great industry

- Wide world of flavor
- Make food better
- Romance of spice trade
- Driving spice consumption



# McCormick Brings Passion to Flavor

- History and heritage of spices and flavors
- Makers of memorable food experiences
- The creative spark behind new taste innovations
- Unrivalled thought leadership in the world of Flavor



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# Power of People

- Fortune Best Places to Work (2010)
- Culture of respect, inclusion, recognition, collaboration
- Our Values
  - Ethical Behavior
  - Teamwork
  - High Performance
  - Innovation
  - Concern for One Another
  - Success
- Community service and philanthropy
- Multiple Management Boards



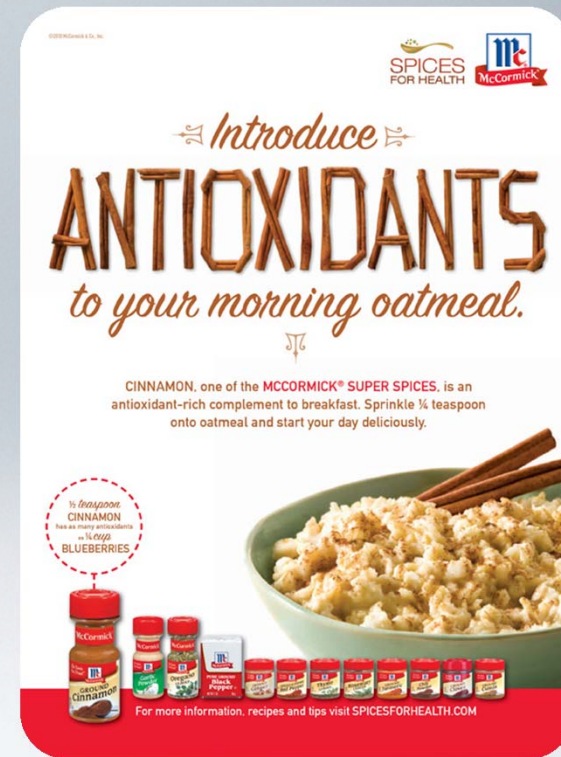
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# Inspiring *Healthy Choices*

- Natural goodness of herbs & spices
- McCormick Science Institute
- Sodium reduction commitment
- Healthy Weight Commitment Foundation
- Workplace wellness initiatives



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# Delivering *High Performance*

## ► Sales Growth

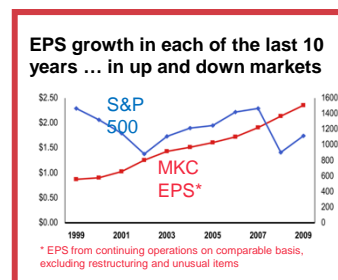
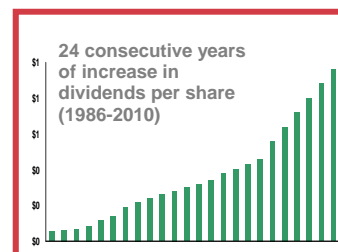
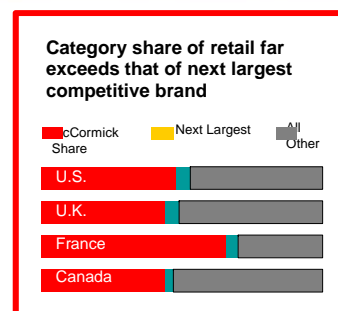
- Category leadership
- Innovation
- Accretive acquisitions

## ► Comprehensive Continuous Improvement

- Goal to reduce costs \$150 million by 2013

## ► Shareholder Returns

- 20-year Total Shareholder Return 13%
- Dividends paid every year since 1925
- Double digit compound annual EPS growth last 10 years



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# Taste You *Trust*



Global Sourcing Leadership;  
Relationships with Local  
Growers



Global Lab Integrity  
Program



Comprehensive  
Sterilization Treatment



Supply Chain Integrity  
and Traceability



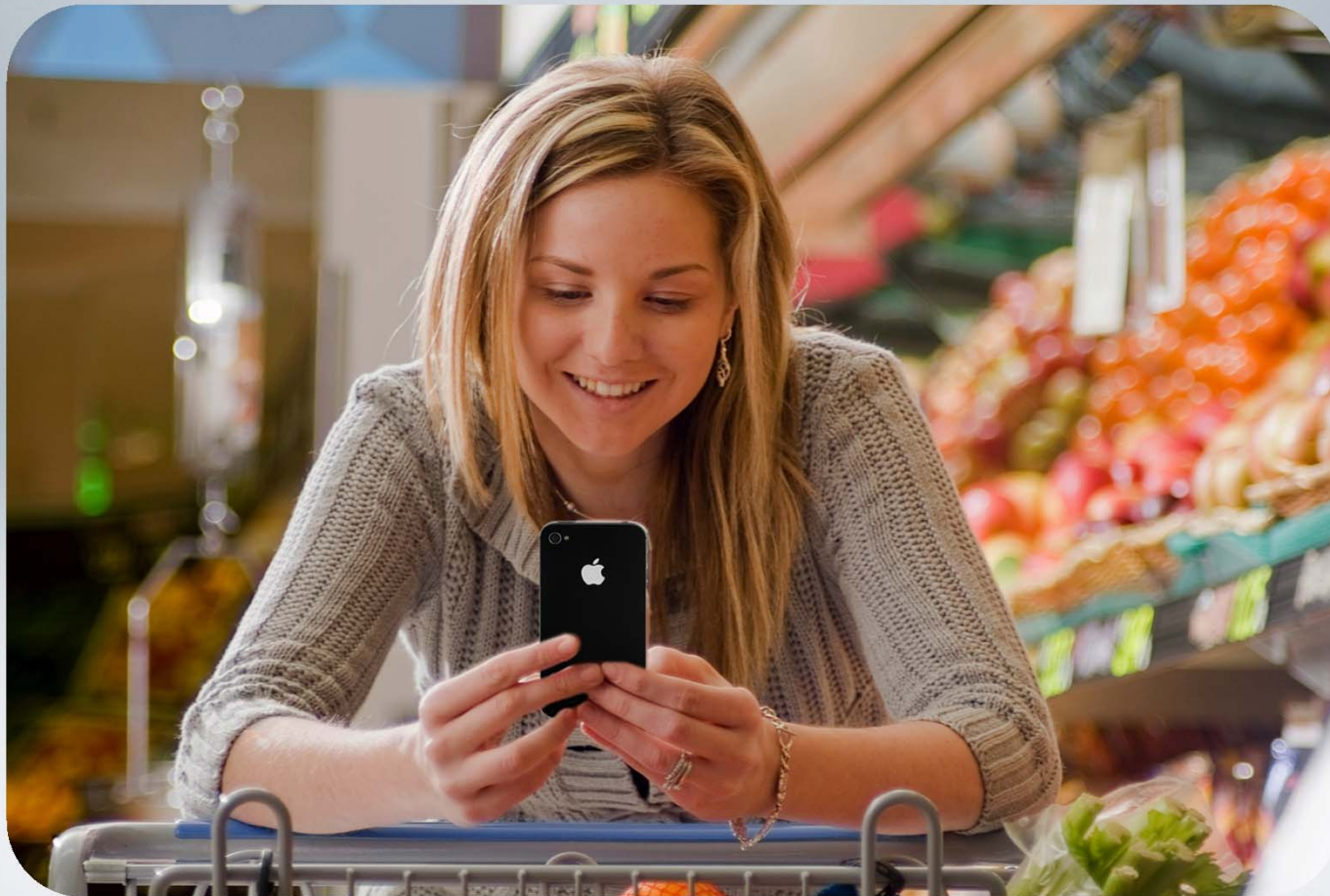
FDA Certified Processes;  
World Class Standards



Quality Obsessed



# Consumer



# Regulatory Focus

- Industry Issues
  - Melamine, Peanuts, Spinach, etc
- Adulteration
- Political Agenda
  - Food Safety Modernization Act
- 24/7 News Cycle
- Consumer Confidence



# Traceability

- Growing Issue for Customers and Consumers
- Breadth of Supply Chain
  - Geographic
  - Number of small farms
  - Adjacent crops
    - Seeds, Pesticides, Contamination
  - Post Harvest Handling



## Food Safety

- Critical Role for ASTA
- Protect the consumer
- Set High Standards
- Consistent regulations
  - Educate
  - Enforce

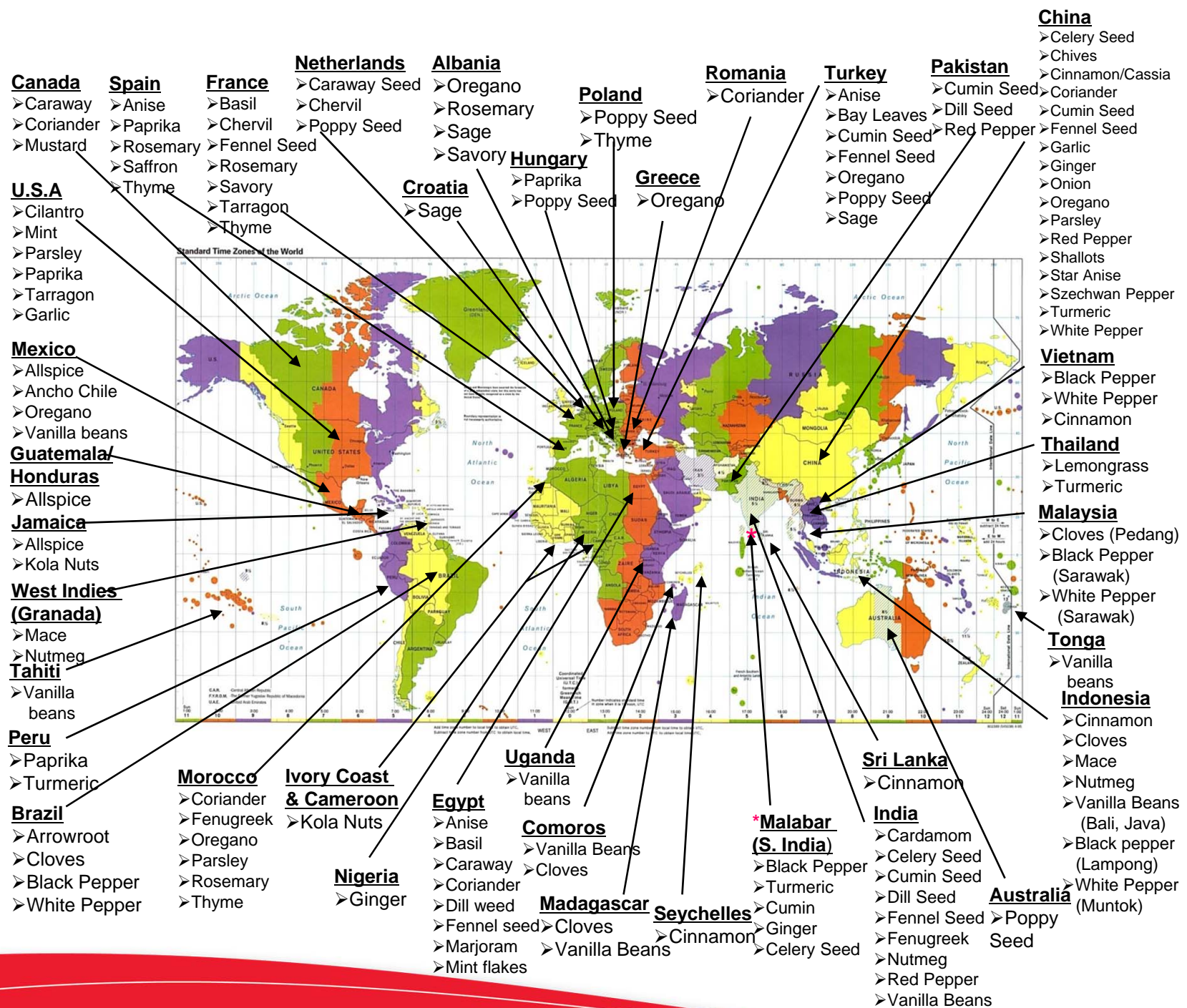
# Food Recalls

- 2006
  - 250 US recalls
- 2009
  - 950 US recalls
- RFR
- Spice related
  - Pepper etc
- Better detection
- More Focus

## Impact of Recalls

- “Abundance of Caution”
- Immediate Financial Impact
  - Direct and Punitive
- Long term impact on reputation and goodwill
- Brands are our most valuable assets





# Agricultural Sustainability = Economic Sustainability



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## ASTA's Role

- Proactive for all members
- Raise bar for industry
- Engage Directly with FDA
- Thought Leadership
- Education
- One voice for industry

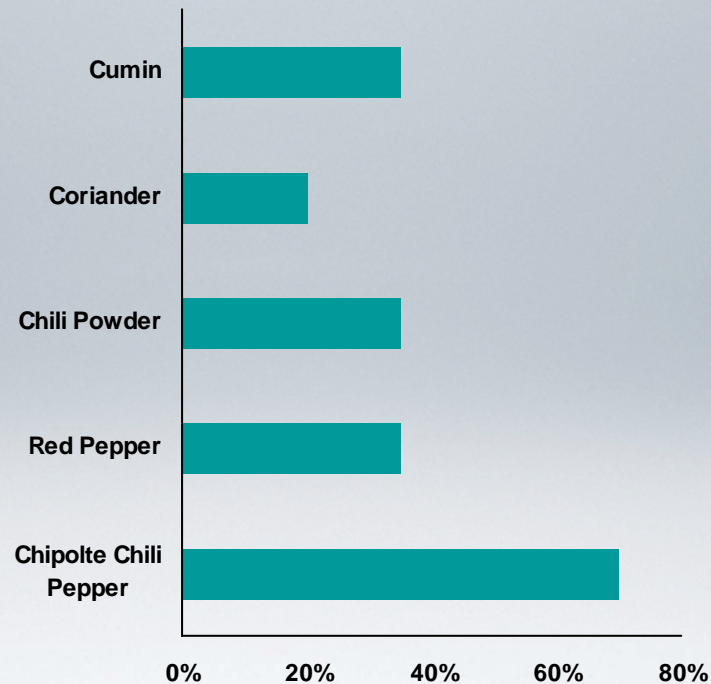


## Thought Leadership

- Drive for consistency
  - Global standards
  - Regulations between countries
- Solutions based on science
- Positive Collaboration
- Play by the rules
- We all have a role

# Consumers Using More Flavor

- Consumption of spices has grown almost **3 times** as fast as population growth
- Today's pantry consists of about **40** spices, compared to less than 10 in the 1950's
- About **1/3** watch cooking shows regularly
- Nearly **2/3** like to get creative with the food they cook



USDA Consumption Data; Lawry's "What's Your Flavor?" Survey



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## The Opportunity

- Make products taste better
  - Taste drives purchases
- Make products healthier
  - Spices replace sodium, fats, sugars
- Inherent goodness of spices
  - Natural, health benefits,
- Flavor Adventures
  - Convenient, easy, quick
- Affordable





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