TRIARC COMPANIES INC
Form S-4/A
August 04, 2008

As filed with the Securities and Exchange Commission on August 1, 2008

Registration No. 333-151336

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 2 to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TRIARC COMPANIES, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	5812	38-0471180
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1155 Perimeter Center West
Atlanta, Georgia 30338
(678) 514-4100
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Nils H. Okeson
Senior Vice President, General Counsel and Secretary
Triarc Companies, Inc.
1155 Perimeter Center West
Atlanta, Georgia 30338
(678) 514-4100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Paul D. Ginsberg John C. Kennedy Jeffrey D. Marell Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, NY 10019-6064	Leon M. McCorkle, Jr. Executive Vice President, General Counsel and Secretary Wendy s International, Inc. 4288 West Dublin-Granville Road Dublin, OH 43017-0256 (614) 764-3100	Rick L. Burdick Zachary N. Wittenberg Akin Gump Strauss Hauer & Feld LLP 1333 New Hampshire Avenue, N.W. Washington, D.C. 20036-1564 (202) 887-4000

(212) 373-3000

Approximate date of commencement of proposed sale to the public: At the effective time of the merger referred to herein.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. £

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer S Accelerated filer £ Non-accelerated filer £ Smaller reporting company £

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED AUGUST 1, 2008

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

As we previously announced, the boards of directors of Triarc Companies, Inc. and Wendy s International, Inc. have each approved a definitive merger agreement for an all-stock transaction in which Wendy s shareholders will receive a fixed ratio of 4.25 shares of Triarc Class A common stock for each Wendy s common share they own. When the merger is completed, Triarc will change its name to Wendy s/Arby s Group, Inc., which we refer to as Wendy s/Arby s. In connection with the merger, existing shares of Triarc Class B common stock, Series 1 will be converted into shares of Wendy s/Arby s common stock on a one-for-one basis. Existing shares of Triarc Class A common stock will remain outstanding as shares of Wendy s/Arby s common stock. Wendy s/Arby s common stock is expected to be quoted on the New York Stock Exchange, which we refer to as the NYSE, under the symbol WEN.

In the merger, approximately 377 million shares of Wendy s/Arby s common stock will be issued to Wendy s shareholders. Based on the number of outstanding shares of Triarc Class A common stock and Triarc Class B common stock, and the number of outstanding Wendy s common shares as of , 2008, Wendy s shareholders are expected to hold approximately 80.6%, in the aggregate, of the outstanding Wendy s/Arby s common stock following the completion of the merger.

On April 23, 2008, the last full trading day before the merger agreement was signed, the closing sales price of Triarc Class A common stock, which trades on the NYSE under the symbol TRY, was $6.30 per share, the closing sales price of Triarc Class B common stock, which trades on the NYSE under the symbol TRY.B, was $6.50 per share, and the closing sales price of Wendy s common shares, which trade on the NYSE under the symbol WEN, was $25.32 per share.

For a discussion of the risks relating to the merger, see Risk Factors beginning on page 28.

An annual meeting of Triarc s stockholders and a special meeting of Wendy s shareholders are being held to approve the transactions and related matters contemplated by the merger agreement. Triarc s stockholders also will elect directors and act on other matters normally considered at Triarc s annual meeting. Information about these meetings and the merger is contained in this joint proxy statement/prospectus. We encourage you to read this entire joint proxy statement/prospectus carefully, as well as the annexes and information incorporated by reference.

The Triarc board of directors unanimously recommends that the Triarc stockholders vote *for* the proposals to amend Triarc s certificate of incorporation and to approve the issuance of Wendy s/ Arby s common stock, all of which are necessary to effect the merger. The Wendy s board of directors unanimously (with four abstentions due to actual or perceived conflicts of interest) recommends that the Wendy s shareholders vote *for* the proposal to adopt the merger agreement.

Roland C. Smith	Kerrii B. Anderson
Chief Executive Officer	Chief Executive Officer and President
Triarc Companies, Inc.	Wendy s International, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger described in this joint proxy statement/prospectus or the securities to be issued pursuant to the merger or determined that this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated , 2008 and, together with the accompanying proxy card and annual report for Triarc, is first being mailed to Triarc stockholders and Wendy s shareholders on or about , 2008.

TRIARC COMPANIES, INC.
1155 Perimeter Center West
Atlanta, Georgia 30338
www.triarc.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time:

Place:

Purpose:

To adopt the amendment to Triarc s certificate of incorporation to increase the number of authorized shares of Triarc Class A common stock to 1,500,000,000, in connection with the merger (shares of Triarc Class A common stock are referred to as Wendy s/Arby s common stock following completion of the merger);

To adopt the amendment to Triarc s certificate of incorporation to convert each issued and outstanding share of Triarc Class B common stock into one share of Wendy s/Arby s common stock and to provide that there shall only be one class of authorized common stock of Wendy s/Arby s, in connection with the merger;

To adopt the amendment to Triarc s certificate of incorporation, in connection with the merger, to change the name of Triarc to Wendy s/Arby s Group, Inc. ;

To adopt the amendment to Triarc s certificate of incorporation, in connection with the merger, to prohibit the issuance of preferred stock of Wendy s/Arby s to affiliates of Wendy s/Arby s unless offered ratably to the holders of Wendy s/Arby s common stock, subject to an exception in the event that Wendy s/Arby s is in financial distress and the issuance is approved by the audit committee of Wendy s/Arby s board of directors;

To adopt the amendment to Triarc s certificate of incorporation, in connection with the merger, to amend the definition of Interested Stockholder, which is used in the certificate of incorporation in connection with requiring increased stockholder approval thresholds for transactions with affiliates, to remove the exception for DWG Acquisition Group L.P., a dissolved partnership formerly controlled by Nelson Peltz and Peter W. May, Triarc s non- executive Chairman and Vice Chairman, respectively, and its affiliates;

To adopt the amendment to Triarc s certificate of incorporation, in connection with the merger, to provide that Wendy s/Arby s board of directors shall not have the power or authority to amend, alter or repeal Section 3 of Article I of the Wendy s/Arby s bylaws, as amended, which will provide that the headquarters of the Wendy s brand will be in the greater Columbus, Ohio area for a ten-year period following the completion of the merger;

To adopt the amendment to Triarc s certificate of incorporation, in connection with the merger, to provide that the purpose of Wendy s/Arby s is to engage in the restaurant business and complementary, incidental or ancillary businesses;

(A copy of Triarc s current certificate of incorporation and a copy of the form of amendment to Triarc s certificate of incorporation described above are attached as Annexes D and E, respectively, to this joint proxy statement/prospectus. For more details about the proposed amendment, see The Amendment to Triarc s Certificate of Incorporation.)

To approve the issuance of Wendy s/Arby s common stock, pursuant to the Agreement and Plan of Merger, dated as of April 23, 2008, among Triarc, Green Merger Sub, Inc., a wholly-owned subsidiary of Triarc, and Wendy s, a copy of which is attached as Annex A to this joint proxy statement/prospectus, in connection with the merger;

To approve any motion to adjourn the Triarc annual meeting to another time or place, if necessary, to solicit additional proxies if there are insufficient votes at the time of the Triarc annual meeting to approve the proposals related to the merger;

To elect eleven directors to hold office as specified in the accompanying joint proxy statement/ prospectus;

To approve an amendment to Triarc s Amended and Restated 2002 Equity Participation Plan to increase the number of shares reserved for issuance under the plan by an additional 7,400,000 shares of Triarc Class B common stock, prohibit the repricing of outstanding awards without prior stockholder approval and eliminate the ability of Triarc to grant reload option awards or stock options or SARs with exercise prices below fair market value on the date of grant;

To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2008; and

To conduct any other business that properly comes before the meeting and any adjournment or postponement of the meeting.

Each of the first eight proposals listed above relating to the merger is conditioned upon approval of each of the other seven and the approval of each such proposal is required for completion of the merger. None of the seven proposals relating to the adoption of the amendment to Triarc s certificate of incorporation or the proposal to issue Wendy s/Arby s common stock in the merger will be implemented unless all eight proposals related to the merger are approved by the Triarc stockholders and the merger is completed.

This joint proxy statement/prospectus, including the annexes, contains further information with respect to the business to be transacted at the Triarc annual meeting.

Record Date:

Triarc stockholders of record at the close of business on , 2008 may vote at the Triarc annual meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, please promptly complete and return your proxy card in the enclosed envelope, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card.

By order of the board of directors,

Atlanta, Georgia
, 2008

Nils H. Okeson
Senior Vice President, General Counsel and Secretary
Triarc Companies, Inc.
1155 Perimeter Center West
Atlanta, Georgia 30338

WENDY S INTERNATIONAL, INC.
4288 West Dublin-Granville Road
Dublin, Ohio 43017-0256
www.wendys-invest.com

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Time:

Place: Wendy s Corporate Headquarters, One Dave Thomas Boulevard (4288 West Dublin-Granville Road), Dublin, Ohio 43017

A map showing the location of the meeting is printed on Annex L to this joint proxy statement/prospectus.

Purpose:

To adopt the Agreement and Plan of Merger, dated as of April 23, 2008, among Triarc, Green Merger Sub, Inc., a wholly-owned subsidiary of Triarc, and Wendy s, a copy of which is attached as Annex A to this joint proxy statement/prospectus; and

To approve any motion to adjourn the Wendy s special meeting to another time or place, if necessary, to solicit additional proxies if there are insufficient votes at the time of the Wendy s special meeting to adopt the merger agreement.

Record Date:

Wendy s shareholders of record at the close of business on , 2008 may vote at the Wendy s special meeting.

Wendy s shareholders have the right to dissent from the merger and assert dissenters rights under Ohio law. In order to assert dissenters rights, Wendy s shareholders must comply with the requirements of Ohio law as described under The Merger Dissenters Rights beginning on page 81.

Your vote is important. Whether or not you plan to attend the special meeting, please promptly complete and return your proxy card in the enclosed envelope, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card.

By order of the board of directors,

Dublin, Ohio , 2008	Leon M. McCorkle, Jr. *Executive Vice President,* *General Counsel and Secretary* Wendy s International, Inc. 4288 West Dublin-Granville Road Dublin, Ohio 43017-0256

THIS JOINT PROXY STATEMENT/PROSPECTUS INCORPORATES ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Triarc and Wendy s from other documents filed with the Securities and Exchange Commission, which we refer to as the SEC, that are not included in or delivered with this joint proxy statement/prospectus. For a listing of the documents incorporated by reference into this joint proxy statement/prospectus, see Where You Can Find More Information beginning on page 227.

In this joint proxy statement/prospectus, Triarc, Triarc Class A common stock and Triarc Class B common stock refer to Triarc Companies, Inc. and its Class A common stock and Class B common stock, Series 1, respectively, prior to the completion of the merger. Upon the consummation of the merger and thereafter, Triarc is referred to as Wendy s/Arby s and Triarc Class A common stock is referred to as Wendy s/Arby s common stock.

You may obtain documents incorporated by reference into this joint proxy statement/prospectus, without charge, by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

TRIARC COMPANIES, INC.	**WENDY S INTERNATIONAL, INC.**
1155 Perimeter Center West	4288 West Dublin-Granville Road
Atlanta, Georgia 30338	Dublin, Ohio 43017-0256
(678) 514-4100	(614) 764-3100
Attention: Investor Relations	Attention: Investor Relations Department

You may also obtain documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from Innisfree M&A Incorporated, Triarc s proxy solicitor, or Georgeson Inc., Wendy s proxy solicitor, at the following addresses and telephone numbers:

Innisfree M&A Incorporated	**Georgeson Inc.**
501 Madison Avenue, 20th Floor	**199 Water Street, 26th Floor**
New York, NY 10022	**New York, NY 10038**
Stockholders Call Toll-Free: (888) 750-5834	**Shareholders Call Toll-Free: (866) 346-1016**
Banks and Brokers Call Collect: (212) 750-5833	**Banks and Brokers Call Collect: (212) 440-9800**

To receive timely delivery of the documents before your annual or special meeting, you must request them no later than , 2008.

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Annex A copy of Agreement and Plan of Merger
Annex B copy of Opinion of Wachovia Capital Markets, LLC
Annex C copy of Opinion of Greenhill & Co., LLC
Annex D copy of Triarc Companies, Inc. Certificate of Incorporation
Annex E form of Amendment to Triarc Companies, Inc. Certificate of Incorporation
Annex F copy of Triarc Companies, Inc. Bylaws
Annex G form of Amendment to Triarc Companies, Inc. Bylaws

Annex H form of Amendment No. 3 to Triarc Companies, Inc. Amended and Restated 2002 Equity Participation Plan

Annex I Ohio Revised Code Section 1701.85

Annex J copy of Triarc Voting Agreement

Annex K copy of Wendy s Voting Agreement

Annex L Map to the Wendy s Special Meeting

QUESTIONS AND ANSWERS ABOUT THE MEETINGS

Q: Why am I receiving this document?

A: We are delivering this document to you as both a joint proxy statement of Triarc and Wendy s and a prospectus of Triarc. It is a joint proxy statement because each of our boards of directors is soliciting proxies from its stockholders/shareholders. It is a prospectus because Triarc will issue shares of Wendy s/Arby s common stock in exchange for Wendy s common shares in the merger and convert shares of its Triarc Class B common stock into shares of Wendy s/Arby s common stock in connection with the merger.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote your shares as soon as possible to ensure that your shares will be represented at your company s annual or special meeting, as the case may be. You may vote your shares prior to the meeting, even if you plan to attend your company s meeting in person. Please follow the instructions set forth on the proxy card or on the voting instruction form provided

by the record holder if your shares are held in the name of your broker or other nominee.

Q: How do I vote?

A: You may vote before your annual or special meeting, as the case may be, in one of the following ways:

- use the toll-free number shown on your proxy card;
- visit the website shown on your proxy card to vote via the Internet; or
- complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

You may also vote your shares in person at your meeting.

Q: What voting requirements must be met in order for the matters relating to the merger to be approved?

A: For the matters to be approved by Triarc stockholders:

the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock (for purposes of the class vote, holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a separate class, and the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class, are required to

adopt the amendment to Triarc s certificate of incorporation to increase the number of authorized shares of Triarc Class A common stock;

the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class B common stock (for purposes of the class vote, holders of Triarc Class B common stock have one full vote for each share of that stock), voting together as a separate class, and the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share

of that stock
and holders of
Triarc Class A
common stock
have one full
vote for each
share of that
stock), voting
together as a
single class, are
required to
adopt the
amendment to
Triarc s
certificate of
incorporation to
convert each
issued and
outstanding
share of Triarc
Class B
common stock
into one share
of
Wendy s/Arby s
common stock
and provide that
there shall only
be one class of
authorized
common stock
of
Wendy s/Arby s;

1

the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class, is required to adopt each of the following amendments to Triarc s certificate of incorporation (a) to change the name of Triarc to Wendy s/Arby s Group, Inc., (b) to prohibit the issuance of preferred stock of Wendy s/Arby s to affiliates of Wendy s/Arby s unless offered ratably to the holders of

Wendy s/Arby s
common stock,
subject to an
exception in the
event that
Wendy s/Arby s
is in financial
distress and the
issuance is
approved by the
audit committee
of
Wendy s/Arby s
board of
directors, (c) to
amend the
definition of
Interested
Stockholder,
which is used in
the certificate of
incorporation in
connection with
requiring
increased
stockholder
approval
thresholds for
transactions with
affiliates, to
remove the
exception for
DWG
Acquisition
Group L.P., a
dissolved
partnership
formerly
controlled by
Nelson Peltz and
Peter W. May,
Triarc s
non-executive
Chairman and
Vice Chairman,
respectively, and
its affiliates, (d)
to provide that
Wendy s/Arby s
board of
directors shall

not have the power or authority to amend, alter or repeal Section 3 of Article I of the Wendy s/Arby s bylaws, as amended, which will provide that the headquarters of the Wendy s brand will be in the greater Columbus, Ohio area for a ten-year period following the completion of the merger, and (e) to provide that the purpose of Wendy s/Arby s is to engage in the restaurant business and complementary, incidental or ancillary businesses; and

the affirmative vote of a majority of the votes cast on the proposal by holders of shares of Triarc Class A common stock and Triarc Class B common stock (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of

that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class, is required to approve the issuance of Wendy s/Arby s common stock in the merger to Wendy s shareholders, provided that the total votes cast on the proposal represent over 50% of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock (for this purpose, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class, entitled to vote on the proposal to approve the issuance of Wendy s/Arby s

common stock in the merger to Wendy s shareholders.

For the matters to be approved by Wendy s shareholders:

the affirmative vote of a majority of the outstanding Wendy s common shares entitled to vote at the Wendy s special meeting is required to adopt the merger agreement.

For more details concerning the voting requirements, see Triarc Annual Meeting Voting Requirements and Wendy s Special Meeting Voting Requirements.

Q: If my shares are held in street name by a broker or other nominee, will my broker or nominee vote my shares for me?

A: If you are a Wendy s shareholder, your broker or other nominee does not have authority to vote on the merger proposal. If you are a Triarc stockholder, your broker or

other nominee does not have authority to vote on the three proposals relating to the adoption of the amendment to Triarc s certificate of incorporation (for a summary of these proposals, see Triarc Annual Meeting Purpose of the Annual Meeting) or the proposal to issue Wendy s/Arby s common stock in the merger. Your broker or other nominee will vote your shares held by it in street name with respect to these matters only if you provide instructions to it on how to vote. You should follow the directions your broker or other nominee provides.

Q: What if I do not vote on the matters relating to the merger?

A: If you are a Wendy s shareholder and you fail to respond with a vote or fail to instruct your

broker or other
nominee how to
vote on the
merger proposal,
it will have the
same effect as

a vote against the proposal to adopt the merger agreement. If you respond but do not indicate how you want to vote on the proposal to adopt the merger agreement, your proxy will be counted as a vote in favor of the proposal to adopt the merger agreement. If you respond and abstain from voting on the proposal to adopt the merger agreement, your proxy will have the same effect as a vote against the proposal to adopt the merger agreement.

If you are a Triarc stockholder and you fail to respond with a vote or fail to instruct your broker or other nominee how to vote on the three proposals relating to the adoption of the amendment to Triarc s certificate of incorporation (for a summary of these proposals, see Triarc Annual Meeting Purpose of the Annual Meeting) or the proposal to issue Wendy s/Arby s common stock in the merger, it will have the same effect as a vote against these proposals, each of which must be approved for the merger to occur. If you respond but do

not indicate how you want to vote on the proposals, your proxy will be counted as a vote in favor of these proposals. If you respond and abstain from voting, your proxy will have the same effect as a vote against these proposals.

Q: May I change my vote after I have delivered my proxy or voting instruction card?

A: Yes. You may change your vote at any time before your proxy is voted at your annual or special meeting, as the case may be.

You may revoke your proxy by giving notice of revocation in writing, by accessing the internet site stated on the form of proxy, by using the toll-free telephone number stated on the form of proxy, or by attending, and voting at, the annual or special meeting.

Your attendance at the annual or special meeting alone will not revoke any proxy.

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to

change your vote.

Q: Do I have dissenters rights?

A: Wendy s shareholders who do not vote in favor of the merger proposal and otherwise comply with the requirements and procedures of Section 1701.85 of the Ohio Revised Code, a copy of which is attached as Annex I to this joint proxy statement/prospectus, are entitled to exercise their dissenters rights, which generally entitle shareholders to receive a cash payment equal to the fair value of their Wendy s common shares in connection with the merger. A detailed description of the dissenters rights and procedures available to Wendy s shareholders is included in The Merger Dissenters Rights beginning on page 81.

Triarc stockholders do not have appraisal or dissenters rights in connection with the merger or any of the proposals to be considered at the annual meeting.

Q: Should I send in my stock certificates

now?

A: No. Please do not send your stock certificates with your proxy card.

If you are a holder of Wendy s common shares, you will receive written instructions from the exchange agent after the merger is completed on how to exchange your stock certificates for the merger consideration.

If you are a Triarc stockholder, you will keep your existing stock certificates, which will continue to represent the number of shares of Wendy s/Arby s common stock equal to the number of shares of Triarc Class A common stock or Triarc Class B common stock, as the case may be, you now hold. If you wish, you may exchange your existing Triarc stock certificates for certificates with the new Wendy s/Arby s name.

Q: Whom should I call with questions?

A: Triarc s stockholders should call Innisfree M&A Incorporated, Triarc s proxy solicitor, at (888) 750-5834 with

any questions about the merger and related transactions. Banks and brokers can call collect at (212) 750-5833.

Wendy s shareholders should call Georgeson Inc., Wendy s proxy solicitor, at (866) 346-1016 with any questions about the merger and related transactions. Banks and brokers can call collect at (212) 440-9800.

SUMMARY

This summary highlights selected information contained in this joint proxy statement/prospectus and may not contain all the information that is important to you. Triarc and Wendy s urge you to read carefully this joint proxy statement/prospectus in its entirety, as well as the annexes in their entirety. Additional important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information beginning on page 227.

The Companies

Triarc Companies, Inc.
1155 Perimeter Center West
Atlanta, Georgia 30338
(678) 514-4100

Triarc s corporate predecessor was incorporated in Ohio in 1929. Triarc reincorporated in Delaware in June 1994. Triarc is a holding company and, through its subsidiary Arby s Restaurant Group, Inc., which we refer to as Arby s Restaurant Group or ARG, is the franchisor of Arby s® restaurants. Arby s is the second largest quick service sandwich chain in the U.S. (according to *QSR* magazine) and specializes in roast beef and Market Fresh® premium sandwiches, subs, wraps and salads. As of June 29, 2008, the Arby s restaurant system consisted of 3,719 restaurants of which 1,169 were company-owned and operated. Of the 2,550 restaurants owned by 461 franchisees, 2,427 are operated within the U.S. and 123 are operated outside of the U.S., principally in Canada.

Wendy s International, Inc.
4288 West Dublin-Granville Road
Dublin, Ohio 43017-0256
(614) 764-3100

Wendy s International, Inc. was incorporated in 1969 under the laws of the State of Ohio. Wendy s® is primarily engaged in the business of operating, developing and franchising a system of distinctive quick service restaurants serving high quality food. As of June 29, 2008, there were 6,625 Wendy s restaurants in operation in the United States and in 21 other countries and territories. Of these restaurants, 1,402 were operated by Wendy s and 5,223 by Wendy s franchisees.

The Merger

A copy of the Agreement and Plan of Merger, dated as of April 23, 2008, is attached as Annex A to this joint proxy statement/prospectus. References throughout this joint proxy statement/prospectus to the merger agreement refer to the Agreement and Plan of Merger. We encourage you to read the entire merger agreement carefully because it contains all of the terms and conditions governing the merger.

The merger agreement provides for, among other things, the merger of Green Merger Sub, Inc., a wholly-owned Ohio subsidiary of Triarc and referred to herein as Merger Sub, with and into Wendy s. Following completion of the merger, Wendy s will continue as the surviving entity and will be a wholly-owned subsidiary of Triarc. The combined company will be named Wendy s/Arby s Group, Inc. At the completion of the merger, each outstanding common share of Wendy s, including restricted shares, will be converted into the right to receive 4.25 fully paid and non-assessable shares of Wendy s/Arby s common stock.

The merger agreement contains customary representations and warranties made by Triarc, Merger Sub and Wendy s. Under the merger agreement, each of Wendy s and Triarc has agreed to use commercially reasonable efforts to preserve substantially intact its current business organizations, to keep available the services of its current officers and

employees and to preserve its business relationships. Each of Triarc and Wendy s has also agreed to use its reasonable best efforts to obtain all approvals, consents or third party waivers necessary to consummate the merger, to contest or

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resist any judicial or administrative action or proceeding which challenges the merger and to cause the merger to qualify as a reorganization as described in Section 368(a) of the Internal Revenue Code.

Each party s obligation to effect the merger is subject to the satisfaction or waiver of various conditions at or prior to the time of the completion of the merger. Subject to certain exceptions, each of Triarc and Wendy s has agreed that it will not directly or indirectly solicit an alternate takeover proposal. In the event that the merger agreement is terminated, under certain circumstances, Wendy s may be required to reimburse Triarc for $10 million of its expenses incurred in connection with the merger. For a further discussion of the terms and conditions of the merger agreement, see The Merger Agreement beginning on page 86.

Consideration to be Received in the Merger by Wendy s Shareholders

Upon consummation of the merger, each outstanding Wendy s common share will be converted into 4.25 shares of Wendy s/Arby s common stock. We refer to the number of shares of Wendy s/Arby s common stock to be delivered in respect of each Wendy s common share in the merger as the exchange ratio.

Treatment of Stock Options and Other Stock-based Awards

Triarc

Triarc stock options and other equity-based awards will remain outstanding and will not be affected by the merger, except that, following the merger, the shares of Triarc Class B common stock and Triarc Class A common stock that would otherwise be issuable upon the exercise of stock options and other equity-based awards will instead all be shares of Wendy s/Arby s common stock.

Wendy s

In the merger, all outstanding Wendy s employee stock options and other stock-based awards, other than performance units, will be converted into options and stock-based awards of Wendy s/Arby s, and those options and awards will entitle the holder to receive Wendy s/Arby s common stock. The number of shares issuable under those options and awards, and the exercise prices for those options and awards, will be adjusted based on an exchange ratio of 1:4.25.

Wendy s outstanding performance units, whether vested or unvested, will be converted into the right to receive an amount in cash in U.S. dollars equal to the fair market value per share of Wendy s common shares at the time of the merger multiplied by the number of Wendy s common shares that are deemed to have vested in connection with the merger.

For a more complete discussion of the treatment of Wendy s stock options and other stock-based awards, see The Merger Agreement Treatment of Wendy s Stock Options and Other Stock- based Awards beginning on page 97.

Directors and Executive Management of Wendy s/Arby s Immediately Following the Merger

The board of directors of Wendy s/Arby s will initially be composed of 12 members, consisting of (i) ten (10) members of Triarc s current board of directors, including Roland C. Smith, the current Chief Executive Officer of Triarc, and Nelson Peltz and Peter W. May, the current Chairman and Vice Chairman of Triarc, respectively, and (ii) two members of Wendy s current board of directors designated by Wendy s and reasonably acceptable to Triarc. At the Triarc annual meeting, Triarc stockholders will elect eleven directors. At the effective time of the merger, one of the Triarc directors elected at the annual meeting will resign and Wendy s/Arby s will take all requisite action to cause the two nominees designated by Wendy s that are reasonably acceptable to Triarc to be appointed to the Wendy s/Arby s board of directors.

Wendy s/Arby s will have a consolidated support center based in Atlanta which will oversee all public company responsibilities of Wendy s/Arby s and shared service functions. The headquarters of

the Wendy s brand will remain in the greater Columbus, Ohio area following the merger. The headquarters of the Arby s brand will remain based in Atlanta.

For a more complete discussion of the management of Wendy s/Arby s, including expected directors and senior management, see The Merger Interests of Triarc Directors and Wendy s Directors and Executive Officers in the Merger beginning on page 74.

Recommendations of the Boards of Directors Relating to the Merger

Triarc

The Triarc board of directors unanimously recommends that holders of Triarc Class A common stock and Triarc Class B common stock vote for the proposals:

- to adopt the amendment to Triarc s certificate of incorporation to increase the authorized number of shares of Triarc Class A common stock to 1,500,000,000 in connection with the merger (which shares are referred to as Wendy s/Arby s common stock following completion of the merger);

- to adopt the amendment to Triarc s certificate of incorporation to convert each issued and outstanding share of Triarc Class B common stock into a share of Wendy s/Arby s common stock

and provide that there shall only be one class of authorized common stock of Wendy s/Arby s, in connection with the merger;

to adopt the amendment to Triarc s certificate of incorporation to change the name of Triarc to Wendy s/Arby s Group, Inc. ;

to adopt the amendment to Triarc s certificate of incorporation to prohibit the issuance of preferred stock of Wendy s/Arby s to affiliates of Wendy s/Arby s unless offered ratably to the holders of Wendy s/Arby s common stock, subject to an exception in the event that Wendy s/Arby s is in financial distress and the issuance is approved by the audit committee of Wendy s/Arby s board of directors;

to adopt the amendment to Triarc s certificate of incorporation to amend the definition of Interested Stockholder, which is used in the certificate of incorporation in connection with requiring increased stockholder approval thresholds for transactions with affiliates, to remove the exception for DWG Acquisition Group L.P., a dissolved partnership formerly controlled by Nelson Peltz and Peter W. May, Triarc s non-executive Chairman and Vice Chairman, respectively, and its affiliates;

to adopt the amendment to Triarc s certificate of incorporation to provide that Wendy s/Arby s board of directors shall not have the power or authority to amend, alter or

repeal Section 3 of Article I of the Wendy s/Arby s bylaws, as amended, which will provide that the headquarters of the Wendy s brand will be in the greater Columbus, Ohio area for a ten-year period following the completion of the merger;

to adopt the amendment to Triarc s certificate of incorporation to provide that the purpose of Wendy s/Arby s is to engage in the restaurant business and complementary, incidental or ancillary businesses; and

to approve the issuance of Wendy s/Arby s common stock in the merger.

For a more complete description of Triarc s reasons for the merger and the recommendation of the Triarc board of directors, see The Merger Strategic and Financial Rationale and Triarc Board of Directors Recommendation beginning on pages 51 and 52, respectively. For more details about the proposed amendment, see The Amendment to Triarc s Certificate of Incorporation beginning on page 104.

Wendy s

The Wendy s board of directors unanimously recommends (with four abstentions, due to actual or perceived conflicts of interest, from Jerry W. Levin, Peter H. Rothschild and Stuart I. Oran, because of their designation as nominees for election to the Wendy s board of directors by Trian

Partners Master Fund L.P., Trian Partners GP, L.P., Trian Partners, L.P., Trian Partners Parallel Fund I, L.P., Trian Partners Parallel Fund II, L.P. and Trian Fund Management, L.P., which are collectively referred to as the Trian funds, and Kerrii B. Anderson, the current Chief Executive Officer and President of Wendy s, because of her employment as Chief Executive Officer and President of Wendy s, resulting in interests that are different, or in addition to, the interests of Wendy s shareholders) that Wendy s shareholders vote for the adoption of the merger agreement.

For a more complete description of Wendy s reasons for the merger and the recommendation of the Wendy s board of directors, see The Merger Wendy s Board of Directors Recommendation beginning on page 54.

Reasons for the Merger

Triarc

In making its determination, the Triarc board of directors considered a number of strategic and financial benefits of a proposed merger. Among other factors, the Triarc board of directors focused on its belief that the merger is likely to:

- revitalize the Wendy s brand through the application of Arby s quick service restaurant managerial experience to the Wendy s business;

- improve trading characteristics of the Wendy s/Arby s common stock;

- create a combined company which could compete more effectively than Triarc on a standalone basis; and

- create synergies from consolidation at the corporate level resulting

in reduced overhead and administrative costs.

In making its determination, Triarc s board of directors considered a number of risks of the proposed merger. Among the risks considered were:

the possibility that the merger may not be completed;

the risk that the synergies and benefits sought in the merger may not be fully achieved;

the possibility that maintaining differing geographic locations of each of the Wendy s and Arby s headquarters could limit the ability to realize enhanced efficiencies; and

the interests that certain Triarc directors may have with respect to the merger in addition to their interests as

stockholders of Triarc generally.

Wendy s

In making its determination, the Wendy s board of directors considered a variety of factors with respect to the merger. The reasons for the Wendy s board of directors recommending the merger included:

- the merger consideration represented a premium over the trading price of the Wendy s common shares;
- Greenhill s opinion that the merger consideration was fair from a financial point of view;
- the risks related to a standalone plan and concerns regarding the ability of the current Wendy s board of directors and management to achieve its financial projections; and
- the determination of the Wendy s special committee that the merger and

the merger consideration would result in greater value to Wendy s shareholders than other strategic alternatives.

In making its determination, the Wendy s board of directors considered a number of risks of the proposed merger. Among the risks considered were:

Wendy s common shares traded in excess of the value of the merger consideration at various times over the past several years;

- the possibility that, under certain circumstances, Wendy s may be required to reimburse Triarc for fees and expenses of $10 million in the event that the merger agreement is terminated;
- that the failure to complete the merger could negatively impact Wendy s stock price; and
- the risk that the merger may not be completed as a result of a failure to satisfy the closing conditions.

For a discussion of the reasons why Triarc and Wendy s agreed to enter into the merger, see The Merger Strategic and Financial Rationale beginning on page 51, Triarc Board of Directors Recommendation beginning on page 52 and Wendy s Board of Directors Recommendation beginning on page 54.

Opinions of Financial Advisors

Triarc s Financial Advisor

In connection with the merger, the Triarc board of directors received an opinion, dated April 23, 2008, from Triarc s financial advisor, Wachovia Capital Markets, LLC, referred to in this joint proxy statement/prospectus as Wachovia Securities, as to the fairness, from a financial point of view and as of the date of such opinion, to Triarc of the exchange ratio provided for in the merger. **The full text of Wachovia Securities written opinion, dated April 23, 2008, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference in its entirety into this joint proxy statement/prospectus. This summary is qualified in its entirety by reference to the full text of the opinion. Wachovia Securities provided its opinion for the information and assistance of the Triarc board of directors in connection with its evaluation of the exchange ratio from a financial point of view to Triarc. Wachovia**

Securities opinion does not address any other aspect of the merger, does not address the merits of the underlying decision by Triarc to enter into the merger agreement or the relative merits of the merger compared with other business strategies or transactions available or that were or might be considered by Triarc s management or board of directors and does not constitute a recommendation as to how any stockholder should vote or act in connection with the merger or any other matters.

For a more complete description, see The Merger Opinion of Triarc s Financial Advisor beginning on page 56. See also Annex B to this joint proxy statement/prospectus.

Wendy s Financial Advisor

In connection with the merger, at the request of the Wendy s special committee, on April 23, 2008, Greenhill & Co., LLC (referred to herein as Greenhill) delivered its oral opinion, subsequently confirmed in writing, to the Wendy s board of directors that, as of the date of the opinion and based upon and subject to the limitations and assumptions stated in its opinion, the 4.25 shares of Triarc Class A common stock (as adjusted pursuant to the terms of the merger agreement, referred to herein as the consideration) to be received by holders of Wendy s common shares (other than Wendy s or any of its subsidiaries, Triarc or any of its affiliates or dissenting holders) is fair, from a financial point of view, to such shareholders (referred to herein as unaffiliated holders). **The full text of Greenhill s written opinion dated April 23, 2008, which contains the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of Greenhill s opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. You are urged to read the opinion in its entirety. Greenhill s written opinion was addressed to the Wendy s board of directors. It was not a recommendation to the Wendy s board of directors as to whether it should approve the merger or the merger agreement nor is it a recommendation as to how the shareholders of Wendy s should vote with respect to the merger or any other matter. Greenhill s opinion did not address the underlying business decision of Wendy s to engage in the merger or the relative merits of the merger as compared to any other alternative transaction, nor did it address the relative merits of or**

consideration offered in any such transaction as compared to the transactions contemplated by the merger agreement. Greenhill has not expressed any opinion as to any aspect of the transactions contemplated by the merger agreement other than the fairness, from a financial point of view, of the consideration to the unaffiliated holders.

For a more complete description, see The Merger Opinion of Wendy s Financial Advisor beginning on page 64. See also Annex C to this joint proxy statement/prospectus.

Interests of Triarc Directors and Wendy s Directors and Executive Officers in the Merger

Triarc

Certain of Triarc s directors have interests in the merger that are different from, or are in addition to, the interests of Triarc s stockholders. These interests include the fact that Nelson Peltz, Peter W. May and Edward P. Garden may be deemed to beneficially own % of Wendy s common shares as of the Wendy s record date through their ownership interest in the Trian funds.

For a further discussion, see The Merger Interests of Triarc Directors and Wendy s Directors and Executive Officers in the Merger beginning on page 74.

Wendy s

Wendy s directors and certain executive officers have interests in the merger that are different from, or are in addition to, the interests of Wendy s shareholders. These interests include:

the accelerated vesting of options as a result of a change in control for 762,412 Wendy s common shares with a weighted average exercise price of $28.705 held by Wendy s directors and certain executive officers with an aggregate value of $224,912, based on the

closing price per Wendy s common share of $29.00 on April 30, 2008;

the accelerated award and/or vesting of other equity based awards for Wendy s board of directors and certain executive officers valued at $9,633,425, based on the closing price per Wendy s common share of $29.00 on April 30, 2008;

payment of performance bonuses of up to $2,303,721 for certain executive officers; and

potential severance payments of up to $13,982,085 for certain executive officers.

The following table summarizes the total value of payments that may be received by Wendy s directors and executive officers under various agreements assuming the merger is consummated and they no longer serve in such positions as a result of the merger. The total value of payments is compiled from the table on page 76 summarizing the equity

awards, other than the resulting value of Wendy s common stock and the value related to Tim Hortons restricted stock, and the tables summarizing deferred compensation and estimated benefits on pages 78 and 79, respectively, of this joint proxy statement/prospectus:

Directors (excluding Kerrii B. Anderson)	$	4,584,641
Executive Officers	$	26,749,467
Total	$	31,334,108

The amounts described above are based on an assumed merger completion date of September 28, 2008, which is not necessarily representative of the actual effective time of the merger and do not take into account additional shares that will be acquired in connection with the dividend reinvestment provisions of existing equity awards for dividends payable after July 25, 2008. Stock options with an exercise price above $29.00 per share were excluded from these calculations.

Dissenters Rights

Triarc stockholders do not have appraisal or dissenters rights in connection with the merger or any proposals to be considered at the Triarc annual meeting.

Under Ohio law, if the merger is consummated, any Wendy s shareholder that does not vote for the adoption of the merger agreement may be entitled to seek relief as a dissenting shareholder under Section 1701.85 of the Ohio Revised Code. To perfect dissenters rights, a record holder must:

- not vote their Wendy s common shares in favor of the proposal to approve and adopt the merger agreement at the Wendy s special meeting;
- deliver a written demand for payment of the fair cash value of their Wendy s common shares on or before the tenth day following the Wendy s special meeting; and
- otherwise comply with the statute.

Wendy s common shares held by any person who desires to dissent but fails to perfect or who effectively withdraws or loses the right to dissent as of the effective time of the merger under Section 1701.85 of the Ohio Revised Code will be converted into, as of the effective time, the right to receive the merger consideration, without interest. A copy of Section 1701.85 of the Ohio Revised Code is attached as Annex I to this joint proxy statement/prospectus and is

incorporated herein by reference. For a discussion of dissenters rights, including the statutory procedure to be followed by dissenting shareholders in order to perfect such rights, see The Merger Dissenters Rights beginning on page 81.

Material U.S. Federal Income Tax Consequences of the Conversion and the Merger

The conversion of each share of Triarc Class B common stock into one share of Wendy s/Arby s common stock will qualify for U.S. federal income tax purposes either as a reorganization, a tax free exchange of stock for stock of the same corporation, or both.

The merger will qualify as a reorganization for U.S. federal income tax purposes. Holders of Wendy s common shares will not recognize income, gain or loss on the exchange of their Wendy s common shares for Wendy s/Arby s common stock, but may recognize income, gain or loss from the receipt of cash in exchange for fractional shares of their Wendy s common shares. It is a condition to each of Triarc s and Wendy s respective obligations to complete the merger that it receive a separate legal opinion, at the effective time of the merger, that confirms that the merger will qualify as a reorganization for U.S. federal income tax purposes.

For a more complete description of the material U.S. federal income tax consequences of the merger, see Material U.S. Federal Income Tax Consequences beginning on page 83.

The tax consequences of the conversion and the merger to you may depend on your own situation. In addition, you may be subject to state, local or foreign tax laws that are not addressed in this joint proxy statement/prospectus. You are urged to consult with your own tax advisor for a full understanding of the tax consequences of the conversion and the merger to you.

Regulatory Matters

The merger is also subject to the expiration or termination of the applicable waiting period under the U.S. antitrust laws. The merger agreement requires Triarc and Wendy s to make any required filings with governmental entities and use reasonable best efforts to take any action to resolve any regulatory objection in order to enable the closing of the merger to occur as soon as reasonably possible. On May 28, 2008, the United States Federal Trade Commission granted Wendy s and Triarc s request for early termination of the Hart-Scott-Rodino Act waiting period.

Conditions to Completion of the Merger

Each party s obligation to complete the merger is subject to the satisfaction or waiver of various conditions, including the following:

- receipt of the required stockholder/shareholder approvals;

- obtaining all necessary legal and regulatory approvals, consents and waivers, including the expiration or termination of the waiting period applicable to the merger

under the Hart-Scott-

Rodino Act and a declaration of effectiveness by the SEC of the registration statement of which this joint proxy statement/prospectus forms a part;

no law, judgment, injunction, order or decree by any court or other tribunal of competent jurisdiction which prohibits the consummation of the merger shall have been adopted or entered and shall continue to be in effect;

approval for listing on the NYSE of Wendy s/Arby s common stock to be issued in the merger;

accuracy of the other party s representations and warranties in the merger agreement;

the other party s compliance with its obligations under the merger agreement;

receipt of opinions of counsel relating to the U.S. federal income tax treatment of the merger; and

the other party having prepared amendments to all of its domestic and

international franchise agreements where required by law and filed registrations for application of each of such amended domestic and international franchise agreements.

Wendy s obligation to effect the merger is also subject to the satisfaction or waiver of various additional conditions, including the following:

- Triarc having deposited with the exchange agent a sufficient amount of Wendy s/Arby s common stock to issue the merger consideration to Wendy s shareholders upon consummation of the merger; and

- effectiveness of an amendment to Triarc s bylaws providing that the Wendy s brand shall be headquartered in the greater Columbus, Ohio area for at least ten years from the date the merger is consummated.

Triarc s obligation to effect the merger is also subject to the satisfaction or waiver of various additional conditions, including the following:

the total number of Wendy s dissenting shares not exceeding 5% of the aggregate issued and outstanding Wendy s common shares as of the date of the merger.

The merger agreement provides that any or all of these conditions may be waived, in whole or in part, by Triarc or Wendy s, to the extent legally allowed. Neither Triarc nor Wendy s currently expects to waive any material condition to the completion of the merger. For a more complete discussion of the conditions to the merger, see The Merger Agreement Conditions to Completion of the Merger beginning on page 91.

Material Events Following Completion of the Merger

Certain material events may occur as a result of the completion of the merger. These events could have a material effect on Wendy s/Arby s. See Risk Factors beginning on page 28. These events include:

Realization of the anticipated benefits in the merger will depend on Wendy s/Arby s ability to successfully integrate corporate and administrative business functions and improve and grow the restaurant operations of Wendy s and Arby s. The resulting company will be required to devote significant management

attention and resources to integrating its business practices and support functions.

Triarc stockholders and Wendy s shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management. Triarc stockholders and Wendy s shareholders currently have the right to vote in the election of the board of directors of Triarc and Wendy s, respectively, and on other matters affecting Triarc and Wendy s, respectively. When the merger occurs, each Wendy s shareholder that receives shares of Wendy s/Arby s common stock will become a stockholder of Wendy s/Arby s with a

percentage
ownership that
is smaller than
such
shareholder s
percentage
ownership of
Wendy s.
Similarly,
when the
merger occurs,
because each
Wendy s
shareholder
will become a

stockholder of Wendy s/Arby s, the percentage ownership of a Triarc stockholder in Wendy s/Arby s will be smaller than such stockholder s percentage ownership of Triarc.

Termination of the Merger

The merger agreement may be terminated by Triarc or Wendy s before completion of the merger in certain circumstances, including after stockholder/shareholder approval is obtained. In addition, the merger agreement provides that Wendy s may be required to pay the expenses of Triarc in an amount equal to $10 million in the circumstances generally described below:

if, prior to receiving the approval of the Wendy s shareholders, Wendy s terminates the merger agreement after its board of directors approves a superior proposal and promptly following such termination, enters into a definitive agreement in connection with such superior proposal, provided that Wendy s shall have complied with its obligations under the non-solicitation provisions of the

merger agreement; or

if Triarc terminates the merger agreement because Wendy s (1) withdraws its recommendation that the shareholders of Wendy s adopt the merger agreement, (2) fails to include its recommendation in the proxy statement, (3) recommends or approves any alternative takeover proposal of Wendy s, (4) fails to publicly reaffirm its recommendation following the receipt of an alternative takeover proposal or (5) materially breaches its obligations under the non-solicitation provisions of the merger agreement or fails to hold the meeting of the Wendy s shareholders or to use reasonable best efforts to solicit proxies in favor of the adoption of the

merger
agreement and to
obtain the
approval of the
Wendy s
shareholders.

If the merger agreement is terminated upon the occurrence of certain events, the Trian funds will be bound for up to three years by certain provisions that, among other things, restrict their ability to directly or indirectly acquire additional securities of Wendy s, enter or propose to enter into any business combination with Wendy s or make, or in any way participate or engage in, any solicitation of proxies or consents to vote with respect to any voting securities of Wendy s. See The Voting Agreements beginning on page 100.

See The Merger Agreement Termination Events; Expense Reimbursement Required and Termination Events; No Expense Reimbursement each beginning on page 96 for a discussion of the circumstances under which the parties may terminate and under which expense reimbursement will be required to be paid.

Voting Agreements

Concurrently with the execution of the merger agreement, (i) Nelson Peltz and Peter W. May entered into a voting agreement with Triarc and (ii) the Trian funds entered into a voting agreement with Wendy s.

Mr. Peltz and Mr. May have agreed to vote all of their shares of Triarc Class A common stock and Triarc Class B common stock in favor of the proposals relating to the adoption of the amendments to Triarc s certificate of incorporation and in favor of the issuance of the Wendy s/Arby s common stock to be issued in the merger. Mr. Peltz and Mr. May also agreed to certain restrictions on their ability to transfer their shares of Triarc common stock. As of the Triarc record date, Mr. Peltz and Mr. May may be deemed to beneficially own, in the aggregate, approximately % of the outstanding shares of Triarc Class A common stock and % of the outstanding shares of Triarc Class B common stock, representing approximately % of the total voting power of Triarc.

The Trian funds have agreed to vote their Wendy s shares in favor of adoption of the merger agreement. The Trian funds have also agreed to certain restrictions on their ability to transfer their Wendy s shares. As of the Wendy s record date, the Trian funds may be deemed to beneficially own, in the aggregate, approximately % of the total voting power of Wendy s.

The Trian funds have also agreed that if the merger agreement is terminated upon the occurrence of certain events, the Trian funds will be bound for up to three years by certain

provisions that, among other things, restrict the Trian funds ability to directly or indirectly acquire additional securities of Wendy s, enter or propose to enter into any business combination with Wendy s or make, or in any way participate or engage in, any solicitation of proxies or consents to vote with respect to any voting securities of Wendy s.

For a more complete description, see The Voting Agreements beginning on page 100.

Comparison of Rights of Stockholders/Shareholders of Triarc, Wendy s and Wendy s/Arby s

Triarc is a Delaware corporation. Wendy s is an Ohio corporation. The shares of Wendy s/Arby s common stock that Wendy s shareholders will receive in the merger will be stock of a Delaware corporation. Stockholder rights under Delaware law and shareholder rights under Ohio law are different. In addition, the certificate of incorporation, as amended, and bylaws, as amended, of Wendy s/Arby s will contain provisions that are different from the articles or certificate of incorporation and regulations or bylaws of Wendy s and Triarc, respectively. At the Triarc annual meeting, Triarc stockholders will be asked, among other things, to adopt several amendments to Triarc s certificate of incorporation which, upon consummation of the merger, will be the certificate of incorporation of Wendy s/Arby s. The Wendy s/Arby s certificate of incorporation, as amended, will include material changes to Triarc s certificate of incorporation, which are necessary to effect the merger. For a more detailed description of the terms of Wendy s/Arby s certificate of incorporation, as amended, see Authorized Capital Stock of Wendy s/Arby s beginning on page 204. Triarc stockholders are not being asked to vote on Wendy s/Arby s bylaws. Although Wendy s shareholders will be asked to adopt the merger agreement at the Wendy s special meeting, the approval by Wendy s shareholders of Wendy s/Arby s certificate of incorporation and bylaws, by themselves, is not required.

For a summary of certain differences among the rights of holders of Triarc Class A common stock, Triarc Class B common stock, Wendy s common shares and Wendy s/Arby s common stock, see Comparison of Rights of Stockholders/Shareholders of Triarc, Wendy s and Wendy s/Arby s beginning on page 210.

Matters to be Considered at the Meetings

Triarc Annual Meeting

Triarc stockholders will be asked to vote on the following proposals:

to adopt the amendment to Triarc s certificate of incorporation to increase the authorized number of shares of Triarc Class A common stock to 1,500,000,000 in connection with the merger (which shares of Triarc Class A common stock are referred to as shares of Wendy s/Arby s common stock following completion of the merger);

to adopt the amendment to Triarc s certificate of incorporation to convert each issued and outstanding share of Triarc Class B common stock into one share of Wendy s/Arby s common stock and provide that there shall only be one class of authorized common stock of Wendy s/Arby s, in connection with the merger;

to adopt the amendment to Triarc s certificate of incorporation to change the name of Triarc to Wendy s/Arby s Group, Inc. ;

to adopt the amendment to Triarc s certificate of incorporation to prohibit the issuance of preferred stock of Wendy s/Arby s to affiliates of Wendy s/Arby s

unless offered ratably to the holders of Wendy s/Arby s common stock, subject to an exception in the event that Wendy s/Arby s is in financial distress and the issuance is approved by the audit committee of Wendy s/Arby s board of directors;

to adopt the amendment to Triarc s certificate of incorporation to amend the definition of Interested Stockholder, which is used in the certificate of incorporation in connection with requiring increased stockholder approval thresholds for transactions with affiliates, to remove the exception for DWG Acquisition Group L.P., a dissolved partnership formerly controlled by Nelson Peltz and Peter W. May, Triarc s non-executive Chairman and Vice Chairman, respectively, and its affiliates;

to adopt the amendment to Triarc s certificate of incorporation to provide that Wendy s/Arby s board of directors shall not have the power or authority to amend, alter or repeal Section 3 of Article I of the Wendy s/Arby s bylaws, as amended, which will provide that the headquarters of the Wendy s brand will be in the greater Columbus, Ohio area for a ten-year period following the completion of the merger;

to adopt the amendment to Triarc s certificate of incorporation to provide that the purpose of Wendy s/Arby s is to engage in the restaurant business and complementary, incidental or ancillary businesses;

(A copy of the current Triarc certificate of incorporation, as amended, is attached to this joint proxy statement/prospectus as Annex D. A copy of the form of amendment is attached to this joint proxy statement/prospectus as Annex E. For more details about the proposed amendment, see The Amendment to Triarc s Certificate of Incorporation.)

to approve the issuance of Wendy s/Arby s common stock in the merger;

to approve any motion to adjourn the Triarc annual meeting to another time or place, if necessary, to solicit additional proxies if there are insufficient votes at the time of the Triarc annual meeting to approve the proposals related to the merger;

to elect eleven directors to hold office as specified in this joint proxy statement/prospectus;

to approve an amendment to Triarc s Amended and Restated 2002 Equity Participation Plan to increase the number of shares reserved for issuance under the plan by an additional 7,400,000 shares of Triarc Class B common stock, prohibit the repricing of outstanding awards without prior stockholder approval and eliminate the ability of Triarc to grant reload option awards or stock options or SARs with exercise prices below fair market value on the date of grant;

to ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2008; and

to conduct other business that properly comes before the Triarc annual meeting and any adjournment or postponement of the meeting.

Each of the first eight proposals listed above relating to the merger is conditioned upon approval of each of the other seven and the approval of each such proposal is required for completion of the merger. None of the seven proposals relating to the adoption of the amendment to Triarc s certificate of incorporation or the proposal to issue Wendy s/Arby s common stock in the merger will be implemented unless all eight proposals related to the merger are approved by the Triarc stockholders and the merger is completed.

Recommendation of Triarc s board of directors:	The Triarc board of directors unanimously recommends that Triarc stockholders vote to approve all of the proposals set forth above, as more fully described under Triarc Annual Meeting beginning on page 109.

Wendy s Special Meeting

Wendy s shareholders will be asked to vote on the following proposals:

to adopt the merger agreement; and

to approve any motion to adjourn the Wendy s special meeting to another time or place, if necessary, to solicit additional proxies if there are insufficient votes at the time of the Wendy s special meeting to adopt the merger agreement.

Recommendation of Wendy s board of directors:	The Wendy s board of directors unanimously recommends (with four abstentions due to actual or perceived conflicts of interest, from Jerry W. Levin, Peter H. Rothchild and Stuart I. Oran, because of their designation to the Wendy s board of directors by the Trian funds, and Kerrii B. Anderson, the current Chief Executive Officer and President of Wendy s, because of her employment as Chief Executive Officer and President of Wendy s, resulting in interests that are different, or in addition to, the interests of Wendy s shareholders) that Wendy s shareholders vote to approve the proposals set forth above, as more fully described under Wendy s Special Meeting beginning on page 181.

Required Vote

Triarc

For the matters to be approved by Triarc stockholders:

the amendment to the Triarc certificate of incorporation increasing the number of authorized shares of Triarc Class A common stock requires the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock (for purposes of the class vote, holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a separate class, and the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock

entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class;

the amendment to Triarc s certificate of incorporation to convert each issued and outstanding share of Triarc Class B common stock into one share of Wendy s/Arby s common stock and provide that there shall be one class of authorized common stock of Wendy s/Arby s requires the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class B common stock (for purposes

of the class vote, holders of Triarc Class B common stock have one full vote for each share of that stock), voting together as a separate class, and the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class;

the amendment to Triarc s certificate of incorporation to change the name of Triarc to Wendy s/Arby s Group, Inc.

requires the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class;

the amendment to Triarc s certificate of incorporation to prohibit the issuance of preferred stock of Wendy s/Arby s to affiliates of Wendy s/Arby s unless offered ratably to the holders of Wendy s/Arby s common stock, subject to an exception in the event that

Wendy s/Arby s is in financial distress and the issuance is approved by the audit committee of Wendy s/Arby s board of directors, requires the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class;

the amendment to Triarc s certificate of incorporation to amend the definition of Interested Stockholder, which is used

in the certificate of incorporation in connection with requiring increased stockholder approval thresholds for transactions with affiliates, to remove the exception for DWG Acquisition Group L.P., a dissolved partnership formerly controlled by Nelson Peltz and Peter W. May, Triarc s non executive Chairman and Vice Chairman, respectively, and its affiliates, requires the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock

and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class;

the amendment to Triarc s certificate of incorporation to provide that Wendy s/Arby s board of directors shall not have the power or authority to amend, alter or repeal Section 3 of Article I of the Wendy s/Arby s bylaws, as amended, which will provide that the headquarters of the Wendy s brand will be in the greater Columbus, Ohio area for a ten-year period following the completion of the merger requires the affirmative vote of a majority of the total

voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class;

the amendment to Triarc s certificate of incorporation to provide that the purpose of Wendy s/Arby s is to engage in the restaurant business and complementary, incidental or ancillary businesses requires the affirmative vote of a majority of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock

entitled to vote (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting together as a single class; and

the issuance of Wendy s/Arby s common stock in the merger to Wendy s shareholders requires the affirmative vote of a majority of the votes cast on the proposal by holders of shares of Triarc Class A common stock and Triarc Class B common stock (for purposes of this vote, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), voting

together as a single class, provided that the total votes cast on the proposal represent over 50% of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock (for this purpose, holders of Triarc Class B common stock have 1/10 vote for each share of that stock and holders of Triarc Class A common stock have one full vote for each share of that stock), entitled to vote on the proposal.

Wendy s

For the matters to be approved by Wendy s shareholders:

the proposal to adopt the agreement and plan of merger requires the affirmative vote of a majority of the outstanding Wendy s common shares entitled to vote at the

Wendy s
special
meeting.

For more details concerning the voting requirements, see Triarc Annual Meeting Votes Required beginning on page 109 and Wendy s Special Meeting Voting Requirements beginning on page 181.

Voting by Triarc and Wendy s Directors and Executive Officers

On the Triarc record date, Messrs. Peltz and May, directors of Triarc, were entitled to vote shares of Triarc Class A common stock, representing % of the outstanding shares of Triarc Class A common stock and shares of Triarc Class B common stock, representing % of the outstanding shares of Triarc Class B common stock, and representing in the aggregate, approximately % of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote at the Triarc annual meeting. Pursuant to a voting agreement with respect to the merger entered into with Triarc on April 23, 2008, Messrs. Peltz and May have agreed, subject to the terms of the voting agreement, to vote their shares in favor of Proposals 1, 2, 3, 4, 5, 6, 7 and 8. For more details about the voting agreement, see The Voting Agreements beginning on page 100. Triarc has been informed that Messrs. Peltz and May will also vote their shares in accordance with the recommendation of the Triarc board of directors, in favor of Proposals 9, 10, 11 and 12. On the Triarc record date, directors and executive officers of Triarc and their affiliates (excluding Messrs. Peltz and May) owned and were entitled to vote shares of Triarc Class A common stock, representing % of the outstanding shares of Triarc Class A common stock, and shares of Triarc Class B common stock, representing % of the outstanding shares of Triarc Class B common stock, and representing in the aggregate approximately % of the total voting power of the outstanding shares of Triarc Class A common stock and Triarc Class B common stock entitled to vote at the Triarc annual meeting. See Triarc Annual Meeting Voting by Triarc Directors and Executive Officers.

On the Wendy s record date, directors and executive officers of Wendy s and their affiliates owned and were entitled to vote Wendy s common shares, representing % of the outstanding Wendy s common shares. See Wendy s Special Meeting Voting Power of Wendy s Directors and Executive Officers beginning on page 183.

Comparative Per Share Information (Unaudited)

The following unaudited comparative per share data is derived from the historical consolidated financial statements of each of Triarc and Wendy s and the Unaudited Pro Forma Combined Condensed Financial Statements of Wendy s/Arby s provided in this joint proxy statement/ prospectus. The information below should be read in conjunction with the financial statements and accompanying notes of Triarc and Wendy s, which are incorporated by reference into this joint proxy statement/prospectus. We urge you also to read Unaudited Pro Forma Combined Condensed Financial Statements of Wendy s/Arby s beginning on page 191.

	As of and for the year ended December 30, 2007	As of and for the three months ended March 30, 2008
Triarc-Historical:		
Book value per share		
Class A common stock	$ 4.85	$ 3.92
Class B common stock	$ 4.85	$ 3.92
Basic and diluted income (loss) per share from continuing operations:		
Class A common stock	$ 0.15	$ (0.73)
Class B common stock	$ 0.17	$ (0.73)
Cash dividends per share		
Class A common stock	$ 0.32	$ 0.08
Class B common stock	$ 0.36	$ 0.09
Wendy s-Historical:		
Book value per share	$ 9.20	$ 9.11
Earnings per share from continuing operations:		
Basic	$ 0.97	$ 0.05
Diluted	$ 0.96	$ 0.05
Cash dividends per share	$ 0.46	$ 0.125
Wendy s Equivalent(1):		
Book value per share	$ 2.16	$ 2.14
Earnings per share from continuing operations		
Basic	$ 0.23	$ 0.01
Diluted	$ 0.23	$ 0.01
Cash dividends per share	$ 0.11	$ 0.03
Wendy s/Arby s Pro Forma:		
Book value per share		$ 6.08
Income (loss) per share from continuing operations		
Basic	$ 0.09	$ (0.15)
Diluted	$ 0.09	$ (0.15)
Cash dividends per share(2)	$ 0.16	$ 0.04

(1) Represents Wendy s historical data as adjusted by the exchange ratio.

(2) Based on historical dividends paid by Triarc and Wendy s. See Market Prices and Dividends and Other Distributions.

Market Prices and Dividends and Other Distributions

Stock Prices

The table below presents the closing sales price per share of Triarc Class A common stock, which trades on the NYSE under the symbol TRY, the closing sales price per share of Triarc Class B common stock which trades on the NYSE under the symbol TRY.B, the closing sales price per Wendy s common share, which trades on the NYSE under the symbol WEN, and the market value of one Wendy s common share on an equivalent per share basis based on the exchange ratio. These prices are presented on four dates:

- March 12, 2008, 30 trading days prior to the public announcement of the signing of the merger agreement;
- April 17, 2008, five trading days prior to the public announcement of the signing of the merger agreement;
- April 23, 2008, the last trading day before the public announcement of the signing of the merger agreement; and
- July 30, 2008, the latest practicable date before the date of this joint proxy statement/prospectus.

	Triarc Class A common stock($)	Triarc Class B common stock($)	Wendy s common stock($)	Wendy s Equivalent Per Share(1)($)
March 12, 2008	7.06	7.26	23.91	30.02
April 17, 2008	6.64	6.86	25.10	28.22
April 23, 2008	6.30	6.50	25.32	26.78
July 30, 2008	5.53	5.58	23.06	23.50

(1) The equivalent data per Wendy s common share has been determined by multiplying the closing price on the applicable date of one share of Triarc Class A common stock by 4.25.

The above table shows only historical comparisons. These comparisons may not provide meaningful information to Triarc stockholders or Wendy s shareholders in determining whether to approve the proposals relating to the merger. Triarc stockholders and Wendy s shareholders are urged to obtain current market quotations for Triarc Class A common stock, Triarc Class B common stock and Wendy s common shares and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference herein before voting at the annual or special meeting, as the case may be.

Dividends and Other Distributions

Triarc paid aggregate cash dividends of $0.32 per share on Triarc Class A common stock and of $0.36 per share on Triarc Class B common stock in 2007. In accordance with the certificate of designation for Triarc Class B common stock, and resolutions adopted by the board of directors on June 5, 2007, Triarc Class B common stock was entitled, through December 30, 2007, to receive regular quarterly cash dividends equal to at least 110% of any regular quarterly cash dividends paid on Triarc Class A common stock. However, the Triarc board of directors determined that for the first and second fiscal quarters of 2008 it would continue to pay regular quarterly cash dividends at that higher rate on Triarc Class B common stock when regular quarterly cash dividends are paid on Triarc Class A common stock. Thereafter, each share of Triarc Class B common stock is entitled to at least 100% of the regular quarterly cash dividend paid on each share of Triarc Class A common stock. In addition, Triarc Class B common stock has a $0.01 per share preference in the event of any liquidation, dissolution or winding up of Triarc and, after each share of Triarc Class A common stock also receives $0.01 per share in any such liquidation, dissolution or winding up, Triarc Class B common stock would thereafter participate equally on a per share basis with Triarc Class A common stock in any remaining assets of Triarc.

On March 14, 2008 and June 16, 2008, Triarc paid regular quarterly cash dividends of $0.08 and $0.09 per share on Triarc Class A common stock and Triarc Class B common stock, respectively, to

holders of record on March 1, 2008 and June 2, 2008 respectively. In addition, on April 4, 2008, Triarc paid a special dividend on its Triarc Class A common stock and Triarc Class B common stock consisting of 0.106028 shares of Deerfield Capital Corp. common stock for each share of Triarc Class A common stock outstanding and each share of Triarc Class B common stock outstanding to holders of record on March 29, 2008. This dividend represented the distribution of 9,629,368 shares of Deerfield Capital Corp. common stock Triarc had received in connection with the sale of its majority interest in Deerfield & Company LLC, a Chicago-based asset management firm which we refer to as Deerfield, to Deerfield Capital Corp. and all other shares of Deerfield Capital Corp. common stock held by Triarc.

Wendy s paid aggregate cash dividends of $0.46 per share in 2007. In February 2007, Wendy s announced that based on its cash position and strategic direction, it intended to increase its aggregate annual common stock dividend rate by 47% to $0.50 per share from the aggregate annual rate of $0.34 per share established in the fourth quarter of 2006 following the spin-off of Tim Hortons Inc. Prior to the spin-off, the aggregate annual common stock dividend had been $0.68 per share. On May 19, 2008, Wendy s paid a cash dividend of $0.125 per share to shareholders of record as of May 5, 2008. On July 25, 2008, Wendy s announced that its board of directors approved a quarterly dividend of $0.125 per share, payable August 18, 2008 to shareholders of record as of August 4, 2008.

There can be no assurance that any regular quarterly cash dividends will be declared or paid by Wendy s/Arby s or the amount or timing of such dividends, if any. Any future dividends will be made at the discretion of Wendy s/Arby s board of directors and will be based on such factors as earnings, financial condition, cash requirements and other factors. See Risk Factors Risk Factors Relating to the Merger There can be no assurance regarding whether or to what extent Wendy s/Arby s will pay dividends on its common stock in the future.

SELECTED HISTORICAL FINANCIAL DATA OF TRIARC

The following table sets forth selected historical financial data for Triarc. The following data at and for each of the five years ended December 30, 2007 has been derived from Triarc s audited consolidated financial statements. The following data at March 30, 2008 and for the three months ended April 1, 2007 and March 30, 2008 has been derived from Triarc s unaudited consolidated financial statements, which in the opinion of Triarc s management, include all adjustments considered necessary for a fair presentation. The following information should be read together with Triarc s audited consolidated financial statements for the year ended December 30, 2007 and Triarc s unaudited consolidated financial statements for the three months ended March 30, 2008, and the notes related to those financial statements, which are incorporated by reference into this joint proxy statement/prospectus. The information set forth below is not necessarily indicative of the results of future operations.

	As of and for the three months ended		As of or for the year end		
	March 30, 2008	**April 1, 2007**	**December 30, 2007(2)(3)**	**December 31, 2006(2)(3)**	**January 1, 2006(2)(3)**
			(in millions except per share amounts)		
Revenues	$ 303	$ 302	$ 1,264	$ 1,243	$ 727
Operating profit (loss)	8	8	20 (10)	45	(31)(8)
Income (loss) from continuing operations	(67)(11)	7	15 (10)	(11)(9)	(58)(8)
Income (loss) from discontinued operations		(0)	1	(0)	3
Net income (loss)	(67)(11)	7	16 (10)	(11)(9)	(55)(8)
Basic and diluted income (loss) per share(4) from continuing operations:					
Class A common stock	(.73)	.07	.15	(.13)	(.84)
Class B common stock	(.73)	.08	.17	(.13)	(.84)
Cash dividends per share					
Class A common stock	.08	.08	.32	.77	.29
	.09	.09	.36	.81	.33

Class B common stock					
Working capital (deficit)	(57)	148	(37)	161	296
Total assets	1,405	1,520	1,455	1,560	2,809
Long-term debt	728	706	712	702	895
Stockholders equity	364	465	449	478	398
Weighted average shares outstanding (in thousands)(5):					
Class A common stock	28,884	28,760	28,836	27,301	23,766
Class B common stock	63,660	63,288	63,523	59,343	46,245

(1) Triarc Companies, Inc. and its subsidiaries report on a fiscal year consisting of 52 or 53 weeks ending on the Sunday closest to December 31. Deerfield, in which Triarc held a 63.6% capital interest from July 22, 2004 through its sale on December 21, 2007, Deerfield Opportunities Fund, LLC (the Opportunities

Fund), which commenced on October 4, 2004 and in which Triarc s investment was effectively redeemed on September 29, 2006, and DM Fund LLC, which commenced on March 1, 2005 and in which Triarc s investment was effectively redeemed on December 31, 2006, reported on a calendar year ending on December 31 through their respective sale or redemption dates. In accordance with this method, each of Triarc s fiscal years presented above contained 52 weeks except for the 2004 fiscal year which contained 53 weeks. All references to years relate to fiscal years rather than calendar

years.

(2) Selected financial data reflects the changes related to the adoption of the following new accounting standards:

(a) Triarc adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48) as of January 1, 2007. FIN 48 clarifies how uncertainties in income taxes should be reflected in financial statements in accordance with SFAS 109, Accounting for Income Taxes. FIN 48 prescribes a recognition

threshold and measurement attribute for financial statement recognition and measurement of potential tax benefits associated with tax positions taken or expected to be taken in income tax returns. FIN 48 prescribes a two-step process of evaluating a tax position, whereby an entity first determines if it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is then measured for purposes of financial statement recognition as the largest amount of benefit that is greater than 50 percent likely of being realized upon being effectively settled. There was no effect on the 2007 statement of operations from the adoption of FIN 48. However, there was a net reduction of $2.3 in stockholders equity as of January 1, 2007.

(b) In conjunction with the adoption of the provisions of Financial Accounting Standards Board Staff Position No. AUG AIR-1, Accounting for Planned Major Maintenance Activities (FSP AIR-1), Triarc now accounts for scheduled major aircraft maintenance overhauls in accordance with the direct expensing method under which the actual cost of such overhauls is recognized as expense in the period it is incurred. Previously, Triarc accounted for scheduled major maintenance activities in accordance with the accrue-in-advance method under which the estimated cost of such overhauls was recognized as expense in periods through the scheduled date of the respective overhaul with any difference between estimated and actual cost recorded in results from operations at the time of the actual overhaul. In accordance with the retroactive application of FSP AIR-1, Triarc has credited (charged)

$0.6, $0.7, ($0.2) and $1.3 to operating profit (loss) and $0.4, $0.5, ($0.1) and $0.8 to income (loss) from continuing operations and net income (loss) for 2006, 2005, 2004 and 2003, respectively.

(c) Triarc adopted SFAS No. 123 (revised 2004), Share-Based Payment SFAS 123(R) , which revised SFAS No. 123, Accounting for Stock-Based Compensation (SFAS 123) effective January 2, 2006. As a result, Triarc measures the cost of employee services received in exchange for an award of equity instruments, including grants of employee stock options and restricted stock, based on the fair value of the award at the date of grant. Triarc previously used the intrinsic value method to measure employee share-based compensation. As Triarc used the modified prospective adoption method under SFAS 123(R), there was no effect from the adoption of this standard on the financial statements

for all periods presented prior to the adoption date.

(3) Selected financial data reflects the operations of RTM Restaurant Group (RTM) commencing with its acquisition by Triarc on July 25, 2005.

(4) Income (loss) per share amounts reflect the effect of a stock distribution (the Stock Distribution) on September 4, 2003 of two shares of Triarc s Class B common stock, for each share of Triarc s Class A common stock issued as of August 21, 2003, as if the Stock Distribution had occurred at the beginning of the year ended December 28, 2003. For the purposes of calculating income per share, net income subsequent to the date of the Stock Distribution was allocated between the shares of Triarc Class A common stock and Triarc Class B common stock based on the actual dividend payment ratio. For the purposes of calculating loss per share, the net loss for any year was allocated equally.

(5) The weighted average shares outstanding reflect the effect of the Stock Distribution. The number of shares used in the calculation of diluted income (loss) per share are the same as basic income (loss) per share for the years 2003, 2005 and 2006 since all potentially dilutive securities would have had an antidilutive effect based on the loss from continuing operations for each of those years. The number of shares used in the calculation of diluted income per share of Triarc Class A and Triarc Class B common stock for 2004 are 23,415 and 43,206, respectively. The numbers of shares used in the calculation of diluted income per share of Triarc Class A and Triarc Class B common stock for 2007 are 28,965 and 64,282, respectively. These shares used for the calculation of diluted income per share in 2004 and 2007 consist of the weighted average common shares outstanding for each class of common stock and potential common shares

reflecting the effect
of dilutive stock
options and
nonvested restricted
shares of

1,182 for Triarc Class A common stock and 2,366 for Triarc Class B common stock in 2004 and, in 2007, 129 for Triarc Class A common stock and 759 for Triarc Class B common stock.

(6) Reflects certain significant charges and credits recorded during 2003 as follows: $22.0 charged to operating loss representing an impairment of goodwill; $11.8 charged to loss from continuing operations representing the aforementioned $22.0 charged to operating loss partially offset by (1) a $5.8 gain on sale of unconsolidated business arising principally from the sale by Triarc of a portion of its investment in an equity method investee and a non-cash gain to Triarc from the public offering by the investee of its common stock and (2) $4.4 of income tax benefit relating to the above net charges; and $9.6 charged to net loss representing the

aforementioned $11.8 charged to loss from continuing operations partially offset by a $2.2 credit to income from discontinued operations principally resulting from the release of reserves, net of income taxes, in connection with the settlement of a post-closing sales price adjustment related to the sale of Triarc s beverage businesses.

(7) Reflects certain significant credits recorded during 2004 as follows: $17.3 credited to income from continuing operations representing (1) $14.6 of income tax benefit due to the release of income tax reserves which were no longer required upon the finalization of the examination of Triarc s Federal income tax returns for the years ended December 31, 2000 and December 30, 2001, the finalization of a state income tax examination and the expiration of the statute of limitations for the

examination of certain of Triarc s state income tax returns and (2) a $2.7 credit, net of a $1.6 income tax provision, representing the release of related interest accruals no longer required; and $29.8 credited to net income representing the aforementioned $17.3 credited to income from continuing operations and $12.5 of additional gain on disposal of Triarc s beverage businesses sold in 2000 resulting from the release of income tax reserves related to discontinued operations which were no longer required upon finalization of an Internal Revenue Service examination of the Federal income tax returns for the years ended December 31, 2000 and December 30, 2001 and the expiration of the statute of limitations for examinations of certain of Triarc s state income tax returns.

(8) Reflects certain significant charges

and credits recorded during 2005 as follows: $58.9 charged to operating loss representing (1) share-based compensation charges of $28.3 representing the intrinsic value of stock options which were exercised by the Chairman and then Chief Executive Officer and the Vice Chairman and then President and Chief Operating Officer and subsequently replaced on the date of exercise, the grant of contingently issuable performance-based restricted shares of Triarc Class A and Triarc Class B common stock and the grant of equity interests in two of Triarc s subsidiaries, (2) a $17.2 loss on settlements of unfavorable franchise rights representing the cost of settling franchise agreements acquired as a component of the acquisition of RTM with royalty rates below the current 4% royalty rate that Triarc receives on new franchise

agreements and (3) facilities relocation and corporate restructuring charges of $13.5; $67.5 charged to loss from continuing operations representing the aforementioned $58.9 charged to operating loss and a $35.8 loss on early extinguishments of debt upon a debt refinancing in connection with the acquisition of RTM, both partially offset by $27.2 of income tax benefit relating to the above charges; and $64.2 charged to net loss representing the aforementioned $67.5 charged to loss from continuing operations partially offset by income from discontinued operations of $3.3 principally resulting from the release of reserves for state income taxes no longer required.

(9) Reflects a significant charge recorded during 2006 as follows: $9.0 charged to loss from continuing operations and net loss representing a $14.1 loss on early

extinguishments of debt related to conversions or effective conversions of Triarc s 5% convertible notes due 2023 and prepayments of term loans under Triarc s senior secured term loan facility, partially offset by an income tax benefit of $5.1 related to the above charge.

(10) Reflects certain significant charges and credits recorded during 2007 as follows: $45.2 charged to operating profit; consisting of facilities relocation and corporate restructuring costs of $85.4 less $40.2 from the gain on sale of Triarc s interest in Deerfield; $16.6 charged to income from

continuing operations and net income representing the aforementioned $45.2 charged to operating profit offset by $15.8 of income tax benefit related to the above charge; and a $12.8 previously unrecognized prior year contingent tax benefit related to certain severance obligations to certain of Triarc s former executives.

(11) Reflects a significant charge recorded in the three months ended March 30, 2008 as follows: an other than temporary loss of $68.1 which was charged to loss from continuing operations from the impairment in the carrying value of Triarc s investment in common shares of Deerfield Capital Corp. The majority of the common shares had been received upon the March 11, 2008 conversion of the convertible preferred stock that was included in the non-cash consideration Triarc received in connection with its sale of Deerfield, Triarc s former asset

management segment, to Deerfield Capital Corp. on December 21, 2007. The balance of the common shares in the investment had been distributed to Triarc in connection with the sale of Deerfield. All such Deerfield Capital Corp. shares were subsequently distributed to Triarc stockholders of record as of March 29, 2008 as approved by Triarc s board of directors on March 11, 2008. As a result of the dividend, the tax loss that resulted from the decline in value of Triarc s investment is not deductible for tax purposes and no tax benefit was recorded related to this loss.

SELECTED HISTORICAL FINANCIAL DATA OF WENDY S

The following table sets forth selected historical financial data for Wendy s. The following data at and for each of the five years ended December 30, 2007 has been derived from Wendy s audited consolidated financial statements. The following data at March 30, 2008 and for the three months ended April 1, 2007 and March 30, 2008 has been derived from Wendy s unaudited consolidated financial statements, which in the opinion of Wendy s management, include all adjustments considered necessary for a fair presentation. The following information should be read together with Wendy s consolidated financial statements for the year ended December 30, 2007 and Wendy s unaudited consolidated financial statements for the three months ended March 30, 2008, and the notes related to those financial statements, which are incorporated by reference into this joint proxy statement/prospectus. The information set forth below is not necessarily indicative of the results of future operations.

	As of and for the three months ended		As of and for the year ended			
	March 30, 2008	April 1, 2007	December 30, 2007	December 31, 2006	January 1, 2006	January 2005(1
			(in millions, except per share amounts)			
Selected Financial Data:						
Revenues(2)	$ 582	$ 590	$ 2,450	$ 2,439	$ 2,455	$ 2,5
Sales(2)	513	523	2,160	1 3 years 3 5 years	More than 5 years	

Raw material purchase obligations[(a)]	344.0	344.0			
Electricity contracts	9.3	4.4	4.9		
Other purchase obligations[(b)]	18.5	18.2	.3		
Total contractual cash obligations	$ 2,037.0	$664.5	$ 384.2	$ 293.3	$695.0

(a) Raw material purchase obligations outstanding as of year-end may not be indicative of outstanding obligations throughout the year due to our response to varying raw material cycles.

(b) Other purchase obligations primarily consist of advertising media commitments.

In 2012, our pension and postretirement contributions are expected to be approximately $60 million. Pension and postretirement funding can vary significantly each year due to changes in legislation, our significant assumptions and investment return on plan assets. As a result, we have not presented pension and postretirement funding in the table above.

COMMERCIAL COMMITMENTS EXPIRATION BY YEAR

	Total	Less than 1 year	1 3 years	3 5 years	More than 5 years
Guarantees	$ 0.7	$ 0.7			
Standby and trade letters of credit	53.6	53.6			
Total commercial commitments	$ 54.3	$54.3			

OFF-BALANCE SHEET ARRANGEMENTS

We had no off-balance sheet arrangements as of November 30, 2011 and 2010.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements are issued periodically that affect our current and future operations. See note 1 of the financial statements for further details of these impacts.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, we are required to make estimates and assumptions that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information disclosed by us, including information about contingencies, risk and financial condition. We believe, given current facts and circumstances, our estimates and assumptions are reasonable, adhere to U.S. GAAP and are consistently applied. Inherent in the nature of an estimate or assumption is the fact that actual results may differ from estimates, and estimates may vary as new facts and circumstances arise. In preparing the financial statements, we make routine estimates and judgments in determining the net realizable value of accounts receivable, inventory, fixed assets and prepaid allowances. Our most critical accounting estimates and assumptions are in the following areas:

Customer Contracts

In several of our major geographic markets, the consumer business sells our products by entering into annual or multi-year customer contracts. These contracts include provisions for items such as sales discounts, marketing allowances and performance incentives. These items are expensed based on certain estimated criteria such as sales volume of indirect customers, customers reaching anticipated volume thresholds and marketing spending. We routinely review these criteria and make adjustments as facts and circumstances change.

Goodwill and Intangible Asset Valuation

We review the carrying value of goodwill and non-amortizable intangible assets and conduct tests of impairment on an annual basis as described below. We also test for impairment if events or circumstances indicate it is more likely than not that the fair value of a reporting unit is below its carrying amount. We test indefinite-lived intangible assets for impairment if events or changes in circumstances indicate that the asset might be impaired.

Determining the fair value of a reporting unit or an indefinite-lived purchased intangible asset is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows,

risk-adjusted discount rates, assumed royalty rates, future economic and market conditions and determination of appropriate market comparables. We base our fair value estimates on assumptions we believe to be reasonable but that are inherently uncertain. Actual future results may differ from those estimates.

Goodwill Impairment

Our reporting units are the same as our operating segments. We calculate fair value of a reporting unit by using a discounted cash flow model. Our discounted cash flow model calculates fair value by present valuing future expected cash flows of our reporting units using our internal cost of capital as the discount rate. We then compare this fair value to the carrying amount of the reporting unit, including intangible assets and goodwill. If the carrying amount of the reporting unit exceeds the calculated fair value, then we would determine the implied fair value of the reporting unit s goodwill. An impairment charge would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value. As of November 30, 2011, we had $1,694.2 million of goodwill recorded in our balance sheet ($1,550.7 million in the consumer segment and $143.5 million in the industrial segment). Our testing indicates that the current fair values of our reporting units are significantly in excess of carrying values. Accordingly we believe that only significant changes in the cash flow assumptions would result in an impairment of goodwill.

Indefinite-lived Intangible Asset Impairment

Our indefinite-lived intangible assets consist of brand names and trademarks. We calculate fair value by using a discounted cash flow model or relief-from-royalty method and then compare that to the carrying amount of the indefinite-lived intangible asset. As of November 30, 2011, we had $277.0 million of brand name assets and trademarks recorded in our balance sheet and none of the balances exceed their estimated fair values. We intend to continue to support our brand names.

Below is a table which outlines the book value of our major brand names and trademarks as of November 30, 2011:

Zatarain s	$ 106.4
Kamis*	55.2
Lawry s	48.0
Kohinoor*	27.3
Simply Asia/Thai Kitchen	18.7
Other*	21.4
Total	$ 277.0

*Based on preliminary purchase price allocations at November 30, 2011.

Income Taxes

We estimate income taxes and file tax returns in each of the taxing jurisdictions in which we operate and are required to file a tax return. At the end of each year, an estimate for income taxes is recorded in the financial statements. Tax returns are generally filed in the third or fourth quarter of the subsequent year. A reconciliation of the estimate to the final tax return is done at that time which will result in changes to the original estimate. Income tax expense for 2011 includes $2.6 million of adjustments from the reconciliation of prior year tax estimates to actual tax filings. We believe that our tax return positions are fully supported, but tax authorities are likely to challenge certain positions. We evaluate our uncertain tax positions in accordance with the U.S. GAAP guidance for uncertainty in income taxes. We believe that our reserve for uncertain tax positions, including related interest, is adequate. The amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax expense and therefore could have a material impact on our tax provision, net income and cash flows. Management has recorded valuation allowances to reduce our deferred tax assets to the amount that is more likely than not to be realized. In doing so, management has considered future taxable income and tax planning strategies in assessing the need for a valuation allowance. Both future taxable income and tax planning strategies include a number of estimates.

Pension and Postretirement Benefits

Pension and other postretirement plans costs require the use of assumptions for discount rates, investment returns, projected salary increases, mortality rates and health care cost trend rates. The actuarial assumptions used in our pension and postretirement benefit reporting are reviewed annually and compared with external benchmarks to ensure that they appropriately account for our future pension and postretirement benefit obligations. While we believe that the assumptions used are appropriate, differences between assumed and actual experience may affect our operating results. A 1% increase or decrease in the actuarial assumption for the discount rate would impact 2012 pension and postretirement benefit expense by approximately $16 million. A 1% increase or decrease in the expected return on plan assets would impact 2012 pension expense by approximately $7 million. In addition, see the preceding sections of MD&A and note 8 of the financial statements for a discussion of these assumptions and the effects on the financial statements.

Stock-Based Compensation

We estimate the fair value of our stock-based compensation using fair value pricing models which require the use of significant assumptions for expected volatility of stock, dividend yield and risk-free interest rate. Our valuation methodology and significant assumptions used are disclosed in note 9 of the financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This information is set forth in the Market Risk Sensitivity section of Management s Discussion and Analysis and in note 6 of the financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF MANAGEMENT

We are responsible for the preparation and integrity of the consolidated financial statements appearing in our Annual Report. The consolidated financial statements were prepared in conformity with United States generally accepted accounting principles and include amounts based on our estimates and judgments. All other financial information in this report has been presented on a basis consistent with the information included in the financial statements.

We are also responsible for establishing and maintaining adequate internal control over financial reporting. We maintain a system of internal control that is designed to provide reasonable assurance as to the fair and reliable preparation and presentation of the consolidated financial statements, as well as to safeguard assets from unauthorized use or disposition.

Our control environment is the foundation for our system of internal control over financial reporting and is embodied in our Business Ethics Policy. It sets the tone of our organization and includes factors such as integrity and ethical values. Our internal control over financial reporting is supported by formal policies and procedures which are reviewed, modified and improved as changes occur in business conditions and operations.

The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets periodically with members of management, the internal auditors and the independent auditors to review and discuss internal control over financial reporting and accounting and financial reporting matters. The independent auditors and internal auditors report to the Audit Committee and accordingly have full and free access to the Audit Committee at any time.

We conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Although there are inherent limitations in the effectiveness of any system of internal control over financial reporting, based on our evaluation, we have concluded with reasonable assurance that our internal control over financial reporting was effective as of November 30, 2011.

Our internal control over financial reporting as of November 30, 2011 has been audited by Ernst & Young LLP.

Alan D. Wilson

Chairman, President &

Chief Executive Officer

Gordon M. Stetz, Jr.

Executive Vice President &

Chief Financial Officer

Kenneth A Kelly, Jr.

Senior Vice President & Controller

Chief Accounting Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Internal Control Over Financial Reporting

The Board of Directors and Shareholders of

McCormick & Company, Incorporated

We have audited McCormick & Company, Incorporated s internal control over financial reporting as of November 30, 2011, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). McCormick & Company, Incorporated s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, McCormick & Company, Incorporated maintained, in all material respects, effective internal control over financial reporting as of November 30, 2011 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of McCormick & Company, Incorporated as of November 30, 2011 and 2010 and the related consolidated income statements, statements of shareholders equity and cash flow statements for each of the three years in the period ended November 30, 2011, and our report dated January 27, 2012 expressed an unqualified opinion thereon.

Baltimore, Maryland

January 27, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Consolidated Financial Statements

The Board of Directors and Shareholders of

McCormick & Company, Incorporated

We have audited the accompanying consolidated balance sheets of McCormick & Company, Incorporated as of November 30, 2011 and 2010, and the related consolidated income statements, statements of shareholders equity, and cash flow statements for each of the three years in the period ended November 30, 2011. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of McCormick & Company, Incorporated at November 30, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended November 30, 2011, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), McCormick & Company, Incorporated s internal control over financial reporting as of November 30, 2011, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated January 27, 2012 expressed an unqualified opinion thereon.

Baltimore, Maryland

January 27, 2012

CONSOLIDATED INCOME STATEMENT

for the year ended November 30 (millions except per share data)	2011	2010	2009
Net sales	$3,697.6	$3,336.8	$3,192.1
Cost of goods sold	2,175.1	1,919.1	1,864.9
Gross profit	1,522.5	1,417.7	1,327.2
Selling, general and administrative expense	982.2	907.9	846.6
Restructuring charges			13.7
Operating income	540.3	509.8	466.9
Interest expense	51.2	49.3	52.8
Other income, net	2.3	2.2	2.4
Income from consolidated operations before income taxes	491.4	462.7	416.5
Income taxes	142.6	118.0	133.0
Net income from consolidated operations	348.8	344.7	283.5
Income from unconsolidated operations	25.4	25.5	16.3
Net income	$374.2	$370.2	$299.8
Earnings per share basic	$ 2.82	$ 2.79	$ 2.29
Earnings per share diluted	$ 2.79	$ 2.75	$ 2.27

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

at November 30 (millions)	2011	2010
Assets		
Cash and cash equivalents	$ 53.9	$ 50.8
Trade accounts receivable, less allowances of $4.5 for 2011 and $2.9 for 2010	427.0	386.7
Inventories	613.7	477.6
Prepaid expenses and other current assets	128.3	100.8
Total current assets	1,222.9	1,015.9
Property, plant and equipment, net	523.1	488.0
Goodwill	1,694.2	1,417.4
Intangible assets, net	350.0	232.5
Investments and other assets	297.6	265.9
Total assets	$4,087.8	$3,419.7
Liabilities		
Short-term borrowings	$217.0	$ 0.2
Current portion of long-term debt	5.4	100.2
Trade accounts payable	366.6	302.7
Other accrued liabilities	404.3	431.7
Total current liabilities	993.3	834.8
Long-term debt	1,029.7	779.9
Other long-term liabilities	446.3	342.3
Total liabilities	2,469.3	1,957.0
Shareholders equity		
Common stock, no par value; authorized 320.0 shares; issued and outstanding:		
2011 12.4 shares, 2010 12.5 shares	303.5	282.7
Common stock non-voting, no par value; authorized 320.0 shares; issued and outstanding:		
2011 120.5 shares, 2010 120.6 shares	518.4	473.8
Retained earnings	838.8	700.9
Accumulated other comprehensive loss	(59.0)	(3.7)
Non-controlling interests	16.8	9.0
Total shareholders equity	1,618.5	1,462.7
Total liabilities and shareholders equity	$4,087.8	$3,419.7

See Notes to Consolidated Financial Statements.

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CONSOLIDATED CASH FLOW STATEMENT

for the year ended November 30 (millions)	2011	2010	2009
Operating activities			
Net income	$374.2	$370.2	$299.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	98.3	95.1	94.3
Stock-based compensation	13.0	11.9	12.7
Loss (gain) on sale of assets	0.8	(0.1)	0.3
Deferred income taxes	38.0	10.5	24.0
Income from unconsolidated operations	(25.4)	(25.5)	(16.3)
Changes in operating assets and liabilities:			
Trade accounts receivable	(8.6)	(38.2)	45.8
Inventories	(111.3)	(26.8)	15.6
Trade accounts payable	49.3	10.5	3.4
Other assets and liabilities	(104.5)	(38.1)	(74.7)
Dividends received from unconsolidated affiliates	16.2	18.0	10.9
Net cash provided by operating activities	340.0	387.5	415.8
Investing activities			
Acquisitions of businesses and joint venture interests	(441.4)	(46.9)	
Capital expenditures	(96.7)	(89.0)	(82.4)
Proceeds from sale of property, plant and equipment	0.6	6.2	0.6
Net cash used in investing activities	(537.5)	(129.7)	(81.8)
Financing activities			
Short-term borrowings, net	216.7	(99.6)	(201.8)
Long-term debt borrowings	252.0		
Long-term debt repayments	(101.1)	(14.4)	(50.4)
Proceeds from exercised stock options	58.0	73.6	35.8
Common stock acquired by purchase	(89.3)	(82.5)	
Dividends paid	(148.5)	(138.2)	(125.4)
Net cash provided by (used in) financing activities	187.8	(261.1)	(341.8)
Effect of exchange rate changes on cash and cash equivalents	12.8	14.6	8.4
Increase in cash and cash equivalents	3.1	11.3	0.6
Cash and cash equivalents at beginning of year	50.8	39.5	38.9
Cash and cash equivalents at end of year	$ 53.9	$ 50.8	$ 39.5

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY

(millions)	Common Stock Shares	Common Stock Non-Voting Shares	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Shareholders Equity
Balance, November 30, 2008	12.3	117.8	$581.8	$425.4	$48.1	$7.5	$1,062.8
Comprehensive income:							
Net income				299.8			299.8
Net income attributable to non-controlling interest						0.6	0.6
Currency translation adjustment					187.0	0.8	187.8
Change in derivative financial instruments, net of tax of $1.8					(4.6)		(4.6)
Unrealized components of pension plans, net of tax of $55.8					(121.4)		(121.4)
Comprehensive income							362.2
Dividends				(128.5)			(128.5)
Adjustment for new pension accounting				(1.5)			(1.5)
Stock-based compensation			12.7				12.7
Shares retired	(0.1)		(3.1)	(3.7)			(6.8)
Shares issued, including tax benefit of $7.2	1.3	0.5	42.6				42.6
Equal exchange	(1.2)	1.2					
Balance, November 30, 2009	12.3	119.5	$634.0	$591.5	$109.1	$8.9	$1,343.5
Comprehensive income:							
Net income				370.2			370.2
Net income attributable to non-controlling interest						0.6	0.6
Currency translation adjustments					(108.5)	0.1	(108.4)
Change in derivative financial instruments, net of tax of $1.2					(0.1)		(0.1)
Unrealized components of pension plans, net of tax of $3.6					(4.2)		(4.2)
Comprehensive income							258.1
Dividends				(141.3)			(141.3)
Dividends attributable to non-controlling interest						(0.6)	(0.6)
Stock-based compensation			11.9				11.9
Shares purchased and retired	(1.5)	(2.3)	(38.8)	(119.5)			(158.3)
Shares issued, including tax benefit of $17.5	3.8	1.3	149.4				149.4
Equal exchange	(2.1)	2.1					
Balance, November 30, 2010	12.5	120.6	$756.5	$700.9	$(3.7)	$9.0	$1,462.7
Comprehensive income:							
Net income				374.2			374.2
Net income attributable to non-controlling interest						0.8	0.8
Currency translation adjustments					(3.9)	(4.3)	(8.2)
Change in derivative financial instruments, net of tax of $1.0					2.8		2.8
Unrealized components of pension plans, net of tax of $26.8					(54.2)		(54.2)

Comprehensive income			315.4
Non-controlling interest of acquired business		11.9	11.9
Dividends	(152.5)		(152.5)
Dividends attributable to non-controlling interest		(0.6)	(0.6)

(millions)	Common Stock Shares	Common Stock Non-Voting Shares	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-controlling Interests	Total Shareholders Equity
Stock-based compensation			13.0				13.0
Shares purchased and retired	(0.3)	(1.8)	(12.6)	(83.8)			(96.4)
Shares issued, including tax benefit of $12.5	1.4	0.5	65.0				65.0
Equal exchange	(1.2)	1.2					
Balance, November 30, 2011	12.4	120.5	$821.9	$838.8	$(59.0)	$16.8	$1,618.5

See Notes to Consolidated Financial Statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Consolidation

The financial statements include the accounts of our majority-owned or controlled subsidiaries and affiliates. Intercompany transactions have been eliminated. Investments in unconsolidated affiliates, over which we exercise significant influence, but not control, are accounted for by the equity method. Accordingly, our share of net income or loss of unconsolidated affiliates is included in net income.

Use of Estimates

Preparation of financial statements that follow accounting principles generally accepted in the U.S. requires us to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Actual amounts could differ from these estimates.

Cash and Cash Equivalents

All highly liquid investments purchased with an original maturity of three months or less are classified as cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using standard or average costs which approximate the first-in, first-out costing method.

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost and depreciated over its estimated useful life using the straight-line method for financial reporting and both accelerated and straight-line methods for tax reporting. The estimated useful lives range from 20 to 40 years for buildings and 3 to 12 years for machinery, equipment and computer software. Repairs and maintenance costs are expensed as incurred.

We capitalize costs of software developed or obtained for internal use. Capitalized software development costs include only (1) direct costs paid to others for materials and services to develop or buy the software, (2) payroll and payroll-related costs for employees who work directly on the software development project and (3) interest costs while developing the software. Capitalization of these costs stops when the project is substantially complete and ready for use. Software is amortized using the straight-line method over a range of 3 to 8 years, but not exceeding the expected life of the product. We capitalized $17.3 million of software during the year ended November 30, 2011, $13.3 million during the year ended November 30, 2010 and $20.1 million during the year ended November 30, 2009.

Goodwill and Other Intangible Assets

We review the carrying value of goodwill and indefinite-lived intangible assets and conduct tests of impairment on an annual basis as described below. We also test goodwill for impairment if events or circumstances indicate it is more likely than not that the fair value of a reporting unit is below its carrying amount and test indefinite-lived intangible assets for impairment if events or changes in circumstances indicate that the asset might be impaired. Separable intangible assets that have finite useful lives are amortized over those lives.

Determining the fair value of a reporting unit or an indefinite-lived purchased intangible asset is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, assumed royalty rates, future economic and market conditions and determination of appropriate market comparables. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Actual future results may differ from these estimates.

Goodwill Impairment

Our reporting units used to assess potential goodwill impairment are the same as our business segments. We calculate fair value of a reporting unit by using a discounted cash flow model and then compare that to the carrying amount of the reporting unit, including intangible assets and goodwill. If the carrying amount of the reporting unit exceeds the calculated fair value, then

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we would determine the implied fair value of the reporting unit s goodwill. An impairment charge would be recognized to the extent the carrying amount of goodwill exceeds the implied fair value.

Indefinite-lived Intangible Asset Impairment

Our indefinite-lived intangible assets consist of brand names and trademarks. We calculate fair value by using a discounted cash flow model or relief-from-royalty method and then compare that to the carrying amount of the indefinite-lived intangible asset. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment charge would be recorded to the extent the recorded indefinite-lived intangible asset exceeds the fair value.

Revenue Recognition

We recognize revenue when we have an agreement with the customer, the product has been delivered to the customer, the sales price is fixed and collectability is reasonably assured. We reduce revenue for estimated product returns, allowances and price discounts based on historical experience and contractual terms.

Trade allowances, consisting primarily of customer pricing allowances, merchandising funds and consumer coupons, are offered through various programs to customers and consumers. Revenue is recorded net of trade allowances.

Trade accounts receivable are amounts billed and currently due from customers. We have an allowance for doubtful accounts to reduce our receivables to their net realizable value. We estimate the allowance for doubtful accounts based on our history of collections and the aging of our receivables.

Shipping and Handling

Shipping and handling costs on our products sold to customers are included in selling, general and administrative expense in the income statement. Shipping and handling expense was $89.4 million, $77.7 million and $73.5 million for 2011, 2010 and 2009, respectively.

Research and Development

Research and development costs are expensed as incurred and are included in selling, general and administrative expense in the income statement. Research and development expense was $58.1 million, $52.7 million and $48.9 million for 2011, 2010 and 2009, respectively.

Brand Marketing Support

Total brand marketing support costs, which are included in selling, general and administrative expense in the income statement, were $187.3 million, $167.2 million and $146.5 million for 2011, 2010 and 2009, respectively. Brand marketing support costs include advertising, promotions and customer trade funds used for cooperative advertising. Promotion costs include consumer promotions, point of sale materials and sampling programs. Advertising costs include the development, production and communication of advertisements through print, television, radio, digital and in-store displays. These advertisements are expensed in the period in which they first run. Advertising expense was $77.2 million, $71.7 million and $63.8 million for 2011, 2010 and 2009, respectively.

Recently Issued Accounting

Pronouncements

In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-08, *Intangibles Goodwill and Other (Topic 350): Testing Goodwill for Impairment*. This standard simplifies how entities test goodwill for impairment by permitting entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. This new pronouncement is effective for goodwill impairment tests performed for our fiscal year 2013. Early adoption is permitted. We have not currently elected to early adopt this standard. We do not expect the adoption of this standard to have a significant impact on our financial statements.

In June 2011, the FASB issued ASU No. 2011-05 *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. This guidance is intended to increase the prominence of other comprehensive income in financial statements by presenting it in either a single statement or two-statement approach. This new accounting pronouncement is effective for our first quarter of 2013 and we do not expect any material impact

on our financial statements from adoption.

In December 2007, the FASB issued a standard on business combinations. This standard establishes principles and requirements for how an acquirer recognizes and measures the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. It became effective for our acquisitions made after November 30, 2009. One of the major effects of the new standard is that transaction-related expenses are no longer capitalized as part of a business combination and are expensed as incurred. We have applied this standard to our acquisitions made in fiscal year 2010 and 2011 and have disclosed the amount of transaction-related expenses recorded in our income statement in note 2.

2. ACQUISITIONS

Acquisitions are part of our strategy to increase sales and profits.

In July 2011, we purchased the assets of Kitchen Basics, Inc. (Kitchen Basics) for $40.0 million, financed with a combination of cash and debt. Kitchen Basics sells a brand of ready-to-serve, shelf stable stock in North America with annual sales of approximately $25 million at the time of the acquisition. Kitchen Basics is included in our consumer business segment from the date of acquisition. A preliminary valuation of the assets of Kitchen Basics resulted in $6.5 million allocated to tangible net assets, $8.6 million allocated to other intangible assets and $24.9 million allocated to goodwill.

In September 2011, we entered into a joint venture with Kohinoor Foods Ltd. in India whereby we invested $113 million for an 85% interest in the joint venture, Kohinoor Speciality Foods India Private Limited (Kohinoor), financed with a combination of cash and debt. This joint venture is consolidated and included in our consumer business segment from the date of acquisition. Kohinoor sells branded basmati rice and other food products in India and had annual sales of approximately $85 million at the time of the formation of the joint venture. A preliminary valuation of the assets for Kohinoor resulted in $5.9 million allocated to tangible net assets, $48.9 million allocated to other intangible assets, $70.1 million allocated to goodwill and $11.9 million allocated to non-controlling interests.

In September 2011, we also purchased all of the outstanding shares of Kamis S.A. (Kamis), which produces and sells branded spices, seasonings and mustards in Poland. Kamis also distributes products into Russia and parts of Central and Eastern Europe and had annual net sales of approximately $105 million at the time of acquisition. The purchase price was $287.1 million, which was financed with a combination of cash and debt. Kamis is included in our consumer business segment from the date of acquisition. A preliminary valuation of the assets for Kamis resulted in $42.4 million allocated to tangible net assets, $77.8 million allocated to other intangible assets and $166.9 million allocated to goodwill.

These three acquisitions added $52.6 million to sales in 2011. Excluding costs related to the completion of the transactions, the impact on earnings per share in 2011 from these acquisitions was not material.

In November 2010, we completed our purchase of a 26% non-controlling interest in Eastern Condiments Private Limited (Eastern) in cash for a total cost of $37.7 million. Eastern, based in India, sells branded spices, seasonings and other related food products in India and the Middle East.

In September 2010, we purchased the assets of Caamacosta, Inc. (Caamacosta) for $11.5 million in cash. This business operates in North America and is included in our consumer segment from the date of acquisition. Caamacosta packages, distributes and sells spices, herbs, chilies, corn husks and other Mexican food items under the El Bravo brand. The valuation of the assets for Caamacosta resulted in $0.5 million being allocated to tangible net assets, $1.9 million allocated to other amortizable intangible assets and $9.1 million allocated to goodwill.

During the year ended November 30, 2011, we recorded $10.9 million in transaction-related expenses associated with the acquisitions completed in 2011 in selling, general and administrative

expenses in our income statement. For the year ended November 30, 2010, we recorded $0.1 million in transaction-related expenses associated with acquisitions completed in that year.

The unaudited proforma combined historical results, as if Kohinoor and Kamis had been acquired at the beginning of fiscal 2011 and 2010 are estimated to be:

(millions, except per share data)	2011	2010
Net sales	$ 3,839.1	$ 3,537.4
Net income	383.1	381.5
Earnings per share diluted	2.85	2.83

The proforma results include amortization of certain intangible assets and interest expense on debt assumed to finance the acquisitions based on the purchase price paid in 2011. These proforma results are not adjusted for changes in the business that will take place subsequent to our acquisition of these businesses. The proforma results are not necessarily indicative of what actually would have occurred if the acquisition had been completed as of the beginning of each fiscal period presented, nor are they indicative of future consolidated results.

Proforma financial information for the acquisitions of Kitchen Basics, Eastern and Caamacosta has not been presented because the financial impact is not material.

3. GOODWILL AND INTANGIBLE ASSETS

The following table displays intangible assets as of November 30, 2011 and 2010:

(millions)	2011 Gross carrying amount	2011 Accumulated amortization	2010 Gross carrying amount	2010 Accumulated amortization
Finite-lived intangible assets	$ 82.8	$21.1	$ 50.8	$17.7
Indefinite-lived intangible assets:				
Goodwill	1,694.2		1,417.4	
Brand names	277.0		188.8	
Trademarks	11.3		10.6	
	1,982.5		1,616.8	
Total goodwill and intangible assets	$2,065.3	$21.1	$1,667.6	$17.7

Intangible asset amortization expense was $3.3 million, $3.5 million and $1.3 million for 2011, 2010 and 2009, respectively. At November 30, 2011, finite-lived intangible assets had a weighted-average remaining life of approximately 15 years.

The changes in the carrying amount of goodwill by segment for the years ended November 30, 2011 and 2010 were as follows:

(millions)	2011 Consumer	2011 Industrial	2010 Consumer	2010 Industrial
Beginning of year	$1,273.3	$144.1	$1,334.5	$145.2
Goodwill acquired	261.9		9.1	
Foreign currency fluctuations	15.5	(0.6)	(70.3)	(1.1)
End of year	$1,550.7	$143.5	$1,273.3	$144.1

4. INVESTMENTS IN AFFILIATES

Summarized annual and year-end information from the financial statements of unconsolidated affiliates representing 100% of the businesses follows:

(millions)	2011	2010	2009
Net sales	$ 708.5	$ 538.3	$ 480.6
Gross profit	238.7	205.2	163.8
Net income	57.2	51.6	34.6
Current assets	$ 272.0	$ 245.2	$ 190.7
Noncurrent assets	86.5	81.5	54.1
Current liabilities	113.2	105.9	96.3
Noncurrent liabilities	32.1	26.5	9.6

Our share of undistributed earnings of unconsolidated affiliates was $81.2 million at November 30, 2011. Royalty income from unconsolidated affiliates was $16.1 million, $14.5 million and $12.8 million for 2011, 2010 and 2009, respectively.

Our principal earnings from unconsolidated affiliates is from our 50% interest in McCormick de Mexico, S.A. de C.V.

5. FINANCING ARRANGEMENTS

Our outstanding debt is as follows:

(millions)	2011	2010
Short-term borrowings		
Commercial paper	$216.0	
Other	1.0	$ 0.2
	$217.0	$ 0.2
Weighted-average interest rate of short-term borrowings at year-end	0.2%	8.8%
Long-term debt		
5.80% notes due 2011		$100.0
5.25% notes due 2013[1]	$250.0	250.0
5.20% notes due 2015[2]	200.0	200.0
5.75% notes due 2017[3]	250.0	250.0
3.90% notes due 2021[4]	250.0	
7.63% 8.12% notes due 2024	55.0	55.0
Other	15.8	8.9
Unamortized discounts and fair value adjustments	14.3	16.2
	1,035.1	880.1
Less current portion	5.4	100.2
	$1,029.7	$779.9

(1) Interest rate swaps, settled upon the issuance of these notes in 2008, effectively fixed the interest rate on the $250 million notes at a weighted- average fixed rate of 5.54%.
(2) The fixed interest rate on $100 million of the 5.20% notes due in 2015 is effectively converted to a variable rate by interest rate swaps through 2015. Net interest payments are based on 3 month LIBOR minus 0.05% during this period (our effective rate as of November 30, 2011 was 0.30%).
(3) Interest rate swaps, settled upon the issuance of these notes in 2007, effectively fixed the interest rate on the $250 million notes at a weighted- average fixed rate of 6.25%.
(4) Interest rate swaps, settled upon the issuance of these notes in 2011, effectively fixed the interest rate on the $250 million notes at a weighted- average fixed rate of 4.01%.

Maturities of long-term debt during the years subsequent to November 30, 2012 are as follows (in millions):

2013	$252.3
2014	1.3
2015	200.5
2016	0.5
Thereafter	560.8

In July 2011, we issued $250 million of 3.90% notes due 2021, with net cash proceeds received of $247.5 million. Interest is payable semiannually in arrears in January and July of each year. Of these notes, $200 million were subject to interest rate hedges as further disclosed in note 6. The net proceeds from this offering were used to fund, in part, our acquisition of Kamis in 2011.

We have available credit facilities with domestic and foreign banks for various purposes. Some of these lines are committed lines and others are uncommitted lines and could be withdrawn at various times. In June 2011, we entered into a new five-year $600 million revolving credit facility. The new facility expires in June 2016 and replaced our previous $500 million revolving credit facility, which was due to expire in July 2012. The pricing for this new credit facility, on a fully drawn basis, is LIBOR plus 0.875%. This credit facility supports our commercial paper program and we have $384 million of capacity at November 30, 2011, after $216 million was used to support issued commercial paper. In addition, we have several uncommitted lines which have a total unused capacity at November 30, 2011 of $54.6 million. These lines by their nature can be withdrawn based on the lenders discretion. Committed credit facilities require a fee and annual commitment fees at November 30, 2011 and 2010 were $0.4 million.

Rental expense under operating leases (primary buildings and equipment) was $31.9 million in 2011, $27.3 million in 2010 and $26.8 million in 2009. Future annual fixed rental payments for the years ending November 30 are as follows (in millions):

2012	$24.9
2013	20.6
2014	17.6
2015	13.5
2016	8.9
Thereafter	26.3

At November 30, 2011, we had guarantees outstanding of $0.7 million with terms of one year or less. At November 30, 2011 and 2010, we had outstanding letters of credit of $53.6 million and $28.7 million, respectively. These letters of credit typically act as a guarantee of payment to certain third parties in accordance with specified terms and conditions. The unused portion of our letter of credit facility was $19.9 million at November 30, 2011.

6. FINANCIAL INSTRUMENTS

We use derivative financial instruments to enhance our ability to manage risk, including foreign currency and interest rate exposures, which exist as part of our ongoing business operations. We do not enter into contracts for trading purposes, nor are we a party to any leveraged derivative instrument and all derivatives are designated as hedges. The use of derivative financial instruments is monitored through regular communication with senior management and the use of written guidelines.

Foreign Currency

We are potentially exposed to foreign currency fluctuations affecting net investments, transactions and earnings denominated in foreign currencies. We selectively hedge the potential effect of these foreign currency fluctuations by entering into foreign currency exchange contracts with highly-rated financial institutions.

Contracts which are designated as hedges of anticipated purchases denominated in a foreign currency (generally purchases of raw materials in U.S. dollars by operating units outside the U.S.) are considered cash flow hedges. The gains and losses on these contracts are deferred in other comprehensive income until the hedged item is recognized in cost of goods sold, at which time the net amount deferred in other comprehensive income is also recognized in cost of goods sold. Gains and losses from hedges of assets, liabilities or firm commitments are recognized through income, offsetting the change in fair value of the hedged item.

At November 30, 2011, we had foreign currency exchange contracts to purchase or sell $127.6 million of foreign currencies versus $208.2 million at November 30, 2010. All of these contracts were designated as hedges of anticipated purchases denominated in a foreign currency or hedges of foreign currency denominated assets or liabilities. Hedge ineffectiveness was not material. At November 30, 2011, we had $47.7 million of notional contracts that have durations of less than 7 days that are used to hedge short-term cash flow funding. The remaining contracts have durations of one to twelve months.

Interest Rates

We finance a portion of our operations with both fixed and variable rate debt instruments, primarily commercial paper, notes and bank loans. We utilize interest rate swap agreements to minimize worldwide financing costs and to achieve a desired mix of variable and fixed rate debt.

In May and June 2011, we entered into a total of $200 million of forward U.S. Treasury rate lock agreements to manage the U.S. Treasury portion of our interest rate risk associated with the anticipated issuance of fixed rate notes in July 2011. We cash settled all of these agreements, which were designated as cash flow hedges, for a loss of $0.2 million simultaneous with the issuance of the notes at an effective fixed rate of 4.01% on the full $250 million of debt. The loss on these agreements is deferred in other comprehensive income and will be amortized to interest expense over the ten-year life of the notes. Hedge ineffectiveness of these agreements was not material.

In March 2006, we entered into interest rate swap contracts for a total notional amount of $100 million to receive interest at 5.20% and pay a variable rate of interest based on three-month LIBOR minus .05%. We designated these swaps, which expire in December 2015, as fair value hedges of the changes in fair value of $100 million of the $200 million 5.20% medium-term notes due 2015 that we issued in December 2005. Any unrealized gain or loss on these swaps will be offset by a corresponding increase or decrease in the value of the hedged debt. No hedge ineffectiveness is recognized as the interest rate swaps qualify for the shortcut treatment as defined under U.S. Generally Accepted Accounting Principles.

The following tables disclose the derivative instruments on our balance sheet as of November 30, 2011 and 2010, which are all recorded at fair value:

As of

November 30, 2011:

(millions)	Asset Derivatives			Liability Derivatives		
Derivatives	Balance sheet location	Notional amount	Fair value	Balance sheet location	Notional amount	Fair value
Interest rate contracts	Other current assets	$100.0	$18.9			
Foreign exchange contracts	Other current assets	97.4	2.7	Other accrued liabilities	$ 30.2	$0.4
Total			$21.6			$0.4

As of

November 30, 2010:

(millions)	Asset Derivatives			Liability Derivatives		
Derivatives	Balance sheet location	Notional amount	Fair value	Balance sheet location	Notional amount	Fair value
Interest rate contracts	Other current assets	$100.0	$19.2			
Foreign exchange contracts	Other current assets	4.5	0.2	Other accrued liabilities	$203.7	$2.8
Total			$19.4			$2.8

The following tables disclose the impact of derivative instruments on other comprehensive income (OCI), accumulated other comprehensive income (AOCI) and our income statement for the years ended November 30, 2011, 2010 and 2009:

Fair value hedges (millions)

	Income statement	Income (expense)		
Derivative	location	2011	2010	2009
Interest rate contracts	Interest expense	$4.9	$4.9	$4.1

Cash flow hedges (millions)

	Gain (loss) recognized in OCI			Income statement	Gain (loss) reclassified from AOCI		
Derivative	2011	2010	2009	location	2011	2010	2009
Terminated interest rate contracts				Interest expense	$(1.4)	$(1.4)	$(1.4)
Foreign exchange contracts	$(0.4)	$(0.9)	$(3.0)	Cost of goods sold	(3.4)	(0.1)	5.3
Total	$(0.4)	$(0.9)	$(3.0)		$(4.8)	$(1.5)	$ 3.9

The amount of gain or loss recognized in income on the ineffective portion of derivative instruments is not material. The net amount of other comprehensive income expected to be reclassified into income in the next 12 months is a $0.2 million increase to earnings.

Fair Value of Financial Instruments

The carrying amount and fair value of financial instruments at November 30, 2011 and 2010 were as follows:

	2011		2010	
(millions)	Carrying amount	Fair value	Carrying amount	Fair value
Long-term investments	$ 71.4	$ 71.4	$ 65.8	$ 65.8
Long-term debt	1,035.1	1,136.6	880.1	959.4
Derivatives related to:				
Interest rates (assets)	18.9	18.9	19.2	19.2
Foreign currency (assets)	2.7	2.7	0.2	0.2
Foreign currency (liabilities)	0.4	0.4	2.8	2.8

Because of their short-term nature, the amounts reported in the balance sheet for cash and cash equivalents, receivables, short-term borrowings and trade accounts payable approximate fair value.

Investments in affiliates are not readily marketable, and it is not practicable to estimate their fair value. Long-term investments are comprised of fixed income and equity securities held on behalf of employees in certain employee benefit plans and are stated at fair value on the balance sheet. The cost of these investments was $59.7 million and $54.6 million at November 30, 2011 and 2010, respectively.

Concentrations of Credit Risk

The customers of our consumer business are predominantly food retailers and food wholesalers. Consolidations in these industries have created larger customers. In addition, competition has increased with the growth in alternative channels including mass merchandisers, dollar stores, warehouse clubs and discount chains. This has caused some customers to be less profitable and increased our exposure to credit risk. We are potentially exposed to concentrations of credit risk with trade accounts receivable, prepaid allowances and financial instruments. Because we have a large and diverse customer base with no single customer accounting for a significant percentage of trade accounts receivable, there was no material concentration of credit risk in these accounts at November 30, 2011. Current credit markets are highly volatile and some of our customers and counterparties are highly leveraged. We continue to closely monitor the credit worthiness of our customers and counterparties. We believe that the allowance for doubtful accounts properly recognized trade receivables at realizable value. We consider nonperformance credit risk for other financial instruments to be insignificant.

7. FAIR VALUE MEASUREMENTS

Fair value can be measured using valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). Accounting standards utilize a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect management s own assumptions.

Our population of assets and liabilities subject to fair value measurements on a recurring basis at November 30, 2011 and 2010 are as follows:

0000000000	0000000000	0000000000	0000000000	0000000000
		Fair value measurements using fair value hierarchy as of November 30, 2011		
(millions)	Fair value	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	$53.9	$53.9		
Insurance contracts	59.1		$59.1	
Bonds & other long-term investments	12.3	12.3		
Interest rate derivatives	18.9		18.9	
Foreign currency derivatives	2.7		2.7	
Total	$146.9	$66.2	$80.7	
Liabilities				
Foreign currency derivatives	$ 0.4		$ 0.4	
Total	$ 0.4		$ 0.4	

0000000000	0000000000	0000000000	0000000000	0000000000
		Fair value measurements using fair value hierarchy as of November 30, 2010		
(millions)	Fair value	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	$50.8	$50.8		
Insurance contracts	52.8		$52.8	
Bonds & other long-term investments	13.0	13.0		
Interest rate derivatives	19.2		19.2	
Foreign currency derivatives	0.2		0.2	
Total	$136.0	$63.8	$72.2	
Liabilities				
Foreign currency derivatives	$ 2.8		$ 2.8	
Total	$ 2.8		$ 2.8	

The fair values of insurance contracts are based upon the underlying values of the securities in which they are invested and are from quoted market prices from various stock and bond exchanges for similar type assets. The fair values of bonds and other long-term investments are based on quoted market prices from various stock and bond exchanges. The fair values for interest rate and foreign currency derivatives are based on values for similar instruments using models with market based inputs.

8. EMPLOYEE BENEFIT AND RETIREMENT PLANS

We sponsor defined benefit pension plans in the U.S. and certain foreign locations. In addition, we sponsor 401(k) retirement plans in the U.S. and contribute to government-sponsored retirement plans in locations outside the U.S. We also currently provide postretirement medical and life insurance benefits to certain U.S. employees.

In 2011, we modified our U.S. defined benefit pension plan. Any new employee hired in the U.S. after December 31, 2011 will participate in a new defined contribution retirement plan rather than our existing defined benefit pension plan. The new employees will receive an annual contribution equal to 3% of their salary and bonus. The defined benefit pension plan for existing employees as of December 31, 2011 will not be impacted by these changes.

Included in accumulated other comprehensive income at November 30, 2011 was $351.2 million ($236.0 million net of tax) related to net unrecognized actuarial losses and unrecognized prior service credit that have not yet been recognized in net periodic pension or postretirement benefit cost. We expect to recognize $18.2 million ($12.4 million net of tax) of actuarial losses, net of prior service credit in net periodic pension and postretirement benefit expense during 2012.

Defined Benefit Pension Plans

The significant assumptions used to determine benefit obligations are as follows:

	United States		International	
	2011	2010	2011	2010
Discount rate funded plan	5.5%	6.0%	5.1%	5.6%
Discount rate unfunded plan	5.4%	5.8%		
Salary scale	3.8%	3.8%	3.0 3.8%	3.0 3.8%
Expected return on plan assets	8.3%	8.3%	7.2%	7.2%

Annually, we undertake a process, with the assistance of our external investment consultants, to evaluate the appropriate projected rates of return to use for our pension plans assumptions. We engage our investment consultant s research team to develop capital market assumptions for each asset category in our plans to project investment returns into the future. The specific methods used to develop expected return assumptions vary by asset category. We adjust the outcomes for the fact that plan assets are invested with actively managed funds and subject to tactical asset reallocation.

Our pension expense was as follows:

	United States			International		
(millions)	2011	2010	2009	2011	2010	2009
Service cost	$ 15.1	$ 12.8	$ 8.4	$ 6.2	$ 5.6	$ 4.7
Interest costs	30.3	29.2	27.9	12.5	11.5	10.3
Expected return on plan assets	(34.1)	(32.0)	(28.0)	(15.8)	(13.7)	(11.7)
Amortization of prior service costs	0.1	0.1		0.7	0.3	0.3
Recognized net actuarial loss	13.3	11.8	1.0	2.2	1.5	
Other				0.3	0.1	
	$ 24.7	$ 21.9	$ 9.3	$ 6.1	$ 5.3	$ 3.6

Rollforward of the benefit obligation, fair value of plan assets and a reconciliation of the pension plans funded status as of November 30, the measurement date, follows:

	United States		International	
(millions)	2011	2010	2011	2010
Change in benefit obligation				
Benefit obligation at beginning of year	$ 515.6	$ 478.5	$223.7	$203.3
Service cost	15.1	12.8	6.2	5.6
Interest costs	30.3	29.2	12.5	11.5
Employee contributions			1.7	1.6
Plan changes and other			1.4	(0.2)
Actuarial loss	47.1	14.3	13.6	12.2
Benefits paid	(19.6)	(19.2)	(8.8)	(7.8)
Expenses paid			(0.6)	(0.6)
Net transfers in				4.6
Foreign currency impact			1.4	(6.5)
Benefit obligation at end of year	$ 588.5	$ 515.6	$251.1	$223.7
Change in fair value of plan assets:				
Fair value of plan assets at beginning of year	$ 383.3	$ 335.5	$199.2	$178.1
Actual return on plan assets	8.1	36.8	8.3	13.1
Employer contributions	29.1	30.2	13.6	19.3
Employee contributions			1.7	1.6
Benefits paid	(19.6)	(19.2)	(8.8)	(7.8)
Expenses paid			(0.6)	(0.6)
Net transfers in				1.2
Foreign currency impact			1.5	(5.7)
Fair value of plan assets at end of year	$ 400.9	$ 383.3	$214.9	$199.2
Funded status	$ (187.6)	$(132.3)	$ (36.2)	$ (24.5)

Pension plans in which accumulated benefit obligation exceeded plan assets				
Accumulated benefit obligation	$ 530.4	$ 455.8	$144.2	$126.0
Fair value of plan assets	400.9	383.3	121.6	109.7

Included in the U.S. in the preceding table is a benefit obligation of $72.4 million and $63.0 million for 2011 and 2010, respectively, related to a nonqualified defined benefit plan pursuant to which we will pay supplemental pension benefits to certain key employees upon retirement based upon employees years of service and compensation. The accrued liability related to this plan was $67.7 million and $57.9 million as of November 30, 2011 and 2010, respectively. The assets related to this plan are held in a rabbi trust and accordingly have not been included in the preceding table. These assets were $52.1 million and $49.2 million as of November 30, 2011 and 2010, respectively.

Amounts recorded in the balance sheet for all defined benefit pension plans consist of the following:

	United States		International	
(millions)	2011	2010	2011	2010
Prepaid pension cost			$ 3.0	$ 1.3
Accrued pension liability	$ 187.6	$ 132.3	39.2	25.8
Deferred income tax assets	97.1	74.3	16.2	14.4
Accumulated other comprehensive loss	161.2	124.3	71.6	54.1

The accumulated benefit obligation is the present value of pension benefits (whether vested or unvested) attributed to employee service rendered before the measurement date and based on employee service and compensation prior to that date. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels. The accumulated benefit obligation for the U.S. pension plans was $530.4 million and $455.8 million as of November 30, 2011 and 2010, respectively. The accumulated benefit obligation for the international pension plans was $225.3 million and $203.6 million as of November 30, 2011 and 2010, respectively.

The investment objectives of the defined benefit pension plans are to provide assets to meet the current and future obligations of the plans at a reasonable cost to us. The goal is to optimize the long-term return across the portfolio of investments at a moderate level of risk. Higher-returning assets include mutual, co-mingled and other funds comprised of equity securities, utilizing both active and passive investment styles. These more volatile assets are balanced with less volatile assets, primarily mutual, co-mingled and other funds comprised of fixed income securities. Professional investment firms are engaged to provide advice on the selection and monitoring of investment funds, and to provide advice on the allocation of plan assets across the various fund managers. This advice is based in part on the duration of each plan s liability as some of our plans are active while others are frozen. The investment return performances are evaluated quarterly against specific benchmark indices and against a peer group of funds of the same asset classification.

Our allocations of U.S. pension plan assets as of November 30, 2011 and 2010, by asset category, were as follows:

	Actual		2011
Asset Category	2011	2010	Target
Equity securities	66.2%	67.3%	70%
Fixed income securities	26.4%	26.5%	25%
Other	7.4%	6.2%	5%
Total	100.0%	100.0%	100%

The allocations of the international pension plans assets as of November 30, 2011 and 2010, by asset category, were as follows:

	Actual		2011
Asset Category	2011	2010	Target
Equity securities	54.8%	55.0%	54%
Fixed income securities	45.2%	44.3%	46%
Other	0.0%	0.7%	0%
Total	100.0%	100.0%	100%

The following tables set forth by level, within the fair value hierarchy as described in note 7, pension plan assets at their fair value as of November 30, 2011 and 2010 for the United States and international plans:

As of November 30, 2011	United States			
(millions)	Total fair value	Level 1	Level 2	Level 3
Cash and cash equivalent	$ 5.4	$ 5.4		
Equity securities:				
U.S. equity securities[a]	196.3	81.2	$115.1	
International equity securities[b]	69.1	69.1		
Fixed income securities:				
U.S./government/ corporate bonds[c]	65.2	65.2		
High yield bonds[d]	23.0		23.0	
International/government/ corporate bonds[e]	16.3	16.3		
Insurance contracts[f]	1.0		1.0	
Other types of investments:				
Hedge fund of funds[g]	19.8			$19.8
Private equity funds[h]	4.8			4.8
Total investments	$400.9	$237.2	$139.1	$24.6

As of November 30, 2011	International			
(millions)	Total fair value	Level 1	Level 2	Level 3
Cash and cash equivalent	$ 0.1	$ 0.1		
International equity securities[b]	117.8		$ 117.8	
Fixed income securities:				
U.S./government/ corporate bonds[c]	78.9		78.9	
Insurance contracts[f]	18.1		18.1	
Total investments	$ 214.9	$ 0.1	$ 214.8	

As of November 30, 2010	United States			
(millions)	Total fair value	Level 1	Level 2	Level 3
Cash and cash equivalent	$ 1.5	$ 1.5		
Equity securities:				
U.S. equity securities[a]	190.9	79.2	$ 111.7	
International equity securities[b]	67.1	67.1		
Fixed income securities:				
U.S./government/ corporate bonds[c]	63.4	63.4		
High yield bonds[d]	21.1		21.1	
International/government/ corporate bonds[e]	16.2	16.2		
Insurance contracts[f]	1.0		1.0	
Other types of investments:				
Hedge fund of funds[g]	18.9			$ 18.9
Private equity funds[h]	3.2			3.2
Total investments	$ 383.3	$ 227.4	$ 133.8	$ 22.1

As of November 30, 2010	International			
(millions)	Total fair value	Level 1	Level 2	Level 3
Cash and cash equivalent	$ 1.4	$ 1.4		
International equity securities[b]	109.7		$ 109.7	
Fixed income securities:				

U.S./government/ corporate bonds[c]	70.7		70.7
Insurance contracts[f]	17.4		17.4
Total investments	$199.2	$ 1.4	$ 197.8

(a) This category comprises equity funds and collective equity trust funds that most closely track the S&P index and other equity indices.
(b) This category comprises international equity funds with varying benchmark indices.
(c) This category comprises funds consisting of U.S. government and U.S. corporate bonds and other fixed income securities. An appropriate benchmark is the Barclays Capital Aggregate Bond Index.
(d) This category comprises funds consisting of real estate related debt securities with an appropriate benchmark of the Barclays Investment Grade CMBS Index.
(e) This category comprises funds consisting of international government/corporate bonds and other fixed income securities with varying benchmark indices.
(f) This category comprises insurance contracts, the majority of which have a guaranteed investment return.
(g) This category comprises hedge fund of funds investing in strategies represented in the HFRI Fund of Funds Index.
(h) This category comprises private equity, venture capital and limited partnerships.

The change in fair value of the plans Level 3 assets for 2011 is summarized as follows:

(millions)	Beginning of year	Realized gains	Unrealized (losses) gains	Net, purchases and sales	End of year
Hedge fund of funds	$18.9	$0.6	$ (0.3)	$0.6	$19.8
Private equity funds	3.2	0.2	0.5	0.9	4.8
Total	$22.1	$0.8	$ 0.2	$1.5	$24.6

The change in fair value of the plans Level 3 assets for 2010 is summarized as follows:

(millions)	Beginning of year	Realized gains	Unrealized gains	Net, purchases and sales	End of year
Hedge fund of funds	$16.3		$0.6	$2.0	$18.9
Private equity funds	2.2		0.1	0.9	3.2
Total	$18.5		$0.7	$2.9	$22.1

The value for the Level 3 hedge fund of funds assets is determined by an administrator using financial statements of the underlying funds or estimates provided by fund managers. The value for the Level 3 private equity funds assets is determined by the general partner or the general partner s designee. In addition, for the plans Level 3 assets we engage an independent advisor to compare the funds returns to other funds with similar strategies. Each fund is required to have an annual audit by an independent accountant, which is provided to the independent advisor. This provides a basis of comparability relative to similar assets in this category.

Equity securities in the U.S. plan included McCormick stock with a fair value of $22.2 million (0.5 million shares and 5.6% of total U.S. pension plan assets) and $20.0 million (0.5 million shares and 5.2% of total U.S. pension plan assets) at November 30, 2011 and 2010, respectively. Dividends paid on these shares were $0.5 million and $0.5 million in 2011 and in 2010, respectively.

Pension benefit payments in our most significant plans are made from assets of the pension plans. It is anticipated that future benefit payments for the U.S. plans for the next 10 fiscal years will be as follows:

(millions)	United States expected payments
2012	$ 21.3
2013	22.8
2014	24.6
2015	27.2
2016	29.1
2017 2021	181.5

It is anticipated that future benefit payments for the international plans for the next 10 fiscal years will be as follows:

(millions)	International expected payments
2012	$ 7.4
2013	7.9
2014	8.6
2015	9.4
2016	10.6
2017 2021	67.1

In 2012, we expect to contribute approximately $49 million to our U.S. pension plans and approximately $12 million to our international pension plans.

401(k) Retirement Plans

For the U.S. McCormick 401(k) Retirement Plan, we match 100% of a participant s contribution up to the first 3% of the participant s salary, and 50% of the next 2% of the participant s salary. Certain of our smaller U.S. subsidiaries sponsor separate 401(k) retirement plans. Our contributions charged to expense under all 401(k) retirement plans were $7.0 million, $6.8 million and $6.5 million in 2011, 2010 and 2009, respectively.

At the participant s election, 401(k) retirement plans held 2.8 million shares of McCormick stock, with a fair value of $134.3 million, at November 30, 2011. Dividends paid on these shares in 2011 were $3.1 million.

Postretirement Benefits Other Than Pensions

We currently provide postretirement medical and life insurance benefits to certain U.S. employees who were covered under the active employees plan and retire after age 55 with at least 5 years of service. The subsidy provided under these plans is based primarily on age at date of retirement. These benefits are not pre-funded but paid as incurred. Employees hired after December 31, 2008 are not eligible for a company subsidy. They are eligible for coverage on an access-only basis.

Our other postretirement benefit expense follows:

(millions)	2011	2010	2009
Service cost	$ 3.8	$ 5.0	$ 3.1
Interest costs	4.5	5.0	6.7
Amortization of prior service costs	(5.9)	(5.5)	(3.6)
Amortization of losses/(gains)	0.7	1.3	(0.3)
Special termination benefits	0.3		(0.3)
Postretirement benefit expense	$ 3.4	$ 5.8	$ 5.6

Rollforwards of the benefit obligation, fair value of plan assets and a reconciliation of the plans funded status at November 30, the measurement date, follow:

(millions)	2011	2010
Change in benefit obligation:		
Benefit obligation at beginning of year	$101.8	$102.2
Service cost	3.8	5.0
Interest costs	4.5	5.0
Employee contributions	1.8	2.9
Medicare prescription subsidy	0.5	0.4
Plan amendments		(3.3)
Demographic assumptions change	4.1	
Other plan assumptions	(0.8)	(3.2)
Trend rate assumption change		0.5
Discount rate change	(4.2)	4.0
Special termination benefits	0.3	
Actuarial gain	(4.6)	(2.9)
Benefits paid	(7.9)	(8.8)
Benefit obligation at end of year	$99.3	$101.8
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year		
Employer contributions	$ 5.6	$ 5.5
Employee contributions	1.8	2.9
Medicare prescription subsidy	0.5	0.4
Benefits paid	(7.9)	(8.8)
Fair value of plan assets at end of year		
Other postretirement benefit liability	$(99.3)	$(101.8)

Estimated future benefit payments (net of employee contributions) for the next 10 fiscal years are as follows:

(millions)	Retiree medical	Retiree life insurance	Total
2012	$ 6.8	$1.1	$ 7.9
2013	7.2	1.1	8.3
2014	7.3	1.1	8.4
2015	7.3	1.2	8.5
2016	7.3	1.2	8.5
2017 2021	36.4	6.5	42.9

The assumed discount rate was 5.2% and 4.7% for 2011 and 2010, respectively.

For 2012, the assumed annual rate of increase in the cost of covered health care benefits is 8.4% (9.0% last year).

It is assumed to decrease gradually to 5.0% in the year 2019 (5.0% in 2018 last year) and remain at that level thereafter. A one percentage point increase or decrease in the assumed health care cost trend rate would have an immaterial effect on the benefit obligation and the total of service and interest cost components for 2011.

9. STOCK-BASED COMPENSATION

We calculate and record compensation expense on the fair value of grants of various stock-based compensation programs over the vesting period of the awards. Awards are calculated at their fair value on the date of grant. The resulting compensation expense is recorded in the income statement ratably over the shorter of the period until vested or the employee s retirement eligibility date. For employees eligible for retirement on the date of grant, compensation expense is recorded immediately.

For all grants, the amount of compensation expense to be recorded is adjusted for an estimated forfeiture rate which is based on historical data.

Total stock-based compensation expense for 2011, 2010 and 2009 was $13.0 million, $11.9 million and $12.7 million, respectively. Total unrecognized stock-based compensation expense at November 30, 2011 was $10.4 million and the weighted-average period over which this will be recognized is 1.2 years.

We have two types of stock-based compensation awards; restricted stock units (RSUs) and stock options. Below, we have summarized the key terms and methods of valuation for our stock-based compensation awards.

RSUs

RSUs are valued at the market price of the underlying stock on the date of grant. Substantially all of the RSUs vest over a two-year term or upon retirement and are expensed ratably over that period.

A summary of our RSU activity for the years ended November 30 follows:

(shares in thousands)	2011		2010		2009	
	Shares	Weighted-average price	Shares	Weighted-average price	Shares	Weighted-average price
Beginning of year	289	$35.42	353	$32.40	370	$36.78
Granted	133	47.40	177	38.36	223	29.89
Vested	(183)	34.04	(238)	33.15	(237)	36.27
Forfeited	(6)	40.91	(3)	32.71	(3)	32.67
Outstanding end of year	233	$43.23	289	$35.42	353	$32.40

Stock Options

Stock options are granted with an exercise price equal to the market price of the stock on the date of grant. Substantially all of the options granted vest ratably over a four-year period or upon retirement and are exercisable over a ten-year period. Upon exercise of the option, shares would be issued from our authorized and unissued shares.

The fair value of the options are estimated using a lattice option pricing model which uses the assumptions in the table below. We believe the lattice model provides a better estimated fair value of our options as it uses a range of possible outcomes over an option term and can be adjusted for changes in certain assumptions over time. Expected volatilities are based on the historical performance of our stock. We also use historical data to estimate the timing and amount of option exercises and forfeitures within the valuation model. The expected term of the options is an output of the option pricing model and estimates the period of time that options are expected to remain unexercised. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant.

The per share weighted-average fair value for all options granted was $7.99, $6.88 and $5.04 in 2011, 2010 and 2009, respectively. These fair values were computed using the following range of assumptions for our various stock compensation plans for the years ended November 30:

	2011	2010	2009
Risk-free interest rates	0.1 3.5%	0.2 3.8%	0.2 2.7%
Dividend yield	2.4%	2.7%	3.2%
Expected volatility	15.2 22.2%	20.4 24.2%	24.9%
Expected lives	6.4 years	6.2 years	6.2 years

Under our stock option plans, we may issue shares on a net basis at the request of the option holder. This occurs by netting the option cost in shares from the shares exercised.

A summary of our stock option activity for the years ended November 30 follows:

(shares in millions)	2011		2010		2009	
	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
Beginning of year	7.4	$32.01	11.3	$29.45	11.9	$28.33
Granted	1.0	47.40	1.0	38.39	1.2	29.89
Exercised	(1.7)	29.35	(4.8)	27.25	(1.7)	20.89
Forfeited	(0.1)	30.08	(0.1)	33.97	(0.1)	35.71
End of year	6.6	34.98	7.4	32.01	11.3	29.45
Exercisable end of year	4.2	$32.26	5.2	$30.86	9.5	$28.97

As of November 30, 2011, the intrinsic value (the difference between the exercise price and the market price) for the options outstanding was $90.1 million and for options exercisable was $69.8 million. The total intrinsic value of all options exercised during the years ended November 30, 2011, 2010 and 2009 was $32.4 million, $63.9 million and $21.9 million, respectively. A summary of our stock options outstanding and exercisable at November 30, 2011 follows:

(shares in millions)	Options outstanding			Options exercisable		
Range of exercise price	Shares	Weighted- average remaining life (yrs)	Weighted- average exercise price	Shares	Weighted- average remaining life (yrs)	Weighted- average exercise price
$21.28 $28.43	0.7	0.9	$22.02	0.7	0.9	$22.02
$28.44 $35.58	2.3	4.7	30.43	1.7	3.8	30.62
$35.59 $42.73	2.6	5.7	38.23	1.8	4.7	38.20
$42.74 $49.88	1.0	9.3	47.40			
	6.6	5.3	$34.98	4.2	3.6	$32.26

10. RESTRUCTURING ACTIVITIES

In November 2005, the Board of Directors approved a restructuring plan to consolidate our global manufacturing, rationalize our distribution facilities, improve our go-to-market strategy, eliminate administrative redundancies and rationalize our joint venture partnerships. From 2005 through 2009, we recorded total pre-tax charges of $128.7 million for this program.

As of November 30, 2009 this restructuring program was completed.

The following is a summary of restructuring activities for 2009:

(millions)	2009
Pre-tax restructuring charges	
Other restructuring charges	$13.7
Recorded in cost of goods sold	2.5
Reduction in operating income	16.2
Income tax effect	(5.3)
Reduction in net income	$10.9

In 2009, we recorded $8.2 million of severance costs, primarily associated with the reduction of administrative personnel in Europe and the planned closure of a manufacturing facility in The Netherlands. In addition, we recorded $2.5 million of other exit costs and $5.5 million for asset write-downs related to The Netherlands plant closure. The asset write-downs were for accelerated depreciation and inventory write-offs.

The business segment components of the restructuring charges recorded in 2009 are as follows:

(millions)	2009
Consumer	$ 12.3
Industrial	3.9
Total restructuring charges	$ 16.2

11. INCOME TAXES

The provision for income taxes consists of the following:

(millions)	2011	2010	2009

Income taxes			
Current			
Federal	$ 76.5	$ 78.0	$ 83.4
State	10.5	10.6	10.9
International	17.6	18.9	14.7
	104.6	107.5	109.0
Deferred			
Federal	32.0	9.4	24.5
State	4.1	2.1	2.7
International	1.9	(1.0)	(3.2)
	38.0	10.5	24.0
Total income taxes	$ 142.6	$ 118.0	$ 133.0

The components of income from consolidated operations before income taxes follow:

(millions)	2011	2010	2009
Pretax income			
United States	$ 338.7	$ 357.4	$ 338.3
International	152.7	105.3	78.2
	$ 491.4	$ 462.7	$ 416.5

A reconciliation of the U.S. federal statutory rate with the effective tax rate follows:

	2011	2010	2009
Federal statutory tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefits	1.9	1.8	2.1
International tax at different effective rates	(7.0)	(4.4)	(4.0)
U.S. tax on remitted and unremitted earnings	0.2	(1.6)	0.4
U.S. manufacturing deduction	(1.6)	(1.3)	(0.8)
Changes in prior year tax contingencies	(0.1)	(3.8)	(0.4)
Other, net	0.6	(0.2)	(0.4)
Total	29.0%	25.5%	31.9%

Deferred tax assets and liabilities are comprised of the following:

(millions)	2011	2010
Deferred tax assets		
Employee benefit liabilities	$152.3	$127.5
Other accrued liabilities	16.6	24.6
Inventory	14.6	9.5
Net operating and capital loss carryforwards	22.8	24.2
Other	18.7	20.0
Valuation allowance	(26.6)	(22.9)
	198.4	182.9
Deferred tax liabilities		
Depreciation	49.9	41.4
Intangible assets	145.3	114.0
Other	7.6	5.7
	202.8	161.1
Net deferred tax (liability) asset	$ (4.4)	$ 21.8

At November 30, 2011, our non-U.S. subsidiaries have tax loss carryforwards of $115.8 million, of which $12.5 million are from the excess tax benefits related to stock-based compensation deductions which will increase equity once the benefit is realized through a reduction of income taxes payable. Of these carryforwards, $33.7 million expire through 2015, $36.6 million from 2016 through 2024 and $45.5 million may be carried forward indefinitely.

At November 30, 2011, our non-U.S. subsidiaries have capital loss carryforwards of $5.9 million. All of these carryforwards may be carried forward indefinitely.

At November 30, 2011, we have tax credit carryforwards of $7.1 million, which expire in 2020.

A valuation allowance has been provided to record deferred tax assets at their net realizable value based on a more likely than not criteria. The $3.7 million net increase in the valuation allowance was mainly due to an additional valuation allowance related to losses generated in 2011 which may not be realized in future periods.

U.S. income taxes are not provided for unremitted earnings of international subsidiaries and affiliates where our intention is to reinvest these earnings permanently. Unremitted earnings of such entities were $864.0 million at November 30, 2011.

The total amount of unrecognized tax benefits as of November 30, 2011 and November 30, 2010 were $33.2 million and $20.7 million, respectively. If recognized, all of these tax benefits would affect the effective tax rate.

The following table summarizes the activity related to our gross unrecognized tax benefits for the years ended November 30, 2011, 2010 and 2009:

(millions)	2011	2010	2009
Balance at beginning of year	$20.7	$31.2	$28.6
Additions for current year tax positions	10.3	5.1	3.7

Additions for prior year tax positions	6.5	3.4	1.7
Reductions for prior year tax positions	(3.1)	(2.6)	(3.6)
Settlements		(0.6)	
Statute expirations	(1.2)	(15.8)	
Foreign currency translation			0.8
Balance at November 30,	$33.2	$20.7	$31.2

In 2010, the $15.8 million of statute expirations is mainly composed of a $13.9 million reserve reversal that was originally recorded based on uncertainties about the tax aspects of transactions related to the reorganization of our European operations and divestment of certain of our joint ventures.

We record interest and penalties on income taxes in income tax expense. We recognized interest and penalty expense of $0.6 million, interest and penalty income of $2.2 million, and interest and penalty expense of $0.7 million for the years ended November 30, 2011, 2010 and 2009, respectively. As of November 30, 2011 and 2010, we had accrued $1.7 million and $1.2 million, respectively, of interest and penalties related to unrecognized tax benefits.

We file income tax returns in the U.S. federal jurisdiction and various state and non-U.S. jurisdictions. The open years subject to tax audits varies depending on the tax jurisdictions. In major jurisdictions, we are no longer subject to income tax audits by taxing authorities for years before 2006. In 2010, the Internal Revenue Service commenced an examination of our U.S. income tax return for the tax years 2007 and 2008. We are also under normal recurring tax audits in several of our major operations outside the U.S. While it is often difficult to predict the final outcome or the timing of resolution of any particular uncertain tax position, we believe that our unrecognized tax benefits reflect the most likely outcome. We adjust these unrecognized tax benefits, and the related interest, in light of changing facts and circumstances. Settlement of any particular position could require the use of cash. Favorable resolution would be recognized as a reduction to our effective tax rate in the period of resolution.

12. EARNINGS PER SHARE

The reconciliation of shares outstanding used in the calculation of basic and diluted earnings per share for the years ended November 30, 2011, 2010 and 2009 follows:

(millions)	2011	2010	2009
Average shares outstanding basic	132.7	132.9	130.8
Effect of dilutive securities:			
Stock options/RSUs	1.6	1.8	1.5
Average shares outstanding diluted	134.3	134.7	132.3

The following table sets forth the stock options and RSUs for the years ended November 30, 2011, 2010 and 2009 which were not considered in our earnings per share calculation since they were antidilutive.

(millions)	2011	2010	2009
Antidilutive securities	0.5	0.6	4.4

13. CAPITAL STOCK

Holders of Common Stock have full voting rights except that (1) the voting rights of persons who are deemed to own beneficially 10% or more of the outstanding shares of Common Stock are limited to 10% of the votes entitled to be cast by all holders of shares of Common Stock regardless of how many shares in excess of 10% are held by such person; (2) we have the right to redeem any or all shares of stock owned by such person unless such person acquires more than 90% of the outstanding shares of each class of our common stock; and (3) at such time as such person controls more than 50% of the vote entitled to be cast by the holders of outstanding shares of Common Stock, automatically, on a share-for-share basis, all shares of Common Stock Non-Voting will convert into shares of Common Stock.

Holders of Common Stock Non-Voting will vote as a separate class on all matters on which they are entitled to vote. Holders of Common Stock Non-Voting are entitled to vote on reverse mergers and statutory share exchanges where our capital stock is converted into other securities or property, dissolution of the Company and the sale of substantially all of our assets, as well as forward mergers and consolidation of the Company.

14. COMMITMENTS AND CONTINGENCIES

During the normal course of our business, we are occasionally involved with various claims and litigation. Reserves are established in connection with such matters when a loss is probable and the amount of such loss can be reasonably estimated. At November 30, 2011 and 2010, no material reserves were recorded. No reserves are established for losses which are only reasonably possible. The determination of probability and the estimation of the actual amount of any such loss is inherently unpredictable, and it is therefore possible that the eventual outcome of such claims and litigation could exceed the estimated reserves, if any. However, we believe that the likelihood that any such excess might have a material adverse effect on our financial statements is remote.

15. BUSINESS SEGMENTS AND GEOGRAPHIC AREAS

Business Segments

We operate in two business segments: consumer and industrial. The consumer and industrial segments manufacture, market and distribute spices, seasoning mixes, condiments and other flavorful products throughout the world. Our consumer segment sells to retail outlets, including grocery, mass merchandise, warehouse clubs, discount and drug stores under the McCormick brand and a variety of brands around the world, including Lawry s , Zatarain s , Simply Asia , Thai Kitchen , Ducros , Vahiné , Schwartz , Club House , Kamis and Koohinor . O sells to food manufacturers and the foodservice industry both directly and indirectly through distributors.

In each of our segments, we produce and sell many individual products which are similar in composition and nature. With their primary attribute being flavor, we regard the products within each of our segments to be fairly homogenous. It is impracticable to segregate and identify sales and profits for each of these individual product lines.

We measure segment performance based on operating income excluding restructuring charges from our restructuring programs as this activity is managed separately from the business segment. Although the segments are managed separately due to their distinct distribution channels and marketing strategies, manufacturing and warehousing are often integrated to maximize cost efficiencies. We do not segregate jointly utilized assets by individual segment for internal reporting, evaluating performance or allocating capital. Therefore, asset-related information has been disclosed in the aggregate.

We have a large number of customers for our products. Sales to one of our industrial business customers, PepsiCo, Inc., accounted for 11% of consolidated sales in 2011, 10% of consolidated sales in 2010 and 11% of consolidated sales in 2009. Sales to one of our consumer business customers, Wal-Mart Stores, Inc., accounted for 11% of consolidated sales in 2011, 2010 and 2009. Accounting policies for measuring segment operating income and assets are consistent with those described in note 1. Because of integrated manufacturing for certain products within the segments, products are not sold from one segment to another but rather inventory is transferred at cost. Inter-segment sales are not material. Corporate assets include cash, deferred taxes, investments and certain fixed assets.

Business Segment Results

(millions)	Consumer	Industrial	Total segments	Corporate & other	Total
2011					
Net sales	$2,199.9	$1,497.7	$3,697.6		$3,697.6
Operating income	428.4	111.9	540.3		540.3
Income from unconsolidated operations	20.5	4.9	25.4		25.4
Goodwill	1,550.7	143.5	1,694.2		1,694.2
Assets			3,895.6	$192.2	4,087.8
Capital expenditures			74.8	21.9	96.7
Depreciation and amortization			76.2	22.1	98.3
2010					
Net sales	$1,999.0	$1,337.8	$3,336.8		$3,336.8
Operating income	402.4	107.4	509.8		509.8
Income from unconsolidated operations	20.2	5.3	25.5		25.5
Goodwill	1,273.2	144.2	1,417.4		1,417.4
Assets			3,211.8	$207.9	3,419.7
Capital expenditures			66.1	22.9	89.0
Depreciation and amortization			75.4	19.7	95.1
2009					
Net sales	$1,911.2	$1,280.9	$3,192.1		$3,192.1
Operating income excluding restructuring charges	397.9	85.2	483.1		483.1
Income from unconsolidated operations	12.1	4.2	16.3		16.3
Goodwill	1,334.5	145.2	1,479.7		1,479.7
Assets			3,207.4	$180.4	3,387.8
Capital expenditures			64.4	18.0	82.4
Depreciation and amortization			77.8	16.5	94.3

A reconciliation of operating income excluding restructuring charges (which we use to measure segment profitability) to operating income is as follows:

(millions)	Total
2009	
Operating income, excluding restructuring charges	$483.1
Less: Restructuring charges	16.2
Operating income	$466.9

Geographic Areas

We have net sales and long-lived assets in the following geographic areas:

(millions)	United States	EMEA	Other countries	Total
2011				
Net sales	$2,220.8	$770.8	$706.0	$3,697.6
Long-lived assets	1,284.1	968.3	314.9	2,567.3

2010				
Net sales	$2,041.3	$681.8	$613.7	$3,336.8
Long-lived assets	1,240.9	690.3	206.7	2,137.9
2009				
Net sales	$1,981.5	$671.0	$539.6	$3,192.1
Long-lived assets	1,230.0	778.3	198.5	2,206.8

Long-lived assets include property, plant and equipment, goodwill and intangible assets, net of accumulated depreciation and amortization.

16. SUPPLEMENTAL FINANCIAL STATEMENT DATA

Supplemental income statement, balance sheet and cash flow information follows:

(millions)	2011	2010
Inventories		
Finished products	$ 268.8	$ 234.1
Raw materials and work-in-process	344.9	243.5
	$ 613.7	$ 477.6
Prepaid expenses	$ 17.8	$ 13.6
Other current assets	110.5	87.2
	$ 128.3	$ 100.8
Property, plant and equipment		
Land and improvements	$ 39.2	$ 29.5
Buildings	306.9	282.6
Machinery and equipment	620.6	567.6
Software	257.0	244.3
Construction-in-progress	45.5	39.3
Accumulated depreciation	(746.1)	(675.3)
	$ 523.1	$ 488.0
Investments and other assets		
Investments in affiliates	$ 130.5	$ 121.2
Long-term investments	71.4	65.8
Prepaid allowances	36.0	24.0
Other assets	59.7	54.9
	$ 297.6	$ 265.9
Other accrued liabilities		
Payroll and employee benefits	$ 135.5	$ 139.5
Sales allowances	128.1	138.8
Other	140.7	153.4
	$ 404.3	$ 431.7
Other long-term liabilities		
Pension	$ 223.8	$ 154.7
Postretirement benefits	91.0	92.9
Deferred taxes	71.5	48.5
Income taxes payable	34.9	21.9
Other	25.1	24.3
	$ 446.3	$ 342.3

(millions)	2011	2010	2009
Depreciation	$ 58.1	$ 54.0	$ 56.0
Software amortization	24.4	25.0	24.8
Interest paid	49.6	49.3	54.3
Income taxes paid	103.5	83.2	107.1

(millions)	2011	2010
Accumulated other comprehensive loss, net of tax where applicable		
Foreign currency translation adjustment	$ 180.9	$ 184.7
Unrealized gain (loss) on foreign currency exchange contracts	1.1	(0.7)
Unamortized value of settled interest rate swaps	(5.0)	(5.9)
Pension and other postretirement costs	(236.0)	(181.8)
	$ (59.0)	$ (3.7)

Dividends paid per share were $1.12 in 2011, $1.04 in 2010 and $0.96 in 2009.

17. SELECTED QUARTERLY DATA (UNAUDITED)

(millions except per share	First	Second	Third	Fourth

data)

2011				
Net sales	$782.8	$883.7	$920.4	$1,110.7
Gross profit	328.2	350.7	364.5	479.1
Operating income	110.6	109.3	128.4	192.0
Net income	76.8	73.6	92.0	131.7
Basic earnings per share	0.58	0.56	0.69	0.99
Diluted earnings per share	0.57	0.55	0.69	0.98
Dividends paid per share				
Common Stock and Common Stock Non-Voting	0.28	0.28	0.28	0.28
Market price Common Stock				
High	47.50	50.21	50.85	49.85
Low	44.30	47.10	44.00	45.05
Market price Common Stock Non-Voting				
High	47.71	50.50	51.00	50.03
Low	44.20	46.96	43.98	44.93

2010				
Net sales	$764.5	$798.3	$794.6	$ 979.5
Gross profit	310.2	326.7	334.8	446.0
Operating income	100.8	97.5	126.0	185.4
Net income	67.9	66.2	102.4	133.6
Basic earnings per share	0.51	0.50	0.77	1.00
Diluted earnings per share	0.51	0.49	0.76	0.99
Dividends paid per share				
Common Stock and Common Stock Non-Voting	0.26	0.26	0.26	0.26
Market price Common Stock				
High	37.71	39.75	40.89	48.00
Low	35.72	37.23	37.69	40.38
Market price Common Stock Non-Voting				
High	37.76	39.77	40.90	44.81
Low	35.56	37.33	37.53	40.36

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

Internal Control over Financial Reporting

Management s report on our internal control over financial reporting and the report of our Independent Registered Public Accounting Firm on internal control over financial reporting are included in our 2011 financial statements in Item 8 of this Report under the captions entitled Report of Management and Report of Independent Registered Public Accounting Firm. No change occurred in our internal control over financial reporting (as defined in Rule 13a-15(f)) during our last fiscal quarter which has materially affected or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On January 24, 2012, the Board of Directors approved amendments to our By-Laws. The amendments, among other things, provide that executive officers of the Company are elected by the Board of Directors, while the President may appoint and remove other officers of the Company.

The remaining amendments to the By-Laws are minor in nature and are designed to update our By-Laws and conform with standard practices. These additional amendments, among other things,

- Provide that the executive officers of the Company are the President and any other officer determined by the Board of Directors to be an executive officer.

- Provide that certain officers may also be considered executive officers and that certain executive officers may also serve as the chief operating officer.

This description is qualified in its entirety by reference to the text of the amended and restated By-Laws filed as an Exhibit to this Report, which are incorporated herein by reference.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information responsive to this item is set forth in the sections titled Corporate Governance, Election of Directors and Section 16(a) Beneficial Ownership Reporting Compliance in our 2012 Proxy Statement, incorporated by reference herein, to be filed within 120 days after the end of our fiscal year.

In addition to the executive officers described in the 2012 Proxy Statement incorporated by reference in this Item 10 of this Report, the following individuals are also executive officers of McCormick: W. Geoffrey Carpenter, Kenneth A. Kelly, Jr., Cecile K. Perich and Michael R. Smith.

Mr. Carpenter is 59 years old and, during the last five years, has held the following positions with McCormick: December 2008 to present Vice President, General Counsel & Secretary; April 1996 to December 2008 Associate General Counsel & Assistant Secretary.

Mr. Kelly is 57 years old and, during the last five years, has held the following positions with McCormick: April 2008 to present Senior Vice President & Corporate Controller; February 2000 to April 2008--Vice President & Corporate Controller.

Ms. Perich is 60 years old and, during the last five years, has held the following positions with McCormick: April 2010 to present Senior Vice President Human Relations; January 2007 to April 2010 Vice President Human Relations; January 1997 to January 2007 Vice President Human Relations, U.S. Industrial Group.

Mr. Smith is 47 years old and, during the last five years, has held the following positions with McCormick: September 2011 to present Vice President Treasury and Investor Relations; April 2005 to September 2011 Vice President Finance & Administration, U.S. Consumer.

We have adopted a code of ethics that applies to all employees, including our principal executive officer, principal financial officer, principal accounting officer, and our Board of Directors. A copy of the code of ethics is available on our internet website at www.mccormickcorporation.com. We will satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any material amendment to our code of ethics, and any waiver from a provision of our code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, or persons performing similar functions, by posting such information on our website at the internet website address set forth above.

ITEM 11. EXECUTIVE COMPENSATION

Information responsive to this item is incorporated herein by reference to the sections titled Compensation of Directors, Compensation Discussion and Analysis, Compensation Committee Report, Summary Compensation Table, Grants of Plan-Based Awards, Narrative to the Summary Compensation Table, Outstanding Equity Awards at Fiscal Year-End, Option Exercises and Stock Vested in Last Fiscal Year, Pension Benefits, Non-Qualified Deferred Compensation, Potential Payments Upon Termination or Change in Control, Compensation Committee Interlocks and Insider Participation and Equity Compensation Plan Information in the 2012 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information responsive to this item is incorporated herein by reference to the sections titled Principal Stockholders, Election of Directors and Equity Compensation Plan Information in the 2012 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information responsive to this Item is incorporated herein by reference to the section entitled Corporate Governance in the 2012 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information responsive to this item is incorporated herein by reference to the section titled Report of Audit Committee and Fees of Independent Registered Public Accounting Firm in the 2012 Proxy Statement.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

List of documents filed as part of this Report.

1. Consolidated Financial Statements

The Consolidated Financial Statements for McCormick & Company, Incorporated and related notes, together with the Report of Management, and the Report of Ernst & Young LLP dated January 27, 2012, are included herein in Part II, Item 8.

2. Consolidated Financial Statement Schedule

Included in Part IV of this Annual Report:

Supplemental Financial Schedule:

II Valuation and Qualifying Accounts

Schedules other than those listed above are omitted because of the absence of the conditions under which they are required or because the information called for is included in the consolidated financial statements or notes thereto.

3. Exhibits required to be filed by Item 601 of Regulation S-K

The information called for by this Item is incorporated herein by reference from the Exhibit Index included in this Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, McCormick has duly caused this report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

McCORMICK & COMPANY, INCORPORATED

By:	/s/ ALAN D. WILSON Alan D. Wilson	Chairman, President & Chief Executive Officer	January 27, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of McCormick and in the capacities and on the dates indicated.

Principal Executive Officer:

By:	/s/ ALAN D. WILSON Alan D. Wilson	Chairman, President & Chief Executive Officer	January 27, 2012

Principal Financial Officer:

By:	/s/ GORDON M. STETZ, JR. Gordon M. Stetz, Jr.	Executive Vice President & Chief Financial Officer	January 27, 2012

Principal Accounting Officer:

By:	/s/ KENNETH A. KELLY, JR. Kenneth A. Kelly, Jr.	Senior Vice President & Controller	January 27, 2012

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons, being a majority of the Board of Directors of McCormick & Company, Incorporated, on the date indicated:

THE BOARD OF DIRECTORS:	DATE:
/s/ JOHN P. BILBREY John P. Bilbrey	January 27, 2012
/s/ JAMES T. BRADY James T. Brady	January 27, 2012
/s/ J. MICHAEL FITZPATRICK J. Michael Fitzpatrick	January 27, 2012
/s/ FREEMAN A. HRABOWSKI, III Freeman A. Hrabowski, III	January 27, 2012
/s/ PATRICIA LITTLE Patricia Little	January 27, 2012
/s/ MICHAEL D. MANGAN Michael D. Mangan	January 27, 2012
/s/ MARGARET M.V. PRESTON Margaret M.V. Preston	January 27, 2012
/s/ GEORGE A. ROCHE George A. Roche	January 27, 2012
/s/ GORDON M. STETZ, JR. Gordon M. Stetz, Jr.	January 27, 2012
/s/ WILLIAM E. STEVENS	January 27, 2012

William E. Stevens

/s/ Alan D. Wilson	January 27, 2012
Alan D. Wilson	

Supplemental Financial Schedule II Consolidated

McCORMICK & COMPANY, INCORPORATED

VALUATION AND QUALIFYING ACCOUNTS

(IN MILLIONS)

Column A	Column B	Column C Additions		Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Deducted from asset accounts:					
Year ended November 30, 2011:					
Allowance for doubtful receivables	$2.9	$1.1	$1.7	$ (1.2)	$ 4.5
Valuation allowance on net deferred tax assets	22.9	5.2	0.9	(2.4)	26.6
	$25.8	$6.3	$2.6	$ (3.6)	$31.1
Deducted from asset accounts:					
Year ended November 30, 2010:					
Allowance for doubtful receivables	$4.5		$(0.2)	$(1.4)	$2.9
Valuation allowance on net deferred tax assets	20.5	$4.7	(1.8)	(0.5)	22.9
	$25.0	$4.7	$(2.0)	$(1.9)	$25.8
Deducted from asset accounts:					
Year ended November 30, 2009:					
Allowance for doubtful receivables	$4.6	$8.2	$0.5	$(8.8)	$4.5
Valuation allowance on net deferred tax assets	7.5	7.9	5.1		20.5
	$12.1	$16.1	$5.6	$(8.8)	$25.0

EXHIBIT INDEX

The following exhibits are attached or incorporated herein by reference:

Exhibit Number			Description
(3)	(i)		
		Articles of Incorporation and By-Laws	
		Restatement of Charter of McCormick & Company, Incorporated dated April 16, 1990	Incorporated by reference from Exhibit 4 of Registration Form
			S-8, Registration No. 33-39582 as filed with the Securities and Exchange Commission on March 25, 1991.
		Articles of Amendment to Charter of McCormick & Company, Incorporated dated April 1, 1992	Incorporated by reference from Exhibit 4 of Registration Form
			S-8, Registration Statement No. 33-59842 as filed with the Securities and Exchange Commission on March 19, 1993.
		Articles of Amendment to Charter of McCormick & Company, Incorporated dated March 27, 2003	Incorporated by reference from Exhibit 4 of Registration Form
			S-8, Registration Statement No. 333-104084 as filed with the Securities and Exchange Commission on March 28, 2003.
	(ii)	By-Laws	
		By-Laws of McCormick & Company, Incorporated Amended and Restated on January 24, 2012	Filed herewith

(4) Instruments defining the rights of security holders, including indentures

(i) See Exhibit 3 (Restatement of Charter and By-Laws)

(ii) Summary of Certain Exchange Rights, incorporated by reference from Exhibit 4.1 of McCormick s Form 10-Q for the quarter ended August 31, 2001, File No. 0-748, as filed with the Securities and Exchange Commission on October 12, 2001.

(iii) Indenture dated December 5, 2000 between McCormick and SunTrust Bank, incorporated by reference from Exhibit 4(iii) of McCormick s Form 10-Q for the quarter ended August 31, 2003, File No. 1-14920, as filed with the Securities and Exchange Commission on October 14, 2003.

(iv) Indenture dated December 7, 2007 between McCormick and The Bank of New York, incorporated by reference from Exhibit 4.1 of McCormick s Form 8-K dated December 4, 2007, File No. 0-748, as filed with the Securities and Exchange Commission on December 10, 2007.

(v) Indenture dated July 8, 2011 between McCormick and U.S. Bank National Association, incorporated by reference from Exhibit 4.1 of McCormick s Form 8-K dated July 5, 2011, File No. 1-14920, as filed with the Securities and Exchange Commission on July 8, 2011.

(vi) Form of 5.20% notes due 2015, incorporated by reference from Exhibit 4.2 of McCormick s Form 8-K dated December 1, 2005, File No. 0-748, as filed with the Securities and Exchange Commission on December 6, 2005.

(vii) Form of 5.75% notes due 2017, incorporated by reference from Exhibit 4.2 of McCormick s Form 8-K dated December 4, 2007, File No. 0-748, as filed with the Securities and Exchange Commission on December 10, 2007.

(viii) Form of 5.25% notes due 2013 (issued pursuant to an Indenture between McCormick and The Bank of New York Mellon, formerly known as The Bank of New York, as trustee, a copy of which was filed with the Securities and Exchange Commission as Exhibit 4.1 to McCormick s Form 8-K on December 10, 2007, File No. 0-748), incorporated by reference from Exhibit 4.1 of McCormick s Form 8-K dated September 3, 2008, File No. 1-14920, as filed with the Securities and Exchange Commission on September 4, 2008.

Exhibit Number	Description
(ix)	Form of 3.90% notes due 2021, incorporated by reference from Exhibit 4.2 of McCormick s Form 8-K dated July 5, 2011, File No. 1-14920, as filed with the Securities and Exchange Commission on July 8, 2011.
(10)	Material contracts
(i)	McCormick s supplemental pension plan for certain senior and executive officers, amended and restated with an effective date of January 1, 2005, adopted by the Compensation Committee of the Board of Directors on November 28, 2008, which agreement is incorporated by reference from Exhibit 10(i) of McCormick s 10-K for the fiscal year ended November 30, 2009, File No. 1-14920, as filed with the Securities and Exchange Commission on January 28, 2010.*
(ii)	The 2001 Stock Option Plan, in which officers and certain other management employees participate, is set forth on pages 33 through 36 of McCormick s definitive Proxy Statement dated February 15, 2001, File No. 1-14920, as filed with the Securities and Exchange Commission on February 14, 2001, and incorporated by reference herein.*
(iii)	The 1997 Stock Option Plan, in which officers and certain other management employees participate, is set forth in Exhibit B of McCormick s definitive Proxy Statement dated February 19, 1997, File No. 0-748, as filed with the Securities and Exchange Commission on February 18, 1997, and incorporated by reference herein.*
(iv)	2004 Long-Term Incentive Plan, in which officers and certain other management employees participate, is set forth in Exhibit A of McCormick s definitive Proxy Statement dated February 17, 2004, File No. 1-14920, as filed with the Securities and Exchange Commission on February 17, 2004, and incorporated by reference herein.*
(v)	1999 Directors Non-Qualified Stock Option Plan, provided to members of McCormick s Board of Directors who are not also employees of McCormick, is set forth in Exhibit A of McCormick s definitive Proxy Statement dated February 16, 1999, File No. 0-748, as filed with the Securities and Exchange Commission on February 16, 1999, and incorporated by reference herein.*
(vi)	2004 Directors Non-Qualified Stock Option Plan, provided to members of McCormick s Board of Directors who are not also employees of McCormick, is set forth in Exhibit B of McCormick s definitive Proxy Statement dated February 17, 2004, File No. 1-14920, as filed with the Securities and Exchange Commission on February 17, 2004, and incorporated by reference herein.*
(vii)	Directors Share Ownership Program, provided to members of McCormick s Board of Directors who are not also employees of McCormick, is set forth on page 28 of McCormick s definitive Proxy Statement dated February 17, 2004, File No. 1-14920, as filed with the Securities and Exchange Commission on February 17, 2004, and incorporated by reference herein.*
(viii)	Deferred Compensation Plan, as restated on January 1, 2000, and amended on August 29, 2000, September 5, 2000 and May 16, 2003, in which directors, officers and certain other management employees participate, a copy of which Plan document and amendments was attached as Exhibit 10(viii) of McCormick s Form 10-Q for the quarter ended August 31, 2003, File No. 1-14920, as filed with the Securities and Exchange Commission on October 14, 2003, and incorporated by reference herein.*
(ix)	2005 Deferred Compensation Plan, amended and restated with an effective date of January 1, 2005, in which directors, officers and certain other management employees participate, which agreement is incorporated by reference from Exhibit 4.1 of McCormick s Form S-8, Registration No. 333-155775, as filed with the Securities and Exchange Commission on November 28, 2008.*

Exhibit Number	Description	
(x)	The 2007 Omnibus Incentive Plan, in which directors, officers and certain other management employees participate, is set forth in Exhibit A of McCormick s definitive Proxy Statement dated February 20, 2008, File No. 1-14920, as filed with the Securities and Exchange Commission on February 20, 2008, and incorporated by reference herein, as amended by Amendment No. 1 thereto, which Amendment is incorporated by reference from Exhibit 10(xi) of McCormick s 10-K for the fiscal year ended November 30, 2008, File No. 1-14920, as filed with the Securities and Exchange Commission on January 28, 2009.*	
(21)	Subsidiaries of McCormick	Filed herewith
(23)	Consents of experts and counsel	Filed herewith
(31)	Rule 13a-14(a)/15d-14(a) Certifications	Filed herewith
(32)	Section 1350 Certifications	Filed herewith
(101)	The following financial information from the Annual Report on Form 10-K of McCormick for the year ended November 30, 2011, furnished electronically herewith, and formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Income; (iii) Condensed Consolidated Statement of Stockholders Equity and Comprehensive Income; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to the Condensed Consolidated Financial Statements.**	

* Management contract or compensatory plan or arrangement.

** In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed to be filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

McCormick hereby undertakes to furnish to the Securities and Exchange Commission, upon its request, copies of additional instruments of McCormick with respect to long-term debt that involve an amount of securities that do not exceed 10 percent of the total assets of McCormick and its subsidiaries on a consolidated basis.