



Campbell's

®

Investor Update

**Second Quarter
Of Fiscal 2010**

February 22, 2010



Investor Update

Second Quarter of Fiscal 2010

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Forward-Looking Statements

This presentation contains “forward-looking statements” that reflect the company’s current expectations about the impact of its future plans and performance on sales, earnings, and margins. These forward-looking statements rely on a number of assumptions and estimates that could be inaccurate and which are subject to risks and uncertainties. The factors that could cause the company’s actual results to vary materially from those anticipated or expressed in any forward-looking statement include (1) the impact of strong competitive responses to the company's efforts to leverage its brand power in the market; (2) the risks associated with trade and consumer acceptance of the company’s initiatives; (3) the company's ability to realize projected cost savings and benefits; (4) the company’s ability to manage changes to its business processes; (5) the increased significance of certain of the company’s key trade customers; (6) the impact of fluctuations in the supply or costs of energy and raw and packaging materials; (7) the risks associated with portfolio changes; (8) the uncertainties of litigation; (9) the impact of changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions and other external factors; (10) the impact of unforeseen business disruptions in one or more of the company’s markets due to political instability, civil disobedience, armed hostilities, natural disasters or other calamities; and (11) other factors described in the company’s most recent Form 10-K and subsequent Securities and Exchange Commission filings. The company disclaims any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this release.



Non-GAAP Measures

This presentation includes certain “non-GAAP” measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is shown as an appendix to this presentation.



CEO Perspective



Douglas R. Conant

- Second-quarter highlights
- First-half highlights
- Ready-to-serve soup performance



Results for the Second Quarter



B. Craig Owens

Agenda:

- Second-quarter and fiscal year-to-date results
- Segment highlights
- Updated earnings guidance



2010 Financial Summary

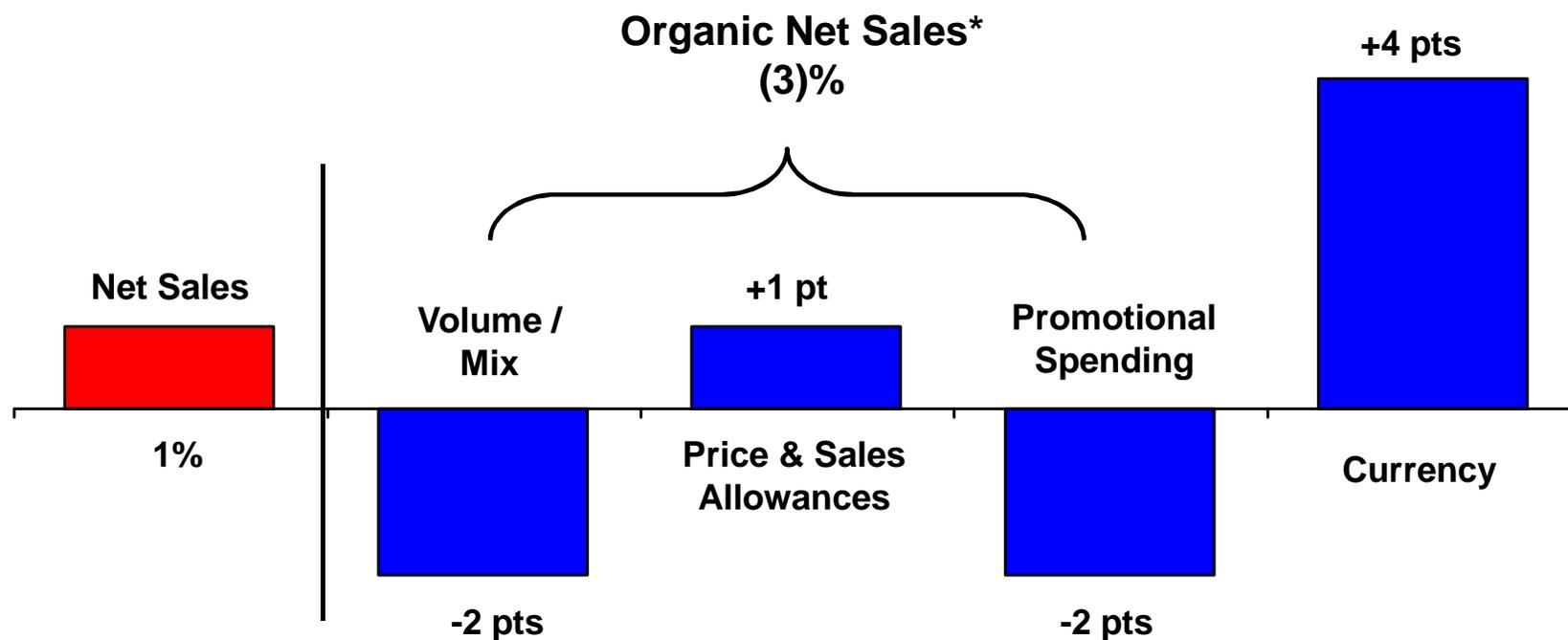
(\$ millions, except per share)

	<u>Second Quarter</u>	<u>% Change</u>	<u>Fiscal YTD</u>	<u>% Change</u>
Net Sales	\$ 2,153	1%	\$ 4,356	--%
<i>Organic Net Sales*</i>		-3%		-3%
EBIT	\$ 391	8% *	\$ 869	9% *
EPS - Diluted	\$ 0.74	16%	\$ 1.61	14% *

*Adjusted, see Non-GAAP reconciliation



Components of Q2 Net Sales Change



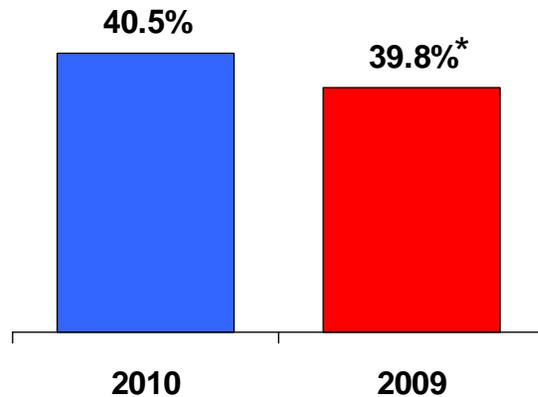
YTD	0%	-3 pts	+2 pts	-2 pts	+3 pts
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*See Non-GAAP reconciliation



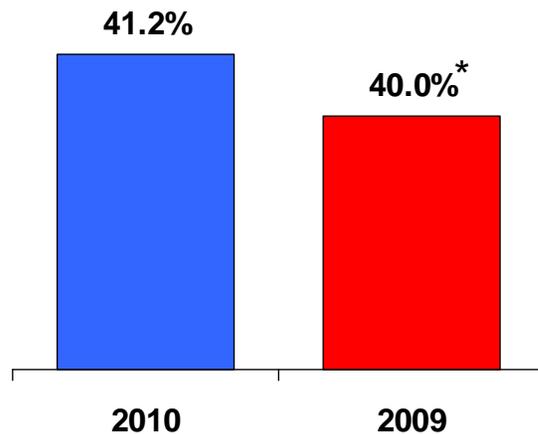
Gross Margin

Second Quarter



- Productivity gains from the supply chain
- Promotional spending net of pricing increased
- Inflation of 1-2%

Fiscal YTD

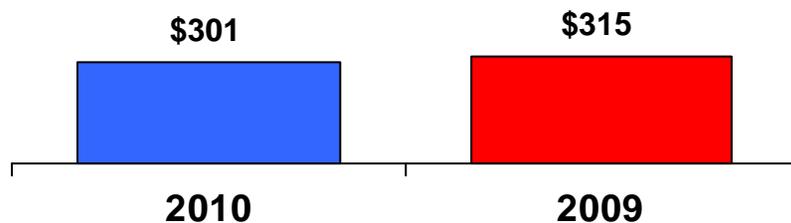


*Adjusted, see Non-GAAP reconciliation

Marketing and Selling Expenses

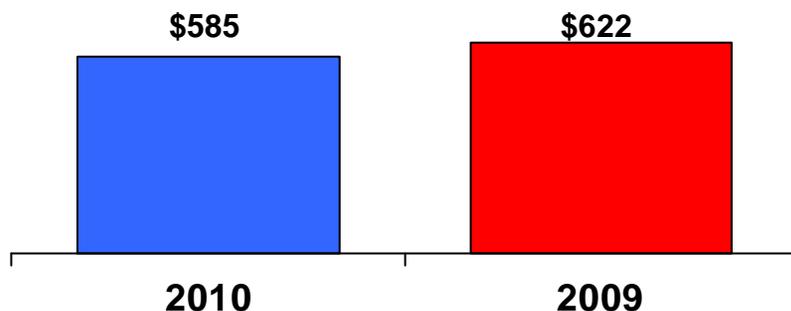
(\$ millions)

Second Quarter



- Reduced spending on advertising
 - Lower media rates
 - More efficient mix of media

Fiscal YTD



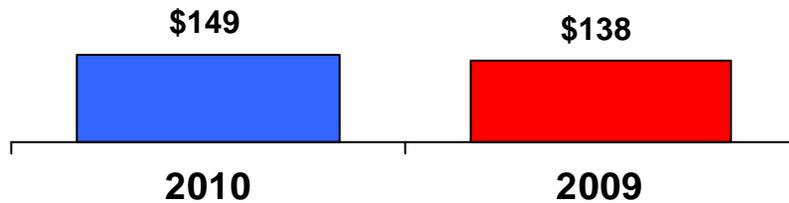
- Reduced other marketing
- Partly offset by currency



Administrative Expenses

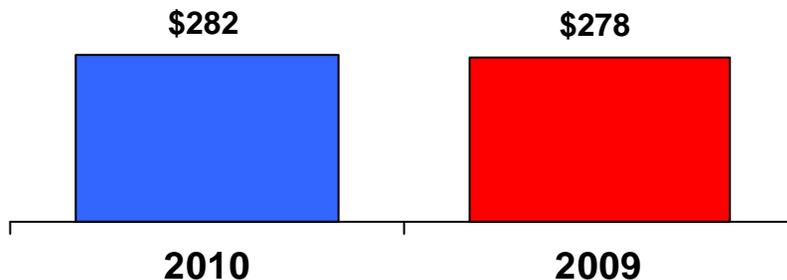
(\$ millions)

Second Quarter



- Increase due to currency
- Increased benefits expense, including pension
- Focus on cost management

Fiscal YTD



2010 Financial Summary

(\$ millions, except per share)

	<u>Second Quarter</u>	<u>% Change</u>	<u>Fiscal YTD</u>	<u>% Change</u>
EBIT	\$ 391	8% *	\$ 869	9% *
Interest, Net	\$ 26	4%	\$ 53	-7%
Tax Rate	29.0 %	(1.8) pts *	31.0 %	0.8 pts *
Net Earnings	\$ 259	11%	\$ 563	9% *
EPS - Diluted	\$ 0.74	16%	\$ 1.61	14% *
Diluted Shares	344	-4%	345	-4%

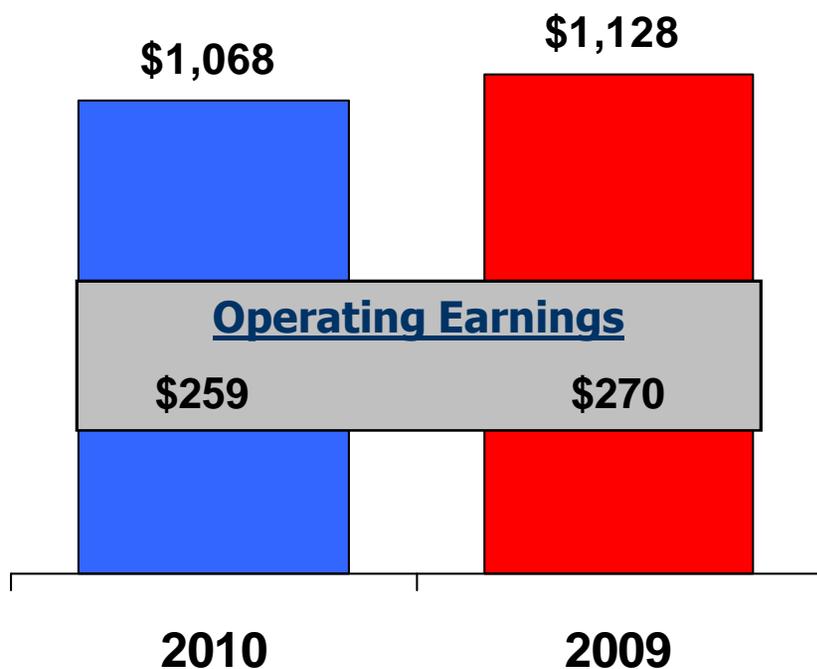
*Adjusted, see Non-GAAP reconciliation



U.S. Soup, Sauces and Beverages

(\$ millions)

Second Quarter Net Sales

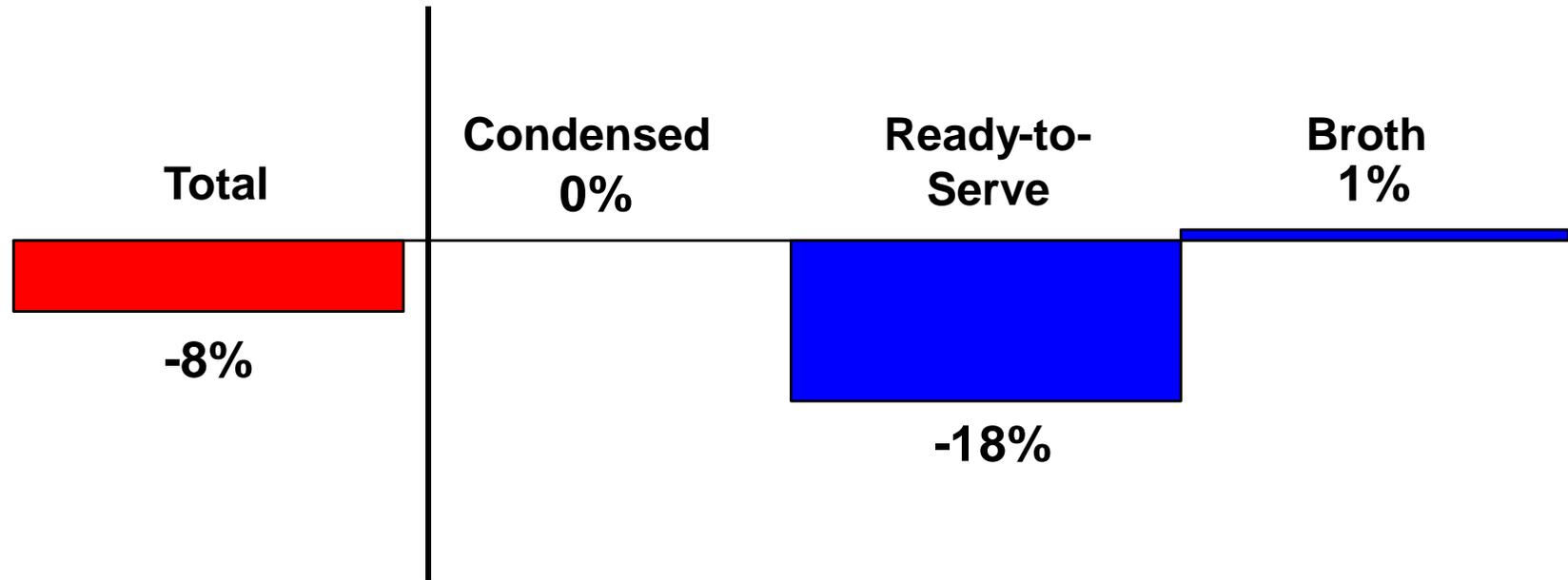


- Net sales declined 5%
 - Soup sales down
 - “Prego” pasta sauces up
 - Total beverage sales down, “V8 V-Fusion” juice up
- Operating earnings down 4%



Second Quarter – U.S. Soup Net Sales

% Change vs. prior year



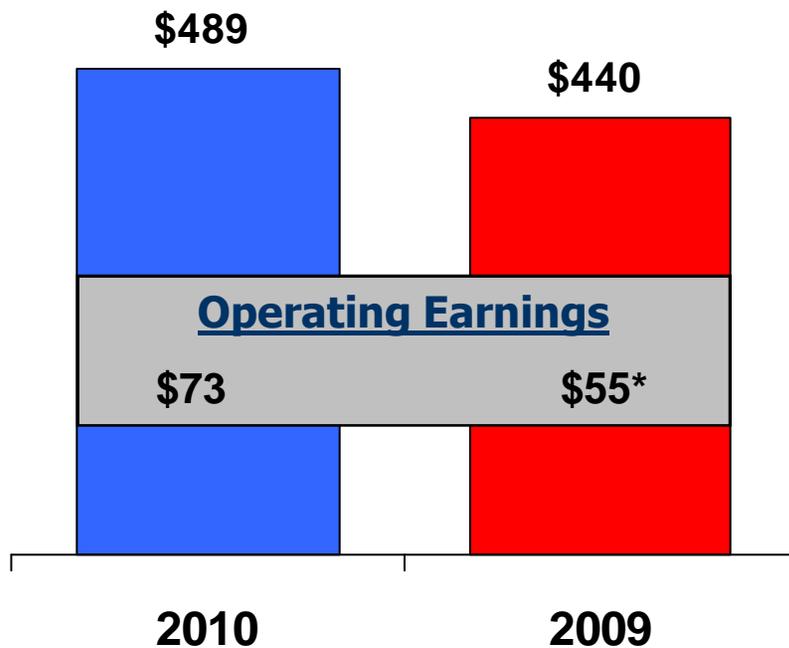
YTD	-5%	0%	-13%	0%
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Baking and Snacking

(\$ millions)

Second Quarter Net Sales



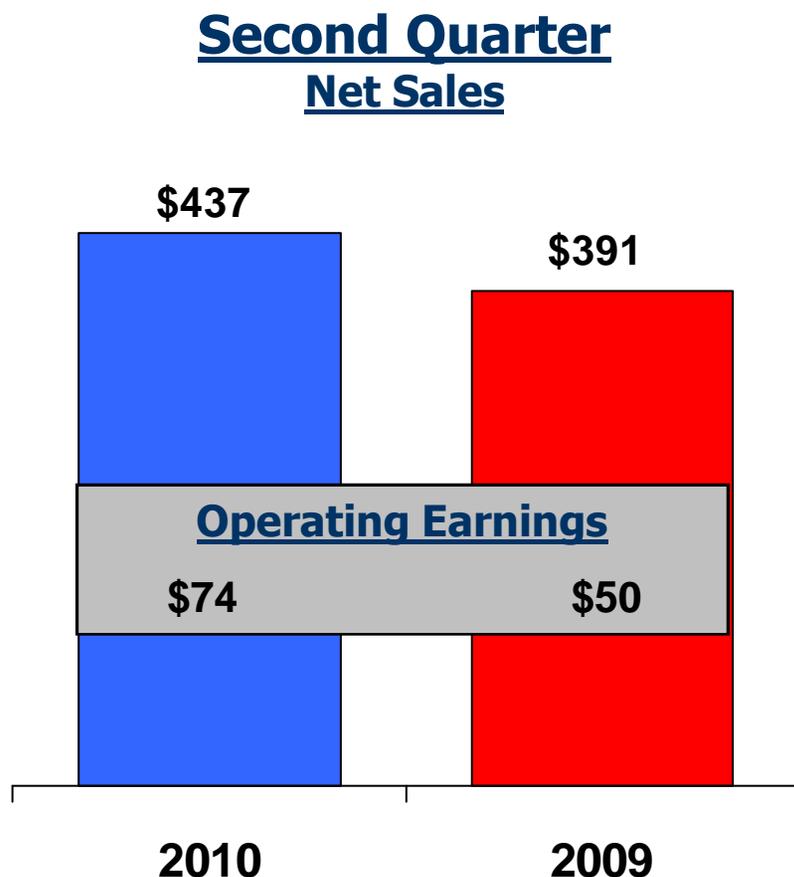
- Organic net sales unchanged*
 - Volume growth in Pepperidge Farm, Arnott's
 - Increased promotional spending
- Operating earnings increased 33%*
 - Currency impact
 - Significant productivity improvements

*Adjusted, see Non-GAAP reconciliation



International Soup, Sauces and Beverages

(\$ millions)



- Organic net sales unchanged*
 - Gains in Japan, Europe
 - Declines in Canada and Australia
- Operating earnings increased 48%
 - Gross margin gains from carryover pricing
 - Currency impact

*See Non-GAAP reconciliation



North America Foodservice

(\$ millions)

Second Quarter Net Sales



- Organic net sales decreased 4%*
 - Foodservice sector remains weak
- Operating earnings increased 6%*

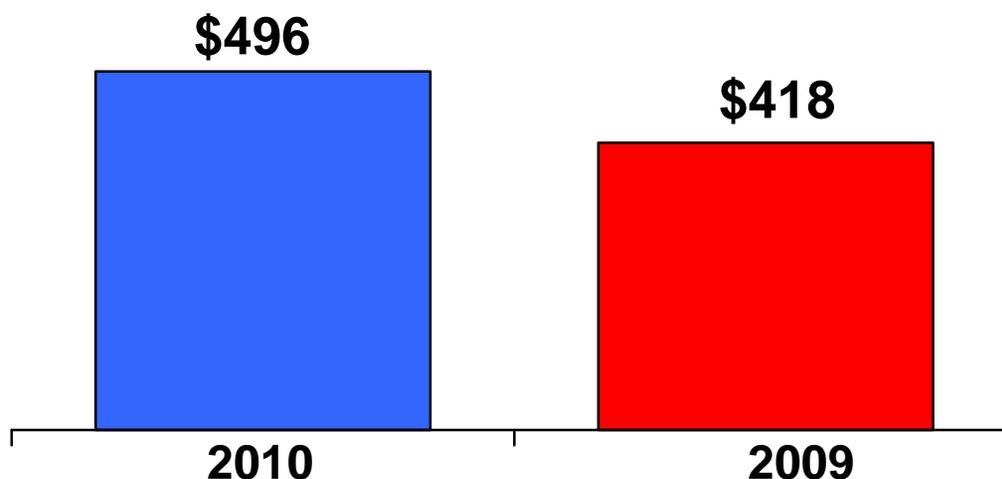
*Adjusted, see Non-GAAP reconciliation



Cash Flow and Balance Sheet

(\$ millions)

1st Half Cash Flow From Operations



	<u>2010</u>	<u>2009</u>
YTD capital expenditures	\$103	\$98
YTD share repurchases	\$213	\$295
Net debt*	\$2,537	\$2,631

*See Non-GAAP reconciliation



Campbell Fiscal 2010 Guidance

	<u>Growth Rate</u>
Net sales	2.5-3.5%
Adjusted EBIT*	6-7%
Adjusted net earnings per share*	9-11%

- Versus fiscal 2009 adjusted base of \$2.21*

*See Non-GAAP reconciliation



Questions & Answers



Appendix



Reconciliation of GAAP and Non-GAAP Financial Measures

Net Sales For the Three Months Ended (millions)

Second Quarter <u>January 31, 2010</u>	Net Sales, As Reported	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
						Net Sales, As Reported	Organic Net Sales
U.S. Soup, Sauces and Beverages	\$ 1,068	\$ -	\$ -	\$ -	\$ 1,068	-5%	-5%
Baking and Snacking	489	-	(5)	(42)	442	11%	0%
International Soup, Sauces and Beverages	437	-	-	(47)	390	12%	0%
North America Foodservice	159	-	-	(3)	156	-2%	-4%
Total Net Sales	\$ 2,153	\$ -	\$ (5)	\$ (92)	\$ 2,056	1%	-3%
<u>February 1, 2009</u>							
U.S. Soup, Sauces and Beverages	\$ 1,128	\$ -	\$ -	\$ -	\$ 1,128		
Baking and Snacking	440	-	-	-	440		
International Soup, Sauces and Beverages	391	-	-	-	391		
North America Foodservice	163	-	-	-	163		
Total Net Sales	\$ 2,122	\$ -	\$ -	\$ -	\$ 2,122		



Reconciliation of GAAP and Non-GAAP Financial Measures

Net Sales For the Six Months Ended (millions)

Year-to-Date	Net Sales, As Reported	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
						Net Sales, As Reported	Organic Net Sales
January 31, 2010							
U.S. Soup, Sauces and Beverages	\$ 2,208	\$ -	\$ -	\$ -	\$ 2,208	-5%	-5%
Baking and Snacking	1,019	-	(11)	(58)	950	7%	0%
International Soup, Sauces and Beverages	811	-	-	(55)	756	5%	0%
North America Foodservice	318	-	-	(3)	315	-2%	-3%
Total Net Sales	\$ 4,356	\$ -	\$ (11)	\$ (116)	\$ 4,229	0%	-3%
February 1, 2009							
U.S. Soup, Sauces and Beverages	\$ 2,326	\$ -	\$ -	\$ -	\$ 2,326		
Baking and Snacking	949	-	-	-	949		
International Soup, Sauces and Beverages	771	(12)	-	-	759		
North America Foodservice	326	-	-	-	326		
Total Net Sales	\$ 4,372	\$ (12)	\$ -	\$ -	\$ 4,360		



Reconciliation of GAAP and Non-GAAP Financial Measures

Operating Earnings For the Three Months Ended (\$ millions)

	Operating Earnings, As Reported	Restructuring Related Costs	Adjusted Operating Earnings	% Change	
				Operating Earnings, As Reported	Adjusted Operating Earnings
January 31, 2010					
U.S. Soup, Sauces and Beverages	\$ 259	\$ -	\$ 259	-4%	-4%
Baking and Snacking	73	-	73	38%	33%
International Soup, Sauces and Beverages	74	-	74	48%	48%
North America Foodservice	17	-	17	70%	6%
Total Operating Earnings	423	-	423	10%	8%
Unallocated Corporate Expenses	(32)	-	(32)		
Earnings Before Interest and Taxes	<u>\$ 391</u>	<u>\$ -</u>	<u>\$ 391</u>	<u>10%</u>	<u>8%</u>
February 1, 2009					
U.S. Soup, Sauces and Beverages	\$ 270	\$ -	\$ 270		
Baking and Snacking	53	2	55		
International Soup, Sauces and Beverages	50	-	50		
North America Foodservice	10	6	16		
Total Operating Earnings	383	8	391		
Unallocated Corporate Expenses	(28)	-	(28)		
Earnings Before Interest and Taxes	<u>\$ 355</u>	<u>\$ 8</u>	<u>\$ 363</u>		



Reconciliation of GAAP and Non-GAAP Financial Measures

	Operating Earnings For the Six Months Ended (\$ millions)				% Change	
	Operating Earnings, As Reported	Commodity Hedge Adjustment	Restructuring Related Costs	Adjusted Operating Earnings	Operating Earnings, As Reported	Adjusted Operating Earnings
January 31, 2010						
U.S. Soup, Sauces and Beverages	\$ 590	\$ -	\$ -	\$ 590	1%	1%
Baking and Snacking	173	-	-	173	27%	25%
International Soup, Sauces and Beverages	118	-	-	118	34%	34%
North America Foodservice	43	-	-	43	105%	26%
Total Operating Earnings	924	-	-	924	11%	9%
Unallocated Corporate Expenses	(55)	-	-	(55)		
Earnings Before Interest and Taxes	\$ 869	\$ -	\$ -	\$ 869	15%	9%
February 1, 2009						
U.S. Soup, Sauces and Beverages	\$ 584	\$ -	\$ -	\$ 584		
Baking and Snacking	136	-	2	138		
International Soup, Sauces and Beverages	88	-	-	88		
North America Foodservice	21	-	13	34		
Total Operating Earnings	829	-	15	844		
Unallocated Corporate Expenses	(75)	26	-	(49)		
Earnings Before Interest and Taxes	\$ 754	\$ 26	\$ 15	\$ 795		



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2009 - As Reported	\$ 837	39.4%	\$ 101	30.6%
Add: Restructuring Related Costs	8		3	
2009 - Adjusted	<u>\$ 845</u>	<u>39.8%</u>	<u>\$ 104</u>	<u>30.8%</u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Six Months

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2009 - As Reported	\$ 1,708	39.1%	\$ 208	29.8%
Add: Unrealized Losses on Commodity Hedges	26		10	
Add: Restructuring Related Costs	15		5	
2009 - Adjusted	<u>\$ 1,749</u>	<u>40.0%</u>	<u>\$ 223</u>	<u>30.2%</u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>EBIT</u>
2009 - As Reported	\$ 355
Add: Restructuring Related Costs	8
2009 - Adjusted	<u>\$ 363</u>
2010 As Reported	\$ 391
% Change	8%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Six Months

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS</u> ⁽¹⁾
2009 - As Reported	\$ 754	\$ 493	\$ 1.34
Add: Unrealized Losses on Commodity Hedges	26	16	0.04
Add: Restructuring Related Costs	15	10	0.03
Deduct: Tax Benefit from the Sale of the Godiva Chocolatier Business	-	(4)	(0.01)
2009 - Adjusted	<u>\$ 795</u>	<u>\$ 515</u>	<u>\$ 1.41</u> ⁽²⁾
2010 As Reported	\$ 869	\$ 563	\$ 1.61
% Change	9%	9%	14%

(1) In the first quarter of fiscal 2010, Campbell adopted and retrospectively applied new accounting guidance related to the calculation of earnings per share. The retrospective application of these provisions resulted in a reduction of previously reported net earnings per share of \$0.01 for the six months of fiscal 2009.

(2) The sum of individual per share amounts do not add due to rounding.



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>January 31, 2010</u>	<u>February 1, 2009</u>
Short-Term Borrowings	\$ 400	\$ 754
Long-Term Debt	2,250	1,957
Total Debt	<u>\$ 2,650</u>	<u>\$ 2,711</u>
Less: Cash and Cash Equivalents	(113)	(80)
Net Debt	<u>\$ 2,537</u>	<u>\$ 2,631</u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Fiscal Year 2009

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS⁽¹⁾</u>
2009 - As Reported	\$ 1,185	\$ 736	\$ 2.05
Add: Restructuring Related Costs	22	15	0.04
Add: Impairment Charges	67	47	0.13
Deduct: Tax Benefit from the Sale of the Godiva Chocolatier Business	-	(4)	(0.01)
2009 - Adjusted	<u>\$ 1,274</u>	<u>\$ 794</u>	<u>\$ 2.21</u>

(1) In the first quarter of fiscal 2010, Campbell adopted and retrospectively applied new accounting guidance related to the calculation of earnings per share. The retrospective application of these provisions resulted in a reduction of previously reported and adjusted net earnings per share of \$0.01 for the full year of fiscal 2009.

