

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED
JANUARY 31, 1999

COMMISSION FILE NUMBER
1-3822

CAMPBELL SOUP COMPANY

NEW JERSEY
STATE OF INCORPORATION

21-0419870
I.R.S. EMPLOYER IDENTIFICATION NO.

CAMPBELL PLACE
CAMDEN, NEW JERSEY 08103-1799
PRINCIPAL EXECUTIVE OFFICES

TELEPHONE NUMBER: (609) 342-4800

INDICATE BY CHECK MARK WHETHER THE REGISTRANT: (1) HAS FILED ALL REPORTS
REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE
REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH
FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES NO .

THERE WERE 436,187,108 SHARES OF CAPITAL STOCK OUTSTANDING AS OF MARCH 9,
1999.

PART I. FINANCIAL INFORMATION
 CAMPBELL SOUP COMPANY CONSOLIDATED
 STATEMENTS OF EARNINGS
 (unaudited)
 (millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	January 31, 1999	February 1, 1998	January 31, 1999	February 1, 1998
Net sales	\$1,832	\$2,012	\$3,636	\$3,825
Costs and expenses				
Cost of products sold	856	955	1,686	1,848
Marketing and selling expenses	511	459	931	829
Administrative expenses	74	80	152	160
Research and development expenses	17	16	33	34
Other expenses	3	16	16	41
Total costs and expenses	1,461	1,526	2,818	2,912
Earnings before interest and taxes	371	486	818	913
Interest, net	42	43	86	86
Earnings before taxes	329	443	732	827
Taxes on earnings	110	152	249	284
Earnings from continuing operations	219	291	483	543
Earnings from discontinued operations	--	20	--	35
Cumulative effect of change in accounting principle	--	(11)	--	(11)
Net earnings	\$ 219	\$ 300	\$ 483	\$ 567
Per share - basic				
Earnings from continuing operations	\$.49	\$.64	\$ 1.08	\$ 1.19
Earnings from discontinued operations	--	.04	--	.07
Cumulative effect of change in accounting principle	--	(.02)	--	(.02)
Net earnings	\$.49	\$.66	\$ 1.08	\$ 1.24
Dividends	\$.225	\$.210	\$.435	\$.403
Weighted average shares outstanding - basic	444	457	446	457
Per share - assuming dilution				
Earnings from continuing operations	\$.49	\$.63	\$ 1.07	\$ 1.18
Earnings from discontinued operations	--	.04	--	.07
Cumulative effect of change in accounting principle	--	(.02)	--	(.02)
Net earnings	\$.49	\$.65	\$ 1.07	\$ 1.23
Weighted average shares outstanding - assuming dilution	449	462	451	463

See Notes to Financial Statements

CAMPBELL SOUP COMPANY CONSOLIDATED
BALANCE SHEETS
(unaudited)
(millions)

	JANUARY 31, 1999 -----	August 2, 1998 -----
Current assets		
Cash and cash equivalents	\$ 30	\$ 16
Accounts receivable	705	656
Inventories	621	564
Other current assets	217	204

Total current assets	1,573	1,440

Plant assets, net of depreciation	1,719	1,723
Intangible assets, net of amortization	2,001	1,904
Other assets	581	566

Total assets	\$ 5,874	\$ 5,633
=====		
Current liabilities		
Notes payable	\$ 1,721	\$ 1,401
Payable to suppliers and others	468	506
Accrued liabilities	518	638
Dividend payable	100	95
Accrued income taxes	217	163

Total current liabilities	3,024	2,803

Long-term debt	1,338	1,169
Nonpension postretirement benefits	401	405
Other liabilities, including deferred income taxes of \$245 and \$246	420	382

Total liabilities	5,183	4,759

Shareowners' equity		
Preferred stock; authorized 40 shares; None issued	--	--
Capital stock, \$.0375 par value; authorized 560 shares; issued 542 shares	20	20
Capital surplus	386	395
Earnings retained in the business	3,996	3,706
Capital stock in treasury, at cost	(3,541)	(3,083)
Accumulated other comprehensive income	(170)	(164)

Total shareowners' equity	691	874

Total liabilities and shareowners' equity	\$ 5,874	\$ 5,633
=====		

See Notes to Financial Statements

CAMPBELL SOUP COMPANY CONSOLIDATED
STATEMENTS OF CASH FLOWS
(unaudited)
(millions)

	Six Months Ended	
	JANUARY 31, 1999	February 1, 1998
	-----	-----
Cash flows from operating activities:		
Net earnings, excluding discontinued operations	\$ 483	\$ 532
Non-cash charges to net earnings		
Cumulative effect of accounting change	--	11
Depreciation and amortization	123	133
Deferred income taxes	(3)	7
Other, net	(1)	20
Changes in working capital		
Accounts receivable	(47)	(223)
Inventories	(62)	39
Other current assets and liabilities	(104)	(5)

Net cash provided by operating activities	389	514

Cash flows from investing activities:		
Purchases of plant assets	(126)	(90)
Sales of plant assets	8	9
Businesses acquired	(105)	(472)
Sale of businesses	--	21
Other, net	(8)	(5)

Net cash used in investing activities	(231)	(537)

Cash flows from financing activities:		
Long-term borrowings	325	370
Repayments of long-term borrowings	(2)	(16)
Short-term borrowings	737	1,054
Repayments of short-term borrowings	(588)	(716)
Dividends paid	(188)	(272)
Treasury stock purchases	(489)	(304)
Treasury stock issuances	64	49

Net cash (used in) provided by financing activities	(141)	165

Net cash used in discontinued operations	--	(50)

Effect of exchange rate changes on cash	(3)	(11)

Net change in cash and cash equivalents	14	81

Cash and cash equivalents - beginning of period	16	17

Cash and cash equivalents - end of period	\$ 30	\$ 98
=====		

See Notes to Financial Statements

CAMPBELL SOUP COMPANY CONSOLIDATED

STATEMENTS OF SHAREOWNERS' EQUITY

(unaudited)
(millions, except per share amounts)

	Capital stock				Capital surplus	Earnings retained in the business	Accumulated other comprehensive income	Total shareowners' equity
	Issued		In treasury					
	Shares	Amount	Shares	Amount				
Balance at August 3, 1997	542	\$20	(84)	(\$2,459)	\$338	\$3,571	(\$50)	\$1,420
Comprehensive income								
Net earnings						567		567
Foreign currency translation adjustments							(62)	(62)
Dividends (\$.403 per share)						(183)		(183)
Treasury stock purchased			(6)	(304)				(304)
Treasury stock issued under management incentive and stock option plans			2	14	32			46
Balance at February 1, 1998	542	\$20	(88)	(\$2,749)	\$370	\$3,955	(\$112)	\$1,484
Balance at August 2, 1998	542	\$20	(94)	(\$3,083)	\$395	\$3,706	(\$164)	\$874
Comprehensive income								
Net earnings						483		483
Foreign currency translation adjustments							(6)	(6)
Dividends (\$.435 per share)						(193)		(193)
Treasury stock purchased			(9)	(489)				(489)
Treasury stock issued under management incentive and stock option plans			2	31	(9)			22
Balance at January 31, 1999	542	\$20	(101)	(\$3,541)	\$386	\$3,996	(\$170)	\$691

See Notes to Financial Statements

CAMPBELL SOUP COMPANY CONSOLIDATED

NOTES TO FINANCIAL STATEMENTS
(unaudited)
(millions)

(a) The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the indicated periods. All such adjustments are of a normal recurring nature. Certain reclassifications were made to the prior year amounts to conform with current presentation, including classifying the Specialty Foods segment as a discontinued operation.

(b) New Accounting Pronouncement

As of August 3, 1998, the company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", issued in June 1997. SFAS 130 establishes a standard for reporting of comprehensive income, which is comprised of net income and "other" comprehensive income items, in the financial statements. "Other" comprehensive income includes items recorded in shareowners' equity that are not the result of transactions with shareowners, such as foreign currency translation adjustments. Prior year financial statements have been reclassified to conform to SFAS 130.

The components of comprehensive income are as follows:

	Three Months Ended		Six Months Ended	
	January 31, 1999 -----	February 1, 1998 -----	January 31, 1999 -----	February 1, 1998 -----
Net earnings	\$ 219	\$ 300	\$ 483	\$ 567
Foreign currency translation adjustments	(14) -----	(61) -----	(6) -----	(62) -----
Comprehensive income	\$ 205 =====	\$ 239 =====	\$ 477 =====	\$ 505 =====

As of January 31, 1999 and February 1, 1998, accumulated other comprehensive income is comprised entirely of the cumulative translation adjustment.

(c) Discontinued Operations

Effective March 30, 1998, the company spun off the Specialty Foods segment to its shareowners as an independent publicly-traded company. The spin-off qualified as a tax-free distribution to U.S. shareholders. Shareowners of record as of March 9, 1998 received one share of the common stock of the new company, Vlastic Foods International Inc. (Vlastic), for every ten shares of Campbell Soup Company capital stock.

Results of discontinued operations were as follows:

	Three Months Ended February 1, 1998 -----	Six Months Ended February 1, 1998 -----
Net sales	\$ 330 =====	\$ 637 =====
Earnings before taxes	\$ 32	\$ 56
Taxes on earnings	\$ (12) -----	\$ (21) -----
Earnings from discontinued operations	\$ 20 =====	\$ 35 =====

(d) Restructuring Charge

A restructuring charge included in earnings from continuing operations of \$262 million (\$193 million after-tax or \$.42 per share), was recorded in the third quarter fiscal 1998. This charge relates to the rationalization of certain U.S., European and Australian production and administrative facilities and anticipated losses on the divestitures of non-strategic businesses with annual sales of approximately \$170 million. The restructuring program includes the elimination of approximately 750 employee positions.

The restructuring charge includes approximately \$78 million in cash charges primarily related to severance, employee benefit costs and lease termination fees. The balance relates to non-cash charges for estimated losses on the disposition of plant assets and divestitures of businesses. The company expects to complete the restructuring program by the fourth quarter fiscal 1999.

A summary of the original reserve and related activity through January 31, 1999 is as follows:

	Original Reserves	Activity	Balance at August 2, 1998	Activity	Balance at January 31, 1999
Loss on asset dispositions and divestitures	\$ 209	\$ (58)	\$ 151	\$ (49)	\$ 102
Severance and benefits	41	(9)	32	(7)	25
Other	12	(2)	10	(6)	4
TOTAL	\$ 262	\$ (69)	\$ 193	\$ (62)	\$ 131

(e) Earnings Per Share

The company adopted the provisions of SFAS No. 128, "Earnings per Share" ("EPS") as of the second quarter fiscal 1998. For the periods presented in the Statements of Earnings, the calculations of basic EPS and EPS assuming dilution vary in that the weighted average shares outstanding assuming dilution includes the incremental effect of stock options.

(f) Cumulative Effect of Change In Accounting Principle

In the second quarter fiscal 1998, the company adopted the provisions of the Emerging Issues Task Force (EITF) consensus ruling on Issue 97-13, "Accounting for Costs Incurred in Connection with a Consulting Contract that Combines Business Process Reengineering and Information Technology Transformation." The unamortized balance of previously capitalized business process reengineering costs was written off as a cumulative effect of change in accounting principle of \$11 million or \$.02 per share, net of an income tax benefit of approximately \$7 million.

(g) Segment Information

The company operates in three business segments: Soup and Sauces, Biscuits and Confectionery, and Away From Home. The segments are managed as strategic units due to their distinct manufacturing processes, marketing strategies and distribution channels.

The Soup and Sauces segment includes the worldwide soup businesses, Prego spaghetti sauces, Pace Mexican sauces, Franco-American pastas and gravies, Swanson broths, and V8 beverages. The Biscuits and Confectionery segment includes the Godiva Chocolatier, Pepperidge Farm, Arnotts Limited and Delacre businesses. The Delacre business was sold in June 1998. Away From Home represents products, including Campbell's Soups and Campbell's Specialty Kitchen entrees, which are distributed to the food service and home meal replacement markets. See Note (c) regarding the Specialty Foods segment, which has been reclassified as a discontinued operation.

Accounting policies for measuring segment assets and earnings before interest and taxes are substantially consistent with those described in the summary of significant accounting policies included in the fiscal 1998 Annual Report. The company evaluates segment performance based on earnings before interest and taxes, excluding certain non-recurring charges. Away From Home products are principally produced by the tangible assets of the company's other segments. Accordingly, tangible assets have not been allocated to the Away From Home segment. Depreciation and amortization are allocated to Away From Home based on budgeted production hours. Transfers between segments are recorded at cost plus mark-up or at market.

JANUARY 31, 1999

THREE MONTHS ENDED	Soup and Sauces	Biscuits and Confectionery	Away From Home	Other(1)	Corporate and Eliminations(2)	Total
Net sales	\$ 1,278	407	135	36	(24)	\$ 1,832
Earnings before interest and taxes	\$ 291	71	16	4	(11)	\$ 371
Depreciation and amortization	\$ 33	21	3	2	5	\$ 64
Capital expenditures	\$ 53	14	-	6	6	\$ 79

SIX MONTHS ENDED	Soup and Sauces	Biscuits and Confectionery	Away From Home	Other(1)	Corporate and Eliminations(2)	Total
Net sales	\$ 2,567	769	262	75	(37)	\$ 3,636
Earnings before interest and taxes	\$ 681	129	32	7	(31)	\$ 818
Depreciation and amortization	\$ 64	41	6	4	8	\$ 123
Capital expenditures	\$ 80	27	-	9	10	\$ 126
Segment assets	\$ 3,210	1,466	318	172	708	\$ 5,874

(1) Represents financial information of certain prepared convenience food businesses not categorized as reportable segments.

(2) Represents elimination of intersegment sales, unallocated corporate expenses, and unallocated assets, including corporate offices, deferred income taxes and prepaid pension assets.

Three Months Ended -----	Soup and Sauces -----	Biscuits and Confectionery -----	Away From Home -----	Other(1) -----	Corporate and Eliminations(2) -----	Total -----
Net sales	\$ 1,383	428	118	103	(20)	\$ 2,012
Earnings before interest and taxes	\$ 396	76	16	5	(7)	\$ 486
Depreciation and amortization	\$ 30	22	2	5	5	\$ 64
Capital expenditures	\$ 25	14	-	3	4	\$ 46

Six Months Ended -----	Soup and Sauces -----	Biscuits and Confectionery -----	Away From Home -----	Other(1) -----	Corporate and Eliminations(2) -----	Total -----
Net sales	\$ 2,598	837	225	207	(42)	\$ 3,825
Earnings before interest and taxes	\$ 767	135	31	6	(26)	\$ 913
Depreciation and amortization	\$ 66	44	4	9	10	\$ 133
Capital expenditures	\$ 45	30	-	8	7	\$ 90
Segment assets(3)	\$ 3,047	1,725	220	382	696	\$ 6,070

(1) Represents financial information of certain prepared convenience food businesses not categorized as reportable segments.

(2) Represents elimination of intersegment sales, unallocated corporate expenses and unallocated assets, including corporate offices, deferred income taxes and prepaid pension assets.

(3) Segment assets as of February 1, 1998 exclude net assets of discontinued operations of \$720.

(h) Inventories

	JANUARY 31, 1999 -----	August 2, 1998 -----
Raw materials, containers and supplies	\$ 215	\$ 205
Finished products	406	359
	-----	-----
	\$ 621	\$ 564
	=====	=====

Approximately 70% of inventory is accounted for on the last in, first out (LIFO) method of determining cost. If the first in, first out inventory valuation method had been used exclusively, inventories would not differ materially from the amounts reported at January 31, 1999 and August 2, 1998.

(i) Notes Payable and Long-Term Debt

In October 1998, the company issued \$300 million of notes due October 2003 bearing interest at 4.75%. The issuance was the third draw down on the company's \$1 billion shelf registration filed with the Securities and Exchange Commission in fiscal 1997. As of February 1, 1999, \$100 million remains available for issuance under the shelf registration.

(j) Forward Stock Purchase Program

In October 1998, the company entered into a forward stock purchase contract to partially hedge the company's equity exposure from its stock option program. The contract, which matures in fiscal 2004, allows the company to repurchase approximately 8 million shares at an average price of approximately \$49 per share. The company may elect to settle the contract on a net share basis in lieu of physical settlement. The contract permits early settlement and may be extended for an additional five-year term.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION
CAMPBELL SOUP COMPANY

RESULTS OF CONTINUING OPERATIONS

OVERVIEW

The company's sales and earnings from continuing operations declined in the second quarter ended January 31, 1999 due to lower shipments of U.S. wet soup and increased marketing investment across the portfolio. On January 11, 1999 the company announced major cost savings initiatives in its supply chain operations. The immediate effect of these initiatives was lower U.S. wet soup shipments. Going forward these initiatives should result in the pattern of shipments across the year being more level than in the past with resulting efficiencies in supply chain operations which are expected to generate \$100 million in annualized cost savings. These savings are expected to be realized through reduced trade spending and lower costs of procurement, manufacturing, shipping and storage of products. Net sales, as reported, declined 9%, while sales excluding currency and divestitures declined 4%. Earnings from continuing operations and diluted earnings per share from continuing operations were down 25% and 22%, respectively.

In the second quarter ended February 1, 1998, the company adopted Emerging Issues Task Force Consensus No. 97-13, "Accounting for Costs Incurred in Connection with a Consulting Contract that Combines Business Process Reengineering and Information Technology Transformation." The impact of this required accounting change was \$11 million after-tax or \$.02.

For the six months ended January 31, 1999, sales and earnings declined due to lower shipments of U.S. wet soup and increased marketing spending. Net sales, as reported, declined 5%, however, excluding currency and divestitures, sales from ongoing businesses increased 2%. Earnings from continuing operations and diluted earnings per share from continuing operations declined 11% and 9%, respectively.

SECOND QUARTER

SALES

Sales in the quarter declined 9% to \$1.83 billion from \$2.01 billion last year. The change in sales was due to an 8% decrease from volume and mix, a 5% decline due to divestitures, offset by 2% from higher selling prices and 2% from acquisitions.

An analysis of net sales by segment follows:

(millions)	1999	1998	% CHANGE
Soup and Sauces	\$1,278	\$1,383	(8)
Biscuits and Confectionery	407	428	(5)
Away From Home	135	118	14
Subtotal	1,820	1,929	(6)
Other	36	103	(65)
Intersegment	(24)	(20)	
	\$1,832	\$2,012	(9)

The Soup and Sauces decrease was due to worldwide wet soup volume decline of 15%, including a U.S. wet soup volume decline of 20%. As previously discussed, the U.S. wet soup volume decline was a result of the company's decision to implement changes to its supply chain operations which primarily impacted shipments of condensed soup. This worldwide wet soup volume decline was in contrast to increased consumer demand for U.S. soups driven by ready-to-serve products including Chunky and Simply Home, and Swanson broths.

Outside the U.S., Canada delivered strong wet soup sales. In Europe, Erasco soups in Germany and Liebig soups in France, acquired in December 1997, contributed to sales growth. In Asia-Pacific, soup sales were up due primarily to strong gains in Australia where we are increasing our market leadership and Cheong Chan in Malaysia.

In beverages, V8 Splash continued its stellar top-line performance.

Biscuits and Confectionery reported a decline in sales compared to second quarter 1998. The decline was primarily due to the divestiture of Delacre, the company's European biscuit business, and adverse currency translation impact in Australia. Excluding the impact of the divestiture and currency, sales increased approximately 7%. This increase was led by Pepperidge Farm Goldfish crackers, Chocolate Chunk classic cookies and Swirl bread. Godiva Chocolatier contributed double-digit sales growth through expansion of its North American, European and Japanese retail outlets. Arnotts Limited (Arnotts) reported increased sales led by strong performance from TimTams biscuits and Kettle chips. In addition, Arnotts' introduction of Goldfish crackers in the Australian market earlier in the fiscal year continued to exceed expectations.

Away From Home sales increased by 14% primarily due to Stockpot, a premium refrigerated soup brand acquired in the first quarter of fiscal 1999. In addition, U.S. foodservice sales increased due to growth in soup and V8 Splash. New Campbell soup kettles, which provide Campbell's branded soup in university cafeterias, convenience stores and other outlets, continued to build volume.

GROSS MARGIN

Gross margin, defined as net sales less cost of products sold, decreased \$81 million in the quarter. As a percent of sales, gross margin was 53.3% compared to 52.5% last year. The improvement in margin percentage was principally due to higher selling prices, cost savings generated from global procurement initiatives and continued productivity gains in manufacturing facilities.

MARKETING AND SELLING EXPENSES

Marketing and selling expenses as a percent of sales increased to 27.9% from 22.8% last year. The increase is attributable to a double-digit increase in trade marketing spending driven by increased investment in the U.S. retail wet soup business and competitive pressures on the Pepperidge Farm frozen business and Arnotts' biscuits business in Australia.

ADMINISTRATIVE EXPENSES

Administrative expenses were flat as a percent of sales compared to last year.

OTHER EXPENSES

Other expenses declined as compared to last year primarily due to lower long-term incentive plan costs.

OPERATING EARNINGS

Segment operating earnings decreased 23% for the second quarter versus the prior year.

An analysis of operating earnings by segment follows:

(millions)	1999	1998	% CHANGE
Soup and Sauces	\$ 291	\$ 396	(27)
Biscuits and Confectionery	71	76	(7)
Away From Home	16	16	--
Subtotal	378	488	(23)
Other	4	5	
Corporate	382 (11)	493 (7)	(23)
	\$ 371	\$ 486	

Soup and Sauces earnings were down 27% due to lower U.S. condensed soup shipments and increased marketing spending. This earnings shortfall was slightly offset by strong earnings performance by U.S. ready-to-serve soups and several international wet soup businesses including Erasco in Germany, Campbell's in Australia, Cheong Chan in Malaysia and the contribution of Liebig in France, which was acquired in December 1997.

Biscuits and Confectionery earnings declined to \$71 million due to the divestiture of Delacre in June 1998 and heavy trade spending in Pepperidge Farm's frozen business and Arnotts' biscuits business in Australia. This decline was slightly mitigated by Pepperidge Farm's Goldfish crackers and Chocolate Chunk classic cookies earnings performance and Godiva's double-digit earnings growth.

Away From Home earnings were flat versus last year.

NON-OPERATING ITEMS

Net interest expense was flat versus prior year.

The effective tax rate was 33.4% compared to 34.3% last year due to a shift in the mix of earnings to lower tax jurisdictions.

SIX MONTHS

SALES

Sales for the six months declined 5% to \$3.64 billion from \$3.83 billion last year. The change in sales was due to a 1% decrease from volume and mix, a 7% decline due to divestitures and currency, offset by 2% from higher selling prices and 1% from acquisitions.

An analysis of net sales by segment follows:

(millions)	1999	1998	% CHANGE
-----	----	----	-----
Soup and Sauces	\$2,567	\$2,598	(1)
Biscuits and Confectionery	769	837	(8)
Away From Home	262	225	16
-----	-----	-----	-----
Subtotal	3,598	3,660	(2)
Other	75	207	(64)
Intersegment	(37)	(42)	
-----	-----	-----	-----
	\$3,636	\$3,825	(5)
=====			

The Soup and Sauces decline was due to worldwide wet soup volume decline of 5%, including U.S. wet soup volume decrease of 9%. This worldwide wet soup volume decline was offset by continued strong consumer demand for U.S. ready-to-serve soups including Chunky and Simply Home and Swanson broths.

Outside the U.S., Liebig soups in France contributed to European sales growth and Cheong Chan in Malaysia led sales growth in Asia-Pacific.

V8 Splash also continued its strong sales performance.

Biscuits and Confectionery reported a decline in sales compared to 1998. The decline was primarily due to the divestiture of Delacre and adverse currency translation impact in Australia. Excluding the impact of the divestiture and currency, sales increased approximately 8%. This increase was led by Pepperidge Farm Goldfish crackers, Chocolate Chunk classic cookies and Swirl bread. Godiva Chocolatier contributed double-digit sales growth through expansion of its North American, European and Japanese retail outlets. Arnotts Limited reported increased sales, before the impact of currency, led by strong performance from its TimTams biscuits.

Away From Home sales increased by 16% primarily due to Stockpot, a premium refrigerated soup brand acquired during the first quarter of fiscal 1999. In addition, U.S. foodservice sales increased due to growth in soup and V8 Splash. New Campbell soup kettles increased branded soup sales in university cafeterias, convenience stores and other outlets, and continue to expand the Campbell's brand presence in the away-from-home market.

GROSS MARGIN

Gross margin, defined as net sales less cost of products sold, decreased \$27 million year-to-date. As a percent of sales, gross margin was 53.6% compared to 51.7% last year. The improvement in margin percentage was principally due to selling price increases, cost savings generated from global procurement initiatives and continued productivity gains in manufacturing facilities.

MARKETING AND SELLING EXPENSE

Marketing and selling expenses as a percent of sales increased to 25.6% from 21.7% last year. The increase is attributable to a double-digit increase in trade marketing spending driven by increased investment in the U.S. retail wet soup business and competitive pressures on the Pepperidge Farm and Arnotts' businesses.

ADMINISTRATIVE EXPENSES

Administrative expenses were flat as a percent of sales compared to last year.

OTHER EXPENSES

Other expenses declined as compared to last year primarily due to lower minority interest expense, reflecting the buy-out of Arnotts Limited in fiscal 1998, and lower long-term incentive plan costs.

OPERATING EARNINGS

Segment operating earnings decreased 10% versus the prior year. Excluding the impact of currency, operating earnings in ongoing businesses decreased 8%.

An analysis of operating earnings by segment follows:

(millions)	1999	1998	% CHANGE
Soup and Sauces	\$ 681	\$ 767	(11)
Biscuits and Confectionery	129	135	(4)
Away From Home	32	31	3
Subtotal	842	933	(10)
Other	7	6	
	849	939	(10)
Corporate	(31)	(26)	
	\$ 818	\$ 913	

Soup and Sauces earnings were down 11% due to lower U.S. condensed soup shipments and increased marketing spending. This earnings shortfall was slightly offset by strong earnings performance by U.S. ready-to-serve soups and several international wet soup businesses including Erasco, Liebig, Campbell's in Australia and Cheong Chan in Malaysia. In addition, V8 Splash continues to deliver exceptional year-to-date earnings growth.

Biscuits and Confectionery earnings declined to \$129 million due to the divestiture of Delacre in June 1998 and adverse currency impact in Australia. Excluding the impact of the divestiture and currency, earnings increased 4%. Pepperidge Farm's Goldfish crackers and Chocolate Chunk classic cookies delivered outstanding earnings performance and Godiva posted double-digit earnings growth.

Away From Home reported earnings growth to \$32 million versus last year. Wet soup and V8 Splash in the U.S. foodservice channel were the primary contributors to the earnings growth.

NON-OPERATING ITEMS

Net interest expense was flat at \$86 million versus prior year.

The effective tax rate was 34.0% compared to 34.3% last year.

DISCONTINUED OPERATIONS

On September 9, 1997, the company announced its intention to spin off the Specialty Foods segment to its shareowners as an independent publicly-traded company. The spin-off, which qualified as a tax-free distribution to U.S. shareholders, was effective March 30, 1998. On this date, shareowners of record as of March 9, 1998 received one share of the common stock of the new company, Vlasic Foods International Inc. (Vlasic), for every ten shares of Campbell Soup Company capital stock.

In March 1998, the company entered into a revolving credit facility and borrowed \$500 million. In connection with the spin-off, the revolving credit facility and outstanding obligation of \$500 million were assumed by Vlastic. In addition, the company received approximately \$75 million from subsidiaries of Vlastic for repayment of certain advances. See Note (c) of the Notes to Financial Statements for further discussion of the discontinued operations.

RESTRUCTURING CHARGE

A restructuring charge included in earnings from continuing operations of \$262 million (\$193 million after-tax or \$.42 per share), was recorded in the third quarter fiscal 1998. This charge relates to the rationalization of certain U.S., European and Australian production and administrative facilities and anticipated losses on the divestitures of non-strategic businesses with annual sales of approximately \$170 million. The restructuring program includes the elimination of approximately 750 positions.

The restructuring charge includes \$78 million in cash charges primarily related to severance, employee benefit costs and lease termination fees. The balance relates to non-cash charges for estimated losses on the disposition of plant assets and divestitures of businesses. The company expects to realize approximately \$74 million of ongoing annual pre-tax savings from this plan. Expected annual savings are not necessarily indicative of future incremental earnings due to management's commitment to fund investments to grow brands and drive volume growth. The company expects to complete the restructuring program by the fourth quarter fiscal 1999. See Note (d) of the Notes to Financial Statements for further discussion of the program and the related activity analysis.

LIQUIDITY AND CAPITAL RESOURCES

The company generated cash from operations of \$389 million compared to \$514 million last year. This decline is primarily due to lower earnings and changes in working capital, including an increase in inventories due to lower U.S. wet soup shipments and spending on restructuring programs.

Capital expenditures were \$126 million, an increase from \$90 million last year. The company continues to aggressively manage its capital outlays and expects total expenditures to approximate \$325 million in fiscal 1999.

In the first quarter, the company acquired Stockpot, a premium refrigerated soup brand, for approximately \$105 million.

In October 1998, the company issued \$300 million of notes due October 2003 and bearing interest of 4.75%.

In the first six months, the company repurchased 9.3 million shares versus 5.7 million last year. By repurchasing shares, the company expects to utilize existing cash and debt capacity to lower its cost of capital and increase returns to shareowners. The company's long-term strategy is to repurchase approximately two percent of its outstanding shares annually.

In October 1998, the company entered into a forward stock purchase contract to partially hedge the company's equity exposure from its stock option program. See Note (j) of the Notes to Financial Statements for further discussion of the contract.

Historically, certain computer programs were written using two digits rather than four to define the applicable year. Accordingly, the company's software may recognize a date using "00" as 1900 rather than the year 2000, which could result in computer systems failures or miscalculations, commonly referred to as the Year 2000 ("Y2K") issue. The Y2K issue can arise at any point in the company's supply, manufacturing, processing, distribution and financial chains. Incomplete or untimely resolution of the Y2K issue by the company, key suppliers, customers and other parties could have a material adverse effect on the company's results of operations, financial condition and cash flows. To address the Y2K issue, the company has established a Worldwide Year 2000 Business Action Council, led by an Executive Steering Committee of the company's senior management, including representatives of each of the company's business segments and corporate functions, to oversee and regularly review the status of the readiness plan discussed below. In addition, the company has established a Worldwide Project Office responsible for the day-to-day oversight and coordination of the Y2K remediation, replacement and testing of business systems. This project office reports to the company's Chief Information Officer.

The company's plan for addressing the Y2K issue is divided into three major phases: Business Systems Inventory and Assessment, Remediation and Replacement and Testing.

- - Business Systems Inventory and Assessment - The internal inventory portion of this phase, which commenced in 1997, was designed to identify internal business systems that were susceptible to system failure or processing errors as a result of the Y2K issue. This phase is complete. Approximately 700 worldwide information technology business systems (IT) were inventoried and approximately 200 were Y2K compliant and 500 were identified as non-compliant. It was determined that approximately 400 of the non-compliant systems require remediation and the remaining 100 systems will be retired or replaced. In addition, the company has completed the inventory and assessment of its non-information technology systems (Non-IT). The remediation and replacement of these systems, which include manufacturing production lines and equipment, elevators, heating, ventilation and air conditioning systems and water treatment systems, is included in the remediation and replacement plan discussed below. As part of this phase, significant service providers, vendors, suppliers, customers and governmental entities that are believed to be critical to business operations after January 1, 2000, were being identified and steps undertaken to ascertain their stage of Y2K readiness through questionnaires, interviews, on-site visits and other available means.
- - Remediation and Replacement - The company has developed and is in the process of implementing its remediation and replacement plan for all affected systems including IT and Non-IT systems. This phase, which commenced in 1998, is approximately 69% complete. The company's plan established priorities for remediation or replacement. The business systems considered most critical to ongoing operations are being given the highest priority. The company has prioritized its business systems into "Mission Critical" and "All Other". "Mission Critical" systems are defined as business systems such as Business Planning and Control Process manufacturing, Sales Order Billing and Warehouse Management systems, that, if shut down or interrupted, could have a material adverse effect on the company's results of operations, financial condition and cash flows. "All Other" systems are defined as business systems such as Data Warehouse and Job Bidding systems that, if shut down or interrupted, may have an adverse impact on the company. The company is utilizing internal and

external resources to execute the plan and expects to substantially complete all remediation and replacement of "Mission Critical" systems by third quarter fiscal 1999 and "All Other" systems by fourth quarter fiscal 1999. The company is on schedule to meet these objectives.

- - Testing - This phase is ongoing as systems are remediated and replaced. The company's efforts in this phase include testing by users and approval by appropriate local and Y2K project management that the remediated or replaced systems are Y2K compliant. The company expects to substantially complete testing of "Mission Critical" systems by third quarter fiscal 1999 and "All Other" systems by first quarter fiscal 2000.

Because the company's Y2K compliance is dependent upon key third parties also being Y2K compliant on a timely basis, there can be no guarantee that the company's efforts will prevent a material adverse impact on its results of operations, financial condition and cash flows. The possible consequences to the company or its business partners not being fully Y2K compliant include temporary plant closings, delays in the delivery of finished products, delays in the receipt of key ingredients, containers and packaging supplies, invoice and collection errors and inventory and supply obsolescence. These consequences could have a material adverse effect on the company's results of operations, financial condition and cash flows if the company is unable to conduct its business in the ordinary course as a result of the Y2K issue. The company believes that its readiness program, including the contingency plans discussed below, should significantly reduce the adverse effect any such disruptions may have.

The company is developing contingency plans to mitigate the potential disruptions that may result from the Y2K issue. These plans may include identifying and securing alternate suppliers of ingredients, containers, packaging materials and utilities, adjusting manufacturing facility production, shutdown and start-up schedules, stockpiling of finished product inventories and other measures considered appropriate by management. Once developed and approved, contingency plans, and the related cost estimates, will be continually refined, as additional information becomes available.

The company currently estimates that the aggregate cost of its Y2K efforts will be approximately \$50 million, of which \$24 million has been incurred to date. These costs, except for capital costs of approximately \$4 million, are being expensed as incurred and are being funded through operating cash flows. The company expects to incur Y2K costs of approximately \$30-35 million in fiscal 1999.

(millions)

Components - - - - -	Current Estimates -----	Costs Incurred -----	Estimated Costs to Complete -----
External Consulting	\$ 27	(14)	\$ 13
Hardware/Software Upgrades	17	(10)	7
Other	6	--	6
	----	----	----
	\$ 50	(24)	\$ 26
	====	====	====

The company believes that such costs will not have a material impact on the company's results of operations, financial condition or cash flows.

RECENT DEVELOPMENTS

In June 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", was issued. This standard, effective for fiscal years beginning after June 15, 1999, requires that all derivative instruments be recorded on the balance sheet at fair value. Changes in the fair value of derivatives are recorded in earnings or other comprehensive income, based on whether the instrument is designated as part of a hedge transaction and, if so, the type of hedge transaction. The company is currently assessing the impact of the adoption on the company's financial statements. Based on the company's current portfolio, it is not expected that adoption of this statement will have a material effect on the company's results of operations, financial condition or cash flows.

The existing currencies of certain member countries of the European Union are being phased out and have been effectively replaced with the European Union's common currency, the Euro, as of January 1, 1999. On this date, a fixed conversion rate was established between the existing currencies and the Euro. National currencies will be eliminated over a period ending January 1, 2002. The company does not believe that the conversion to the Euro will have a material impact on its financial condition.

FORWARD-LOOKING STATEMENTS

This quarterly report contains certain statements which reflect the company's current expectations regarding future results of operations, economic performance, financial condition and achievements of the company. The company has tried, wherever possible, to identify these forward looking statements by using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. These statements reflect the company's current plans and expectations and are based on information currently available to it. They rely on a number of assumptions and estimates which could be inaccurate and which are subject to risks and uncertainties.

The company wishes to caution the reader that the following important factors and those important factors described elsewhere in the commentary, or in other Securities and Exchange Commission filings of the company, could affect the company's actual results and could cause such results to vary materially from those expressed in any forward looking statements made by, or on behalf of, the company:

- the impact of strong competitive response to the company's efforts to leverage its brand power with product innovation and new advertising;
- the inherent risks in the marketplace associated with new product introductions, including uncertainties about trade and consumer acceptance;
- the company's ability to achieve sales and earnings forecasts, which are based on assumptions about sales volume;
- the continuation of the company's successful record of integrating acquisitions into its existing operations and the availability of new acquisition and alliance opportunities that build shareowner wealth;
- the company's ability to achieve its cost savings and capacity utilization objectives;
- the impact of unforeseen economic and political changes in international markets where the company competes such as currency exchange rates, inflation rates, recession, foreign ownership restrictions and other external factors over which the company has no control; and
- the ability of the company and its key service providers, vendors, suppliers, customers and governmental entities to replace, modify or upgrade computer systems in ways that adequately address the Y2K issue. Specific factors that might cause actual results to vary materially from the results anticipated include the ability to identify and correct all relevant computer codes and embedded chips, unanticipated difficulties or delays in the implementation of the company's remediation plans and the ability of third parties to adequately address their own Y2K issues.

This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact the company's outlook.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

For information regarding the company's exposure to certain market risks, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in the Annual Report on Form 10-K for fiscal 1998. Except as described in Note (j) of the Notes to Financial Statements, there have been no significant changes in the company's portfolio of financial instruments or market risk exposures which have occurred since year-end.

ITEM 1. LEGAL PROCEEDINGS

In management's opinion, there are no pending claims or litigation, the outcome of which would have a material effect on the consolidated results of operations, financial position or cash flows of the company.

As previously reported, in October 1995, at the request of the Environmental Protection Agency (EPA), the United States of America (USA) instituted an action in the United States District Court for the Eastern District of California, alleging, inter alia, that the company violated the Clean Air Act by operating certain can manufacturing equipment at its Sacramento, California facility without a valid permit and by failing to apply control technology to reduce air emissions. In August 1997, at the request of the EPA, the USA filed a second complaint alleging that the company violated the Clean Air Act by modifying certain can manufacturing equipment at the same facility without a permit, and without installing control technology. The second complaint also alleged that the company exceeded certain daily and quarterly emission limits. The USA asserted in its complaints that it was seeking the imposition of civil penalties, calculated on a per diem/per violation basis, for each of the alleged violations. The company disputed liability for any and all of the violations alleged and also disputed the application of the maximum statutory penalty to any of the alleged violations and the USA's method of calculating applicable penalties, if any. In or about late October 1998, the company, EPA and the Department of Justice agreed to resolve the two cases amicably under the terms of a consent decree, which was published in the Federal Register on November 13, 1998. The District Court for the Eastern District of California approved the consent decree on February 4, 1999. Under the terms of the consent decree, the company admits no liability. The consent decree also provides that the company will pay a civil penalty of \$1,215,000, the three-piece can line at the Sacramento facility will be shut down by August 1, 2000 and the company will transfer certain emission reduction credits to the Environmental Resource Trust, a non-profit organization. The company paid the civil penalty on February 22, 1999. The consent decree is not expected to have a material effect on the consolidated results of operations, financial position or cash flows of the company.

Communities for a Better Environment (CBE) sent a Clean Air Act Notice of Intent to Sue letter dated April 6, 1998 to the company. CBE claimed that the company's Sacramento facility has used certain solvents allegedly in violation of emission limitations set by the Sacramento Metropolitan Air Quality Management District's (Air District) Rules and has not complied with certain record-keeping requirements. These are the same issues that were raised in notices of violation issued to the company by the Air District which were settled in October 1997, without admitting liability. CBE contends, however, that the settlement with the Air District did not resolve the alleged violation arising from the use of certain solvents on the grounds that the Air District's method of settling the issue is not federally approved. The company disputes the alleged violation and denies liability. The company and CBE have agreed to settle CBE's claim under the terms of a consent decree, which was approved by the District Court for the Eastern District of California on February 16, 1999. Under the consent decree, in which the company admits no liability, certain equipment which used solvents that were the subject of CBE's claim will be shut down at the Sacramento, California facility by August 1, 2000. Other significant provisions of the proposed consent decree are that the company will donate certain emission reduction credits to the Air District and will donate the total amount of \$85,000 to two non-profit organizations, in

lieu of paying any civil penalty or CBE attorney's fee. The terms of the consent decree are not expected to have a material effect on the consolidated results of operations, financial position or cash flows of the company.

The company has also been named as a potentially responsible party in a number of proceedings brought under the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund. Although the impact on these proceedings cannot be predicted at this time due to the large number of other potentially responsible parties and the speculative nature of clean-up cost estimates, the ultimate disposition is not expected to have a material effect on the consolidated results of operations, financial position, or cash flows of the company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) Campbell's Annual Meeting of Shareowners was held on November 19, 1998.

(c) The matters voted upon and the results of the vote are as follows:

Election of Directors

Name	Number of Shares	
	For	Withheld
Alva A. App	396,426,644	1,008,546
Edmund M. Carpenter	396,523,897	911,293
Bennett Dorrance	396,511,291	923,899
Thomas W. Field, Jr.	396,521,735	913,455
Kent B. Foster	396,328,454	1,106,736
Harvey Golub	370,238,758	27,196,432
David W. Johnson	396,451,465	983,725
David K. P. Li	367,688,676	29,746,514
Philip E. Lippincott	396,491,909	943,281
Mary Alice Malone	396,505,760	929,430
Dale F. Morrison	396,515,322	919,868
Charles H. Mott	396,505,557	929,633
George M. Sherman	396,510,092	925,098
Donald M. Stewart	396,509,293	925,897
George Strawbridge, Jr.	396,497,687	937,503
Charlotte C. Weber	396,501,722	933,468

Ratification of Appointment of Independent Accountants

	For	Against	Abstentions	Broker Non-Votes
Ratification of Appointment of Accountants	396,152,199	473,475	809,516	-0-

Shareowner Proposal Concerning Proxy Format

	For	Against	Abstentions	Broker Non-Votes
Shareowner Proposal Concerning Proxy Format	6,578,210	356,595,840	10,725,171	23,535,969

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

No.

- 4 There is no instrument with respect to long-term debt of the company that involves indebtedness or securities authorized thereunder exceeding 10 percent of the total assets of the company and its subsidiaries on a consolidated basis. The company agrees to file a copy of any instrument or agreement defining the rights of holders of long-term debt of the company upon request of the Securities and Exchange Commission.

27 Financial Data Schedules.

b. Reports on Form 8-K

There were no reports on Form 8-K filed by the company during the second quarter of fiscal 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CAMPBELL SOUP COMPANY

Date: March 17, 1999

By: /s/ Basil Anderson

Basil Anderson
Executive Vice President and
Chief Financial Officer

By: /s/ Ellen Oran Kaden

Ellen Oran Kaden
Senior Vice President
Law and Government Affairs

Exhibit Number

27 Financial Data Schedule.
27.1 Financial Data Schedule.

5
1,000,000

6-MOS
AUG-01-1999
AUG-03-1998
JAN-31-1999
30
0
745
40
621
1,573
3,238
1,519
5,874
3,024
1,338
0
0
20
671
5,874
3,636
1,686
3,636
1,686
1,686
16
0
92
732
249
483
0
0
0
483
1.08
1.07

1,000,000

6-MOS		
	AUG-02-1998	
	AUG-04-1997	
	FEB-01-1998	98
		0
		956
		46
		558
	1,565	
		3,548
	1,607	
	6,790	
3,272		
		1,261
0		
		0
		20
	1,464	
6,790		
		3,825
	3,825	
		1,848
	1,848	
	41	
	0	
	92	
	827	
	284	
543		
	35	
	0	
		11
	567	
	1.24	
	1.23	