

Third Quarter of Fiscal Year 2014 Earnings Call & Webcast

May 19, 2014



Important Reminders

Jennifer Driscoll

Vice President, Investor Relations



Forward-Looking Statements

This presentation contains “forward-looking statements.” Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “believes,” “estimates,” “expects” and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements we make on guidance for fiscal 2014, on our ability to execute our business strategies successfully, on our expectations related to portfolio changes, and the success of our innovation and marketing initiatives. Forward-looking statements are based on our current expectations and assumptions regarding our business, our industry and other future conditions. Forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements due to factors such as the impact of strong competitive response to our marketing strategies; risks associated with trade and consumer acceptance of our new and improved products; the effectiveness of our promotional programs; the impact of portfolio changes; our ability to realize projected cost savings and the other factors described in the company’s most recent Form 10-K and subsequent SEC filings. We undertake no obligation to update these statements to reflect new information or future events.



Items Impacting Comparability

- **This year's continuing operations were impacted by the following items (pre-tax):**
 - \$18MM U.S. pension plan settlement charge in Q3
 - \$14MM of restructuring charges to restructure the manufacturing and streamline the soup business operations in China.
 - \$23MM of restructuring charges and related costs in Q1 to streamline our salaried workforce and for previously announced initiatives.
 - \$9MM loss on foreign exchange forward contracts and \$7MM tax expense for the sale of the European business in Q1.
- **Last year's continuing operations were impacted by the following items (pre-tax):**
 - \$21MM of restructuring charges and related costs in Q3 and \$48MM in Q2 related to our U.S. supply chain and the new commercial agreements in Mexico.
 - \$43MM of restructuring charges and related costs in Q1 for our U.S. supply chain.
 - \$10MM of transaction costs in Q1 associated with the Bolthouse Farms acquisition.

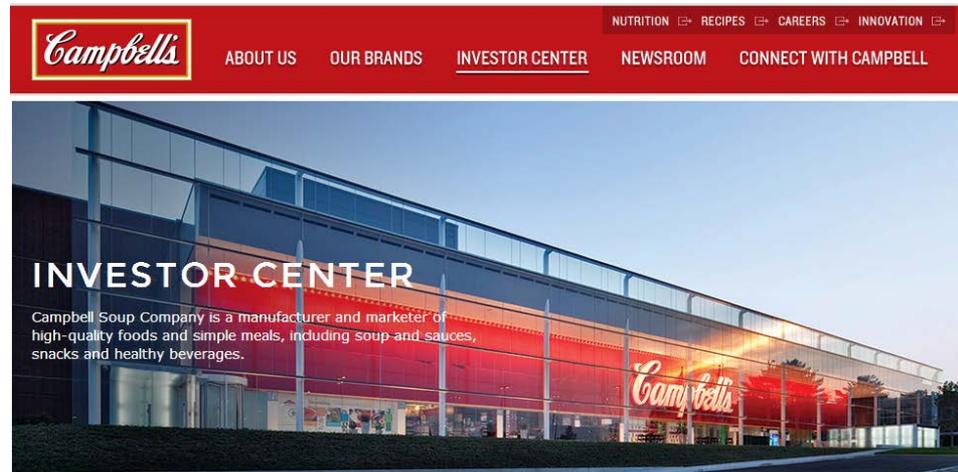


See non-GAAP reconciliations



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 and accessible online at investor.campbellsoupcompany.com.



Campbell Investor Day

Date: Tuesday, July 22, 2014

Location: Campbell World Headquarters, Camden, NJ

Event: 9:30 a.m. to 2:30 p.m. (EDT)

Webcast: 10:00 a.m. to 2:30 p.m. (EDT)



Investor Update

*Third Quarter of
Fiscal Year 2014*

Denise Morrison
President & CEO



Campbell's
**FOCUS
FORWARD**



Third-Quarter Results

(\$ millions, except per share)

Continuing Operations	Third Quarter	% Change
Net Sales	\$1,970	-
<i>Organic Net Sales*</i>		1%
EBIT*	\$310	12%
Diluted EPS – Continuing Operations*	\$0.62	7%

* See Non-GAAP reconciliation



Revised Fiscal Year 2014 Guidance

Continuing Operations
(\$ millions, except per share)

	2013 Base	Prior Guidance	Revised Guidance
Net Sales	\$8,052	4% to 5%	3%
Adjusted EBIT*	\$1,232	4% to 6%	Low end of range
Adjusted Net Earnings per Share*	\$2.48	2% to 4% \$2.53- \$2.58	Low end of range



* See Non-GAAP reconciliation



U.S. Soup Results

- Sales comparable to strong year-ago quarter

Broth



+14%

Condensed



-3%

Ready-to-Serve



-1%

Bright Spots Within U.S. Simple Meals

- U.S. Sauces sales grew 11%, excluding Plum Organics
- Consumers are using our broths, condensed soups and sauces to prepare home-cooked meals



Global Baking & Snacking



Q3
(\$ millions)

\$564

0%*

Net Sales

\$68

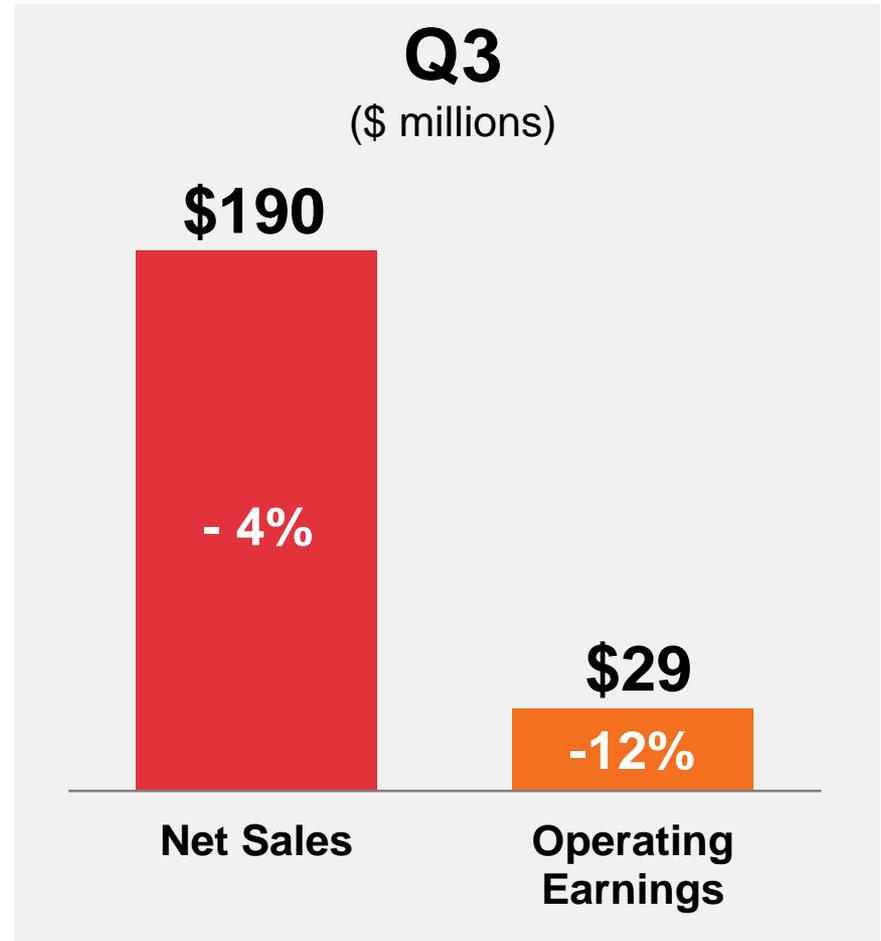
- 7%

Operating Earnings

* Percent change represents organic growth rate. See Non-GAAP reconciliation.



U.S. Beverages



Bolthouse Farms

- Sales grew 6%, driven by double-digit gains in premium refrigerated beverages and salad dressings
- Launching spring innovation suite



Plum Organics

- Full product range back in supply and distribution expanding



Campbell's®



Focused on Driving Growth Through Four Bold Moves

- Delivering breakthrough innovation
- Building our presence in packaged fresh foods
- Increasing availability in faster-growing channels
- Expanding in developing markets





CFO Perspective

Anthony DiSilvestro

*Senior Vice President and Chief
Financial Officer*



Opening Observations on F'14

- Total marketing is up; spending was reallocated from A&C to trade promotion
- A significant reduction in administrative expense is supporting our results
 - Incentive compensation below targeted levels
 - Lower pension expense and savings from restructuring activities
- Reduction in sales guidance driven by U.S. Soup and Pepperidge Farm

Agenda

- Third-quarter results and segment highlights
- Year-to-date results
- Full-year sales and earnings guidance

Third-Quarter Financial Summary

(\$ millions, except per share)

Continuing Operations	Third Quarter	% Change
Net Sales	\$1,970	-
<i>Organic Net Sales*</i>		1%
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Diluted EPS – Continuing Operations*	\$0.62	7%

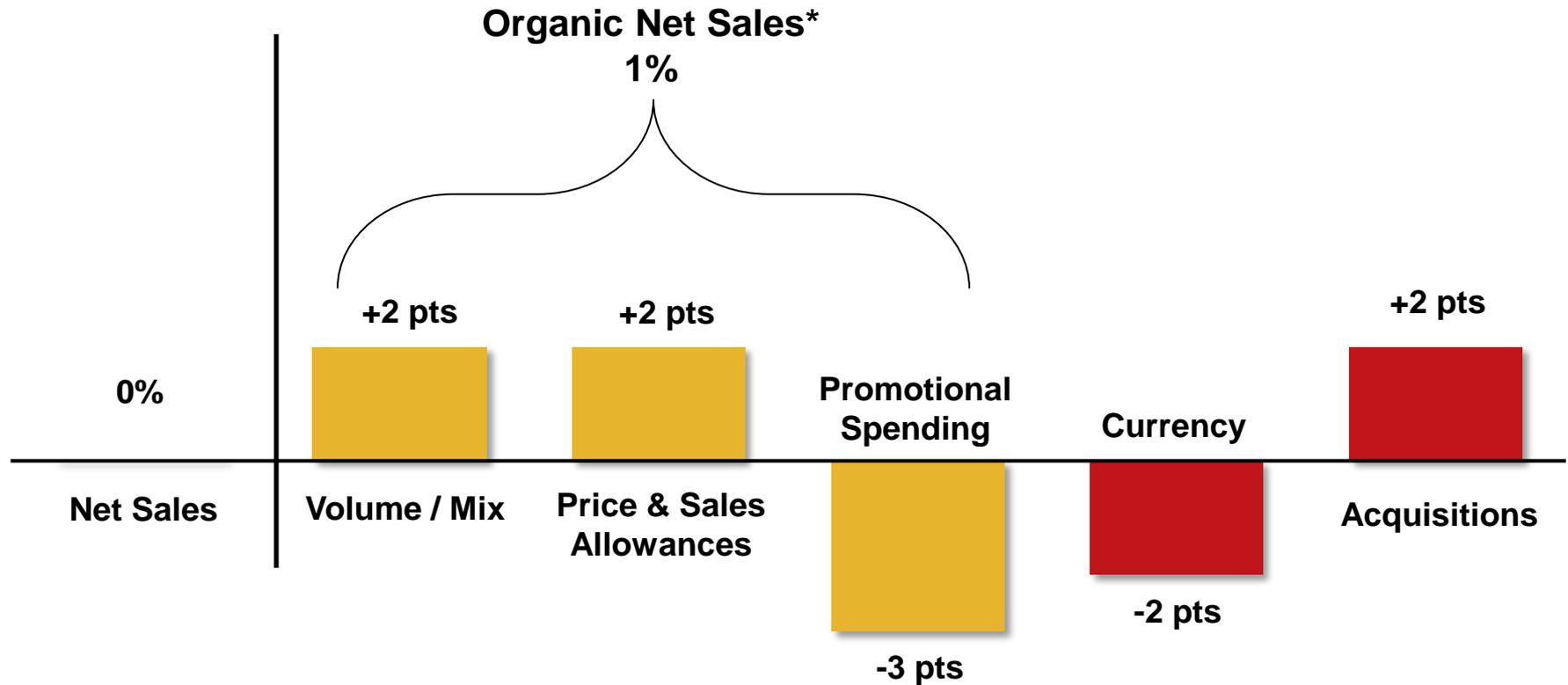


* See Non-GAAP reconciliation



Third Quarter – Components of Net Sales Change

Continuing Operations



* See Non-GAAP reconciliation

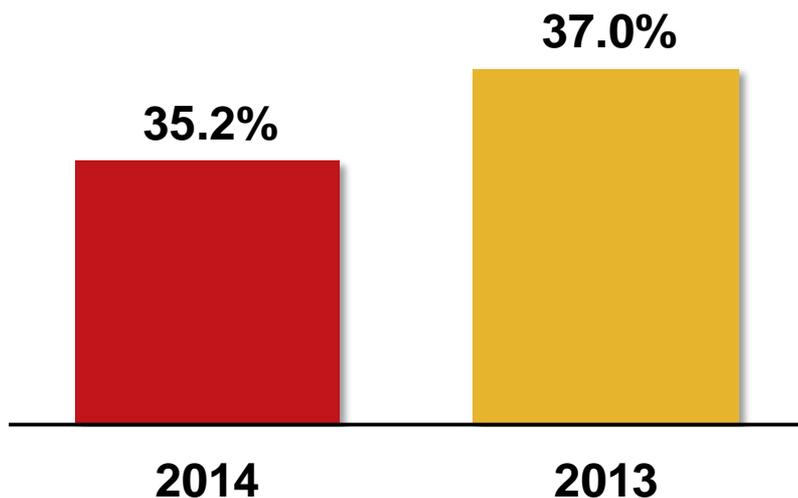
Note: Does not add across due to rounding



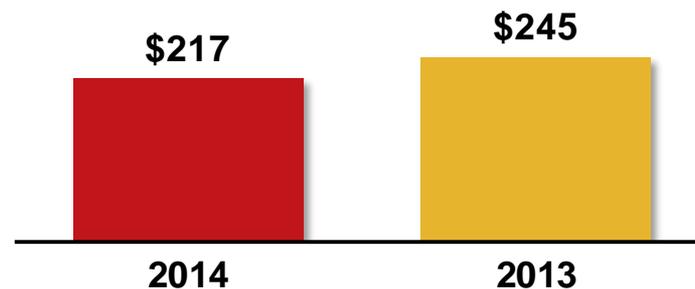
Third Quarter – Gross Margin and Other Operating Items

Continuing Operations
(\$ millions)

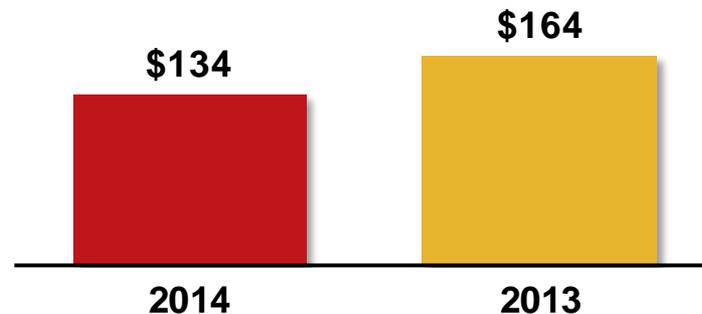
Gross Margin Percentage*



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation



Third-Quarter Financial Summary

(\$ millions, except per share)

Continuing Operations	Third Quarter	YOY Change
EBIT*	\$310	12%
Interest, Net	\$30	-3%
Tax Rate*	30.7%	4.0 pts
Earnings – Continuing Operations*	\$195	7%
Diluted EPS – Continuing Operations*	\$0.62	7%
Diluted Shares	316	-1MM



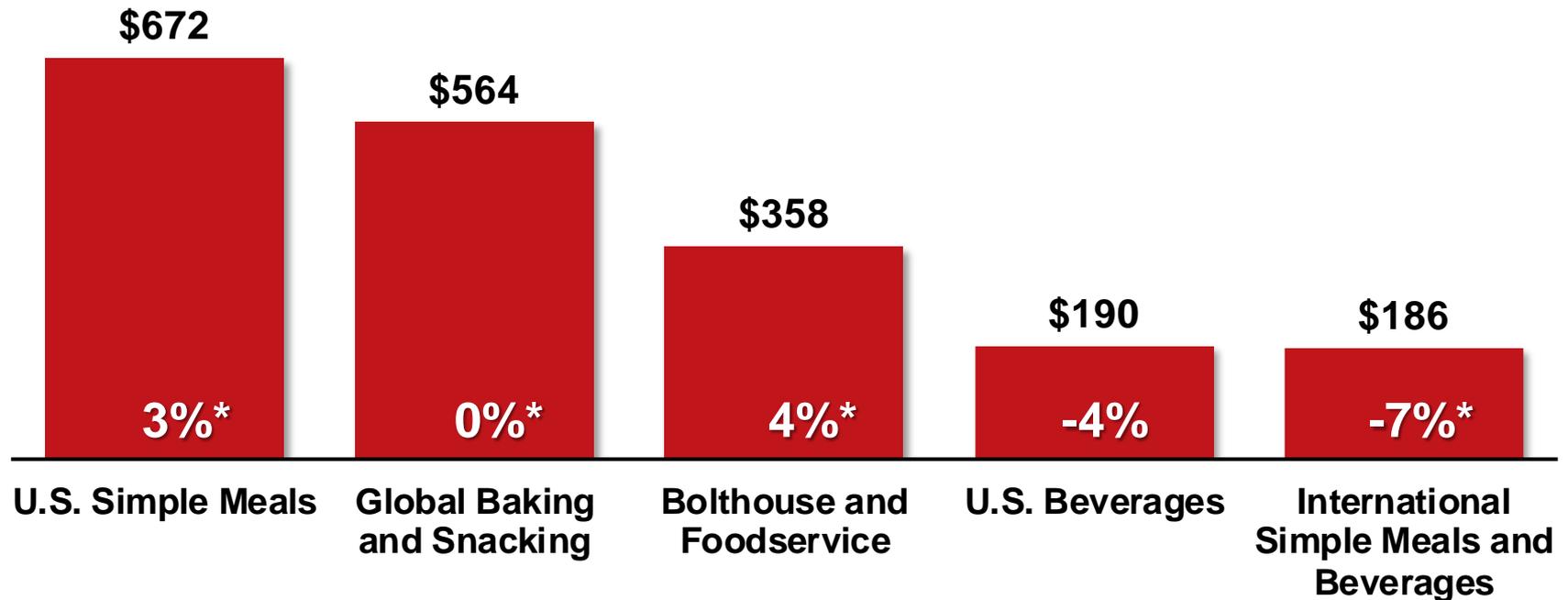
* See Non-GAAP reconciliation



Third Quarter – Sales by Segment

(\$ millions)

Net Sales by Segment and Organic Growth Rates



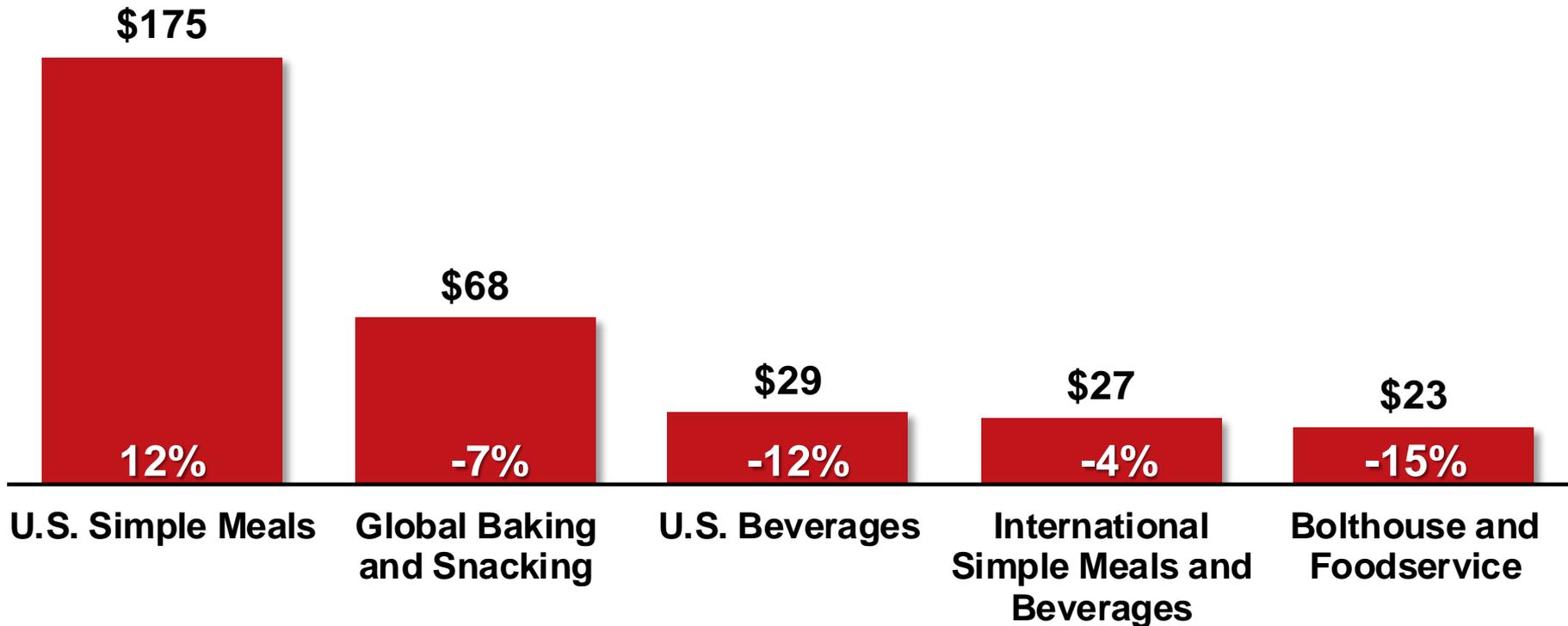
Note: Percent change represents organic growth.

* See Non-GAAP reconciliation



Third Quarter – Operating Earnings by Segment

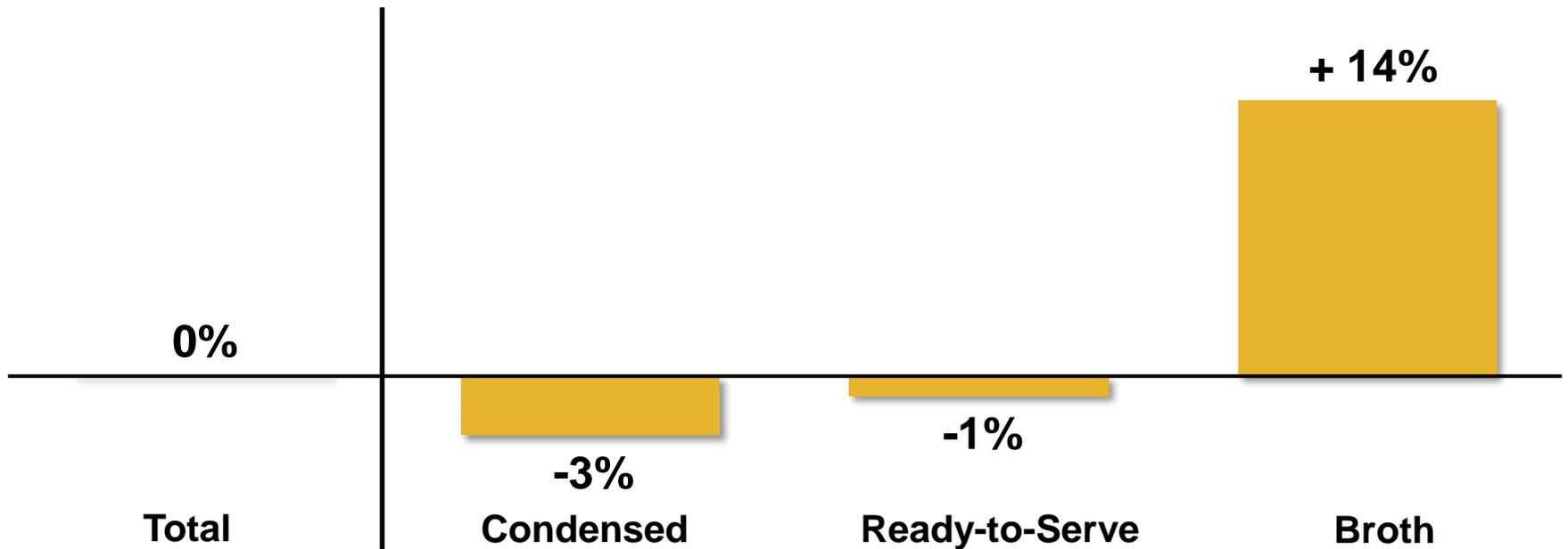
(\$ millions)



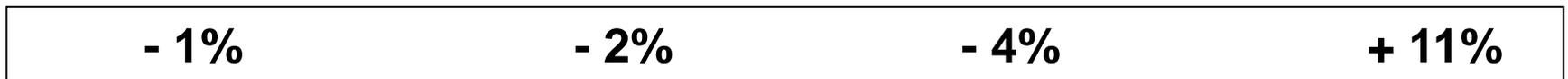
U.S. Soup Net Sales

Third Quarter

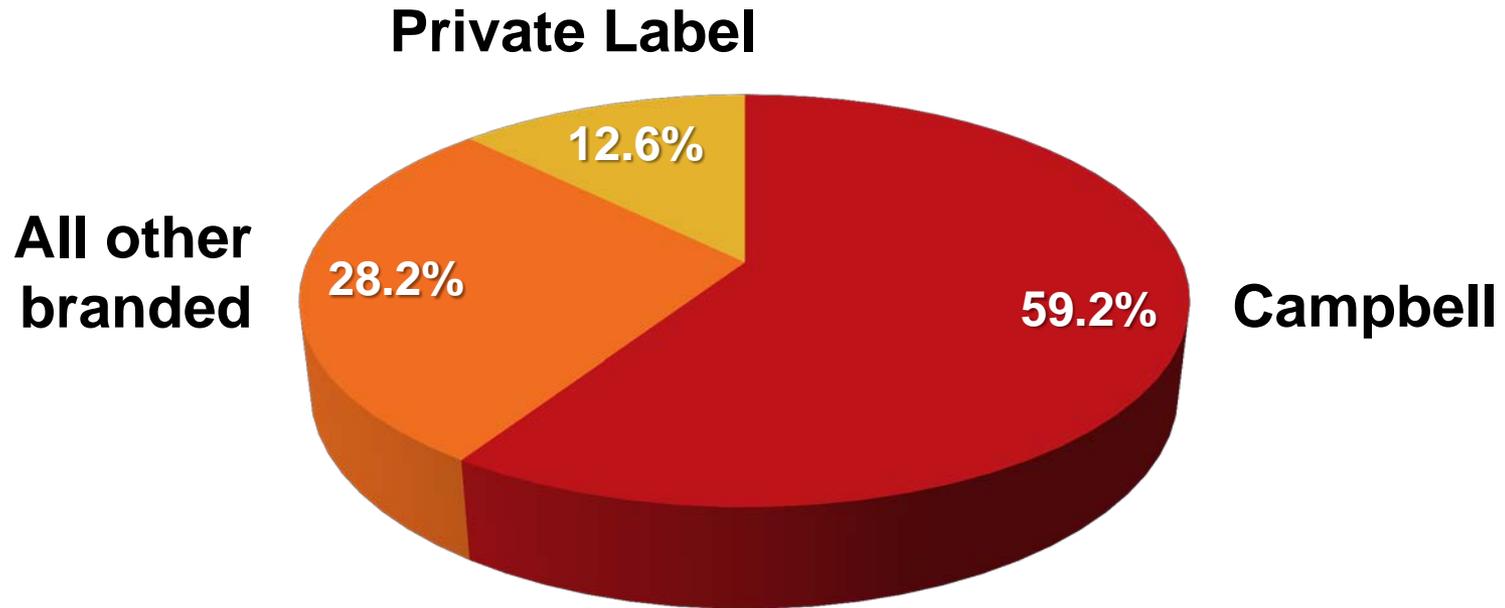
% Change vs. prior year



Year-to-Date



Retail Sales – U.S. Wet Soup Latest 52-Week* Market Share and Category Performance



	<u><i>Campbell</i></u>	<u><i>AO Branded</i></u>	<u><i>Private Label</i></u>
Dollar Share Change	-0.3 ppts	+0.4 ppts	-0.1 ppts
Dollar Sales Change	-1.1%	+0.7%	-1.5%

Campbell/PL figures include condensed and ready-to-serve soup and broth.

Source: IRI Total U.S. Multi-Outlet

* For 52-week period ending April 27, 2014



Fiscal YTD Financial Summary

(\$ millions, except per share)

Continuing Operations	April YTD	% Change
Net Sales	\$6,416	1%
<i>Organic Net Sales*</i>		-
EBIT*	\$1,022	-
Diluted EPS – Continuing Operations*	\$2.04	-

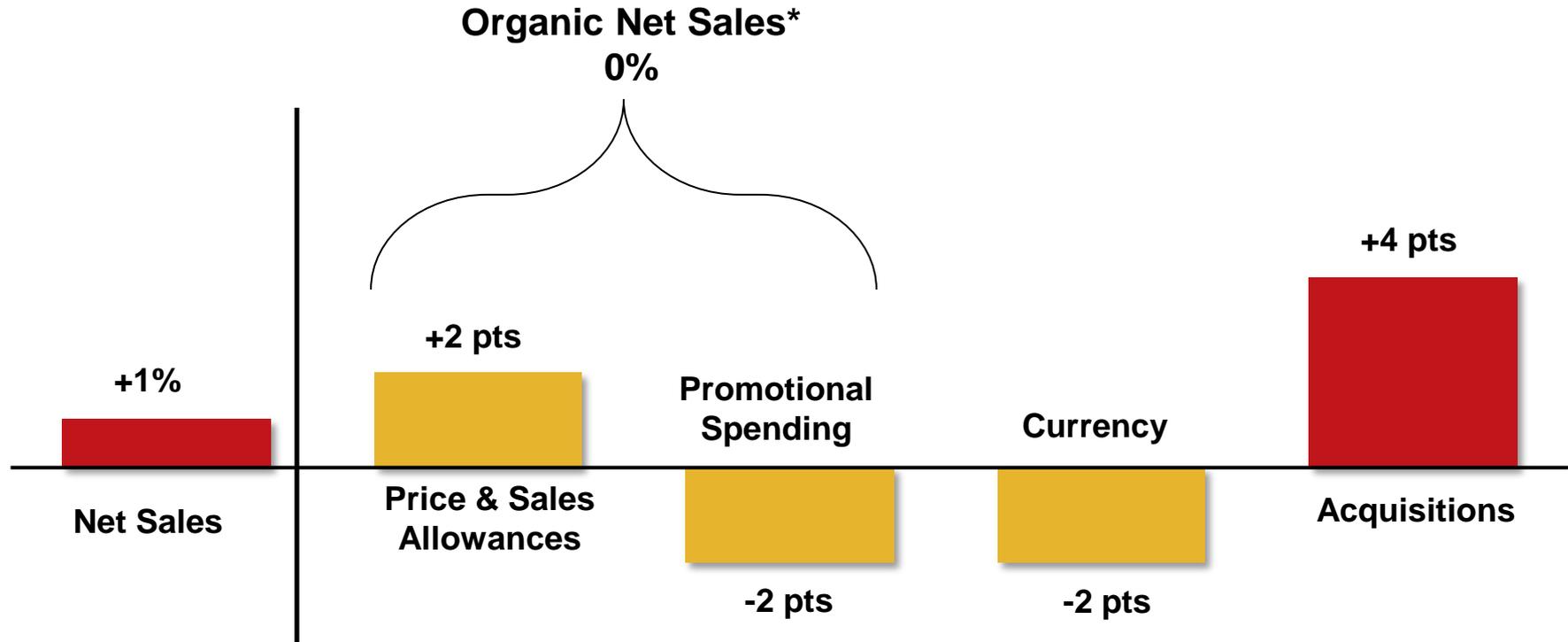


* See Non-GAAP reconciliation



Fiscal YTD– Components of Net Sales Change

Continuing Operations



* See Non-GAAP reconciliation

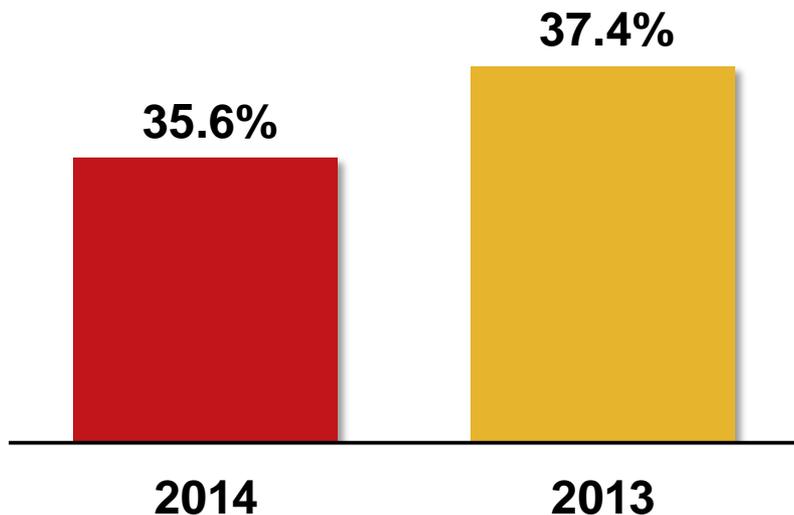
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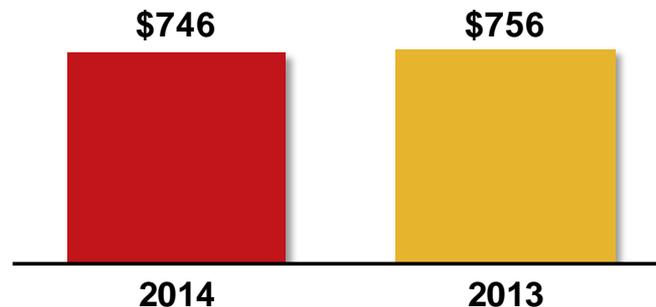
Fiscal YTD– Gross Margin and Other Operating Items

Continuing Operations
(\$ millions)

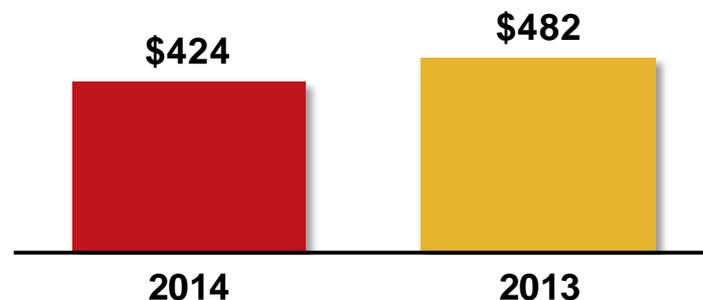
Gross Margin Percentage*



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation



Fiscal YTD Financial Summary

(\$ millions, except per share)

Continuing Operations	First Nine Months	YOY Change
EBIT*	\$1,022	-
Interest, Net	\$89	-6%
Tax Rate*	31.3%	0.5 pts
Earnings – Continuing Operations*	\$645	-1%
Diluted EPS – Continuing Operations*	\$2.04	-
Diluted Shares	316	-1MM



* See Non-GAAP reconciliation



Cash Flow and Balance Sheet

(\$ millions)

YTD Cash Flow from Operations



	2014	2013
Year-to-Date Capital Expenditures	\$198	\$205
Year-to-Date Share Repurchases	\$76	\$139
Net Debt*	\$3,687	\$3,800



* See Non-GAAP reconciliation



Revised Fiscal Year 2014 Guidance

Continuing Operations
(\$ millions, except per share)

	2013 Base	Prior Guidance	Revised Guidance
Net Sales	\$8,052	4% to 5%	3%
Adjusted EBIT*	\$1,232	4% to 6%	Low end of range
Adjusted Net Earnings per Share*	\$2.48	2% to 4% \$2.53- \$2.58	Low end of range



* See Non-GAAP reconciliation



Q & A



Denise Morrison
President and CEO



Anthony DiSilvestro
SVP and CFO



Jennifer Driscoll
VP-IR



Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations

Net Sales For the Three Months Ended (\$ millions)

	Net Sales, As Reported	Impact of Acquisitions	Impact of Currency	Impact of Net Accounting	Organic Net Sales	% Change	
						Net Sales, As Reported	Organic Net Sales
April 27, 2014							
U.S. Simple Meals	\$ 672	\$ (24)	\$ -	\$ -	\$ 648	7%	3%
Global Baking and Snacking	564	(17)	20	-	567	-1%	0%
International Simple Meals and Beverages	186	-	16	7	209	-17%	-7%
U.S. Beverages	190	-	-	-	190	-4%	-4%
Bolthouse and Foodservice	358	-	1	-	359	4%	4%
Net Sales from continuing operations	\$ 1,970	\$ (41)	\$ 37	\$ 7	\$ 1,973	0%	1%
April 28, 2013							
U.S. Simple Meals	\$ 627	\$ -	\$ -	\$ -	\$ 627		
Global Baking and Snacking	568	-	-	-	568		
International Simple Meals and Beverages	225	-	-	-	225		
U.S. Beverages	198	-	-	-	198		
Bolthouse and Foodservice	344	-	-	-	344		
Net Sales from continuing operations	\$ 1,962	\$ -	\$ -	\$ -	\$ 1,962		



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations

	Net Sales For the Nine Months Ended (\$ millions)					% Change	
	Net Sales, As Reported	Impact of Acquisitions	Impact of Currency	Impact of Net Accounting	Organic Net Sales	Net Sales, As Reported	Organic Net Sales
April 27, 2014							
U.S. Simple Meals	\$ 2,426	\$ (56)	\$ -	\$ -	\$ 2,370	3%	1%
Global Baking and Snacking	1,812	(161)	61	-	1,712	6%	1%
International Simple Meals and Beverages	592	-	45	17	654	-13%	-4%
U.S. Beverages	539	-	-	-	539	-5%	-5%
Bolthouse and Foodservice	1,047	(14)	2	-	1,035	3%	2%
Net Sales from continuing operations	\$ 6,416	\$ (231)	\$ 108	\$ 17	\$ 6,310	1%	0%
April 28, 2013							
U.S. Simple Meals	\$ 2,356	\$ -	\$ -	\$ -	\$ 2,356		
Global Baking and Snacking	1,703	-	-	-	1,703		
International Simple Meals and Beverages	682	-	-	-	682		
U.S. Beverages	569	-	-	-	569		
Bolthouse and Foodservice	1,019	-	-	-	1,019		
Net Sales from continuing operations	\$ 6,329	\$ -	\$ -	\$ -	\$ 6,329		



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations

	Organic Net Sales For the Three Months Ended (millions)				% Change	
	<u>Net Sales, As Reported</u>	<u>Impact of Acquisitions</u>	<u>Impact of Currency</u>	<u>Organic Net Sales</u>	<u>Net Sales, As Reported</u>	<u>Organic Net Sales</u>
<u>April 28, 2013</u>						
Net Sales from continuing operations	\$ 1,962	\$ (205)	\$ 8	\$ 1,765	16%	4%
<u>April 29, 2012</u>						
Net Sales from continuing operations	\$ 1,698					



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations
(\$ millions)

Third Quarter

	Gross Margin	GM %	Tax	Tax Rate
2014 - As Reported	\$ 676	34.3%	\$ 79	30.2%
Add: Pension settlement charge	18		7	
2014 - Adjusted	\$ 694	35.2%	\$ 86	30.7%
2013 - As Reported	\$ 706	36.0%	\$ 59	26.1%
Add: Restructuring charges and related costs	20		7	
2013 - Adjusted	\$ 726	37.0%	\$ 66	26.7%



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations
(\$ millions)

Nine Months

	Gross Margin	GM %	Tax	Tax Rate
2014 - As Reported	\$ 2,267	35.3%	\$ 278	32.0%
Add: Restructuring charges and related costs	2		11	
Add: Pension settlement charge	18		7	
Add: Loss on foreign exchange forward contracts	-		3	
Deduct: Tax expense associated with sale of business	-		(7)	
2014 - Adjusted	\$ 2,287	35.6%	\$ 292	31.3%
2013 - As Reported	\$ 2,289	36.2%	\$ 242	30.0%
Add: Restructuring charges and related costs	81		41	
Add: Acquisition transaction costs	-		3	
2013 - Adjusted	\$ 2,370	37.4%	\$ 286	30.8%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Third Quarter

	Continuing Operations		
	EBIT	Net Earnings	Diluted EPS*
2014 - As Reported	\$ 292	\$ 184	\$ 0.58
Add: Pension settlement charge	18	11	0.03
2014 - Adjusted	<u>\$ 310</u>	<u>\$ 195</u>	<u>\$ 0.62</u>
2013 - As Reported	\$ 257	\$ 169	\$ 0.53
Add: Restructuring charges and related costs	21	14	0.04
2013 - Adjusted	<u>\$ 278</u>	<u>\$ 183</u>	<u>\$ 0.58</u>
% Change	12%	7%	7%



*May not add due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Nine Months

	Continuing Operations		
	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS*</u>
2014 - As Reported	\$ 958	\$ 600	\$ 1.90
Add: Restructuring charges and related costs	37	21	0.07
Add: Pension settlement charge	18	11	0.03
Add: Loss on foreign exchange forward contracts	9	6	0.02
Add: Tax expense associated with sale of business	-	7	0.02
2014 - Adjusted	<u>\$ 1,022</u>	<u>\$ 645</u>	<u>\$ 2.04</u>
2013 - As Reported	\$ 902	\$ 572	\$ 1.80
Add: Restructuring charges and related costs	112	71	0.22
Add: Acquisition transaction costs	10	7	0.02
2013 - Adjusted	<u>\$ 1,024</u>	<u>\$ 650</u>	<u>\$ 2.05</u>
% Change	0%	-1%	0%



*May not add due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>April 27, 2014</u>	<u>April 28, 2013</u>
Short-Term Borrowings	\$ 1,662	\$ 1,309
Long-Term Debt	2,247	2,944
Total Debt	<u>\$ 3,909</u>	<u>\$ 4,253</u>
Less: Cash and Cash Equivalents	(222)	(453)
Net Debt	<u><u>\$ 3,687</u></u>	<u><u>\$ 3,800</u></u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Fiscal Year

	Continuing Operations		
	EBIT	Net Earnings	Diluted EPS*
2013 - As Reported	\$ 1,080	\$ 689	\$ 2.17
Add: Restructuring charges and related costs	142	90	0.28
Add: Acquisition transaction costs	10	7	0.02
2013 - Adjusted	<u>\$ 1,232</u>	<u>\$ 786</u>	<u>\$ 2.48</u>



*May not add due to rounding

