



Campbell's

®

Investor Update

**First Quarter
of Fiscal 2010**

November 23, 2009



Investor Update

First Quarter of Fiscal 2010

Jennifer Driscoll

Vice President, Investor Relations



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

- Earnings growth reflected solid improvement in operating earnings from all four segments
- Gross margin percentage gain drove the increase
- We raised our guidance to 9-11% growth in adjusted EPS, exceeding our long-term growth target
- We also increased our dividend by 10%



CFO Perspective on Fiscal 2010



B. Craig Owens

Agenda:

- First-quarter results
- Segment highlights
- Updated guidance



2010 Top-Line Performance

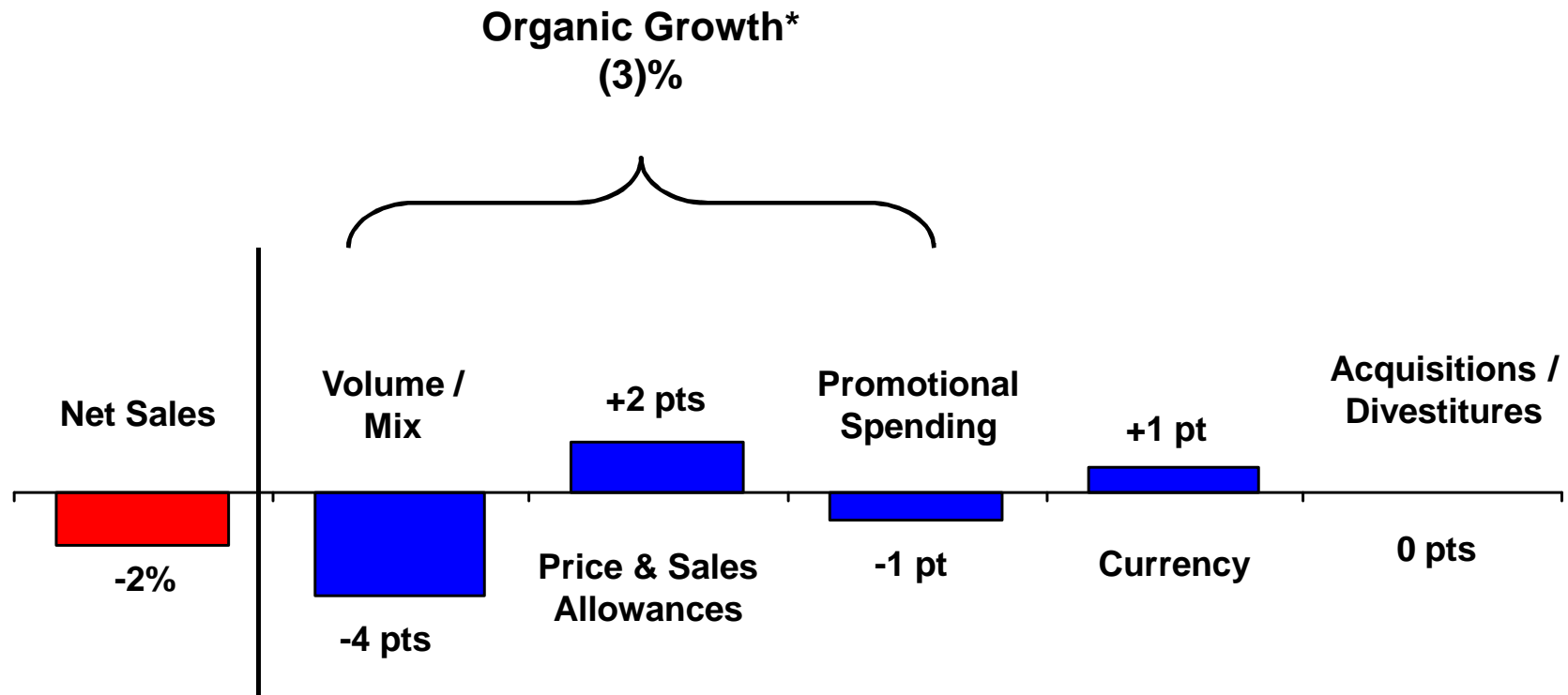
(\$ millions, except per share)

	<u>First Quarter</u>	<u>% Change</u>
Net Sales	\$ 2,203	(2)
<i>Organic Net Sales*</i>		(3)

*Adjusted, see Non-GAAP reconciliation



First Quarter 2010 – Components of Net Sales Change



*See Non-GAAP reconciliation



Slate of Innovation Broader Than Ever



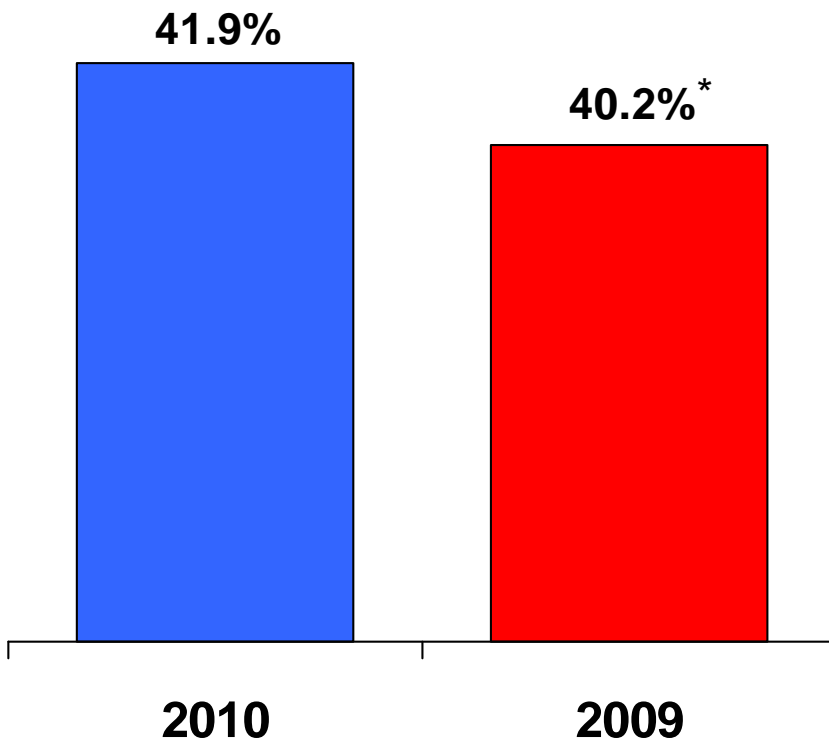
- Restaging “Chunky” soups
- Restaging “Healthy Request” line
- Introducing new “Campbell’s” light condensed soups
- Pepperidge Farm “Goldfish” crackers with 1/3 serving of vegetables per serving
- Six-packs of single-serve “V8 V Fusion” and new flavors
- New lower-sodium “Campbell’s” tomato soup
- Line extensions for “Tim Tam”



Gross Margin

Gross Margin Percentage

First Quarter



Factors

- + Productivity savings
- + Pricing (net of promotional spending)
- Cost inflation

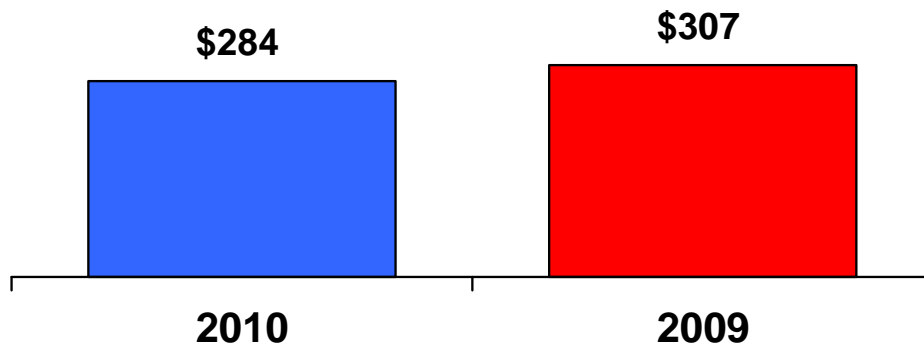
*Adjusted, see Non-GAAP reconciliation



Marketing and Selling Expenses

(\$ millions)

First Quarter



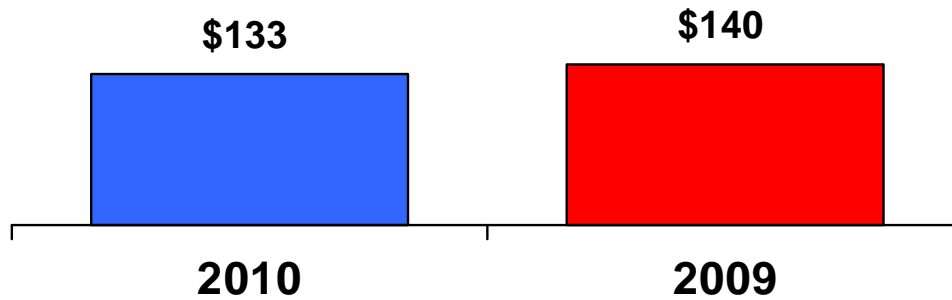
- Decreased 7% after increased levels last year
- Reduction included benefits from lower media rates



Administrative Expenses

(\$ millions)

First Quarter





- Decreased 5%, driven by ongoing expense reduction efforts
- Overcame impact of higher pension costs



2010 First-Quarter Results

(\$ in millions, except per share)

	<u>First Quarter</u>	<u>% Change</u>
EBIT	\$ 478	11%*
Interest, Net	\$ 27 	-16%
Tax Rate	32.6%	2.8 pts*
Net Earnings	\$ 304	8%*
EPS - Diluted	\$ 0.87	14%*
Diluted Shares	346 	-4%

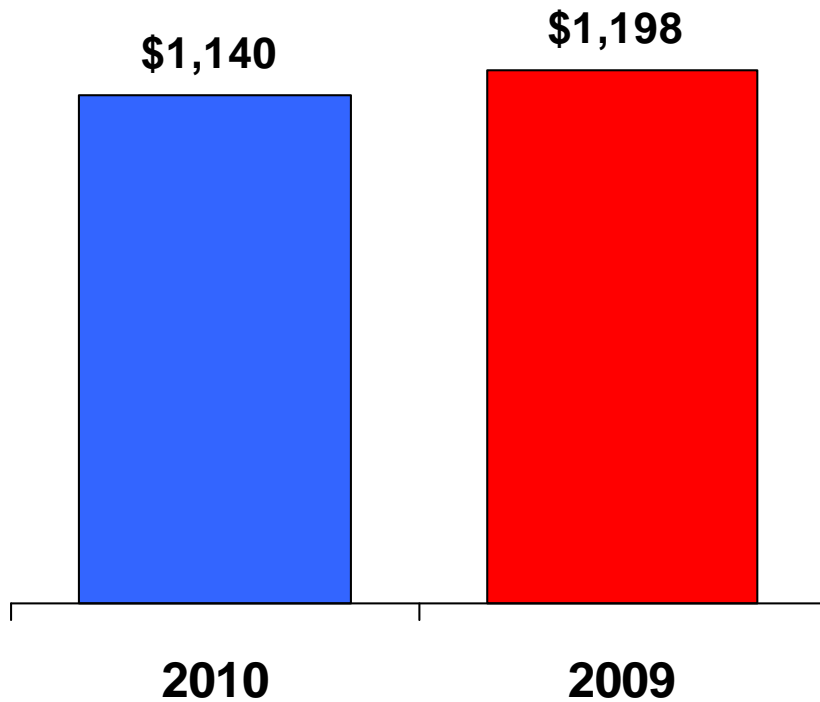
*Adjusted, see Non-GAAP reconciliation



U.S. Soup, Sauces and Beverages

(\$ millions)

First Quarter Net Sales

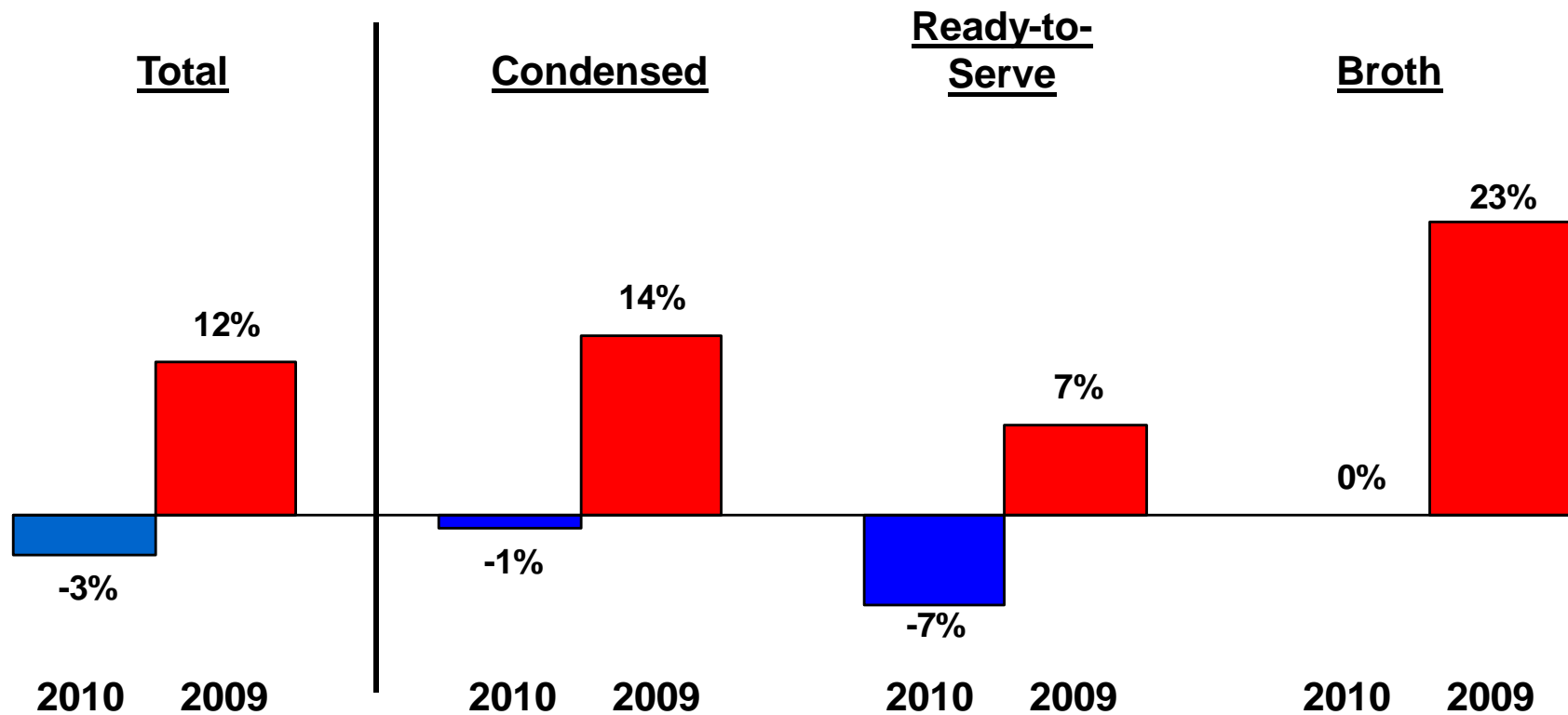


- Net sales decreased 5%, driven by volume and mix
- The momentum late in the quarter was positive



First Quarter – U.S. Soup Net Sales

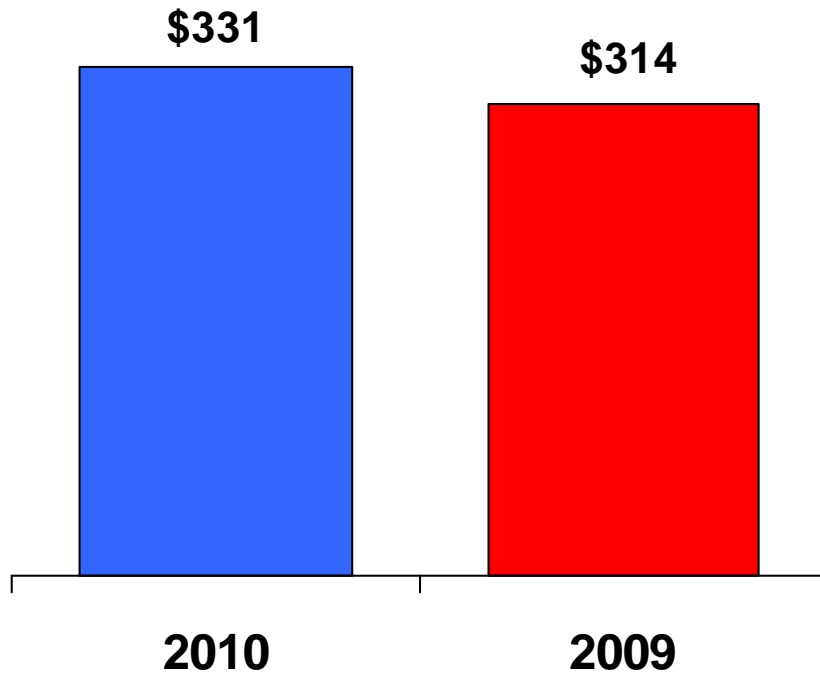
% Change vs. prior year



U.S. Soup, Sauces and Beverages

(\$ millions)

First Quarter Operating Earnings

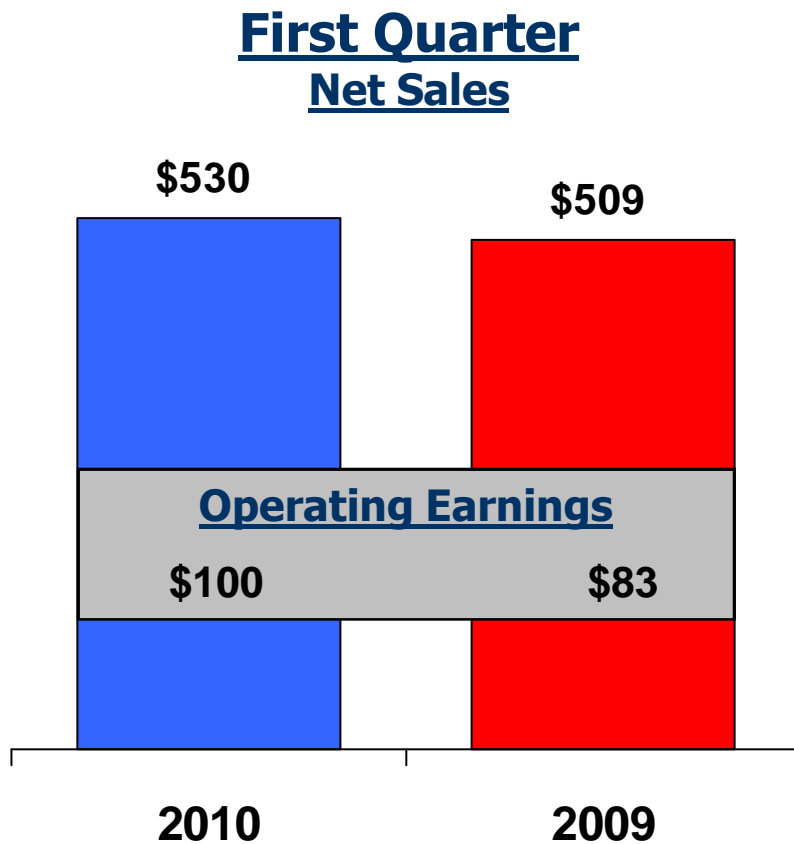


- Operating earnings increased 5%, led by gross margin percentage improvement



Baking and Snacking

(\$ millions)



- Organic net sales* were unchanged
- Operating earnings increased 20%, supported by margin gains

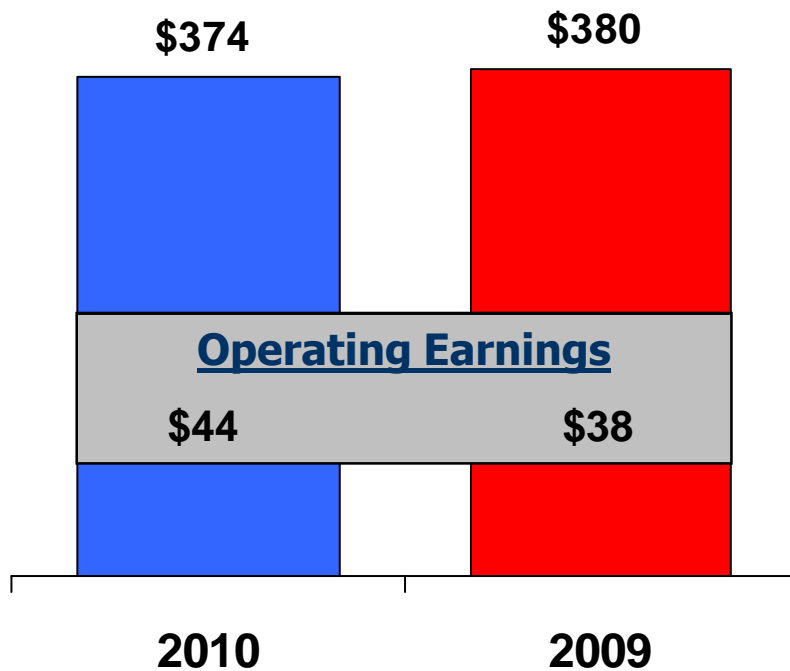
*See Non-GAAP reconciliation



International Soup, Sauces, and Beverages

(\$ millions)

First Quarter Net Sales



- Organic net sales decreased 1%*
- Operating earnings increased 16%

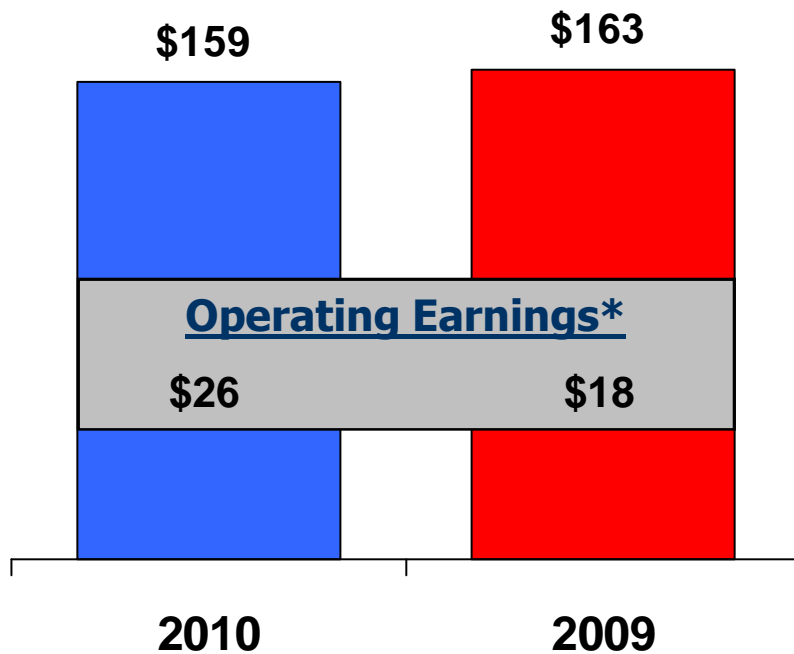
*See Non-GAAP reconciliation



North America Foodservice

(\$ millions)

First Quarter Net Sales



- Net sales decreased 2%
- Operating earnings increased 44%, fueled by productivity improvements*

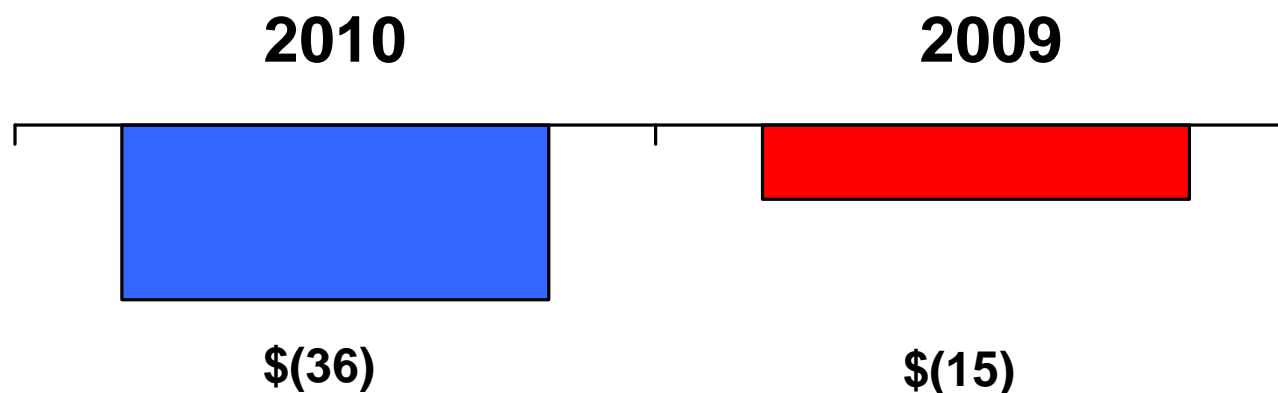
*Adjusted, see Non-GAAP reconciliation



Cash Flow and Balance Sheet

(\$ millions)

Cash Used in Operations



	<u>2010</u>	<u>2009</u>
First Quarter Capital Expenditures	\$44	\$35
First Quarter Share Repurchases	\$94	\$114
Net Debt*	\$2,829	\$2,693

*See Non-GAAP reconciliation



Campbell Fiscal 2010 Guidance

	<u>Original Growth Rate</u>	<u>Revised Growth Rate</u>
Net Sales	3-4%	4-5%
Adjusted EBIT*	5-6%	6-7%
Adjusted Net Earnings per Share*	5-7%	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

Reconciliation of GAAP and non-GAAP Financial Measures Net Sales For the Three Months Ended (millions)

	Net Sales, As Reported	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
						Net Sales, As Reported	Organic Net Sales
First Quarter							
November 1, 2009							
U.S. Soup, Sauces and Beverages	\$ 1,140	\$ -	\$ -	\$ -	\$ 1,140	-5%	-5%
Baking and Snacking	530	-	(6)	(15)	509	4%	0%
International Soup, Sauces and Beverages	374	-	-	(8)	366	-2%	-1%
North America Foodservice	159	-	-	-	159	-2%	-2%
Total Net Sales	\$ 2,203	\$ -	\$ (6)	\$ (23)	\$ 2,174	-2%	-3%
November 2, 2008							
U.S. Soup, Sauces and Beverages	\$ 1,198	\$ -	\$ -	\$ -	\$ 1,198		
Baking and Snacking	509	-	-	-	509		
International Soup, Sauces and Beverages	380	(12)	-	-	368		
North America Foodservice	163	-	-	-	163		
Total Net Sales	\$ 2,250	\$ (12)	\$ -	\$ -	\$ 2,238		

	Net Sales, As Reported	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
						Net Sales, As Reported	Organic Net Sales
November 2, 2008							
Total Net Sales	\$ 2,250		\$ (5)	\$ 23	\$ 2,268	3%	6%
October 28, 2007							
Total Net Sales	\$ 2,185	\$ (45)			\$ 2,140		



Reconciliation of GAAP and Non-GAAP Financial Measures

	Operating Earnings First Quarter (\$ millions)				% Change	
	Operating Earnings, As Reported	Commodity Hedge Adjustment	Restructuring Charge and Related Costs	Adjusted Operating Earnings	Operating Earnings, As Reported	Adjusted Operating Earnings
November 1, 2009						
U.S. Soup, Sauces and Beverages	\$ 331	\$ -	\$ -	\$ 331	5%	5%
Baking and Snacking	100	-	-	100	20%	20%
International Soup, Sauces and Beverages	44	-	-	44	16%	16%
North America Foodservice	26	-	-	26	136%	44%
Total Operating Earnings	501	-	-	501	12%	11%
Unallocated Corporate Expenses	(23)	-	-	(23)		
Earnings Before Interest and Taxes	<u>\$ 478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478</u>	<u>20%</u>	<u>11%</u>
November 2, 2008						
U.S. Soup, Sauces and Beverages	\$ 314	\$ -	\$ -	\$ 314		
Baking and Snacking	83	-	-	83		
International Soup, Sauces and Beverages	38	-	-	38		
North America Foodservice	11	-	7	18		
Total Operating Earnings	446	-	7	453		
Unallocated Corporate Expenses	(47)	26	-	(21)		
Earnings Before Interest and Taxes	<u>\$ 399</u>	<u>\$ 26</u>	<u>\$ 7</u>	<u>\$ 432</u>		



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

First Quarter

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2009 - As Reported	\$ 871	38.7%	\$ 107	29.2%
Add: Unrealized Losses on Commodity Hedges	26		10	
Add: Restructuring Related Costs	7		2	
2009 - Adjusted	<u>\$ 904</u>	<u>40.2%</u>	<u>\$ 119</u>	<u>29.8%</u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

First Quarter

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS⁽¹⁾</u>
2009 - As Reported	\$ 399	\$ 260	\$ 0.70
Add: Unrealized Losses on Commodity Hedges	26	16	0.04
Add: Restructuring Charges and Related Costs	7	5	0.01
2009 - Adjusted	<u>\$ 432</u>	<u>\$ 281</u>	<u>\$ 0.76</u> ⁽²⁾
2010 - As Reported	<u>\$478</u>	<u>\$304</u>	<u>\$0.87</u>
% Change	11%	8%	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 diluted net earnings per share of \$0.01 for the first quarter 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>November 1, 2009</u>	<u>November 2, 2008</u>
Short-Term Borrowings	\$ 656	\$ 1,121
Long-Term Debt	2,249	1,635
Total Debt	<u>\$ 2,905</u>	<u>\$ 2,756</u>
Less: Cash and Cash Equivalents	(76)	(63)
Net Debt	<u><u>\$ 2,829</u></u>	<u><u>\$ 2,693</u></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 diluted net earnings per share of \$0.01 for the full year of fiscal 2009.

