



Campbell's

Addressing the New Consumer Order

Presentation to:
Consumer Analyst Group of New York

February 23, 2011

Campbell's



CAGNY PRESENTATION

February 23, 2001

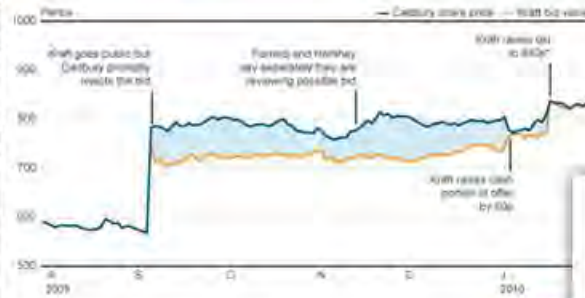




Cadbury shareholders OK Kraft deal

Cadbury P.L.C. shareholders voted to approve Kraft Foods Inc.'s roughly \$19.5 billion offer to acquire the candy-maker. The major final step in Kraft's move to acquire the company, the world's largest confectionery maker, greatly expands Kraft's market share. Kraft said nearly 72 percent of the shareholders approved the deal.

Cadbury agrees \$19.6 bln takeover by Kraft



Commodity Prices Surge

Gold, Cotton Touch New Highs as Fed Stimulus, Chinese Growth Drive Demand

Raw Power | Commodities fueled by the Fed



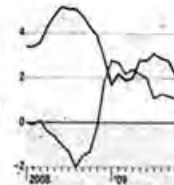
THE OUTLOOK | By Mark Whitehouse

Public Still Feels Inflation's Pinch

BY ANY WIDELY recognized measure, U.S. inflation is extremely low, so low that the Federal Reserve wishes it were a bit higher. But many people don't see it that way. The debate over potential inflationary effects of the Fed's latest efforts to boost the economy underscores this phenomenon. Many consumers think inflation is still too low.

Perception and Prices

People's perceptions of inflation often differ from reality, and these experiences can diverge depending on who they are and where they live. Consumers' expectations for inflation over the next year are significantly higher than actual inflation over the next year.



*Including shelter costs. Source: Federal Reserve Bank of St. Louis, Labor Department, BEA and BLS.

without an increase in the price registers as a price decrease. They assign each item a weight depending on its share of the average U.S. household's budget. October's 1.2% fall in the price of apparel from the previous year, for example, outweighed the 13.4% rise in fuel oil, because fuel oil makes up a smaller share of the typical household's budget.

How people perceive inflation also varies with demographics. A recent paper in the Journal of Consumer Affairs reported that inflation is perceived to be higher among young people and those with lower incomes.

Geography matters, too. Prices in western U.S. states rose only 0.6% in the year ended in October, compared with 1.5% in the Northeast and Midwest.

But there's good reason the government focuses on averages, and on inflation measures that some consumers might find misleading. Low-income homeowners saw their mortgage costs rise 28% from 2007 to 2009 as many tried to keep up with subprime loan payments resetting at higher levels. If the Fed counted such financing-related costs as inflation, it would send a signal to raise interest rates, a move that would push up mortgage costs even further. In part to avoid such problems, the Fed relies on government measures that use rents to calculate housing costs.

Inaccurate perceptions of inflation can lead people to behave in ways that have real effects on the economy. When Europe switched to a new currency in 2002, for example, some people cut back on spending in part because they immediately thought prices had

USA: Kellogg completes acquisition of Keebler

By: Press Release | 27 March 2001

By completing the acquisition of Keebler Foods Company, Kellogg has put in place the most critical element of its strategy to create a more diversified portfolio. "These two great companies are a winning combination," said Kellogg Chairman and Chief Executive Officer, John H. Hart. "Thanks to five months of integration preparation, we are now well on the ground running."

The new Kellogg Company's growth will be provided by a more diversified portfolio, with products that will drive growth in the future.

Jobless Rate Rises to 9.8% In Blow to Recovery Hopes

After Several Strong Months, the Economy Adds Just 39,000 Jobs in November

By MOTOKO RICH

After several months of improvement, hiring by businesses slowed to a crawl in November, a development that is sure to intensify the debate over how to stimulate the economy. Plodding economic growth, however, means unemployment remains high.



Forward-Looking Statements

This presentation contains "forward-looking statements" that reflect the company's current expectations about its future plans and performance. These forward-looking statements rely on a number of assumptions and estimates that could be inaccurate and which are subject to risks and uncertainties. Factors that could cause the company's actual results to vary materially from those anticipated or expressed in any forward-looking statement include, among other things, (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 impact of fluctuations in the supply or costs of energy and raw and packaging materials; (5) the impact of changes in currency exchange rates, tax rates, interest rates, inflation rates, debt and equity markets, economic conditions and other external factors; and (6) the other factors described in the company's most recent Form 10-K and subsequent SEC filings. The company disclaims any obligation or intent to update any forward-looking statement in order to reflect new information, future events or other circumstances.



Non-GAAP Measures

This presentation includes certain “non-GAAP” measures as defined by SEC rules. As required by the SEC, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is shown at the end of your handout and is posted on our investor Web site at *investor.campbellsoupcompany.com*.







Addressing the new consumer order

Campbell's CEO to resign; successor is in-house

By Harold Brubaker
INQUIRER STAFF WRITER

Douglas R. Conant, who led a major effort to rejuvenate Campbell Soup Co. since becoming chief executive in 2001, said Tuesday

"My dad inspired us to dream big. That, for me, became to lead a company some day."

Denise Morrison, anticipated successor to Douglas R. Conant

books of those heirs, who include Mary Alice Malone, George Strawbridge, and Dorrance H. Hamilton, slashing the company's annual dividend to 63 cents per share from 90 cents per share.

The savings were used to upgrade the company's soups, invest in micro-



TOM GRALISH | Staff Photograph
Douglas R. Conant is stepping down. In 2001, he became chief executive of Campbell

Conant

Continued from E1
pany rebuilt its annual dividend to the current level of \$1.10 per share. The stock closed Tuesday at \$36.45, up 22 cents on the New York Stock Exchange.

Among Campbell's big strategic moves since Conant came CEO was the sale of Godiva Chocolatier. In a holdover from the days of Campbell's was a widely diversified food company \$850 million in 2008.

Conant also launched efforts — expected from the beginning to take 10 years to come significant — to enter into markets in China and Asia. Analysts believe it soon to assess those efforts.

At its headquarters in Camden, the company last month opened an 80,000-square-foot Car Employee Center as part of a proposed office park that has been delayed by litigation.

Janney Montgomery analyst Jonathan Edwards called Conant's reign "initially successful," but said in a note to investors that the timing was "a surprise" because the company is heading into a period of



ASSOCIATED PRESS

Douglas R. Conant is handing over the reins to **Denise M. Morrison** (right). For three years, she has led Campbell's largest unit, North American soup, sauces and beverages.







We do have the strengths necessary to prevail over time



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors

1) Categories



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors

- 1) Categories
- 2) Brands



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors

- 1) Categories
- 2) Brands
- 3) Scale**



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors

- 1) Categories
- 2) Brands
- 3) Scale
- 4) Technology**



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors

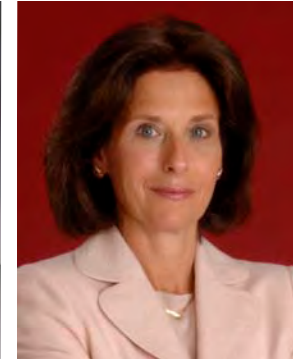
- 1) Categories
- 2) Brands
- 3) Scale
- 4) Technology
- 5) Financials



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors

- 1) Categories
- 2) Brands
- 3) Scale
- 4) Technology
- 5) Financials
- 6) Organization**



The long-term formula for success in the food industry still holds up to scrutiny

Six Critical Success Factors

- 1) Categories
- 2) Brands
- 3) Scale
- 4) Technology
- 5) Financials
- 6) Organization

**Campbell is well-positioned on all six
Critical Success Factors to thrive over time**



The Four “Cs”

Consumer

Competition

Customer

Company

The Consumer



Consumers always looking for five benefit areas

Taste

Nutrition

Convenience

Variety

Value



There have been some shifts in the consumer environment

Expanded Offerings



There have been some shifts in the consumer environment

Expanded Offerings



Better Equipped

 Campbell's Kitchen™.com



There have been some shifts in the consumer environment

Expanded Offerings



Better Equipped

 Campbell's Kitchen™.com



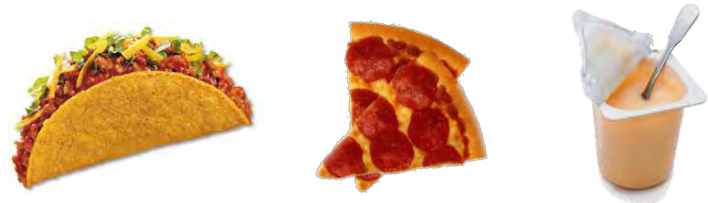
Social Responsibility

2010 Corporate Social Responsibility Report



There have been some shifts in the consumer environment

Expanded Offerings



Better Equipped

 Campbell's Kitchen™.com



Social Responsibility

2010 Corporate Social Responsibility Report

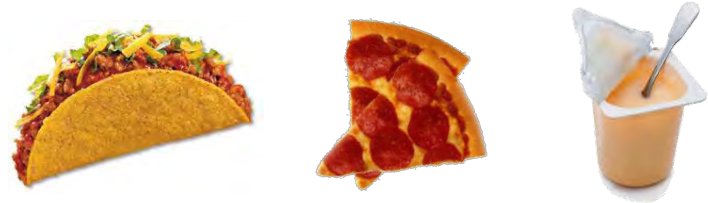


Nutrition



There have been some shifts in the consumer environment

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Social Responsibility

2010 Corporate Social Responsibility Report



Nutrition

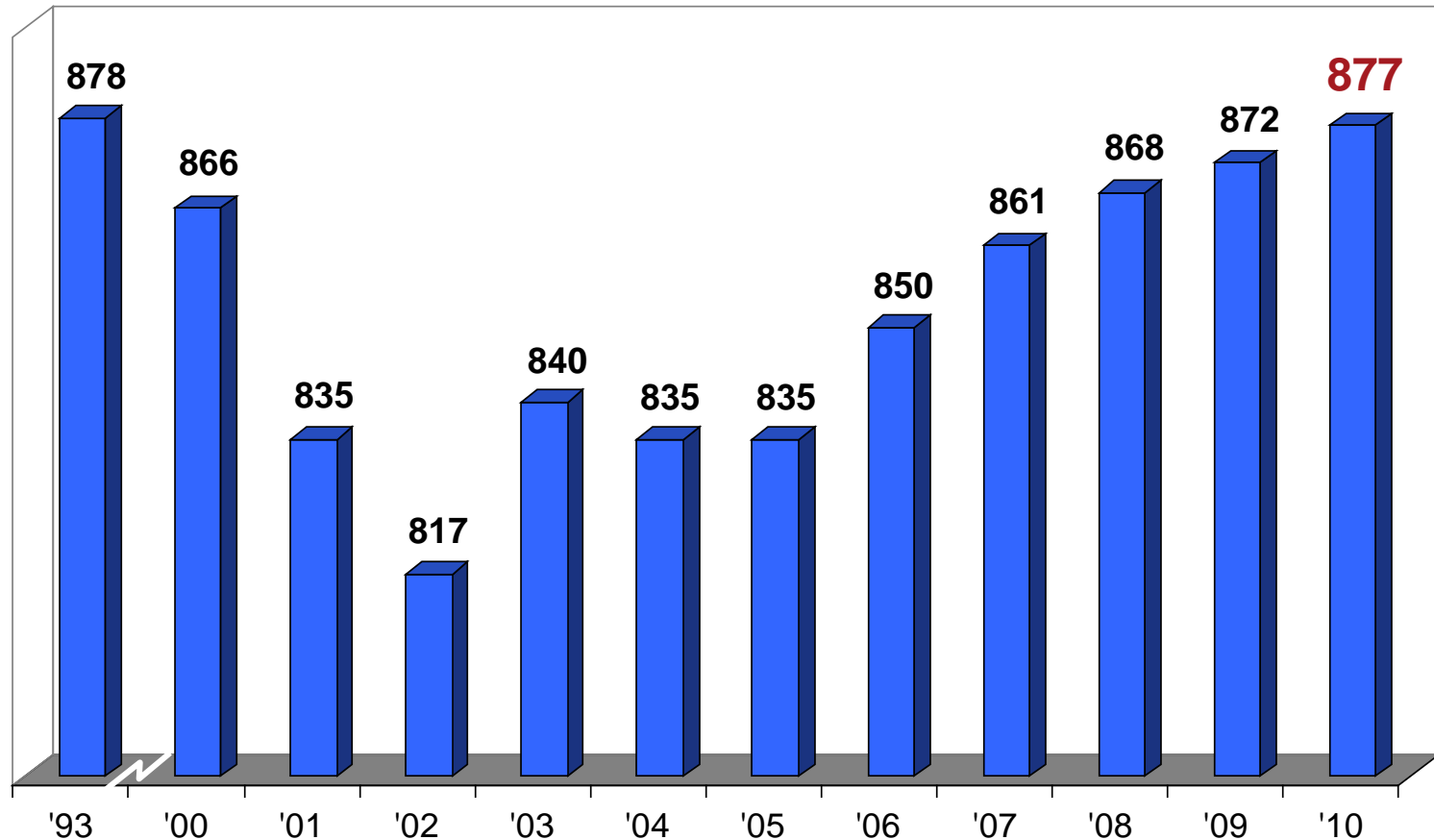


Pursuit of Value



Americans are eating in their homes more

Annual Meals Prepared and Consumed In-home per Person

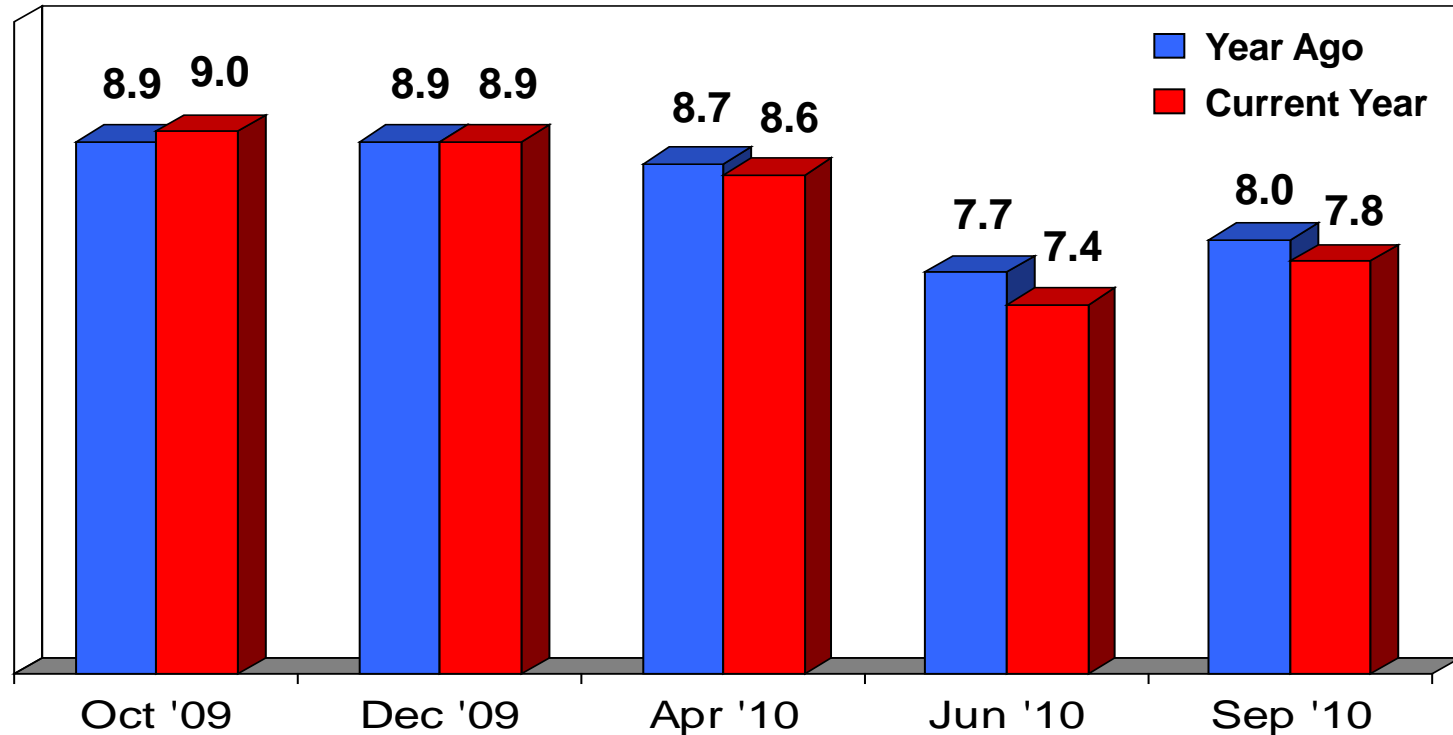


Source: The NPD Group's National Eating Trends® Service; Years ending February



While spending less, consumers have also been purchasing fewer food items

Total Unit Sales of Food (Billions)



% Chg vs.
YA

1.4%

(0.4)%

(0.7)%

(4.5)%

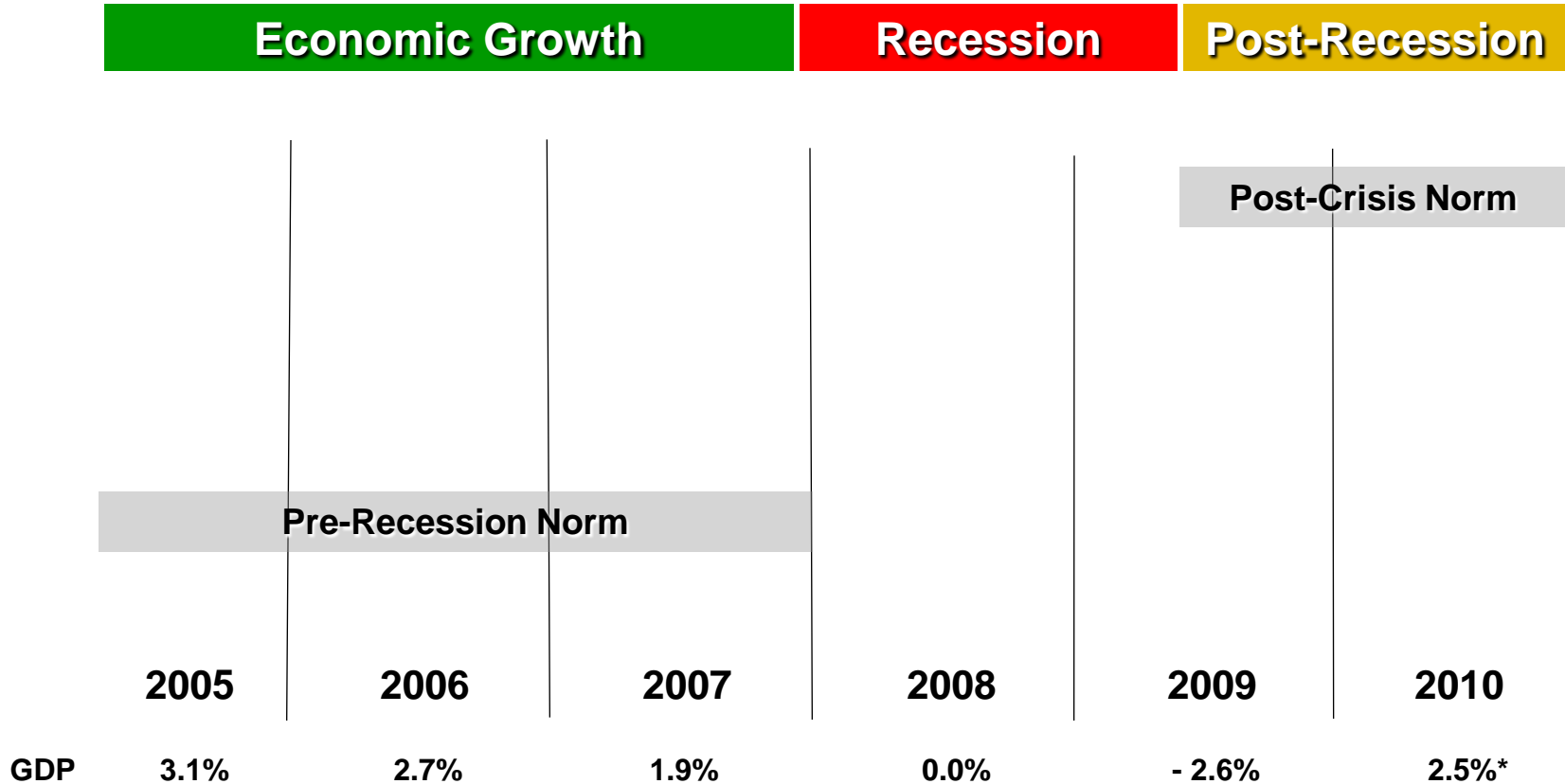
(2.8)%

Source: IRI Panel, 26 4wk ending periods thru 9/26/10, Total U.S. All Outlets, Total Food includes Center Store, Frozen, RFG, Dairy, Deli.



Great Recession created new normal for store brands

Store Brand Unit Share (Data through October 30, 2010)

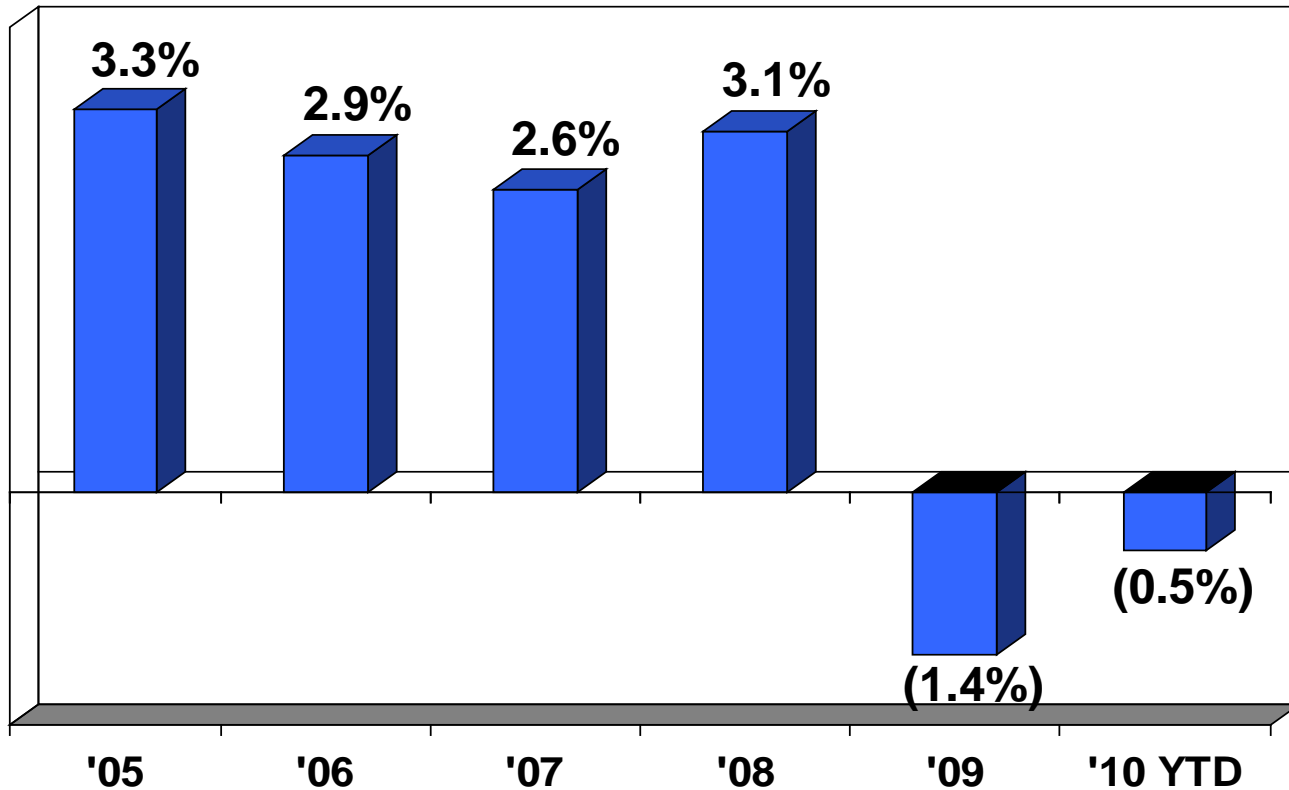


Source: Nielsen Scantrack, (U.S. FDM excl. Walmart); 4-week increments (vs. prior year); UPC-coded; *GDP 3rd Quarter 2010



Retailers' "same-store" sales have declined

Retailers' "same-store" sales growth vs. prior year ¹

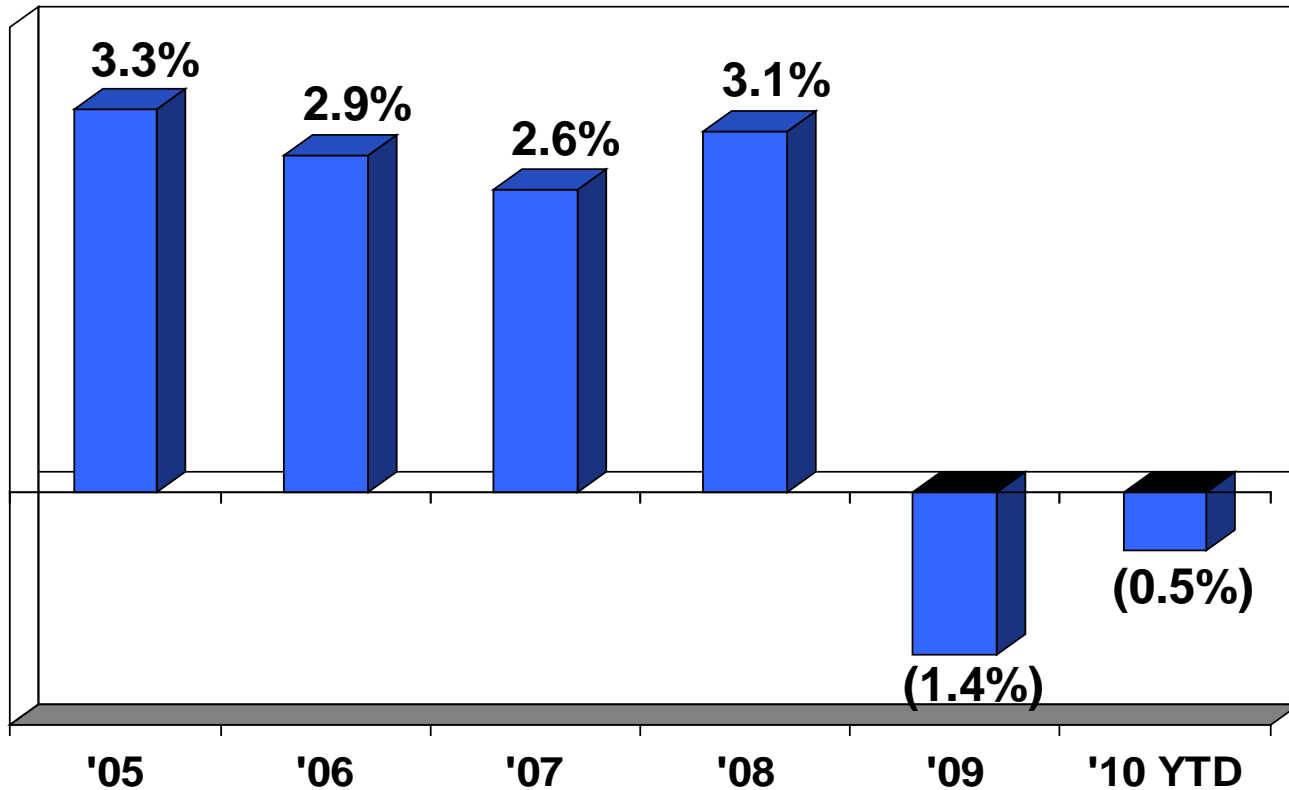


¹ Composite rate of Campbell's top six U.S. Food customers (Wal-Mart, Kroger, Supervalu, Publix, Safeway and Delhaize)



Retailers' "same-store" sales have declined

Retailers' "same-store" sales growth vs. prior year ¹



Meaningful shift for our industry

¹ Composite rate of Campbell's top six U.S. Food customers (Wal-Mart, Kroger, Supervalu, Publix, Safeway and Delhaize)



Customers and competition



- Need to create superior value



Customers and competition

Walmart 



Publix 



SAFEWAY 
Ingredients for life.™



- Need to create superior value
- Consolidated
- More demanding



Customers and competition

Walmart 



Publix 



Kellogg's 



SAFEWAY 
Ingredients for life.™



Nestlé 



- Need to create superior value
- Consolidated
- More demanding
- Consolidated
- Bigger



Customers and competition

Walmart 



Publix 



Kellogg's 



SAFEWAY 
Ingredients for life.™



Nestlé 



- Need to create superior value
- Consolidated
- More demanding

- Consolidated
- Bigger
- Need to be better than before



Campbell – Key points



Campbell – Key points

More than 18,000
employees
around the world



Campbell – Key points

More than 18,000
employees
around the world

#1 Soup
manufacturer
in the world



Campbell – Key points

More than 18,000
employees
around the world

#1 Soup
manufacturer
in the world

#3 Cookie and Cracker
manufacturer in the world



Campbell – Key points

More than 18,000
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#1 Soup
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#3 Cookie and Cracker
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#1 Vegetable Juice
brand in the world
(V8)



Campbell – Key points

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#1 Vegetable Juice
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(**V8**)

#1 Children's Cracker
in the world (**Goldfish**)



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#1 Vegetable Juice
brand in the world
(**V8**)

#1 in Core Categories
and segments in
core countries

#1 Children's Cracker
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Campbell – Key points

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#1 Vegetable Juice
brand in the world
(**V8**)

94% of U.S. Households
have at least one
Campbell product

#1 in Core Categories
and segments in
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#1 Children's Cracker
in the world (**Goldfish**)



Campbell – Key points

More than 18,000 employees around the world

#1 Soup manufacturer in the world

#3 Cookie and Cracker manufacturer in the world

Management Team rebuilt



#1 Vegetable Juice brand in the world (**V8**)

94% of U.S. Households have at least one Campbell product

#1 in Core Categories and segments in core countries

#1 Children's Cracker in the world (**Goldfish**)





our
success model

for building the world's most
extraordinary food company





GALLUP®

GALLUP Q12*



Gallup Engagement Survey for Campbell Soup Company

Welcome to the Gallup Engagement Survey for Campbell Soup Company.

Your individual responses will be held completely confidential by Gallup, and results will not be reported on any group with fewer than five respondents.

Please enter your survey Access Code, found in the invitation you received from Gallup, and click the "Begin Survey" button to continue. If you don't know your survey Access Code, click the "Help" link below.

Access Code:

BEGIN SURVEY

GALLUP Q12*



Gallup Engagement Survey for Campbell Soup Company

On a five-point scale, where 5 means extremely satisfied and 1 means extremely dissatisfied, how satisfied are you with Campbell Soup Company as a place to work?

Extremely
dissatisfied



1



2



3



4

Extremely
satisfied

5

Don't know

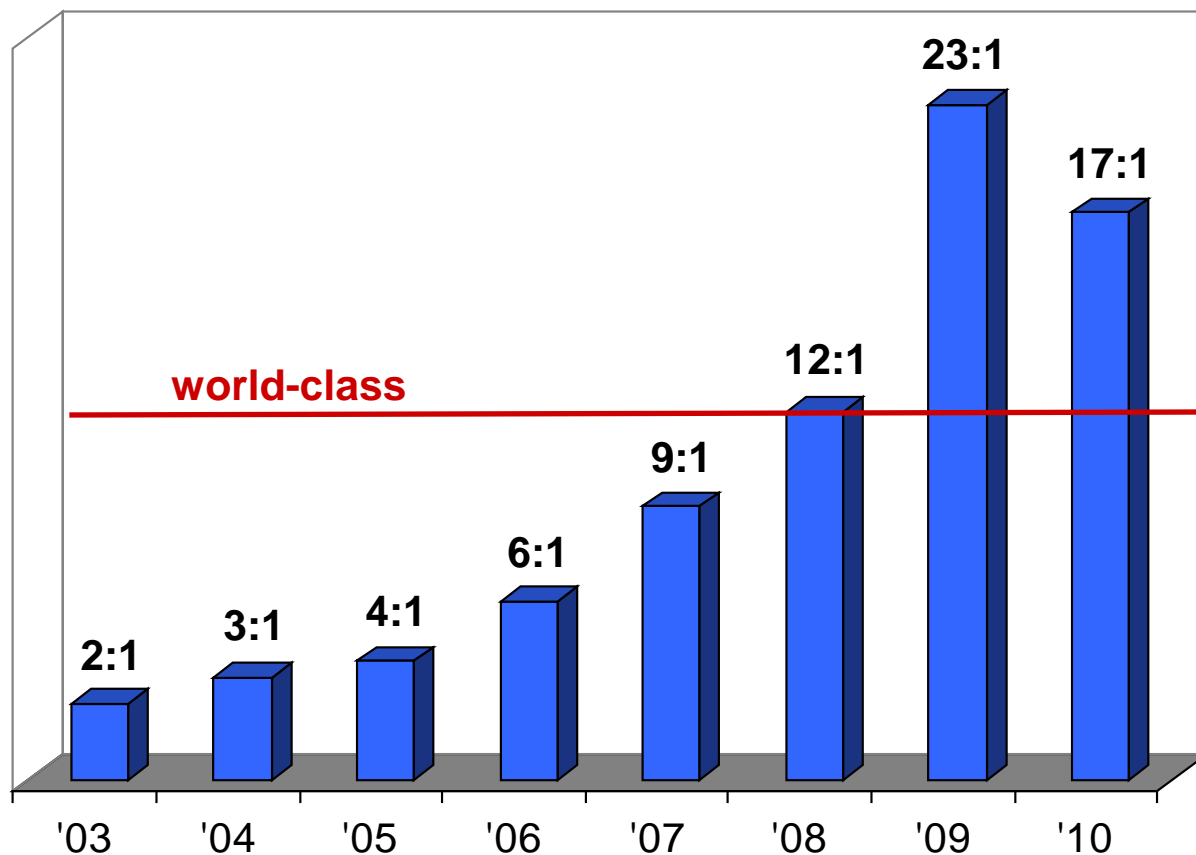


100%

Campbell's

Greatly improved Gallup scores for employee engagement

Engagement Ratio



Campbell – Best place to work



Campbell received the prestigious Catalyst Award



Winning in the Community is also important



Campbell – Winning with integrity



	<i>Social Responsibility Index*</i>
1. Walt Disney Company	79.52
2. Microsoft	78.66
3. Google	77.03
4. Honda	76.65
5. Johnson & Johnson	76.57
6. PepsiCo	76.00
7. General Mills	75.95
8. Kraft Foods	75.94
9. Campbell Soup Company	75.26
10. FedEx	74.87

*Excerpted from The Top 50 Companies Listing from 2009. All Pulse scores are standardized on both the country and global level. Corporate Social Responsibility Index from the Boston College Center for Corporate Citizenship and the Reputation Institute. Measures include citizenship, governance and workplace parameters.



Campbell – The core categories



Simple Meals



Baked Snacks

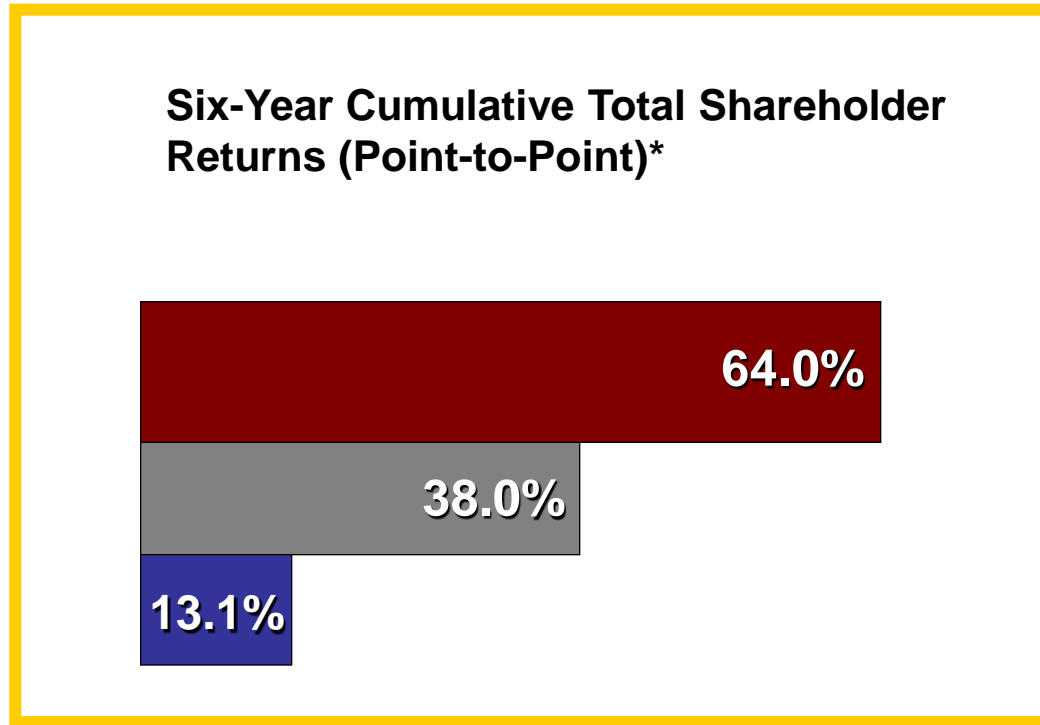


Healthy Beverages

\$8 billion in sales



Campbell – Consistently strong financial results

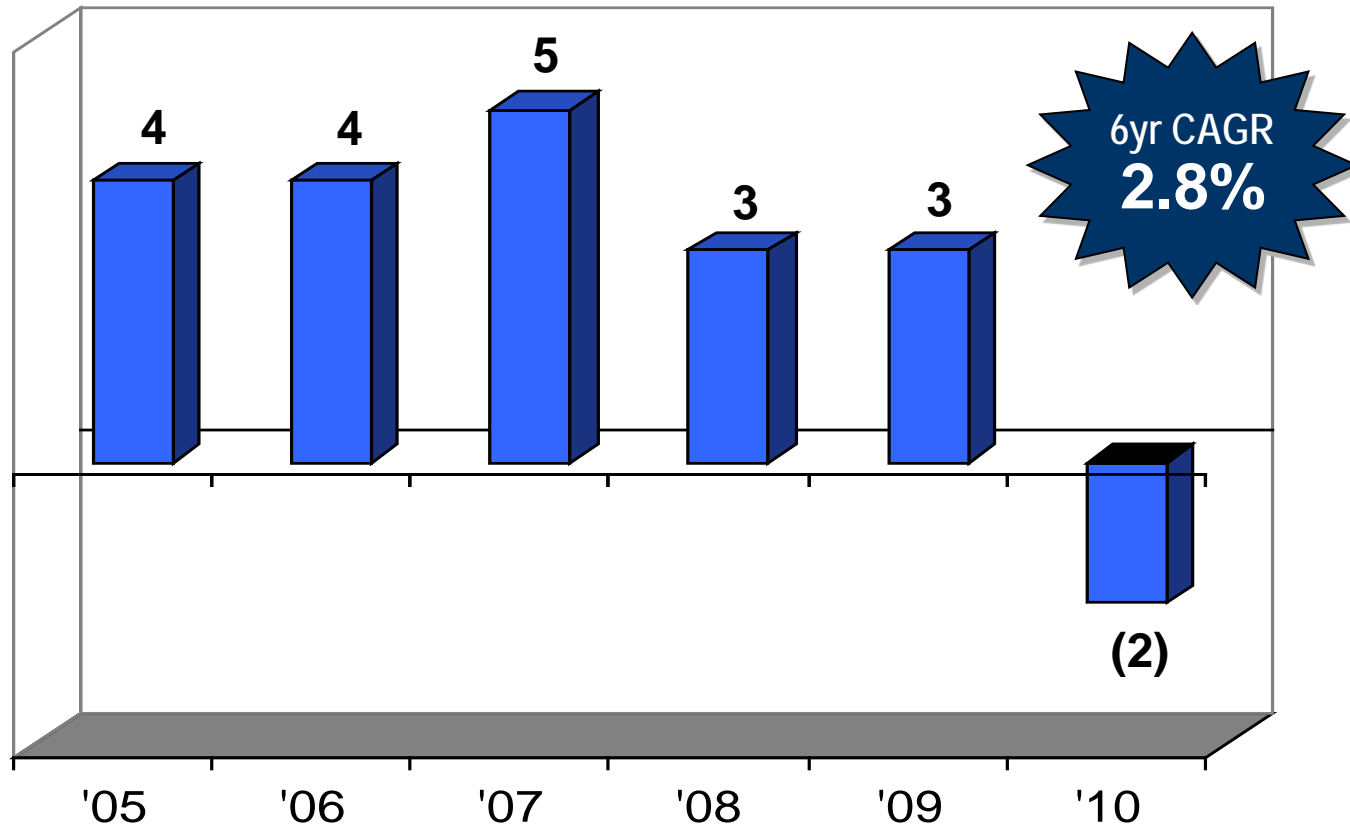


* Dates from 7/30/04 to 7/30/10 cumulative returns of Campbell versus the S&P Packaged Foods Index and S&P 500.



Campbell – Financials

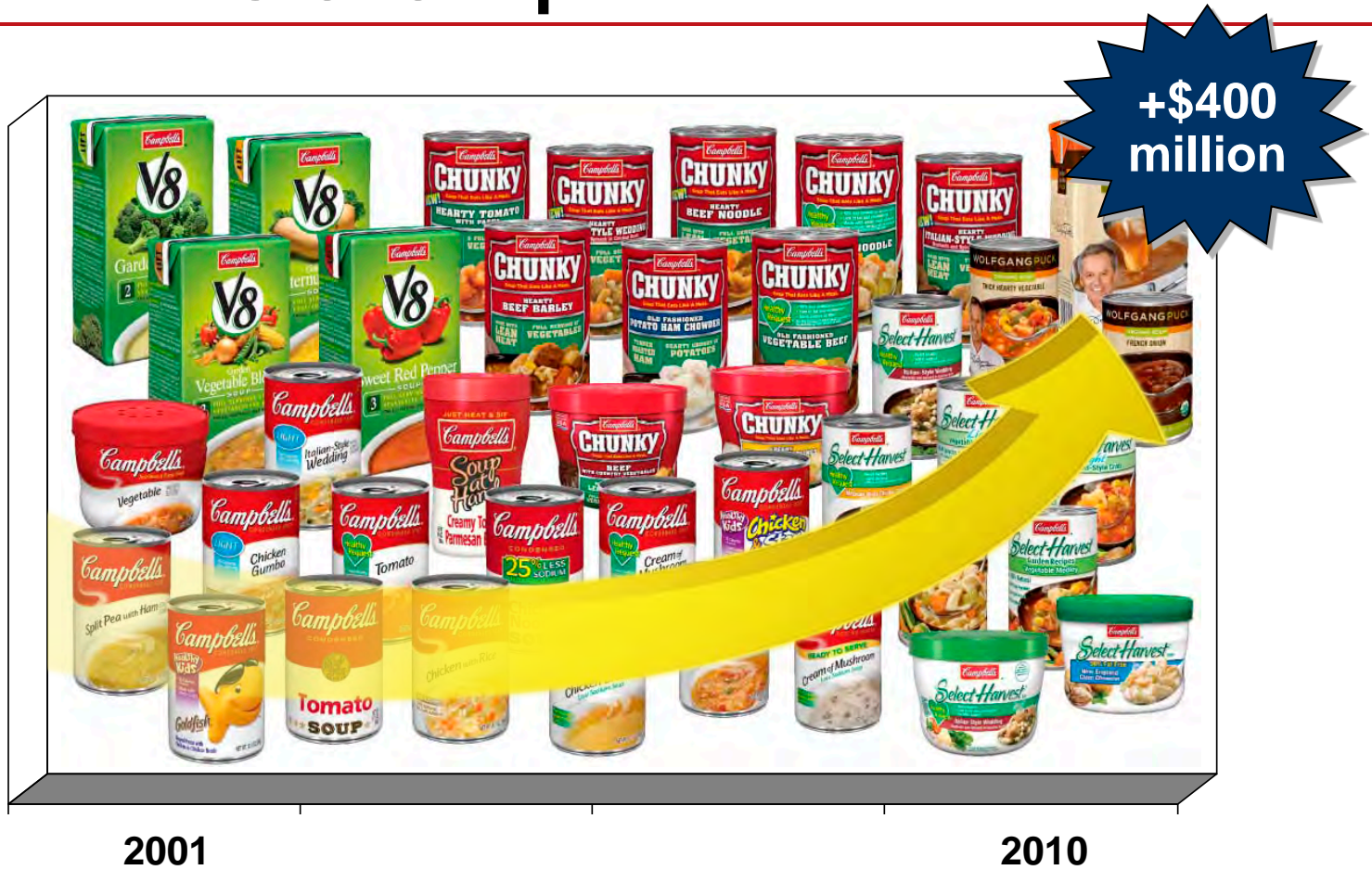
Organic Net Sales Growth* (% Change)



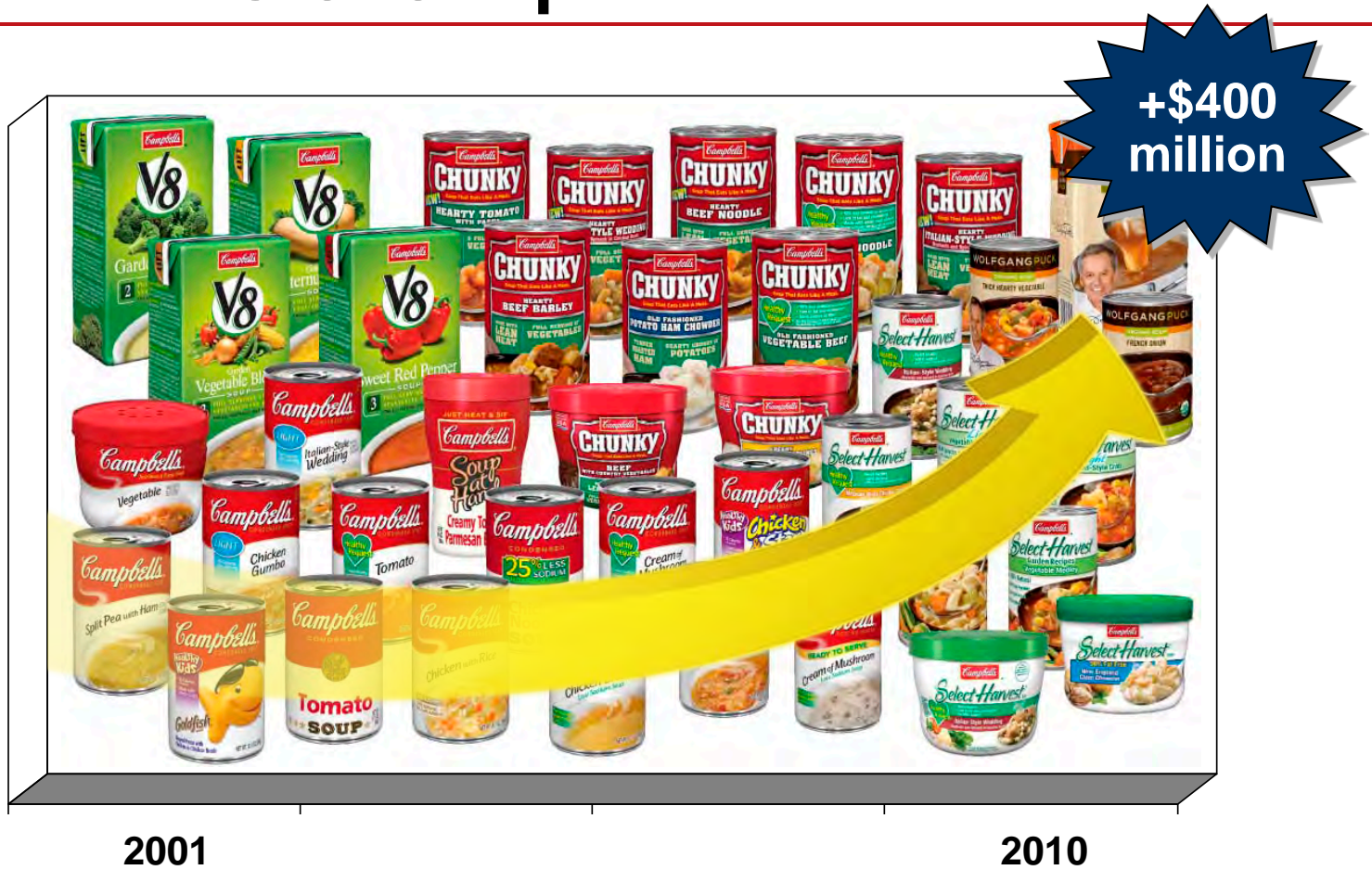
* Non-GAAP; see reconciliation



Campbell – U.S. Soup net sales



Campbell – U.S. Soup net sales

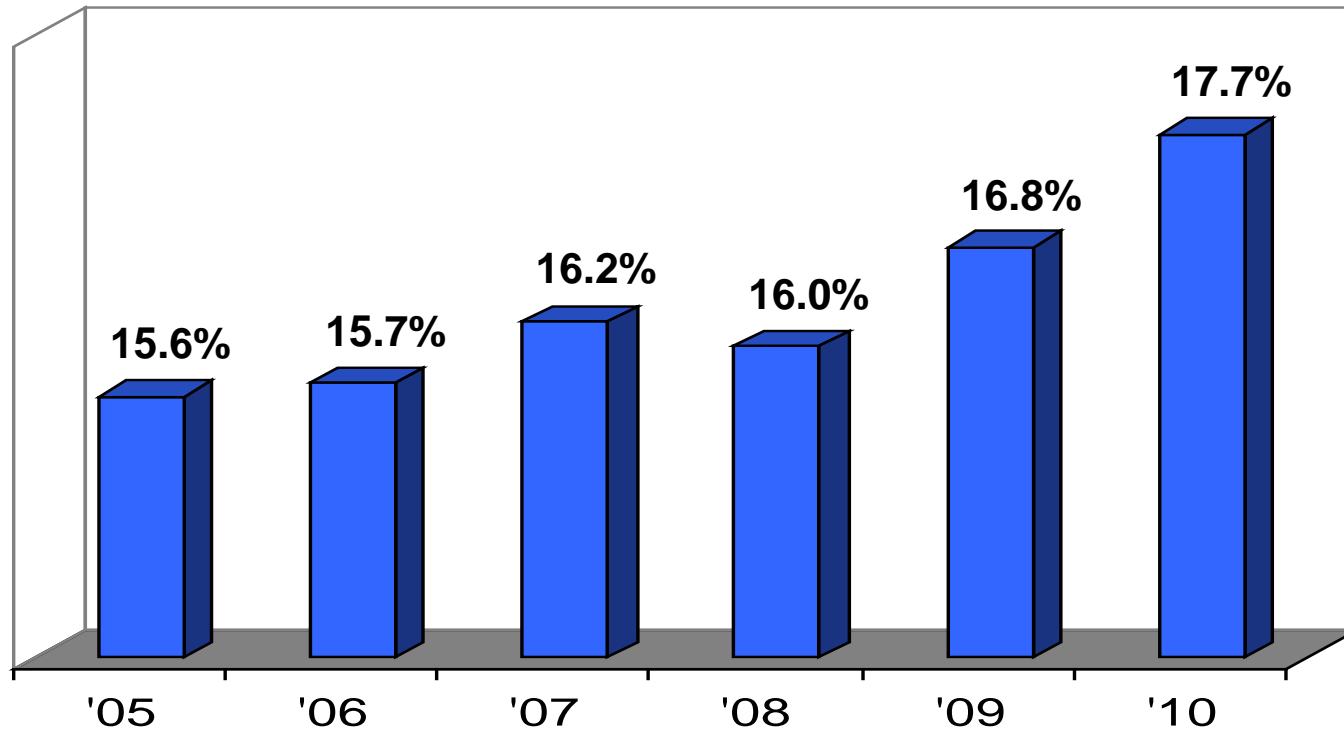


Only food that is significant player in all lunch and dinner main dishes



Campbell – Financials

Adjusted EBIT Margins*

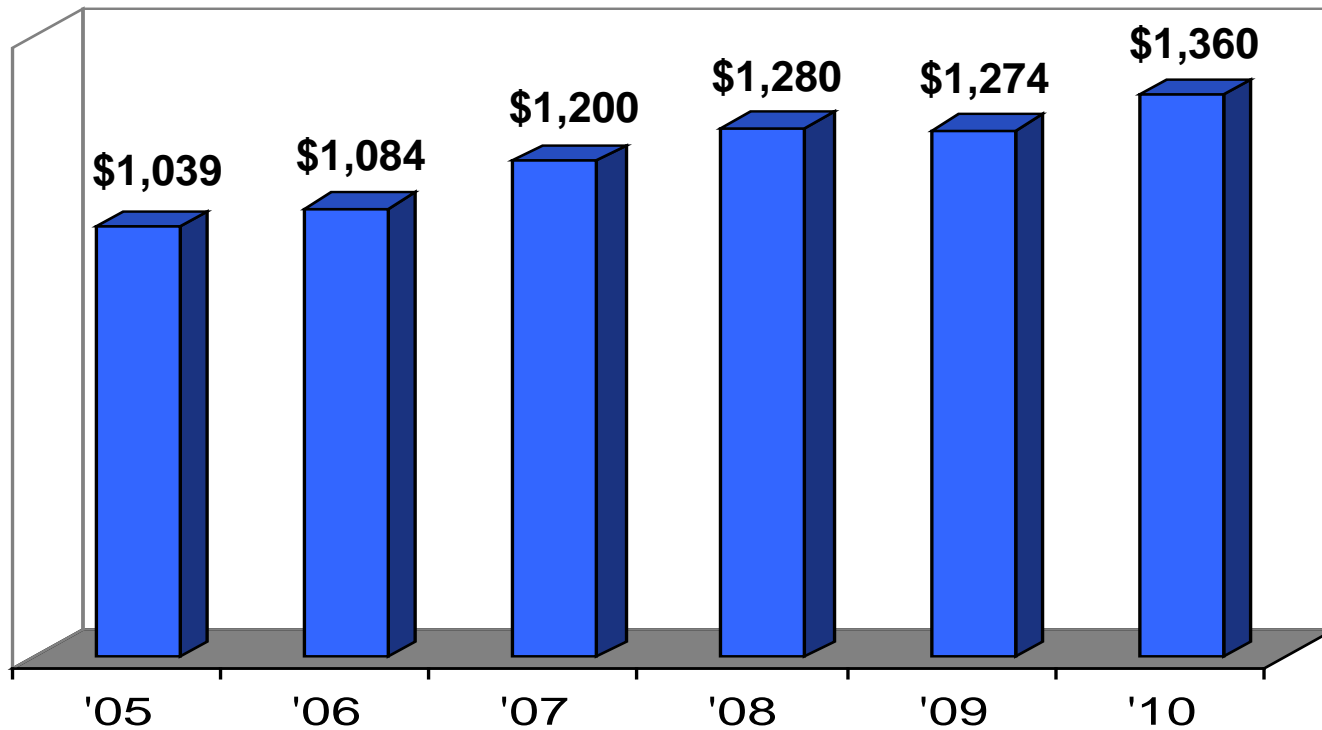


* Non-GAAP; see reconciliation



Campbell – Financials

Adjusted EBIT* (\$ Millions)

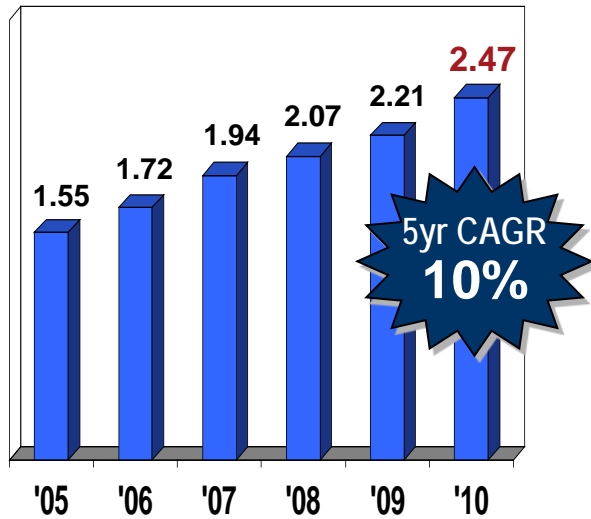


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Campbell – Financials

Adjusted EPS* (\$)

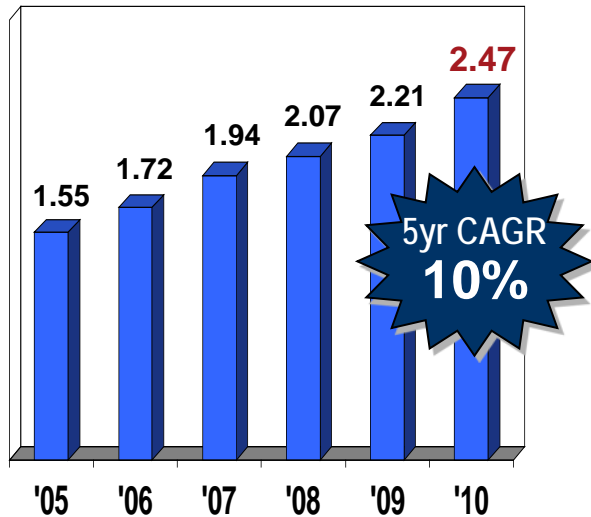


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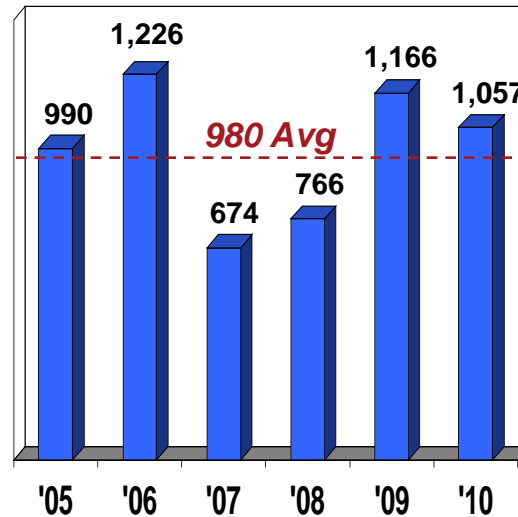


Campbell – Financials

Adjusted EPS*
(\$)



Cash Flow
From Operations
(\$ Millions)

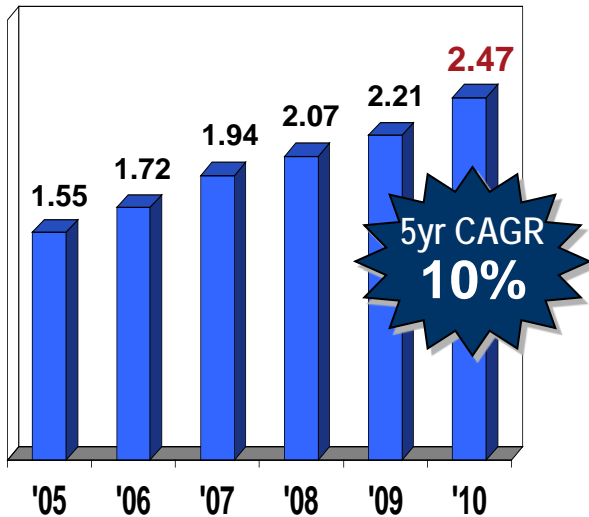


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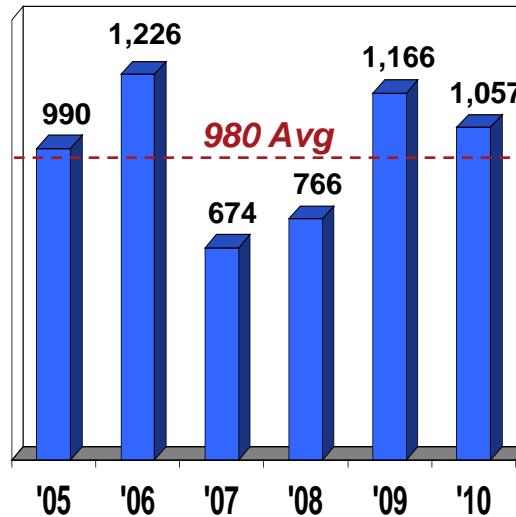


Campbell – Financials

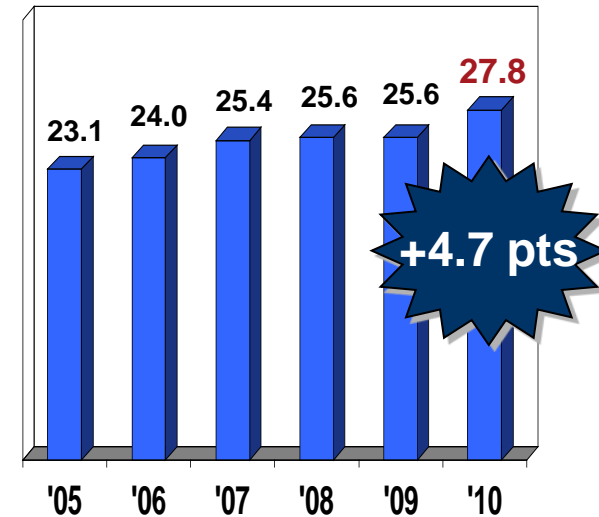
Adjusted EPS*
(\$)



Cash Flow From Operations
(\$ Millions)



Adjusted ROIC*
(%)

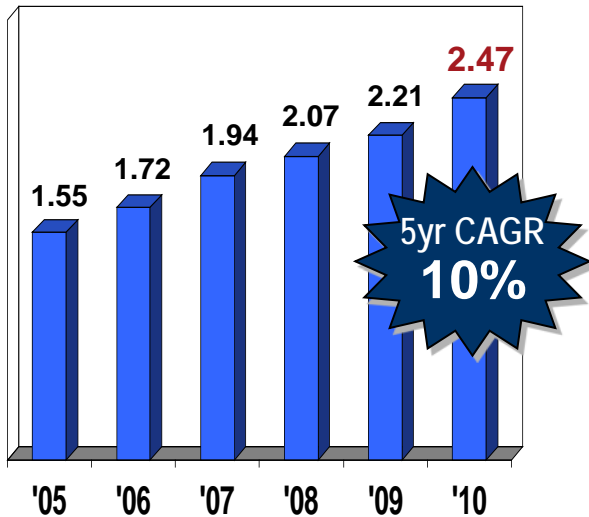


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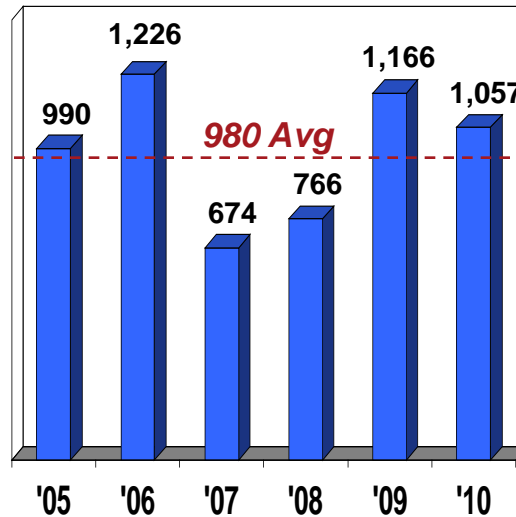


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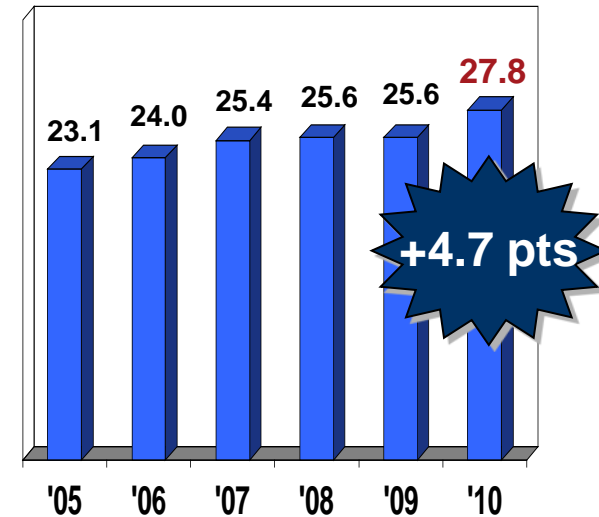
Adjusted EPS*
(\$)



Cash Flow From Operations
(\$ Millions)



Adjusted ROIC*
(%)



We at Campbell are proud of this record

* Non-GAAP; see reconciliation



CPB TRANSFORMATION PROCESS 2001



CPB TRANSFORMATION PROCESS



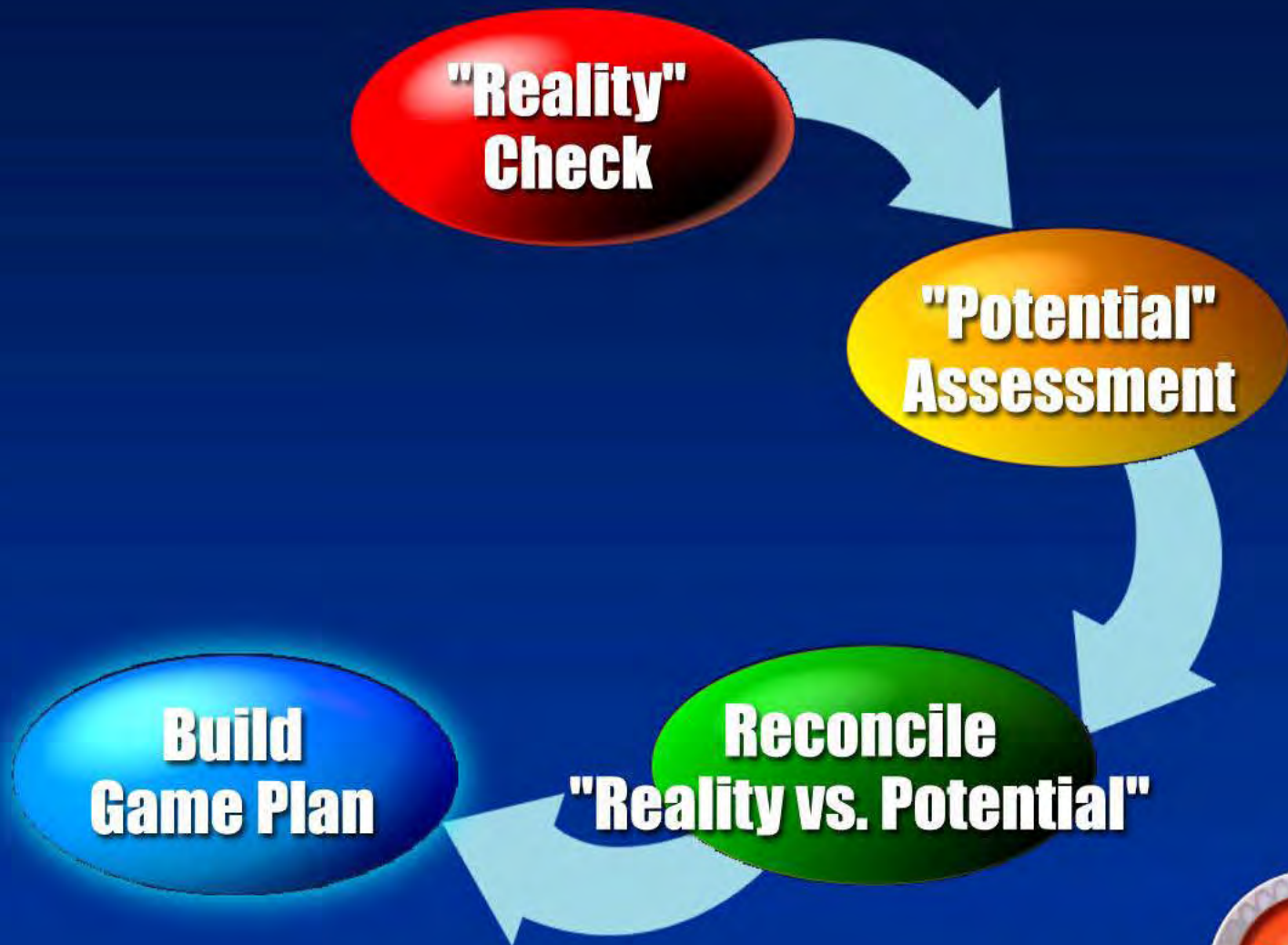
CPB TRANSFORMATION PROCESS



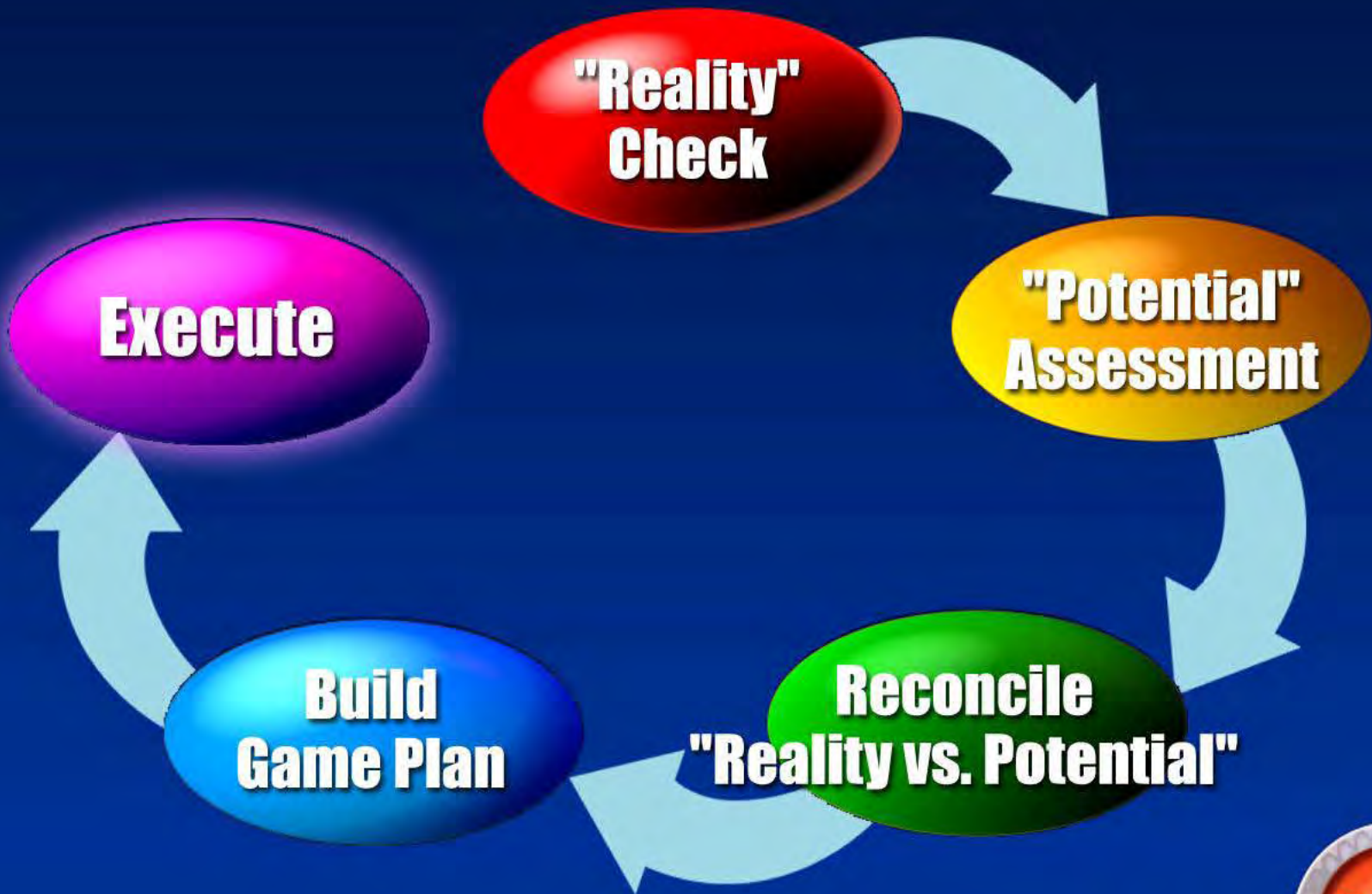
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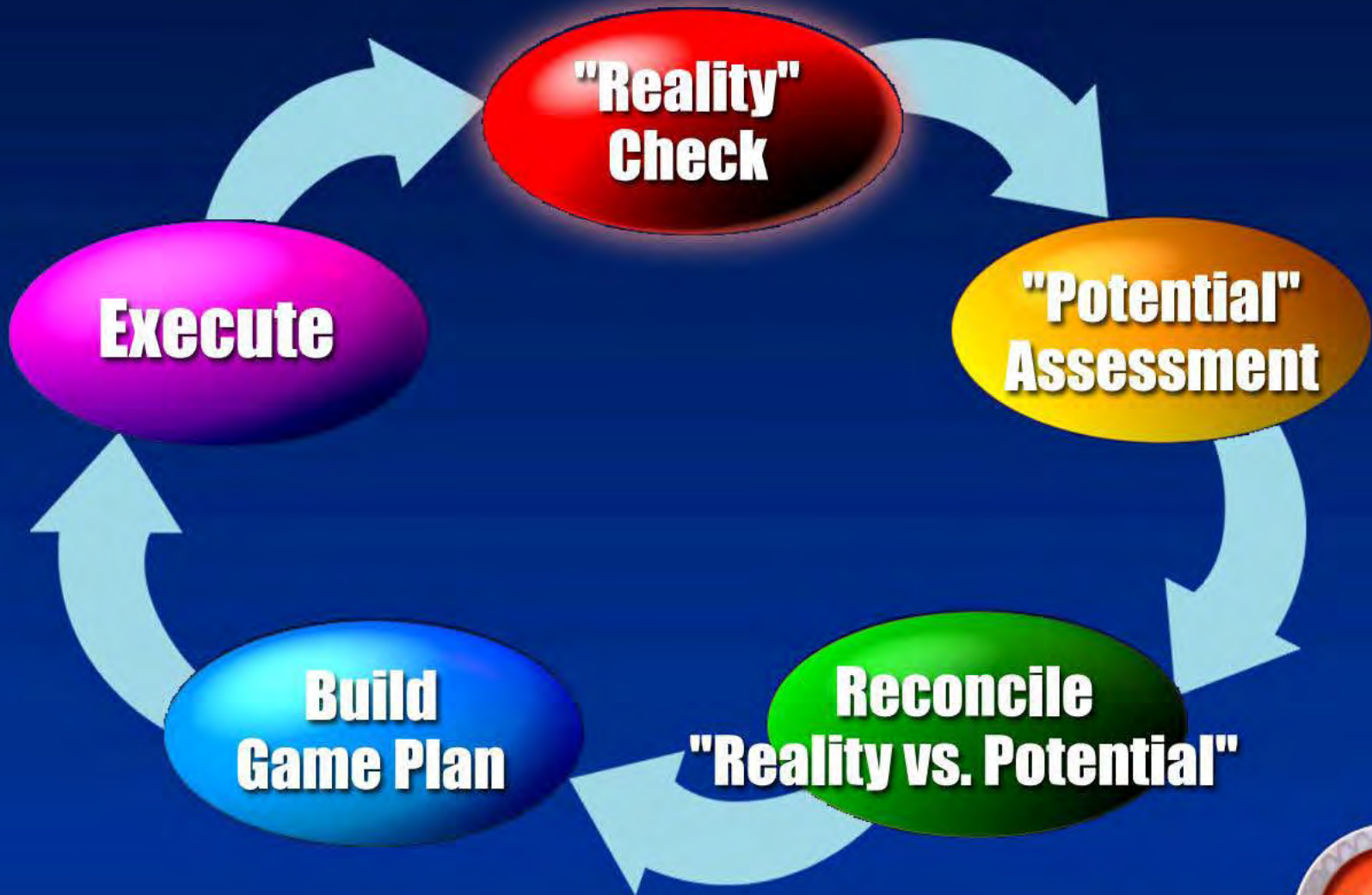
CPB TRANSFORMATION PROCESS



CPB TRANSFORMATION PROCESS



CPB TRANSFORMATION PROCESS







Campbell's



Denise Morrison

*Executive Vice President
& Chief Operating Officer*

Powerful 10-year record

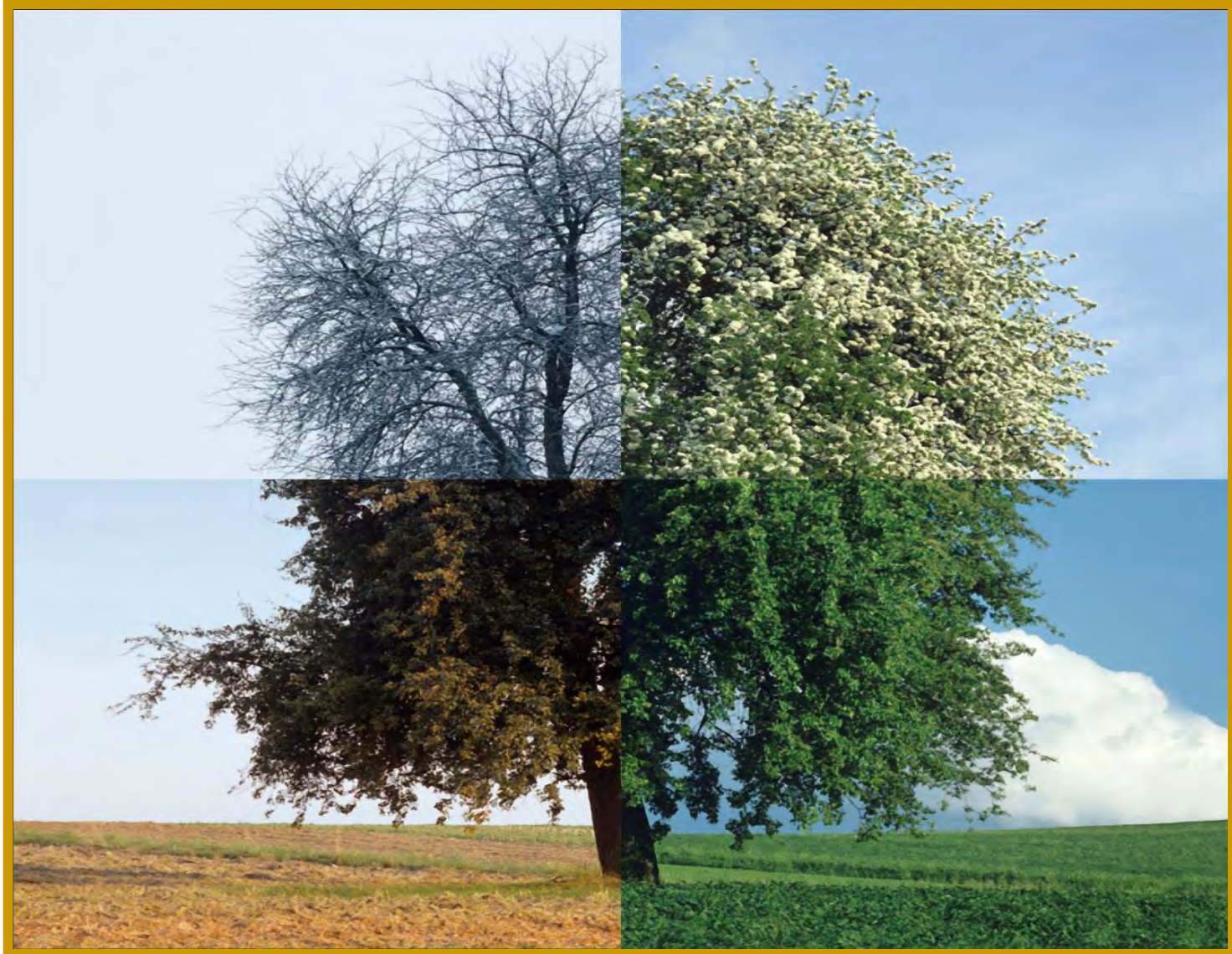


Highly engaged culture





The reality of continuous change



New Leadership Operating Team



**MARK
ALEXANDER**

President
International



**IRENE
BRITT**

Chief Strategy
Officer



**PAT
CALLAGHAN**

President
Pepperidge Farm



**SEAN
CONNOLLY**

President
North America



**GEORGE
DOWDIE**

Sr. Vice
President
Global Research
& Development



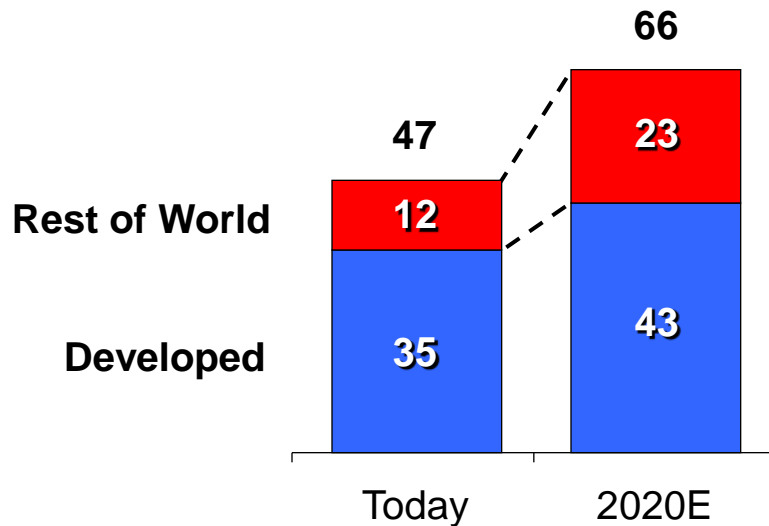
Our key priority is to create value

- **EPS Growth Drivers**
 - Net Sales Growth
 - Margin Management
 - ROIC
 - Cash Flow

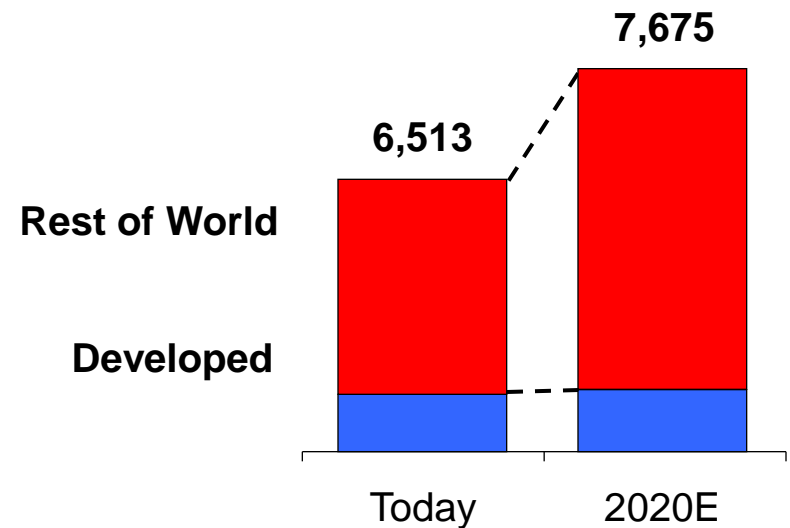


One billion new consumers in the next decade... Emerging Markets driving growth

Real GDP (USD Trillions)



World Population (Millions)



Source: McKinsey

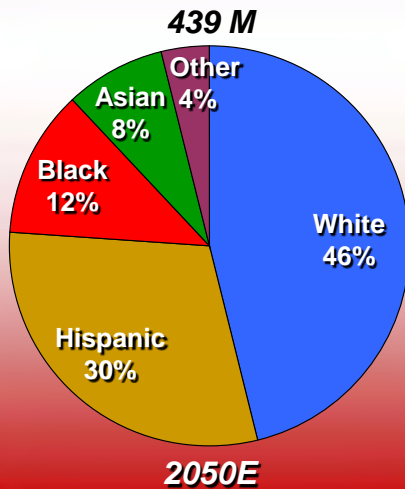


Large growth opportunities in developed markets

Hispanics



- 80 million consumers by 2050
- 30% of Population from 16%



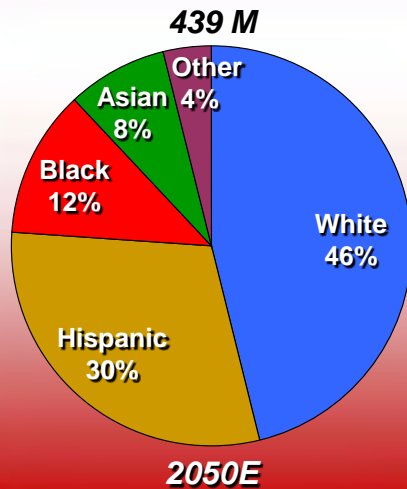
Source: McKinsey

Large growth opportunities in developed markets

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Millennials



- 80 million consumers
- \$200 bn consumer spending



Convenience



Limited cooking skills



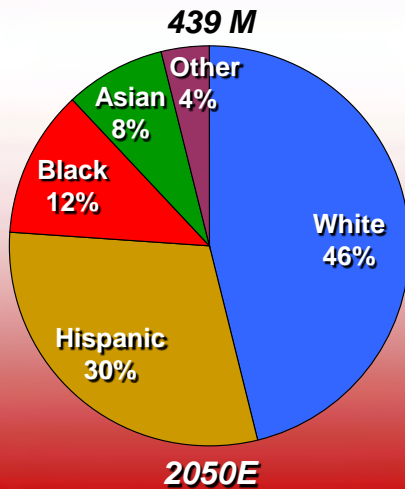
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Convenience

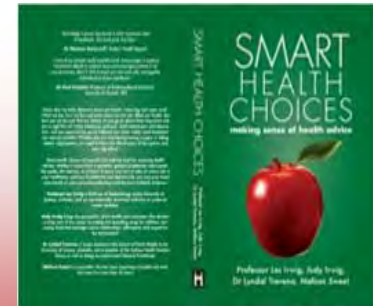


Limited cooking skills

Boomers



- 80 million consumers
- 1/3rd of US consumer spending



Food = Health



Source: McKinsey

Improved productivity will be an imperative





Continuous change means opportunity!





U.S. Soup



U.S. Soup key takeaways

1. Shift the marketing mix for greater impact

2. Accelerate our innovation

3. Leverage growing segments



U.S. Soup key takeaways:

1. Shift the marketing mix for greater impact



U.S. Soup key takeaways:

2. Accelerate our innovation



U.S. Soup key takeaways:

3. Leverage growing segments

Healthy Request



Campbell's
Healthy Request

DELICIOUSLY
HEART HEALTHY

LOOK INSIDE FOR HEART HEALTHY
TIPS, RECIPES & SAVINGS!



- ✓ Healthy Level of Sodium
- ✓ Low in Fat and Cholesterol

Cooking Soups & Broths





Growth Drivers





Growth Drivers



Brand Marketing Excellence

The Path to Purchase



Grab their
attention

Get on the list

Get in the cart

Get out of
the pantry



Portfolio advertising increases effectiveness & efficiency



**Happy
& Healthy**



Fresh & Uplifting



**It's
amazing
what
soup
can do**

Celebrates SOUP



**U.S. Anthem Happier Place
30 seconds**

Chunky Couch – 30 Seconds

Chunky Pour over– 15 Seconds



Broadening consumer reach through social media





Growth Drivers



Significant expansion of Healthy Request range with great taste



New Slow Kettle Soup ... unrivaled taste experience



- “Made with patience not preservatives”
- 5 distinctive varieties
- Quality of fresh soup – but shelf stable
- Contemporary Package



New specialty condensed tomato soup



- Culinary twist
- Unique taste excitement
- Test market success



New Swanson Flavor Boost creating new opportunities for cooking



- Adds more flavor to dinner meals
- Concentrated broth
- Sachet packets



We are driving an accelerated innovation agenda – more to come!





Growth Drivers



Improve margins & reduce complexity of soup making



U.S. Soup Roadmap to improved performance

1. Shift the marketing mix for greater impact
2. Accelerate our innovation
3. Leverage growing segments



Healthy Beverages, Baked Snacks and International

Healthy Beverages



Baked Snacks



International



Healthy Beverage has demonstrated profitable sales growth



- Fastest growing shelf stable juice
- Solution to consumer's vegetable gap
- Successful advertising campaign
- Robust innovation pipeline



V8 Dipper – 15 seconds

V8 Fusion Leaf – 15 Seconds



V8 has a robust innovation pipeline

Energy



Shots



Drinks

Smoothies



We will accelerate growth in Baked Snacks globally



- #1 and #2 brands
- Strong record of innovation

Goldfish on the Set

30 seconds



Baked Snacks new product pipeline



International new products and packaging



Germany



France



Belgium



China



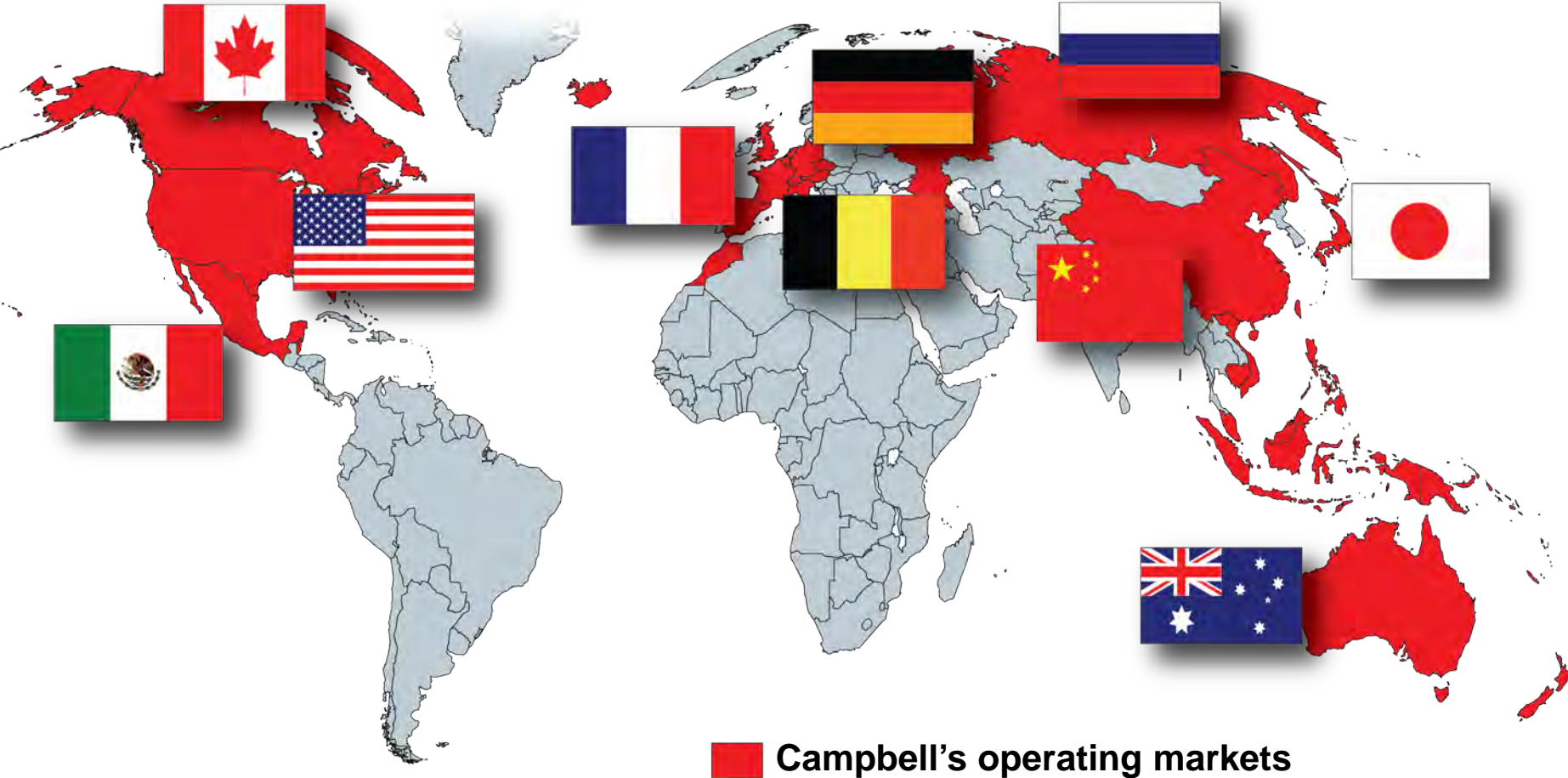
Russia



Mexico



The opportunities in Emerging Markets remain huge



Key Thoughts

- Fundamentally strong business with great potential
- Exceptionally talented and motivated team
- Clear view of challenges and opportunities
- Focus is on creating value
 - Profitable net sales growth
 - Manage margins, ROIC, and cash flow



