



Campbell's



Investor Update

**Third Quarter
of Fiscal 2010**

May 24, 2010



Investor Update

Third 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

- Adjusted net earnings per share rose 13%* in Q3
- Healthy beverages led the company
- U.S. soup volume performance improved with step-up in trade activity
- Now forecasting adjusted EPS at high end of the range

* See Non-GAAP reconciliation.



Results for the Third Quarter



B. Craig Owens

Agenda:

- Third-quarter and fiscal year-to-date results
- Segment highlights
- Full-year earnings guidance



2010 Financial Summary

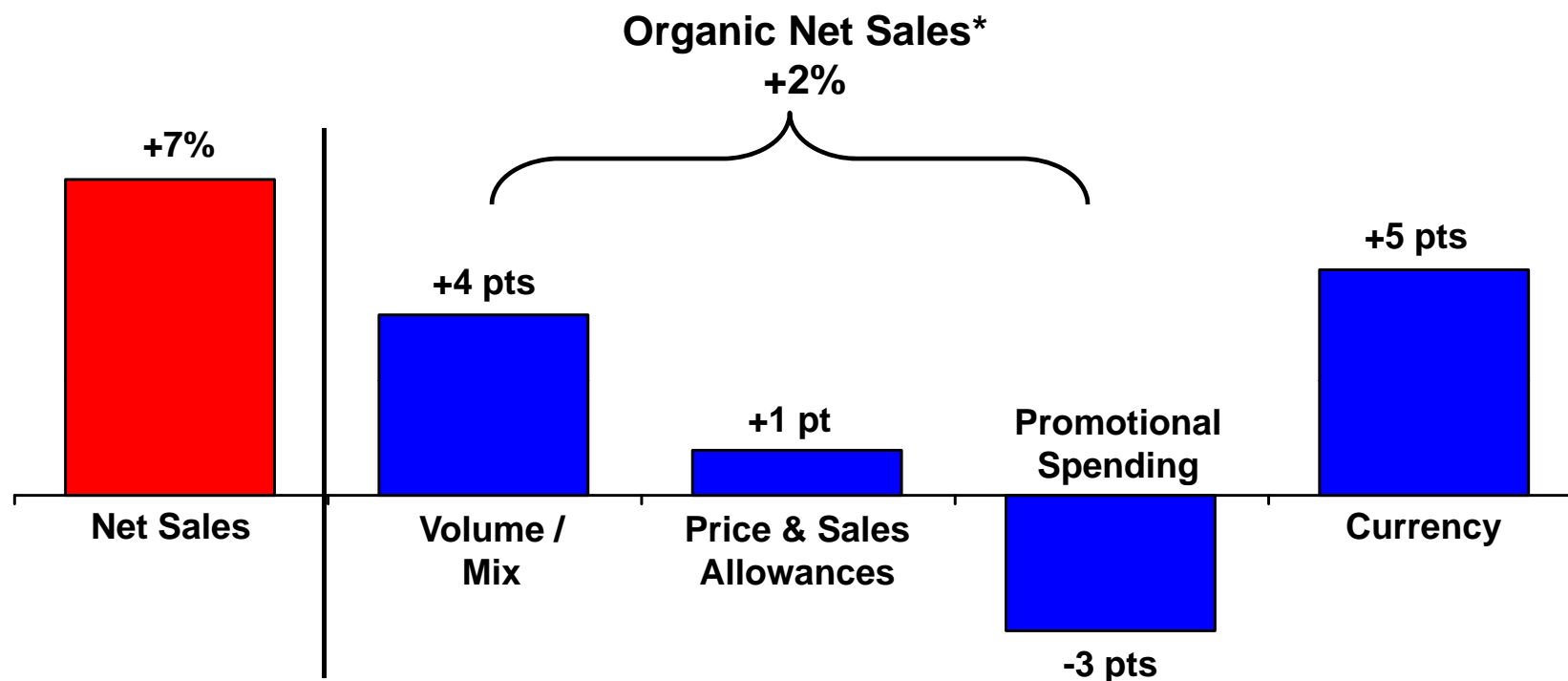
(\$ millions, except per share)

	<u>Third Quarter</u>	<u>% Change</u>	<u>Fiscal YTD</u>	<u>% Change</u>
Net Sales	\$ 1,802	7%	\$ 6,158	2%
<i>Organic Net Sales*</i>		2%		-2%
EBIT*	\$ 304	8%	\$ 1,173	9%
EPS - Diluted*	\$ 0.54	13%	\$ 2.14	13%

*Adjusted, see Non-GAAP reconciliation



Components of Q3 Net Sales Change



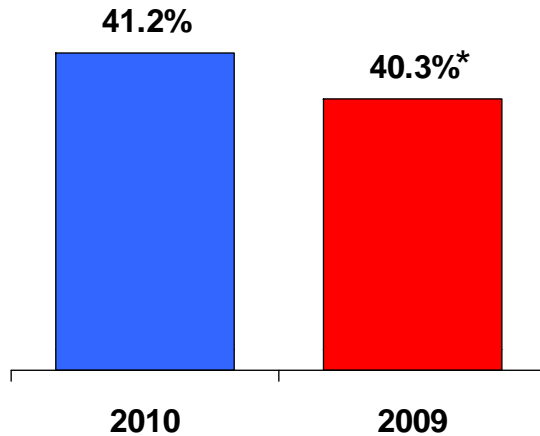
YTD	+2%	-1 pt	+2 pts	-2 pts	+3 pts
-----	-----	-------	--------	--------	--------

*See Non-GAAP reconciliation



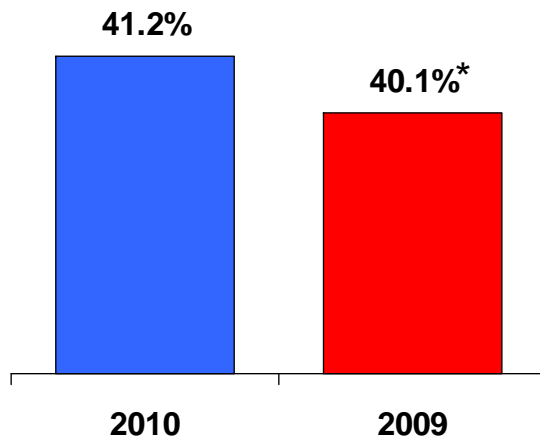
Gross Margin

Third Quarter



- Productivity gains from the supply chain
- Inflation neutral
- Step-up in promotional spending

Fiscal YTD

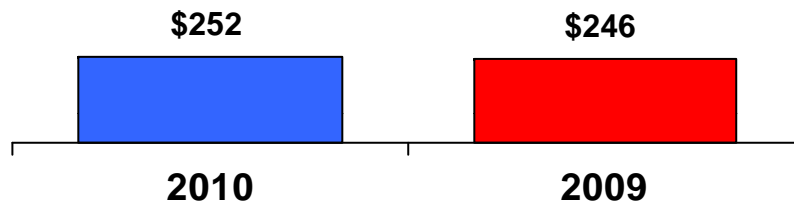


*Adjusted, see Non-GAAP reconciliation

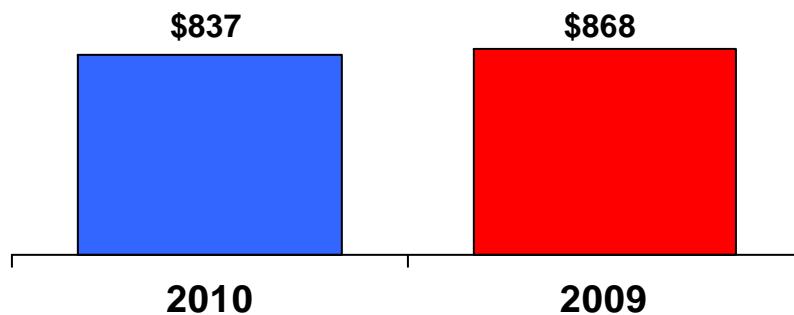
Marketing and Selling Expenses

(\$ millions)

Third Quarter



Fiscal YTD



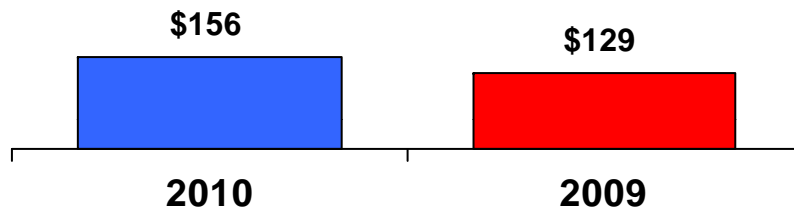
- Increase due to currency and higher selling expenses
- Lower advertising and consumer promotions expenses reflect buying efficiencies; advertising impressions up



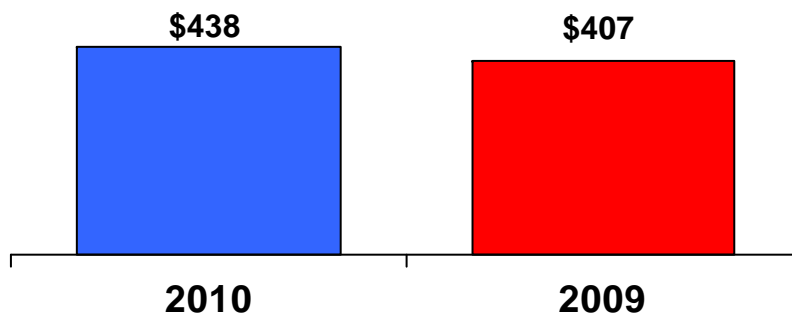
Administrative Expenses

(\$ millions)

Third Quarter



Fiscal YTD



- Higher benefit costs
 - Equity-based compensation plan expenses
 - Pension costs
- Increase also due to currency



2010 Financial Summary

(\$ millions, except per share)

	<u>Third Quarter</u>	<u>% Change</u>	<u>Fiscal YTD</u>	<u>% Change</u>
EBIT*	\$ 304	8%	\$ 1,173	9%
Interest, Net	\$ 27	4%	\$ 80	-4%
Tax Rate*	32.9%	---	31.5%	0.7 pts
Net Earnings*	\$ 186	9%	\$ 749	9%
Diluted Shares	342	-3%	344	-4%
EPS - Diluted*	\$ 0.54	13%	\$ 2.14	13%

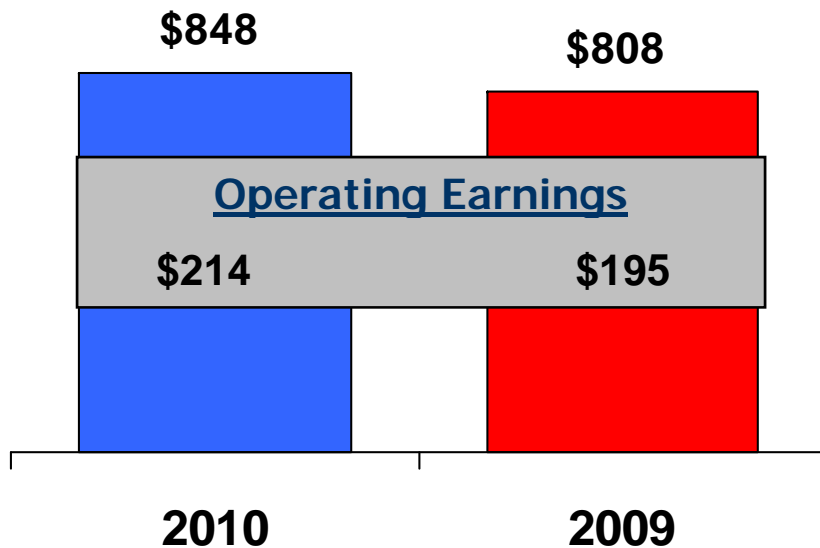
*Adjusted, see Non-GAAP reconciliation



U.S. Soup, Sauces and Beverages

(\$ millions)

Third Quarter Net Sales

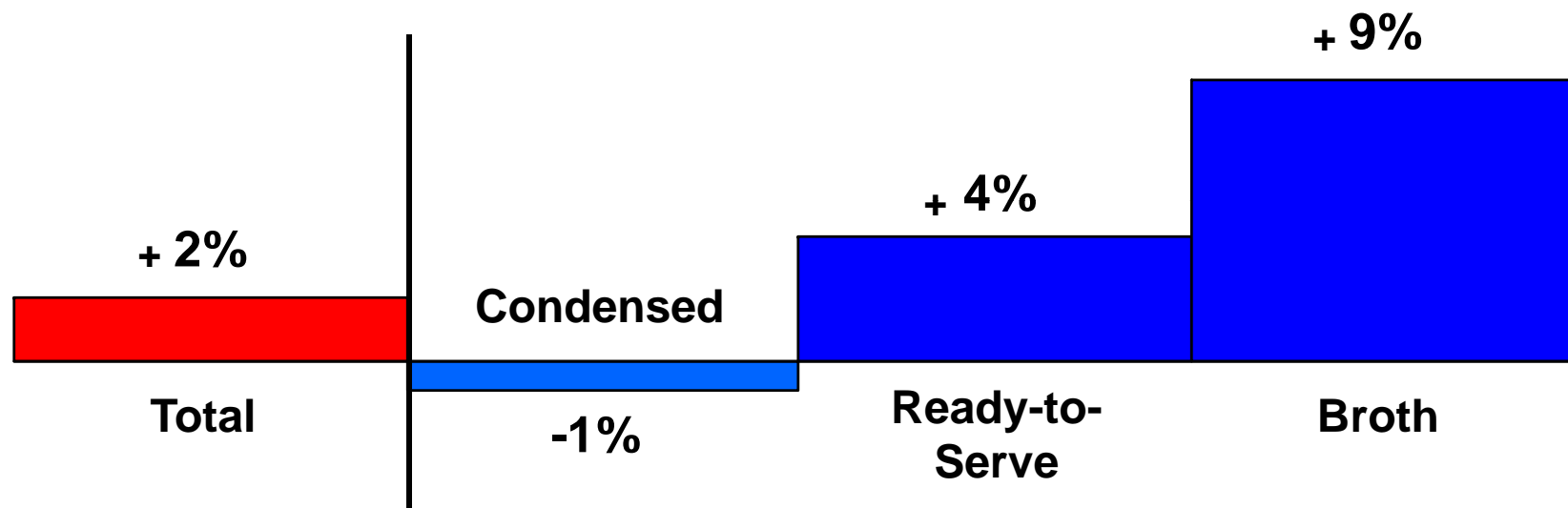


- Net sales rose 5%
 - Total beverage sales increased by double digits
 - Soup sales increased 2%
 - “Prego” pasta sauce and “Pace” Mexican sauce up
- Operating earnings increased 10%
 - Higher sales and improved gross margin performance



Third Quarter – U.S. Soup Net Sales

% Change vs. prior year

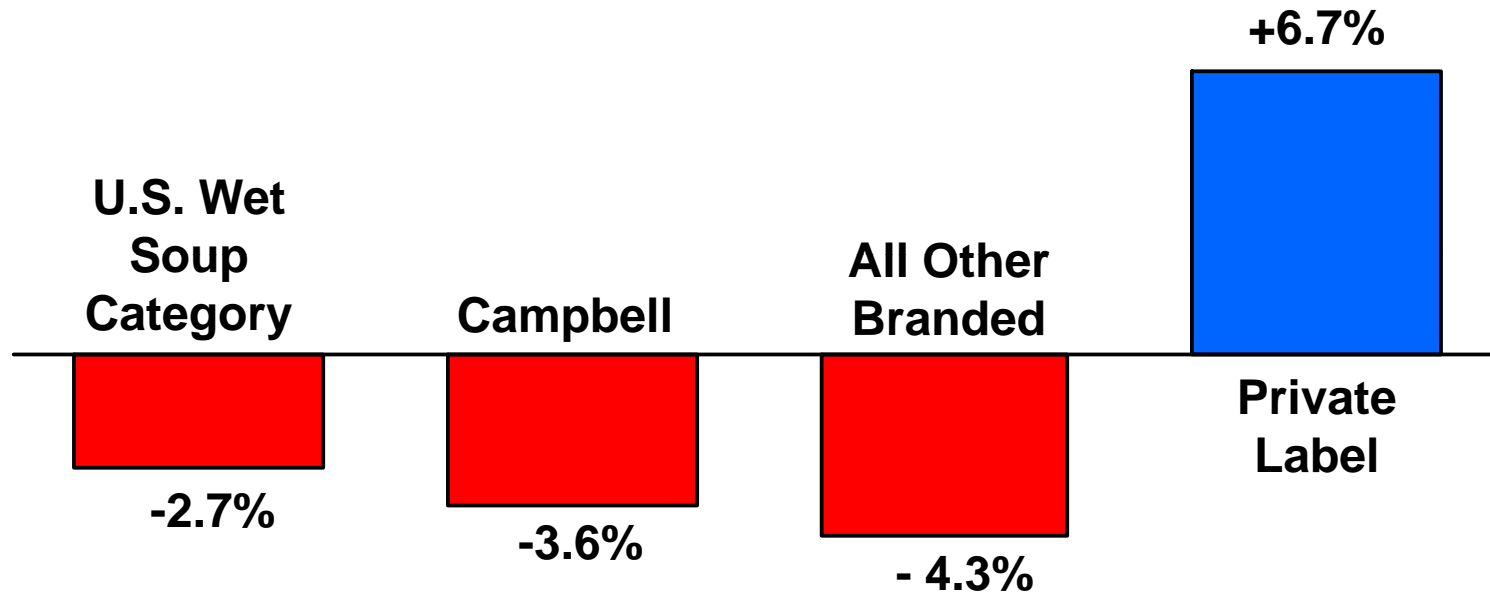


YTD	-4%	-1%	-10%	+2%
-----	-----	-----	------	-----



Retail Sales – U.S. Wet Soup Category Performance

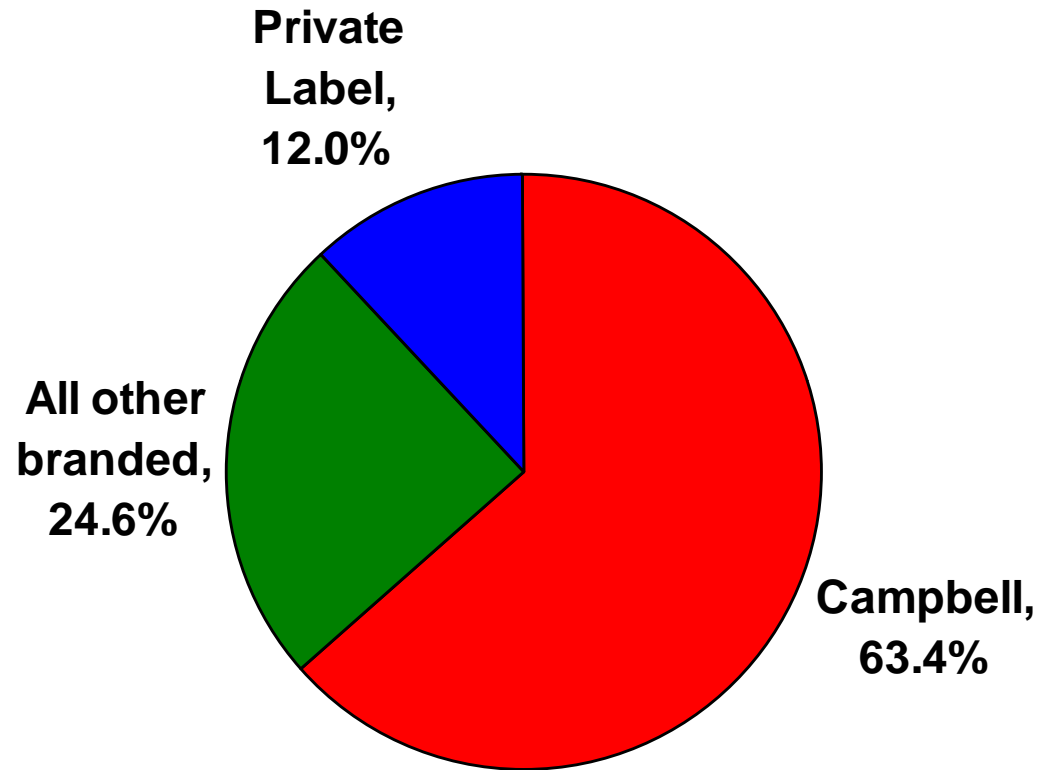
% Change in \$



Campbell figures include condensed soup, RTS soup and broth
Source: IRI Panel Data and Campbell Internal Estimates
For 52-week period ending April 18, 2010



U.S. Wet Soup Dollar Share



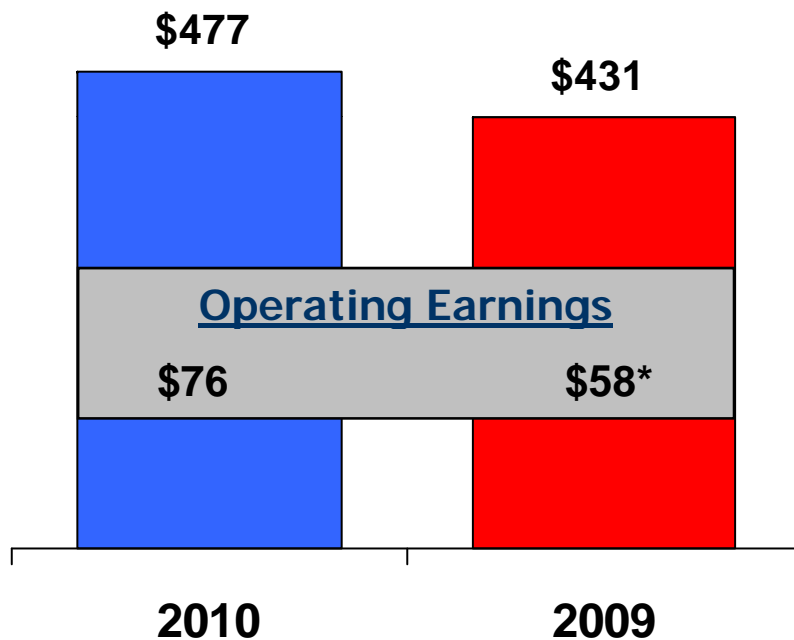
Includes condensed soup, RTS soup and broth
Source: IRI Panel Data and Campbell Internal Estimates
For 52-week period ending April 18, 2010



Baking and Snacking

(\$ millions)

Third Quarter Net Sales



- Organic net sales increased 1%*
 - Volume growth in Pepperidge Farm, Arnott's
 - Increased promotional spending
- Operating earnings increased 31%*
 - Currency impact
 - Margin-driven gains from cost-reduction efforts and deflation

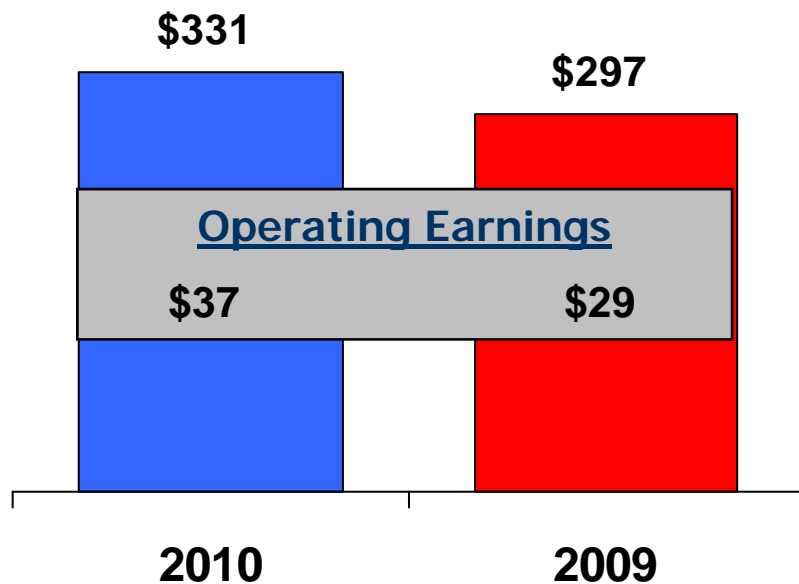
*Adjusted, see Non-GAAP reconciliation



International Soup, Sauces and Beverages

(\$ millions)

Third Quarter Net Sales



*See Non-GAAP reconciliation

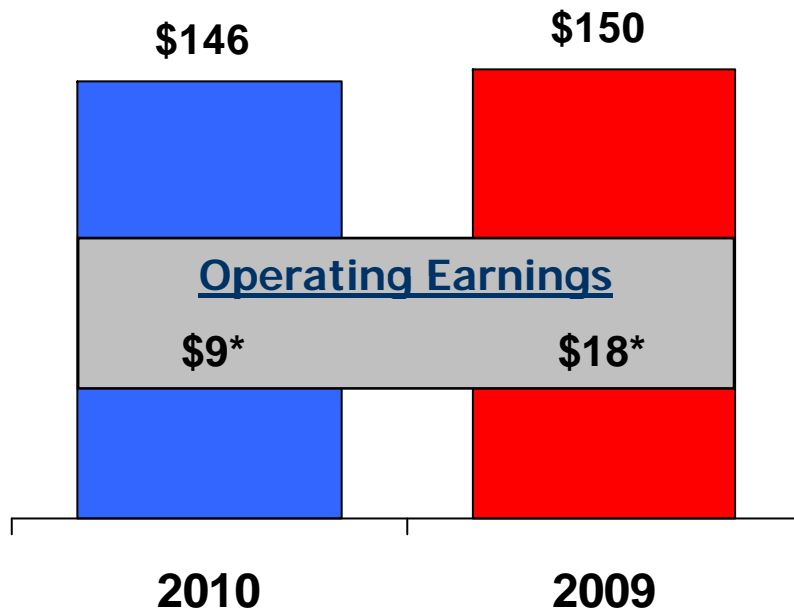
- Organic net sales decreased 2%*
 - Lower soup sales in Canada
 - In Europe, gains in Germany offset declines in France
- Operating earnings increased 28%
 - Currency impact
 - Gross margin gains from productivity savings



North America Foodservice

(\$ millions)

Third Quarter Net Sales



- Organic net sales decreased 6%*
 - Foodservice sector remains weak
- Operating earnings decreased by \$9*

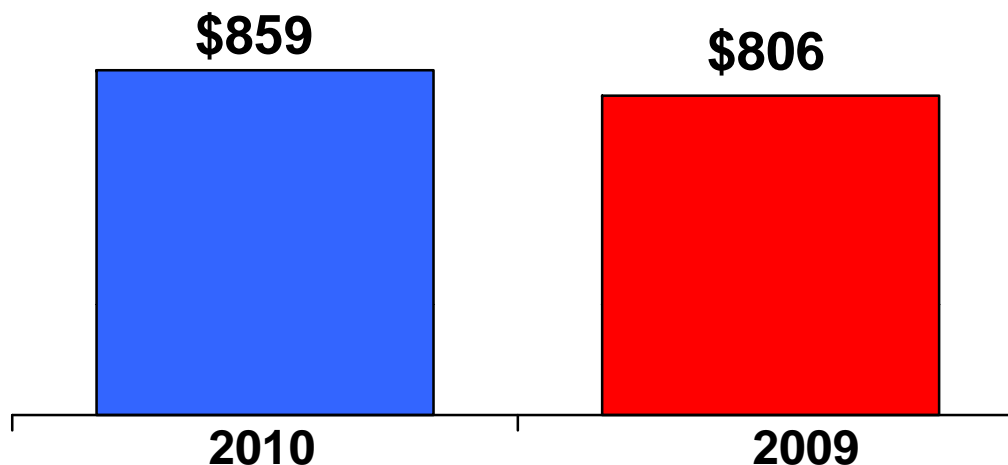
*Adjusted, see Non-GAAP reconciliation



Cash Flow and Balance Sheet

(\$ millions)

YTD Cash Flow From Operations



	<u>2010</u>	<u>2009</u>
YTD capital expenditures	\$177	\$176
YTD share repurchases	\$315	\$409
Net debt*	\$2,407	\$2,521

*See Non-GAAP reconciliation



Campbell Fiscal 2010 Guidance

	Growth Rate
Net sales	2½-3½%
Adjusted EBIT*	6-7%
Adjusted EPS*	At the high end of 9-11%

- Versus fiscal 2009 adjusted EPS base of \$2.21*

* See Non-GAAP reconciliation



Questions & Answers



Appendix



Reconciliation of GAAP and Non-GAAP Financial Measures

Net Sales For the Three Months Ended (millions)

Third Quarter <u>May 2, 2010</u>	Net Sales, As Reported	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
						Net Sales, As Reported	Organic Net Sales
U.S. Soup, Sauces and Beverages	\$ 848	\$ -	\$ -	\$ -	\$ 848	5%	5%
Baking and Snacking	477	-	(5)	(38)	434	11%	1%
International Soup, Sauces and Beverages	331	-	-	(39)	292	11%	-2%
North America Foodservice	146	-	-	(5)	141	-3%	-6%
Total Net Sales	\$ 1,802	\$ -	\$ (5)	\$ (82)	\$ 1,715	7%	2%
<u>May 3, 2009</u>							
U.S. Soup, Sauces and Beverages	\$ 808	\$ -	\$ -	\$ -	\$ 808		
Baking and Snacking	431	-	-	-	431		
International Soup, Sauces and Beverages	297	-	-	-	297		
North America Foodservice	150	-	-	-	150		
Total Net Sales	\$ 1,686	\$ -	\$ -	\$ -	\$ 1,686		



Reconciliation of GAAP and Non-GAAP Financial Measures

Net Sales For the Nine Months Ended (millions)

Year-to-Date	Net Sales, As Reported	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
						Net Sales, As Reported	Organic Net Sales
May 2, 2010							
U.S. Soup, Sauces and Beverages	\$ 3,056	\$ -	\$ -	\$ -	\$ 3,056	-2%	-2%
Baking and Snacking	1,496	-	(16)	(97)	1,383	8%	0%
International Soup, Sauces and Beverages	1,142	-	-	(94)	1,048	7%	-1%
North America Foodservice	464	-	-	(10)	454	-3%	-5%
Total Net Sales	\$ 6,158	\$ -	\$ (16)	\$ (201)	\$ 5,941	2%	-2%
May 3, 2009							
U.S. Soup, Sauces and Beverages	\$ 3,134	\$ -	\$ -	\$ -	\$ 3,134		
Baking and Snacking	1,380	-	-	-	1,380		
International Soup, Sauces and Beverages	1,068	(12)	-	-	1,056		
North America Foodservice	476	-	-	-	476		
Total Net Sales	\$ 6,058	\$ (12)	\$ -	\$ -	\$ 6,046		



Reconciliation of GAAP and Non-GAAP Financial Measures

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

	Operating Earnings, As Reported	Commodity Hedge Adjustment	Restructuring Charges and Related Costs	Adjusted Operating Earnings	% Change	
					Operating Earnings, As Reported	Adjusted Operating Earnings
May 2, 2010						
U.S. Soup, Sauces and Beverages	\$ 214	\$ -	\$ -	\$ 214	10%	10%
Baking and Snacking	76	-	-	76	33%	31%
International Soup, Sauces and Beverages	37	-	-	37	28%	28%
North America Foodservice	(3)	-	12	9	-123%	-50%
Total Operating Earnings	324	-	12	336	10%	12%
Unallocated Corporate Expenses	(32)	-	-	(32)		
Earnings Before Interest and Taxes	\$ 292	\$ -	\$ 12	\$ 304	2%	8%
May 3, 2009						
U.S. Soup, Sauces and Beverages	\$ 195	\$ -	\$ -	\$ 195		
Baking and Snacking	57	-	1	58		
International Soup, Sauces and Beverages	29	-	-	29		
North America Foodservice	13	-	5	18		
Total Operating Earnings	294	-	6	300		
Unallocated Corporate Expenses	(8)	(11)	-	(19)		
Earnings Before Interest and Taxes	\$ 286	\$ (11)	\$ 6	\$ 281		



Reconciliation of GAAP and Non-GAAP Financial Measures

	Operating Earnings For the Nine Months Ended (\$ millions)				% Change	
	Operating Earnings, As Reported	Commodity Hedge Adjustment	Restructuring Charges and Related Costs	Adjusted Operating Earnings	Operating Earnings, As Reported	Adjusted Operating Earnings
May 2, 2010						
U.S. Soup, Sauces and Beverages	\$ 804	\$ -	\$ -	\$ 804	3%	3%
Baking and Snacking	249	-	-	249	29%	27%
International Soup, Sauces and Beverages	155	-	-	155	32%	32%
North America Foodservice	40	-	12	52	18%	0%
Total Operating Earnings	1,248	-	12	1,260	11%	10%
Unallocated Corporate Expenses	(87)	-	-	(87)		
Earnings Before Interest and Taxes	<u>\$ 1,161</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 1,173</u>	<u>12%</u>	<u>9%</u>
May 3, 2009						
U.S. Soup, Sauces and Beverages	\$ 779	\$ -	\$ -	\$ 779		
Baking and Snacking	193	-	3	196		
International Soup, Sauces and Beverages	117	-	-	117		
North America Foodservice	34	-	18	52		
Total Operating Earnings	1,123	-	21	1,144		
Unallocated Corporate Expenses	(83)	14	-	(69)		
Earnings Before Interest and Taxes	<u>\$ 1,040</u>	<u>\$ 14</u>	<u>\$ 21</u>	<u>\$ 1,075</u>		



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Third Quarter

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2010 - As Reported	\$ 743		\$ 97	
Deduct: Health Care Legislation Tax Expense	-		(10)	
Add: Restructuring Charges	-		4	
2010 - Adjusted	<u>\$ 743</u>	<u>41.2%</u>	<u>\$ 91</u>	<u>32.9%</u>
2009 - As Reported	\$ 685		\$ 86	
Deduct: Net Adjustment on Commodity Hedges	(11)		(4)	
Add: Restructuring-Related Costs	6		2	
2009 - Adjusted	<u>\$ 680</u>	<u>40.3%</u>	<u>\$ 84</u>	<u>32.9%</u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Nine Months

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2010 - As Reported	\$ 2,537		\$ 350	
Deduct: Health Care Legislation Tax Expense	-		(10)	
Add: Restructuring Charges	-		4	
2010 - Adjusted	<u>\$ 2,537</u>	<u>41.2%</u>	<u>\$ 344</u>	<u>31.5%</u>
2009 - As Reported	\$ 2,393		\$ 294	
Add: Unrealized Losses on Commodity Hedges	14		5	
Add: Restructuring-Related Costs	21		7	
2009 - Adjusted	<u>\$ 2,428</u>	<u>40.1%</u>	<u>\$ 306</u>	<u>30.8%</u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Third Quarter

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS</u>
2010 - As Reported	\$ 292	\$ 168	\$ 0.49
Add: Health Care Legislation Tax Expense	-	10	0.03
Add: Restructuring Charges	12	8	0.02
2010 - Adjusted	<u>\$ 304</u>	<u>\$ 186</u>	<u>\$ 0.54</u>
2009 - As Reported	\$ 286	\$ 174	\$ 0.49
Deduct: Net Adjustment on Commodity Hedges	(11)	(7)	(0.02)
Add: Restructuring-Related Costs	6	4	0.01
2009 - Adjusted	<u>\$ 281</u>	<u>\$ 171</u>	<u>\$ 0.48</u>
% Change	8%	9%	13%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Nine Months

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS</u> ⁽¹⁾
2010 - As Reported	\$ 1,161	\$ 731	\$ 2.09
Add: Health Care Legislation Tax Expense	-	10	0.03
Add: Restructuring Charges	12	8	0.02
2010 - Adjusted	<u>\$ 1,173</u>	<u>\$ 749</u>	<u>\$ 2.14</u>
2009 - As Reported	\$ 1,040	\$ 667	\$ 1.83
Add: Unrealized Losses on Commodity Hedges	14	9	0.03
Add: Restructuring-Related Costs	21	14	0.04
Deduct: Tax Benefit from the Sale of the Godiva Chocolatier Business	-	(4)	(0.01)
2009 - Adjusted	<u>\$ 1,075</u>	<u>\$ 686</u>	<u>\$ 1.89</u>
% Change	9%	9%	13%

(1) In the first quarter of fiscal 2010, Campbell adopted and retrospectively applied new accounting guidance related to the calculation of earnings per share. The retrospective application of these provisions resulted in a reduction of previously reported net earnings and adjusted net earnings per share of \$0.02 and \$0.01, respectively, for the nine months of fiscal 2009.



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>May 2, 2010</u>	<u>May 3, 2009</u>
Short-Term Borrowings	\$ 945	\$ 628
Long-Term Debt	1,542	1,954
Total Debt	<u>\$ 2,487</u>	<u>\$ 2,582</u>
Less: Cash and Cash Equivalents	(80)	(61)
Net Debt	<u><u>\$ 2,407</u></u>	<u><u>\$ 2,521</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 and adjusted net earnings per share of \$0.01 for the full year of fiscal 2009.

