

F'12 Second-Quarter Earnings Call & Webcast

February 17, 2012





Important Reminders: Second Quarter of Fiscal Year 2012

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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 2012 and long-term profitable net sales growth, on our ability to execute our new business strategies successfully, and on our expectations that we can accelerate innovation across our portfolio and expand our international footprint. 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. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the impact of strong competitive response to our marketing strategies; risks associated with trade and consumer acceptance of the company’s initiatives, including innovation, renovation and new products; our ability to realize projected cost savings; and the other factors described in “Risk Factors” 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.



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.





Investor Update

Denise Morrison
President & CEO





GROWTH STRATEGIES

- > Stabilize and then Profitably Grow
North America Soup and Simple Meals**
- > Expand our International Presence**
- > Continue to Drive Growth in
Healthy Beverages and Baked Snacks**



Increased Brand Building

- Advertising & consumer promotion expense increased 6 percent
 - Increase in U.S. Simple Meals, U.S. Beverages & Global Baking and Snacking
- Innovation investments progressing



Continued Pressure on Consumers



Second Quarter Results

- Net sales decreased 1 percent to \$2.112 billion
- Adjusted EBIT* decreased 8 percent to \$332 million
- Adjusted net earnings per share* decreased 10 percent to \$0.64

*See Non-GAAP reconciliation

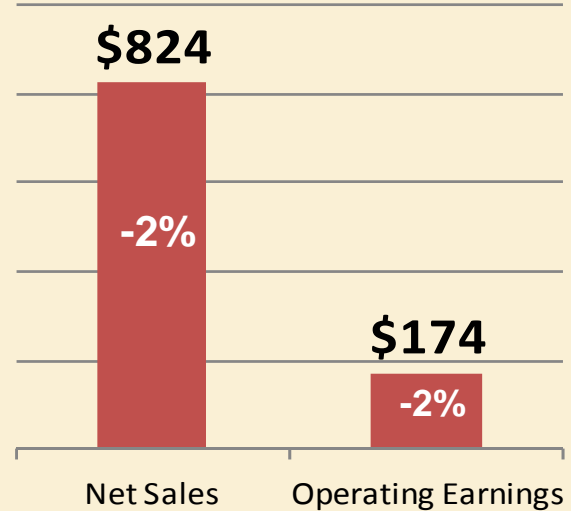


U.S. Simple Meals

Delivering on efforts to stabilize profitability



Q2 (\$ Millions)



U.S. Soup

- Condensed sales increased 5 percent
- Ready-to-serve soup sales declined 12 percent
- Broth sales increased 3 percent



U.S. Soup

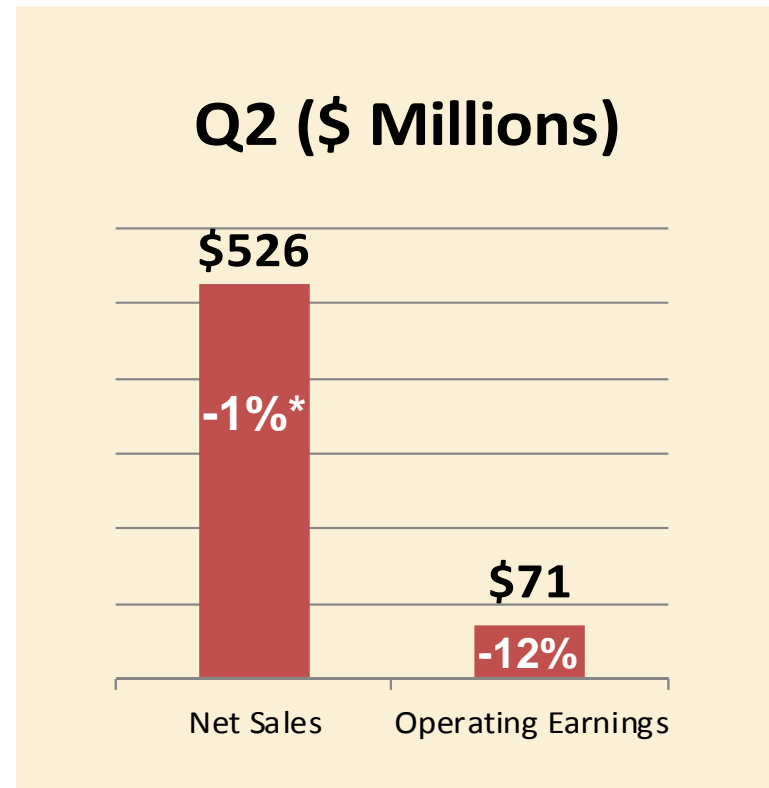
Fourth consecutive
quarterly profit increase
in U.S. Soup

Increase
Brand
Building

Improved Sales Trends in 2nd Half



Global Baking and Snacking



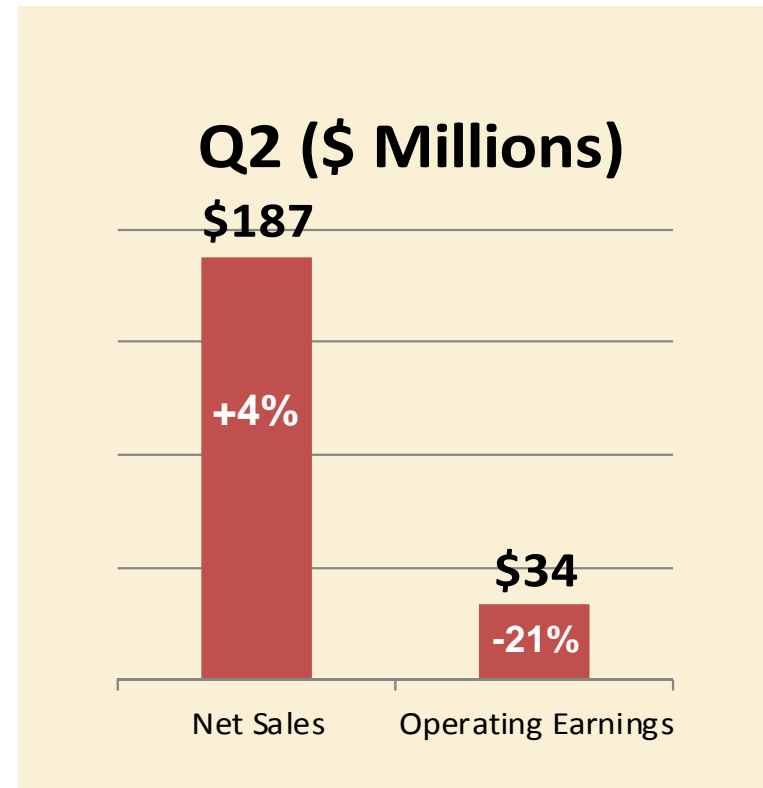
*Note: Percent change represents organic growth. See non-GAAP reconciliation.



U.S. Beverages

Outperforming the category and gaining share

- Encouraged by top-line performance
- Significant decline in earnings due to inflation and increased marketing investments
- 2nd half will benefit from new products, lower inflation



Campbell Fiscal Year 2012 Guidance

(\$ millions)

	2011 Base	2012 Growth Rate
Net Sales	\$7,719	0% to 2%
Adjusted EBIT*	\$1,342	(9%) to (7%)
Adjusted Net Earnings per Share*	\$2.54	(7%) to (5%) \$2.35 to \$2.42

*See Non-GAAP reconciliation



Continue to Advance Our Growth Strategies





CFO Perspective

B. Craig Owens

*SVP-Finance, CFO and
Chief Administrative Officer*



Agenda

- Second quarter results and segment highlights
- First half results
- Full-year sales and earnings guidance

Second Quarter Financial Summary

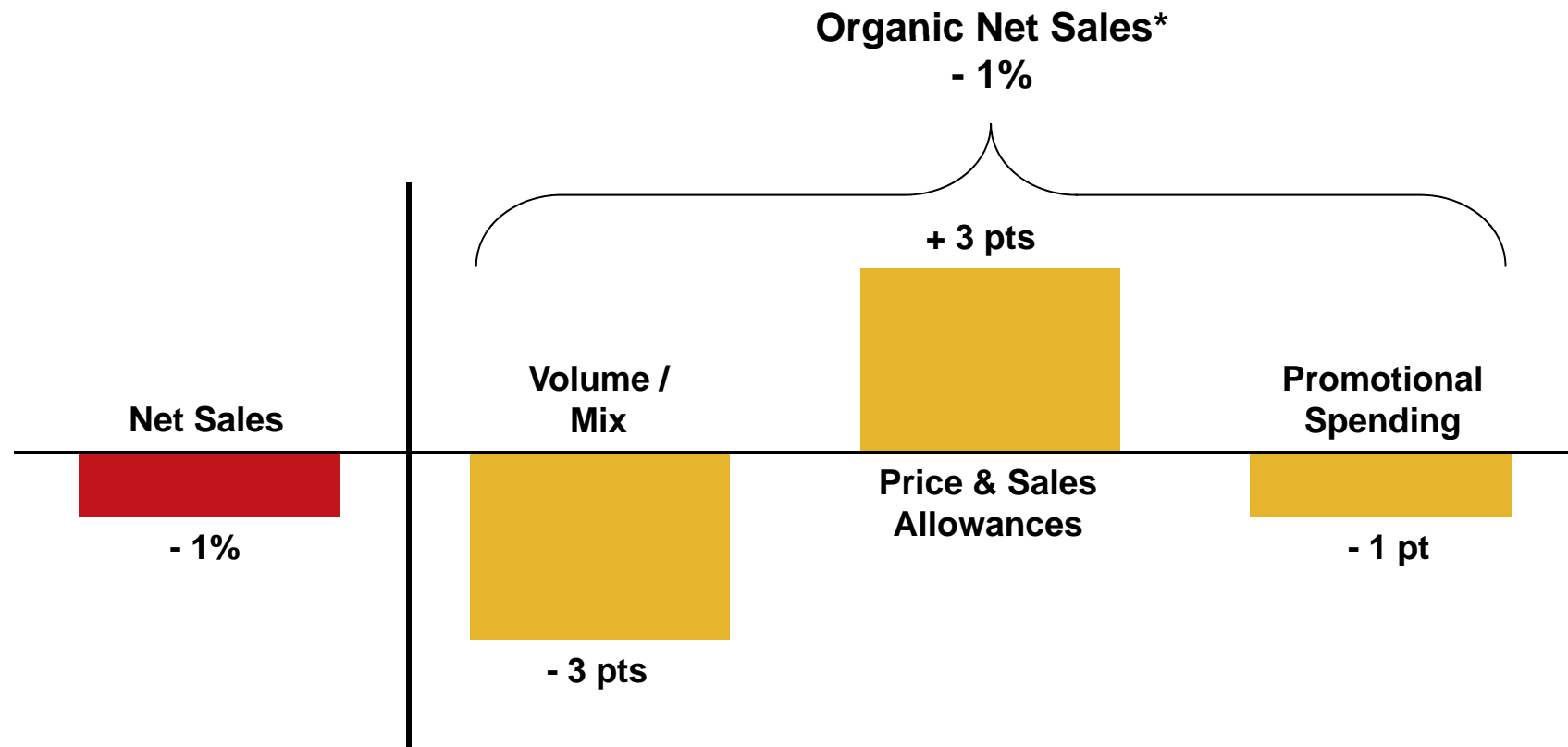
(\$ millions, except per share)

	Second Quarter	% Change
Net Sales	\$2,112	-1%
<i>Organic Net Sales*</i>		- 1%
EBIT*	\$332	- 8%
EPS – Diluted*	\$0.64	- 10%

*See Non-GAAP reconciliation



Second Quarter – Components of Net Sales Change



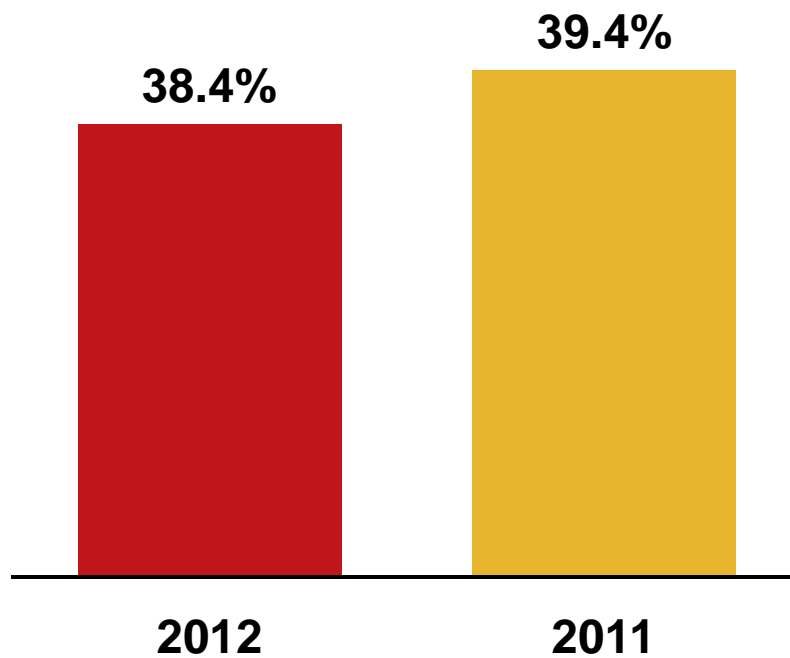
*See Non-GAAP reconciliation



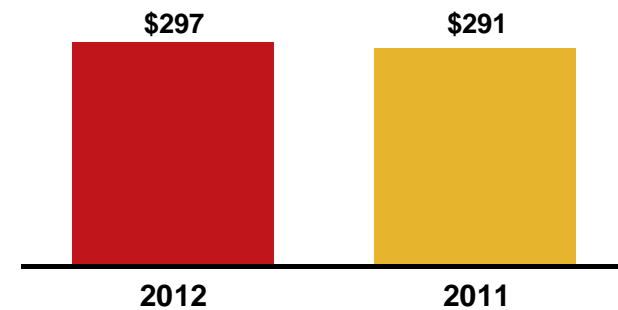
Second Quarter – Gross Margin and Other Operating Items

(\$ millions)

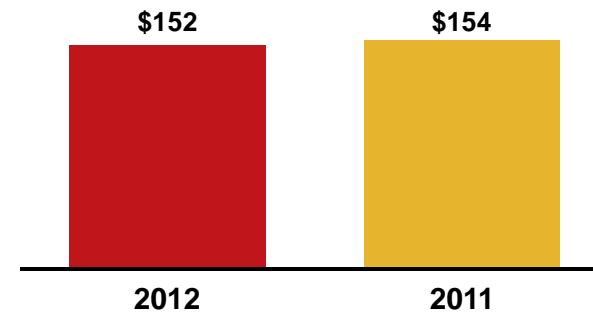
Gross Margin Percentage



Marketing and Selling Expenses



Administrative Expenses



Second Quarter Financial Summary

(\$ millions, except per share)

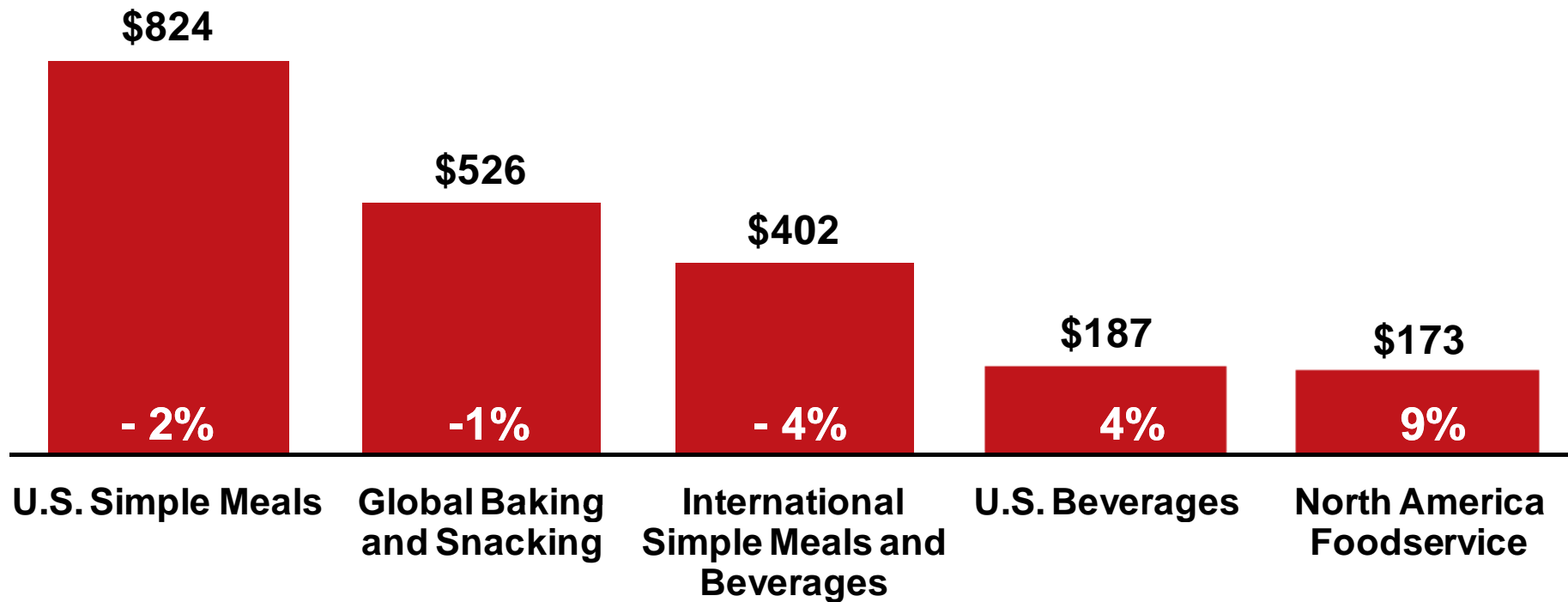
	Second Quarter	% Change
EBIT*	\$332	- 8%
Interest, Net	\$26	- 16%
Tax Rate*	33.7%	6.6 pts
Net Earnings*	\$207	- 13%
EPS – Diluted*	\$0.64	- 10%
Diluted Shares	320	- 4%

*See Non-GAAP reconciliation



Second Quarter – Net Sales by Segment

(\$ millions)



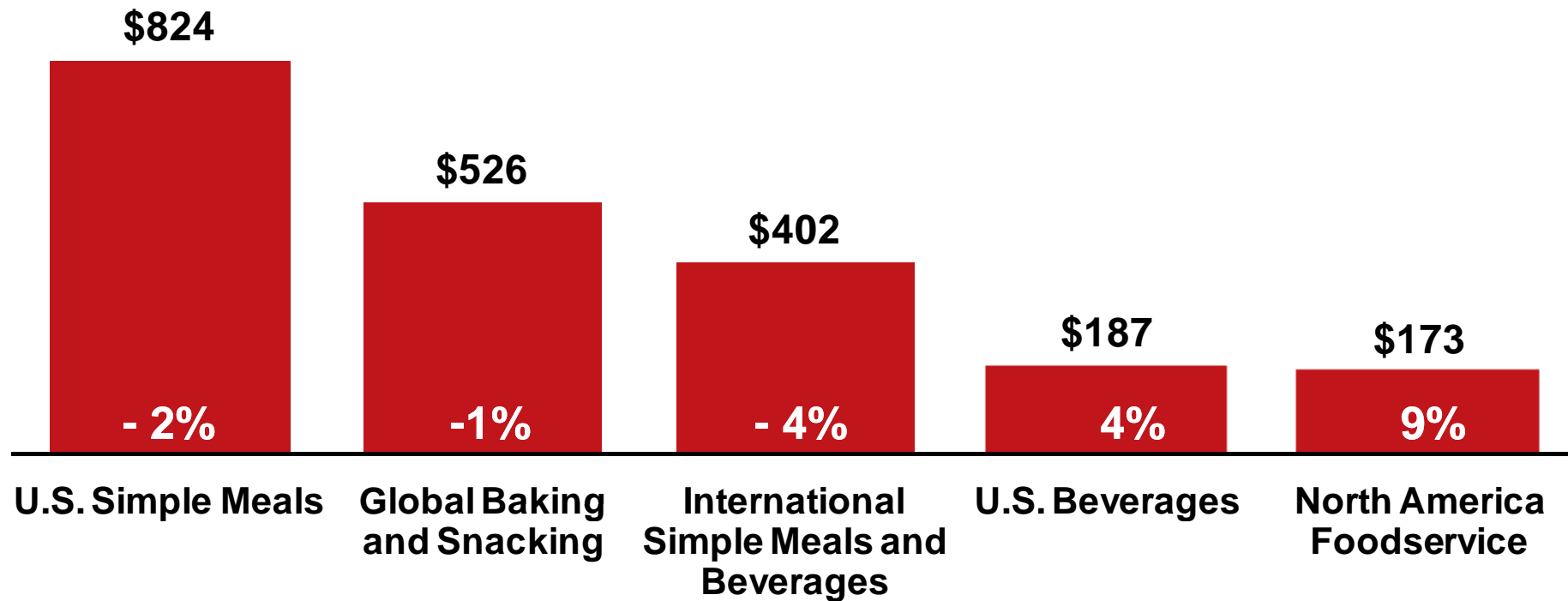
Note: Percent change represents organic growth.

See Non-GAAP reconciliation



Second Quarter – Net Sales by Segment

(\$ millions)



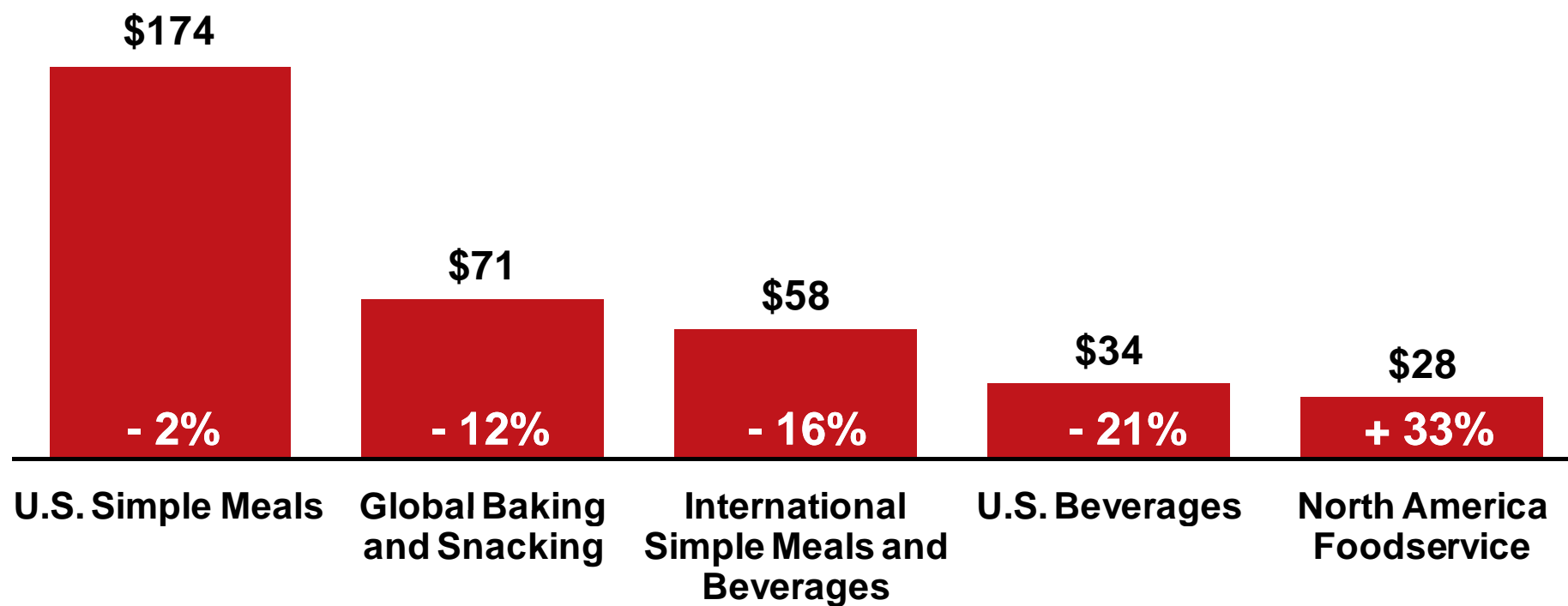
Note: Percent change represents organic growth.

See Non-GAAP reconciliation



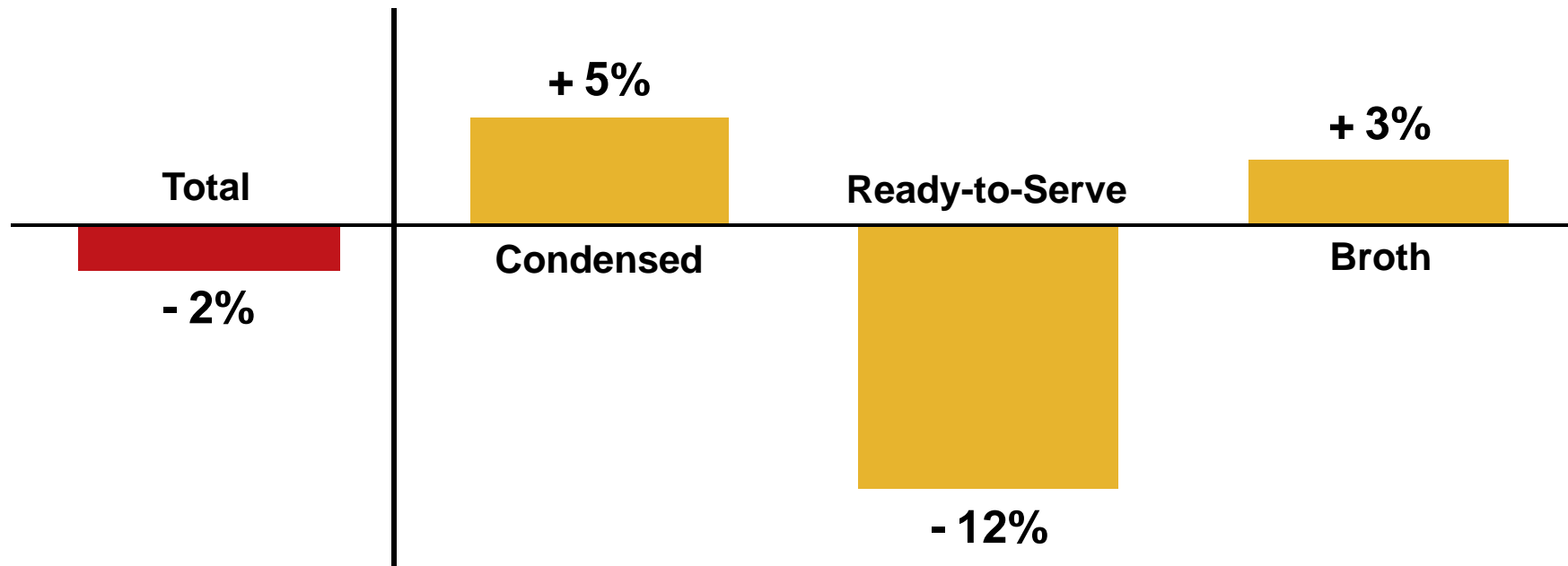
Second Quarter – Operating Earnings by Segment

(\$ millions)

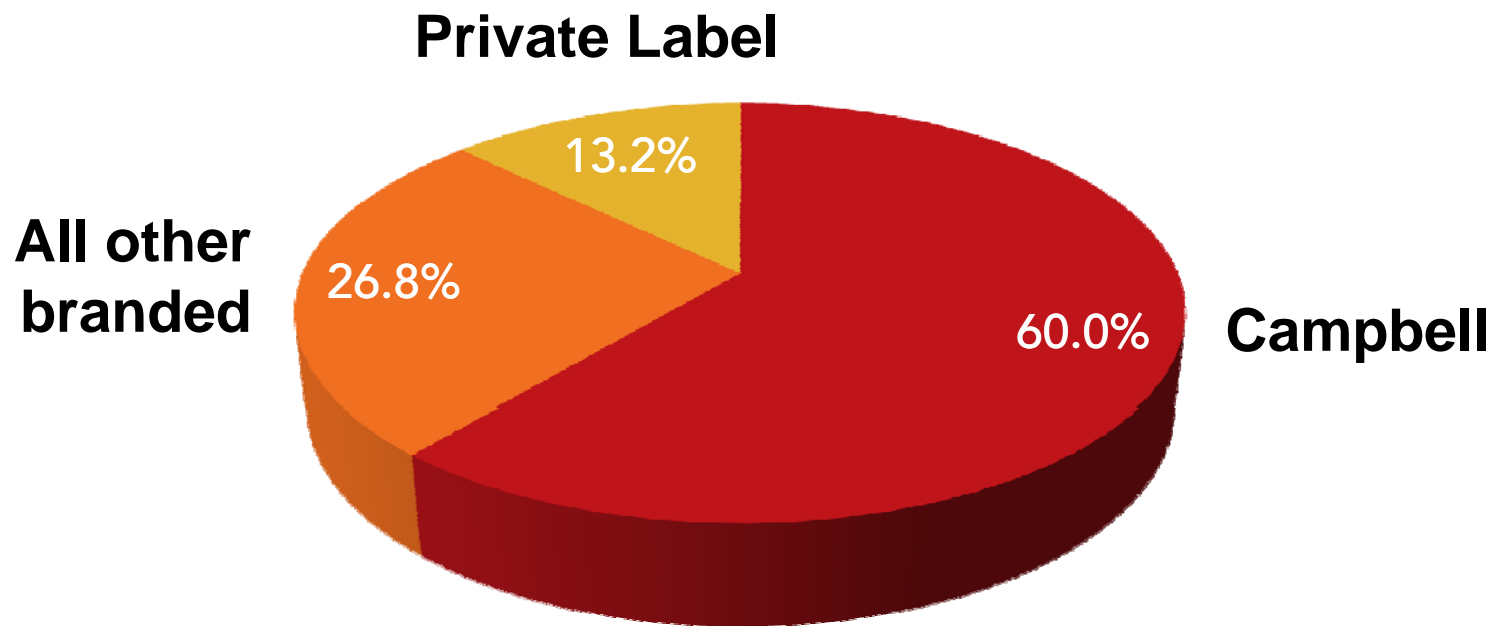


Second Quarter – U.S. Soup Net Sales

% Change vs. prior year



Retail Sales – U.S. Wet Soup Market Share



Dollar Share Change:	Campbell	All Other Branded	Private Label
	-2.4 pts	+1.5 pts	+0.9 pts

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

Source: IRI panel data and internal company estimates

For 52-week period ending Jan. 29, 2012



Fiscal YTD Financial Summary

(\$ millions, except per share)

	First Half	% Change
Net Sales	\$4,273	-1%
<i>Organic Net Sales*</i>		- 1%
EBIT*	\$750	- 7%
EPS – Diluted*	\$1.46	- 5%

*See Non-GAAP reconciliation



Cash Flow and Balance Sheet

(\$ millions)

First Half Cash Flow from Operations

2012

2011

\$478

\$483

	2012	2011
Year-to-Date Capital Expenditures	\$97	\$74
Year-to-Date Share Repurchases	\$173	\$573
Net Debt*	\$2,556	\$2,796

*See Non-GAAP reconciliation



Campbell Fiscal Year 2012 Guidance

(\$ millions)

	2011 Base	2012 Growth Rate
Net Sales	\$7,719	0% to 2%
Adjusted EBIT*	\$1,342	(9%) to (7%)
Adjusted Net Earnings per Share*	\$2.54	(7%) to (5%) \$2.35 to \$2.42

Long-term targets: 3-4% sales growth, 4-6% adjusted EBIT growth, 5-7% adjusted EPS growth

*See Non-GAAP reconciliation



Q & A



Denise Morrison
President and CEO



B. Craig Owens
*SVP-Finance,
CFO and CAO*



Anthony DiSilvestro
SVP-Finance



Jennifer Driscoll
VP-IR



Continue to Advance Our Growth Strategies



NEW STRATEGIC DIRECTION
CREATE VALUE

EXECUTING OUR GROWTH STRATEGIES

RADICALLY DIFFERENT
INNOVATION PROCESS

REINVIGORATE

CONSUMER-FOCUSED BRAND BUILDING





Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

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

Second Quarter	Net Sales, As Reported	Impact of Currency	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
January 29, 2012					
U.S. Simple Meals	\$ 824	\$ -	\$ 824	-2%	-2%
Global Baking and Snacking	526	(4)	522	0%	-1%
International Simple Meals and Beverages	402	4	406	-5%	-4%
U.S. Beverages	187	-	187	4%	4%
North America Foodservice	173	-	173	9%	9%
Total Net Sales	\$ 2,112	\$ -	\$ 2,112	-1%	-1%
January 30, 2011					
U.S. Simple Meals	\$ 842	\$ -	\$ 842		
Global Baking and Snacking	526	-	526		
International Simple Meals and Beverages	421	-	421		
U.S. Beverages	180	-	180		
North America Foodservice	158	-	158		
Total Net Sales	\$ 2,127	\$ -	\$ 2,127		



Reconciliation of GAAP and Non-GAAP Financial Measures

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

First Quarter <u>October 30, 2011</u>	Net Sales, As Reported	Impact of Currency	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
U.S. Simple Meals	\$ 874	\$ -	\$ 874	-3%	-3%
Global Baking and Snacking	568	(18)	550	4%	1%
International Simple Meals and Beverages	359	(14)	345	-3%	-7%
U.S. Beverages	198	-	198	-3%	-3%
North America Foodservice	162	-	162	6%	6%
Total Net Sales	\$ 2,161	\$ (32)	\$ 2,129	-1%	-2%
<u>October 31, 2010</u>					
U.S. Simple Meals	\$ 898	\$ -	\$ 898		
Global Baking and Snacking	544	-	544		
International Simple Meals and Beverages	372	-	372		
U.S. Beverages	205	-	205		
North America Foodservice	153	-	153		
Total Net Sales	\$ 2,172	\$ -	\$ 2,172		



Reconciliation of GAAP and Non-GAAP Financial Measures

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

	Net Sales, As Reported	Impact of Currency	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
January 29, 2012					
U.S. Simple Meals	\$ 1,698	\$ -	\$ 1,698	-2%	-2%
Global Baking and Snacking	1,094	(22)	1,072	2%	0%
International Simple Meals and Beverages	761	(9)	752	-4%	-5%
U.S. Beverages	385	-	385	0%	0%
North America Foodservice	335	-	335	8%	8%
Total Net Sales	\$ 4,273	\$ (31)	\$ 4,242	-1%	-1%
January 30, 2011					
U.S. Simple Meals	\$ 1,740	\$ -	\$ 1,740		
Global Baking and Snacking	1,070	-	1,070		
International Simple Meals and Beverages	793	-	793		
U.S. Beverages	385	-	385		
North America Foodservice	311	-	311		
Total Net Sales	\$ 4,299	\$ -	\$ 4,299		



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Second Quarter

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS*</u>
2012 - As Reported	\$ 329	\$ 205	\$ 0.64
Add: Restructuring charges	3	2	0.01
2012 - Adjusted	<u>\$ 332</u>	<u>\$ 207</u>	<u>\$ 0.64</u>
2011 - As Reported	\$ 359	\$ 239	\$ 0.71
% Change	-8%	-13%	-10%



* Does not add down due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Six Months

	EBIT	Net Earnings	Diluted EPS
2012 - As Reported	\$ 745	\$ 470	\$ 1.45
Add: Restructuring charges	5	3	0.01
2012 - Adjusted	\$ 750	\$ 473	\$ 1.46
2011 - As Reported	\$ 803	\$ 518	\$ 1.53
% Change	-7%	-9%	-5%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>Tax</u>	<u>Tax Rate</u>
2012 - As Reported	\$ 102	33.7%
Add: Restructuring charges	1	
2012 - Adjusted	<u>\$ 103</u>	<u>33.7%</u>
2011 - As Reported	\$ 89	27.1%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Six Months

	<u>Tax</u>	<u>Tax Rate</u>
2012 - As Reported	\$ 227	32.9%
Add: Restructuring charges	2	
2012 - Adjusted	<u>\$ 229</u>	<u>32.9%</u>
 2011 - As Reported	 \$ 224	 30.2%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>January 29, 2012</u>	<u>January 30, 2011</u>
Short-Term Borrowings	\$ 870	\$ 1,184
Long-Term Debt	2,008	1,937
Total Debt	<u>\$ 2,878</u>	<u>\$ 3,121</u>
Less: Cash and Cash Equivalents	(322)	(325)
Net Debt	<u><u>\$ 2,556</u></u>	<u><u>\$ 2,796</u></u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Fiscal Year - 2011

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS</u>
2011 - As Reported	\$ 1,279	\$ 805	\$ 2.42
Add: Restructuring charges	63	41	0.12
2011 - Adjusted	<u>\$ 1,342</u>	<u>\$ 846</u>	<u>\$ 2.54</u>

