

Fourth Quarter of Fiscal Year 2013 Earnings Call & Webcast

August 29, 2013


**FOCUS
FORWARD**



Important Reminders: Fourth Quarter of Fiscal Year 2013

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Vice President, Investor Relations




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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 2014, on our ability to execute our business strategies successfully, on our expectations related to portfolio changes, and on our expectations for innovation. 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 our initiatives, including brand building and innovation; our ability to realize projected cost savings; the impact of portfolio changes; 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.



Important Reminders

- European simple meals business shown as discontinued operations; its assets and liabilities are classified as held for sale
- Non-cash impairment charge related to European business
- Incremental tax charge in discontinued operations

Fiscal 2013 – Items Impacting Comparability

	Continuing Operations	Discontinued Operations	Combined
Adjusted EPS*	\$2.48	\$.16	\$2.64
Restructuring Costs	.28		.28
Acquisition Costs	.02		.02
Impairment		.83	.83
Tax Expense		.06	.06
Reported EPS	\$2.17	(\$.73)	\$1.44



* See Non-GAAP reconciliation



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.



Get yours! Search “Campbell IR” at the Apple App store



Investor Update

Fourth Quarter of Fiscal Year 2013

Denise Morrison
President & CEO




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Fiscal 2013

Sales and EBIT in-line with
Fiscal 2013 Revised Guidance

EPS Exceed High End
of Fiscal 2013 Revised Guidance





STRATEGIC FRAMEWORK



GROWTH STRATEGIES

- > Profitably grow North America Soup and Simple Meals
- > Expand our International Presence
- > Continue to drive Growth in Snacks and Healthy Beverages

Dual Mandate



**MAINTAIN
STRENGTH OF
CORE BUSINESS**



**EXPAND
INTO HIGHER
GROWTH SPACES**



Strengthening the Core

U.S. Soup - Full Year Sales +5%



+2%
Condensed

38
New Soups



+9%
Ready-to-Serve



+4%
Broth



Continued Growth in U.S. Soup in Fiscal 14



Global Baking and Snacking

Global Baking & Snacking - Full Year Sales +4%



U.S. Beverages

U.S. Beverage - Full Year Sales -4%

- Focus on Drivers of Demand
- Introduce V8 V-Fusion Refreshers
- Continue to expand V8 V-Fusion +Energy and V8 Splash



North America Foodservice

- Stabilize traditional foodservice business
- Accelerate growth of packaged fresh
- Innovate with national customers

Campbell's
FOODSERVICE



Dual Mandate



**MAINTAIN
STRENGTH OF
CORE BUSINESS**



**EXPAND
INTO HIGHER
GROWTH SPACES**



Breakthrough Innovation



PREMIUM SOUP



**\$200
BILLION**
Dinner Segment



Recent Acquisitions

Trio of Growth Engines



≈\$1 Billion in Annualized Net Sales

Bolthouse Farms



\$12 BILLION
Packaged Fresh Category



NET SALES
\$756 Million

Campbell's \$1.2 Billion Beverage Platform



First V8 entry in Packaged Fresh



Plum Organics



**Baby Food
\$2 Billion
Category**



**#2
SHARE**

43%
2010-2012
Average Annual
Growth Rate

**Baby Food
Category**



Kelsen Group



BY APPOINTMENT TO THE ROYAL DANISH COURT
Kelsen
Group



Annual Net Sales
\$180 Million

\$60 Billion
Global Sweet Biscuits Market



Strategic Alliances in Mexico

JUMEX

La Costeña



Potential Sale of Campbell's European Simple Meals Business



FRANCE



GERMANY



SWEDEN



BELGIUM



RESHAPING CAMPBELL



Fiscal 2014 Plans

We remain focused on:

- Increasing sales from U.S. Soup & Simple Meals, Global Baking & Snacking and Bolthouse Farms
- Fixing U.S. Beverages & Foodservice
- Launching more than 200 new products
- Expanding availability
- Driving international growth
- Pursuing smart external development



BUILDING MOMENTUM

DELIVERING RESULTS





CFO Perspective

B. Craig Owens

SVP, CFO and

Chief Administrative Officer



Agenda

- Fourth-quarter results and segment highlights
- Fiscal 2013 results and segment highlights
- Fiscal 2014 sales and earnings guidance

Fourth-Quarter Financial Summary

(\$ millions, except per share)

Combined Continuing and Discontinued Operations	Fourth Quarter	% Change
Net Sales*	\$1,821	13%
EBIT*	\$217	4%
EPS – Diluted*	\$0.45	10%



* See Non-GAAP reconciliation



Fourth-Quarter Financial Summary

(\$ millions, except per share)

Continuing Operations	Fourth Quarter	% Change
Net Sales	\$1,723	13%
<i>Organic Net Sales*</i>		1%
EBIT*	\$208	-
<i>EBIT excluding Acquisitions*</i>	\$194	-7%
Diluted EPS – Continuing Operations*	\$0.43	8%

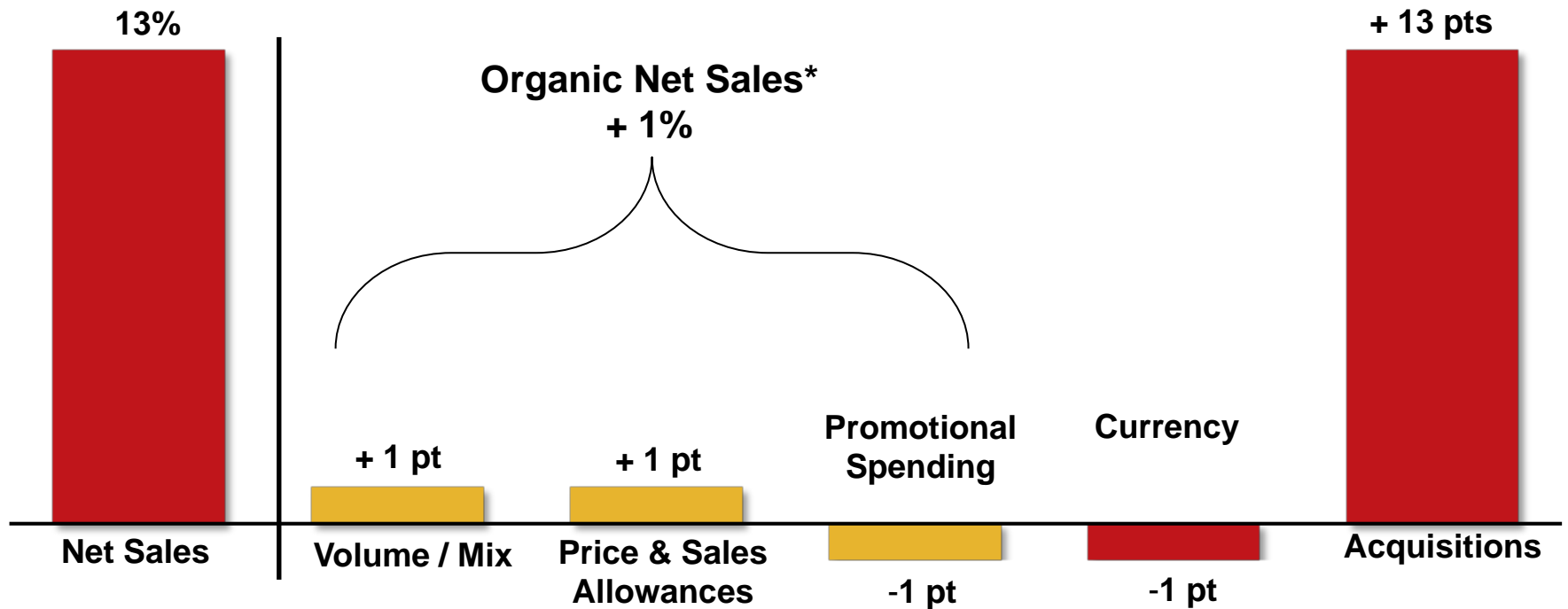


* See Non-GAAP reconciliation



Fourth Quarter – Components of Net Sales Change

Continuing Operations

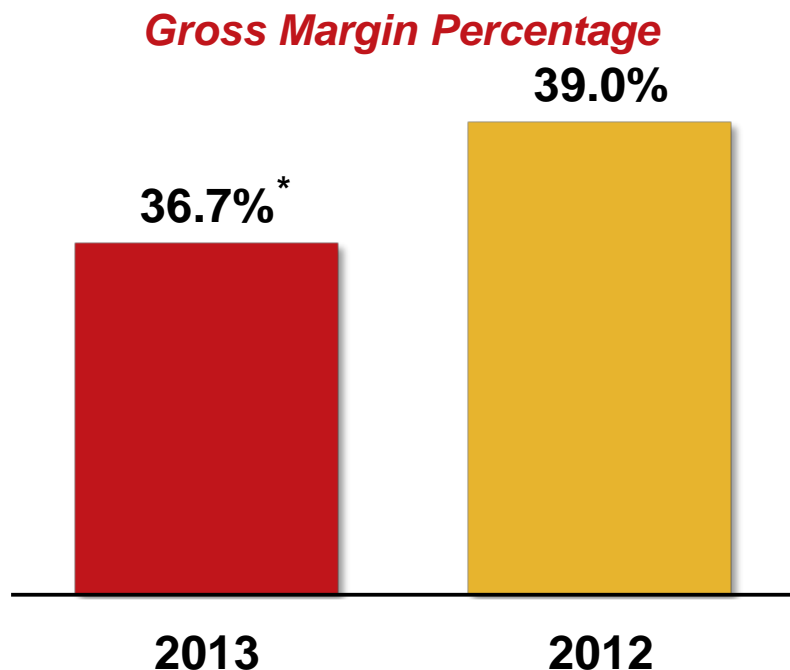


* See Non-GAAP reconciliation

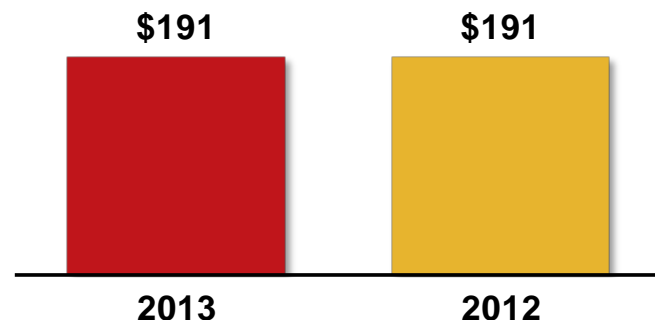


Fourth Quarter – Gross Margin and Other Operating Items

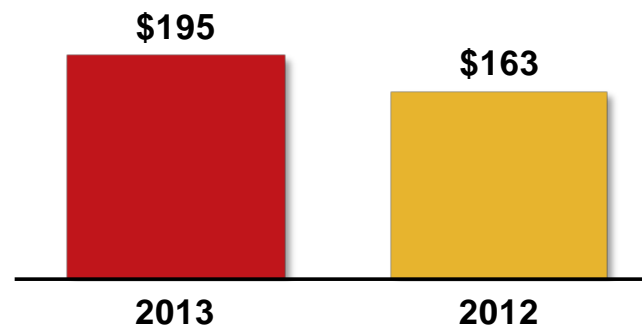
Continuing Operations
(\$ millions)



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation

Fourth-Quarter Financial Summary

(\$ millions, except per share)

Continuing Operations	Fourth Quarter	% Change
EBIT*	\$208	-
Interest, Net	\$30	20%
Tax Rate*	24.7%	-5.9pts
Net Earnings – Continuing Operations*	\$136	5%
Diluted EPS – Continuing Operations*	\$0.43	8%
Diluted Shares	317	-



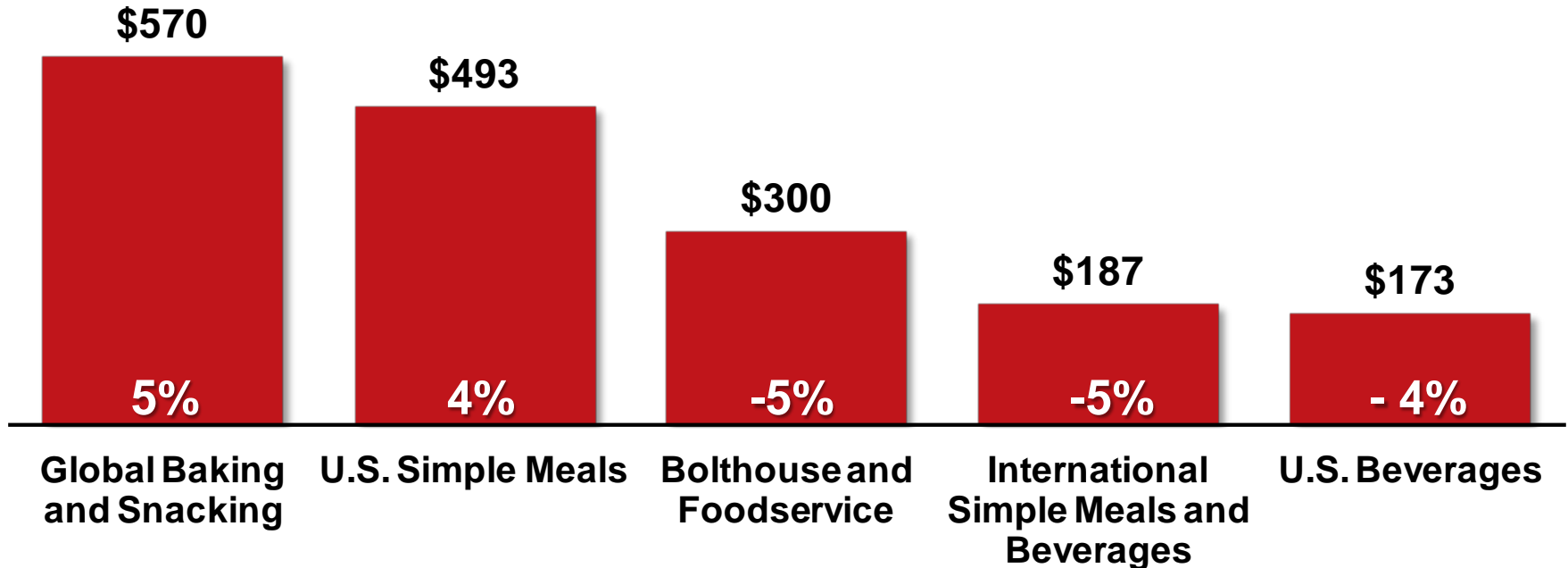
* See Non-GAAP reconciliation



Fourth Quarter – Sales by Segment

(\$ millions)

Net Sales by Segment and Organic Growth Rates

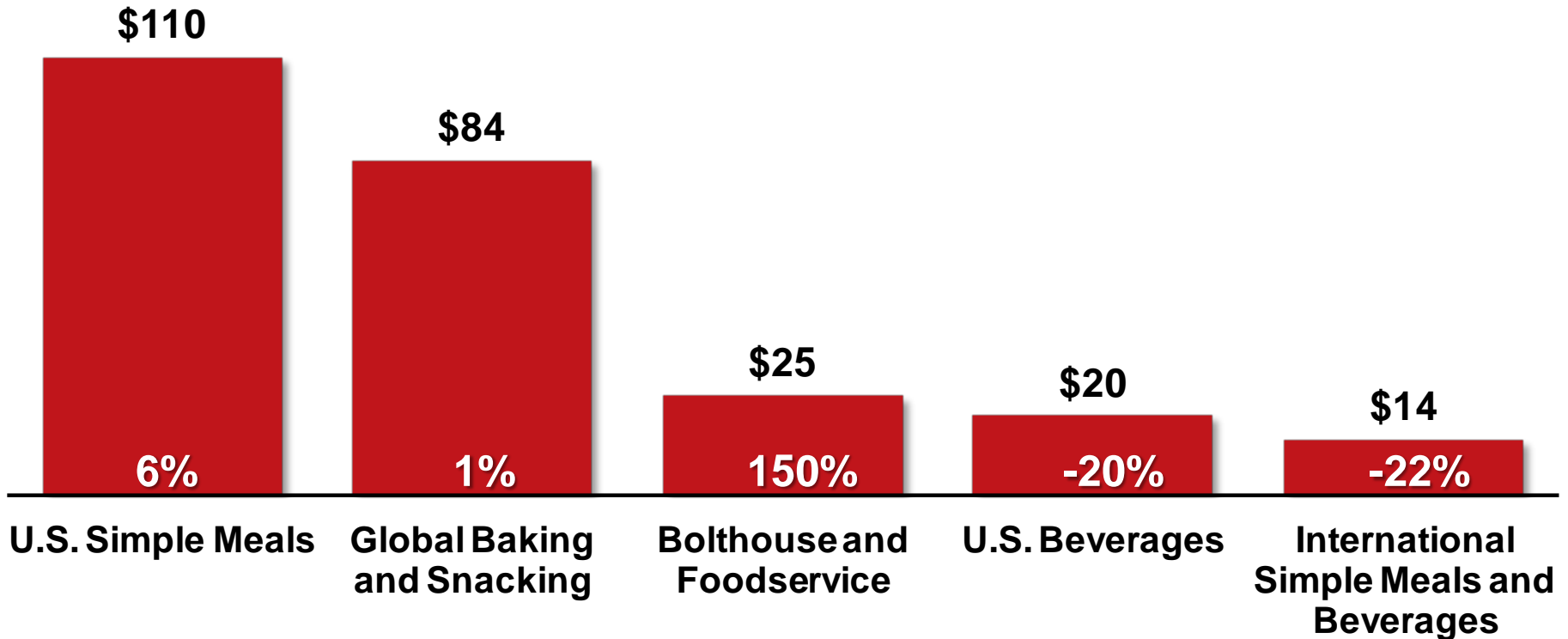


Note: Percent change represents organic growth.
See Non-GAAP reconciliation



Fourth Quarter – Operating Earnings by Segment

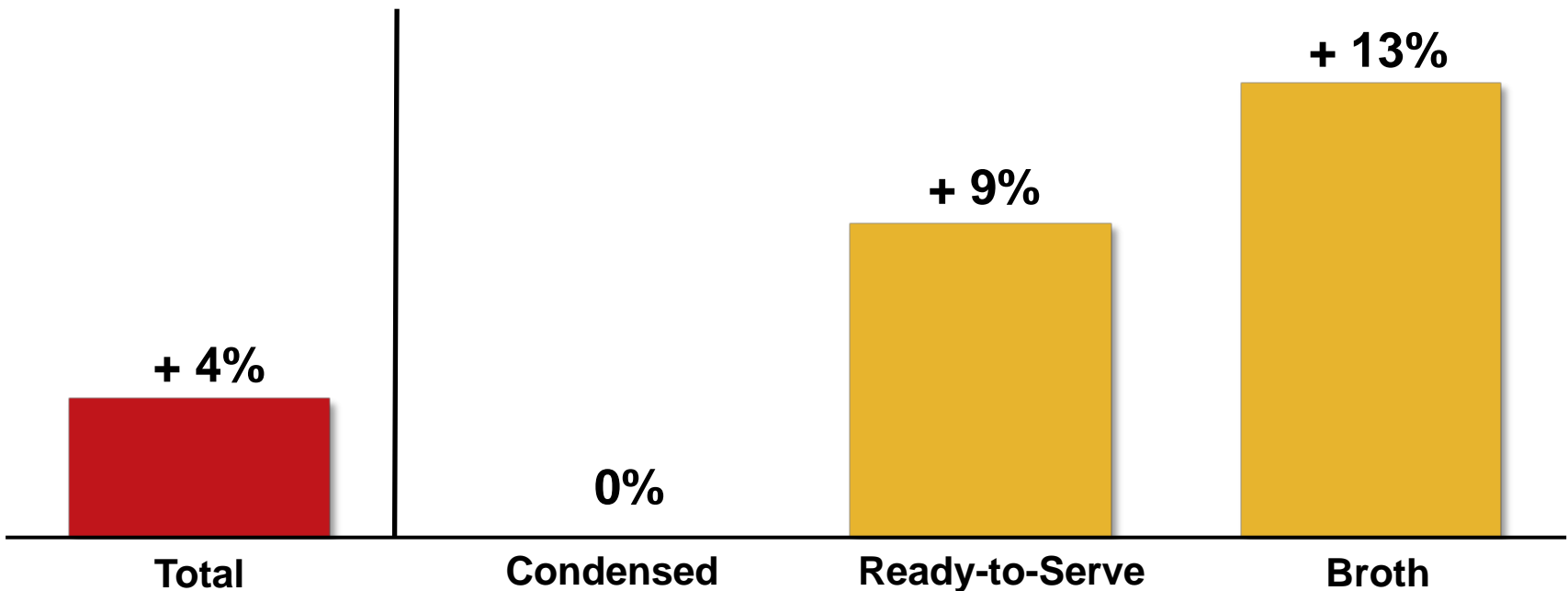
(\$ millions)



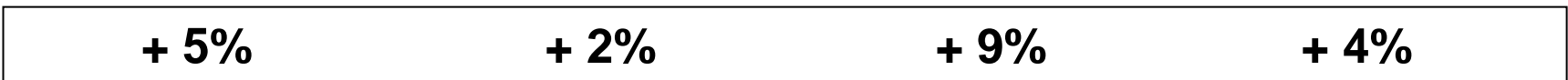
U.S. Soup Net Sales

Fourth Quarter

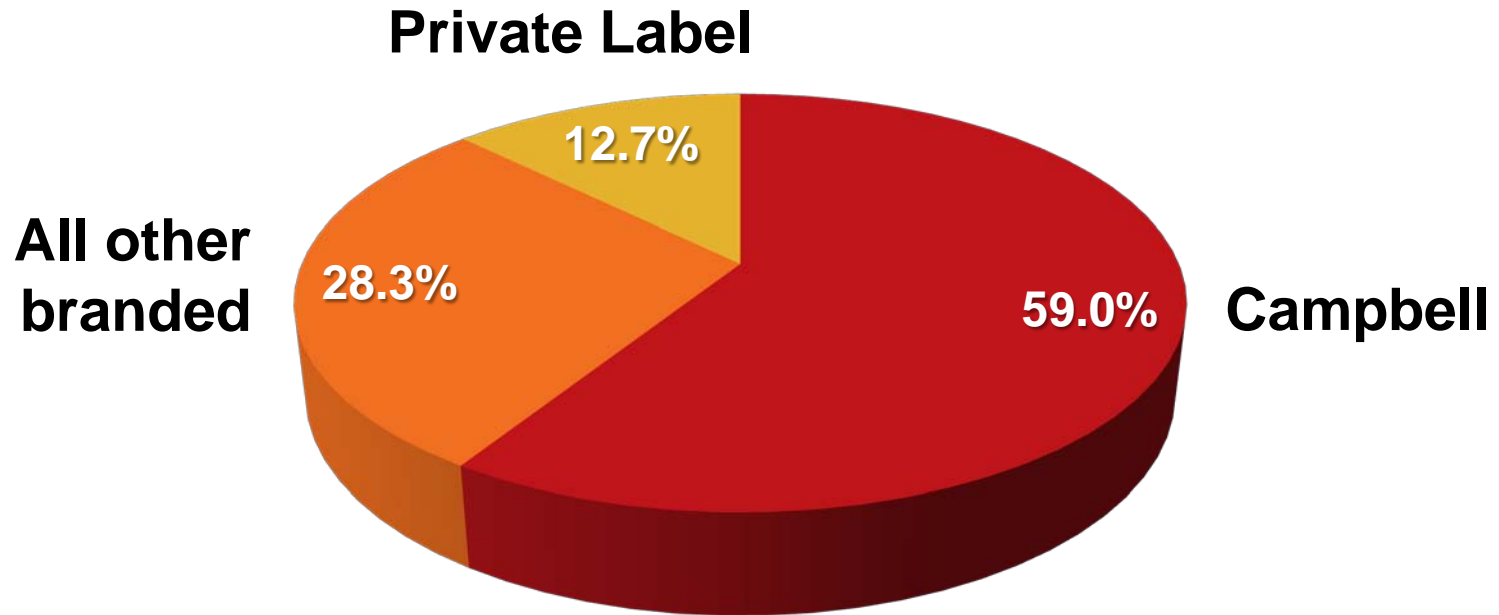
% Change vs. prior year



Fiscal Year



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



	<u><i>Campbell</i></u>	<u><i>All Other Branded</i></u>	<u><i>Private Label</i></u>
Dollar Share Change:	+0.1 ppts	+0.2 ppts	-0.3 ppts
Dollar Sales Change:	+3.7%	+4.4%	+1.1%

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

Source: IRI Total U.S. Multi-Outlet
For 52-week period ending July 28, 2013



Fiscal Year 2013 Financial Summary

(\$ millions, except per share)

Combined Continuing and Discontinued Operations	Fiscal Year	% Change
Net Sales*	\$8,584	11%
EBIT*	\$1,297	6%
EPS – Diluted*	\$2.64	8%



* See Non-GAAP reconciliation



Fiscal Year 2013 Financial Summary

(\$ millions, except per share)

Continuing Operations	Fiscal Year	% Change
Net Sales	\$8,052	12%
<i>Organic Net Sales*</i>		2%
EBIT*	\$1,232	6%
<i>EBIT excluding Acquisitions*</i>	\$1,172	-
Diluted EPS – Continuing Operations*	\$2.48	7%

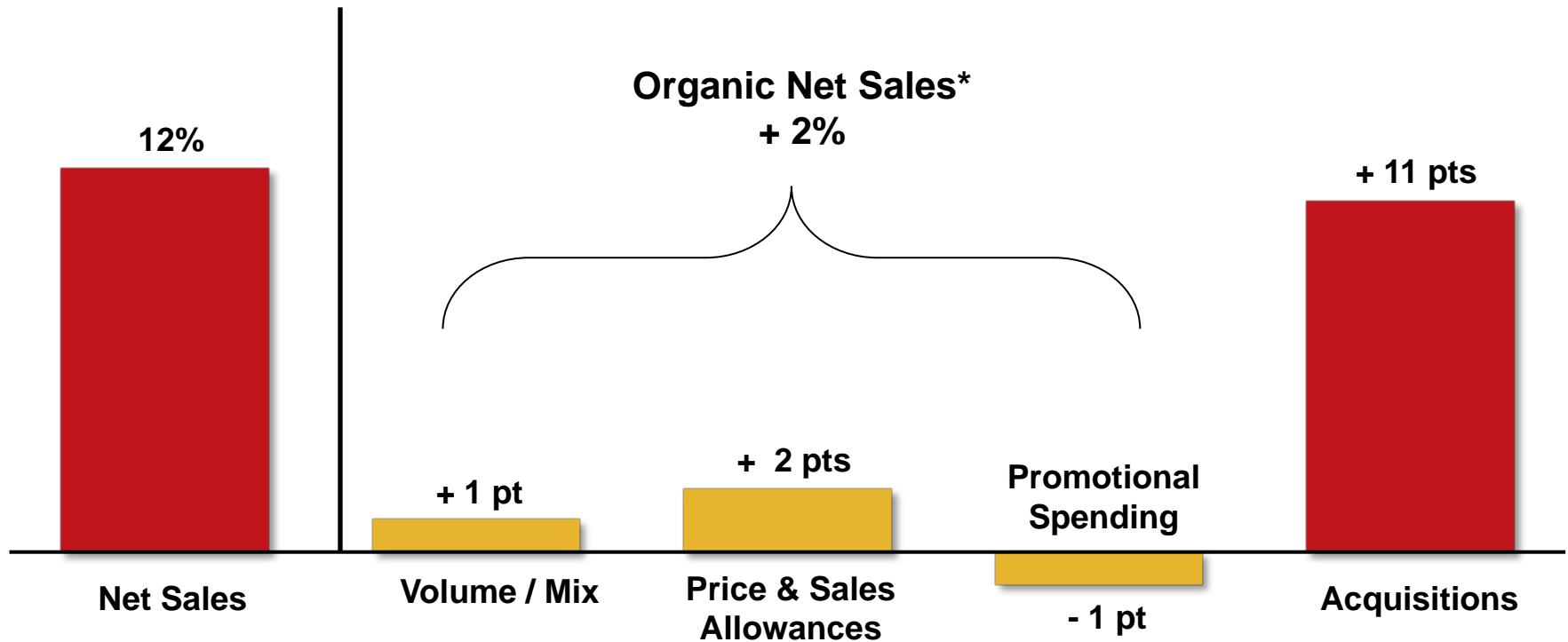


* See Non-GAAP reconciliation



Fiscal Year 2013– Components of Net Sales Change

Continuing Operations



* See Non-GAAP reconciliation

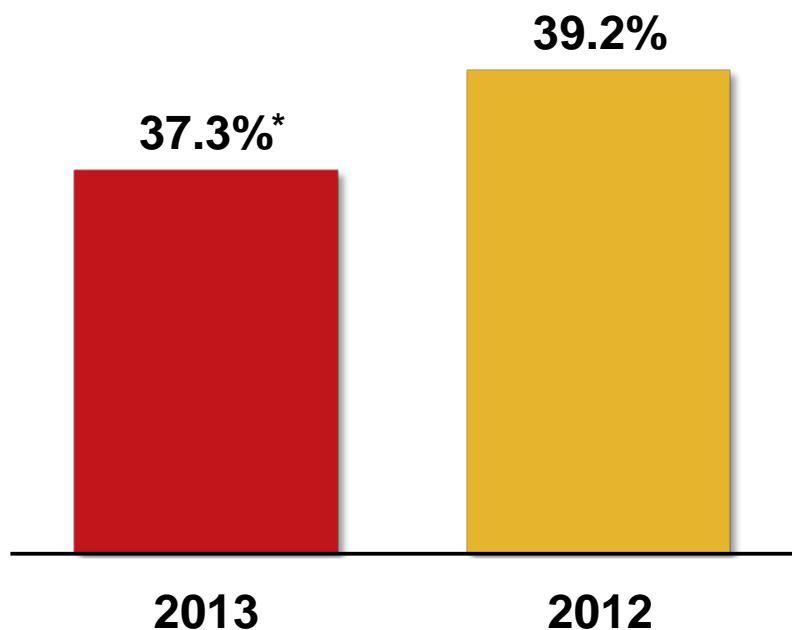
Note: Does not add across due to rounding



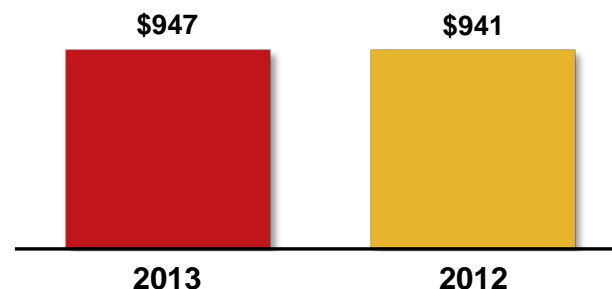
Fiscal Year 2013— Gross Margin and Other Operating Items

Continuing Operations
(\$ millions)

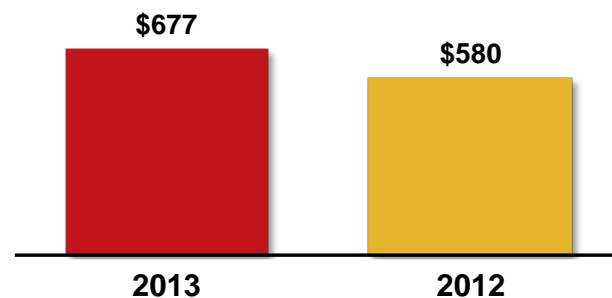
Gross Margin Percentage



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation



Fiscal Year 2013 Financial Summary

(\$ millions, except per share)

Continuing Operations	Fiscal Year	% Change
EBIT*	\$1,232	6%
Interest, Net	\$125	18%
Tax Rate*	29.8%	-1.3pts
Net Earnings – Continuing Operations*	\$786	6%
Diluted EPS – Continuing Operations*	\$2.48	7%
Diluted Shares	317	-1%



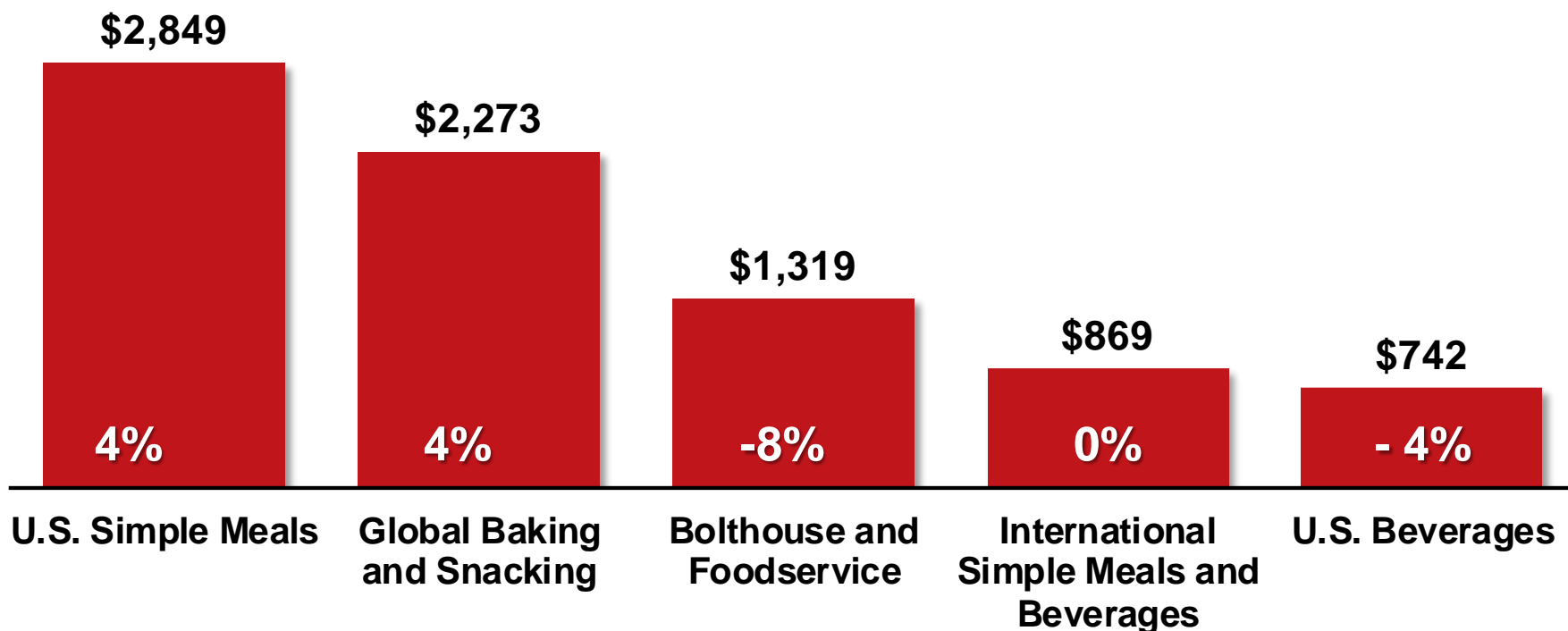
* See Non-GAAP reconciliation



Fiscal Year 2013 – Sales by Segment

(\$ millions)

Net Sales by Segment and Organic Growth Rates

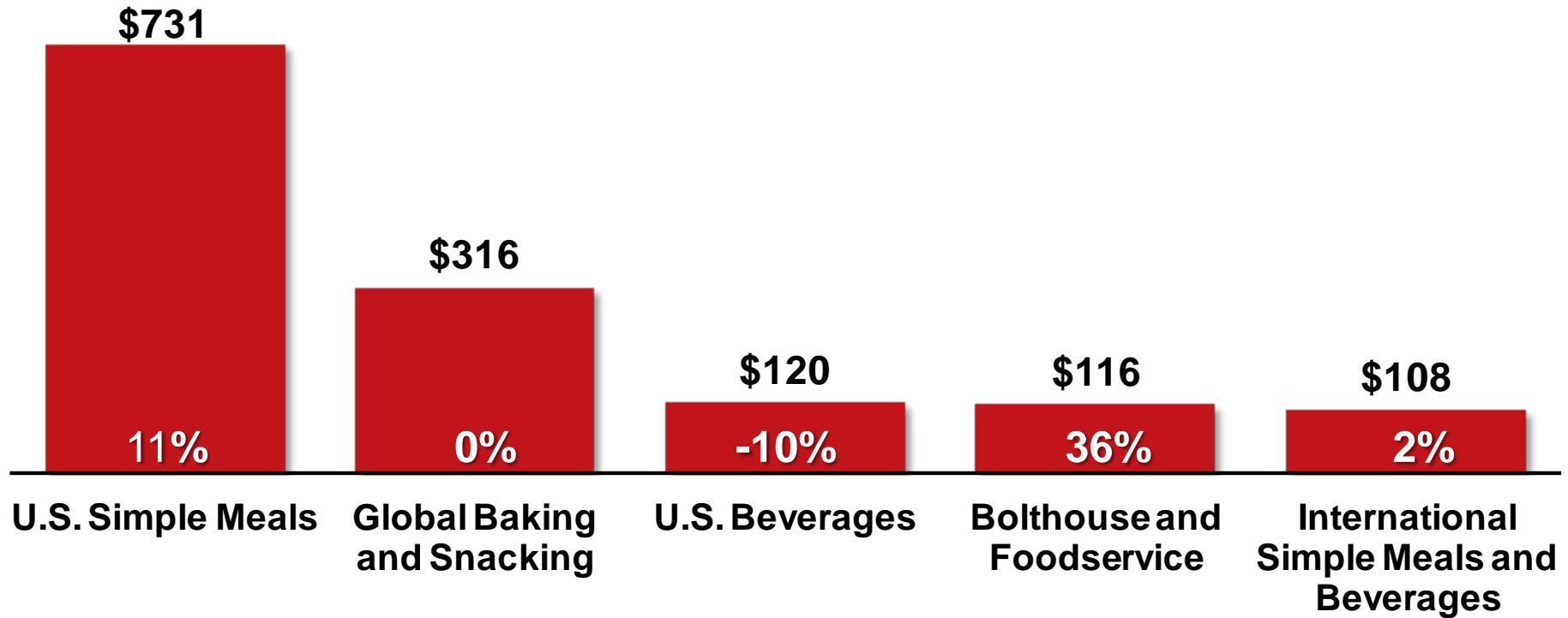


Note: Percent change represents organic growth.
See Non-GAAP reconciliation



Fiscal Year 2013– Operating Earnings by Segment

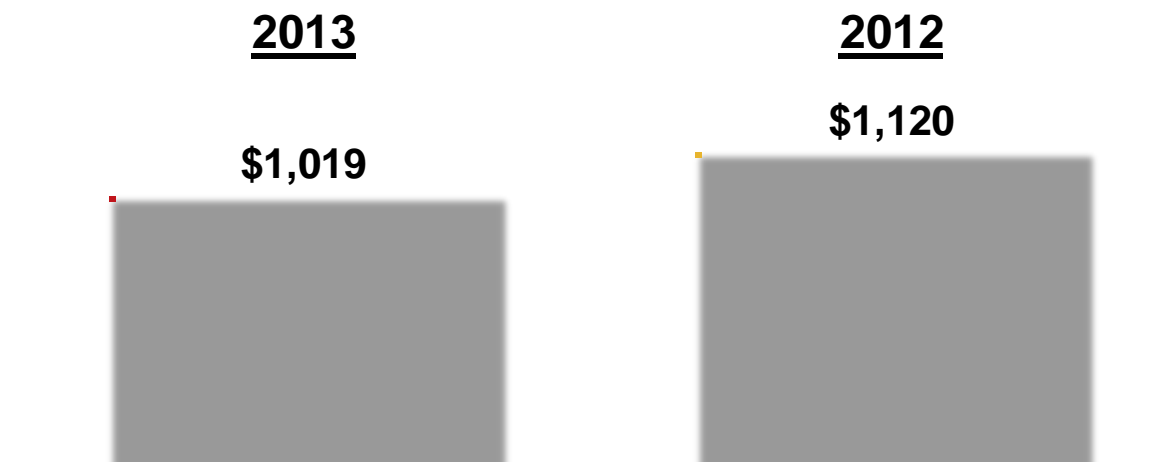
(\$ millions)



Cash Flow and Balance Sheet

(\$ millions)

Fiscal Year Cash Flow from Operations



	2013	2012
Fiscal Year Capital Expenditures	\$336	\$323
Fiscal Year Share Repurchases	\$153	\$412
Net Debt*	\$4,120	\$2,455



* See Non-GAAP reconciliation



Campbell Fiscal Year 2014 Guidance

Continuing Operations
(\$ millions, except per share)

	2013 Base	2014 Growth Rates
Net Sales	\$8,052	5% to 6%
Adjusted EBIT*	\$1,232	5% to 7%
Adjusted Net Earnings per Share*	\$2.48	3% to 5%



* See Non-GAAP reconciliation



Q & A



Denise Morrison
President and CEO



B. Craig Owens
SVP- CFO and CAO



Anthony DiSilvestro
SVP-Finance



Jennifer Driscoll
VP-IR

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Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

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

	Net Sales, As Reported	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
July 28, 2013						
U.S. Simple Meals	\$ 493	\$ (14)	\$ -	\$ 479	7%	4%
Global Baking and Snacking	570	-	13	583	3%	5%
International Simple Meals and Beverages	187	-	4	191	-7%	-5%
U.S. Beverages	173	-	-	173	-4%	-4%
Bolthouse and Foodservice	300	(185)	-	115	148%	-5%
Net Sales from continuing operations	\$ 1,723	\$ (199)	\$ 17	\$ 1,541	13%	1%
Net Sales from discontinued operations	98					
Combined Net Sales	\$ 1,821				13%	
July 29, 2012						
U.S. Simple Meals	\$ 461	\$ -	\$ -	\$ 461		
Global Baking and Snacking	556	-	-	556		
International Simple Meals and Beverages	200	-	-	200		
U.S. Beverages	181	-	-	181		
Bolthouse and Foodservice	121	-	-	121		
Net Sales from continuing operations	\$ 1,519	\$ -	\$ -	\$ 1,519		
Net Sales from discontinued operations	94					
Combined Net Sales	\$ 1,613					



Reconciliation of GAAP and Non-GAAP Financial Measures

Net Sales For the Fiscal Year Ended (\$ millions)

	Net Sales, As Reported	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
July 28, 2013						
U.S. Simple Meals	\$ 2,849	\$ (14)	\$ -	\$ 2,835	5%	4%
Global Baking and Snacking	2,273	-	10	2,283	4%	4%
International Simple Meals and Beverages	869	-	3	872	0%	0%
U.S. Beverages	742	-	-	742	-4%	-4%
Bolthouse and Foodservice	1,319	(756)	-	563	116%	-8%
Net Sales from continuing operations	\$ 8,052	\$ (770)	\$ 13	\$ 7,295	12%	2%
Net Sales from discontinued operations	532					
Combined Net Sales	\$ 8,584				11%	
July 29, 2012						
U.S. Simple Meals	\$ 2,726	\$ -	\$ -	\$ 2,726		
Global Baking and Snacking	2,193	-	-	2,193		
International Simple Meals and Beverages	872	-	-	872		
U.S. Beverages	774	-	-	774		
Bolthouse and Foodservice	610	-	-	610		
Net Sales from continuing operations	\$ 7,175	\$ -	\$ -	\$ 7,175		
Net Sales from discontinued operations	532					
Combined Net Sales	\$ 7,707					



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations
(\$ millions)

Fourth Quarter

	Gross Margin	GM %	Tax	Tax Rate
2013 - As Reported	\$ 623	36.2%	\$ 33	22.3%
Add: Restructuring charges and related costs	10		11	
2013 - Adjusted	\$ 633	36.7%	\$ 44	24.7%
2012 - As Reported	\$ 593	39.0%	\$ 54	30.3%
Add: Acquisition transaction costs	-		2	
2012 - Adjusted	\$ 593	39.0%	\$ 56	30.6%



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations
(\$ millions)

Fiscal Year

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2013 - As Reported	\$ 2,912	36.2%	\$ 275	28.8%
Add: Restructuring charges and related costs	91		52	
Add: Acquisition transaction costs	-		3	
2013 - Adjusted	\$ 3,003	37.3%	\$ 330	29.8%
2012 - As Reported	\$ 2,810	39.2%	\$ 325	31.0%
Add: Restructuring charges and related costs	-		3	
Add: Acquisition transaction costs	-		2	
2012 - Adjusted	\$ 2,810	39.2%	\$ 330	31.1%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Fourth Quarter

	Continuing Operations			Discontinued Operations			Combined		
	EBIT	Net Earnings	Diluted EPS*	EBIT	Net Earnings	Diluted EPS*	EBIT	Net Earnings	Diluted EPS*
2013 - As Reported	\$ 178	\$ 117	\$ 0.37	\$ (387)	\$ (275)	\$ (0.87)	\$ (209)	\$ (158)	\$ (0.50)
Add: Restructuring charges and related costs	30	19	0.06	-	-	-	30	19	0.06
Add: Impairment on European business	-	-	-	396	263	0.83	396	263	0.83
Add: Tax expense on book & tax differences	-	-	-	-	18	0.06	-	18	0.06
2013 - Adjusted	<u>\$ 208</u>	<u>\$ 136</u>	<u>\$ 0.43</u>	<u>\$ 9</u>	<u>\$ 6</u>	<u>\$ 0.02</u>	<u>\$ 217</u>	<u>\$ 142</u>	<u>\$ 0.45</u>
2012 - As Reported	\$ 203	\$ 126	\$ 0.39	\$ -	\$ 1	\$ -	\$ 203	\$ 127	\$ 0.40
Add: Acquisition transaction costs	5	3	0.01	-	-	-	5	3	0.01
2012 - Adjusted	<u>\$ 208</u>	<u>\$ 129</u>	<u>\$ 0.40</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 208</u>	<u>\$ 130</u>	<u>\$ 0.41</u>
% Change	0%	5%	8%	N/M	N/M	N/M	4%	9%	10%



*May not add due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations
(\$ millions)

Fourth Quarter

	<u>EBIT</u>
2013 - Adjusted	\$ 208
Deduct: Bolthouse and Plum earnings	(14)
2013 - Adjusted, less acquisition	<u>\$ 194</u>
2012 - Adjusted	\$ 208
% Change	-7%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Fiscal Year	Continuing Operations			Discontinued Operations			Combined		
	EBIT	Net Earnings	Diluted EPS*	EBIT	Net Earnings	Diluted EPS*	EBIT	Net Earnings	Diluted EPS*
2013 - As Reported	\$ 1,080	\$ 689	\$ 2.17	\$ (331)	\$ (231)	\$ (0.73)	\$ 749	\$ 458	\$ 1.44
Add: Restructuring charges and related costs	142	90	0.28	-	-	-	142	90	0.28
Add: Acquisition transaction costs	10	7	0.02	-	-	-	10	7	0.02
Add: Impairment on European business	-	-	-	396	263	0.83	396	263	0.83
Add: Tax expense on book & tax differences	-	-	-	-	18	0.06	-	18	0.06
2013 - Adjusted	<u>\$ 1,232</u>	<u>\$ 786</u>	<u>\$ 2.48</u>	<u>\$ 65</u>	<u>\$ 50</u>	<u>\$ 0.16</u>	<u>\$ 1,297</u>	<u>\$ 836</u>	<u>\$ 2.64</u>
2012 - As Reported	\$ 1,155	\$ 734	\$ 2.29	\$ 57	\$ 40	\$ 0.12	\$ 1,212	\$ 774	\$ 2.41
Add: Restructuring charges and related costs	7	4	0.01	3	2	0.01	10	6	0.02
Add: Acquisition transaction costs	5	3	0.01	-	-	-	5	3	0.01
2012 - Adjusted	<u>\$ 1,167</u>	<u>\$ 741</u>	<u>\$ 2.31</u>	<u>\$ 60</u>	<u>\$ 42</u>	<u>\$ 0.13</u>	<u>\$ 1,227</u>	<u>\$ 783</u>	<u>\$ 2.44</u>
% Change	6%	6%	7%	8%	19%	23%	6%	7%	8%



*May not add due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

Continuing Operations
(\$ millions)

Fiscal Year

	<u>EBIT</u>
2013 - Adjusted	\$ 1,232
Deduct: Bolthouse and Plum earnings	(60)
2013 - Adjusted, less acquisition	<u>\$ 1,172</u>
2012 - Adjusted	\$ 1,167
% Change	0%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>July 28, 2013</u>	<u>July 29, 2012</u>
Short-Term Borrowings	\$ 1,909	\$ 786
Long-Term Debt	2,544	2,004
Total Debt	\$ 4,453	\$ 2,790
Less: Cash and Cash Equivalents	(333)	(335)
Net Debt	<u>\$ 4,120</u>	<u>\$ 2,455</u>

