

F'13 Second-Quarter Earnings Call & Webcast

February 15, 2013





Important Reminders: Second Quarter of Fiscal Year 2013

Jennifer Driscoll

Vice President, Investor Relations


**FOCUS
FORWARD**



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 2013, on our ability to execute our new business strategies successfully, on our expectations for acquired businesses, 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 brand building and innovation; 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.



**Campbell Presentation:
Wednesday, February 20th
10:30 Eastern**





Investor Update

Denise Morrison

President & CEO



OUR GOAL

**DRIVE
SUSTAINABLE
PROFITABLE
NET SALES
GROWTH**

**CONSUMER
FIRST**



Solid Performance in Second Quarter

- Net sales up 10% and adjusted earnings up 6%*
- Achieved growth while advancing work on cost controls and productivity improvements
- Laser focus on brand building and innovation



*See Non-GAAP reconciliation



Three Solid Performers



U.S. SIMPLE MEALS



**GLOBAL BAKING
AND SNACKING**



**BOLTHOUSE
FARMS**



Campbell Fiscal Year 2013 Guidance

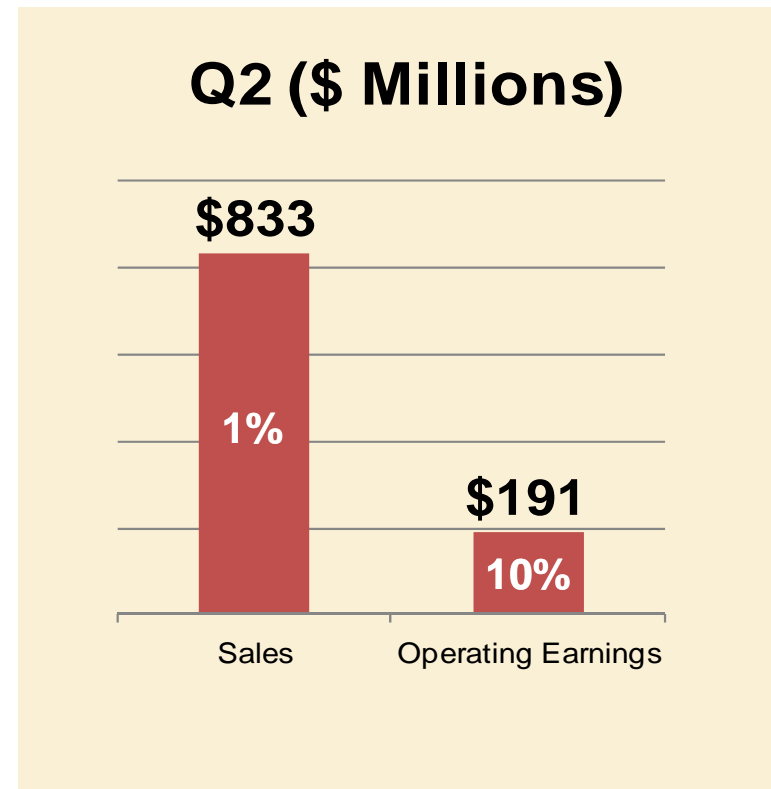
(\$ millions, except per share)

	2012 Base	2013 Growth Rate
Net Sales	\$7,707	10% to 12%
Adjusted EBIT*	\$1,227	4% to 6%
Adjusted Net Earnings per Share*	\$2.44	3% to 5% \$2.51 to \$2.57

*See Non-GAAP reconciliation



U.S. Simple Meals



U.S. Soup Sales Increased 1%



Optimizing All of the Drivers of Demand

Advertising Spending at Competitive Levels and More Effective



New Breakthrough Innovations

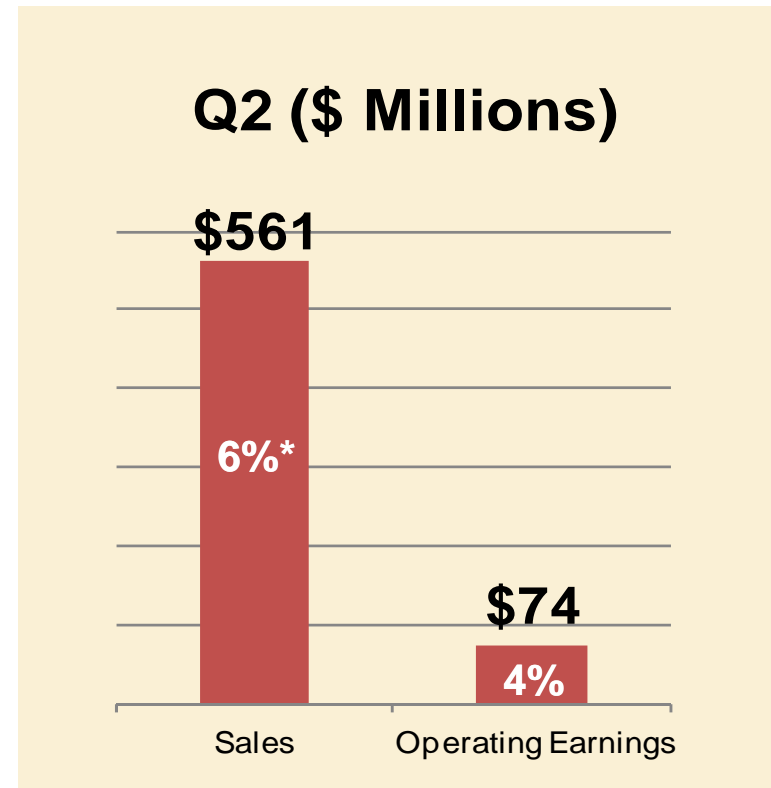
Campbell's
GO™



Global Baking and Snacking



Q2 (\$ Millions)



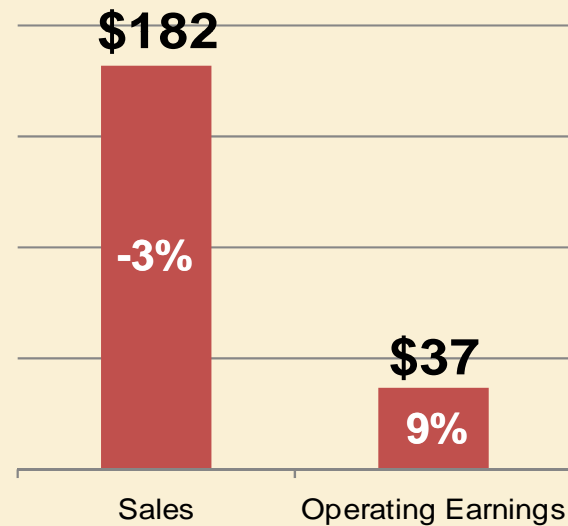
* Percentage change represents organic growth
See Non-GAAP reconciliation



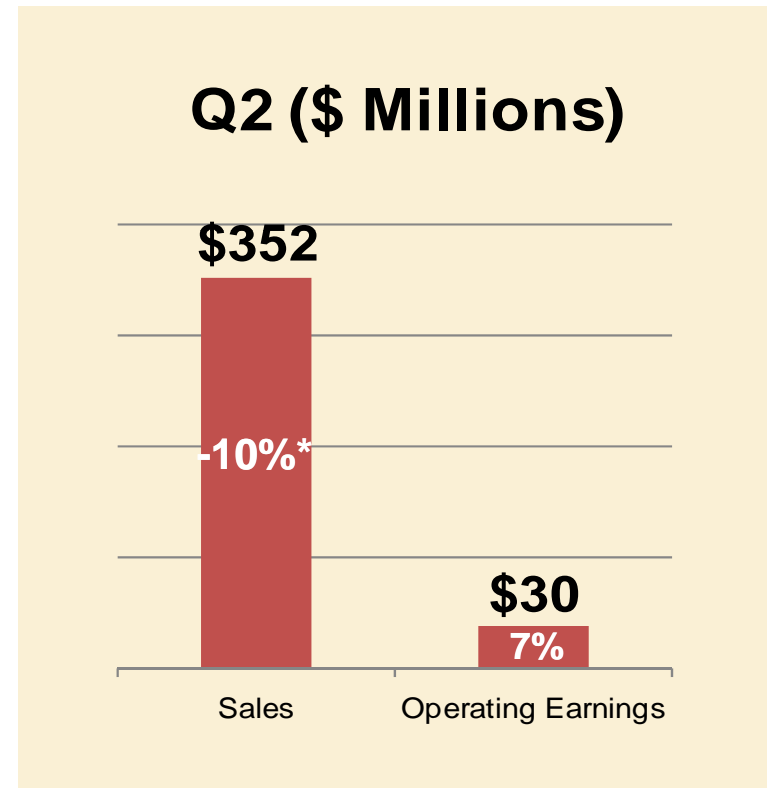
U.S. Beverages



Q2 (\$ Millions)



Bolthouse & Foodservice



Bolthouse Farms Contributed \$195 Million in Sales



* Percentage change represents organic growth
See Non-GAAP reconciliation



Expanded Access To Production and Distribution Capabilities in Mexico



PROGRESS IN FIRST HALF

DELIVERED POSITIVE RESULTS
IN THE FIRST HALF

EXPECT CONTINUED INVESTMENT AND
PROFITABLE SALES GROWTH
IN SECOND HALF





CFO Perspective

B. Craig Owens

*SVP-Finance, CFO and
Chief Administrative Officer*

Campbell's
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FORWARD**



Agenda

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

Second-Quarter Financial Summary

(\$ millions, except per share)

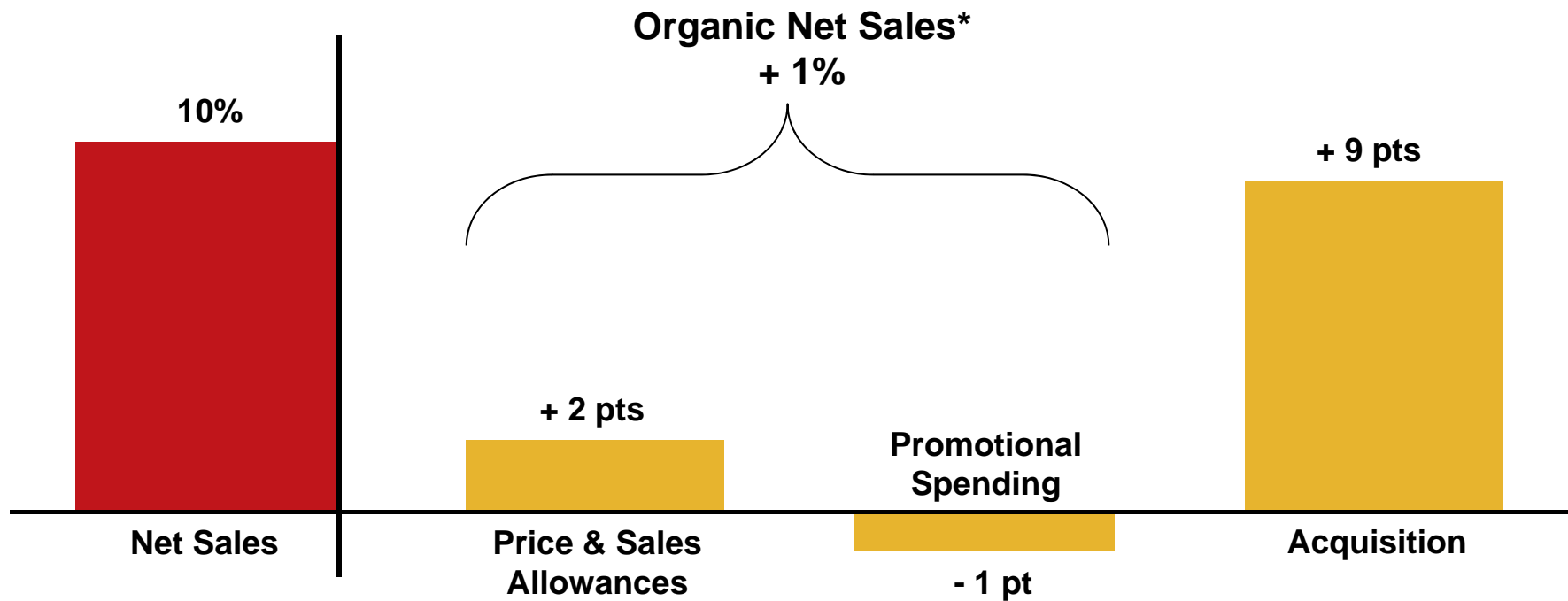
	Second Quarter	% Change
Net Sales	\$2,333	10%
<i>Organic Net Sales*</i>		1%
EBIT*	\$349	5%
<i>EBIT excluding Bolthouse*</i>	\$334	1%
EPS – Diluted*	\$0.70	9%



* See Non-GAAP reconciliation



Second Quarter – Components of Net Sales Change



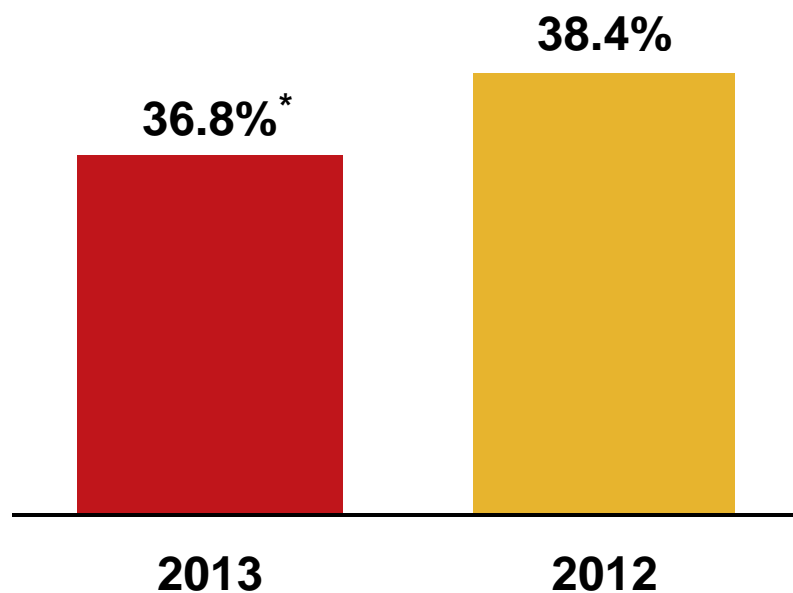
* See Non-GAAP reconciliation



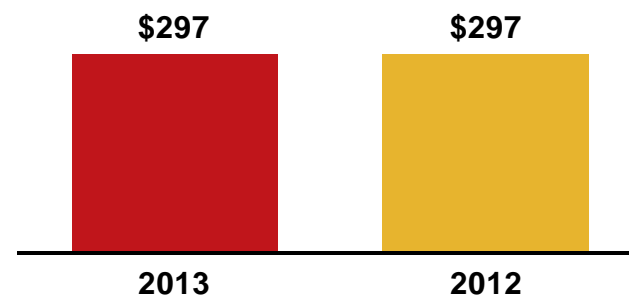
Second Quarter – Gross Margin and Other Operating Items

(\$ millions)

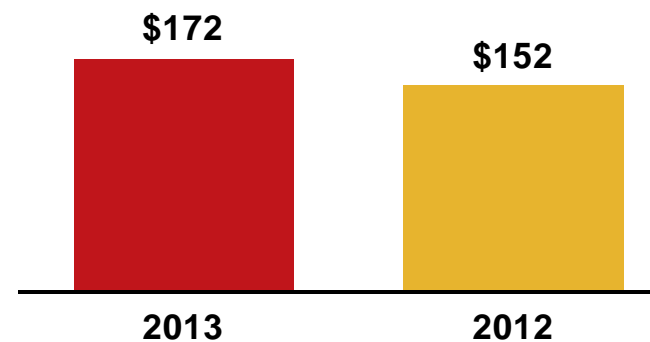
Gross Margin Percentage



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation



Second-Quarter Financial Summary

(\$ millions, except per share)

	Second Quarter	% Change
EBIT*	\$349	5%
Interest, Net	\$31	19%
Tax Rate*	31.8%	-1.9pts
Net Earnings*	\$220	6%
EPS – Diluted*	\$0.70	9%
Diluted Shares	316	-1%

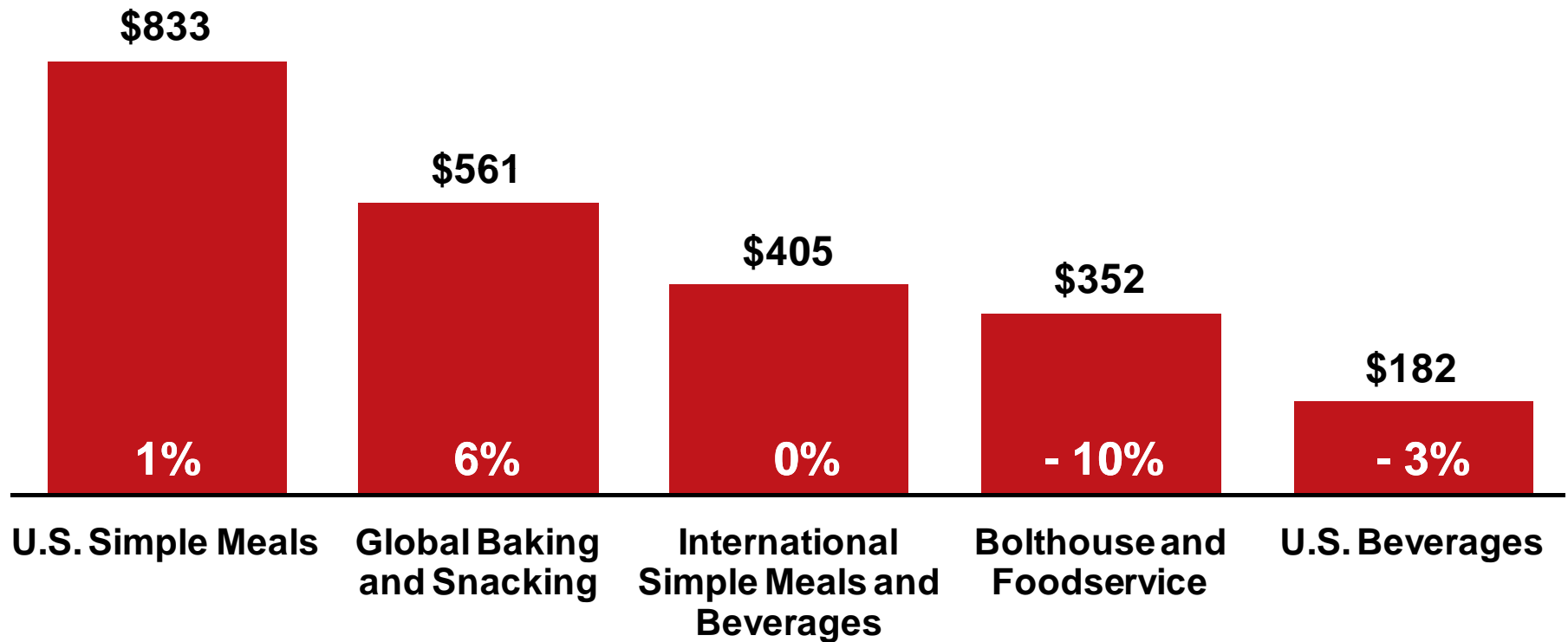


* See Non-GAAP reconciliation



Second Quarter – Net Sales by Segment

(\$ millions)

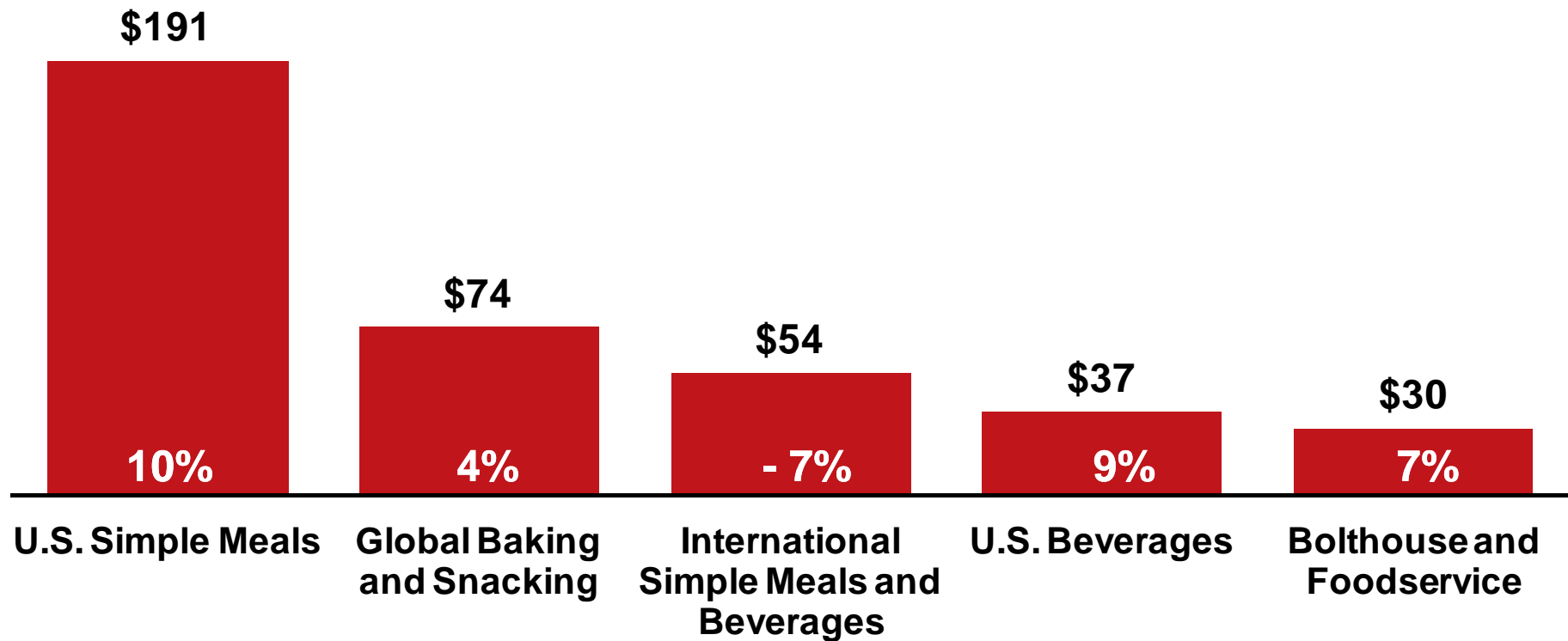


Note: Percent change represents organic growth.
See Non-GAAP reconciliation



Second Quarter – Operating Earnings by Segment

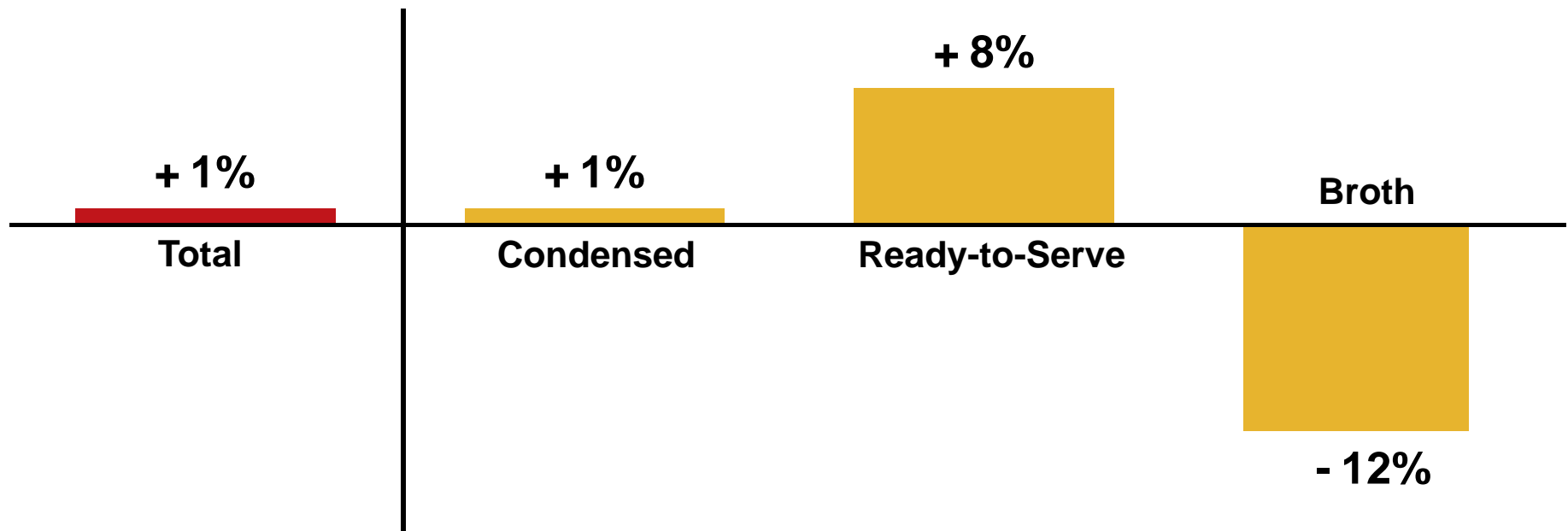
(\$ millions)



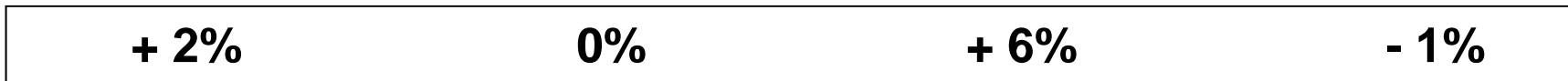
U.S. Soup Net Sales

Second Quarter

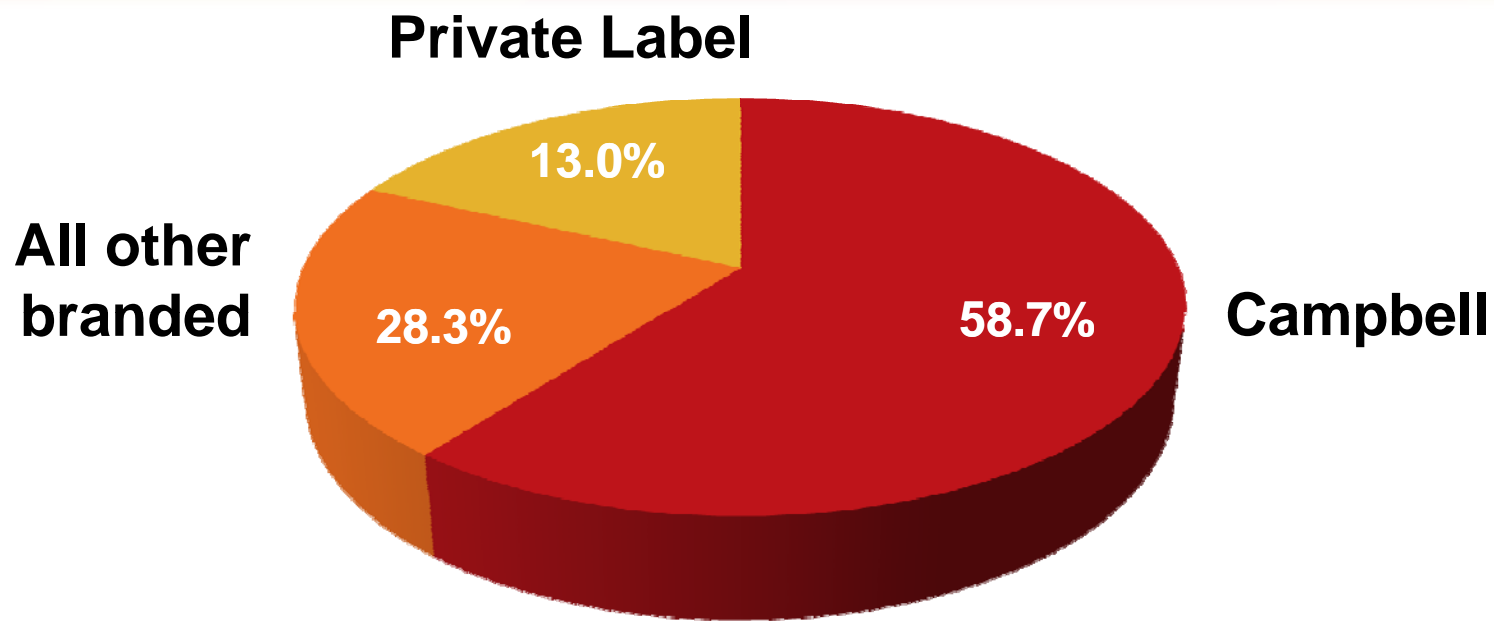
% Change vs. prior year



First Half



Retail Sales – U.S. Wet Soup 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:	-1.2 ppts	+1.3 ppts	-0.1 ppts
Dollar Sales Change:	+0.2%	+7.1%	+1.1%

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

Source: Symphony IRI multi-outlet data.

For 52-week period ending Jan. 27, 2013



First-Half Financial Summary

(\$ millions, except per share)

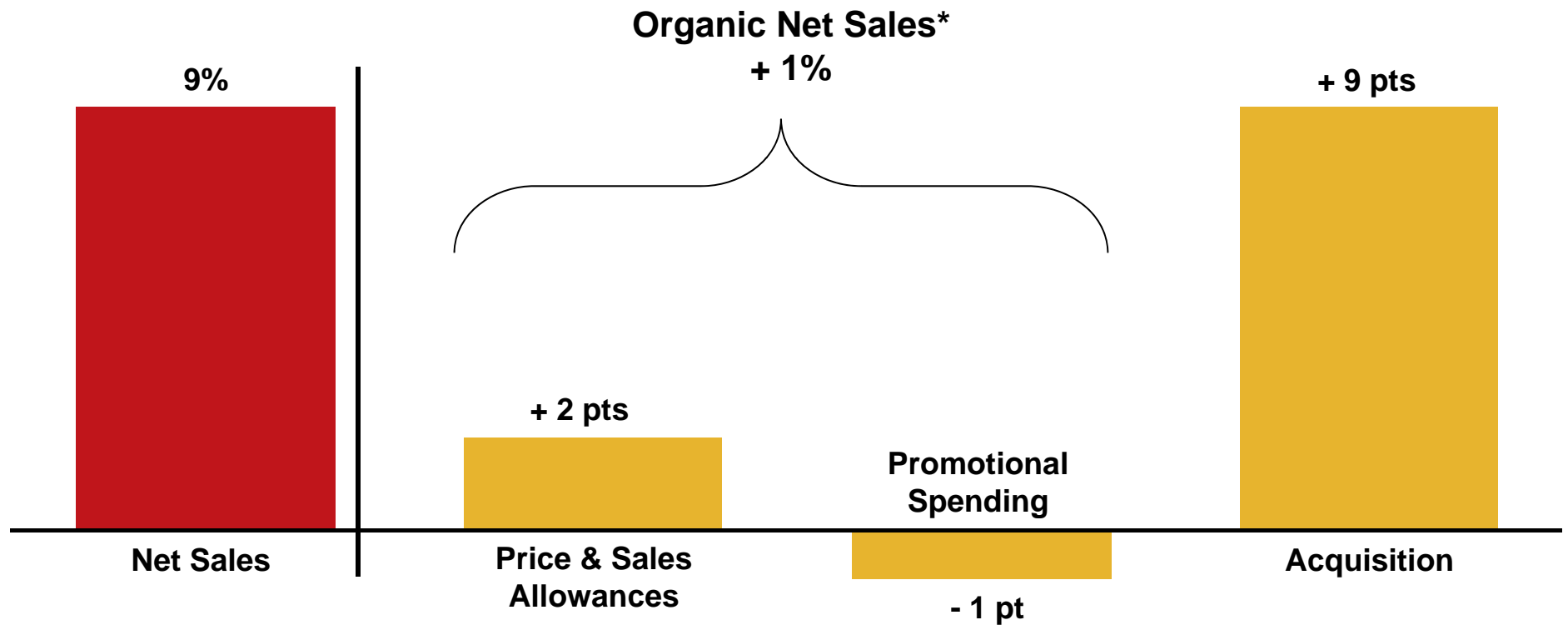
	First Half	% Change
Net Sales	\$4,669	9%
<i>Organic Net Sales*</i>		1%
EBIT*	\$787	5%
<i>EBIT excluding Bolthouse*</i>	\$758	1%
EPS – Diluted*	\$1.58	8%



* See Non-GAAP reconciliation



First Half – Components of Net Sales Change



* See Non-GAAP reconciliation

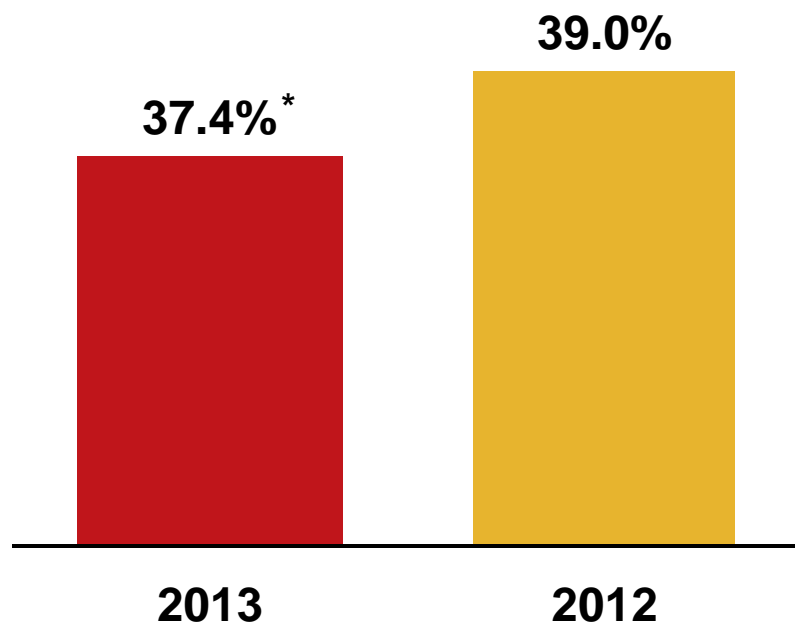
Note: Does not add across due to rounding



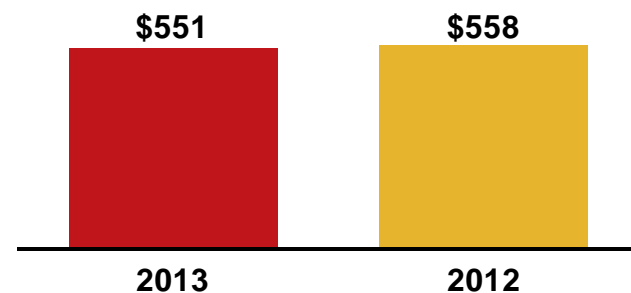
First Half – Gross Margin and Other Operating Items

(\$ millions)

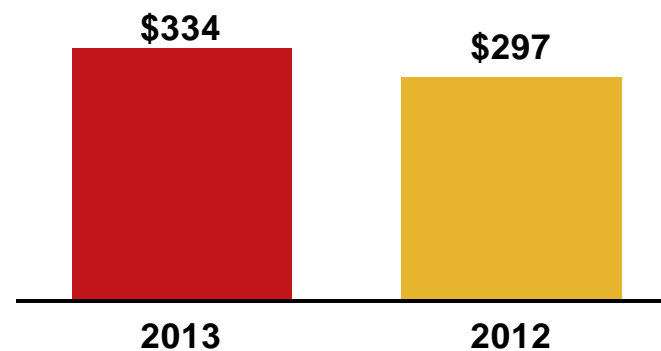
Gross Margin Percentage



Marketing & Selling Expenses



Administrative Expenses



* See Non-GAAP reconciliation



First-Half Financial Summary

(\$ millions, except per share)

	First Half	% Change
EBIT*	\$787	5%
Interest, Net	\$64	19%
Tax Rate*	31.7%	-1.2pts
Net Earnings*	\$499	5%
EPS – Diluted*	\$1.58	8%
Diluted Shares	316	-2%



* See Non-GAAP reconciliation



Cash Flow and Balance Sheet

(\$ millions)

First Half Cash Flow from Operations



	2013	2012
Year-to-Date Capital Expenditures	\$110	\$97
Year-to-Date Share Repurchases	\$63	\$173
Net Debt*	\$4,019	\$2,556



* See Non-GAAP reconciliation



Campbell Fiscal Year 2013 Guidance

(\$ millions, except per share)

	2012 Base	2013 Growth Rate
Net Sales	\$7,707	10% to 12%
Adjusted EBIT*	\$1,227	4% to 6%
Adjusted Net Earnings per Share*	\$2.44	3% to 5% \$2.51 to \$2.57



* See Non-GAAP reconciliation



Q & A



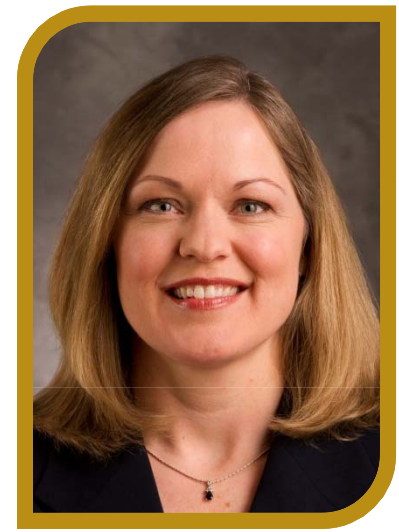
Denise Morrison
President and CEO



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



Anthony DiSilvestro
SVP-Finance



Jennifer Driscoll
VP-IR



Key Takeaways

- ▶ Continued progress on advancing our three growth strategies
- ▶ U.S. Simple Meals is picking up steam
- ▶ Global Baking and Snacking posted solid results
- ▶ Work to do to improve performance of U.S. Beverages and North America Foodservice businesses
- ▶ Bolthouse Farms delivered another good quarter driven by innovation and increased distribution across its three categories
- ▶ Agreements with Grupo Jumex and La Costeña will give Campbell expanded access to manufacturing and distribution capabilities in Mexico



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Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

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

Second Quarter <u>January 27, 2013</u>	Net Sales, As Reported	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
U.S. Simple Meals	\$ 833	\$ -	\$ -	\$ 833	1%	1%
Global Baking and Snacking	561	-	(4)	557	7%	6%
International Simple Meals and Beverages	405	-	(3)	402	1%	0%
U.S. Beverages	182	-	-	182	-3%	-3%
Bolthouse and Foodservice*	352	(195)	-	156	103%	-10%
Total Net Sales*	\$ 2,333	\$ (195)	\$ (7)	\$ 2,130	10%	1%
<u>January 29, 2012</u>						
U.S. Simple Meals	\$ 824	\$ -	\$ -	\$ 824		
Global Baking and Snacking	526	-	-	526		
International Simple Meals and Beverages	402	-	-	402		
U.S. Beverages	187	-	-	187		
Bolthouse and Foodservice	173	-	-	173		
Total Net Sales	\$ 2,112	\$ -	\$ -	\$ 2,112		

*Does not add across due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

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

	Net Sales, As Reported	Impact of Acquisitions	Impact of Currency	Organic Net Sales	% Change	
					Net Sales, As Reported	Organic Net Sales
January 27, 2013						
U.S. Simple Meals	\$ 1,729	\$ -	\$ -	\$ 1,729	2%	2%
Global Baking and Snacking	1,135	-	(2)	1,133	4%	4%
International Simple Meals and Beverages	759	-	6	765	0%	1%
U.S. Beverages	371	-	-	371	-4%	-4%
Bolthouse and Foodservice	675	(366)	(1)	308	101%	-8%
Total Net Sales	\$ 4,669	\$ (366)	\$ 3	\$ 4,306	9%	1%
January 29, 2012						
U.S. Simple Meals	\$ 1,698	\$ -	\$ -	\$ 1,698		
Global Baking and Snacking	1,094	-	-	1,094		
International Simple Meals and Beverages	761	-	-	761		
U.S. Beverages	385	-	-	385		
Bolthouse and Foodservice	335	-	-	335		
Total Net Sales	\$ 4,273	\$ -	\$ -	\$ 4,273		



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	Gross Margin	GM %	Tax	Tax Rate
2013 - As Reported	\$ 819	35.1%	\$ 83	30.7%
Add: Restructuring charges and related costs	40		18	
2013 - Adjusted	\$ 859	36.8%	\$ 101	31.8%
2012 - As Reported	\$ 811	38.4%	\$ 102	33.7%
Add: Restructuring charges	-		1	
2012 - Adjusted	\$ 811	38.4%	\$ 103	33.7%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Six Months

	<u>Gross Margin</u>	<u>GM %</u>	<u>Tax</u>	<u>Tax Rate</u>
2013 - As Reported	\$ 1,684	36.1%	\$ 192	30.9%
Add: Restructuring charges and related costs	61		34	
Add: Acquisition transaction costs	-		3	
2013 - Adjusted	<u>\$ 1,745</u>	<u>37.4%</u>	<u>\$ 229</u>	<u>31.7%</u>
2012 - As Reported	\$ 1,665	39.0%	\$ 227	32.9%
Add: Restructuring charges	-		2	
2012 - Adjusted	<u>\$ 1,665</u>	<u>39.0%</u>	<u>\$ 229</u>	<u>32.9%</u>



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>
2013 - As Reported	\$ 301	\$ 190	\$ 0.60
Add: Restructuring charges and related costs	48	30	0.09
2013 - Adjusted	<u>\$ 349</u>	<u>\$ 220</u>	<u>\$ 0.70</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>
% Change	5%	6%	9%



*Does not add due to rounding



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Second Quarter

	<u>EBIT</u>
2013 - Adjusted	\$ 349
Deduct: Bolthouse earnings	(15)
2013 - Adjusted, less acquisition	<u>\$ 334</u>
2012 - Adjusted	\$ 332
% Change	1%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Six Months

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS</u>
2013 - As Reported	\$ 686	\$ 435	\$ 1.38
Add: Restructuring charges and related costs	91	57	0.18
Add: Acquisition transaction costs	10	7	0.02
2013 - Adjusted	<u>\$ 787</u>	<u>\$ 499</u>	<u>\$ 1.58</u>
2012 - As Reported	\$ 745	\$ 470	\$ 1.45
Add: Restructuring charges	5	3	0.01
2012 - Adjusted	<u>\$ 750</u>	<u>\$ 473</u>	<u>\$ 1.46</u>
% Change	5%	5%	8%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Six Months

	<u>EBIT</u>
2013 - Adjusted	\$ 787
Deduct: Bolthouse earnings	(29)
2013 - Adjusted, less acquisition	<u>\$ 758</u>
2012 - Adjusted	\$ 750
% Change	1%



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

Net Debt

	<u>January 27, 2013</u>	<u>January 29, 2012</u>
Short-Term Borrowings	\$ 1,489	\$ 870
Long-Term Debt	2,940	2,008
Total Debt	<u>\$ 4,429</u>	<u>\$ 2,878</u>
Less: Cash and Cash Equivalents	(410)	(322)
Net Debt	<u><u>\$ 4,019</u></u>	<u><u>\$ 2,556</u></u>



Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions, except per share)

Fiscal Year

	<u>EBIT</u>	<u>Net Earnings</u>	<u>Diluted EPS</u>
2012 - As Reported	\$ 1,212	\$ 774	\$ 2.41
Add: Restructuring charges	10	6	0.02
Add: Acquisition transaction costs	5	3	0.01
2012 - Adjusted	<u><u>\$ 1,227</u></u>	<u><u>\$ 783</u></u>	<u><u>\$ 2.44</u></u>

