



# **FOCUS FORWARD**



**F'12 First-Quarter Earnings Call & Webcast**

**Nov. 22, 2011**



# Important Reminders: First Quarter of Fiscal Year 2012

**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 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**





# 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



# Connecting with Consumers





# Connecting with Consumers



# First-Quarter Results

- Net sales decreased 1 percent to \$2.161 billion
- EBIT decreased 6 percent to \$416 million
- Net earnings per share \$0.82



# A Year of Investment and Transition

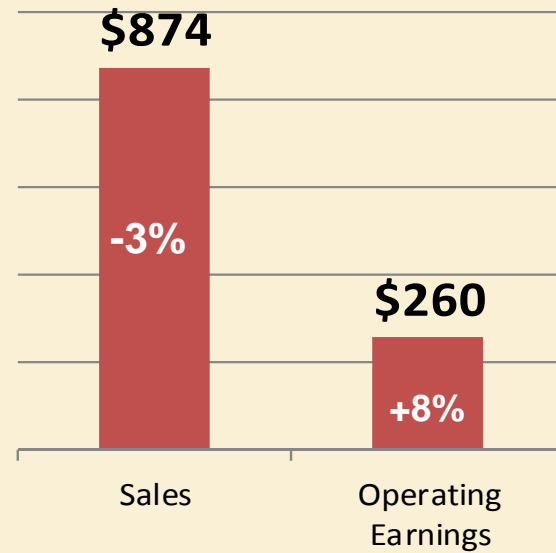


# U.S. Simple Meals

Solid profit growth despite sales decline



## Q1 (\$ Millions)



# U.S. Soup Advertising

**Consumer marketing commenced later in quarter  
to coincide with start of soup season**

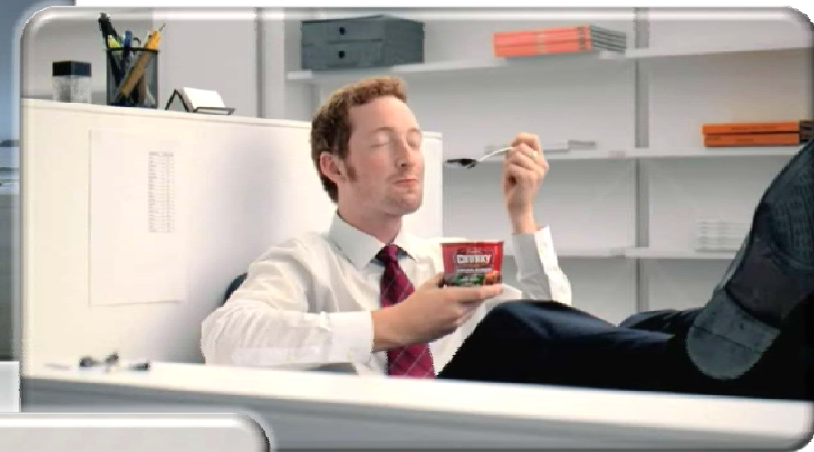


As part of a healthy lifestyle that includes sensible eating and exercise.



# U.S. Soup Advertising

Advertising now in full swing



# Focus on Innovation

Achieved distribution goals for new soups, broths and sauces

**35**  
New  
Products

**ACOSTA**  
SALES & MARKETING

Improved  
Coverage at  
**5,000**  
Stores



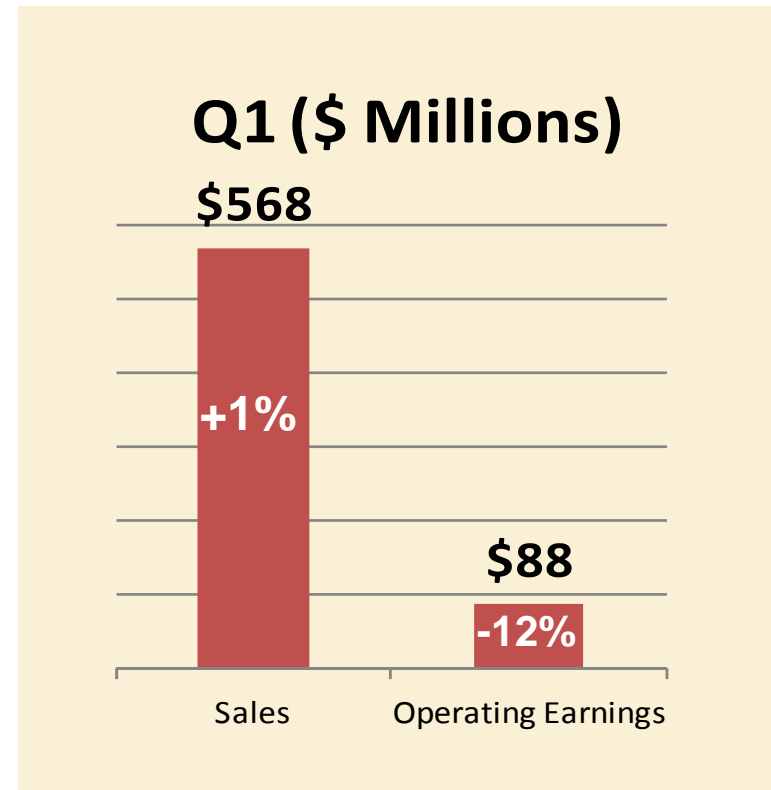
## Breakthrough Innovation Teams

**BREAKTHROUGHS  
CONSUMER-DRIVEN  
NEW INNOVATION  
PRODUCTS DISRUPTIVE  
TEAMS MOVING QUICKLY**





# Global Baking and Snacking



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



# Global Baking and Snacking

Australian consumer environment weakened



# Pepperidge Farm Innovation

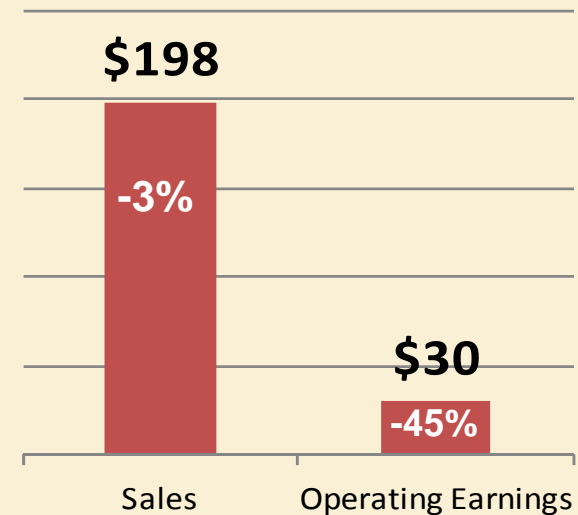


# U.S. Beverages

- Significant inflation
- Weaker category
- Intensified competition



## Q1 (\$ Millions)



# U.S. Beverages

## Product innovations and new advertising campaign



# 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





# CFO Perspective

**B. Craig Owens**

*SVP-Finance, CFO and  
Chief Administrative Officer*



# Agenda

- First-quarter results
- First-quarter segment highlights
- Full-year earnings guidance



# First-Quarter Financial Summary

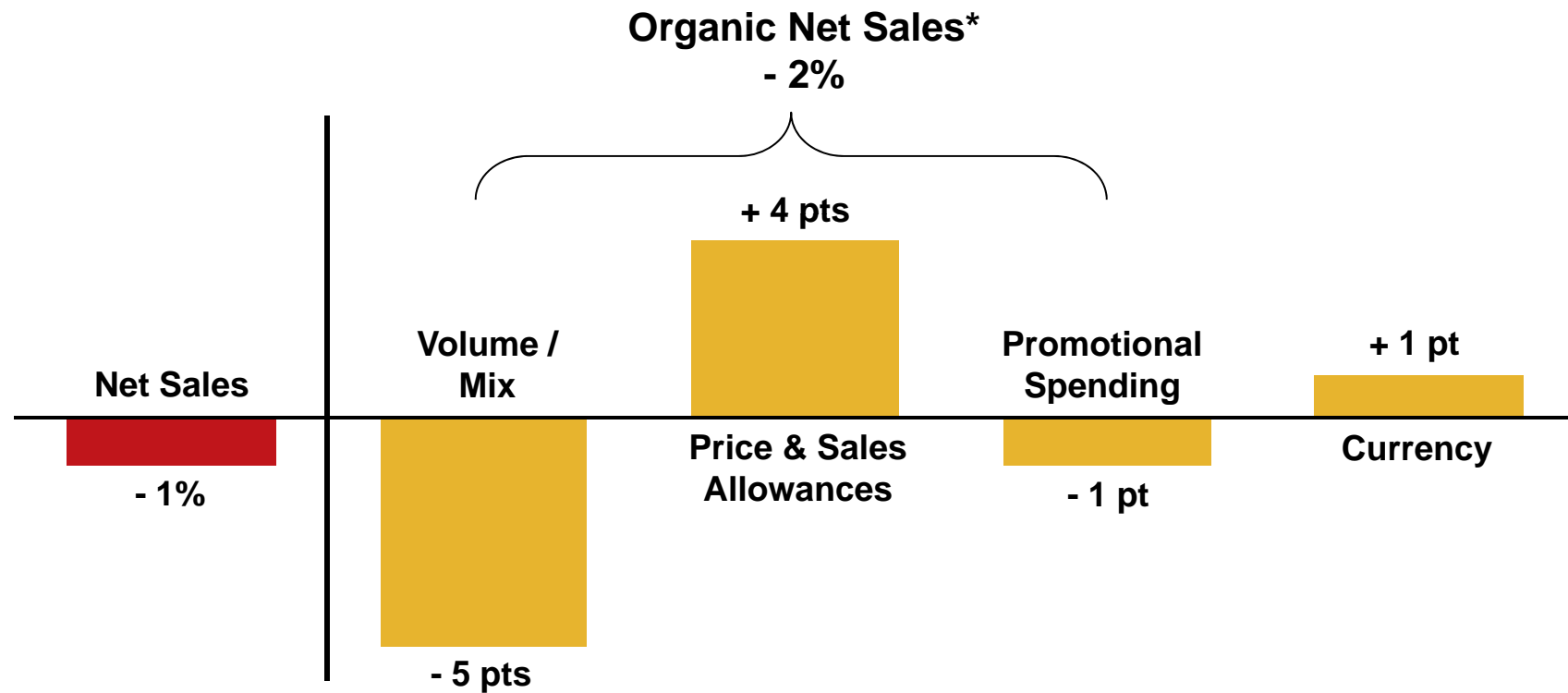
(\$ millions, except per share)

	First Quarter	% Change
<b>Net Sales</b>	\$2,161	- 1%
<i>Organic Net Sales*</i>		- 2%
<b>EBIT</b>	\$416	- 6%
<b>EPS – Diluted</b>	\$0.82	0%

\*See Non-GAAP reconciliation



# First Quarter – Components of Net Sales Change



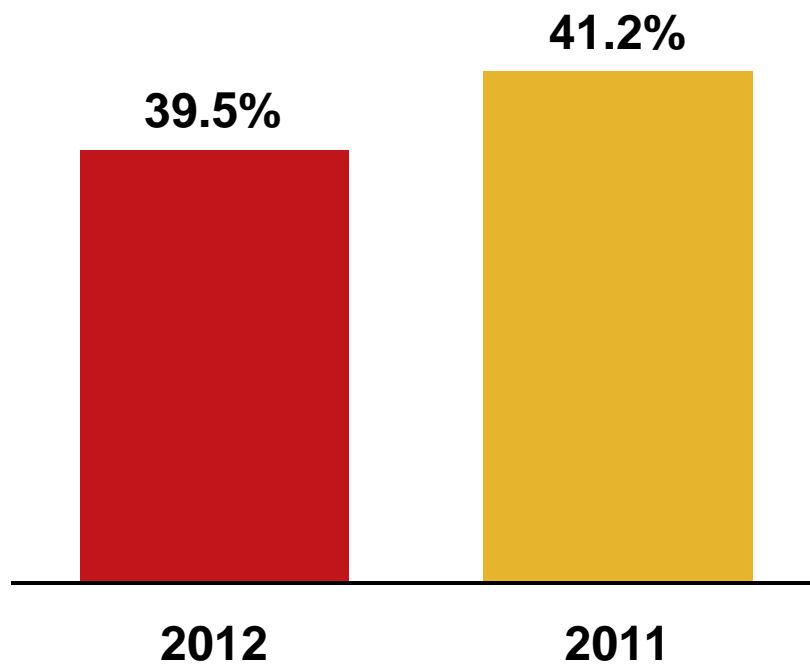
\*See Non-GAAP reconciliation



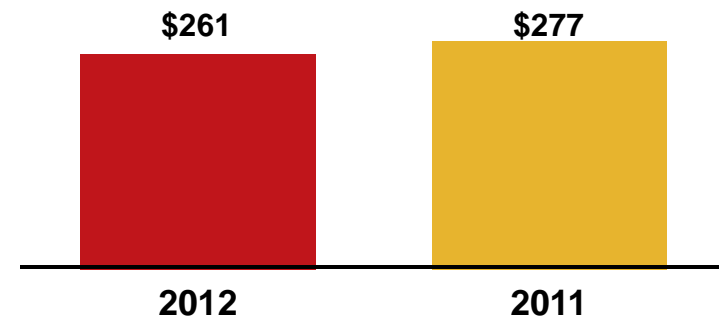
# First Quarter – Gross Margin and Other Operating Items

(\$ millions)

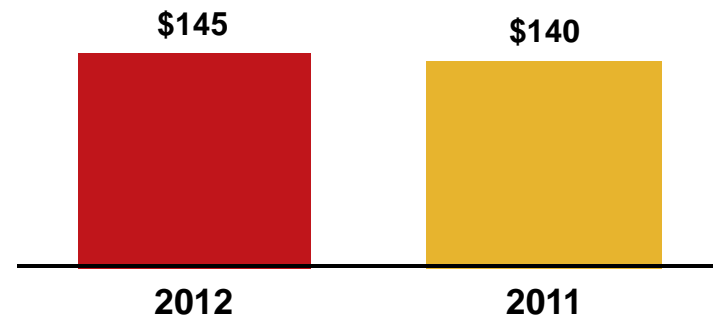
## Gross Margin Percentage



## Marketing and Selling Expenses



## Administrative Expenses



# First-Quarter Financial Summary

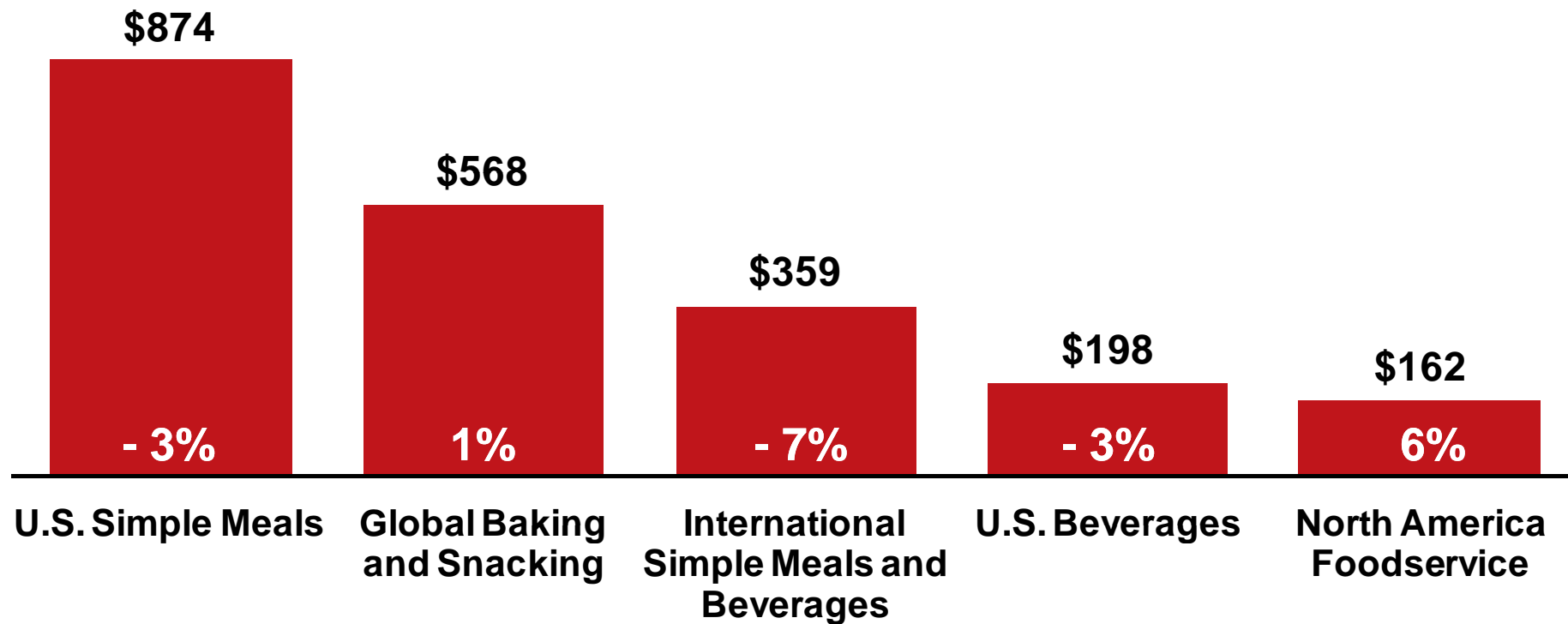
(\$ millions, except per share)

	First Quarter	% Change
<b>EBIT</b>	\$416	- 6%
<b>Interest, Net</b>	\$28	- 7%
<b>Tax Rate</b>	32.2%	-0.4 pts
<b>Net Earnings</b>	\$265	- 5%
<b>EPS – Diluted</b>	\$0.82	0%
<b>Diluted Shares</b>	322	- 5%



# First-Quarter – Net Sales by Segment

(\$ millions)



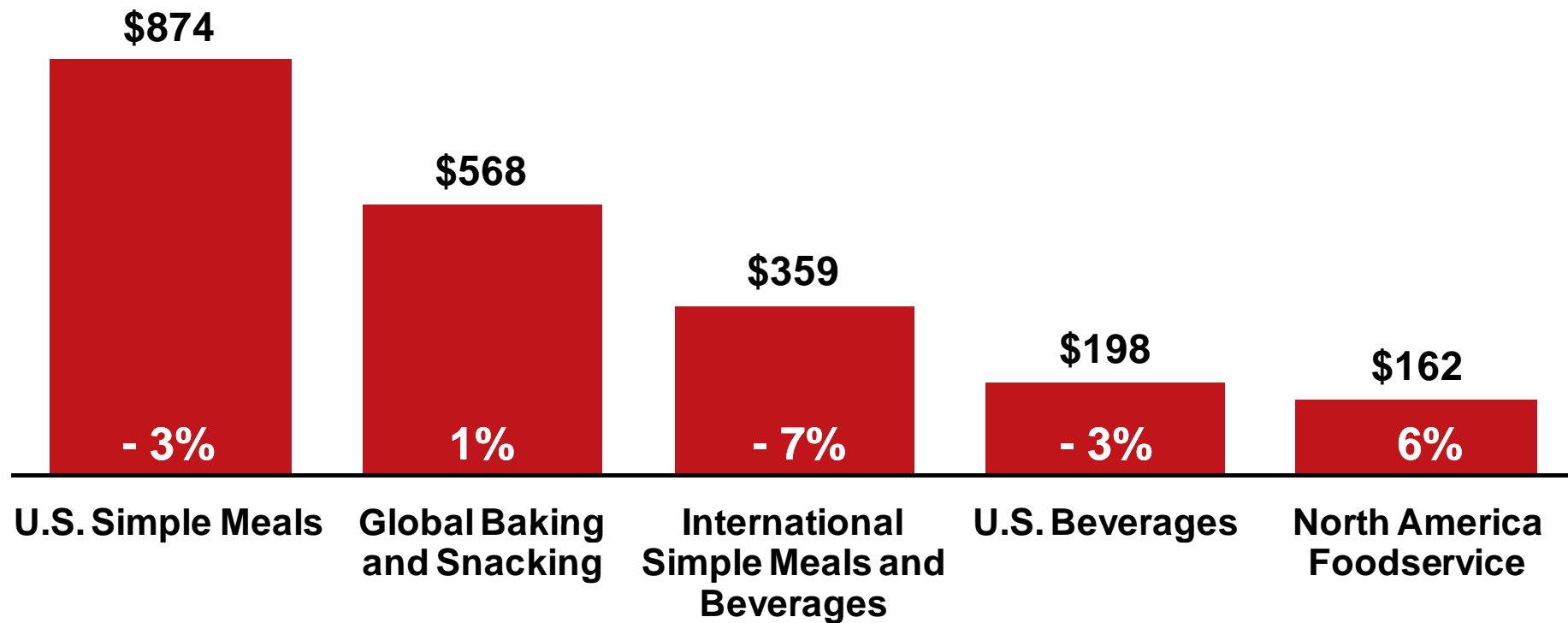
Note: Percent change represents organic growth.

See Non-GAAP reconciliation



# First Quarter – Net Sales by Segment

(\$ millions)



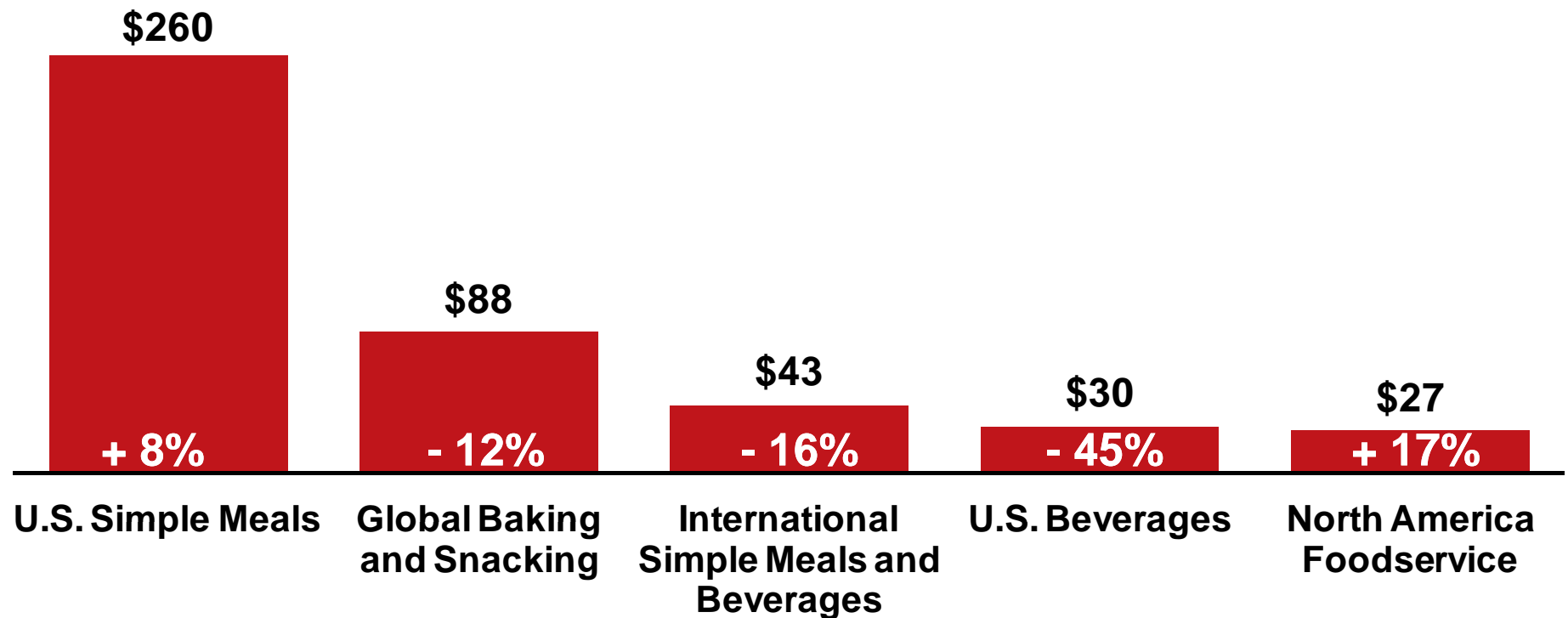
Note: Percent change represents organic growth.

See Non-GAAP reconciliation



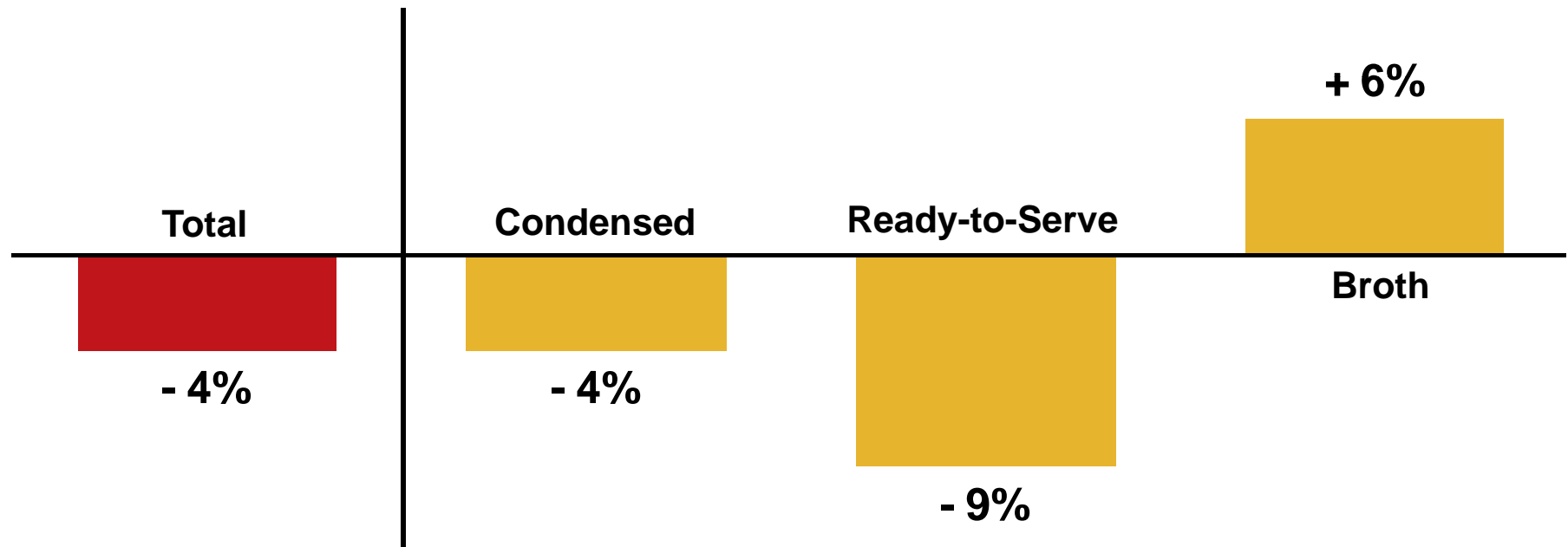
# First Quarter – Operating Earnings by Segment

(\$ millions)



# First Quarter – U.S. Soup Net Sales

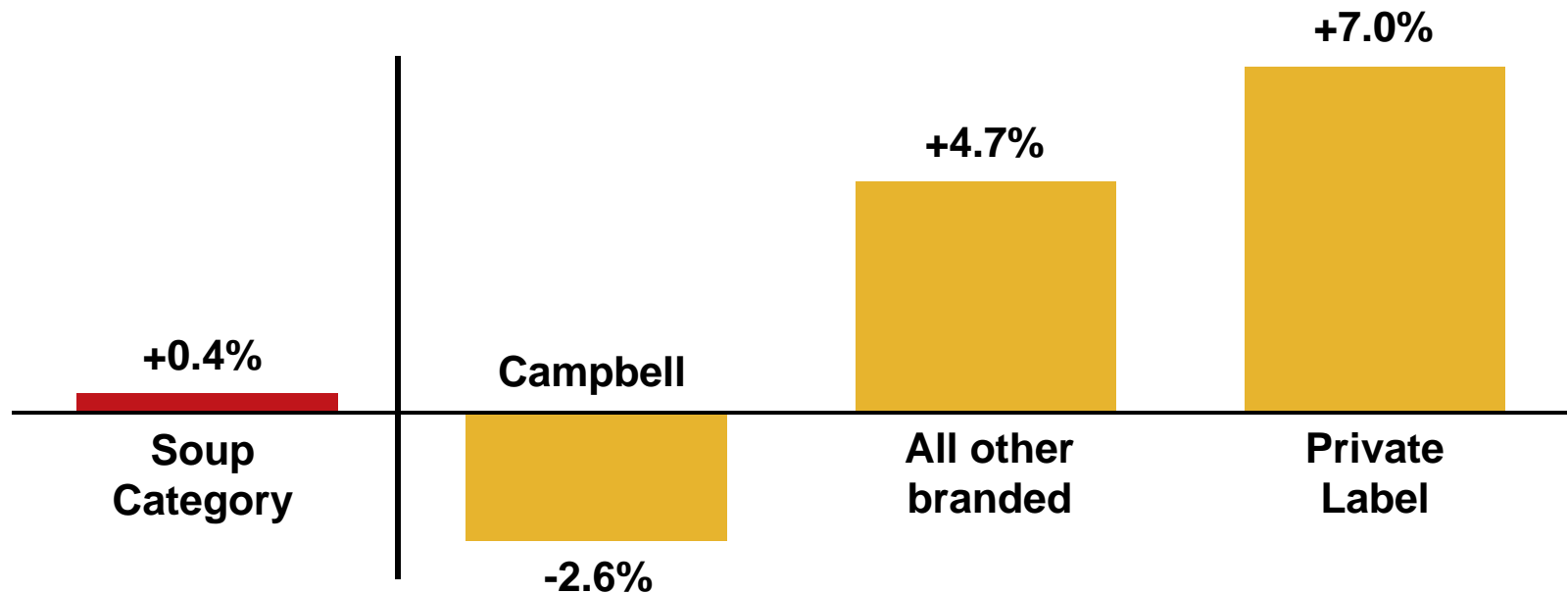
*% Change vs. prior year*





# Retail Sales – U.S. Wet Soup Category Performance

**% Change in \$**



Dollar Share	Campbell	All other branded	Private Label
	60.8%	26.1%	13.1%

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

Source: IRI panel data and internal company estimates

For 52-week period ending Oct. 30, 2011



# Cash Flow and Balance Sheet

(\$ millions)

## *Q1 Cash Flow from Operations*

**2012**

**2011**

**\$73**

**(\$29)**

	<b>2012</b>	<b>2011</b>
Year-to-Date Capital Expenditures	\$35	\$27
Year-to-Date Share Repurchases	\$85	\$156
Net Debt*	\$2,704	\$2,789

\*See Non-GAAP reconciliation



# Campbell Fiscal Year 2012 Guidance

(\$ millions)

	2011 Base	2012 Growth Rate
Net Sales	\$7,719	0% to 2%
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**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*



**Determined to Build a Different Company**

# **CREATE VALUE**

**BUILDING A DIFFERENT COMPANY**

**PROFITABLE STEADY PROGRESS**

**NET SALES PROFITS**

**GROWTH IMPROVED**

**MAINTAINED COMPETITIVENESS**





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# Appendix

# Reconciliation of GAAP and Non-GAAP Financial Measures

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

First Quarter	Net Sales, As Reported	Impact of Currency	Organic Net Sales	% Change	
				Net Sales, As Reported	Organic Net Sales
<b>October 30, 2011</b>					
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%
<b>Total Net Sales</b>	<b>\$ 2,161</b>	<b>\$ (32)</b>	<b>\$ 2,129</b>	<b>-1%</b>	<b>-2%</b>
<b>October 31, 2010</b>					
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		
<b>Total Net Sales</b>	<b>\$ 2,172</b>	<b>\$ -</b>	<b>\$ 2,172</b>		





# Reconciliation of GAAP and Non-GAAP Financial Measures

(\$ millions)

## Net Debt

	<u>October 30, 2011</u>	<u>October 31, 2010</u>
Short-Term Borrowings	\$ 567	\$ 1,134
Long-Term Debt	2,422	1,946
Total Debt	<u>\$ 2,989</u>	<u>\$ 3,080</u>
Less: Cash and Cash Equivalents	(285)	(291)
Net Debt	<u><u>\$ 2,704</u></u>	<u><u>\$ 2,789</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>





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