

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended  
October 27, 1996

Commission File Number  
1-3822

CAMPBELL SOUP COMPANY

NEW JERSEY  
State of Incorporation

21-0419870  
I.R.S. Employer Identification No.

CAMPBELL PLACE  
CAMDEN, NEW JERSEY 08103-1799  
Principal Executive Offices

TELEPHONE NUMBER: (609) 342-4800

INDICATE BY CHECK MARK WHETHER THE REGISTRANT: (1) HAS FILED ALL  
REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT  
THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO  
SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES    X            NO            .  
-----            -----

THERE WERE 233,643,861 SHARES OF CAPITAL STOCK OUTSTANDING AS OF  
DECEMBER 2, 1996.

2  
PART I. FINANCIAL INFORMATION

CAMPBELL SOUP COMPANY CONSOLIDATED

STATEMENTS OF EARNINGS

(unaudited)  
(million dollars except per share amounts)

Three Months Ended  
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	OCTOBER 27, 1996 -----	October 29, 1995 -----
Net sales	\$2,052	\$1,990
-----		
Costs and expenses		
Cost of products sold	1,112	1,143
Marketing and selling expenses	396	358
Administrative expenses	83	83
Research and development expenses	18	20
Other expense	38	24
Restructuring charges	216	-
-----		
Total costs and expenses	1,863	1,628
-----		
Earnings before interest and taxes	189	362
Interest, net	29	35
-----		
Earnings before taxes	160	327
Taxes on earnings	72	108
-----		
Net earnings	\$ 88	\$ 219
=====		
Per share		
Net earnings	\$ .36	\$ .88
=====		
Dividends	\$ .345	\$ .31
=====		
Weighted average shares outstanding	246	249
=====		

See Notes To Financial Statements

-2-

3

CAMPBELL SOUP COMPANY CONSOLIDATED

BALANCE SHEETS

(unaudited)  
(million dollars)

	OCTOBER 27, 1996 -----	July 28, 1996 -----
Current assets		
Cash and cash equivalents	\$ 52	\$ 34
Accounts receivable	888	618
Inventories	852	739
Other current assets	218	227
-----		
Total current assets	2,010	1,618
-----		
Plant assets, net of depreciation	2,717	2,681
Intangible assets, net of amortization	1,967	1,808
Other assets	521	525
-----		
Total assets	\$ 7,215	\$6,632
=====		
Current liabilities		
Notes payable	\$ 1,832	\$ 865

Payable to suppliers and others	552	568
Accrued liabilities	893	593
Dividend payable	86	86
Accrued income taxes	227	117
-----		
Total current liabilities	3,590	2,229
-----		
Long-term debt	1,041	744
Nonpension postretirement benefits	454	452
Other liabilities, including deferred income taxes of \$269 and \$274	482	465
-----		
Total liabilities	5,567	3,890
-----		
Shareowners' equity		
Preferred stock; authorized 40 shares; none issued	-	-
Capital stock, \$.075 par value; authorized 280 shares; issued 271 shares	20	20
Capital surplus	235	228
Earnings retained in the business	3,213	3,211
Capital stock in treasury, at cost	(1,879)	(779)
Cumulative translation adjustments	59	62
-----		
Total shareowners' equity	1,648	2,742
-----		
Total liabilities and shareowners' equity	\$ 7,215	\$6,632
=====		

See Notes to Financial Statements

-3-

4

CAMPBELL SOUP COMPANY CONSOLIDATED

STATEMENTS OF CASH FLOWS  
(unaudited)  
(million dollars)

	Three Months Ended	
	OCTOBER 27, 1996	October 29, 1995
	-----	-----
Cash flows from operating activities:		
Net earnings	\$ 88	\$ 219
Non-cash charges to net earnings		
Restructuring charges	216	-
Depreciation and amortization	79	78
Deferred taxes	(61)	6
Other, net	46	26
Changes in working capital		
Accounts receivable	(237)	(226)
Inventories	(79)	(147)
Other current assets and liabilities	115	134
-----		
Net cash provided by operating activities	167	90
-----		
Cash flows from investing activities:		
Purchases of plant assets	(69)	(79)
Sales of plant assets	16	6
Businesses acquired	(227)	(107)
Sales of businesses	73	-
Net change in other assets and liabilities	(1)	(6)
-----		
Net cash used in investing activities	(208)	(186)
-----		
Cash flows from financing activities:		
Long-term borrowings	300	-
Repayments of long-term borrowings	(3)	(5)
Short-term borrowings	979	322
Repayments of short-term borrowings	(19)	(104)
Dividends paid	(86)	(77)
Treasury stock purchased	(1,101)	(40)
Treasury stock issued	1	11
Other, net	(4)	-
-----		
Net cash provided by financing activities	67	107
-----		
Effect of exchange rate changes on cash	(8)	5
-----		
Net change in cash and cash equivalents	18	16

Cash and cash equivalents - beginning of period	34	53
-----		
Cash and cash equivalents - end of period	\$ 52	\$ 69
=====		

See Notes to Financial Statements

-4-

5

CAMPBELL SOUP COMPANY CONSOLIDATED  
STATEMENTS OF CHANGES IN SHAREOWNERS' EQUITY  
(unaudited)  
(million dollars)

	Preferred Stock	Capital Stock	Capital Surplus	Earnings Retained in the Business	Capital Stock in Treasury	Cumulative Translation Adjustments	Total Shareowners' Equity
	-----	-----	-----	-----	-----	-----	-----
Balance at July 30, 1995	\$ -	\$20	\$165	\$2,755	\$ (550)	\$78	\$2,468
Net earnings				219			219
Cash dividends (\$.31 per share)				(77)			(77)
Treasury stock purchased					(38)		(38)
Treasury stock issued under Management incentive and Stock option plans			6		7		13
Translation adjustments						(1)	(1)
-----							
Balance at October 29, 1995	\$ -	\$20	\$171	\$2,897	\$ (581)	\$77	\$2,584
=====							
BALANCE AT JULY 28, 1996	\$ -	\$20	\$228	\$3,211	\$ (779)	\$62	\$2,742
NET EARNINGS				88			88
CASH DIVIDENDS (\$.345 PER SHARE)				(86)			(86)
TREASURY STOCK PURCHASED					(1,101)		(1,101)
TREASURY STOCK ISSUED UNDER MANAGEMENT INCENTIVE AND STOCK OPTION PLANS			7		1		8
TRANSLATION ADJUSTMENTS						(3)	(3)
-----							
BALANCE AT OCTOBER 27, 1996	\$ -	\$20	\$235	\$3,213	\$ (1,879)	\$59	\$1,648
=====							

Changes in Number of Shares (unaudited)  
(thousands of shares)

	Issued	Outstanding	In Treasury
	-----	-----	-----
Balance at July 30, 1995	271,245	249,231	22,014
Treasury stock purchased		(833)	833
Treasury stock issued under Management incentive and Stock option plans		540	(540)
-----			
Balance at October 29, 1995	271,245	248,938	22,307
=====			
BALANCE AT JULY 28, 1996	271,245	247,228	24,017
TREASURY STOCK PURCHASED		(13,805)	13,805
TREASURY STOCK ISSUED UNDER MANAGEMENT INCENTIVE AND STOCK OPTION PLANS		353	(353)
-----			
BALANCE AT OCTOBER 27, 1996	271,245	233,776	37,469
=====			

See Notes to Financial Statements

-5-

6

CAMPBELL SOUP COMPANY CONSOLIDATED  
NOTES TO FINANCIAL STATEMENTS  
(unaudited)

(millions)

- (a) The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the indicated periods. All such adjustments are of a normal recurring nature.
- (b) Net earnings per share are based on the weighted average shares outstanding during the applicable periods. The potential dilution from the exercise of stock options is not material.
- (c) Inventories

	OCTOBER 27, 1996	July 28, 1996
Raw materials, containers and supplies	\$349	\$323
Finished products	547	461
-----		
	896	784
Less - Adjustment of certain inventories to LIFO basis	44	45
-----		
	\$852	\$739
=====		

(d) Restructuring Program

A special charge of \$216 million, \$160 million after tax or \$.65 per share, was recorded in the first quarter of fiscal 1997 to cover the costs of the restructuring program approved September 4, 1996 by the company's Board of Directors. The restructuring program is designed to provide funding for the company's strategic growth plan by reconfiguring or closing various plants to improve operational efficiency, reducing administrative and operational staff functions and divesting non-strategic, under-performing businesses with sales of approximately \$275 million. The restructuring includes the elimination of approximately 2,100 administrative and operational positions from the company's worldwide workforce.

Restructuring charges include approximately \$113 million in cash charges primarily related to severance and employee benefit costs, substantially all of which will be paid in fiscal 1997. The balance of the restructuring charge relates to non-cash charges for the estimated losses on the disposition of plant assets and business divestitures. The company plans to complete the program in fiscal 1998.

-6-

7

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
RESULTS OF OPERATIONS AND FINANCIAL CONDITION  
CAMPBELL SOUP COMPANY

RESULTS OF OPERATIONS

OVERVIEW

Campbell achieved record sales for the first quarter ended October 27, 1996. Net sales of \$2.05 billion were up 3% over \$1.99 billion for the same period last year. Net earnings of \$88 million were down from \$219 million last year and earnings per share declined to \$.36 from \$.88 due to a special charge recorded in the quarter to cover the costs of a restructuring program. The restructuring program, which resulted in a pre-tax charge of \$216 million (\$160 million after-tax or \$.65 per share), is designed to provide funding for the company's strategic growth plan by reconfiguring or closing plants to improve operational efficiency, reducing administrative and operational staff functions and divesting non-strategic, under-performing businesses. Before the special charge, net earnings increased 14% and earnings per share increased 15% versus the prior year.

RESULTS BY DIVISION

U.S.A. - U.S. sales for the quarter were \$1.24 billion, up 4% over \$1.19 billion for the comparable period last year. The sales increase was primarily driven by an 11% growth in wet soup sales and a 4% growth in wet soup volume. Operating earnings after the special charge were \$189 million versus \$288 million last year. Before the charge, operating earnings grew 19% to \$341 million.

Wet soup volume was led by the traditional Red & White icons, Chicken Noodle, Tomato and Cream of Mushroom, and the successful launch of 98% fat-free cream soups. Strong sales and volume performances were also achieved by "Prego" spaghetti sauces and "Swanson" traditional frozen dinners. "Pace" retail Mexican sauce volume declined, due primarily to the timing of promotional programs.

New "Prego" lasagna and frozen soups helped Food Service achieve double-digit earnings growth.

BAKERY & CONFECTIONERY - Bakery & Confectionery sales increased 7% to \$466 million from \$435 million last year. The sales increase was driven by Pepperidge Farm cracker and cookie volume and Godiva Chocolatier volume. Operating earnings after the special charge were \$.5 million versus \$53 million last year. Before the special charge, operating earnings grew 7% to \$57 million.

Pepperidge Farm's "Goldfish" crackers volume continued its strong growth through new packaging initiatives, expansion into the grocery store snack aisle and new channels such as club stores. "Milano" cookies reported excellent volume growth fueled by increased marketing and

-7-

8

advertising. Godiva reported strong volume growth from continued expansion in the U.S. and Asia. Arnotts' earnings were down due to start-up costs associated with the new Huntingwood manufacturing facility and increased marketing investment in the core Australian market.

INTERNATIONAL GROCERY - International Grocery reported sales of \$375 million, down 2% from last year's sales of \$383 million. The decline is primarily attributable to lower sales of beef products. Operating earnings after the special charge were \$22 million, down 40% versus \$37 million last year. Before the special charge, operating earnings were down 20% to \$29 million.

Argentina experienced a sales decrease versus prior year due to the continued decline in the demand for beef products in Europe. The grocery business in Germany was down significantly versus the prior year due to a sluggish German economy and lower demand for gourmet food products.

Wet soup volume outside the U.S. was up 9% led by Canada, the United Kingdom and Asia. The acquisition of the Erasco Group of Companies, Germany's leading soup company, was completed in the last month of the quarter with minimal impact on sales and earnings.

#### STATEMENTS OF EARNINGS

Net sales increased 3% over the prior year, with sales of ongoing businesses up 6%, driven principally by a 4% increase in worldwide soup volume based on strength of U.S. condensed soup and growth in Canada, the United Kingdom and Asia.

Gross margins improved 3.1 percentage points to 45.8% compared to the first quarter last year. Improvements resulted primarily from higher selling prices and cost productivity programs.

Marketing and selling expenses increased 10.3%, compared to the prior year, reflecting the launch of the 98% fat-free cream soups in the U.S. and increased marketing efforts at Arnotts and Pepperidge Farm. Overall, these expenses increased 1.3 percentage points as a percent of sales from 18% last year.

Administrative expenses were flat versus last year and as a percent of sales. Other expense rose 58% due to the effect of the increase in Campbell's share

price on the company's long-term incentive plan obligations.

The effective tax rate was 45% compared to 33% last year due to the timing of the restructuring charges. Before the special charge, the company expects its effective tax rate for fiscal 1997 to approximate 34% due to tax planning strategies, including utilization of tax loss carryforwards.

#### SPECIAL CHARGE

On September 4, 1996 the company's Board of Directors approved a special charge of \$216 million (\$160 million after-tax or \$.65 per share) to cover the costs of a restructuring program. The restructuring program is designed to provide funding for the company's strategic growth plan

-8-

9

by reconfiguring or closing various plants to improve operational efficiency, reducing administrative and operational staff functions and divesting non-strategic, under-performing businesses with sales of approximately \$275 million. The program includes the elimination of approximately 2,100 administrative and operational positions from the company's worldwide workforce.

Restructuring charges include approximately \$113 million in cash charges primarily related to severance and employee benefits, substantially all of which will be paid in fiscal 1997. The balance of the charge relates to non-cash charges for the estimated losses on the disposition of assets and business divestitures. The restructuring program is expected to generate approximately \$200 million in savings over the next two years. These savings are from reductions in employee salaries and benefits, plant overhead, depreciation and amortization. The company plans to complete the program in fiscal 1998. Cash outflows do not adversely affect the company's liquidity.

#### LIQUIDITY AND CAPITAL RESOURCES

The company generated cash from operations of \$167 million compared to \$90 million last year. Continued tight management of working capital has been instrumental in improving the company's cash generation performance.

Capital expenditures were \$69 million, a decrease of \$10 million from fiscal 1996. The decline is due primarily to the start-up of the new Huntingwood manufacturing facility by Arnotts in the first quarter of 1997. Capital expenditures are projected to be approximately \$400 million in fiscal 1997.

In the first quarter the company acquired the Erasco Group of Companies, Germany's leading soup company, for approximately \$210 million. In addition, Arnotts acquired the assets of Kettle Chip Company, a Sydney, Australia based potato chip concern.

In the first quarter the company repurchased 300,000 shares in the open market and completed its "Dutch auction" tender offer by repurchasing 13.5 million shares at \$80 per share. The total shares repurchased were 13.8 million versus 833,000 shares during the same period of fiscal 1996. The repurchases were funded by short-term borrowings of approximately \$800 million and a long-term debt issuance of \$300 million at 6.9% due in fiscal 2007.

## PART II

### ITEM 1. LEGAL PROCEEDINGS

In management's opinion, there are no pending claims or litigation, the outcome of which would have a material effect on the consolidated financial position of the company. In October 1995, the United States of America filed a complaint against Campbell at the request of the Environmental Protection Agency in the United States District Court for the Eastern District of

10

California relating to certain air emission permits at the company's Sacramento, CA facility. The suit seeks monetary and injunctive relief for alleged violations of the Clean Air Act claiming that the Sacramento Metropolitan Air Quality Management District, the responsible state agency, allowed plant modifications without the appropriate permits and pollution control equipment. Campbell has also received a notice of violation from the United States Environmental Protection Agency relating to air emissions from the can-making operations at its Sacramento, CA facility. Campbell is disputing these alleged violations.

The company has also been named as a potentially responsible party in a number of proceedings brought under the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund. The ultimate impact of these proceedings cannot be predicted at this time due to the large number of other potentially responsible parties, and the speculative nature of clean-up cost estimates, but it is not expected to be material either individually or in the aggregate.

ITEM 5. CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements which are based on management's current views and assumptions regarding future events and financial performance. These statements are qualified by reference to the section "Cautionary Statement on Forward-Looking Statements" in Item 1 of the registrant's Annual Report on Form 10-K for the fiscal year ended July 28, 1996. See Item 1 for a description of important factors that could impact the company's strategic growth plan goals and cause actual results to differ materially from those expressed or implied in the forward-looking statements.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

No.

3(ii) Campbell Soup Company's By-Laws, effective November 21, 1996.

4 There is no instrument with respect to long-term debt of the company that involves indebtedness or securities authorized thereunder exceeding 10 percent of the total assets of the company and its subsidiaries on a consolidated basis. The company agrees to file a copy of any instrument or agreement defining the rights of holders of long-term debt of the company upon request of the Securities and Exchange Commission (the "SEC").

27 Financial Data Schedule.

11

b. Reports on Form 8-K

(1) A Form 8-K containing the Financial Statements of Pace Foods Ltd. for the years ended December 31, 1994 and 1993 and Report of Independent Auditors was filed with the SEC on September 3, 1996.

(2) A Form 8-K containing copies of press releases announcing Campbell's Strategic Growth Plan initiatives including the acquisition of the Erasco Group of Companies, the authorization of a share repurchase program, brand building initiatives and reconfigured operations was filed with the SEC on September 5, 1996.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CAMPBELL SOUP COMPANY

Date: December 11, 1996

By: /s/JOHN M. COLEMAN

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John M. Coleman, Senior Vice President -  
Law and Public Affairs

Date: December 11, 1996

By: /s/BASIL L. ANDERSON

-----  
Basil L. Anderson  
Senior Vice President - Finance,  
Chief Financial Officer and Treasurer

-11-

12

INDEX TO EXHIBITS

Exhibit Number

3(ii) Campbell Soup Company's By-Laws, effective  
November 21, 1996

27 Financial Data Schedule

-12-

CAMPBELL SOUP COMPANY

-----  
BY-LAWS  
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EFFECTIVE NOVEMBER 21, 1996

CAMPBELL SOUP COMPANY

BY-LAWS

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ARTICLE I.

Stockholders

Section 1. The annual meeting of the stockholders of the Corporation shall be held at the principal office of the Corporation in New Jersey, or at such other place, within or without New Jersey, as may from time to time be designated by the Board of Directors and stated in the notice of the meeting, on the third Thursday in November in each year (or if said day be a legal holiday, then on the next succeeding day, not earlier than the following Tuesday, not a legal holiday), at such time as may be fixed by the Board of Directors, for the purpose of electing directors of the Corporation, and for the transaction of such other business as may properly be brought before the meeting.

Section 2. Special meetings of the stockholders shall be held at the principal office of the Corporation in New Jersey, or at such other place, within or without New Jersey, as may from time to time be designated by the Board of Directors and stated in the notice of the meeting, upon the call of the Chairman of the Board or of the President, or upon the call of a majority of the members of the Board of Directors, and shall be called upon the written request of stockholders of record holding a majority of the capital stock of the Corporation issued and outstanding and entitled to vote at such meeting.

Section 3. Notice of the time and place of every meeting of stockholders shall be delivered personally or mailed at least ten but not more than sixty calendar days before the meeting to each stockholder of record entitled to vote at the meeting.

Section 4. The holders of record of a majority of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders. If there be no such quorum present, the holders of a majority of such shares so present or represented may adjourn the meeting from time to time, without notice other than announcement at the meeting, until such quorum shall have been obtained, when any business may be transacted which might have been transacted at the meeting as first convened, had there been a quorum. Once a quorum is established, the stockholders present in person or by proxy may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

3

Section 5. The Board of Directors shall in advance of each meeting of stockholders appoint one or more inspectors of election, to act unless the performance of the inspector's function shall be unanimously waived by the stockholders present in person or represented by proxy at such meeting. Each inspector, before entering upon the discharge of his duties, shall first take and subscribe an oath or affirmation to execute the duties of inspector as prescribed by law at such meeting with strict impartiality and according to the best of his ability. The inspector or inspectors shall take charge of the polls and shall make a certificate of the results of the vote taken. No director or candidate for the office of director shall be appointed as such inspector.

Section 6. All meetings of the stockholders shall be presided over by the Chairman of the Board, or if he shall not be present, by the Vice Chairman of the Board. If neither the Chairman of the Board nor the Vice Chairman of the Board shall be present, such meeting shall be presided over by the President. If none of the Chairman of the Board, the Vice Chairman of the Board and the President shall be present, such meeting shall be presided over by a Vice President, or if none shall be present, then by a Chairman to be elected by the holders of a majority of the shares present or represented at the meeting.

The Secretary of the Corporation, or if he is not present, an Assistant Secretary of the Corporation, if present, shall act as secretary of the meeting. If neither the Secretary nor an Assistant Secretary is present, then the Chairman shall appoint a Secretary of the meeting.

Section 7. The Board of Directors shall fix in advance a date, not exceeding sixty nor less than ten calendar days preceding the date of any meeting of the stockholders or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, or entitled to receive payment of any such dividend, or any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of stock, and in such case only stockholders of record on the date so fixed shall be entitled to such notice of and to vote at such meeting, or to receive payment of such dividend, or allotment of rights, or exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

2

4

## ARTICLE II.

### Directors

Section 1. The business and property of the Corporation shall be managed and controlled by a board of fifteen directors. This number may be changed from time to time by amendment of these By-Laws, but the term of office of no director shall be shortened after his or her election by reduction in the number of directors.

Upon election each director shall be the holder of at least one hundred shares of the Corporation's capital stock. Within one year of election, each director shall be the holder of at least one thousand shares of capital stock and within three years of election shall be the holder of at least three thousand shares of capital stock. In the event the number of shares of capital stock is increased at any time after January 28, 1993, by a stock split, stock dividend, or by any other extraordinary distribution of shares, the above share ownership requirements shall be proportionately adjusted. The director, upon ceasing to hold the required number of shares, shall cease to be a director.

The directors shall hold office until the next annual meeting of the stockholders and until their successors are elected and shall have qualified.

Section 2. Regular meetings of the Board of Directors shall be held at such times and at such places as may from time to time be fixed by resolution of the Board of Directors. Special meetings of the Board of Directors may be held at any time upon call of the Chairman of the Board or of the Vice Chairman of the Board or of the President or of three directors. Oral, telegraphic or written notice of the time and place of a special meeting shall be duly served on, or given or sent or mailed to, each director not less than two calendar days before the meeting. An organizational meeting of the Board of Directors shall be held, of which no notice shall be necessary, as soon as convenient after the annual meeting of the stockholders. Notice need not be given of regular meetings of the Board of Directors held at the times fixed by resolution of the Board of Directors. Meetings may be held at any time without notice if all of the directors are present or if those not present waive notice of the meeting in writing.

Section 3. Six members of the Board of Directors shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall have been obtained, when any business may be transacted which might have been transacted at the meeting as first convened, had there been a quorum.

3

5

Section 4. Any vacancy occurring among the directors may be filled by the affirmative vote of a majority of the remaining members of the Board of Directors at the time in office; provided that in case of an increase in the number of directors pursuant to an amendment to these By-Laws made by the stockholders, the stockholders may fill the vacancy or vacancies so created at the meeting at which such amendment is effected or may authorize the Board of Directors to fill such vacancy or vacancies.

Section 5. The Board of Directors, by an affirmative vote of a majority of the members of the Board of Directors at the time in office, may appoint an Executive Committee to consist of such directors as the Board of Directors may from time to time determine. The Executive Committee shall have and may exercise, when the Board of Directors is not in session, all of the powers vested in the Board of Directors, except as otherwise provided by law. The Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve, the Executive Committee. The Executive Committee may make rules for the conduct of its business and may appoint such committees and assistants as it shall from time to time deem necessary, unless the Board of Directors shall otherwise provide. A majority of the members of the Executive Committee at the time in office shall constitute a quorum for the transaction of business. A record shall be kept of all proceedings of the Executive Committee which shall be submitted to the Board of Directors at or before the next succeeding meeting of the Board of Directors.

Section 6. The Board of Directors may appoint one or more other committees, to consist of such number of the directors and to have such powers as the Board of Directors may from time to time determine. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve, any such committee. A majority of any such committee may determine its action and fix the time and place of its meetings,

unless the Board of Directors shall otherwise provide.

Section 7. In addition to reimbursement of reasonable expenses incurred in attending meetings or otherwise in connection with his or her attention to the affairs of the Corporation, each director as such, as Chairman or Vice Chairman of the Board and as a member of the Executive Committee or of any other committee of the Board of Directors, shall be entitled to receive such remuneration as may be fixed from time to time by the Board of Directors, in the form either of fees for attendance at meetings of the Board of Directors and committees thereof or annual retainers, or both; but no director who receives a salary or other remuneration as an employee of the Corporation or any subsidiary thereof shall receive any additional remuneration as a director or member of any committee of the Board of Directors.

4

6

### ARTICLE III.

#### Officers

Section 1. The Board of Directors, at its organizational meeting or as soon as may be after the election of directors held in each year, shall elect one of its number Chairman of the Board and one of its number President, and shall also elect a Secretary and a Treasurer, and from time to time may elect or appoint one of its number Vice Chairman of the Board, one or more Vice Presidents, a Controller, and such Assistant Secretaries, Assistant Treasurers and other officers, agents and employees as it may deem proper. More than one office may be held by the same person.

Section 2. The term of office of all officers shall be until the next organizational meeting of the Board of Directors or until their respective successors are elected and have qualified, but any officer may be removed from office at any time by the affirmative vote of a majority of the members of the Board of Directors at the time in office.

Any other employee of the Corporation, whether appointed by the Board of Directors or otherwise, may be removed at any time by the Board of Directors or by any committee or officer or employee upon whom such power of removal may be conferred by the By-Laws or by the Board of Directors.

The Board of Directors shall have power to fill for the unexpired term any vacancy which shall occur in any office by reason of death, resignation, removal or otherwise.

Section 3. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors and shall perform such other duties as shall from time to time be prescribed by the Board of Directors.

The Vice Chairman of the Board shall in the absence of the Chairman of the Board preside at all meetings of the stockholders and of the Board of Directors and shall perform such other duties as shall from time to time be prescribed by the Board of Directors or the Chairman of the Board.

The President shall be the Chief Executive Officer of the Corporation and shall perform such duties as are usually performed by that officer; he shall, in the absence of the Chairman and Vice Chairman of the Board, preside at all meetings of the stockholders and of the Board of Directors; and shall perform such other duties as shall from time to time be prescribed by the Board of Directors.

The other officers of the Corporation shall have such powers and shall perform such duties as generally pertain to their offices respectively, as well as such powers and duties as shall from time to time be conferred by the Board of Directors.

5

Article IV.  
Indemnification of Directors and Others

Section 1. The Corporation shall indemnify to the full extent from time to time permitted by law any present, former or future director, officer, or employee ("Corporate Agent") made, or threatened to be made, a party to, or a witness or other participant in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, legislative, investigative, or of any other kind, including by or in the right of the Corporation ("Proceeding"), by reason of the fact that such person is or was a Corporate Agent of the Corporation or any subsidiary of the Corporation or, while serving as a Corporate Agent of the Corporation or any subsidiary of the Corporation, serves or served another enterprise (including, without limitation, any sole proprietorship, association, corporation, partnership, joint venture or trust), whether or not for profit, at the request of the Corporation as a director, officer, employee or agent thereof (including service with respect to any employee benefit plan of the Corporation or any subsidiary of the Corporation), against expenses (including attorneys' fees), judgments, fines, penalties, excise taxes and amounts paid in settlement, actually and reasonably incurred by such person in connection with such Proceeding or any appeal therein. No indemnification pursuant to this Article IV shall be required with respect to any settlement or other nonadjudicated disposition of any threatened or pending Proceeding unless the Corporation has given its prior consent to such settlement or other disposition.

Section 2. Expenses incurred in connection with a Proceeding shall be paid by the Corporation for any Corporate Agent of the Corporation in advance of the final disposition of such Proceeding promptly upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation. Such an undertaking shall not, however, be required of a nonparty witness.

Section 3. The foregoing indemnification and advancement of expenses shall not be deemed exclusive of any other rights to which any person indemnified may be entitled.

Section 4. The rights provided to any person by this Article IV shall be enforceable against the Corporation by such person, who shall be presumed to have relied upon it in serving or continuing to serve as a Corporate Agent. No elimination of or amendment to this Article IV shall deprive any person of rights hereunder arising out of alleged or actual occurrences, acts or failures to act occurring prior to such elimination or amendment. The rights provided to any person by this Article IV shall inure to the benefit of such person's legal representative and shall be applicable to Proceedings commenced or continuing after the adoption of this Article IV, whether arising from acts or omissions occurring before or after such adoption.

Section 5. The Corporation's Board of Directors may from time to time delegate

(i) to a Committee of the Board of Directors of the Corporation or to independent legal counsel the authority to determine whether a Director or officer of the Corporation, and

(ii) to one or more officers of the Corporation the authority to determine whether an employee of the Corporation or any subsidiary, other than a Director or officer of the Corporation,

is entitled to indemnification or advancement of expenses pursuant to, and in accordance with, applicable law and this Article IV, subject to such conditions and limitations as the Board of Directors may prescribe.

ARTICLE V.

Fiscal Year

The fiscal year shall begin in each calendar year on the Monday following the Sunday which is nearest to July 31, and shall end on the Sunday which is nearest to July 31 of the following year.

ARTICLE VI.

Corporate Seal

The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which seal shall be in the charge of the Secretary; provided that the use of a facsimile of such seal is hereby authorized.

ARTICLE VII.

Amendment

The Board of Directors shall have the power to make, amend and repeal the By-Laws of the Corporation by a vote of a majority of the members of the Board of Directors at the time in office at any regular or special meeting of the Board of Directors. The stockholders, by a majority of the votes cast at a meeting of the stockholders, may adopt, alter, amend or repeal the By-Laws, whether made by the Board of Directors or otherwise.

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