

**Reconciliation of GAAP to Non-GAAP Financial Measures**  
**Second Quarter Ended January 28, 2018**

Campbell Soup Company uses certain non-GAAP financial measures as defined by the Securities and Exchange Commission in certain communications. These non-GAAP financial measures are measures of performance not defined by accounting principles generally accepted in the United States and should be considered in addition to, not in lieu of, GAAP reported measures. Management believes that also presenting certain non-GAAP financial measures provides additional information to facilitate comparison of the company's historical operating results and trends in its underlying operating results, and provides transparency on how the company evaluates its business. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the company's performance.

**Organic Net Sales**

Organic net sales are net sales excluding the impact of currency and acquisitions. Management believes that excluding these items, which are not part of the ongoing business, improves the comparability of year-to-year results. A reconciliation of net sales as reported to organic net sales follows.

Three Months Ended								
(millions)	January 28, 2018				January 29, 2017	% Change		
	Net Sales, as Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
<b>Americas Simple Meals and Beverages</b>	\$ 1,196	\$ (6)	\$ (28)	\$ 1,162	\$ 1,215	(2)%	(4)%	
<b>Global Biscuits and Snacks</b>	726	(10)	—	716	696	4%	3%	
<b>Campbell Fresh</b>	257	—	—	257	260	(1)%	(1)%	
<b>Corporate</b>	1	—	—	1	—	n/m	n/m	
<b>Total Net Sales</b>	<b>\$ 2,180</b>	<b>\$ (16)</b>	<b>\$ (28)</b>	<b>\$ 2,136</b>	<b>\$ 2,171</b>	<b>—%</b>	<b>(2)%</b>	

Six Months Ended								
(millions)	January 28, 2018				January 29, 2017	% Change		
	Net Sales, as Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
<b>Americas Simple Meals and Beverages</b>	\$ 2,414	\$ (12)	\$ (28)	\$ 2,374	\$ 2,493	(3)%	(5)%	
<b>Global Biscuits and Snacks</b>	1,435	(15)	—	1,420	1,386	4%	2%	
<b>Campbell Fresh</b>	491	—	—	491	494	(1)%	(1)%	
<b>Corporate</b>	1	—	—	1	—	n/m	n/m	
<b>Total Net Sales</b>	<b>\$ 4,341</b>	<b>\$ (27)</b>	<b>\$ (28)</b>	<b>\$ 4,286</b>	<b>\$ 4,373</b>	<b>(1)%</b>	<b>(2)%</b>	

n/m - not meaningful

**Items Impacting Earnings**

The company believes that financial information excluding certain items that are not considered to reflect the ongoing operating results, such as those listed below, improves the comparability of year-to-year results. Consequently, the company believes that investors may be able to better understand its results excluding these items.

The following items impacted earnings:

- (1) In the six-month period of fiscal 2018, the company incurred gains of \$14 million in Other expenses / (income) (\$10 million after tax, or \$.03 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In the first quarter of fiscal 2017, the company incurred losses of \$20 million in Other expenses / (income) (\$13 million after tax, or \$.04 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. For the year ended July 30, 2017, the company incurred gains of \$178 million in

Other expenses / (income) (\$116 million after tax, or \$.38 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans.

- (2) In fiscal 2015, the company implemented a new enterprise design and initiatives to reduce costs and to streamline its organizational structure. In fiscal 2017, the company expanded these cost savings initiatives by further optimizing its supply chain network, primarily in North America, continuing to evolve its operating model to drive efficiencies, and more fully integrating its recent acquisitions. In January 2018, as part of the expanded initiatives, the company authorized additional costs to improve the operational efficiency of its thermal supply chain network in North America by closing its manufacturing facility in Toronto, Ontario, and to optimize its information technology infrastructure by migrating certain applications to the latest cloud technology platform.

In the second quarter of fiscal 2018, the company recorded Restructuring charges of \$33 million and implementation costs and other related costs of \$26 million in Administrative expenses and \$1 million in Cost of products sold (aggregate impact of \$46 million after tax, or \$.15 per share) related to these initiatives. In the six-month period of fiscal 2018, the company recorded Restructuring charges of \$35 million and implementation costs and other related costs of \$38 million in Administrative expenses and \$6 million in Cost of products sold (aggregate impact of \$58 million after tax, or \$.19 per share) related to these initiatives. In the six-month period of fiscal 2017, the company recorded implementation costs and other related costs of \$11 million in Administrative expenses (\$7 million after tax, or \$.02 per share) related to these initiatives. For the year ended July 30, 2017, the company recorded Restructuring charges of \$18 million and implementation costs and other related costs of \$36 million in Administrative expenses and \$4 million in Cost of products sold (aggregate impact of \$37 million after tax, or \$.12 per share) related to these initiatives.

- (3) In the second quarter of fiscal 2018, the company announced its intent to acquire Snyder's-Lance, Inc. The company incurred transaction costs of \$24 million in Other expenses / (income) (\$19 million after tax, or \$.06 per share) associated with the acquisition, which the company expects to close in the third quarter of fiscal 2018.
- (4) In the second quarter of fiscal 2018, the company recorded a tax benefit of \$124 million in Taxes on earnings (\$.41 per share) related to the enactment of the Tax Cuts and Jobs Act that was signed into law in December 2017.
- (5) In the second quarter of fiscal 2018, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit as operating performance was below expectations. Based on recent performance, the company revised its outlook for future earnings and cash flows. The company recorded a non-cash impairment charge of \$75 million in Other expenses / (income) (\$74 million after tax, or \$.25 per share).

In the second quarter of fiscal 2017, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit as operating performance was well below expectations and a new leadership team of the Campbell Fresh division initiated a strategic review which led to a revised outlook for future sales, earnings, and cash flow. The company recorded a non-cash impairment charge of \$147 million (\$139 million after tax, or \$.45 per share) related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and a non-cash impairment charge of \$65 million (\$41 million after tax, or \$.13 per share) related to the intangible assets of the Garden Fresh Gourmet reporting unit (aggregate pre-tax impact of \$212 million, \$180 million after tax, or \$.58 per share). For the year ended July 30, 2017, the aggregate impact was \$.59 per share. The charges were included in Other expenses / (income).

- (6) For the year ended July 30, 2017, the company recorded a tax benefit of \$52 million in Taxes on earnings primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses on the notes for tax purposes. In addition, the company recorded a \$6 million reduction to interest expense (\$4 million after tax) related to premiums and fees received on the sale of the notes. The aggregate impact was \$56 million after tax, or \$.18 per share.

The following tables reconcile financial information, presented in accordance with GAAP, to financial information excluding certain items:

(millions, except per share amounts)	Three Months Ended						Adjusted Percent Change
	January 28, 2018			January 29, 2017			
	As reported	Adjustments <sup>(a)</sup>	Adjusted	As reported	Adjustments <sup>(a)</sup>	Adjusted	
Gross margin	\$ 766	\$ 1	\$ 767	\$ 811	\$ —	\$ 811	(5)%
Gross margin percentage	35.1 %		35.2%	37.4%		37.4%	
Administrative expenses	\$ 165	\$ (26)	\$ 139	\$ 141	\$ —	\$ 141	
Other expenses / (income)	\$ 70	\$ (99)	\$ (29)	\$ 201	\$ (212)	\$ (11)	
Restructuring charges	\$ 33	\$ (33)	\$ —	\$ (1)	\$ —	\$ (1)	
Earnings before interest and taxes	\$ 243	\$ 159	\$ 402	\$ 205	\$ 212	\$ 417	(4)%
Interest, net	32	—	32	28	—	28	
Earnings before taxes	\$ 211	\$ 159	\$ 370	\$ 177	\$ 212	\$ 389	
Taxes	(74)	144	70	76	32	108	
Effective income tax rate	(35.1)%		18.9%	42.9%		27.8%	
Net earnings attributable to Campbell Soup Company	\$ 285	\$ 15	\$ 300	\$ 101	\$ 180	\$ 281	7%
Diluted net earnings per share attributable to Campbell Soup Company	\$ .95	\$ .05	\$ 1.00	\$ .33	\$ .58	\$ .91	10%

<sup>(a)</sup>See following table for additional information.

(millions, except per share amounts)	Three Months Ended						Impairment charges (5)
	January 28, 2018					January 29, 2017	
	Restructuring charges, implementation costs and other related costs (2)	Transaction costs (3)	Tax reform (4)	Impairment charges (5)	Adjustments		
Gross margin	\$ 1	\$ —	\$ —	\$ —	\$ 1	\$ —	
Administrative expenses	(26)	—	—	—	(26)	—	
Other expenses / (income)	—	(24)	—	(75)	(99)	(212)	
Restructuring charges	(33)	—	—	—	(33)	—	
Earnings before interest and taxes	\$ 60	\$ 24	\$ —	\$ 75	\$ 159	\$ 212	
Interest, net	—	—	—	—	—	—	
Earnings before taxes	\$ 60	\$ 24	\$ —	\$ 75	\$ 159	\$ 212	
Taxes	14	5	124	1	144	32	
Net earnings attributable to Campbell Soup Company	\$ 46	\$ 19	\$ (124)	\$ 74	\$ 15	\$ 180	
Diluted net earnings per share attributable to Campbell Soup Company	\$ .15	\$ .06	\$ (.41)	\$ .25	\$ .05	\$ .58	

(millions, except per share amounts)	Six Months Ended						Adjusted Percent Change
	January 28, 2018			January 29, 2017			
	As reported	Adjustments <sup>(a)</sup>	Adjusted	As reported	Adjustments <sup>(a)</sup>	Adjusted	
Gross margin	\$ 1,549	\$ 6	\$ 1,555	\$ 1,662	\$ —	\$ 1,662	(6)%
Gross margin percentage	35.7%		35.8%	38.0%		38.0%	
Administrative expenses	\$ 314	\$ (38)	\$ 276	\$ 266	\$ (11)	\$ 255	
Other expenses / (income)	\$ 41	\$ (85)	\$ (44)	\$ 212	\$ (232)	\$ (20)	
Restructuring charges	\$ 35	\$ (35)	\$ —	\$ —	\$ —	\$ —	
Earnings before interest and taxes	\$ 655	\$ 164	\$ 819	\$ 662	\$ 243	\$ 905	(10)%
Interest, net	62	—	62	56	—	56	
Earnings before taxes	\$ 593	\$ 164	\$ 757	\$ 606	\$ 243	\$ 849	
Taxes	33	147	180	213	43	256	
Effective income tax rate	5.6%		23.8%	35.1%		30.2%	
Net earnings attributable to Campbell Soup Company	\$ 560	\$ 17	\$ 577	\$ 393	\$ 200	\$ 593	(3)%
Diluted net earnings per share attributable to Campbell Soup Company	\$ 1.85	\$ .06	\$ 1.91	\$ 1.27	\$ .65	\$ 1.92	(1)%

<sup>(a)</sup>See following tables for additional information.

(millions, except per share amounts)	Six Months Ended						Adjustments
	January 28, 2018						
	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Transaction costs (3)	Tax reform (4)	Impairment charges (5)		
Gross margin	\$ —	\$ 6	\$ —	\$ —	\$ —	\$ 6	
Administrative expenses	—	(38)	—	—	—	(38)	
Other expenses / (income)	14	—	(24)	—	(75)	(85)	
Restructuring charges	—	(35)	—	—	—	(35)	
Earnings before interest and taxes	\$ (14)	\$ 79	\$ 24	\$ —	\$ 75	\$ 164	
Interest, net	—	—	—	—	—	—	
Earnings before taxes	\$ (14)	\$ 79	\$ 24	\$ —	\$ 75	\$ 164	
Taxes	(4)	21	5	124	1	147	
Net earnings attributable to Campbell Soup Company	\$ (10)	\$ 58	\$ 19	\$ (124)	\$ 74	\$ 17	
Diluted net earnings per share attributable to Campbell Soup Company	\$ (.03)	\$ .19	\$ .06	\$ (.41)	\$ .25	\$ .06	

**Six Months Ended**

**January 29, 2017**

(millions, except per share amounts)	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Impairment charges (5)	Adjustments
Gross margin	\$ —	\$ —	\$ —	\$ —
Administrative expenses	—	(11)	—	(11)
Other expenses / (income)	(20)	—	(212)	(232)
Earnings before interest and taxes	\$ 20	\$ 11	\$ 212	\$ 243
Interest, net	—	—	—	—
Earnings before taxes	\$ 20	\$ 11	\$ 212	\$ 243
Taxes	7	4	32	43
Net earnings attributable to Campbell Soup Company	\$ 13	\$ 7	\$ 180	\$ 200
Diluted net earnings per share attributable to Campbell Soup Company*	\$ .04	\$ .02	\$ .58	\$ .65

\*The sum of individual per share amounts may not add due to rounding.

(millions, except per share amounts)	Year Ended July 30, 2017
<b>Gross margin, as recast*</b>	\$ 2,925
Add: Restructuring charges, implementation costs and other related costs (2)	4
<b>Adjusted Gross margin</b>	<u>\$ 2,929</u>
<b>Adjusted Gross margin percentage</b>	37.1%
<b>Earnings before interest and taxes, as reported</b>	\$ 1,400
Deduct: Total pension and postretirement benefit mark-to-market adjustments (1)	(178)
Add: Restructuring charges, implementation costs and other related costs (2)	58
Add: Impairment charges (5)	212
<b>Adjusted Earnings before interest and taxes</b>	<u>\$ 1,492</u>
<b>Interest, net, as reported</b>	\$ 107
Add: Sale of notes (6)	6
<b>Adjusted Interest, net</b>	<u>\$ 113</u>
<b>Adjusted Earnings before taxes</b>	<u>\$ 1,379</u>
<b>Taxes on earnings, as reported</b>	\$ 406
Deduct: Tax expense from total pension and postretirement benefit mark-to-market adjustments (1)	(62)
Add: Tax benefit from restructuring charges, implementation costs and other related costs (2)	21
Add: Tax benefit from impairment charges (5)	32
Add: Tax benefit from sale of notes (6)	50
<b>Adjusted Taxes on earnings</b>	<u>\$ 447</u>
<b>Adjusted effective income tax rate</b>	32.4%
<b>Net earnings attributable to Campbell Soup Company, as reported</b>	\$ 887
Deduct: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	(116)
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	37
Add: Net adjustment from impairment charges (5)	180
Deduct: Net adjustment from sale of notes (6)	(56)
<b>Adjusted Net earnings attributable to Campbell Soup Company</b>	<u>\$ 932</u>
<b>Diluted net earnings per share attributable to Campbell Soup Company, as reported</b>	\$ 2.89
Deduct: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	(.38)
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	.12
Add: Net adjustment from impairment charges (5)	.59
Deduct: Net adjustment from sale of notes (6)	(.18)
<b>Adjusted Diluted net earnings per share attributable to Campbell Soup Company</b>	<u>\$ 3.04</u>
*Reflects the impact of the adoption of new accounting guidance on the presentation of net periodic pension cost and net periodic postretirement benefit cost in the first quarter of fiscal 2018.	