

Reconciliation of GAAP to Non-GAAP Financial Measures
Second Quarter Ended January 29, 2017

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. Management believes that excluding this item, which is 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 29, 2017			January 31, 2016	% Change	
	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales
Americas Simple Meals and Beverages	\$ 1,231	\$ (3)	\$ 1,228	\$ 1,237	—%	(1)%
Global Biscuits and Snacks	680	(8)	672	682	—%	(1)%
Campbell Fresh	260	—	260	282	(8)%	(8)%
Total Net Sales	<u>\$ 2,171</u>	<u>\$ (11)</u>	<u>\$ 2,160</u>	<u>\$ 2,201</u>	<u>(1)%</u>	<u>(2)%</u>

Six Months Ended						
(millions)	January 29, 2017			January 31, 2016	% Change	
	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales
Americas Simple Meals and Beverages	\$ 2,528	\$ (3)	\$ 2,525	\$ 2,539	—%	(1)%
Global Biscuits and Snacks	1,351	(21)	1,330	1,334	1%	—%
Campbell Fresh	494	—	494	531	(7)%	(7)%
Total Net Sales	<u>\$ 4,373</u>	<u>\$ (24)</u>	<u>\$ 4,349</u>	<u>\$ 4,404</u>	<u>(1)%</u>	<u>(1)%</u>

Items Impacting Gross Margin, Costs and Expenses, and Earnings

The company believes that financial information excluding certain items that are not considered to be part of the ongoing business, 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 gross margin, costs and expenses, and earnings:

- (1) In the first quarter of fiscal 2017, the company incurred losses of \$20 million in Costs and expenses (\$13 million after tax, or \$.04 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In the second quarter of fiscal 2016, the company incurred a gain of \$7 million in Costs and expenses (\$4 million after tax, or \$.01 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In the six-month period of fiscal 2016, the company incurred losses of \$121 million in Costs and expenses (\$76 million after tax, or \$.24 per share) associated with mark-to-market adjustments for defined benefit

pension and postretirement plans. For the year ended July 31, 2016, the company incurred losses of \$313 million in Costs and expenses (\$200 million after tax, or \$.64 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 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.

In the second quarter of fiscal 2016, the company recorded Restructuring charges of \$12 million and implementation costs and other related costs of \$7 million in Administrative expenses related to the fiscal 2015 initiatives. In the second quarter of fiscal 2016, the company also recorded a reduction to Restructuring charges of \$3 million related to the fiscal 2014 initiative to improve supply chain efficiency in Australia. The aggregate after-tax impact of Restructuring charges, implementation costs and other related costs was \$10 million, or \$.03 per share. In the six-month period of fiscal 2016, the company recorded Restructuring charges of \$33 million and implementation costs and other related costs of \$22 million recorded in Administrative expenses related to the fiscal 2015 initiatives. The company also recorded a reduction to Restructuring charges of \$3 million related to the fiscal 2014 initiative to improve supply chain efficiency in Australia. The aggregate after-tax impact of Restructuring charges, implementation costs and other related costs was \$33 million, or \$.11 per share.

For the year ended July 31, 2016, the company recorded Restructuring charges of \$35 million and implementation costs and other related costs of \$47 million in Administrative expenses related to the fiscal 2015 initiatives. The company also recorded a reduction to Restructuring charges of \$4 million related to the fiscal 2014 initiatives. The aggregate after-tax impact of Restructuring charges, implementation costs and other related costs was \$49 million, or \$.16 per share.

- (3) 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 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 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 reporting unit (aggregate impact of \$180 million after tax, or \$.58 per share). The charges are included in Other expenses / (income).

For the year ended July 31, 2016, as part of the annual review of intangible assets, the company recorded a non-cash impairment charge of \$141 million in Other expenses / (income) (\$127 million after tax, or \$.41 per share) related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit.

- (4) For the year ended July 31, 2016, the company recorded a gain of \$25 million in Other expenses / (income) (\$.08 per share) from a settlement of a claim related to the Kelsen acquisition.

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 29, 2017			January 31, 2016			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 825	\$ —	\$ 825	\$ 819	\$ 2	\$ 821	—%
Gross margin percentage	38.0%		38.0%	37.2%		37.3%	
Marketing and selling expenses	237	—	237	223	3	226	
Administrative expenses	139	—	139	146	(3)	143	
Research and development expenses	25	—	25	23	2	25	
Other expenses / (income)	220	(212)	8	4	—	4	
Restructuring charges	(1)	—	(1)	9	(9)	—	
Earnings before interest and taxes	\$ 205	\$ 212	\$ 417	\$ 414	\$ 9	\$ 423	(1)%
Interest, net	28	—	28	27	—	27	
Earnings before taxes	\$ 177	\$ 212	\$ 389	\$ 387	\$ 9	\$ 396	
Taxes	76	32	108	122	3	125	
Effective income tax rate	42.9%		27.8%	31.5%		31.6%	
Net earnings attributable to Campbell Soup Company	\$ 101	\$ 180	\$ 281	\$ 265	\$ 6	\$ 271	4%
Diluted net earnings per share attributable to Campbell Soup Company	\$.33	\$.58	\$.91	\$.85	\$.02	\$.87	5%

^(a)See following table for additional information.

(millions, except per share amounts)	Three Months Ended			
	January 29, 2017		January 31, 2016	
	Impairment charges (3)	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Adjustments
Gross margin	\$ —	\$ 2	\$ —	\$ 2
Marketing and selling expenses	—	3	—	3
Administrative expenses	—	4	(7)	(3)
Research and development expenses	—	2	—	2
Other expenses / (income)	(212)	—	—	—
Restructuring charges	—	—	(9)	(9)
Earnings before interest and taxes	\$ 212	\$ (7)	\$ 16	\$ 9
Interest, net	—	—	—	—
Earnings before taxes	\$ 212	\$ (7)	\$ 16	\$ 9
Taxes	32	(3)	6	3
Net earnings attributable to Campbell Soup Company	\$ 180	\$ (4)	\$ 10	\$ 6
Diluted net earnings per share attributable to Campbell Soup Company	\$.58	\$ (.01)	\$.03	\$.02

(millions, except per share amounts)	Six Months Ended						Adjusted Percent Change
	January 29, 2017			January 31, 2016			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 1,666	\$ 20	\$ 1,686	\$ 1,574	\$ 81	\$ 1,655	2%
Gross margin percentage	38.1%		38.6%	35.7%		37.6%	
Marketing and selling expenses	465	—	465	449	(17)	432	
Administrative expenses	262	(11)	251	302	(39)	263	
Research and development expenses	51	—	51	55	(6)	49	
Other expenses / (income)	226	(212)	14	9	—	9	
Restructuring charges	—	—	—	30	(30)	—	
Earnings before interest and taxes	\$ 662	\$ 243	\$ 905	\$ 729	\$ 173	\$ 902	—%
Interest, net	56	—	56	55	—	55	
Earnings before taxes	\$ 606	\$ 243	\$ 849	\$ 674	\$ 173	\$ 847	
Taxes	213	43	256	215	64	279	
Effective income tax rate	35.1%		30.2%	31.9%		32.9%	
Net earnings attributable to Campbell Soup Company	\$ 393	\$ 200	\$ 593	\$ 459	\$ 109	\$ 568	4%
Diluted net earnings per share attributable to Campbell Soup Company	\$ 1.27	\$.65	\$ 1.92	\$ 1.47	\$.35	\$ 1.82	5%

^(a)See following table for additional information.

(millions, except per share amounts)	Six Months Ended						
	January 29, 2017				January 31, 2016		
	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Impairment charges (3)	Adjustments	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Adjustments
Gross margin	\$ 20	\$ —	\$ —	\$ 20	\$ 81	\$ —	\$ 81
Marketing and selling expenses	—	—	—	—	(17)	—	(17)
Administrative expenses	—	(11)	—	(11)	(17)	(22)	(39)
Research and development expenses	—	—	—	—	(6)	—	(6)
Other expenses / (income)	—	—	(212)	(212)	—	—	—
Restructuring charges	—	—	—	—	—	(30)	(30)
Earnings before interest and taxes	\$ 20	\$ 11	\$ 212	\$ 243	\$ 121	\$ 52	\$ 173
Interest, net	—	—	\$ —	—	—	—	—
Earnings before taxes	\$ 20	\$ 11	\$ 212	\$ 243	\$ 121	\$ 52	\$ 173
Taxes	7	4	32	43	45	19	64
Net earnings attributable to Campbell Soup Company	\$ 13	\$ 7	\$ 180	\$ 200	\$ 76	\$ 33	\$ 109
Diluted net earnings per share attributable to Campbell Soup Company*	\$.04	\$.02	\$.58	\$.65	\$.24	\$.11	\$.35

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

(millions, except per share amounts)	Year Ended July 31, 2016
Gross margin, as reported	\$ 2,780
Add: Pension and postretirement benefit mark-to-market adjustments (1)	176
Adjusted Gross margin	\$ 2,956
Adjusted Gross margin percentage	37.1%
Earnings before interest and taxes, as reported	\$ 960
Add: Total pension and postretirement benefit mark-to-market adjustments (1)	313
Add: Restructuring charges, implementation costs and other related costs (2)	78
Add: Impairment charges (3)	141
Deduct: Claim settlement (4)	(25)
Adjusted Earnings before interest and taxes	\$ 1,467
Interest, net, as reported	\$ 111
Adjusted Earnings before taxes	\$ 1,356
Taxes on earnings, as reported	\$ 286
Add: Tax benefit from total pension and postretirement benefit mark-to-market adjustments (1)	113
Add: Tax benefit from restructuring charges, implementation costs and other related costs (2)	29
Add: Tax benefit from impairment charges (3)	14
Adjusted Taxes on earnings	\$ 442
Adjusted effective income tax rate	32.6%
Net earnings attributable to Campbell Soup Company, as reported	\$ 563
Add: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	200
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	49
Add: Net adjustment from impairment charges (3)	127
Deduct: Claim settlement (4)	(25)
Adjusted Net earnings attributable to Campbell Soup Company	\$ 914
Diluted net earnings per share attributable to Campbell Soup Company, as reported	\$ 1.81
Add: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	.64
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	.16
Add: Net adjustment from impairment charges (3)	.41
Deduct: Claim Settlement (4)	(.08)
Adjusted Diluted net earnings per share attributable to Campbell Soup Company	\$ 2.94