

Reconciliation of GAAP to Non-GAAP Financial Measures
First Quarter Ended October 30, 2016

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			November 1,		
	October 30, 2016			2015		
(millions)	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	% Change
Americas Simple Meals and Beverages	\$ 1,297	\$ —	\$ 1,297	\$ 1,302	—%	—%
Global Biscuits and Snacks	671	(13)	658	652	3%	1%
Campbell Fresh	234	—	234	249	(6)%	(6)%
Total Net Sales	<u>\$ 2,202</u>	<u>\$ (13)</u>	<u>\$ 2,189</u>	<u>\$ 2,203</u>	<u>—%</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 first quarter of fiscal 2016, the company incurred losses of \$128 million in Costs and expenses (\$80 million after tax, or \$.26 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 first quarter of fiscal 2017, the company recorded Restructuring charges of \$1 million and implementation costs and other related costs of \$8 million in Administrative expenses related to these initiatives (aggregate impact of \$6 million after tax, or \$.02 per share). In the first quarter of fiscal 2016, the company recorded Restructuring charges of \$21 million and implementation costs and other related costs of \$15 million in Administrative expenses related to the fiscal 2015 initiatives (aggregate impact of \$23 million after tax, or \$.07 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) 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.

- (4) 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.

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
	October 30, 2016			November 1, 2015			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 841	\$ 20	\$ 861	\$ 755	\$ 79	\$ 834	3%
Gross margin percentage	38.2%		39.1%	34.3%		37.9%	
Marketing and selling expenses	228	—	228	226	(20)	206	
Administrative expenses	123	(8)	115	156	(36)	120	
Research and development expenses	26	—	26	32	(8)	24	
Other expenses / (income)	6	—	6	5	—	5	
Restructuring charges	1	(1)	—	21	(21)	—	
Earnings before interest and taxes	\$ 457	\$ 29	\$ 486	\$ 315	\$ 164	\$ 479	1%
Interest, net	28	—	28	28	—	28	
Earnings before taxes	\$ 429	\$ 29	\$ 458	\$ 287	\$ 164	\$ 451	
Taxes	137	10	147	93	61	154	
Effective income tax rate	31.9%		32.1%	32.4%		34.1%	
Net earnings attributable to Campbell Soup Company	\$ 292	\$ 19	\$ 311	\$ 194	\$ 103	\$ 297	5%
Diluted net earnings per share attributable to Campbell Soup Company	\$.94	\$.06	\$ 1.00	\$.62	\$.33	\$.95	5%

^(a)See following table for additional information.

Three Months Ended

	October 30, 2016			November 1, 2015		
	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Adjustments	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Adjustments
(millions, except per share amounts)						
Gross margin	\$ 20	\$ —	\$ 20	\$ 79	\$ —	\$ 79
Marketing and selling expenses	—	—	—	(20)	—	(20)
Administrative expenses	—	(8)	(8)	(21)	(15)	(36)
Research and development expenses	—	—	—	(8)	—	(8)
Other expenses / (income)	—	—	—	—	—	—
Restructuring charges	—	(1)	(1)	—	(21)	(21)
Earnings before interest and taxes	<u>\$ 20</u>	<u>\$ 9</u>	<u>\$ 29</u>	<u>\$ 128</u>	<u>\$ 36</u>	<u>\$ 164</u>
Interest, net	—	—	—	—	—	—
Earnings before taxes	<u>\$ 20</u>	<u>\$ 9</u>	<u>\$ 29</u>	<u>\$ 128</u>	<u>\$ 36</u>	<u>\$ 164</u>
Taxes	7	3	10	48	13	61
Net earnings attributable to Campbell Soup Company	<u>\$ 13</u>	<u>\$ 6</u>	<u>\$ 19</u>	<u>\$ 80</u>	<u>\$ 23</u>	<u>\$ 103</u>
Diluted net earnings per share attributable to Campbell Soup Company	<u>\$.04</u>	<u>\$.02</u>	<u>\$.06</u>	<u>\$.26</u>	<u>\$.07</u>	<u>\$.33</u>

(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
Deduct: Claim settlement (3)	(25)
Add: Impairment charges (4)	141
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 (4)	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
Deduct: Claim settlement (3)	(25)
Add: Net adjustment from impairment charges (4)	127
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
Deduct: Claim Settlement (3)	(.08)
Add: Net adjustment from impairment charges (4)	.41
Adjusted Diluted net earnings per share attributable to Campbell Soup Company	\$ 2.94