

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
May 1, 1994

Commission File Number
1-3822

Campbell Soup Company

New Jersey 21-0419870
State of Incorporation 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 250,099,906 shares of Capital Stock outstanding as of June 1, 1994.

This Form 10-Q consists of a total of 11 pages.

PART 1. FINANCIAL INFORMATION

CAMPBELL SOUP COMPANY CONSOLIDATED

Statements of Earnings

(unaudited)

(million dollars except per share amounts)

Three Months Ended		Nine Months Ended	
May 1, 1994	May 2, 1993	May 1, 1994	May 2, 1993
-----	-----	-----	-----

Net sales	\$1,568	\$1,632	\$5,225	\$5,116

Costs and expenses				
Cost of products sold	946	1,018	3,108	3,154
Marketing and selling expenses	321	318	991	919
Administrative expenses	74	83	226	226
Research and development expenses	20	17	56	50
Other expense	9	12	36	20
Divestiture and restructuring charges	-	-	-	353

Total costs and expenses	1,370	1,448	4,417	4,722

Earnings before interest and taxes	198	184	808	394
Interest, net	15	18	48	58

Earnings before taxes	183	166	760	336
Taxes on earnings	64	61	272	200

Earnings before cumulative effect of accounting changes	119	105	488	136
Cumulative effect of accounting changes	-	-	-	(249)

Net earnings	\$ 119	\$ 105	\$ 488	\$ (113)
=====				
Per share				
Earnings before cumulative effect of accounting changes	\$.47	\$.42	\$1.94	\$.54
Cumulative effect of accounting changes	-	-	-	(.99)

Net earnings	\$.47	\$.42	\$1.94	\$ (.45)
=====				
Dividends	\$.28	\$.25	\$.81	\$.665
=====				
Weighted average shares outstanding	251	252	251	252
=====				

See Notes To Financial Statements

3

CAMPBELL SOUP COMPANY CONSOLIDATED

Balance Sheets

(unaudited)
(million dollars)

	May 1, 1994	August 1, 1993
	-----	-----
Current assets		
Cash and cash equivalents	\$ 86	\$ 63
Other temporary investments, at cost which approximates market	-	7
Accounts receivable	615	646
Inventories	750	804
Prepaid expenses	149	166

Total current assets	1,600	1,686

Plant assets, net of depreciation	2,326	2,264
Intangible assets, net of amortization	599	596
Other assets	413	352

Total assets	\$4,938	\$4,898
=====		
Current liabilities		
Notes payable	\$ 474	\$ 669

Payable to suppliers and others	361	510
Accrued liabilities	515	499
Dividend payable	-	64
Accrued income taxes	115	109

Total current liabilities	1,465	1,851

Long-term debt	564	462
Nonpension postretirement benefits	392	370
Other liabilities, including deferred income taxes of \$196 and \$186	535	511

Total liabilities	2,956	3,194

Shareowners' equity		
Preferred stock; authorized 40 shares; none issued	-	-
Capital stock, \$.075 par value; authorized 280 shares; issued 271 shares	20	20
Capital surplus	157	149
Earnings retained in the business	2,288	2,002
Capital stock in treasury, at cost	(462)	(428)
Cumulative translation adjustments	(21)	(39)

Total shareowners' equity	1,982	1,704

Total liabilities and shareowners' equity	\$4,938	\$4,898
=====		

See Notes to Financial Statements

4

CAMPBELL SOUP COMPANY CONSOLIDATED

Statements of Cash Flows

(unaudited)
(million dollars)

Nine Months Ended

May 1, 1994 May 2, 1993

Cash flows from operating activities:		
Net earnings	\$488	\$(113)
Non-cash charges:		
Cumulative effect of accounting changes	-	249
Divestiture and restructuring charges	-	353
Depreciation and amortization	193	174
Deferred taxes	8	(56)
Other	41	29
Net change in accounts receivable	35	(105)
Net change in inventories	55	9
Net change in other current assets and liabilities	(125)	(101)
Net cash provided by operating activities	695	439
Cash flows from investing activities:		
Purchases of plant assets	(278)	(180)
Sales of plant assets	33	19
Businesses acquired	(8)	(255)
Sales of businesses	23	10
Net change in other assets	(57)	(42)
Net change in other temporary investments	7	(2)
Net cash used in investing activities	(280)	(450)
Cash flows from financing activities:		
Issuance of long-term debt	111	-
Reductions in long-term debt	(109)	(226)
Net change in borrowings with less than three-month maturities	(37)	420
Other short-term borrowings	(57)	(16)
Dividends paid	(265)	(217)
Treasury stock purchased	(46)	(25)
Treasury stock issued	13	37
Net cash used in financing activities	(390)	(27)
Effect of exchange rate changes on cash	(2)	(4)
Net change in cash and cash equivalents	23	(42)
Cash and cash equivalents - beginning of period	63	112
Cash and cash equivalents - end of period	\$ 86	\$ 70

See Notes to Financial Statements

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 August 2, 1992	\$ -	\$20	\$116	\$2,225	\$(402)	\$69	\$2,028
Net earnings				149			149
Cash dividends (\$.665 per share)				(168)			(168)
Treasury stock purchased					(26)		(26)
Treasury stock issued under Management incentive and Stock option plans			29		16		45
Translation adjustments						(67)	(67)
Balance at May 2, 1993	\$ -	\$20	\$145	\$2,206	\$(412)	\$ 2	\$1,961
Balance at August 1, 1993	\$ -	\$20	\$149	\$2,002	\$(428)	\$(39)	\$1,704
Net earnings				488			488
Cash dividends (\$.81 per share)				(202)			(202)
Treasury stock purchased					(46)		(46)
Treasury stock issued under Management incentive and Stock option plans			8		12		20
Translation adjustments						18	18
Balance at May 1, 1994	\$ -	\$20	\$157	\$2,288	\$(462)	\$(21)	\$1,982

Changes in Number of Shares (unaudited)			
(thousands of shares)			
	Issued	Outstanding	In Treasury
Balance at August 2, 1992	271,245	251,168	20,077
Treasury stock purchased		(646)	646
Treasury stock issued under Management incentive and Stock option plans		1,450	(1,450)
Balance at May 2, 1993	271,245	251,972	19,273
Balance at August 1, 1993	271,245	251,706	19,539
Treasury stock purchased		(1,268)	1,268
Treasury stock issued under Management incentive and Stock option plans		514	(514)
Balance at May 1, 1994	271,245	250,952	20,293

See Notes to Financial Statements

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

	May 1, 1994	August 1, 1993
Raw materials, containers and supplies	\$358	\$342
Finished products	471	538
	829	880
Less - Adjustment of certain inventories to LIFO basis	79	76
	\$750	\$804

- (d) In February 1993, Campbell increased its ownership in Arnotts Limited from a minority interest to 58%. Beginning in the third quarter of fiscal 1993, Arnotts' results have been consolidated. Prior to this time, Campbell's investment in Arnotts was accounted for by the equity method. Minority interest is classified as Other Expense in the Statement of Earnings.
- (e) Certain reclassifications of prior years' data have been made to improve comparability.

7

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

AND FINANCIAL CONDITION

CAMPBELL SOUP COMPANY

Results of Operations

Overview

Campbell had record earnings for its third quarter and first nine months ended May 1, 1994.

Earnings per share increased 12% to a quarterly record of 47 cents, up from 42 cents last year. Net earnings rose 13% to \$119 million, from \$105 million a year ago. Net sales for the quarter were \$1.57 billion, down 4% from the comparable period last year.

Record earnings reflect Campbell's better-balanced worldwide business portfolio. Both Biscuit and Bakery and International delivered strong earnings gains. International soup volume alone was up an impressive 11%. Soft U.S. results reflect calculated decisions designed to gain operating and market efficiencies by leveling production and shipping to consumer demand.

Earnings for the nine months were \$488 million or \$1.94 per share, compared to a loss of 45 cents per share last year, which included restructuring and one-time charges for accounting changes. Net earnings increased 12% before these special charges. Sales for the nine months increased 2% to \$5.23 billion, versus \$5.12 billion for the comparable period last year.

Results by Division

THIRD QUARTER

U.S.A. - U.S. third quarter sales of \$913 million were down 8%, and operating earnings of \$150 million were 2% lower than last year's \$154 million. Soup shipments to the trade declined 15% from last year's third quarter because of reduced promotional activity.

Marketing spending has been refocused on the retail consumer this year. This is expected to eliminate undesirable peaks in the business cycle and lower costs throughout the distribution chain.

"Swanson" traditional frozen dinners, pies and breakfasts and "Prego" spaghetti sauces achieved solid volume growth. Food service products continued rapid sales growth led by frozen entrees and custom packed products for quick-service restaurants.

8

Biscuit and Bakery - Biscuit and Bakery third quarter sales rose 11% to \$289 million, primarily due to the 1993 acquisition of majority ownership in Arnotts Limited. Pepperidge Farm's biscuit and frozen businesses also had substantial sales growth with frozen pastry and garlic bread posting very strong gains. Operating earnings rose 23% to \$28 million from \$23 million last year, driven by strong performances from Arnotts and Pepperidge Farm's biscuit business.

International - International businesses consisting of soups, grocery, frozen, worldwide confectionery and specialty foods in Canada, Mexico, Argentina, Europe and Asia, reported a sales decrease of 2%, to \$381 million from \$390 million last year, but a 1% increase before currency fluctuations.

International operating earnings rose 40% to \$31 million from \$22 million for the comparable period last year. Campbell's United Kingdom led this strong earnings growth with gains in soup and frozen products and the "Fray Bentos" canned meat business which was acquired in April 1993. Mexico, Argentina and Campbell's confectionery businesses also posted solid earnings gains.

NINE MONTHS

U.S.A. - U.S. sales for the nine months declined 3% to \$3.14 billion. Operating earnings were \$621 million, a 2% decline excluding the effect of 1993 restructuring charges.

Soup shipments to the trade were down 7.5% for the period, compared to the prior year. Sales of "Swanson" traditional frozen dinners, pies and

breakfasts and food service products increased during the period.

Biscuit and Bakery - Biscuit and Bakery sales for the nine months grew to \$937 million, an increase of 34%, primarily due to the acquisition of Arnotts. Operating earnings increased to \$109 million from \$60 million, a 67% increase excluding 1993 restructuring charges. Although volume was down, Delacre showed strong earnings improvement during the period.

International - International sales for the nine months declined 2% to \$1.19 billion, but increased 4% before currency fluctuations. Strong sales growth occurred in the United Kingdom, Mexico and in the "Godiva" business. Soup volume increased 9%.

Operating earnings increased to \$109 million, a 28% increase excluding 1993 restructuring charges. Most businesses experienced earnings growth, led by Canada, the United Kingdom and the confectionery businesses.

Statements of Earnings

Net sales increased 2% for the nine months but declined 4% in the third quarter versus the same periods in the prior year. Excluding the effects of acquisitions, sales decreased for the nine months, reflecting the decline in U.S. soup shipments.

9

Gross margins improved 2.1 percentage points in the third quarter and for the nine months to 39.7% and 40.5%, respectively. These improvements resulted from continued stability in commodity prices, higher selling prices and manufacturing efficiencies.

Marketing and selling expenses for the third quarter were flat compared to the prior year, but increased 8% in the nine months versus last year. Major marketing activities were initiated early in the year, including the new advertising campaign, "Never Underestimate the Power of Soup."

The increase in Other expense for the nine months results principally from minority interest associated with Arnotts. The favorability in Interest expense results from retirement of higher rate long-term debt and the low short term interest rate environment.

The effective tax rates for the third quarter and nine months were 35.0% and 35.8%, respectively as the Company continues to benefit from tax planning strategies.

Liquidity and Capital Resources

Campbell's cash flows from operating activities are highly seasonal. As a result of earnings improvements and focused attention on working capital, the Company provided cash of \$695 million from operations in the first nine months of 1994, up \$256 million from \$439 million in the same period in 1993. A decrease in accounts receivable provided \$35 million in 1994, compared to use of \$105 million in 1993, primarily as a result of the timing of sales promotions. Inventory reductions provided \$55 million of cash in 1994, an improvement of \$46 million over the same period in 1993.

Capital expenditures were \$278 million in 1994, up \$98 million over the prior year due to a high level of cost savings projects. Capital expenditures are projected to reach \$430 million for fiscal 1994. During the first nine months of 1994, the Company acquired the Australian mushroom business, Dandy Mushrooms, for \$8 million. In the same period for 1993, the Company purchased, at a cost of \$227 million, 25% of the outstanding shares of the Australian biscuit company, Arnotts Limited, increasing the Company's ownership position from 33% to 58%.

During the first quarter, the Company retired \$100 million of 9.125% notes and issued \$100 million of notes bearing an interest rate of 5.625% with a maturity in 2003. Short-term debt decreased by \$94 million in 1994 and increased \$404 million in 1993.

As a result of increases in the dividend rate, year-to-date dividend payments increased \$48 million to \$265 million in 1994, from \$217 million for the first nine months of 1993.

The Company repurchased 1.3 million shares of common stock for the

treasury at a cost of \$46 million through three quarters in 1994, compared to repurchases of approximately 646,000 shares for \$26 million in the same period in 1993.

10

PART II

ITEM 1. LEGAL PROCEEDINGS

As previously reported, 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. The Company has 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 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

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.

b. Reports on Form 8-K

There were no reports on Form 8-K filed by Campbell during the quarter for which this report is filed.

11

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: June 13, 1994

By: /s/ John M. Coleman

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

Date: June 13, 1994

By: /s/ Frank E. Weise, III

Frank E. Weise, III
Senior Vice President - Finance
and Chief Financial Officer