

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS (unaudited)
(millions, except per share amounts)

	THREE MONTHS ENDED	
	November 1, 2015	November 2, 2014
Net sales	\$ 2,203	\$ 2,255
Costs and expenses		
Cost of products sold	1,448	1,460
Marketing and selling expenses	226	243
Administrative expenses	156	131
Research and development expenses	32	28
Other expenses	5	4
Restructuring charges	21	—
Total costs and expenses	1,888	1,866
Earnings before interest and taxes	315	389
Interest, net	28	25
Earnings before taxes	287	364
Taxes on earnings	93	116
Net earnings	194	248
Net loss attributable to noncontrolling interests	—	—
Net earnings attributable to Campbell Soup Company	\$ 194	\$ 248
Per share - basic		
Net earnings attributable to Campbell Soup Company	\$.63	\$.79
Dividends	\$.312	\$.312
Weighted average shares outstanding - basic	310	314
Per share - assuming dilution		
Net earnings attributable to Campbell Soup Company	\$.62	\$.78
Weighted average shares outstanding - assuming dilution	312	316

In 2016, the company changed the method of accounting for the recognition of actuarial gains and losses for defined benefit pension and postretirement plans and the calculation of expected return on pension plan assets. These changes in accounting policy have been retrospectively applied to all periods presented. The company excludes the impact of the mark-to-market adjustments resulting from these accounting changes in evaluating performance. In the first quarter of 2016, the company incurred non-cash pre-tax charges of \$128 in Costs and expenses (\$80 after tax, or \$.26 per share) due to mark-to-market adjustments.

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 2016, the company recorded pre-tax restructuring charges of \$21 related to these initiatives. The company also incurred pre-tax charges of \$15 recorded in Administrative expenses related to these initiatives. The aggregate after-tax impact of restructuring charges, implementation costs and other related costs was \$23, or \$.07 per share.

CAMPBELL SOUP COMPANY
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF SALES AND EARNINGS (unaudited)
(millions, except per share amounts)

	THREE MONTHS ENDED		Percent Change
	November 1, 2015	November 2, 2014	
Sales			
Contributions:			
Americas Simple Meals and Beverages	\$ 1,302	\$ 1,333	(2)%
Global Biscuits and Snacks	652	691	(6)%
Campbell Fresh	249	231	8%
Total sales	<u>\$ 2,203</u>	<u>\$ 2,255</u>	(2)%
Earnings			
Contributions:			
Americas Simple Meals and Beverages	\$ 363	\$ 305	19%
Global Biscuits and Snacks	114	98	16%
Campbell Fresh	18	9	100%
Total operating earnings	495	412	20%
Unallocated corporate expenses	159	23	
Restructuring charges	21	—	
Earnings before interest and taxes	315	389	(19)%
Interest, net	28	25	
Taxes on earnings	93	116	
Net earnings	194	248	(22)%
Net loss attributable to noncontrolling interests	—	—	
Net earnings attributable to Campbell Soup Company	<u>\$ 194</u>	<u>\$ 248</u>	(22)%
Per share - assuming dilution			
Net earnings attributable to Campbell Soup Company	<u>\$.62</u>	<u>\$.78</u>	(21)%

In 2016, the company modified its segment reporting as a result of changes in the management of the business. In addition, the company changed the method of accounting for the recognition of actuarial gains and losses for defined benefit pension and postretirement plans and the calculation of expected return on pension plan assets. In 2016, the company also modified its method of allocating pension and postretirement benefit costs to reportable segments. Through 2015, the company included all components of benefit expense in measuring segment performance. In 2016, service cost is allocated to segments. All other components of expense, including interest cost, expected return on assets, and recognized actuarial gains and losses, are reflected in Unallocated corporate expenses and not included in segment operating results. The changes in segment reporting and accounting policies have been retrospectively applied to all periods presented.

In the first quarter of 2016, the company incurred non-cash pre-tax charges of \$128 in Unallocated corporate expenses (\$80 after tax, or \$.26 per share) due to mark-to-market adjustments.

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 2016, the company recorded pre-tax restructuring charges of \$21 related to these initiatives. The company also incurred pre-tax charges of \$15 recorded in Unallocated corporate expenses related to these initiatives. The aggregate after-tax impact of restructuring charges, implementation costs and other related costs was \$23, or \$.07 per share.

CAMPBELL SOUP COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(millions)

	November 1, 2015	November 2, 2014
Current assets	\$ 2,337	\$ 2,355
Plant assets, net	2,340	2,286
Intangible assets, net	3,531	3,539
Other assets	96	114
Total assets	\$ 8,304	\$ 8,294
Current liabilities	\$ 2,904	\$ 3,168
Long-term debt	2,551	2,244
Other liabilities	1,439	1,279
Total equity	1,410	1,603
Total liabilities and equity	\$ 8,304	\$ 8,294
Total debt	\$ 4,096	\$ 4,072
Cash and cash equivalents	\$ 263	\$ 239

In 2016, the company changed the method of accounting for the recognition of actuarial gains and losses for defined benefit pension and postretirement plans and the calculation of expected return on pension plan assets. These changes in accounting policy have been retrospectively applied to all periods presented.

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(millions)

	THREE MONTHS ENDED	
	November 1, 2015	November 2, 2014
Cash flows from operating activities:		
Net earnings	\$ 194	\$ 248
Adjustments to reconcile net earnings to operating cash flow		
Restructuring charges	21	—
Stock-based compensation	13	13
Pension and postretirement benefit expense/(income)	133	(6)
Depreciation and amortization	74	75
Deferred income taxes	(35)	9
Other, net	(1)	1
Changes in working capital		
Accounts receivable	(184)	(175)
Inventories	(56)	(95)
Prepaid assets	(6)	(5)
Accounts payable and accrued liabilities	72	132
Pension fund contributions	(1)	(1)
Receipts from hedging activities	3	1
Other	(9)	(9)
Net cash provided by operating activities	218	188
Cash flows from investing activities:		
Purchases of plant assets	(71)	(62)
Sales of plant assets	2	6
Other, net	1	(8)
Net cash used in investing activities	(68)	(64)
Cash flows from financing activities:		
Net short-term borrowings	(11)	352
Repayments of notes payable	—	(300)
Dividends paid	(100)	(101)
Treasury stock purchases	(32)	(73)
Treasury stock issuances	1	6
Excess tax benefits on stock-based compensation	6	5
Net cash used in financing activities	(136)	(111)
Effect of exchange rate changes on cash	(4)	(6)
Net change in cash and cash equivalents	10	7
Cash and cash equivalents — beginning of period	253	232
Cash and cash equivalents — end of period	\$ 263	\$ 239

In 2016, the company changed the method of accounting for the recognition of actuarial gains and losses for defined benefit pension and postretirement plans and the calculation of expected return on pension plan assets. These changes in accounting policy have been retrospectively applied to all periods presented.