



**FOR IMMEDIATE RELEASE**

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**CAMPBELL REPORTS FOURTH-QUARTER AND FULL-YEAR RESULTS**

- Reported Results Include Charges Related to Cost Savings Initiatives, One Less Week Compared to Fiscal 2014 and the Negative Impact of Currency Translation
- Fourth-Quarter Sales Decreased 9 Percent, Organic Sales Increased 1 Percent
- Fourth-Quarter Adjusted EPS from Continuing Operations Increased 5 Percent to \$0.43
- Full-Year Sales Decreased 2 Percent, Organic Sales Increased 1 Percent
- Full-Year Adjusted EPS from Continuing Operations of \$2.46 was Comparable to Prior Year
- Campbell Provides Fiscal 2016 Guidance within Long-Term Growth Targets Announced in July

**CAMDEN, N.J., Sept. 3, 2015—Campbell Soup Company (NYSE:CPB)** today reported its fourth-quarter and full-year results for fiscal 2015.

<b>Continuing Operations</b> (\$ in millions, except per share)	<b><u>Fourth-Quarter</u></b>			<b><u>Full-Year</u></b>		
	<b><u>Aug. 2,</u></b> <b><u>2015</u></b>	<b><u>Aug. 3,</u></b> <b><u>2014</u></b>	<b><u>%</u></b> <b><u>Change</u></b>	<b><u>Aug. 2,</u></b> <b><u>2015</u></b>	<b><u>Aug. 3,</u></b> <b><u>2014</u></b>	<b><u>%</u></b> <b><u>Change</u></b>
<b>Net Sales</b>						
As Reported (GAAP)	<b>\$1,693</b>	\$1,852	(9)%	<b>\$8,082</b>	\$8,268	(2)%
Organic			1%			1%
<b>Earnings Before Interest and Taxes</b>						
As Reported (GAAP)	<b>\$128</b>	\$234	(45)%	<b>\$1,095</b>	\$1,192	(8)%
Adjusted	<b>\$234</b>	\$222	5%	<b>\$1,219</b>	\$1,244	(2)%
<b>Diluted Earnings Per Share</b>						
As Reported (GAAP)	<b>\$0.22</b>	\$0.43	(49)%	<b>\$2.21</b>	\$2.33	(5)%
Adjusted	<b>\$0.43</b>	\$0.41	5%	<b>\$2.46</b>	\$2.45	-%

Note: A detailed reconciliation of the reported financial information to the adjusted financial information is included at the end of this news release.

**Items Impacting Comparability**

At the end of the news release is a detailed reconciliation of the reported financial information to the adjusted information, including the impact on earnings from charges in fiscal 2015 related to cost savings initiatives and the estimated impact of one less week that are discussed further below.

In fiscal 2015, the company incurred restructuring charges and implementation costs associated with the new organizational structure and cost reduction initiatives. The aggregate after-tax impact on EPS from these initiatives in the fourth-quarter and full-year results was \$.21 per share and \$.25 per share, respectively.

Fiscal 2014 included 53 weeks, with the extra week falling in the fourth quarter. As a result of one less week in fiscal 2015 compared to the prior year, sales for the fourth quarter were negatively impacted by approximately 7 points and sales for the full year were negatively impacted by approximately 2 points. The estimated impact on EPS was \$.08 per share.

Denise Morrison, Campbell's President and Chief Executive Officer, said, "We had a solid finish to the fiscal year considering the difficult operating environment, and delivered sales, adjusted EBIT and adjusted EPS within our most recent guidance. I am pleased with the fourth-quarter performance in U.S. Simple Meals as well as organic sales growth in the Bolthouse and Foodservice segment. For the year, four of the company's five reporting segments posted organic sales gains. Global Baking and Snacking performed well this year as we made progress in stabilizing our business in Australia. I am particularly encouraged by the improvement in gross margin across the company in the back half of the year. We recognize that we have more work to do to drive sustainable, profitable growth.

"Fiscal 2015 was eventful for Campbell. We took important steps to lay the foundation for the future. We aligned our organization with our strategy by redesigning our enterprise structure and declaring clear portfolio roles for our three new divisions: Americas Simple Meals and Beverages, Global Biscuits and Snacks and Campbell Fresh. We established our Integrated Global Services organization to deliver shared services with greater efficiency and effectiveness. We delivered earlier-than-anticipated savings from our cost-reduction efforts and initiated plans for a zero-based budgeting process that will be of great value to Campbell going forward. Finally, we added another growth engine to our company as we bolstered our packaged fresh portfolio with the acquisition of Garden Fresh Gourmet."

Morrison concluded, "Looking ahead to fiscal 2016, we believe that our focus on driving growth, aggressively reducing costs and reinvesting a portion of the savings in the areas of our business with the greatest growth potential is the best way to create shareholder value."

**Fourth-Quarter Results from Continuing Operations**

Sales decreased 9 percent to \$1.693 billion primarily due to the impact of one less week compared to the year-ago quarter and the negative impact of currency translation. Organic sales increased 1 percent from higher selling prices and lower promotional spending, partly offset by lower volume.

Gross margin increased from 34.1 percent to 36.1 percent. Excluding items impacting comparability in the prior year, adjusted gross margin improved 1.8 percentage points. The increase in adjusted gross margin was due to productivity improvements, higher selling prices and lower promotional spending, partly offset by input cost inflation.

Marketing and selling expenses decreased 7 percent to \$176 million, primarily driven by the impact of currency translation and lower marketing overhead and selling expenses, partly offset by increased advertising and consumer promotion expenses. Administrative expenses increased 19 percent to \$177 million, primarily driven by increased incentive compensation expense and \$13 million of costs related to the implementation of the new organizational structure and cost reduction initiatives.

Adjusted EBIT increased 5 percent to \$234 million, reflecting a higher gross margin percentage, partly offset by increased administrative expenses and the negative impact of currency translation.

Net interest expense decreased \$3 million to \$27 million, primarily driven by the impact of one less week compared to the year-ago quarter. The tax rate decreased 1.1 percentage points to 32.7 percent. Excluding items impacting comparability, the adjusted tax rate increased 0.8 percentage points to 34.8 percent.

**Full-Year Results from Continuing Operations**

Sales decreased 2 percent to \$8.082 billion, primarily due to the negative impact of currency translation and one less week compared to the prior year, partly offset by higher selling prices and an increase in volume. Organic sales increased 1 percent with gains in four of the company's five reportable segments.

Adjusted EBIT decreased 2 percent to \$1.219 billion, reflecting an adjusted gross margin percentage decline of 0.7 points, the unfavorable impact of currency translation and higher incentive compensation expense, partly offset by volume gains and lower marketing expenses.

Net interest expense decreased \$14 million to \$105 million, reflecting lower levels of debt. The tax rate decreased 2.1 percentage points to 30.2 percent. Excluding items impacting comparability, the adjusted tax rate decreased 0.8 percentage points to 31.0 percent. The decrease was primarily due to the favorable resolution of an intercompany pricing agreement between the U.S. and Canada.

### **Fiscal 2016 Guidance for Continuing Operations**

As shown in the table below, the company expects sales to grow by 0 to 1 percent, adjusted EBIT to grow by 3 to 5 percent and adjusted EPS to grow by 3 to 5 percent, or \$2.53 to \$2.58 per share. This guidance includes the impact of currency translation, which is estimated to have a 2 percentage point negative impact, as well as the impact of the Garden Fresh Gourmet acquisition.

<b>Continuing Operations</b>	<b>2015 Results</b>	<b>Estimated Currency Translation Impact</b>	<b>Garden Fresh Gourmet Acquisition</b>	<b>2016 Guidance</b>
(\$ in millions, except per share)				
Net Sales	\$8,082	-2 pts	+1 pt	0 to +1%
Adjusted EBIT*	\$1,219	-2 pts	+1 pt	+3 to +5%
Adjusted EPS*	\$2.46	-2 pts -\$0.06	-	+3 to +5% \$2.53 to \$2.58

\*Adjusted – see non-GAAP reconciliation.

To provide better transparency, the company intends to adopt mark-to-market pension and post-retirement benefit accounting (MTM) in the first quarter of fiscal 2016 and recast historical results. This change eliminates the deferral and subsequent amortization of historic actuarial gains and losses, which instead will be recognized immediately in earnings as of the measurement date, typically year end. The periodic MTM adjustment will be reflected as an item impacting comparability and therefore excluded from adjusted results. The 2016 guidance does not reflect the impact of the anticipated accounting change, however, 2016 growth rates are not expected to change from the recasted 2015 base.

## Segment Operating Review

An analysis of net sales and operating earnings by reportable segment follows:

### Fourth-Quarter

(\$ in millions)

	<b>U.S. Simple Meals</b>	<b>Global Baking and Snacking</b>	<b>International Simple Meals and Beverages</b>	<b>U.S. Beverages</b>	<b>Bolthouse and Foodservice</b>	<b>Total</b>
Net Sales, as Reported	\$505	\$553	\$142	\$165	\$328	\$1,693
Volume and Mix	3%	(2%)	(5%)	(4%)	3%	(1%)
Price and Sales Allowances	1%	1%	2%	-%	1%	1%
Promotional Spending	-%	2%	(2%)	-%	-%	1%
Organic Net Sales	4%	1%	(5%)	(4%)	4%	1%
Currency	-%	(6%)	(11%)	-%	(1%)	(3%)
Acquisitions	-%	-%	-%	-%	3%	1%
Impact of 53 <sup>rd</sup> Week	(7%)	(7%)	(8%)	(7%)	(7%)	(7%)
% Change vs. Prior Year	(3%)	(12%)	(24%)	(10%)*	(2%)*	(9%)*
Segment Operating Earnings	\$118	\$73	\$11	\$33	\$28	
% Change vs. Prior Year	4%	(26%)	(48%)	(23%)	(3%)	

\* Numbers do not add due to rounding

Note: A detailed reconciliation of the reported net sales to organic net sales is included at the end of this news release.

### Full-Year

(\$ in millions)

	<b>U.S. Simple Meals</b>	<b>Global Baking and Snacking</b>	<b>International Simple Meals and Beverages</b>	<b>U.S. Beverages</b>	<b>Bolthouse and Foodservice</b>	<b>Total</b>
Net Sales, as Reported	\$2,930	\$2,375	\$700	\$689	\$1,388	\$8,082
Volume and Mix	-%	2%	1%	(3%)	2%	-%
Price and Sales Allowances	1%	1%	1%	1%	-%	1%
Promotional Spending	-%	-%	(1%)	(1%)	-%	-%
Organic Net Sales	1%	3%	1%	(3%)	2%	1%
Currency	-%	(4%)	(9%)	-%	(1%)	(2%)
Acquisitions	-%	-%	-%	-%	1%	-%
Net Accounting	-%	-%	(1%)	-%	-%	-%
Impact of 53 <sup>rd</sup> Week	(1%)	(2%)	(2%)	(2%)	(2%)	(2%)
% Change vs. Prior Year	-%	(3%)	(10%)*	(5%)	1%*	(2%)*
Segment Operating Earnings	\$677	\$350	\$80	\$113	\$107	
% Change vs. Prior Year	(5%)	5%	(25%)	(11%)	(9%)	

\* Numbers do not add due to rounding

Note: A detailed reconciliation of the reported net sales to organic net sales is included at the end of this news release.

### U.S. Simple Meals

Sales decreased 3 percent in the quarter to \$505 million. Organic sales for the segment increased 4 percent. U.S. soup sales decreased 2 percent reflecting the impact of one less week, which subtracted 7 points, partly offset by movements in retailer inventory levels and higher selling prices. Sales decreased 4 percent in *Campbell's* Condensed soups and 3 percent in ready-to-serve soups, while sales of broth increased 11 percent. Excluding the impact of one less week, sales of other simple meals increased driven by strong growth in *Prego* pasta sauces.

Segment operating earnings increased 4 percent to \$118 million. The increase was primarily driven by organic sales gains and lower selling expenses, partly offset by the impact of one less week.

### Global Baking and Snacking

Sales decreased 12 percent in the quarter to \$553 million. Organic sales for the segment increased 1 percent driven by gains in *Pepperidge Farm* and *Arnott's*, partly offset by declines in *Kelsen*. Excluding the impact of one less week, sales of *Pepperidge Farm* products increased as sales gains in fresh bakery, *Goldfish* crackers and *Pepperidge Farm* frozen products were partly offset by declines in cookies. Excluding the negative impact of currency translation and one less week, *Arnott's* sales increased as gains in Australia were partly offset by declines in Indonesia.

Segment operating earnings decreased 26 percent to \$73 million. Lower operating earnings reflected the impact of one less week, increases in marketing and administrative expenses, the negative impact of currency translation and impairment charges to minor trademarks, partly offset by a higher gross margin percentage.

### International Simple Meals and Beverages

Sales declined 24 percent in the quarter to \$142 million. Organic sales for the segment decreased 5 percent due to declines in Canada and Australia.

Segment operating earnings decreased 48 percent to \$11 million, primarily due to lower volume, including the impact of one less week, as well as the negative impact of currency translation.

### U.S. Beverages

Sales decreased 10 percent in the quarter to \$165 million. Organic sales decreased 4 percent as declines in *V8 V-Fusion* beverages were partly offset by gains in *V8* vegetable juices.

Segment operating earnings decreased 23 percent to \$33 million, primarily due to sales declines, including the impact of one less week.

#### Bolthouse and Foodservice

Sales decreased 2 percent in the quarter to \$328 million, including a 3-point benefit from the acquisition of Garden Fresh Gourmet. Organic sales for the segment increased 4 percent reflecting volume gains in *Bolthouse Farms* refrigerated beverages and salad dressings and in North America Foodservice, partly offset by declines in *Bolthouse Farms* carrots.

Segment operating earnings were \$28 million compared to \$29 million in the year-ago quarter.

#### **Cost Savings Initiatives**

In fiscal 2015, the company incurred charges associated with its initiatives to implement a new enterprise design that better aligns with its strategy, to reduce costs and to streamline its organizational structure. In the fourth quarter of fiscal 2015, the company recorded pre-tax restructuring charges of \$93 million related to these initiatives. The company also incurred pre-tax charges of \$13 million recorded in Unallocated corporate expenses related to the implementation of these initiatives. The aggregate after-tax impact of the restructuring charges and implementation costs was \$67 million, or \$.21 per share. For the full year, the company recorded pre-tax restructuring charges of \$102 million related to these initiatives. The company also incurred pre-tax charges of \$22 million recorded in Unallocated corporate expenses related to the implementation of these initiatives. The aggregate after-tax impact of restructuring charges and implementation costs was \$78 million, or \$.25 per share.

#### **Unallocated Corporate Expenses**

Unallocated corporate expenses for the quarter were \$42 million compared to \$51 million a year ago. The current quarter included \$13 million of pre-tax charges related to the implementation of the new organizational structure and cost reduction initiatives. The prior-year quarter included a pension settlement charge of \$4 million associated with a U.S. pension plan and \$1 million of restructuring-related costs. The remaining decrease in expenses is primarily related to lower losses on open commodity hedges compared to the year-ago quarter.

#### **Cash Flow from Operations**

Cash flow from operations for the fiscal year was \$1.182 billion compared to \$899 million a year ago, primarily due to lower working capital requirements, taxes paid in 2014 on the divestiture of the European simple meals business and lower pension contributions in 2015.

## Conference Call

Campbell will host a conference call to discuss these results today at 8:30 a.m. Eastern Daylight Time. To join, dial +1 (703) 639-1316. The conference ID is 1660929. Access to a live webcast of the call with accompanying slides, as well as a replay of the call, is available at [investor.campbellsoupcompany.com](http://investor.campbellsoupcompany.com). A recording of the call will also be available until midnight on Sept. 17, 2015, at +1 (888) 266-2081. The access code for the replay is 1660929.

## About Campbell Soup Company

Campbell (NYSE:CPB) is driven and inspired by our Purpose, “Real food that matters for life’s moments.” The company makes a range of high-quality soups and simple meals, beverages, snacks and packaged fresh foods. For generations, people have trusted Campbell to provide authentic, flavorful and readily available foods and beverages that connect them to each other, to warm memories, and to what’s important today. Led by its iconic *Campbell’s* brand, the company’s portfolio includes *Pepperidge Farm*, *Bolthouse Farms*, *Arnott’s*, *V8*, *Swanson*, *Pace*, *Prego*, *Plum*, *Royal Dansk*, *Kjeldsens* and *Garden Fresh Gourmet*. Founded in 1869, Campbell has a heritage of giving back and acting as a good steward of the planet’s natural resources. The company is a member of the Standard & Poor’s 500 and the Dow Jones Sustainability Indexes. For more information, visit [www.campbellsoupcompany.com](http://www.campbellsoupcompany.com) or follow company news on Twitter via [@CampbellSoupCo](https://twitter.com/CampbellSoupCo).

## Forward-Looking Statements

This release contains “forward-looking statements” that reflect the company’s current expectations about the impact of its future plans and performance on the company’s business or financial results. These forward-looking statements, including the statements made regarding sales, EBIT and EPS guidance for fiscal 2016, rely on a number of assumptions and estimates that could be inaccurate and which are subject to risks and uncertainties. The factors that could cause the company’s actual results to vary materially from those anticipated or expressed in any forward-looking statement include (1) the company’s ability to manage organizational change effectively; (2) the company’s ability to realize projected cost savings and benefits from its efficiency programs; (3) the impact of strong competitive responses to the company’s efforts to leverage its brand power in the market; (4) the impact of changes in consumer demand for the company’s products; (5) the risks associated with trade and consumer acceptance of the company’s initiatives, including its trade and promotional programs; (6) the practices, including changes to inventory practices, and increased significance of certain of the company’s key trade customers; (7) the impact of fluctuations in the supply or costs of energy and raw and packaging materials; (8)

the impact of portfolio changes; (9) the uncertainties of litigation; (10) the impact of changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions and other external factors; (11) the impact of unforeseen business disruptions in one or more of the company's markets due to political instability, civil disobedience, armed hostilities, natural disasters or other calamities; and (12) other factors described in the company's most recent Form 10-K and subsequent Securities and Exchange Commission filings. The company disclaims any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this release.

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