



FOR IMMEDIATE RELEASE

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CAMPBELL REPORTS FIRST-QUARTER RESULTS

- Sales Increased 4 Percent, Organic Sales Increased 5 Percent
- Adjusted Earnings Before Interest and Taxes (EBIT) Increased 9 Percent
- Adjusted EPS from Continuing Operations Increased 12 Percent to \$0.74
- Campbell Reduces Low End of Fiscal 2015 Guidance Ranges Based on Volatility in Foreign Currencies

CAMDEN, N.J., Nov. 25, 2014 - Campbell Soup Company (NYSE:CPB) today reported its results for the first quarter of fiscal 2015.

Continuing Operations (\$ in millions, except per share)	<u>Three Months Ended</u>		
	<u>Nov. 2,</u> <u>2014</u>	<u>Oct. 27,</u> <u>2013</u>	<u>%</u> <u>Change</u>
Net Sales			
As Reported (GAAP)	\$2,255	\$2,165	4%
Organic			5%
Earnings Before Interest and Taxes			
As Reported (GAAP)	\$368	\$305	21%
Adjusted	\$368	\$337	9%
Diluted Earnings Per Share			
As Reported (GAAP)	\$0.74	\$0.57	30%
Adjusted	\$0.74	\$0.66	12%

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

Denise Morrison, Campbell's President and Chief Executive Officer, said, "We were encouraged by our organic sales growth across most of our portfolio, particularly in U.S. Simple Meals and Global Baking and Snacking. Our U.S. soup performance was driven by a

stronger seasonal sell-in and the timing of our quarter end relative to the Thanksgiving holiday. The performance of our Australian biscuit business improved with better customer execution and innovation. We were pleased with the continued positive momentum in Bolthouse Farms, Plum and Kelsen. Although our year is off to a solid start, we are facing some challenges. Our gross margin performance did not meet our expectations due largely to higher than anticipated commodity costs and supply chain costs. We have plans to offset gross margin pressure in the remainder of the year. We also are facing headwinds from currency. Despite these challenges, we continue to make progress strengthening our core business and expanding into faster-growing spaces.”

First-Quarter Results from Continuing Operations

For the quarter, sales increased 4 percent to \$2.255 billion, driven by favorable volume and mix, partly offset by increased promotional spending and the negative impact of currency. Organic sales increased 5 percent with gains in four of the company’s reportable segments.

Gross margin declined 1.2 percentage points to 34.7 percent. Excluding items impacting comparability in the prior year, adjusted gross margin declined 1.3 percentage points to 34.7 percent. The decrease in adjusted gross margin was due to cost inflation, higher supply chain costs and higher promotional spending, partly offset by productivity improvements, the benefit from lapping the prior-year Plum recall and favorable mix.

Marketing and selling expenses decreased 5 percent to \$247 million, driven primarily by lower advertising and consumer promotion expenses as compared with last year’s elevated levels. Administrative expenses decreased 9 percent to \$135 million, primarily due to long-term incentive compensation costs and cost savings related to prior-year restructuring initiatives.

Adjusted EBIT increased 9 percent, reflecting higher sales, the benefit from lapping the prior-year Plum recall and a reduction in administrative and marketing expenses, partly offset by a lower gross margin percentage.

Net interest expense decreased \$5 million to \$25 million, reflecting lower levels of debt. The tax rate decreased 2.7 percentage points to 31.8 percent. Excluding items impacting comparability in the prior year, the adjusted tax rate decreased 0.4 percentage points to 31.8 percent.

Campbell Adjusts Fiscal 2015 Guidance for Continuing Operations

Anthony DiSilvestro, Campbell's Senior Vice President and Chief Financial Officer, said, "Based on headwinds from currency translation, we have reduced the low end of our guidance ranges. Importantly, our currency-neutral expectations have not changed."

Due to the unanticipated volatility in foreign currencies, Campbell has lowered the bottom of the range of its fiscal 2015 guidance. Based on currency rates effective at quarter end, currency is estimated to have a negative 1-point impact on both reported sales and earnings, or \$0.03 per share. Campbell now expects growth of 0 to 2 percent in sales; -1 to +2 percent in adjusted EBIT; and -1 to +2 percent in adjusted EPS, or \$2.42 to \$2.50 per share. This guidance is based on an adjusted 52-week 2014 base. The company's previous guidance was growth of 1 to 2 percent in sales; 0 to 2 percent in adjusted EBIT; and 0 to 2 percent in adjusted EPS, or \$2.45 to \$2.50 per share.

Segment Operating Review

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

	Three Months Ended Nov. 2, 2014					
	(\$ in millions)					
	U.S. Simple Meals	Global Baking and Snacking	International Simple Meals and Beverages	U.S. Beverages	Bolthouse and Foodservice	Total
Net Sales, as Reported	\$928	\$627	\$189	\$168	\$343	\$2,255
Volume and Mix	8%	5%	6%	(2%)	4%	6%
Price and Sales Allowances	-	1%	-	1%	-	-
Promotional Spending	-	(3%)	(1%)	(2%)	-	(1%)
Organic Net Sales	8%	3%	5%	(3%)	4%	5%
Currency	-	(1%)	(5%)	-	-	(1%)
Net Accounting	-	-	(2%)	-	-	-
Acquisitions	-	1%	-	-	-	-
% Change vs. Prior Year	8%	3%	(2%)	(3%)	4%	4%
Segment Operating Earnings	\$242	\$90	\$16	\$26	\$22	
% Change vs. Prior Year	15%	15%	(20%)	8%	(24%)	

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 increased 8 percent to \$928 million. U.S. soup sales increased 6 percent, driven by movements in retailer inventory levels as well as the timing of the quarter end in relation to

the holiday season. Sales increased 6 percent in *Campbell's* condensed soups and 17 percent in broth, while sales of ready-to-serve soups were comparable to the prior year. Sales of other simple meals rose 14 percent, driven by growth in Plum, *Prego* pasta sauces and *Campbell's* dinner sauces.

Segment operating earnings increased 15 percent to \$242 million, of which 8 points related to the benefit of lapping the Plum recall in the prior-year quarter. Higher operating earnings also reflected volume gains, productivity improvements and lower marketing and administrative expenses, partly offset by cost inflation and higher supply chain costs.

Global Baking and Snacking

Sales grew 3 percent to \$627 million. Arnott's sales increased driven by volume gains in Australia and Indonesia, partly offset by the negative impact of currency and higher promotional spending. Sales of Pepperidge Farm products were comparable to the prior year as volume gains were offset by higher promotional spending. Within Pepperidge Farm, sales gains of fresh bakery products and cookies were offset by sales declines in crackers and frozen products.

Segment operating earnings increased 15 percent to \$90 million, due to volume gains, productivity improvements and the benefit of lapping the purchase accounting adjustment in the prior-year quarter related to the acquisition of Kelsen, partly offset by increased promotional spending.

International Simple Meals and Beverages

Sales declined 2 percent to \$189 million. Excluding the negative impact of currency, sales gains in Canada and the Asia Pacific region were partly offset by declines in Latin America.

Segment operating earnings decreased 20 percent to \$16 million, driven by an increase in marketing and administrative expenses and the negative impact of currency, partly offset by volume gains.

U.S. Beverages

Sales decreased 3 percent to \$168 million. Declines in *V8 V-Fusion* beverages and *V8* vegetable juice were partly offset by gains in *V8 Splash* beverages.

Segment operating earnings increased 8 percent to \$26 million, primarily due to a reduction in marketing expenses, partly offset by a lower gross margin percentage and volume declines.

Bolthouse and Foodservice

Sales increased 4 percent to \$343 million, reflecting continued double-digit growth in *Bolthouse Farms* premium refrigerated beverages and salad dressings. Sales in North America Foodservice were comparable to the prior year.

Segment operating earnings declined 24 percent to \$22 million, reflecting a lower gross margin percentage, partly offset by lower administrative expenses and volume gains, as well as reduced advertising in the *Bolthouse Farms* brand.

Unallocated Corporate Expenses

Unallocated corporate expenses for the quarter were \$28 million compared with \$36 million a year ago. The prior-year quarter included \$2 million of restructuring-related costs and a \$9 million loss on foreign exchange forward contracts related to the sale of the European simple meals business.

Cash Flow from Operations

Cash flow from operations was \$188 million compared to \$38 million a year ago, primarily due to lower working capital requirements, lower pension contributions and lower payments on hedging activities, partially offset by lower cash earnings.

Non-GAAP Financial Information

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

Conference Call

Campbell will host a conference call to discuss these results today at 8:30 a.m. Eastern Standard Time. To join, dial +1 (703) 639-1316. The conference ID is 1647199. 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. A recording of the call will also be available until midnight on Dec. 9, 2014, at +1 (703) 925-2533. The access code for the replay is 1647199.

About Campbell Soup Company

Campbell (NYSE: CPB) makes real food that matters for life's moments, from high-quality soups and simple meals to snacks and healthy beverages. 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*, *Goldfish*, *Bolthouse Farms*, *V8*, *Swanson*, *Prego*, *Pace*, *Plum Organics*, *Arnott's*, *Tim Tam*, *Royal Dansk* and *Kjeldsens*. 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 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 future sales, EBIT and EPS in fiscal 2015, 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 impact of strong competitive responses to the company's efforts to leverage its brand power in the market; (2) the impact of changes in consumer demand for the company's products; (3) the risks associated with trade and consumer acceptance of the company's initiatives, including its trade and promotional programs; (4) the practices, including changes to inventory practices, and increased significance of certain of the company's key trade customers; (5) the company's ability to realize projected cost savings and benefits; (6) the company's ability to manage changes to its business processes; (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.