

Reconciliation of GAAP to Non-GAAP Financial Measures
Fiscal Year Ended July 30, 2017

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.

(millions)	Three Months Ended						
	July 30, 2017			July 31, 2016		% Change	
	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
Americas Simple Meals and Beverages	\$ 815	\$ 1	\$ 816	\$ 842	(3)%	(3)%	
Global Biscuits and Snacks	624	(3)	621	622	—%	—%	
Campbell Fresh	225	—	225	223	1%	1%	
Total Net Sales	<u>\$ 1,664</u>	<u>\$ (2)</u>	<u>\$ 1,662</u>	<u>\$ 1,687</u>	<u>(1)%</u>	<u>(1)%</u>	

(millions)	Year Ended						
	July 30, 2017			July 31, 2016		% Change	
	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
Americas Simple Meals and Beverages	\$ 4,325	\$ (1)	\$ 4,324	\$ 4,380	(1)%	(1)%	
Global Biscuits and Snacks	2,598	(26)	2,572	2,564	1%	—%	
Campbell Fresh	967	—	967	1,017	(5)%	(5)%	
Total Net Sales	<u>\$ 7,890</u>	<u>\$ (27)</u>	<u>\$ 7,863</u>	<u>\$ 7,961</u>	<u>(1)%</u>	<u>(1)%</u>	

Items Impacting 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 earnings:

- (1) In the fourth quarter of fiscal 2017, the company incurred gains of \$198 million in Costs and expenses (\$129 million after tax, or \$.42 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In fiscal 2017, the company incurred gains of \$178 million in Costs and expenses (\$116 million after tax, or \$.38 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In the fourth quarter of fiscal 2016, the company incurred losses of \$138 million in Costs and expenses (\$90 million after tax, or \$.29 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In fiscal 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 fiscal 2017, the company expanded these cost savings initiatives by further optimizing its supply chain network, primarily in North America, continuing to evolve its operating model to drive efficiencies, and more fully integrating its recent acquisitions. In the fourth quarter of fiscal 2017, the company recorded Restructuring charges of \$18 million and implementation costs and other related costs of \$18 million in Administrative expenses and \$4 million in Cost of products sold (aggregate impact of \$26 million after tax, or \$.09 per share) related to these initiatives. In fiscal 2017, the company recorded Restructuring charges of \$18 million and implementation costs and other related costs of \$36 million in Administrative expenses and \$4 million in Cost of products sold (aggregate impact of \$37 million after tax, or \$.12 per share) related to these initiatives.

In the fourth quarter of fiscal 2016, the company recorded implementation costs and other related costs of \$12 million in Administrative expenses related to the fiscal 2015 initiatives. In the fourth quarter of fiscal 2016, the company also recorded a reduction to Restructuring charges of \$1 million related to the fiscal 2014 initiatives. The aggregate after-tax impact of Restructuring charges, implementation costs and other related costs was \$7 million, or \$.02 per share. In fiscal 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) In the second quarter of fiscal 2017, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit as operating performance was well below expectations and a new leadership team of the Campbell Fresh division initiated a strategic review which led to a revised outlook for future sales, earnings, and cash flow. The company recorded a non-cash impairment charge of \$147 million (\$139 million after tax, or \$.45 per share) related to intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and a non-cash impairment charge of \$65 million (\$41 million after tax, or \$.13 per share) related to the intangible assets of the Garden Fresh Gourmet reporting unit (aggregate pre-tax impact of \$212 million, \$180 million after tax, or \$.59 per share). The charges are included in Other expenses / (income).

In the fourth quarter of fiscal 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.

- (4) In the fourth quarter of fiscal 2017, the company recorded a tax benefit of \$52 million in Taxes on earnings primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses on the notes for tax purposes. In addition, the company recorded a \$6 million reduction to interest expense (\$4 million after tax) related to premiums and fees received on the sale of the notes. The aggregate impact was \$56 million after tax, or \$.18 per share.
- (5) In fiscal 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.

The following tables reconcile financial information, presented in accordance with GAAP, to financial information excluding certain items:

	Three Months Ended						Adjusted Percent Change
	July 30, 2017			July 31, 2016			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
(millions, except per share amounts)							
Gross margin	\$ 715	\$ (101)	\$ 614	\$ 546	\$ 63	\$ 609	1%
Gross margin percentage	43.0%		36.9%	32.4%		36.1%	
Marketing and selling expenses	143	29	172	216	(20)	196	
Administrative expenses	86	35	121	185	(57)	128	
Research and development expenses	20	11	31	38	(10)	28	
Other expenses / (income)	8	—	8	145	(141)	4	
Restructuring charges	18	(18)	—	(1)	1	—	
Earnings (loss) before interest and taxes	\$ 440	\$ (158)	\$ 282	\$ (37)	\$ 290	\$ 253	11%
Interest, net	23	6	29	28	—	28	
Earnings (loss) before taxes	\$ 417	\$ (164)	\$ 253	\$ (65)	\$ 290	\$ 225	
Taxes	99	(5)	94	16	66	82	
Effective income tax rate	23.7%		37.2%	24.6%		36.4%	
Net earnings (loss) attributable to Campbell Soup Company	\$ 318	\$ (159)	\$ 159	\$ (81)	\$ 224	\$ 143	11%
Diluted net earnings (loss) per share attributable to Campbell Soup Company	\$ 1.04	\$ (.52)	\$.52	\$ (.26)	\$.72	\$.46	13%

^(a)See following table for additional information.

	Three Months Ended							
	July 30, 2017				July 31, 2016			
	Mark- to- market (1)	Restructuring charges, implementation costs and other related costs (2)	Sale of notes (4)	Adjustments	Mark- to- market (1)	Restructuring charges, implementation costs and other related costs (2)	Impairment charges (3)	Adjustments
(millions, except per share amounts)								
Gross margin	\$ (105)	\$ 4	\$ —	\$ (101)	\$ 63	\$ —	\$ —	\$ 63
Marketing and selling expenses	29	—	—	29	(20)	—	—	(20)
Administrative expenses	53	(18)	—	35	(45)	(12)	—	(57)
Research and development expenses	11	—	—	11	(10)	—	—	(10)
Other expenses / (income)	—	—	—	—	—	—	(141)	(141)
Restructuring charges	—	(18)	—	(18)	—	1	—	1
Earnings before interest and taxes	\$ (198)	\$ 40	\$ —	\$ (158)	\$ 138	\$ 11	\$ 141	\$ 290
Interest, net	—	—	6	6	—	—	—	—
Earnings before taxes	\$ (198)	\$ 40	\$ (6)	\$ (164)	\$ 138	\$ 11	\$ 141	\$ 290
Taxes	(69)	14	50	(5)	48	4	14	66
Net earnings attributable to Campbell Soup Company	\$ (129)	\$ 26	\$ (56)	\$ (159)	\$ 90	\$ 7	\$ 127	\$ 224
Diluted net earnings per share attributable to Campbell Soup Company*	\$ (.42)	\$.09	\$ (.18)	\$ (.52)	\$.29	\$.02	\$.41	\$.72

*The sum of the individual per share amounts may not add due to rounding.

(millions, except per share amounts)	Year Ended						Adjusted Percent Change
	July 30, 2017			July 31, 2016			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 3,059	\$ (81)	\$ 2,978	\$ 2,780	\$ 176	\$ 2,956	1%
Gross margin percentage	38.8%		37.7%	34.9%		37.1%	
Marketing and selling expenses	817	29	846	893	(46)	847	
Administrative expenses	488	17	505	641	(118)	523	
Research and development expenses	98	11	109	124	(20)	104	
Other expenses / (income)	238	(212)	26	131	(116)	15	
Restructuring charges	18	(18)	—	31	(31)	—	
Earnings before interest and taxes	\$ 1,400	\$ 92	\$ 1,492	\$ 960	\$ 507	\$ 1,467	2%
Interest, net	107	6	113	111	—	111	
Earnings before taxes	\$ 1,293	\$ 86	\$ 1,379	\$ 849	\$ 507	\$ 1,356	
Taxes	406	41	447	286	156	442	
Effective income tax rate	31.4%		32.4%	33.7%		32.6%	
Net earnings attributable to Campbell Soup Company	\$ 887	\$ 45	\$ 932	\$ 563	\$ 351	\$ 914	2%
Diluted net earnings per share attributable to Campbell Soup Company	\$ 2.89	\$.15	\$ 3.04	\$ 1.81	\$ 1.13	\$ 2.94	3%

^(a)See following tables for additional information.

(millions, except per share amounts)	Year Ended					Adjustments
	July 30, 2017					
	Mark- to- market (1)	Restructuring charges, implementation costs and other related costs (2)	Impairment charges (3)	Sale of notes (4)		
Gross margin	\$ (85)	\$ 4	\$ —	\$ —	\$ (81)	
Marketing and selling expenses	29	—	—	—	29	
Administrative expenses	53	(36)	—	—	17	
Research and development expenses	11	—	—	—	11	
Other expenses / (income)	—	—	(212)	—	(212)	
Restructuring charges	—	(18)	—	—	(18)	
Earnings before interest and taxes	\$ (178)	\$ 58	\$ 212	\$ —	\$ 92	
Interest, net	—	—	—	6	6	
Earnings before taxes	\$ (178)	\$ 58	\$ 212	\$ (6)	\$ 86	
Taxes	(62)	21	32	50	41	
Net earnings attributable to Campbell Soup Company	\$ (116)	\$ 37	\$ 180	\$ (56)	\$ 45	
Diluted net earnings per share attributable to Campbell Soup Company	\$ (.38)	\$.12	\$.59	\$ (.18)	\$.15	

Year Ended

July 31, 2016

(millions, except per share amounts)	Mark- to- market (1)	Restructuring charges, implementation costs and other related costs (2)	Impairment charges (3)	Claim settlement (5)	Adjustments
Gross margin	\$ 176	\$ —	\$ —	\$ —	\$ 176
Marketing and selling expenses	(46)	—	—	—	(46)
Administrative expenses	(71)	(47)	—	—	(118)
Research and development expenses	(20)	—	—	—	(20)
Other expenses / (income)	—	—	(141)	25	(116)
Restructuring charges	—	(31)	—	—	(31)
Earnings before interest and taxes	<u>\$ 313</u>	<u>\$ 78</u>	<u>\$ 141</u>	<u>\$ (25)</u>	<u>\$ 507</u>
Interest, net	—	—	—	—	—
Earnings before taxes	<u>\$ 313</u>	<u>\$ 78</u>	<u>\$ 141</u>	<u>\$ (25)</u>	<u>\$ 507</u>
Taxes	113	29	14	—	156
Net earnings attributable to Campbell Soup Company	<u>\$ 200</u>	<u>\$ 49</u>	<u>\$ 127</u>	<u>\$ (25)</u>	<u>\$ 351</u>
Diluted net earnings per share attributable to Campbell Soup Company	<u>\$.64</u>	<u>\$.16</u>	<u>\$.41</u>	<u>\$ (.08)</u>	<u>\$ 1.13</u>