

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
January 30, 1994

Commission File Number
1-3822

Campbell Soup Company

New Jersey
State of Incorporation

21-0419870
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 No
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There were 250,864,926 shares of Capital Stock outstanding as of March 1, 1994.

This Form 10-Q consists of a total of 12 pages.

PART I. FINANCIAL INFORMATION
CAMPBELL SOUP COMPANY CONSOLIDATED
Statements Of Earnings

(unaudited)
(million dollars except per share amounts)
Three Months Ended Six Months Ended

	January 30, 1994	January 31, 1993	January 30, 1994	January 31, 1993
Net sales	\$1,894	\$1,789	\$3,657	\$3,484
Costs and expenses				
Cost of products sold	1,104	1,082	2,162	2,136
Marketing and selling expenses	350	315	670	601
Administrative expenses	79	74	152	143
Research and development expenses	18	17	36	33
Other expense	13	(2)	27	8
Divestiture and restructuring charges	-	353	-	353
Total costs and expenses	1,564	1,839	3,047	3,274
Earnings before interest and taxes	330	(50)	610	210
Interest, net	14	20	32	40
Earnings before taxes	316	(70)	578	170
Taxes on earnings	113	51	209	139
Earnings before cumulative effect of accounting changes	203	(121)	369	31
Cumulative effect of accounting changes	-	-	-	(249)
Net earnings	\$ 203	\$ (121)	\$ 369	\$ (218)
Per share				
Earnings before cumulative effect of accounting changes	\$.81	\$ (.48)	\$1.47	\$.12
Cumulative effect of accounting changes	-	-	-	(.99)
Net earnings	\$.81	\$ (.48)	\$1.47	\$ (.87)
Dividends	\$.28	\$.22	\$.53	\$.415
Weighted average shares outstanding	251	252	251	252

See Notes To Financial Statements

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CAMPBELL SOUP COMPANY CONSOLIDATED
Balance Sheets

(unaudited)
(million dollars)

	January 30, 1994	August 1, 1993
Current assets		
Cash and cash equivalents	\$ 61	\$ 63
Other temporary investments, at cost which approximates market	14	7
Accounts receivable	759	646
Inventories	788	804
Prepaid expenses	151	166
Total current assets	1,773	1,686

Plant assets, net of depreciation	2,305	2,264
Intangible assets, net of amortization	605	596
Other assets	342	352

Total assets	\$5,025	\$4,898
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Current liabilities		
Notes payable	\$ 540	\$ 669
Payable to suppliers and others	399	510
Accrued liabilities	500	499
Dividend payable	71	64
Accrued income taxes	117	109

Total current liabilities	1,627	1,851

Long-term debt	562	462
Nonpension postretirement benefits	386	370
Other liabilities, including deferred income taxes of \$175 and \$169	524	511

Total liabilities	3,099	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	155	149
Earnings retained in the business	2,238	2,002
Capital stock in treasury, at cost	(463)	(428)
Cumulative translation adjustments	(24)	(39)

Total shareowners' equity	1,926	1,704

Total liabilities and shareowners' equity	\$5,025	\$4,898
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See Notes to Financial Statements

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CAMPBELL SOUP COMPANY CONSOLIDATED
Statements of Cash Flows

(unaudited)
(million dollars)

	Six Months Ended	
	January 30, 1994	January 31, 1993
	-----	-----
Cash flows from operating activities:		
Net earnings	\$369	\$(218)
Non-cash charges:		
Cumulative effect of accounting changes	-	249
Divestiture and restructuring charges	-	353
Depreciation and amortization	125	113
Deferred taxes	4	(54)
Other	29	11
Net change in accounts receivable	(114)	(242)
Net change in inventories	15	(70)
Net change in other current assets and liabilities	(93)	(6)

Net cash provided by operating activities	335	136

Cash flows from investing activities:		
Purchases of plant assets	(176)	(113)
Sales of plant assets	15	10

Businesses acquired	(8)	(137)
Sales of businesses	15	-
Net change in other assets	14	28
Net change in other temporary investments	(8)	(1)

Net cash used in investing activities	(148)	(213)

Cash flows from financing activities:		
Issuance of long-term debt	100	1
Reductions in long-term debt	(101)	(118)
Net change in borrowings with less than three-month maturities	(4)	232
Other short-term borrowings	(25)	(15)
Dividends paid	(126)	(98)
Treasury stock purchased	(41)	-
Treasury stock issued	8	29

Net cash provided by (used in) financing activities	(189)	31

Effect of exchange rate changes on cash	-	-

Net change in cash and cash equivalents	(2)	(46)
Cash and cash equivalents - beginning of period	63	112

Cash and cash equivalents - end of period	\$ 61	\$ 66
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See Notes to Financial Statements

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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	\$2,224	\$(402)	\$69	\$2,027
Net earnings				41			41
Cash dividends (\$.415 per share)				(104)			(104)
Treasury stock purchased							-
Treasury stock issued under Management incentive and Stock option plans			20		15		35
Translation adjustments						(92)	(92)

Balance at January 31, 1993	\$ -	\$20	\$136	\$2,161	\$(387)	\$(23)	\$1,907

Balance at August 1, 1993	\$ -	\$20	\$149	\$2,002	\$(428)	\$(39)	\$1,704
Net earnings				369			369
Cash dividends (\$.53 per share)				(133)			(133)
Treasury stock purchased					(41)		(41)
Treasury stock issued under Management incentive and Stock option plans			6		6		12
Translation adjustments						15	15

Balance at January 30, 1994	\$ -	\$20	\$155	\$2,238	\$(463)	\$(24)	\$1,926
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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			
Treasury stock issued under Management incentive and Stock option plans		1,154	(1,154)

Balance at January 31, 1993	271,245	252,322	18,923

Balance at August 1, 1993	271,245	251,706	19,539
Treasury stock purchased		(1,139)	1,139
Treasury stock issued under Management incentive and Stock option plans		284	(284)

Balance at January 30, 1994	271,245	250,851	20,394

See Notes to Financial Statements

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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

	January 30, 1994	August 1, 1993
	-----	-----
Raw materials, containers and supplies	\$ 377	\$342
Finished products	490	538

	867	880
Less - Adjustment of certain inventories to LIFO basis	79	76

	\$ 788	\$804
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- (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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

AND FINANCIAL CONDITION

CAMPBELL SOUP COMPANY

Results of Operations

Overview

Campbell had record sales and earnings for its second quarter and first six months ended January 30, 1994.

Earnings per share increased to a quarterly record of 81 cents, compared to a loss of 48 cents in the second quarter last year, which included restructuring charges of \$1.19. Net earnings rose to \$203 million from a loss of \$121 million a year ago. Net sales for the quarter were \$1.89 billion, up 6% from the comparable

period last year.

In the second quarter, the worldwide Biscuit and Bakery business continued to make excellent progress and International recorded strong earnings improvement with soup volume outside the U.S. up 4%. U.S. businesses posted slight earnings gains, recovering from a difficult first quarter.

Net earnings for the six months were \$369 million, or \$1.47 per share, compared to a loss of 87 cents per share last year, which included restructuring and one-time charges for accounting changes totaling \$2.18 per share. Net earnings increased 12% before these special charges. Sales for the six months increased 5% to \$3.66 billion, versus \$3.48 billion for the comparable period last year.

Results by Division

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SECOND QUARTER

- - - - -

U.S.A. - U.S. sales for the second quarter of \$1.16 billion were up slightly and operating earnings increased to \$249 million from \$72 million last year. Operating earnings increased 1% before 1993 restructuring charges. Soup shipments to the trade declined 3% from last year's second quarter because of heavy promotional activity last year. Consumer purchases of Campbell's soups rose 2%, supported by the new advertising campaign, "Never Underestimate the Power of Soup."

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Major sales gains were achieved by "Swanson" traditional frozen dinners, "Great Starts" breakfasts, and ready-to-serve soups. Food service sales continued to grow at a rapid pace highlighted by the introduction of new products for quick-service restaurants.

Biscuit and Bakery - Biscuit and Bakery second quarter sales rose 48% to \$318 million, primarily due to Campbell's 1993 acquisition of majority ownership in Arnotts Limited. Operating earnings increased to \$43 million from \$18 million last year. Before 1993 restructuring charges, operating earnings increased 84% with Arnotts the major contributor to the improvement.

"Pepperidge Farm" sales rose slightly from last year's comparable period. Sales of new frozen garlic breads contributed strongly to sales and earnings.

"Delacre" sales were down slightly, reflecting the lingering effects of recession in Europe. Earnings improved substantially due to restructuring of the business.

International - International businesses consisting of soups, grocery, frozen, confectionery and specialty foods in Canada, Mexico, Argentina, Europe and Asia, reported a sales decrease of 3%, but an increase of 1% before currency fluctuations.

International operating earnings rose to \$49 million from a loss of \$130 million for the comparable period last year. 1993 results included restructuring charges of \$173 million. Excluding restructuring charges and currency fluctuations, operating earnings rose 20%. Campbell's United Kingdom businesses turned in another record earnings performance, due to volume growth in the soup and grocery businesses, continued margin improvement in frozen foods, and the acquisition last April of the "Fray Bentos" meat product business.

Solid earnings gains also came from Canada, Australia and Campbell's confectionery businesses. "Godiva" chocolates had a very successful holiday season.

SIX MONTHS
- -----

U.S.A. - U.S. sales for the six months of \$2.23 billion decreased 1%. Operating earnings were \$471 million, a 2% decline excluding the effects of 1993 restructuring charges.

Soup shipments to the trade declined 5% versus a very strong prior year. Sales of "Swanson" traditional frozen dinners and food service products were particularly strong during the period.

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Biscuit and Bakery - Biscuit and Bakery sales for the six months rose to \$647 million, a 48% increase, largely due to the acquisition of Arnotts. Operating earnings increased to \$81 million from \$38 million. Excluding 1993 restructuring charges, operating earnings increased 90%, primarily as a result of the acquisition of Arnotts. Delacre delivered solid sales gains and substantial improvements in earnings.

International - International sales for the six months declined 2% to \$813 million, but increased 5% before currency fluctuations. Solid gains were contributed by Mexico, "Godiva," and the grocery business in the United Kingdom.

Operating earnings increased to \$78 million, a 24% increase excluding 1993 restructuring charges. Earnings improvements occurred throughout most businesses but were particularly strong in the United Kingdom, Canada, Argentina and the confectionery businesses.

Statements of Earnings
- -----

Net sales increased 6% for the second quarter and 5% for the six months versus the same periods in the prior year. Acquisitions accounted for all of this increase as sales of other businesses were even with last year. Strong sales gains in frozen, confectionery and U.K. businesses were offset by a slight decline in domestic soup sales to the trade.

Gross margins improved 2.1 percentage points to 41.7% in the second quarter, and 2.2 percentage points to 40.9% for the six-month period. These increases resulted from continued stability in commodity costs, higher selling prices and manufacturing improvements.

Marketing and selling expenses were up 11.1% and 11.5% for the second quarter and the six months, respectively, compared to the prior year. During the six-month period, major marketing activities were initiated including the new soup advertising campaign, "Never Underestimate the Power of Soup," which is designed to increase per capita consumption.

The increase in Other expense results principally from minority interest associated with Arnotts. Interest expense continues to be favorable to the prior year due to the retirement of higher rate long-term debt as well as the low interest rate environment.

In the second quarter of 1993, divestiture and restructuring charges were recorded to cover the costs of plant consolidations, including the closing of frozen food plants in Salisbury, Md. and Philadelphia, Pa. and the sale of non-strategic businesses.

The effective tax rates for the second quarter and the six months were 35.9% and 36.1%, respectively. The Company continues to benefit from tax planning strategies.

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Liquidity and Capital Resources

Campbell's cash flows from operating activities are highly seasonal. As a result of earnings improvements and focused control of working capital, the Company generated cash of \$335 million from operations in 1994, up \$199 million from 1993. The seasonal increase in accounts receivable was \$114 million in 1994, compared to an increase of \$242 million in 1993, primarily as a result of the timing of sales promotions and currency fluctuations. Tighter inventory control provided \$15 million of cash in 1994 in contrast to a \$70 million use of cash in 1993.

Capital expenditures were \$176 million in 1994, up \$63 million over the prior year, due to a high level of previously approved cost savings projects including restructuring programs announced in the second quarter of 1993. Capital expenditures are projected to reach \$420 million in 1994. The Company acquired the Australian mushroom business, "Dandy Mushrooms," for \$8 million during the first six months of 1994. In the same period for 1993, the Company made a tender offer for the outstanding shares of Arnotts Limited; by the close of business for the second quarter, shares totaling \$127 million had been acquired. Additional shares of Arnotts Limited totaling \$100 million were acquired in the third quarter of 1993, bringing the total cost of shares of Arnotts Limited acquired in fiscal 1993 to \$227 million, representing a 58% ownership position.

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 \$29 million in 1994 and increased \$217 million in 1993.

As a result of increases in the dividend rate, year-to-date dividend payments increased \$28 million to \$126 million in 1994, compared to \$98 million for the first six months of 1993.

The Company repurchased 1.1 million shares of common stock for the treasury at a cost of \$41 million in the first quarter of 1994, whereas there were no repurchases in the same period for 1993.

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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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- a. Campbell's Annual Meeting of Shareowners was held on November 18, 1993.
- c. The matters voted upon and the results of the vote are as follows:

Election of Directors

Name	Number of Shares	
	For	Withheld
Alva A. App	231,198,139	297,306
Robert A. Beck	231,189,090	306,355
Edmund M. Carpenter	231,191,073	304,372
Bennett Dorrance	231,211,286	284,159
John T. Dorrance, III	231,209,264	286,181
Thomas W. Field, Jr.	231,217,802	277,643
David W. Johnson	231,200,082	295,363
Philip E. Lippincott	231,184,137	311,308
Mary Alice Malone	231,205,592	289,853
Charles H. Mott	231,212,550	282,895
Ralph A. Pfeiffer, Jr.	231,133,062	362,383
Donald M. Stewart	230,888,383	607,062
George Strawbridge, Jr.	231,203,221	292,224
Robert J. Vlasic	224,653,482	6,841,963
Charlotte C. Weber	231,207,707	287,738

	For	Against	Abstentions	Broker Non-Votes
Ratification of Independent Accountants	230,674,622	365,816	455,007	N/A
Shareowner Proposal Concerning Former Government Employees	4,082,156	216,484,807	1,815,550	9,112,932

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.

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: March 10, 1994

By: /s/ John M. Coleman

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

Date: March 10, 1994

By: /s/ Frank E. Weise, III

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