

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  
April 28, 1996

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    X            NO            .  
-----            -----

THERE WERE 248,226,166 SHARES OF CAPITAL STOCK OUTSTANDING AS OF JUNE  
3, 1996.

THIS FORM 10-Q CONSISTS OF A TOTAL OF 13 PAGES, INCLUDING EXHIBITS.  
AN INDEX TO EXHIBITS IS ON PAGE 12.

PART I. FINANCIAL INFORMATION

CAMPBELL SOUP COMPANY CONSOLIDATED

STATEMENTS OF EARNINGS

(unaudited)  
(million dollars except per share amounts)

	Three Months Ended		Nine Months Ended	
	APRIL 28, 1996	April* 30, 1995	APRIL 28, 1996	April* 30, 1995
Net sales	\$1,831	\$1,737	\$6,038	\$5,624
-----				
Costs and expenses				
Cost of products sold	1,061	1,042	3,449	3,301
Marketing and selling expenses	391	353	1,188	1,066
Administrative expenses	92	79	251	239
Research and development expenses	20	20	61	62
Other expense	21	21	66	48
-----				
Total costs and expenses	1,585	1,515	5,015	4,716
-----				
Earnings before interest and taxes	246	222	1,023	908
Interest, net	29	32	95	72
-----				
Earnings before taxes	217	190	928	836
Taxes on earnings	72	63	307	281
-----				
Net earnings	\$ 145	\$ 127	\$ 621	\$ 555
=====				
Per share				
Net earnings	\$ .58	\$ .51	\$2.49	\$2.23
=====				
Dividends	\$ .345	\$ .31	\$1.00	\$ .90
=====				
Weighted average shares outstanding	249	249	249	249
=====				

See Notes To Financial Statements

\*Reclassified to conform to this year's presentation

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CAMPBELL SOUP COMPANY CONSOLIDATED

BALANCE SHEETS  
(unaudited)  
(million dollars)

	APRIL 28, 1996	July 30, 1995
	-----	-----
S>		
Current assets		
Cash and cash equivalents	\$ 57	\$ 53
Accounts receivable	660	631
Inventories	718	755
Prepaid expenses	142	142
-----		
Total current assets	1,577	1,581
-----		
Plant assets, net of depreciation	2,618	2,584
Intangible assets, net of amortization	1,810	1,715
Other assets	489	435
-----		
Total assets	\$6,494	\$6,315
=====		
Current liabilities		
Notes payable	\$ 893	\$ 865
-----		
Payable to suppliers and others	407	556
Accrued liabilities	611	545
Dividend payable	87	78
Accrued income taxes	148	120
-----		
Total current liabilities	2,146	2,164
-----		
Long-term debt	750	857

Nonpension postretirement benefits	463	434
Other liabilities, including deferred income taxes of \$230 and \$235	394	392
<hr/>		
Total liabilities	3,753	3,847
<hr/>		
Shareowners' equity		
Preferred stock; authorized 40 shares; none issued	-	-
Capital stock, \$.075 par value; authorized 280 shares; issued 271 shares	20	20
Capital surplus	214	165
Earnings retained in the business	3,127	2,755
Capital stock in treasury, at cost	(676)	(550)
Cumulative translation adjustments	56	78
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Total shareowners' equity	2,741	2,468
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Total liabilities and shareowners' equity	\$6,494	\$6,315
<hr/>		

See Notes to Financial Statements

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CAMPBELL SOUP COMPANY CONSOLIDATED

STATEMENTS OF CASH FLOWS

(unaudited)  
(million dollars)

	Nine Months Ended	
	APRIL 28, 1996	April 30, 1995
Cash flows from operating activities:		
Net earnings	\$621	\$555
Non-cash charges to net earnings		
Depreciation and amortization	241	210
Deferred taxes	5	10
Other, net	59	55
Changes in working capital		
Accounts receivable	(45)	(63)
Inventories	20	122
Other current assets and liabilities	(73)	(71)
<hr/>		
Net cash provided by operating activities	828	818
<hr/>		
Cash flows from investing activities:		
Purchases of plant assets	(266)	(229)
Sales of plant assets	29	59
Businesses acquired	(149)	(1,257)
Sales of businesses	45	11
Net change in other assets and liabilities	(80)	(38)
<hr/>		
Net cash used in investing activities	(421)	(1,454)
<hr/>		
Cash flows from financing activities:		
Long-term borrowings	225	305
Repayments of long-term borrowings	(33)	(20)
Short-term borrowings	146	916
Repayments of short-term borrowings	(419)	(238)
Dividends paid	(241)	(295)
Treasury stock purchased	(139)	(1)
Treasury stock issued	53	30
<hr/>		
Net cash (used in) provided by financing activities	(408)	697
<hr/>		
Effect of exchange rate changes on cash	5	2
<hr/>		
Net change in cash and cash equivalents	4	63
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Cash and cash equivalents - beginning of period	53	96
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Cash and cash equivalents - end of period	\$ 57	\$159
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See Notes to Financial Statements

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 July 31, 1994	\$ -	\$20	\$155	\$2,359	\$ (559)	\$14	\$ 1,989
Net earnings				555			555
Cash dividends (\$.90 per share)				(224)			(224)
Treasury stock purchased					(1)		(1)
Treasury stock issued under Management incentive and Stock option plans			8		30		38
Translation adjustments						44	44
Balance at April 30, 1995	\$ -	\$20	\$163	\$2,690	\$ (530)	\$58	\$2,401
BALANCE AT JULY 30, 1995	\$ -	\$20	\$165	\$2,755	\$ (550)	\$78	\$2,468
NET EARNINGS				621			621
CASH DIVIDENDS (\$1.00 PER SHARE)				(249)			(249)
TREASURY STOCK PURCHASED					(139)		(139)
TREASURY STOCK ISSUED UNDER MANAGEMENT INCENTIVE AND STOCK OPTION PLANS			49		13		62
TRANSLATION ADJUSTMENTS						(22)	(22)
BALANCE AT APRIL 28, 1996	\$ -	\$20	\$214	\$3,127	\$ (676)	\$56	\$2,741

Changes in Number of Shares (unaudited)  
(thousands of shares)

	Issued	Outstanding	In Treasury
Balance at July 31, 1994	271,245	248,319	22,926
Treasury stock purchased		(12)	12
Treasury stock issued under Management incentive and Stock option plans		1,269	(1,269)
Balance at April 30, 1995	271,245	249,576	21,669
BALANCE AT JULY 30, 1995	271,245	249,231	22,014
TREASURY STOCK PURCHASED		(2,449)	2,449
TREASURY STOCK ISSUED UNDER MANAGEMENT INCENTIVE AND STOCK OPTION PLANS		1,706	(1,706)
BALANCE AT APRIL 28, 1996	271,245	248,488	22,757

SEE NOTES TO FINANCIAL STATEMENTS

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

	APRIL 28, 1996	July 30, 1995
Raw materials, containers and supplies	\$288	\$317
Finished products	498	505
-----		
	786	822
Less - Adjustment of certain inventories to LIFO basis	68	67
-----		
	\$718	\$755
=====		

(d) Divestiture and Restructuring Program

On January 28, 1993, the company's Board of Directors approved a divestiture and restructuring program which specifically identified six manufacturing plants to be closed and fourteen businesses to be sold. At the time of the Board's approval, charges of \$353 (\$300 after tax or \$1.19 per share) were recorded for the estimated loss on disposition of plant assets, cost of closing each plant and loss on each business divestiture. Based on current estimates, existing reserves are adequate to cover expected losses on the remaining businesses to be sold and finalizing other activities. The company plans to complete the program in 1996. A summary of the original reserves and activity through April 28, 1996 follows:

	Original Reserves	Activity	Balance 7/30/95	Activity	BALANCE 4/28/96
Loss on disposal of assets	\$275	\$(197)	\$78	\$(1)	\$77
Other	78	(60)	18	(4)	14
-----					
Total	\$353	\$(257)	\$96	\$(5)	\$91
=====					
Current	\$153		\$96		\$91
Non-current	200		-		-
-----					
Total	\$353		\$96		\$91
=====					

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS  
AND FINANCIAL CONDITION  
CAMPBELL SOUP COMPANY

RESULTS OF OPERATIONS

OVERVIEW

Campbell achieved record sales and earnings for the third quarter and first nine months ended April 28, 1996. Net sales for the quarter were \$1.83 billion, up 5% from the comparable period last year. Earnings per share increased 14% to a quarterly record of 58 cents, up from 51 cents in the third quarter last year. Net earnings rose 14% to \$145 million from \$127 million a year ago.

Sales for the nine months increased 7% to \$6.04 billion, versus \$5.62 billion for the comparable period last year. Earnings per share for the nine months increased 12% to \$2.49, and net earnings increased 12% to \$621 million.

RESULTS BY DIVISION

### THIRD QUARTER

U.S.A. - U.S. sales for the quarter were \$1.10 billion, up 8% over \$1.02 billion last year. Operating earnings rose 19% to \$204 million.

Red & White condensed chicken noodle soup, "Chunky" ready-to-serve soups and "Swanson" broths showed double-digit growth, increasing overall soup volume by 5%.

Strong volume gains also came from "Pace" Mexican sauces, "Prego" spaghetti sauces, "V8" vegetable juice and "Swanson Hungry-Man" dinners. Food Service reported exceptional gains in soups and entrees as well as chicken pot pies for the away-from-home market.

BAKERY & CONFECTIONERY - Bakery & Confectionery sales increased 5% to \$392 million from \$372 million in the third quarter last year. Operating earnings declined 7% to \$28 million from \$31 million a year ago, due to one-time charges at Arnotts Ltd. primarily relating to changes in organization.

New "Pepperidge Farm" Fat Free cookies and brownies added to their wide consumer acceptance. "Goldfish" crackers and frozen garlic breads continued to achieve double-digit growth.

Godiva Chocolatier experienced an excellent Valentine's Day and Easter season with record sales and earnings for the third quarter. Earnings of Continental Sweets and Delacre were soft, mostly attributable to economic difficulties in Europe.

This division consists of Pepperidge Farm in the U.S., Arnotts in Australia, Delacre in Europe, Godiva worldwide and the confectionery business in Europe.

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INTERNATIONAL GROCERY - The International Grocery Division reported sales of \$359 million in the third quarter, a 5% increase over last year's \$342 million excluding the divestiture of a frozen vegetable business in Europe. Operating earnings declined 15% to \$27 million because of the divestiture and a one-time gain last year.

Soup volume outside the United States grew 6.5% during the quarter led by strong gains in Hong Kong and Japan. Also, the recent acquisitions of "Homepride" cooking sauces in the United Kingdom and the Cheong Chan soup and sauce business in Malaysia contributed to volume growth.

International Grocery consists of soup, grocery and frozen businesses in Argentina, Asia, Canada, Europe and Mexico.

### NINE MONTHS

U.S.A. - U.S. sales for the nine months were \$3.65 billion versus \$3.36 billion last year. Operating earnings increased 16% to \$812 million.

Soup volume increased 4.0% led by Red & White chicken noodle, "Chunky" soup, and "Swanson" broths.

Other strong sales gains came from "Prego" and "Barilla" spaghetti sauces, Food Service entrees and chicken pot pies for the away-from-home market. Frozen foods volume declined, reflecting marketplace conditions.

BAKERY & CONFECTIONERY - Bakery & Confectionery sales grew 6% to \$1.29 billion from \$1.22 billion in the first nine months. Operating earnings increased 7% to \$148 million.

Volume gains were led by new "Pepperidge Farm" fat-free cookies and brownies, "Goldfish" crackers and frozen garlic breads.

Arnotts' earnings declined because of lower volume and one-time charges due to organization changes. Lamy Lutti, a confectionery business in Europe, experienced volume and earnings decline due to economic difficulties in

France. Delacre experienced volume declines due to economic difficulties in Europe. Godiva Chocolatier had record holiday season results.

INTERNATIONAL GROCERY - International Grocery reported sales of \$1.15 billion in the first nine months, a 6% increase over last year. Operating earnings rose 2% to \$106 million.

Soup volume outside the U.S. was up 8% in the first nine months with strong gains from the United Kingdom and Asia. Sales also benefited from the acquisition of "Homepride" cooking sauces in the United Kingdom.

#### STATEMENTS OF EARNINGS

Net sales increased 5% for the third quarter and 7% for the nine months, compared to the same periods last year. These gains are the result of acquisitions and worldwide soup volume gains of 5% in the third quarter and for the first nine months. Volume gains continue to be strong in Asia, United Kingdom and Japan.

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Gross margins improved 2.1 percentage points to 42.1% in the third quarter and 1.6 percentage points to 42.9% for the nine-month period. Gross margin improvements resulted primarily from higher selling prices and operational improvements.

Marketing and selling expenses increased 11% for the third quarter and nine months over the same periods a year ago. Acquisitions and increased trade marketing in the third quarter, particularly for soups, were the principal reasons for the increase. The nine-month increase was attributable to acquisitions, increased advertising spending for ready-to-serve soups, Pepperidge Farm "Goldfish" crackers, and increased trade marketing, principally for soups.

Administrative expenses as a percentage of sales increased .5 percentage points to 5.0% for the quarter, due to one-time charges at Arnotts Ltd., primarily related to changes in organization. Administrative expense as a percentage of sales remained flat for the nine-month period versus a year ago.

Other expense as a percentage of sales was flat this quarter versus last year, and up .2 percentage points for the nine-month period due to amortization of intangibles associated with recent acquisitions. Net interest expense for the quarter was down as a result of repayment of acquisition related debt. For the nine-month period, net interest expense is higher due to Pace Foods acquisition debt being outstanding for the entire period versus only a portion of the same period a year ago.

The effective tax rate for the first nine months was 33.1% compared to 33.6% for last year. The company expects its effective tax rate for the full fiscal year 1996 to remain approximately at this level due to tax planning strategies, including utilization of tax loss carryforwards.

#### LIQUIDITY AND CAPITAL RESOURCES

Net earnings growth helped drive cash from operations to \$828 million in the first nine months of 1996, up \$10 million from the same period in 1995.

Capital expenditures were \$266 million in 1996, an increase of \$37 million from the prior year, due primarily to construction of a new Arnotts' manufacturing facility in Huntingwood, New South Wales, Australia. Capital expenditures are projected to be approximately \$415 million in 1996.

During the year, the company acquired the "Homepride" sauce business, United Kingdom's leading cooking sauce brand, and the Cheong Chan soup and sauce business in Asia. The company also completed the purchase of a 50% interest in the Indonesian biscuit and snack manufacturer, PT Helios Arnotts Indonesia, and increased its Arnotts share ownership to 70%. The company divested Campbell's Groko B.V., a Dutch frozen vegetable processor.

Long-term debt increased by \$192 million in 1996. During the current fiscal

year, the company issued \$200 million, 5.5% fixed-rate three-year notes due January 1999. The proceeds were used to repay short-term debt which has decreased \$273 million this year.

The company repurchased 2,448,600 shares of common stock for the treasury at a cost of \$139 million, compared to minimal repurchases in 1995.

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## PART II

### ITEM 1. LEGAL PROCEEDINGS

There have been no material developments in the legal proceedings as reported in Campbell's Form 10-Q for the quarter ended October 29, 1995.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

#### a. Exhibits

No.

- 4 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.

27 Financial Data Schedule

#### 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.

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## 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: June 11, 1996

By: /s/ JOHN M. COLEMAN

-----  
John M. Coleman, Senior Vice President -

Law and Public Affairs

Date: June 11, 1996

By:/s/BASIL L. ANDERSON

-----  
Basil L. Anderson, Senior Vice  
President-Finance, Chief Financial  
Officer and Treasurer

Date: June 11, 1996

By:/s/LEO J. GREANEY

-----  
Leo J. Greaney  
Vice President - Controller  
(Chief Accounting Officer)

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INDEX TO EXHIBITS

Exhibit Number

Page

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Financial Data Schedule

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