

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS (unaudited)
(millions, except per share amounts)

	Three Months Ended	
	July 28, 2019	July 29, 2018
Net sales	\$ 1,780	\$ 1,745
Costs and expenses		
Cost of products sold	1,174	1,197
Marketing and selling expenses	195	178
Administrative expenses	166	159
Research and development expenses	25	21
Other expenses / (income)	128	(66)
Restructuring charges	9	4
Total costs and expenses	1,697	1,493
Earnings before interest and taxes	83	252
Interest, net	84	89
Earnings (loss) before taxes	(1)	163
Taxes on earnings	4	37
Earnings (loss) from continuing operations	(5)	126
Loss from discontinued operations	(3)	(32)
Net earnings (loss)	(8)	94
Net loss attributable to noncontrolling interests	—	—
Net earnings (loss) attributable to Campbell Soup Company	\$ (8)	\$ 94
Per share - basic		
Earnings (loss) from continuing operations attributable to Campbell Soup Company	\$ (.02)	\$.42
Loss from discontinued operations	(.01)	(.11)
Net earnings (loss) attributable to Campbell Soup Company	\$ (.03)	\$.31
Dividends	\$.35	\$.35
Weighted average shares outstanding - basic	301	301
Earnings per share - assuming dilution		
From continuing operations attributable to Campbell Soup Company	\$ (.02)	\$.42
From discontinued operations	(.01)	(.11)
Net attributable to Campbell Soup Company	\$ (.03)	\$.31
Weighted average shares outstanding - assuming dilution	301	302

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS
(millions, except per share amounts)

	Twelve Months Ended	
	July 28, 2019	July 29, 2018
Net sales	\$ 8,107	\$ 6,615
Costs and expenses		
Cost of products sold	5,414	4,241
Marketing and selling expenses	842	728
Administrative expenses	610	563
Research and development expenses	91	91
Other expenses / (income)	140	(73)
Restructuring charges	31	55
Total costs and expenses	7,128	5,605
Earnings before interest and taxes	979	1,010
Interest, net	354	180
Earnings before taxes	625	830
Taxes on earnings	151	106
Earnings from continuing operations	474	724
Loss from discontinued operations	(263)	(463)
Net earnings	211	261
Net loss attributable to noncontrolling interests	—	—
Net earnings attributable to Campbell Soup Company	\$ 211	\$ 261
Per share - basic		
Earnings from continuing operations attributable to Campbell Soup Company	\$ 1.57	\$ 2.41
Loss from discontinued operations	(.87)	(1.54)
Net earnings attributable to Campbell Soup Company	\$.70	\$.87
Dividends	\$ 1.40	\$ 1.40
Weighted average shares outstanding - basic	301	301
Per share - assuming dilution		
Earnings from continuing operations attributable to Campbell Soup Company	\$ 1.57	\$ 2.40
Loss from discontinued operations	(.87)	(1.53)
Net earnings attributable to Campbell Soup Company*	\$.70	\$.86
Weighted average shares outstanding - assuming dilution	302	302

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

CAMPBELL SOUP COMPANY
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF SALES AND EARNINGS (unaudited)
(millions, except per share amounts)

	<u>Three Months Ended</u>		Percent Change
	<u>July 28, 2019</u>	<u>July 29, 2018</u>	
<u>Sales</u>			
Contributions:			
Meals & Beverages	\$ 813	\$ 809	—%
Snacks	967	936	3%
Total sales	<u>\$ 1,780</u>	<u>\$ 1,745</u>	2%
<u>Earnings</u>			
Contributions:			
Meals & Beverages	\$ 151	\$ 156	(3)%
Snacks	133	131	2%
Total operating earnings	284	287	(1)%
Corporate	(192)	(31)	
Restructuring charges	(9)	(4)	
Earnings before interest and taxes	83	252	(67)%
Interest, net	84	89	
Taxes on earnings	4	37	
Earnings (loss) from continuing operations	(5)	126	
Loss from discontinued operations	(3)	(32)	
Net earnings (loss)	(8)	94	n/m
Net loss attributable to noncontrolling interests	—	—	
Net earnings (loss) attributable to Campbell Soup Company	<u>\$ (8)</u>	<u>\$ 94</u>	n/m
<u>Earnings per share - assuming dilution</u>			
From continuing operations attributable to Campbell Soup Company	\$ (.02)	\$.42	
From discontinued operations	(.01)	(.11)	
Net attributable to Campbell Soup Company	<u>\$ (.03)</u>	<u>\$.31</u>	n/m

n/m - not meaningful

Beginning in fiscal 2019, the business in Latin America is managed as part of the Meals & Beverages segment. In fiscal 2018, the business in Latin America was managed as part of the Global Biscuits and Snacks segment.

On June 16, 2019, the company sold its Bolthouse Farms business. In the third quarter of fiscal 2019, the company also sold its refrigerated soup plant and its Garden Fresh Gourmet business. Beginning in the third quarter of fiscal 2019, the results of these businesses were reported as discontinued operations. The businesses were historically included in the Campbell Fresh segment. A portion of the U.S. refrigerated soup business was retained and is now reported in Meals & Beverages.

On July 12, 2019, the company announced it had signed a definitive agreement for the sale of the Kelsen Group; and on August 2, 2019, the company announced it had signed a definitive agreement for the sale of Arnott's and certain of its international operations. Beginning in the fourth quarter of fiscal 2019, the results of these businesses were reported as discontinued operations. The businesses were historically included in the Global Biscuits and Snacks segment. Prior periods have been adjusted retrospectively to reflect these changes.

CAMPBELL SOUP COMPANY
CONSOLIDATED SUPPLEMENTAL SCHEDULE OF SALES AND EARNINGS
(millions, except per share amounts)

	Twelve Months Ended		Percent Change
	July 28, 2019	July 29, 2018	
Sales			
Contributions:			
Meals & Beverages	\$ 4,322	\$ 4,305	—%
Snacks	3,784	2,307	64%
Corporate	1	3	n/m
Total sales	<u>\$ 8,107</u>	<u>\$ 6,615</u>	23%
Earnings			
Contributions:			
Meals & Beverages	\$ 903	\$ 988	(9)%
Snacks	514	383	34%
Total operating earnings	<u>1,417</u>	<u>1,371</u>	3%
Corporate	(407)	(306)	
Restructuring charges	<u>(31)</u>	<u>(55)</u>	
Earnings before interest and taxes	<u>979</u>	<u>1,010</u>	(3)%
Interest, net	354	180	
Taxes on earnings	151	106	
Earnings from continuing operations	<u>474</u>	<u>724</u>	
Loss from discontinued operations	<u>(263)</u>	<u>(463)</u>	
Net earnings	<u>211</u>	<u>261</u>	(19)%
Net loss attributable to noncontrolling interests	—	—	
Net earnings attributable to Campbell Soup Company	<u>\$ 211</u>	<u>\$ 261</u>	(19)%
Per share - assuming dilution			
Earnings from continuing operations attributable to Campbell Soup Company	\$ 1.57	\$ 2.40	
Loss from discontinued operations	(.87)	(1.53)	
Net earnings attributable to Campbell Soup Company*	<u>\$.70</u>	<u>\$.86</u>	(19)%

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

n/m - not meaningful

Beginning in fiscal 2019, the business in Latin America is managed as part of the Meals & Beverages segment. In fiscal 2018, the business in Latin America was managed as part of the Global Biscuits and Snacks segment.

On June 16, 2019, the company sold its Bolthouse Farms business. In the third quarter of fiscal 2019, the company also sold its refrigerated soup plant and its Garden Fresh Gourmet business. Beginning in the third quarter of fiscal 2019, the results of these businesses were reported as discontinued operations. The businesses were historically included in the Campbell Fresh segment. A portion of the U.S. refrigerated soup business was retained and is now reported in Meals & Beverages.

On July 12, 2019, the company announced it had signed a definitive agreement for the sale of the Kelsen Group; and on August 2, 2019, the company announced it had signed a definitive agreement for the sale of Arnott's and certain of its international operations. Beginning in the fourth quarter of fiscal 2019, the results of these businesses were reported as discontinued operations. The businesses were historically included in the Global Biscuits and Snacks segment. Prior periods have been adjusted retrospectively to reflect these changes.

CAMPBELL SOUP COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)

	July 28, 2019	July 29, 2018
Current assets	\$ 1,539	\$ 1,570
Current assets of discontinued operations	428	726
Plant assets, net	2,455	2,466
Intangible assets, net	7,432	7,528
Other assets	127	189
Noncurrent assets of discontinued operations	1,167	2,050
Total assets	\$ 13,148	\$ 14,529
Current liabilities	\$ 2,916	\$ 2,863
Current liabilities of discontinued operations	469	731
Long-term debt	7,103	7,991
Other liabilities	1,483	1,507
Noncurrent liabilities of discontinued operations	65	64
Total equity	1,112	1,373
Total liabilities and equity	\$ 13,148	\$ 14,529
Total debt*	\$ 8,712	\$ 9,894
Cash and cash equivalents*	\$ 179	\$ 226

*Includes assets and liabilities held for sale

On July 12, 2019, the company announced it had signed a definitive agreement for the sale of the Kelsen Group, and on August 2, 2019, the company announced it had signed a definitive agreement for the sale of Arnott's and certain of its international operations. The assets and liabilities of these businesses were reported as assets and liabilities held for sale as of July 28, 2019, and July 29, 2018. On June 16, 2019, the company sold its Bolthouse Farms business. In the third quarter of fiscal 2019, the company also sold its refrigerated soup plant and its Garden Fresh Gourmet business. The assets and liabilities of these businesses were reported as assets and liabilities of discontinued operations as of July 29, 2018.

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Twelve Months Ended	
	July 28, 2019	July 29, 2018
Cash flows from operating activities:		
Net earnings	\$ 211	\$ 261
Adjustments to reconcile net earnings to operating cash flow		
Impairment charges	393	748
Restructuring charges	31	62
Stock-based compensation	58	61
Amortization of inventory fair value adjustment from acquisition	—	42
Pension and postretirement benefit expense (income)	103	(187)
Depreciation and amortization	446	394
Deferred income taxes	14	(133)
Losses on sales of discontinued operations businesses	32	—
Other, net	25	34
Changes in working capital, net of acquisitions and divestitures		
Accounts receivable	(11)	56
Inventories	36	(84)
Prepaid assets	(1)	27
Accounts payable and accrued liabilities	125	78
Other	(64)	(54)
Net cash provided by operating activities	<u>1,398</u>	<u>1,305</u>
Cash flows from investing activities:		
Purchases of plant assets	(384)	(407)
Purchases of route businesses	(29)	(9)
Sales of route businesses	31	10
Businesses acquired, net of cash acquired	(18)	(6,772)
Sales of discontinued operations businesses, net of cash divested	539	—
Other, net	14	(19)
Net cash provided by (used in) investing activities	<u>153</u>	<u>(7,197)</u>
Cash flows from financing activities:		
Short-term borrowings	5,839	10,222
Short-term repayments	(6,296)	(9,944)
Long-term borrowings	—	6,224
Long-term repayments	(702)	(63)
Dividends paid	(423)	(426)
Treasury stock purchases	—	(86)
Payments related to tax withholding for stock-based compensation	(8)	(23)
Repurchase of noncontrolling interest	—	(47)
Payments of debt issuance costs	(1)	(50)
Net cash provided by (used in) financing activities	<u>(1,591)</u>	<u>5,807</u>
Effect of exchange rate changes on cash	(7)	(8)
Net change in cash and cash equivalents	(47)	(93)
Cash and cash equivalents — beginning of period	49	37
Cash balance of discontinued operations — beginning of period	177	282
Cash balance of discontinued operations — end of period	(148)	(177)
Cash and cash equivalents — end of period	<u>\$ 31</u>	<u>\$ 49</u>

Reconciliation of GAAP to Non-GAAP Financial Measures
Fiscal Year Ended July 28, 2019

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. Beginning in the third quarter of fiscal 2019, the results of the Campbell Fresh segment are reported as discontinued operations. Beginning in the fourth quarter of fiscal 2019, the results of the Kelsen Group, Arnott's and certain international businesses (Campbell International), which represent the former international biscuits and snacks operating segment, are reported as discontinued operations. As this is the first quarter presenting Campbell International as discontinued operations, we have provided certain combined financial measures of continuing operations and Campbell International to facilitate comparison of the company's historical operating results.

Organic Net Sales

Organic net sales are net sales excluding the impact of currency and acquisitions. Management believes that excluding these items, which are 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 and combined net sales follows.

Three Months Ended

(millions)	July 28, 2019			July 29, 2018	% Change	
	Net Sales, as Reported	Impact of Currency	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales
Meals & Beverages	\$ 813	\$ 1	\$ 814	\$ 809	—%	1%
Snacks	967	2	969	936	3%	4%
Total Net Sales	<u>\$ 1,780</u>	<u>\$ 3</u>	<u>\$ 1,783</u>	<u>\$ 1,745</u>	<u>2%</u>	<u>2%</u>
Campbell International	<u>\$ 244</u>			<u>\$ 247</u>		
Combined Net Sales	<u>\$ 2,024</u>			<u>\$ 1,992</u>	<u>2%</u>	

Year Ended

(millions)	July 28, 2019				July 29, 2018	% Change	
	Net Sales, as Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales
Meals & Beverages	\$ 4,322	\$ 18	\$ (100)	\$ 4,240	\$ 4,305	—%	(2)%
Snacks	3,784	3	(1,401)	2,386	2,307	64%	3%
Corporate	1	—	—	1	3	n/m	n/m
Total Net Sales	<u>\$ 8,107</u>	<u>\$ 21</u>	<u>\$ (1,501)</u>	<u>\$ 6,627</u>	<u>\$ 6,615</u>	<u>23%</u>	<u>—%</u>
Campbell International	<u>1,046</u>				<u>1,120</u>		
Combined Net Sales	<u>\$ 9,153</u>				<u>\$ 7,735</u>	<u>18%</u>	

n/m - not meaningful

Items Impacting Earnings

The company believes that financial information excluding certain items that are not considered to reflect the ongoing operating results, 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 fiscal 2015, the company implemented 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 January 2018, as part of the expanded initiatives, the company authorized additional costs to improve the operational efficiency of its thermal supply chain network in North America by closing its manufacturing facility in Toronto, Ontario, and to optimize its information technology infrastructure by migrating certain applications to the latest cloud technology platform. In August 2018, the company announced that it will continue to streamline its organization, expand its zero-based budgeting efforts and optimize its manufacturing network. In fiscal 2019, the company began to include costs associated with the Snyder's-Lance cost transformation program and integration with these initiatives.

In the fourth quarter of fiscal 2019, the company recorded Restructuring charges of \$9 million and implementation costs and other related costs of \$27 million in Administrative expenses, \$1 million in Marketing and selling expenses, and \$1 million in Research and development expenses, and a reduction to Cost of products sold of \$7 million (aggregate impact of \$24 million after tax, or \$.08 per share) in Loss from continuing operations related to these initiatives. In fiscal 2019, the company recorded Restructuring charges of \$31 million and implementation costs and other related costs of \$62 million in Administrative expenses, \$18 million in Cost of products sold, \$7 million in Marketing and selling expenses, and \$3 million in Research and development expenses (aggregate impact of \$92 million after tax, or \$.30 per share) in Earnings from continuing operations related to these initiatives. The company also recorded a \$1 million pre-tax and after-tax charge in Loss from discontinued operations associated with Campbell Fresh and a \$1 million pre-tax and after-tax gain in Loss from discontinued operations associated with Campbell International related to these initiatives. In the fourth quarter of fiscal 2018, the company recorded Restructuring charges of \$1 million and implementation costs and other related costs of \$20 million in Administrative expenses, \$25 million in Cost of products sold, and \$1 million in Marketing and selling expenses (aggregate impact of \$34 million after tax, or \$.11 per share) in Earnings from continuing operations related to these initiatives. The company also recorded a \$1 million pre-tax and after-tax gain in Loss from discontinued operations associated with Campbell International related to these initiatives. In fiscal 2018, the company recorded Restructuring charges of \$42 million and implementation costs and other related costs of \$87 million in Administrative expenses, \$45 million in Cost of products sold, and \$3 million in Marketing and selling expenses (aggregate impact of \$132 million after tax, or \$.44 per share) in Earnings from continuing operations related to these initiatives. The company also recorded charges of \$2 million (\$1 million after tax) and \$6 million (\$3 million after tax, or \$.01 per share) associated with Campbell Fresh and Campbell International, respectively, related to these initiatives. The aggregate impact of charges in Loss from discontinued operations related to these initiatives was \$8 million (\$4 million after tax, or \$.01 per share).

- (2) In the fourth quarter of fiscal 2019, as part of the company's annual review of intangible assets, the company recognized an impairment charge of \$7 million on a trademark and \$10 million on goodwill in Kelsen due to a lower long-term outlook for sales and the pending sale of the business. The aggregate impact was \$17 million (\$12 million after tax, or \$.04 per share).

In the second quarter of fiscal 2019, interim impairment assessments were performed on the intangible and tangible assets within Campbell Fresh, which includes Garden Fresh Gourmet, Bolthouse Farms carrot and carrot ingredients, and Bolthouse Farms refrigerated beverages and salad dressings, as the company continued to pursue the divestiture of these businesses. The company revised its future outlook for earnings and cash flows for each of these businesses as the divestiture process progressed.

The company recorded non-cash impairment charges of \$104 million on the tangible assets and \$73 million on the intangible assets of Bolthouse Farms carrot and carrot ingredients; \$96 million on the intangible assets and \$9 million on the tangible assets of Bolthouse Farms refrigerated beverages and salad dressings; and \$62 million on the intangible assets and \$2 million on the tangible assets of Garden Fresh Gourmet. The aggregate impact of the impairment charges was \$346 million, of which \$115 million was recorded in Cost of products sold and \$231 million in Other expenses / (income), (\$264 million after tax, or \$.88 per share). In the first quarter of fiscal 2019, the company recorded a non-cash impairment charge of \$14 million in Cost of products sold (\$11 million after tax, or \$.04 per share) on its U.S. refrigerated soup plant assets.

In fiscal 2019, the total non-cash impairment charges recorded were \$377 million, of which \$129 million was recorded in Cost of products sold and \$248 million in Other expenses / (income), (\$287 million after tax, or \$.95 per share).

In the third quarter of fiscal 2018, the company performed interim impairment assessments within Campbell Fresh on the deli reporting unit, which includes Garden Fresh Gourmet and the U.S. refrigerated soup business, and the Bolthouse Farms refrigerated beverages and salad dressings reporting unit. Within the deli unit, the company revised its long-term outlook due to the anticipated loss of refrigerated soup business with certain private label customers, as

well as the performance of the business. In addition, the operating performance of the Bolthouse Farms refrigerated beverages and salad dressings reporting unit was below expectations. The company revised its long-term outlook for future earnings and cash flows for each of these reporting units. The company recorded a non-cash impairment charge of \$11 million on the tangible assets and \$94 million on the intangible assets (\$80 million after tax, or \$.27 per share) of the deli reporting unit, and a non-cash impairment charge of \$514 million (\$417 million after tax, or \$1.39 per share) related to the intangible assets of the Bolthouse Farms refrigerated beverages and salad dressings reporting unit. The aggregate impact of the impairment charges was \$619 million, of which \$11 million was recorded in Cost of products sold and \$608 million in Other expenses / (income), (\$497 million after tax, or \$1.65 per share).

In the second quarter of fiscal 2018, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit as operating performance was below expectations. The company revised its outlook for future earnings and cash flows and recorded a non-cash impairment charge of \$75 million in Other expenses / (income) (\$74 million after tax, or \$.25 per share).

In fiscal 2018, the total non-cash impairment charges recorded were \$694 million, of which \$11 million was recorded in Cost of products sold and \$683 million in Other expenses / (income), (\$571 million after tax, or \$1.89 per share).

These impairment charges were all recorded in Loss from discontinued operations.

In the fourth quarter of fiscal 2019, the company performed an assessment on the assets within the European chips business and recorded a non-cash impairment charge of \$16 million (\$13 million after tax, or \$.04 per share) on intangible assets in Earnings (loss) from continuing operations in Other expenses / (income).

In the fourth quarter of fiscal 2018, the company performed an impairment assessment on the *Plum* trademark. In fiscal 2018, sales and operating performance were well below expectations due in part to competitive pressure and reduced margins. In the fourth quarter of fiscal 2018, as part of a strategic review initiated by a new leadership team and based on recent performance, the company lowered its long-term outlook for future sales. The company recorded a non-cash impairment charge of \$54 million (\$41 million after tax, or \$.14 per share) in Earnings from continuing operations in Other expenses / (income).

- (3) In the fourth quarter of fiscal 2019, the company incurred pre-tax expenses of \$1 million (a gain of \$1 million after tax) associated with the sale process of the businesses in Campbell Fresh, including a loss on the sale of Bolthouse Farms. The company also incurred costs of \$5 million pre-tax and after tax (\$.02 per share) associated with the planned divestiture of Campbell International. The aggregate impact was \$4 million after tax, or \$.01 per share, in Loss from discontinued operations. In fiscal 2019, the company incurred pre-tax expenses of \$32 million associated with the sale process of the businesses in Campbell Fresh, including losses on the sale of the U.S. refrigerated soup business, Garden Fresh Gourmet and Bolthouse Farms. In addition, the company recorded tax expense of \$29 million as deferred tax assets on Bolthouse Farms were not realizable (aggregate impact of \$51 million after tax, or \$.17 per share). The company also incurred costs of \$12 million (\$10 million after tax, or \$.03 per share) associated with the planned divestiture of Campbell International. The aggregate impact was \$61 million after tax, or \$.20 per share, in Loss from discontinued operations.
- (4) In the third quarter of fiscal 2019, the company recognized a pre-tax pension settlement charge in Other expenses / (income) of \$28 million (\$22 million after tax, or \$.07 per share) in Earnings from continuing operations associated with a U.S. pension plan. The settlement resulted from the level of lump sum distributions from the plan's assets in 2019.
- (5) In fiscal 2018 and 2019, the company reflected the impact of taxes on the enactment of the Tax Cuts and Jobs Act that was signed into law in December 2017. In fiscal 2019, the company recorded a tax charge of \$2 million (\$.01 per share) related to a transition tax on unremitted foreign earnings. In the fourth quarter of fiscal 2018, the company recorded a tax benefit of \$6 million (\$.02 per share) related to the transition tax on unremitted foreign earnings. In fiscal 2018, the company recorded a tax benefit of \$179 million due to the remeasurement of deferred tax assets and liabilities, and a tax charge of \$53 million related to the transition tax on unremitted foreign earnings. The net impact was a tax benefit of \$126 million (\$.42 per share). These charges and benefits were all recorded in Earnings from continuing operations.
- (6) In the fourth quarter of fiscal 2019, the company incurred losses of \$122 million in Other expenses / (income) (\$93 million after tax, or \$.31 per share) in Earnings (loss) from continuing operations associated with mark-to-market adjustments for defined benefit pension and postretirement plans. The company also incurred losses of \$12 million (\$9 million after tax, or \$.03 per share) in Loss from discontinued operations related to Campbell International. In the fourth quarter of fiscal 2018, the company incurred gains of \$117 million in Other expenses / (income) (\$90 million

after tax, or \$.30 per share) in Earnings from continuing operations associated with mark-to-market adjustments for defined benefit pension and postretirement plans. The company also incurred mark-to-market and curtailment gains of \$5 million (\$3 million after tax, or \$.01 per share) in Loss from discontinued operations related to Campbell International. In fiscal 2018, the company incurred gains of \$131 million in Other expenses / (income) (\$100 million after tax, or \$.33 per share) in Earnings from continuing operations associated with mark-to-market adjustments for defined benefit pension and postretirement plans. The company also incurred mark-to-market and curtailment gains of \$5 million (\$3 million after tax, or \$.01 per share) in Loss from discontinued operations related to Campbell International.

- (7) In the second quarter of fiscal 2018, the company announced its intent to acquire Snyder's-Lance, Inc. and on March 26, 2018, the acquisition closed. In the fourth quarter of fiscal 2018, the company incurred \$5 million in Cost of products sold associated with an acquisition date fair value adjustment for inventory. The company also incurred integration costs in association with its cost savings initiatives, of which \$3 million was recorded in Restructuring charges and \$6 million in Administrative expenses. The aggregate impact was \$14 million, \$8 million after tax, or \$.03 per share. In fiscal 2018, the company incurred transaction costs of \$53 million recorded in Other expenses / (income), \$42 million in Cost of products sold and a gain in Interest expense of \$18 million on treasury rate lock contracts used to hedge the planned financing of the acquisition. The company also incurred integration costs in association with its cost savings initiatives, of which \$13 million was recorded in Restructuring charges and \$12 million in Administrative expenses. The aggregate impact was \$102 million, \$73 million after tax, or \$.24 per share. These costs were all recorded in Earnings from continuing operations.
- (8) In the third quarter of fiscal 2018, the company recorded a loss of \$22 million in Other expenses / (income) (\$15 million after tax, or \$.05 per share) in Earnings from continuing operations from a settlement of a legal claim.

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

(millions, except per share amounts)	Three Months Ended						Adjusted Percent Change
	July 28, 2019			July 29, 2018			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 606	\$ (7)	\$ 599	\$ 548	\$ 30	\$ 578	4%
Gross margin percentage	34.0 %		33.7%	31.4%		33.1%	
Marketing and selling expenses	195	(1)	194	178	(1)	177	
Administrative expenses	166	(27)	139	159	(26)	133	
Research and development expenses	25	(1)	24	21	—	21	
Other expenses / (income)	128	(138)	(10)	(66)	63	(3)	
Restructuring charges	9	(9)	—	4	(4)	—	
Earnings before interest and taxes	\$ 83	\$ 169	\$ 252	\$ 252	\$ (2)	\$ 250	1%
Interest, net	84	—	84	89	—	89	
Earnings before taxes	\$ (1)	\$ 169	\$ 168	\$ 163	\$ (2)	\$ 161	
Taxes	4	39	43	37	11	48	
Effective income tax rate	(400.0)%		25.6%	22.7%		29.8%	
Earnings (loss) from continuing operations	\$ (5)	\$ 130	\$ 125	\$ 126	\$ (13)	\$ 113	11%
Earnings (loss) from discontinued operations	(3)	25	22	(32)	(4)	(36)	n/m
Net earnings (loss) attributable to Campbell Soup Company	\$ (8)	\$ 155	\$ 147	\$ 94	\$ (17)	\$ 77	91%
Diluted earnings (loss) per share - continuing operations attributable to Campbell Soup Company*	\$ (.02)	\$.43	\$.42	\$.42	\$ (.04)	\$.37	14%
Diluted earnings (loss) per share - discontinued operations	(.01)	.08	.07	(.11)	(.01)	(.12)	n/m
Diluted net earnings (loss) per share attributable to Campbell Soup Company*	\$ (.03)	\$.51	\$.49	\$.31	\$ (.06)	\$.25	96%

^(a)See following tables for additional information.

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

n/m - not meaningful

Three Months Ended

July 28, 2019

(millions, except per share amounts)	Restructuring charges, implementation costs and other related costs (1)	Impairment charges (2)	Costs associated with divestitures (3)	Mark-to-market (6)	Adjustments
Gross margin	\$ (7)	\$ —	\$ —	\$ —	\$ (7)
Marketing and selling expenses	(1)	—	—	—	(1)
Administrative expenses	(27)	—	—	—	(27)
Research and development expenses	(1)	—	—	—	(1)
Other expenses / (income)	—	(16)	—	(122)	(138)
Restructuring charges	(9)	—	—	—	(9)
Earnings before interest and taxes	<u>\$ 31</u>	<u>\$ 16</u>	<u>\$ —</u>	<u>\$ 122</u>	<u>\$ 169</u>
Interest, net	—	—	—	—	—
Earnings before taxes	<u>\$ 31</u>	<u>\$ 16</u>	<u>\$ —</u>	<u>\$ 122</u>	<u>\$ 169</u>
Taxes	7	3	—	29	39
Earnings from continuing operations	<u>\$ 24</u>	<u>\$ 13</u>	<u>\$ —</u>	<u>\$ 93</u>	<u>\$ 130</u>
Earnings from discontinued operations	—	12	4	9	25
Net earnings attributable to Campbell Soup Company	<u>\$ 24</u>	<u>\$ 25</u>	<u>\$ 4</u>	<u>\$ 102</u>	<u>\$ 155</u>
Diluted earnings per share - continuing operations attributable to Campbell Soup Company	<u>\$.08</u>	<u>\$.04</u>	<u>\$ —</u>	<u>\$.31</u>	<u>\$.43</u>
Diluted earnings per share - discontinued operations	—	.04	.01	.03	.08
Diluted net earnings per share attributable to Campbell Soup Company	<u>\$.08</u>	<u>\$.08</u>	<u>\$.01</u>	<u>\$.34</u>	<u>\$.51</u>

Three Months Ended

July 29, 2018

(millions, except per share amounts)	Restructuring charges, implementation costs and other related costs (1)	Impairment charges (2)	Tax reform (5)	Mark-to-market (6)	Transaction and integration costs (7)	Adjustments
Gross margin	\$ 25	\$ —	\$ —	\$ —	\$ 5	\$ 30
Marketing and selling expenses	(1)	—	—	—	—	(1)
Administrative expenses	(20)	—	—	—	(6)	(26)
Other expenses / (income)	—	(54)	—	117	—	63
Restructuring charges	(1)	—	—	—	(3)	(4)
Earnings before interest and taxes	<u>\$ 47</u>	<u>\$ 54</u>	<u>\$ —</u>	<u>\$ (117)</u>	<u>\$ 14</u>	<u>\$ (2)</u>
Interest, net	—	—	—	—	—	—
Earnings before taxes	<u>\$ 47</u>	<u>\$ 54</u>	<u>\$ —</u>	<u>\$ (117)</u>	<u>\$ 14</u>	<u>\$ (2)</u>
Taxes	13	13	6	(27)	6	11
Earnings from continuing operations	<u>\$ 34</u>	<u>\$ 41</u>	<u>\$ (6)</u>	<u>\$ (90)</u>	<u>\$ 8</u>	<u>\$ (13)</u>
Earnings from discontinued operations	(1)	—	—	(3)	—	(4)
Net earnings attributable to Campbell Soup Company	<u>\$ 33</u>	<u>\$ 41</u>	<u>\$ (6)</u>	<u>\$ (93)</u>	<u>\$ 8</u>	<u>\$ (17)</u>
Diluted earnings per share - continuing operations attributable to Campbell Soup Company	<u>\$.11</u>	<u>\$.14</u>	<u>\$ (.02)</u>	<u>\$ (.30)</u>	<u>\$.03</u>	<u>\$ (.04)</u>
Diluted earnings per share - discontinued operations	—	—	—	(.01)	—	(.01)
Diluted net earnings per share attributable to Campbell Soup Company*	<u>\$.11</u>	<u>\$.14</u>	<u>\$ (.02)</u>	<u>\$ (.31)</u>	<u>\$.03</u>	<u>\$ (.06)</u>

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

(millions, except per share amounts)	Twelve Months Ended						Adjusted Percent Change
	July 28, 2019			July 29, 2018			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 2,693	\$ 18	\$ 2,711	\$ 2,374	\$ 87	\$ 2,461	10%
Gross margin percentage	33.2%		33.4%	35.9%		37.2%	
Marketing and selling expenses	842	(7)	835	728	(3)	725	
Administrative expenses	610	(62)	548	563	(99)	464	
Research and development expenses	91	(3)	88	91	—	91	
Other expenses / (income)	140	(166)	(26)	(73)	2	(71)	
Restructuring charges	31	(31)	—	55	(55)	—	
Earnings before interest and taxes	\$ 979	\$ 287	\$ 1,266	\$ 1,010	\$ 242	\$ 1,252	1%
Interest, net	354	—	354	180	18	198	
Earnings before taxes	\$ 625	\$ 287	\$ 912	\$ 830	\$ 224	\$ 1,054	
Taxes	151	65	216	106	189	295	
Effective income tax rate	24.2%		23.7%	12.8%		28.0%	
Earnings from continuing operations	\$ 474	\$ 222	\$ 696	\$ 724	\$ 35	\$ 759	(8)%
Earnings (loss) from discontinued operations	(263)	357	94	(463)	572	109	(14)%
Net earnings attributable to Campbell Soup Company	\$ 211	\$ 579	\$ 790	\$ 261	\$ 607	\$ 868	(9)%
Diluted earnings per share - continuing operations attributable to Campbell Soup Company*	\$ 1.57	\$.74	\$ 2.30	\$ 2.40	\$.12	\$ 2.51	(8)%
Diluted earnings (loss) per share - discontinued operations	(.87)	1.18	.31	(1.53)	1.89	.36	(14)%
Diluted net earnings per share attributable to Campbell Soup Company*	\$.70	\$ 1.92	\$ 2.62	\$.86	\$ 2.01	\$ 2.87	(9)%

^(a)See following tables for additional information.

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

n/m - not meaningful

Twelve Months Ended

July 28, 2019

(millions, except per share amounts)	Restructuring charges, implementation costs and other related costs (1)	Impairment charges (2)	Costs associated with divestitures (3)	Pension settlement (4)	Tax reform (5)	Mark-to-market (6)	Adjustments
Gross margin	\$ 18	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18
Marketing and selling expenses	(7)	—	—	—	—	—	(7)
Administrative expenses	(62)	—	—	—	—	—	(62)
Research and development expenses	(3)	—	—	—	—	—	(3)
Other expenses / (income)	—	(16)	—	(28)	—	(122)	(166)
Restructuring charges	(31)	—	—	—	—	—	(31)
Earnings before interest and taxes	\$ 121	\$ 16	\$ —	\$ 28	\$ —	\$ 122	\$ 287
Interest, net	—	—	—	—	—	—	—
Earnings before taxes	\$ 121	\$ 16	\$ —	\$ 28	\$ —	\$ 122	\$ 287
Taxes	29	3	—	6	(2)	29	65
Earnings from continuing operations	\$ 92	\$ 13	\$ —	\$ 22	\$ 2	\$ 93	\$ 222
Earnings from discontinued operations	—	287	61	—	—	9	357
Net earnings attributable to Campbell Soup Company	\$ 92	\$ 300	\$ 61	\$ 22	\$ 2	\$ 102	\$ 579
Diluted earnings per share - continuing operations attributable to Campbell Soup Company*	\$.30	\$.04	\$ —	\$.07	\$.01	\$.31	\$.74
Diluted earnings per share - discontinued operations	—	.95	.20	—	—	.03	1.18
Diluted net earnings per share attributable to Campbell Soup Company	\$.30	\$.99	\$.20	\$.07	\$.01	\$.34	\$ 1.92

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

Twelve Months Ended

July 29, 2018

(millions, except per share amounts)	Restructuring charges, implementation costs and other related costs (1)	Impairment charges (2)	Tax reform (5)	Mark-to-market (6)	Transaction and integration costs (7)	Claim settlement (8)	Adjustments
Gross margin	\$ 45	\$ —	\$ —	\$ —	\$ 42	\$ —	\$ 87
Marketing and selling expenses	(3)	—	—	—	—	—	(3)
Administrative expenses	(87)	—	—	—	(12)	—	(99)
Other expenses / (income)	—	(54)	—	131	(53)	(22)	2
Restructuring charges	(42)	—	—	—	(13)	—	(55)
Earnings before interest and taxes	\$ 177	\$ 54	\$ —	\$ (131)	\$ 120	\$ 22	\$ 242
Interest, net	—	—	—	—	18	—	18
Earnings before taxes	\$ 177	\$ 54	\$ —	\$ (131)	\$ 102	\$ 22	\$ 224
Taxes	45	13	126	(31)	29	7	189
Earnings from continuing operations	\$ 132	\$ 41	\$ (126)	\$ (100)	\$ 73	\$ 15	\$ 35
Earnings from discontinued operations	4	571	—	(3)	—	—	572
Net earnings attributable to Campbell Soup Company	\$ 136	\$ 612	\$ (126)	\$ (103)	\$ 73	\$ 15	\$ 607
Diluted earnings per share - continuing operations attributable to Campbell Soup Company	\$.44	\$.14	\$ (.42)	\$ (.33)	\$.24	\$.05	\$.12
Diluted earnings per share - discontinued operations	.01	1.89	—	(.01)	—	—	1.89
Diluted net earnings per share attributable to Campbell Soup Company	\$.45	\$ 2.03	\$ (.42)	\$ (.34)	\$.24	\$.05	\$ 2.01

Adjusted Earnings Before Interest and Taxes on a Combined Basis (Continuing Operations and Campbell International)

Three Months Ended

July 28, 2019

(millions)	As reported	Impairment charges (2)	Costs associated with divestitures (3)	Mark-to-market (6)	Adjusted
Earnings (loss) from Campbell International	\$ (2)	\$ 12	\$ 5	\$ 9	\$ 24
Add: Taxes on earnings from Campbell International	2	5	—	3	10
Add: Interest, net	2	—	—	—	2
Earnings before interest and taxes - Campbell International	\$ 2	\$ 17	\$ 5	\$ 12	\$ 36
Earnings before interest and taxes - continuing operations	\$ 83				\$ 252
Combined Earnings before interest and taxes	\$ 85				\$ 288

Three Months Ended					
July 29, 2018					
(millions)	As reported	Restructuring charges, implementation costs and other related costs (1)	Mark-to-market (6)	Adjusted	
Earnings from Campbell International	\$ 24	\$ (1)	\$ (3)	\$ 20	
Add (Deduct): Taxes on earnings from Campbell International	10	—	(2)	8	
Add: Interest, net	4	—	—	4	
Earnings (loss) before interest and taxes - Campbell International	\$ 38	\$ (1)	\$ (5)	\$ 32	
Earnings before interest and taxes - continuing operations	252			250	
Combined Earnings before interest and taxes	\$ 290			\$ 282	
Adjusted Combined EBIT percentage change 2019/2018				2%	

Twelve Months Ended							
July 28, 2019							
(millions)	As reported	Restructuring charges, implementation costs and other related costs (1)	Impairment charges (2)	Costs associated with divestitures (3)	Mark-to-market (6)	Adjusted	
Earnings from Campbell International	\$ 69	\$ (1)	\$ 12	\$ 10	\$ 9	\$ 99	
Add: Taxes on earnings from Campbell International	39	—	5	2	3	49	
Add: Interest, net	8	—	—	—	—	8	
Earnings (loss) before interest and taxes - Campbell International	\$ 116	\$ (1)	\$ 17	\$ 12	\$ 12	\$ 156	
Earnings before interest and taxes - continuing operations	\$ 979					\$ 1,266	
Combined Earnings before interest and taxes	\$ 1,095					\$ 1,422	

Twelve Months Ended					
July 29, 2018					
(millions)	As reported	Restructuring charges, implementation costs and other related costs (1)	Mark-to-market (6)	Adjusted	
Earnings from Campbell International	\$ 116	\$ 3	\$ (3)	\$ 116	
Add (Deduct): Taxes on earnings from Campbell International	47	3	(2)	48	
Add: Interest, net	17	—	—	17	
Earnings (loss) before interest and taxes - Campbell International	\$ 180	\$ 6	\$ (5)	\$ 181	
Earnings before interest and taxes - continuing operations	1,010			1,252	
Combined Earnings before interest and taxes	\$ 1,190			\$ 1,433	
Adjusted Combined EBIT percentage change 2019/2018				(1)%	

Adjusted Combined Diluted EPS from Continuing Operations and Campbell International

(millions)	Three Months Ended			Twelve Months Ended		
	July 28, 2019	July 29, 2018	Adjusted % Change	July 28, 2019	July 29, 2018	Adjusted % Change
Adjusted Diluted earnings per share - continuing operations	\$.42	\$.37		\$ 2.30	\$ 2.51	
Diluted earnings per share - Campbell International	\$ (.01)	\$.08		\$.23	\$.38	
Add: Restructuring charges, implementation costs and other related costs (1)	—	—		—	.01	
Add: Impairment charges (2)	.04	—		.04	—	
Add: Costs associated with divestitures (3)	.02	—		.03	—	
Add (Deduct): Mark-to-market (6)	.03	(.01)		.03	(.01)	
Adjusted Diluted earnings per share - Campbell International	\$.08	\$.07		\$.33	\$.38	
Adjusted Combined diluted earnings per share*	\$.50	\$.44	14%	\$ 2.63	\$ 2.90	(9)%

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