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PRESENTATION

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We would like to welcome back to CAGNY the Campbell's Soup Company and to thank them for hosting a great lunch following their presentation today.

President and CEO, Denise Morrison, has brought about quite a bit of strategic change the past several years in an effort to drive organic sales growth. The acquisitions of Bolthouse, Plum Organics and Kelsen have added $1 billion in sales from faster growth health and wellness categories and, in the case of Kelsen, emerging market exposure.

The Company divested its European soup business while also continuing to push its premium soup agenda with slow kettle and the organic platform. Before I hand it over to Denise, two quick notes. (Conference instructions).

So with that, let me hand it over to Denise to fill us in on consumer insight, strategic direction leading to a lot of the moves that I just mentioned. Thanks for being here, Denise.

Denise Morrison - *Campbell Soup Company - President & CEO*

Thank you, Andrew, and good morning, everyone. I am delighted to be here with you again at the 44th annual CAGNY Conference. Last week we issued a news release in which we lowered our full-year guidance for fiscal 2015 due mainly to reduced expectations for our gross margin performance for the year and to the adverse effect of foreign currency translation.

As we stated in the announcement, we now expect that gross margin results for the second quarter and the remainder of the year will be weaker than originally planned.

Like a number of our peer companies, we have found it unusually difficult to forecast the performance of our business in the current extremely challenging environment for our industry. And although we have robust plans in place to address our margin issues during the balance of the year, at present we don't expect to be able to fully offset the impact of the unexpected margin pressures. And as a result of that we have adjusted our guidance accordingly.

Our CFO, Anthony DiSilvestro, and I will talk about that in much greater detail when we report our second-quarter results next week, so we don't plan to focus on it today.

Instead, I intend to use my time to provide some context on several momentous changes that we are now setting in motion at Campbell, Some of which were foreshadowed in the organization announcement that we issued about three weeks ago. They are changes with far-reaching implications for the conduct of our business and the future of our Company.

Following my comments Anthony will have more to say about one specific aspect of those changes and then we will be pleased to take your questions. And after that I hope you will join us for a wonderful lunch designed by our inspired Campbell's chefs and we have arranged for soup weather for you to enjoy it.

To understand the significance of the developments that Anthony and I will be discussing this morning, you'll need a running start centered on three key background points.

First, for the past three and a half years we have laid out for you a clear and consistent vision of our strategic framework for driving growth of our business.

I've told you many times that the strategic priorities are rooted in what we call our dual mandate, to strengthen the core of our historic business and assure its continued vitality as a powerful growth engine and at the same time to expand faster growing spaces product categories, channels and geographies with the objective of achieving over time a shift in our center of gravity.

Our dual mandate has been our [load star] since I became Campbell's CEO and it has a very clear objective: to create value for our shareholders by driving sustainable, profitable net sales growth. That is background point number one.

Second, I have also talked with you at length about my perspective on the key trends and dynamics in the food industry today, the forces that have shaped and will continue to shape our approach to our dual mandate. They are external drivers that we absolutely must understand and engage with successfully to fulfill our growth mission. They are many and they are mighty.

Like other companies in our industry, we are contending with the -- now is not just the long-term impact of the Great Recession on consumer purchasing behavior, or the increasingly complex public dialogue when it comes to food or the regulatory environment for food. We are contending with what I've previously characterized as a seismic social shift that are redefining the fundamental framework in our relationships with customers and with consumers.

They include, for example, major demographic changes not only in the rising importance of new consumer populations such as Latinos and the millennial generation, but also revolutionary changes in the definition and composition of the family that bear witness to a world of increasing diversity, new economic realities and powerful social transformations such as mushrooming numbers of adult only households, single-parent households, multigenerational households, multicultural households and same-sex households, all of which eat and shop differently than the traditional family as our industry long defined it.

Across the increasingly complex demographic mosaic, we are also confronting profound shifts in consumers' preferences and priorities with respect to food. We are seeing an explosion of interest in fresh foods, dramatically increased focus by consumers on the effects of food on their health and well-being and mounting demands for transparency from food companies about where and how their products are made, what ingredients are in them and how these ingredients are produced.

And along with this, as all of you know, has come a mounting distrust of so-called big food, the large food companies and legacy brands on which millions of consumers have relied on for so long.

At the same time we are all witnessing the transforming impact of the digital revolution, digital technologies and e-commerce on the way consumers learn about foods, share information and opinions and interact with food brands. And increasingly on the ways they shop for food and make their purchasing decisions.

We are seeing significant pressure on mainstream food products, on traditional channels including traditional grocery stores; the continuing rapid growth of alternative channels at the expense of grocery stores, a value in premium offerings at the expense of the middle range, and of the retail perimeter at the expense of the center store.

And of course we are also witnessing a major global economic realignment with a shrinking middle class in developed markets and continuing robust growth of the middle class in developing markets.

These trends are converging to forge what is really truly a new era in the food business. They produced a persistently challenging environment for packaged food companies in the past several years and they are not going away. So we have had them very much in mind as we have designed our strategies for implementing our dual mandate. That is background point number two.

Finally, over the past three and a half years I have also shared with you some of the important steps we have taken to execute our mandate and advance our growth agenda. We have delivered some significant accomplishments.

For instance, we have driven meaningful diversification of our portfolio through the acquisitions of businesses in faster growing spaces including Bolthouse Farms, Plum Organics and Kelsen Group, which now contribute more than $1 billion of our sales.

We have also improved our competitiveness across much of our core portfolio in North America with clear articulation of the roles of each of the businesses in that portfolio, enhanced consumer insights, renewed attention to product quality and sustained discipline focus on leveraging all the drivers of demand.

From a standing start we have created an entirely new process for driving breakthrough innovation, developed a significant innovation pipeline and delivered an appreciable increase in our rolling three-year sales from new products.

And since 2011 we have driven meaningful improvement in our cost structure with the closure of five manufacturing facilities and major initiatives focused on improving the effectiveness and the efficiency of our supply chain. These efforts have resulted in approximately $185 million in annual ongoing cost savings.

During the last fiscal year we successfully pursued a careful, thoughtful, critically important process to articulate what we stand for as a Company, what we believe and care about and to declare our company purpose. The statement of purpose that emerged from that provocative work, Real Food That Matters for Life's Moments, embodies our fundamental view of who and what we are. It is our touchstone and our compass and it is remarkable how quickly it has become a rallying cry for our entire organization.

Our purpose affirms our connection with the values that have animated our Company for 146 years and to the values and priorities of a new generation of consumers. It is the foundation of our growth agenda.

All of these things have been valuable steps for Campbell. They are milestones in our journey that short-term setbacks or a disappointing quarter don't erase. We are proud of them and I believe we have good reason to be. But they are not enough.

Despite many changes and important accomplishments over the past three years we haven't achieved the growth rates in sales and operating profits that we aspire to. And we realize that to fulfill our mission we must think bigger and act bolder.

During the past six months we have given this intense and very careful study. We have concluded that we must make fundamental changes in three key things: the way our business is organized and managed; the way we deploy resources and assets; and the way we communicate and connect with consumers.

During the remainder of my time today I'm going to give you a very high level view of how we intend to do these things. I can't yet provide you with the full game plan because that plan is still in the process of becoming, but I can give you some insight into some of the pivotal decisions we have made and a foreshadowing of major things to come at Campbell.

So first, how our organization -- our business is organized and managed. We are embarking now on watershed changes in the structure of our enterprise. We have set in motion a reorganization that is designed to unlock the value of our assets, eliminate key barriers to growth and drive the execution of our dual mandate by enabling us to fully leverage all that we have learned about the key trends of the consumer, the customer and the business environment.

I believe that this reorganization will be a game changing development in the evolution of our Company. But I want to emphasize that it is entirely consistent with and driven by the strategic frame that I have laid out for you on many past occasions.

It is the logical next step toward our goals of shifting our center of gravity for our business, accelerating our growth trajectory and maximizing value for our shareholders. It is a change not in the what but a change in the how.

In simplest terms we are reorganizing our Company so as to align our structure directly with our core growth strategies and invest more in resources on the businesses that hold the clearest promise of delivering the greatest growth. As we indicated in our announcement on January 29, we are in the process of reorganizing our business operations in three principal divisions.

First, our simple meals and shelf stable beverages business in the America's will now be unified as a single division where they will be organized and managed for moderate growth and higher profit, consistent with their collective portfolio role as the economic engines of our Company.

This new division will have targets for revenue growth that will reflect the realities in the marketplace and critical consumer trends. Revenue targets that will enable us to expand our margins and fund our growth agenda in faster growing spaces while maintaining our share and category leadership in our enormous core.

Make no mistakes about what I am saying here. We know that within our core simple meals and beverage business in the Americans there are now and will continue to be areas of opportunity for appreciable growth. Despite all the challenges afflicting shelf stable categories in the center store, they remain important places to play and to innovate and to win.

The success of our new line of dinner sauces is one such example and the impressive growth trajectory of Plum Organics, the organic baby food business that we acquired in 2013, is certainly another. Historically, by establishing aggressive growth targets for our North American business as a whole, we have contained our ability to go after such opportunities.

Going forward, we will define moderate goals for top-line growth in our core business and expand our margins by optimizing our trade spend and other marketing investments, managing costs and driving improved price realization. As a result, we will be far better positioned to fund our key opportunities both in the core and across the enterprise.

In our reorganized America's simple meals and beverage division we will certainly maintain our emphasis on brand building and innovation. But both our breakthrough and our sustaining innovation will be focused on fewer bigger ideas aimed at delighting our current consumers and attracting new ones to our franchise.

You will see us focus on scale platforms for innovation centered on taste, quality and convenience and on platforms specifically designed to respond to consumers' interests in foods that promote health and well-being.

We have already begun to see the impact of such focus with innovation and the core but is driven the creation of entirely new category segments such as premium soups and dinner sauces. We've also seen it with the introduction of product lines like Prego white sauces and flavor infused Swanson broth and stock.

There are abundant additional opportunities for us to drive growth in simple meals and shelf stable beverages with fewer, bigger initiatives and we are going after them. We will also continue to expand our points of distribution and our presence in growth channels such as immediate consumption and club.

At the same time our focus on margin expansion in the core *** (technical difficulty) *** will also require a smarter approach. So engagement and execution with our customers and reduction in the cost of complexity in our supply chain is an imperative. Starting in the second half of this fiscal year we will be putting plans in place to address these issues.

Secondly, we are moving forward with a pivotal change in our structure of global biscuits and snacks. On a global basis the size of the prize in that category is enormous.

At present, however, our impressive assets and capabilities in biscuits and snacks are dispersed in three separate businesses: Pepperidge Farm, our premium biscuit and fresh bakery business in North America; Arnott's, a mainstream biscuit and snacks business centered in Australia and New Zealand; and Kelsen Group, a recently acquired business with significant multinational reach, but one that is focused largely on quality butter cookies for gifting occasions.

My operating and managing these businesses in separate silos we have sacrificed opportunities to unleash the power of our diverse brand assets and leverage the full power of our biscuits and snacks portfolio. Simply put, our organization's structure has constrained our ability to build scale, manage costs, fund growth and participate fully in many of the large opportunities in this immensely attractive category.

The time has come for us to eliminate these self-imposed barriers, so we will now combine Pepperidge Farm, Arnott's and Kelson into a single unified global biscuits and snacks division that will bring a global perspective to the management of our biscuits and snacks business, unlock its potential and leverage the scale of our product range across both developed and developing markets, with assets that we already own as well as others that we may acquire, people who we already have, brands that span multiple consumer needs and differentiating category expertise that we can fast adapt to each market.

We are particularly excited by the growth in biscuits and snacks that is occurring in developing markets as incomes are increasing for new middle-class consumers and product formats are shifting from bulk to packaged snacks. These trends represent major opportunities for us. With our new organization structure and mindset we will be well-positioned to go after them.

Finally, we will also move forward with focused investment to accelerate our growth in a third key division in our business which we are calling Packaged Fresh. We know, and we said at the time, that our acquisition of Bolthouse Farms gave us an immensely powerful springboard for building our participation in segments across the fresh perimeter -- areas of the store that are growing rapidly but in which we previously had limited presence and capabilities.

In the period since we bought the Bolthouse business we have explored many potential new directions that are clearly available to us in Packaged Fresh, not just in super premium fresh beverages and salad dressings in the produce aisle, which forms the heart of Bolthouse's CPG business today, but also in packaged fresh foods for kids where we have already taken some significant steps and other highly attractive segments.

This work has reinforced our appreciation of the scope of the opportunity for Campbell in this space and sensible redefinition of our growth targets in our historic center store categories will be a critical enabler for us to pursue it.

Capturing the Packaged Fresh opportunity requires first of all that we continue to deliver robust sales performance in premium fresh beverages and salad dressings in the produce section fueled by a potent innovation pipeline. Our core business is strong with record share growth in beverages and dressings and positive momentum in the kids' introduction.

This spring we will launch 1915, a new range of ultra premium cold press organic beverages. But we know we can accelerate our growth in branded Packaged Fresh by building scale in the perimeter beyond the produce section, for example, with soups, sauces and sides in the deli section and with next-generation products in other adjacent perimeter categories.

To equip ourselves to leverage these opportunities we have invested in additional warehouse capacity and expanded production capability in beverages and other Packaged Fresh segments. We are very excited about our vision for Packaged Fresh and the potential to create value for our shareholders in this faster growing space.

In sum, our three new business divisions will be predominantly organized by category rather than by geography. Each division will have meaningful scale and each will have its own clearly articulated mission and role in our portfolio. We are still in the early stages of planning and implementing this new structure, but we are very much on our way.

As you saw in the announcement, we have appointed three superb executives to lead these three divisions: Mark Alexander, Luca Mignini and Jeff Dunn. Each of them is now working with me and the members of the Campbell leadership team to develop specific plans for the design of each division and to make key decisions about the people who will occupy the leadership roles. And in the coming months you can expect further announcements about all of this.

You should also expect that our new structure will permit us to implement a leaner and flatter management structure and to build a resolutely enterprise focused leadership team at the top of the house. Over time you will see us evolve the structure further. For instance, we will be creating an integrated Global Services entity to support all three divisions.

The second big change I mentioned earlier relates to the way we deploy our resources and assets. This too will be a major transformational step for Campbell's. In brief, we have undertaken the first comprehensive effort in more than a generation to re-examine the cost structure of our Company from the bottom up.

Unlike some of our industry peers, we are not doing this for the purpose of just slashing cost for its own sake. Our goal is to unlock the potential of our assets by aligning our spending with our critical growth opportunities.

Despite the significant steps we've taken to reduce our costs during the last several years, we know that re-examining our costs in the light of a new organizational structure, and with the benefit of a clean sheet of paper, will disclose ways for us to unlock funds for growth that are orders of magnitude greater than those we have previously captured.

We are smart enough to know that we must be very thoughtful about the way we go after them. But you will see Campbell's pursue cost management very differently in the months to come. Anthony will have some important things to say about this initiative in a few minutes.

You will also see us take important steps to unlock the power of our human resources and assets. You will see a leaner corporate center with more key resources based in our respective divisions. You will see dramatically reduced organization complexity and a structure that will permit agile decision-making, faster commercialization and quicker deployment of talent against opportunity.

This is another area where Rome cannot and should not be built in a day. But we know that our structure will provide us important avenues for reducing complexity and streamlining core business processes and we are going after them.

Finally, the third big change I referred to earlier concerns the ways we communicate and connect with consumers. This is a large subject in which I can barely scratch the surface today.

As I mentioned at the outset of my comments this morning, we are well aware of the mounting distrust of big food. We understand that increasing numbers of consumers are seeking authentic, genuine food experiences and we know that they are skeptical of the ability of large, long established food companies to deliver them.

We are also under no illusions about the difficulties that legacy food brands have recently faced in their efforts to reshape consumer perceptions about their products and respond productively to toxic messages in the public environment. It is a very tough assignment.

Exploring the implications of our Company purpose has given us vital new insights about how we can transcend those difficulties. As I said earlier, our purpose, real food that matters for life's moments, is the core statement of who we are and what we stand for.

As part of our purpose we have set a new standard for ourselves to be open and honest about the foods we make, transparent about our ingredients and processes and inclusive in our engagement with the stakeholders who care. And in the coming months and over time you will see us take unprecedented steps to make good on that promise.

There is much more to say about each of these initiatives that I've outlined this morning that I can share today. They are truly game changing developments for our Company. And we are still in the early stages of a process of design and implementation that will unfold over time.

Today we are providing a high level view of our key decisions and directions. I know that many of you have many questions including, for example, about how these changes will impact our growth algorithms and our long-term targets, as well as possibly our reporting segments. We expect to be in a position to provide more details and updates on all of this at our Investor Day in July in Camden, New Jersey.

For now I will simply leave you with the message that Campbell is on the cusp of some major transitions. But what is not changing is our core strategic vision for the growth of our business. We know what we are going after as a Company. We know what our shareholders expect of us and we intend to deliver that. And it is precisely what I've told you before.

hat will be appreciably different is the how, and with that very much in mind it is my pleasure to give you our Chief Financial Officer, Anthony DiSilvestro. Thank you.

Anthony DiSilvestro - *Campbell Soup Company - SVP & CFO*

Thanks, Denise. It's a pleasure to be here this morning and have the opportunity to share with you some exciting changes we are making at Campbell's all designed with a purpose of creating value for our shareholders.

Here is the agenda for my remarks today. I will begin with a brief overview of our fiscal 2015 guidance which we updated last week. The main focus of my remarks is on how we will enable the strategies Denise described. I will begin by reviewing the three new divisions in terms of sales, EBIT and portfolio roles.

Then, as we have re-examined our cost structure, I will give you some details on the opportunity we see to reduce our overall cost. And, as we usually do at CAGNY, we will conclude with a review of our priorities for uses of cash before turning to the Q&A.

Let me start with a few comments about this year's guidance. While we plan to report our second-quarter results on February 25, we issued a press release last week announcing a reduction in our guidance for fiscal 2015 based on our expectation that the second-quarter results will be weaker than anticipated and on our outlook for the remainder of the year including foreign currency translation.

As shown in the third column on the chart, we expect the year-over-year change in net sales will be in the range of minus 1% to plus 1% including the negative impact of currency translation, which is currently estimated at approximately 2 percentage points. Excluding the impact of currency translation our sales guidance is unchanged.

We now expect that adjusted EBIT for fiscal 2015 will decline by minus 7% to minus 5% compared with the prior year and that adjusted EPS will be in the range of $2.32 to $2.38, a decline of minus 5% to minus 3% from the prior year.

The changes in the full-year guidance for EBIT and EPS are due primarily to our reduced expectation of our gross margin performance and to the negative impact of currency translation. While we have taken actions to partly mitigate the impact, we don't expect that we will fully offset it. We will discuss this and our second-quarter results on February 25.

Let me turn now to the changes we are making to our division structure. As Denise stated, we are implementing a new enterprise structure to align our business operations with our core growth strategies.

The largest new division will be America's Simple Meals and Beverages, this unit brings together all of our Soup, Simple Meals including Plum Organics, and beverage units in the US, Canada and Latin America. With fiscal 2014 net sales totaling $4.5 billion, the division represents 55% of total Company sales. Generating about 70% of total operating earnings, this is our highest margin division.

Importantly, we are combining our biscuit and snacking units into a fully integrated division which includes Pepperidge Farm, Arnott's and our more recently acquired Kelsen business. With about $2.8 billion in fiscal 2014 sales, the division generates about one-third of our sales and about 25% of our operating earnings.

Lastly, we are forming a Packaged Fresh division which includes Bolthouse Farms and Campbell's existing retail refrigerated soup business. In fiscal 2014 net sales for Packaged Fresh were approximately $1 billion, about 11% of total Company sales, while generating about 5% of our operating earnings.

Each of these three divisions has very strong brand equities with leading market positions in their respective categories. America's Simple Meals and Beverages includes the iconic Campbell's brand, the leading soup brand in both US and Canada.

We are also leveraging the strength of the Campbell brand to extend into adjacent categories such as dinner sauces. In broth, Swanson also holds the number one position in those geographies. Prego, Pace and V8 are very attractive brands with strong market positions.

Lastly, this division includes the recently acquired Plum Organics brand, which is now the number one organic baby food brand in the US. In America's Simple Meals and Beverages these strong brands and leverageable scale generate attractive margins.

In Global Biscuits and Snacks, we unite a number of incredible brands. The Pepperidge Farm brand holds a premium position in cookies, crackers and fresh bread, which is further strengthened with the Goldfish brand and its unique product. Arnott's and Tim Tam's are true iconic brands in Australia and New Zealand with Arnott's holding the number one share position in biscuits. Kelsen, which we acquired last year, is an authentic butter cookie brand with broad geographic reach.

Lastly, and Packaged Fresh, the Bolthouse Farms portfolio of fresh carrots, super premium beverages and salad dressings and Campbell's retail refrigerated soup business give us a promising foothold in the broad packaged fresh category.

In our new structure each division will have a clear role in the portfolio which will guide our resource allocation and expectations for growth. In America's Simple Meals and Beverages, our core economic engine, we have expectations for moderate sales growth, consistent with the performance of the categories. This will enable us to focus on expanding our margins through price realization and cost management to generate the funding for growth.

In Global Biscuits and Snacks, we will invest to grow our business in our existing markets as we leverage the breadth of our portfolio while also expanding our presence in faster growing geographies both organically and through external development.

In Packaged Fresh, an $18 billion category with good growth, we plan to build our scale by accelerating top-line growth in our existing categories and expanding into select categories across the perimeter of the store.

With the formation of these three new divisions we are leveraging this opportunity to re-examine our cost structure. Over the last few months we have worked with our consulting partner, Accenture, on this in-depth review.

We have focused on our overhead expense across the P&L. To illustrate the scope we start with our total fiscal 2014 cost defined as sales less our adjusted EBIT or $6.9 billion. This includes about $4.6 billion of direct product costs which are the primary focus of our ongoing productivity savings program. We have successfully achieved incremental annual cost savings of 3% of COGS under this program and we will continue to target productivity savings at this rate.

That leaves about $2.3 billion of cost, both headcount and non-headcount overhead type expenses across the P&L lines of COGS, marketing and SG&A. We've benchmarked against best-in-class levels and, based upon this analysis, have identified a cost reduction opportunity of $200 million plus, which can be realized over time by adopting a zero-based budgeting approach.

Let me share some of our findings with you and how we intend to develop plans to address them. I will start with headcount costs and then discuss non-headcount costs.

As we analyzed our current organization structure we found that we have excess layers of management and sub optimal spans of control. Also, with our decentralized business unit structure, we are not fully leveraging the potential scale of common processes across our divisions.

Our strategy to address this is clear, we are developing plans to simplify our organization's structure, which will not only reduce costs but also improve our decision-making and agility to compete in the marketplace.

Second, we intend to realign our operating model by designing and implementing an integrated global services organization which will leverage our scale in terms of cost performance as well as improved capability through dedicated centers of excellence. This will enable our operating divisions to better focus on winning in the marketplace.

Lastly, we have the opportunity to simplify and standardize some of our critical end-to-end processes such as order to cash and commercialization which will also improve our effectiveness.

The second area of costs we analyzed were non-headcount related expenditures across a number of cost categories ranging from simple categories such as travel, consulting and sponsorships to complex cost categories such as logistics and marketing services. By classifying costs into predefined categories we are then able to benchmark our spending levels.

Based on the benchmarking we have targeted savings opportunities in a number of these cost categories. To realize the opportunity in simple cost categories we are adopting a zero-based budgeting approach for our upcoming fiscal 2016 budgeting process. Realizing savings in the complex cost categories will take some time and we are developing plans to capture these opportunities as well.

Based on the work we have done over the last few months we are targeting a cost savings opportunity of $200 million plus, which will come from a combination of headcount savings and non-headcount related expense reductions. Leveraging a zero-based approach we will redesign our organization to effectively deliver against our strategies at a lower-cost and we will reduce expenses across a number of categories.

Our $200 million target, which is 2% to 3% of annual sales, will be delivered over about three years as it will take some time to adopt an operating model which leverages integrated global services as well as capture the cost opportunity in complex cost categories.

Importantly, beginning in fiscal 2016, this initiative will provide the funding for growth and margin expansion going forward as we deliver against our strategies. While we are aggressively pursuing this initiative we do not expect it to deliver significant savings in the current fiscal year.

Now changing topics, I would like to briefly review our priorities for the use of cash. This discussion begins with our ability to generate a significant level of cash from operations averaging about $1 billion annually.

While we dipped below $1 billion in fiscal 2014, this reflects the impact cash taxes paid on the divestiture of our European Simple Meals business. We estimate a significant in fiscal 2015 with cash from operations exceeding $1.1 billion, benefiting from improved working capital trends and lower pension contributions.

In addition, and as we have repaid much of the debt incurred to support recent external development, our balance sheet metrics are strong, providing additional flexibility to pursue our strategies including external development. At the end of fiscal 2014 interest coverage was 13 times and net debt to EBITDA improved to 2.4 times, which, as I will discuss shortly, has enabled us to resume our strategic share repurchase program.

Our priorities for the uses of cash have not changed. First, we will make capital investments to support and grow our existing businesses, consistent with our strategic priorities.

Second, we target a competitive dividend payout ratio with the expectation that dividends will increase over time with earnings.

Third, we will continue to fund acquisitions when we are confident those investments are strategically compelling, will improve our growth profile and will create shareholder value.

And fourth, to the extent there is excess cash available, we will use share repurchases as a flexible and effective means of returning funds to shareholders.

Here is how we've allocated our resources over the past five years and an estimate for fiscal 2015.

First, we have invested about $1.6 billion in CapEx over the last five years, representing a rate of about 4% of sales.

Second, we have grown our dividend rate over this period with total dividends of $1.9 billion paid to shareholders.

Third, we have spent a net amount of $1.6 billion on external development with the acquisitions of Bolthouse Farms and Plum Organics in fiscal 2013 and in fiscal 2014 external development was a net source of funds as the proceeds from the divestiture of our European Simple Meals business exceeded the acquisition price of the Kelsen Group.

Fourth, while we temporarily suspended strategic share repurchases in fiscal 2013 and 2014, we repurchased $1.8 billion over the last five years. And as you can see in the fiscal 2015 bar, we have resumed the program and are on a pace to repurchase $200 million of stock this fiscal year.

I will comment on the first three priorities in more detail. As I mentioned, we spent about 4% of sales on capital. And importantly, we have increase the percentage of spending on projects which generate an economic return by increasing capacity or by reducing costs.

Of our forecasted fiscal 2015 spending of approximately $400 million, about 60% is on economically justified projects. The forecast includes capacity additions to support Bolthouse Farms, Goldfish, our biscuit business in Indonesia and for the fast-growing aseptic broth business in North America.

On the cost side we are continuing our soup common platform initiative which, by providing the capability to produce a common can diameter with varied heights, provides us additional capacity and at a lower cost. And in Australia we are now benefiting from a major robotics project.

Our second priority is to return cash to shareholders through dividends. As you can see, our historical annual dividend has about doubled over the last decade to about $1.25, growing at a compound rate of about 7%. Our objective is to maintain a competitive dividend payout ratio and to increase the dividend over time consistent with earnings growth. Currently, we expect to pay out about 50% of our earnings as a dividend.

Over the last three years we've made three acquisitions: Bolthouse Farms, Plum Organics and Kelsen. These acquisitions have added over $1 billion of revenue and, importantly, are adding an incremental point to our total Company top-line growth rate. Going forward we will continue to pursue external development opportunities which support the strategies we have designed for each of our three divisions.

I will finish my comments with this wrap up. Our strategic priorities are framed by our dual mandate to strengthen our core business and to expand into higher growth spaces. We understand very well that dynamics impacting the food industry today such as: changing household demographics; the economic bifurcation of consumers in the US; the growing middle class in developing markets; and the need for greater transparency. We recognize these shifts and are planning accordingly.

We are adopting a new division structure with clear roles for each of the businesses in the portfolio. To provide the funding for growth and margin expansion we are adopting a zero-based budgeting methodology to capitalize on a significant cost opportunity. All of these changes are designed to shift our center of gravity to improve our overall growth profile and to create value for our shareholders.

Before the Q&A I need to mention two items. In our presentation today we have made forward-looking statements that rely on assumptions and estimates which could be inaccurate and are subject to risks such as the ones shown here. We have also used non-GAAP measures in this presentation. For reconciliations please refer to our website.

As we head into the Q&A we will certainly try to answer your questions; however, there are some areas that may be challenging.

First, regarding the second quarter, we are still in the process of finalizing our results which we will release next week. So there is little on that topic we can discuss today.

Second, our cost-reduction initiative is in the early stages, including the timing of savings realization and the related impact on our growth expectations. We'll have more to share with you on this topic later.

Lastly, on the topic of segment reporting, as we design and implement the new division organizations, and consistent with accounting requirements, we will be evaluating our segment reporting structure. More to come on this topic as well.

Now Jennifer Driscoll, our Vice President of Investor Relations will lead the Q&A session.

QUESTIONS AND ANSWERS

Jennifer Driscoll - *Campbell Soup Company - VP of IR*

Okay, as they bring the light up I see some hands up. Andrew Lazar, Barclays Capital, if we can get him a microphone.

Andrew Lazar - *Barclays Capital - Analyst*

Denise, in your newly defined Simple Meals and Beverages segment the goal going forward is modest sales growth and maintaining market share. So my question is, for a number of other companies in the space that have gone down this path of defining different roles for different parts of the portfolio, for those that have large profitable businesses that are also now more focused on much more modest growth in maintaining share, it seems like that has been a very tough thing to accomplish, finding the right balance between what level of innovation and reinvestment is needed to actually just merely at least hold share.

Is that a very tough message to send internally to your folks? You know, it is the concept of if you shoot to be top three, you are seven before you know it kind of thing. How do you manage that? How to keep an organization supercharged around holding that share and finding the right balance? Would be my question. Thank you.

Denise Morrison - *Campbell Soup Company - President & CEO*

It is a very good question and it is one that as we went through the portfolio roles we took into careful consideration. One of the things that we have observed is, for example, in our soup business, for the past couple years we've been able to at least maintain our market share. But as you know, the center store is growing at like plus 0.7%.

So to expect that business to grow beyond that at this point in time did not seem reasonable. And by setting goals higher than that it drove a lot of behavior that might not have been the most productive in the marketplace.

So taking a pause and establishing the role of that particular business along with the sauces and the beverages business in the center store and the core of our business and basically saying, we need a better balance, the expectation for growth in line with the marketplace realities, while at the same time leveraging some of the cost opportunities that have surfaced or are benchmarking to expand our margins, we felt that that was a very doable proposition for our Company over the next few years.

Jennifer Driscoll - *Campbell Soup Company - VP of IR*

If we can get a microphone back here to Jason English and then over to Eric Katzman, I saw your hand up.

Jason English - *Goldman Sachs - Analyst*

First, Denise, let me applaud you on some of the candor that you are taking on what is happening in the industry and I think the strategic redirection makes a lot of sense. Now a question more for you, Anthony, in terms of the redirection and the implications of the P&L.

It is refreshing to see you taking a harder look at the cost structure, but at the same time in your portfolio realignment there's an acknowledgment that it is your lower margin businesses that are likely to drive the growth going forward for this business.

So as we think about the cost cuts and the implications of margin should we looking at them as more of a buffer for the implicit margin mix headwinds your business will face? Or do you see opportunity to actually drive aggregate margins higher for the portfolio?

Anthony DiSilvestro - *Campbell Soup Company - SVP & CFO*

I believe that we can expand margins over time. You are right, if you look at the divisions today, relative growth against relative margins, there would be a slight negative impact.

But when you consider the opportunities we have to expand gross margins, for example, in America Simple Meals through a moderating cost inflation outlook, through net price realization opportunities that we have, through our ongoing cost productivity program and the cost initiative I described today we believe that we have expansion opportunities that will more than offset the negative mix impact.

Denise Morrison - *Campbell Soup Company - President & CEO*

We also believe that we can maintain and even improve our margins in the biscuit business because we [haven't been] leveraging scale or synergies or efficiency there. The place where we recognize that we need to invest to grow and accelerate full course growth is in Packaged Fresh.

Jennifer Driscoll - *Campbell Soup Company - VP of IR*

We will do Eric Katzman from Deutsche Bank and then David Driscoll behind him.

Eric Katzman - *Deutsche Bank - Analyst*

This is in some ways a follow-up to Jason's question. I guess for those of us who have been following the Company for a long time in some respects this was kind of a long time in coming. But are you changing or when are you going to change your long-term growth targets to reflect what you have told us? It sounds like versus kind of what Kellogg said, slower top-line but can still make their EBIT and EPS goals. So kind of want to find out a little bit more about that.

And then it sounds like whatever savings you are going to get you are going to reinvest in either baking, snacking or prepared fresh. So the Board, I assume, is supportive, including the family, of taking all of this cash and basically reinvesting in those two divisions. Is that kind of how to perceive this change?

Denise Morrison - *Campbell Soup Company - President & CEO*

In reference to the long-term targets, we are in the process right now of our strategic planning and we are doing that in the context of the new division. In addition, we are working through the analysis of the plans for cost reduction as well.

We recognize that we have revealed this early to you and that we will be looking at our long-term targets in the context of this planning cycle. And we will be prepared at our July Analyst Day to give you more closure on that.

In response to the investments, I made a mistake if I implied that we are not investing anything in our core business, we absolutely are. We will continue to invest in more focused scale platforms for innovation and faster growing spaces within the context of those businesses like premium soup, like organics, like the dinner sauces platform that we have recently introduced and are doing pretty well in the marketplace. So -- but make no mistake, there will be more investment in the Packaged Fresh area.

David Driscoll - *Citigroup - Analyst*

Two questions, one is kind of significant, one I think reasonably straightforward. On the SG&A side, when you did the $6.9 billion, $4.6 billion and $2.3 billion deconstruction of the cost bucket, I mean the $2.3 billion looks more less like it is an SG&A computation with a little bit from what was going on in cost of sales. I am trying to understand what lines in the P&L are you attacking.

When I just look back at what we have in terms of reported financials, there was a very significant cut to the SG&A as a percentage of sales in fiscal 2014, about a 200 basis point reduction in SG&A as a percentage of sales excluding any of your marketing, your A&C.

Bottom line, if we take another $200 million out of this, this puts you down at like 12.5% and I think you would be the single leanest company within large cap packaged foods on SG&A ex marketing. Is that what you believe these numbers will all pencil out to be at the conclusion of your program? And is this potentially fundamentally too deep of a cut?

And then just a question on beverages. Why do you want to collapse it into the simple meals and soup? Wasn't it better off standing out on its own as a segment?

Anthony DiSilvestro - *Campbell Soup Company - SVP & CFO*

I will take the first part of that question first. I mean, what is unique about this cost approach is it is not limited to G&A lines. You look at all overhead type expenses broadly defined across the entire P&L, COGS, marketing and overhead, selling, general and admin, R&D and you benchmark it against best-in-class and look for opportunities.

Out of that $200 million, the majority is outside of the narrowly defined administrative cost line. So you can't take the $200 million and say that is going to reduce our SG&A and put us way out in front of the group. It is a combination but the majority is outside of G&A.

Jennifer Driscoll - *Campbell Soup Company - VP of IR*

And the beverages segment?

Anthony DiSilvestro - *Campbell Soup Company - SVP & CFO*

Do you want to talk about the beverages and why it is important?

Denise Morrison - *Campbell Soup Company - President & CEO*

Yes. We believe that the strategy to have a strong core that literally throws off a lot of cash that we can invest into faster growing spaces like our biscuit business and our Packaged Fresh business is the right portfolio management for the Company. And the Board and the family are very supportive of that.

Anthony DiSilvestro - *Campbell Soup Company - SVP & CFO*

I think the beverage business will get as much if not more attention within the Americas Simple Meals. It is very integrated from a supply chain, sales, logistic and distribution standpoint. So it will continue to get the attention that it requires.

Jennifer Driscoll - *Campbell Soup Company - VP of IR*

Here in the front row, David Palmer, Bank of America. Keep hands up, I want to see who is next. Okay, Alexia.

Bryan Spillane - *BofA Merrill Lynch - Analyst*

It is Bryan Spillane from Bank of America.

Jennifer Driscoll - *Campbell Soup Company - VP of IR*

I am sorry, Bryan. It's an [annual] joke.

Bryan Spillane - *BofA Merrill Lynch - Analyst*

It is flattering to have -- be mistaken for Dave, actually (laughter). I guess stepping back -- first of all, thank you for coming and making this presentation today given you are in the midst of a lot of decision making and thinking about your business and a lot companies -- a few companies actually chose not to do that. So thank you for coming and speaking to us.

I guess the question, just stepping back from it, is what precipitated the process of going down this path and making what sounds like and looks like are pretty significant changes? Going and starting from July, I think you mentioned maybe six month ago is when you started this process.

So was it just that this year just wasn't turning out as you expected and it was time to step back? There has certainly been a lot written in the press about Heinz being a model for cost structure and maybe a more appropriate as this model for the industry. So was that in your thought process at all? I'm just trying to understand just what precipitated the start of this process?

Denise Morrison - *Campbell Soup Company - President & CEO*

As I indicated, we started these discussions last June. And I think it was the realization that with all of the things that we had done to change our trajectory, we recognized that it still wasn't enough.

And the other thing is looking at the competitive environment, we recognized that we were about in the average of the pack when it came to our costs. And to be a low-cost producer in this very competitive world is an important idea particularly with the consumers that we serve.

And so, we decided to study it and see what the opportunities were. And we are very much encouraged by the size of the opportunity where we didn't have to compromise driving growth and reducing our cost in order to fund that. So we get a nice flywheel going is the idea.

And so, that is really the thought process. But this has been going on, we have had multiple partners working with us on this and much study. And we have a very excited organization about pursuing this.

Unidentified Participant

Great, I think we will have to cut it off there and head right across the way to lunch. Please join me in thanking Campbell Soup for being here today and sponsoring lunch.
