

Reconciliation of GAAP to Non-GAAP Financial Measures
Fiscal Year Ended July 31, 2016

Campbell Soup Company uses certain non-GAAP financial measures as defined by the Securities and Exchange Commission in certain communications. These non-GAAP financial measures are measures of performance not defined by accounting principles generally accepted in the United States and should be considered in addition to, not in lieu of, GAAP reported measures. Management believes that also presenting certain non-GAAP financial measures provides additional information to facilitate comparison of the company's historical operating results and trends in its underlying operating results, and provides transparency on how the company evaluates its business. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the company's performance.

Organic Net Sales

Organic net sales are net sales excluding the impact of currency 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 follows.

Three Months Ended								
July 31, 2016								
August 2, 2015								
% Change								
(millions)	Net Sales, as Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
Americas Simple Meals and Beverages	\$ 842	\$ 4	\$ —	\$ 846	\$ 842	—%	—%	
Global Biscuits and Snacks	622	6	—	628	617	1%	2%	
Campbell Fresh	223	—	(16)	207	234	(5)%	(12)%	
Total Net Sales	\$ 1,687	\$ 10	\$ (16)	\$ 1,681	\$ 1,693	—%	(1)%	

Year Ended								
July 31, 2016								
August 2, 2015								
% Change								
(millions)	Net Sales, as Reported	Impact of Currency	Impact of Acquisitions	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
Americas Simple Meals and Beverages	\$ 4,380	\$ 55	\$ —	\$ 4,435	\$ 4,483	(2)%	(1)%	
Global Biscuits and Snacks	2,564	103	—	2,667	2,631	(3)%	1%	
Campbell Fresh	1,017	—	(92)	925	968	5%	(4)%	
Total Net Sales	\$ 7,961	\$ 158	\$ (92)	\$ 8,027	\$ 8,082	(1)%	(1)%	

Items Impacting Gross Margin, Costs and Expenses, and Earnings

The company believes that financial information excluding certain items that are not considered to be part of the ongoing business, such as those listed below, improves the comparability of year-to-year results. Consequently, the company believes that investors may be able to better understand its results excluding these items.

The following items impacted gross margin, costs and expenses, and earnings:

- (1) In fiscal 2016, the company changed the method of accounting for the recognition of actuarial gains and losses for defined benefit pension and postretirement plans and the calculation of expected return on pension plan assets. Historically, actuarial gains and losses associated with benefit obligations were recognized in Accumulated other comprehensive loss in the Consolidated Balance Sheets and were amortized into earnings over the remaining service life of participants to the extent that the amounts were in excess of a corridor. Under the new policy, actuarial gains

and losses will be recognized immediately in the Consolidated Statements of Earnings as of the measurement date, which is typically the end of the fiscal year, or more frequently if an interim remeasurement is required. In addition, the company will no longer use a market-related value of plan assets, which is an average value, to determine the expected return on assets but rather will use the fair value of plan assets. The company excludes the impact of the mark-to-market adjustments resulting from these accounting changes in evaluating performance. These changes in accounting policy have been retrospectively applied to all periods presented. In the fourth quarter of fiscal 2016, the company incurred losses of \$138 million in Costs and expenses (\$90 million after tax, or \$.29 per share) due to mark-to-market adjustments. In fiscal 2016, the company incurred losses of \$313 million in Costs and expenses (\$200 million after tax, or \$.64 per share) due to mark-to-market adjustments. In the fourth quarter of fiscal 2015, the company incurred losses of \$110 million in Costs and expenses (\$69 million after tax, or \$.22 per share). In fiscal 2015, the company incurred losses of \$138 million in Costs and expenses (\$87 million after tax, or \$.28 per share) due to mark-to-market adjustments.

- (2) In fiscal 2015, the company implemented a new enterprise design and initiatives to reduce costs and to streamline its organizational structure. In the fourth quarter of fiscal 2016, the company recorded implementation costs and other related costs of \$12 million in Administrative expenses related to these initiatives. In the fourth quarter of fiscal 2016, the company also recorded a reduction to Restructuring charges of \$1 million related to the fiscal 2014 initiatives. The aggregate after-tax impact of Restructuring charges, implementation costs and other related costs was \$7 million, or \$.02 per share. In fiscal 2016, the company recorded Restructuring charges of \$35 million and implementation costs and other related costs of \$47 million in Administrative expenses related to the fiscal 2015 initiatives. The company also recorded a reduction to Restructuring charges of \$4 million related to the fiscal 2014 initiatives. The aggregate after-tax impact of Restructuring charges, implementation costs and other related costs was \$49 million, or \$.16 per share. In the fourth quarter of fiscal 2015, the company recorded Restructuring charges of \$93 million and implementation costs of \$13 million in Administrative expenses related to the fiscal 2015 initiatives (aggregate impact of \$67 million after tax, or \$.21 per share). In fiscal 2015, the company recorded Restructuring charges of \$102 million and implementation costs of \$22 million in Administrative expenses related to the fiscal 2015 initiatives (aggregate impact of \$78 million after tax, or \$.25 per share).
- (3) In fiscal 2016, the company recorded a gain of \$25 million in Other expenses / (income) (\$.08 per share) from a settlement of a claim related to the Kelsen acquisition.
- (4) In the fourth quarter of fiscal 2016, as part of the annual review of intangible assets, the company recorded a non-cash impairment charge of \$141 million in Other expenses / (income) (\$127 million after tax, or \$.41 per share) related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit.

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 31, 2016			August 2, 2015			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 546	\$ 63	\$ 609	\$ 562	\$ 64	\$ 626	(3)%
Gross margin percentage	32.4 %		36.1%	33.2 %		37.0%	
Marketing and selling expenses	216	(20)	196	189	(17)	172	
Administrative expenses	185	(57)	128	193	(34)	159	
Research and development expenses	38	(10)	28	34	(8)	26	
Other expenses / (income)	145	(141)	4	10	—	10	
Restructuring charges	(1)	1	—	93	(93)	—	
Earnings (loss) before interest and taxes	\$ (37)	\$ 290	\$ 253	\$ 43	\$ 216	\$ 259	(2)%
Interest, net	28	—	28	27	—	27	
Earnings (loss) before taxes	\$ (65)	\$ 290	\$ 225	\$ 16	\$ 216	\$ 232	
Taxes	16	66	82	(1)	80	79	
Effective income tax rate	(24.6)%		36.4%	(6.3)%		34.1%	
Net earnings (loss) attributable to Campbell Soup Company	\$ (81)	\$ 224	\$ 143	\$ 17	\$ 136	\$ 153	(7)%
Diluted net earnings (loss) per share attributable to Campbell Soup Company	\$ (.26)	\$.72	\$.46	\$.05	\$.44	\$.49	(6)%

^(a)See following table for additional information.

(millions, except per share amounts)	Three Months Ended						
	July 31, 2016				August 2, 2015		
	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Impairment charges (4)	Adjustments	Mark-to-market (1)	Restructuring charges and implementation costs (2)	Adjustments
Gross margin	\$ 63	\$ —	\$ —	\$ 63	\$ 64	\$ —	\$ 64
Marketing and selling expenses	(20)	—	—	(20)	(17)	—	(17)
Administrative expenses	(45)	(12)	—	(57)	(21)	(13)	(34)
Research and development expenses	(10)	—	—	(10)	(8)	—	(8)
Other expenses / (income)	—	—	(141)	(141)	—	—	—
Restructuring charges	—	1	—	1	—	(93)	(93)
Earnings before interest and taxes	\$ 138	\$ 11	\$ 141	\$ 290	\$ 110	\$ 106	\$ 216
Interest, net	—	—	\$ —	—	—	—	—
Earnings before taxes	\$ 138	\$ 11	\$ 141	\$ 290	\$ 110	\$ 106	\$ 216
Taxes	48	4	14	66	41	39	80
Net earnings attributable to Campbell Soup Company	\$ 90	\$ 7	\$ 127	\$ 224	\$ 69	\$ 67	\$ 136
Diluted net earnings per share attributable to Campbell Soup Company*	\$.29	\$.02	\$.41	\$.72	\$.22	\$.21	\$.44

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

(millions, except per share amounts)	Year Ended						Adjusted Percent Change
	July 31, 2016			August 2, 2015			
	As reported	Adjustments ^(a)	Adjusted	As reported	Adjustments ^(a)	Adjusted	
Gross margin	\$ 2,780	\$ 176	\$ 2,956	\$ 2,782	\$ 80	\$ 2,862	3%
Gross margin percentage	34.9%		37.1%	34.4%		35.4%	
Marketing and selling expenses	893	(46)	847	884	(21)	863	
Administrative expenses	641	(118)	523	601	(49)	552	
Research and development expenses	124	(20)	104	117	(10)	107	
Other expenses / (income)	131	(116)	15	24	—	24	
Restructuring charges	31	(31)	—	102	(102)	—	
Earnings before interest and taxes	\$ 960	\$ 507	\$ 1,467	\$ 1,054	\$ 262	\$ 1,316	11%
Interest, net	111	—	111	105	—	105	
Earnings before taxes	\$ 849	\$ 507	\$ 1,356	\$ 949	\$ 262	\$ 1,211	
Taxes	286	156	442	283	97	380	
Effective income tax rate	33.7%		32.6%	29.8%		31.4%	
Net earnings attributable to Campbell Soup Company	\$ 563	\$ 351	\$ 914	\$ 666	\$ 165	\$ 831	10%
Diluted net earnings per share attributable to Campbell Soup Company*	\$ 1.81	\$ 1.13	\$ 2.94	\$ 2.13	\$.53	\$ 2.65	11%

^(a)See following table for additional information.

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

(millions, except per share amounts)	Year Ended							
	July 31, 2016				August 2, 2015			
	Mark-to-market (1)	Restructuring charges, implementation costs and other related costs (2)	Claim settlement (3)	Impairment charges (4)	Adjustments	Mark-to-market (1)	Restructuring charges and implementation costs (2)	Adjustments
Gross margin	\$ 176	\$ —	\$ —	\$ —	\$ 176	\$ 80	\$ —	\$ 80
Marketing and selling expenses	(46)	—	—	—	(46)	(21)	—	(21)
Administrative expenses	(71)	(47)	—	—	(118)	(27)	(22)	(49)
Research and development expenses	(20)	—	—	—	(20)	(10)	—	(10)
Other expenses / (income)	—	—	25	(141)	(116)	—	—	—
Restructuring charges	—	(31)	—	—	(31)	—	(102)	(102)
Earnings before interest and taxes	\$ 313	\$ 78	\$ (25)	\$ 141	\$ 507	\$ 138	\$ 124	\$ 262
Interest, net	—	—	—	—	—	—	—	—
Earnings before taxes	\$ 313	\$ 78	\$ (25)	\$ 141	\$ 507	\$ 138	\$ 124	\$ 262
Taxes	113	29	—	14	156	51	46	97
Net earnings attributable to Campbell Soup Company	\$ 200	\$ 49	\$ (25)	\$ 127	\$ 351	\$ 87	\$ 78	\$ 165
Diluted net earnings per share attributable to Campbell Soup Company	\$.64	\$.16	\$ (.08)	\$.41	\$ 1.13	\$.28	\$.25	\$.53