

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended  
April 30, 1995

Commission File Number  
1-3822

CAMPBELL SOUP COMPANY

NEW JERSEY  
State of Incorporation

21-0419870  
I.R.S. Employer Identification No.

CAMPBELL PLACE  
CAMDEN, NEW JERSEY 08103-1799  
Principal Executive Offices  
  
TELEPHONE NUMBER: (609) 342-4800

INDICATE BY CHECK MARK WHETHER THE REGISTRANT: (1) HAS FILED ALL REPORTS  
REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE  
REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH  
FILING REQUIREMENTS FOR THE PAST 90 DAYS.

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

THERE WERE 249,613,033 SHARES OF CAPITAL STOCK OUTSTANDING AS OF  
JUNE 1, 1995.

THIS FORM 10-Q CONSISTS OF A TOTAL OF 14 PAGES. AN INDEX TO EXHIBITS IS  
ON PAGE 13.

PART I. FINANCIAL INFORMATION  
  
CAMPBELL SOUP COMPANY CONSOLIDATED  
  
STATEMENTS OF EARNINGS

(unaudited)  
(million dollars except per share amounts)

	Three Months Ended		Nine Months Ended	
	APRIL 30, 1995	May 1, 1994	APRIL 30, 1995	May 1, 1994
Net sales	\$1,744	\$1,568	\$5,648	\$5,225
Costs and expenses				
Cost of products sold	1,045	946	3,308	3,108
Marketing and selling expenses	357	321	1,082	991
Administrative expenses	80	74	240	226
Research and development expenses	20	20	62	56
Other expense	20	9	48	36
Total costs and expenses	1,522	1,370	4,740	4,417
Earnings before interest and taxes	222	198	908	808
Interest, net	32	15	72	48
Earnings before taxes	190	183	836	760
Taxes on earnings	63	64	281	272
Net earnings	\$ 127	\$ 119	\$ 555	\$ 488
Per share				
Net earnings	\$.51	\$.47	\$2.23	\$1.94
Dividends	\$.31	\$.28	\$.90	\$.81
Weighted average shares outstanding	249	251	249	251

See Notes To Financial Statements

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CAMPBELL SOUP COMPANY CONSOLIDATED

BALANCE SHEETS

(unaudited)  
(million dollars)

	APRIL 30, 1995	July 31, 1994
Current assets		
Cash and cash equivalents	\$ 134	\$ 94
Other temporary investments, at cost which approximates market	25	2
Accounts receivable	676	578
Inventories	697	786
Prepaid expenses	152	141
Total current assets	1,684	1,601
Plant assets, net of depreciation	2,520	2,401
Intangible assets, net of amortization	1,732	582
Other assets	437	408
Total assets	\$6,373	\$4,992
Current liabilities		
Notes payable	\$1,116	\$ 434
Payable to suppliers and others	409	473
Accrued liabilities	618	570

Dividend payable	-	71
Accrued income taxes	136	117
<b>Total current liabilities</b>	<b>2,279</b>	<b>1,665</b>
Long-term debt	867	560
Nonpension postretirement benefits	431	402
Other liabilities, including deferred income taxes of \$231 and \$211	395	376
<b>Total liabilities</b>	<b>3,972</b>	<b>3,003</b>
Shareowners' equity		
Preferred stock; authorized 40 shares; none issued	-	-
Capital stock, \$.075 par value; authorized 280 shares; issued 271 shares	20	20
Capital surplus	163	155
Earnings retained in the business	2,690	2,359
Capital stock in treasury, at cost	(530)	(559)
Cumulative translation adjustments	58	14
<b>Total shareowners' equity</b>	<b>2,401</b>	<b>1,989</b>
<b>Total liabilities and shareowners' equity</b>	<b>\$6,373</b>	<b>\$4,992</b>

See Notes to Financial Statements

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CAMPBELL SOUP COMPANY CONSOLIDATED

STATEMENTS OF CASH FLOWS

(unaudited)  
(million dollars)

	Nine Months Ended	
	APRIL 30, 1995	May 1, 1994
Cash flows from operating activities:		
Net earnings	\$555	\$488
Non-cash charges:		
Depreciation and amortization	210	193
Deferred taxes	10	8
Other	55	41
Net change in accounts receivable	(63)	35
Net change in inventories	122	55
Net change in other current assets and liabilities	(71)	(125)
<b>Net cash provided by operating activities</b>	<b>818</b>	<b>695</b>
Cash flows from investing activities:		
Purchases of plant assets	(229)	(278)
Sales of plant assets	59	33
Businesses acquired	(1,257)	(8)
Sales of businesses	11	23
Net change in other assets	(38)	(57)
Net change in other temporary investments	(21)	7
<b>Net cash used in investing activities</b>	<b>(1,475)</b>	<b>(280)</b>
Cash flows from financing activities:		
Issuance of long-term debt	305	111
Reductions in long-term debt	(20)	(109)
Net change in borrowings with less than three-month maturities	916	(37)
Other short-term borrowings	(238)	(57)
Dividends paid	(295)	(265)
Treasury stock purchased	(1)	(46)
Treasury stock issued	30	13
<b>Net cash provided by (used in) financing activities</b>	<b>697</b>	<b>(390)</b>

Effect of exchange rate changes on cash	-	(2)
Net change in cash and cash equivalents	40	23
Cash and cash equivalents - beginning of period	94	63
Cash and cash equivalents - end of period	\$134	\$ 86

See Notes to Financial Statements

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CAMPBELL SOUP COMPANY CONSOLIDATED  
STATEMENTS OF CHANGES IN SHAREOWNERS' EQUITY  
(unaudited)  
(million dollars)

	Preferred Stock	Capital Stock	Capital Surplus	Earnings Retained in the Business	Capital Stock in Treasury	Cumulative Translation Adjustments	Total Shareowners' Equity
Balance at August 1, 1993	\$ -	\$20	\$149	\$2,002	\$(428)	\$(39)	\$1,704
Net earnings				488			488
Cash dividends (\$.81 per share)				(202)			(202)
Treasury stock purchased					(46)		(46)
Treasury stock issued under Management incentive and Stock option plans			8		12		20
Translation adjustments						18	18
Balance at May 1, 1994	\$ -	\$20	\$157	\$2,288	\$(462)	\$(21)	\$1,982
BALANCE AT JULY 31, 1994	\$ -	\$20	\$155	\$2,359	\$(559)	\$ 14	\$1,989
NET EARNINGS				555			555
CASH DIVIDENDS (\$.90 PER SHARE)				(224)			(224)
TREASURY STOCK PURCHASED					(1)		(1)
TREASURY STOCK ISSUED UNDER MANAGEMENT INCENTIVE AND STOCK OPTION PLANS			8		30		38
TRANSLATION ADJUSTMENTS						44	44
BALANCE AT APRIL 30, 1995	\$ -	\$20	\$163	\$2,690	\$(530)	\$ 58	\$2,401

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

	Issued	Outstanding	In Treasury
Balance at August 1, 1993	271,245	251,706	19,539
Treasury stock purchased		(1,268)	1,268
Treasury stock issued under Management incentive and Stock option plans		514	(514)
Balance at May 1, 1994	271,245	250,952	20,293
BALANCE AT JULY 31, 1994	271,245	248,319	22,926
TREASURY STOCK PURCHASED		(12)	12
TREASURY STOCK ISSUED UNDER MANAGEMENT INCENTIVE AND STOCK OPTION PLANS		1,269	(1,269)
BALANCE AT APRIL 30, 1995	271,245	249,576	21,669

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

(unaudited)  
(millions)

- (a) The financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the indicated periods. All such adjustments are of a normal recurring nature.
- (b) Net earnings per share are based on the weighted average shares outstanding during the applicable periods. The potential dilution from the exercise of stock options is not material.
- (c) Inventories

	APRIL 30, 1995	July 31, 1994
	-----	-----
Raw materials, containers and supplies	\$297	\$368
Finished products	474	483
	-----	-----
	771	851
Less - Adjustment of certain inventories to LIFO basis	74	65
	-----	-----
	\$697	\$786
	=====	=====

(d) Divestiture and Restructuring Program

On January 28, 1993, the company's Board of Directors approved a divestiture and restructuring program which specifically identified six manufacturing plants to be closed and fourteen businesses to be sold. At the time of the Board's approval, charges of \$353 (\$300 after tax or \$1.19 per share) were recorded for the estimated loss on disposition of plant assets, cost of closing each plant and loss on each business divestiture. During the third quarter, two additional businesses were sold, bringing the total businesses sold to four in this fiscal year. A summary of the original reserves and charges through April 30, 1995 follows:

	Original Reserves	Charges	Balance 7/31/94	Charges	BALANCE 4/30/95
	-----	-----	-----	-----	-----
Loss on disposal of assets	\$275	\$(145)	\$130	\$(23)	\$107
Severance and benefits	52	(28)	24	(22)	2
Other	26	(10)	16	(1)	15
	-----	-----	-----	-----	-----
Total	\$353	\$(183)	\$170	\$(46)	\$124
	=====	=====	=====	=====	=====
Current	\$153		\$170		\$124
Non-current	200		-		-
	-----	-----	-----	-----	-----
Total	\$353		\$170		\$124
	=====	=====	=====	=====	=====

(e) Acquisitions

Effective January 30, 1995 the company acquired Pace Foods, Ltd., the world's largest producer and marketer of Mexican sauces, for \$1.076 billion. The acquisition was accounted for as a purchase transaction and the results of operations after January 30, 1995 are included in Campbell's financial statements. The purchase price was allocated to assets acquired and liabilities assumed based upon preliminary fair value estimates, and resulted in the recording of intangible assets, principally goodwill, of approximately \$1 billion. Intangible assets are amortized on a straight-line basis over periods not exceeding 40 years.

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

RESULTS OF OPERATIONS

OVERVIEW

Campbell achieved record sales and earnings for the third quarter and nine months ended April 30, 1995.

Net sales for the quarter were \$1.74 billion, up 11% from the comparable period last year. Earnings per share, after 4 cents per share dilution from acquisitions, increased 9% to 51 cents, up from 47 cents last year. Net earnings rose 7% to \$127 million from \$119 million a year ago. Acquisitions were positive contributors to net sales and operating earnings, and earnings growth was anchored by strong results from leading U.S. brands, especially soup.

Sales for the nine months increased 8% to \$5.65 billion, versus \$5.23 billion for the comparable period last year. Earnings per share for the nine months increased 15% to \$2.23, and net earnings increased 14% to \$555 million.

RESULTS BY DIVISION

THIRD QUARTER

U.S.A. - U.S. sales for the quarter were \$1.02 billion versus \$913 million last year. Operating earnings climbed 14% to \$171 million.

The Pace Foods and Fresh Start acquisitions contributed 60% of the U.S. sales growth and soup volume increased 3%, as the Continuous Product Replenishment program better matched factory shipments to consumer purchases. Ready-to-Serve soups led the volume gain driven by double-digit increases in "Healthy Request", "Home Cookin'" and "Swanson" broth.

Excellent consumer reception brought strong growth to several "Swanson" brand products including canned poultry, "Hungry-Man" dinners and new "Mac & More" single serving dishes. New products such as Vlastic's "Sandwich Stackers" pickles, "Franco-American" pasta in the shape of Disney licensed characters, and a new size of "Campbell's" Pork & Beans drove volume growth in their categories.

BAKERY & CONFECTIONERY - This division consists of Pepperidge Farm in the U.S., Delacre in Europe, Arnotts Limited in Australia and Asia, Godiva Chocolatier worldwide and the Lamy Lutti confectionery businesses in Europe.

Bakery & Confectionery also achieved record third quarter sales, increasing 9% to \$379 million. Operating earnings rose 7% to \$30 million.

"Goldfish" crackers and "Pepperidge Farm" frozen garlic breads continued their

strong sales growth. Godiva Chocolatier had excellent Valentine's Day sales with strong double-digit sales growth in the U.S., Europe and Japan, and Lamy Lutti also experienced strong volume growth.

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

This division reported sales of \$356 million for the third quarter, a 12% increase over last year. Sales were reduced slightly by the divestiture of two small businesses in Italy. Operating earnings rose 5% to \$31 million. The devaluation of the Mexican peso reduced earnings by \$2 million in the quarter.

Soup volume outside the United States grew 10% during the quarter, with major gains in Canada, Australia and Asia. Sales also benefitted from the acquisition of Stratford-upon-Avon in the United Kingdom as well as growth of the beef business in Argentina.

#### NINE MONTHS

U.S.A. - U.S. sales for the nine months were \$3.36 billion versus \$3.14 billion last year. Operating earnings increased 13% to \$702 million.

Soup volume was down 1% due to unseasonably warm weather in the important second and third quarters. The "Healthy Request" and "Home Cookin'" lines continued to show strong growth.

Other strong sales performances came from "Vlasic" pickles; "Swanson" brand products including "Hungry-Man" dinners, canned poultry and broth; "Great Starts" breakfasts; "Prego" spaghetti sauce; "Franco-American" pasta; "V8" juice and U.S. Food Service.

BAKERY & CONFECTIONERY - Bakery & Confectionery sales grew 8% to \$1.24 billion from \$1.15 billion in the first nine months of last year. Operating earnings improved 11% to \$139 million.

Sales improvement was driven by new varieties of Pepperidge Farm distinctive cookies and strength in "Goldfish" crackers and "Pepperidge Farm" frozen garlic bread. Godiva Chocolatier enjoyed excellent Christmas and Valentine's Day seasons in the U.S., Europe and Japan.

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INTERNATIONAL GROCERY - International Grocery reported sales of \$1.08 billion in the first nine months, an 11% increase over last year. Operating earnings rose 11% to \$103 million.

Soup volume outside the U.S. was up 11% for the first nine months of fiscal 1995 with strong gains in Canada, Mexico, Asia and exports from the United Kingdom. Argentina continued its strong growth in the export and domestic beef businesses.

#### STATEMENTS OF EARNINGS

Net sales increased 11% for the third quarter and 8% for the nine months, compared to the same periods in the prior year. Sales gains were strong across all divisions. Worldwide soup sales for the nine months grew 4.5% with net sales outside the U.S. contributing strong growth of 11%. Acquisitions contributed 5.5% of the growth for the third quarter and 2.5% for the nine months.

Gross margins improved .4 percentage points to 40.1% in the third quarter and .9 percentage points to 41.4% for the nine-month period. These improvements

resulted principally from higher selling prices and manufacturing efficiencies.

Marketing and selling expense as a percent of sales remained flat compared to the prior year at 20.4% and 19.1% for the third quarter and nine months, respectively. These expenses increased 11.4% in the third quarter and 8.5% for the nine months, compared to the prior year, as a result of spending on Ready-to-Serve soups and in support of the launch of Vlastic's new "Stackers" line.

Interest expense for the nine months increased due principally to financing costs associated with acquisitions.

The effective tax rate of 33.6% reflects the benefit of tax planning strategies, including utilization of tax loss carryforwards.

#### LIQUIDITY AND CAPITAL RESOURCES

Campbell's cash flows from operating activities are highly seasonal. As a result of earnings improvements and increased attention to working capital management, the company generated cash from operations of \$818 million in the nine months of 1995, up \$123 million from 1994. An increase in accounts receivable of \$63 million in 1995 was the result of higher sales. Continued focus on inventory management provided \$122 million of cash in the nine months of 1995, up \$67 million from 1994.

Capital expenditures were \$229 million in 1995, down \$49 million from the prior year, as the company completed several cost saving and restructuring programs in the prior year. Capital expenditures are not expected to exceed \$400 million in 1995. Construction of a new \$150 million world-class factory by Arnotts began in the third quarter with completion planned for 1997.

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During the first nine months of fiscal 1995, the company acquired Pace Foods, the world's leading producer and marketer of Mexican sauces; Fresh Start Bakeries, a food service baking concern with operations in the U.S., Europe and South America; Stratford-upon-Avon Foods, a canned fruit and vegetable company in England; Kohi Biscuits in New Zealand; Diet Care Puree, a Canadian food service company targeting institutional food for the elderly; and Greenfield Foods, a U.S. based baking operation specializing in low-fat cakes and cookies. The company also acquired an additional 6% interest in Arnotts Limited, boosting its share ownership in the Australian biscuit company to 64%.

These acquisitions (approximately \$1.3 billion) were funded through cash generated from operations and commercial paper borrowings of different maturities and interest rates. During the third quarter, a portion of these borrowings was replaced with a \$300 million, 7.75% fixed rate two-year note due in February 1997.

There were no significant repurchases of common stock for the treasury in fiscal 1995, compared to repurchases of 1.3 million shares at a cost of \$46 million in fiscal 1994. As a result of increases in the dividend rate, year-to-date dividend payments increased \$30 million to \$295 million in 1995, from \$265 million for the first nine months of 1994.

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ITEM 1. LEGAL PROCEEDINGS

As previously reported, in Management's opinion, there are no pending claims or litigation, the outcome of which would have a material effect on the consolidated financial position of the company. Campbell has received a notice of violation from the United States Environmental Protection Agency relating to certain air emission permits at its Sacramento, CA facility. Campbell is disputing the alleged violations. The company has been named as a potentially responsible party in a number of proceedings brought under the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund. The ultimate impact of these proceedings cannot be predicted at this time due to the large number of other potentially responsible parties, and the speculative nature of clean-up cost estimates, but it is not expected to be material either individually or in the aggregate.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

No.

4 There is no instrument with respect to long-term debt of the company that involves indebtedness or securities authorized thereunder exceeding 10 percent of the total assets of the company and its subsidiaries on a consolidated basis. The company agrees to file a copy of any instrument or agreement defining the rights of holders of long-term debt of the company upon request of the Securities and Exchange Commission.

27 Financial Data Schedule

b. Reports on Form 8-K

A Form 8-K, reporting Campbell's purchase on January 30, 1995, of the assets and business of Pace Foods, Ltd., was filed with the Securities and Exchange Commission on February 9, 1995.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CAMPBELL SOUP COMPANY

Date: June 13, 1995

By: /s/JOHN M. COLEMAN

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

Date: June 13, 1995

By: /s/LEO J. GREANEY

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

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INDEX TO EXHIBITS

Exhibit Number  
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Financial Data Schedule

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