

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

	Three Months Ended	
	July 31, 2016	August 2, 2015
Net sales	\$ 1,687	\$ 1,693
Costs and expenses		
Cost of products sold	1,141	1,131
Marketing and selling expenses	216	189
Administrative expenses	185	193
Research and development expenses	38	34
Other expenses / (income)	145	10
Restructuring charges	(1)	93
Total costs and expenses	1,724	1,650
Earnings (loss) before interest and taxes	(37)	43
Interest, net	28	27
Earnings (loss) before taxes	(65)	16
Taxes on earnings	16	(1)
Net earnings (loss)	(81)	17
Net loss attributable to noncontrolling interests	—	—
Net earnings (loss) attributable to Campbell Soup Company	\$ (81)	\$ 17
Per share - basic		
Net earnings (loss) attributable to Campbell Soup Company	\$ (.26)	\$.05
Dividends	\$.312	\$.312
Weighted average shares outstanding - basic	308	310
Per share - assuming dilution		
Net earnings (loss) attributable to Campbell Soup Company	\$ (.26)	\$.05
Weighted average shares outstanding - assuming dilution	310	312

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. These changes in accounting policy have been retrospectively applied to all periods presented. The company excludes the impact of the mark-to-market adjustments resulting from these accounting changes in evaluating performance. In the fourth quarter of fiscal 2016, the company incurred losses of \$138 in Costs and expenses (\$90 after tax, or \$.29 per share) due to mark-to-market adjustments. In the fourth quarter of fiscal 2015, the company incurred losses of \$110 in Costs and expenses (\$69 after tax, or \$.22 per share) due to mark-to-market adjustments.

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

	Twelve Months Ended	
	July 31, 2016	August 2, 2015
Net sales	\$ 7,961	\$ 8,082
Costs and expenses		
Cost of products sold	5,181	5,300
Marketing and selling expenses	893	884
Administrative expenses	641	601
Research and development expenses	124	117
Other expenses / (income)	131	24
Restructuring charges	31	102
Total costs and expenses	7,001	7,028
Earnings before interest and taxes	960	1,054
Interest, net	111	105
Earnings before taxes	849	949
Taxes on earnings	286	283
Net earnings	563	666
Net loss attributable to noncontrolling interests	—	—
Net earnings attributable to Campbell Soup Company	\$ 563	\$ 666
Per share - basic		
Net earnings attributable to Campbell Soup Company	\$ 1.82	\$ 2.13
Dividends	\$ 1.248	\$ 1.248
Weighted average shares outstanding - basic	309	312
Per share - assuming dilution		
Net earnings attributable to Campbell Soup Company	\$ 1.81	\$ 2.13
Weighted average shares outstanding - assuming dilution	311	313

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. These changes in accounting policy have been retrospectively applied to all periods presented. The company excludes the impact of the mark-to-market adjustments resulting from these accounting changes in evaluating performance. In fiscal 2016, the company incurred losses of \$313 in Costs and expenses (\$200 after tax, or \$.64 per share) due to mark-to-market adjustments. In fiscal 2015, the company incurred losses of \$138 in Costs and expenses (\$87 after tax, or \$.28 per share) due to mark-to-market adjustments.

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

	Three Months Ended		Percent Change
	July 31, 2016	August 2, 2015	
Sales			
Contributions:			
Americas Simple Meals and Beverages	\$ 842	\$ 842	—%
Global Biscuits and Snacks	622	617	1%
Campbell Fresh	223	234	(5)%
Total sales	<u>\$ 1,687</u>	<u>\$ 1,693</u>	—%
Earnings			
Contributions:			
Americas Simple Meals and Beverages	\$ 191	\$ 183	4%
Global Biscuits and Snacks	81	77	5%
Campbell Fresh	8	21	(62)%
Total operating earnings	<u>280</u>	<u>281</u>	—%
Unallocated corporate expenses	318	145	
Restructuring charges	(1)	93	
Earnings (loss) before interest and taxes	<u>(37)</u>	43	(186)%
Interest, net	28	27	
Taxes on earnings	16	(1)	
Net earnings (loss)	<u>(81)</u>	<u>17</u>	(576)%
Net loss attributable to noncontrolling interests	—	—	
Net earnings (loss) attributable to Campbell Soup Company	<u>\$ (81)</u>	<u>\$ 17</u>	(576)%
Per share - assuming dilution			
Net earnings (loss) attributable to Campbell Soup Company	<u>\$ (.26)</u>	<u>\$.05</u>	(620)%

In fiscal 2016, the company modified its segment reporting as a result of changes in the management of the business. In addition, 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. In fiscal 2016, the company also modified its method of allocating pension and postretirement benefit costs to reportable segments. Through fiscal 2015, the company included all components of benefit expense in measuring segment performance. In fiscal 2016, service cost is allocated to segments. All other components of expense, including interest cost, expected return on assets, and recognized actuarial gains and losses, are reflected in Unallocated corporate expenses and not included in segment operating results. The changes in segment reporting and accounting policies have been retrospectively applied to all periods presented.

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

	<u>Twelve Months Ended</u>		Percent Change
	<u>July 31, 2016</u>	<u>August 2, 2015</u>	
<u>Sales</u>			
Contributions:			
Americas Simple Meals and Beverages	\$ 4,380	\$ 4,483	(2)%
Global Biscuits and Snacks	2,564	2,631	(3)%
Campbell Fresh	1,017	968	5%
Total sales	<u>\$ 7,961</u>	<u>\$ 8,082</u>	(1)%
<u>Earnings</u>			
Contributions:			
Americas Simple Meals and Beverages	\$ 1,069	\$ 948	13%
Global Biscuits and Snacks	422	383	10%
Campbell Fresh	60	61	(2)%
Total operating earnings	<u>1,551</u>	<u>1,392</u>	11%
Unallocated corporate expenses	560	236	
Restructuring charges	31	102	
Earnings before interest and taxes	<u>960</u>	<u>1,054</u>	(9)%
Interest, net	111	105	
Taxes on earnings	286	283	
Net earnings	<u>563</u>	<u>666</u>	(15)%
Net loss attributable to noncontrolling interests	—	—	
Net earnings attributable to Campbell Soup Company	<u>\$ 563</u>	<u>\$ 666</u>	(15)%
<u>Per share - assuming dilution</u>			
Net earnings attributable to Campbell Soup Company	<u>\$ 1.81</u>	<u>\$ 2.13</u>	(15)%

In fiscal 2016, the company modified its segment reporting as a result of changes in the management of the business. In addition, 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. In fiscal 2016, the company also modified its method of allocating pension and postretirement benefit costs to reportable segments. Through fiscal 2015, the company included all components of benefit expense in measuring segment performance. In fiscal 2016, service cost is allocated to segments. All other components of expense, including interest cost, expected return on assets, and recognized actuarial gains and losses, are reflected in Unallocated corporate expenses and not included in segment operating results. The changes in segment reporting and accounting policies have been retrospectively applied to all periods presented.

CAMPBELL SOUP COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)

	July 31, 2016	August 2, 2015
Current assets	\$ 1,908	\$ 2,093
Plant assets, net	2,407	2,347
Intangible assets, net	3,415	3,549
Other assets	107	88
Total assets	\$ 7,837	\$ 8,077
Current liabilities	\$ 2,728	\$ 2,806
Long-term debt	2,141	2,539
Other liabilities	1,435	1,355
Total equity	1,533	1,377
Total liabilities and equity	\$ 7,837	\$ 8,077
Total debt	\$ 3,533	\$ 4,082
Cash and cash equivalents	\$ 296	\$ 253

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. These changes in accounting policy have been retrospectively applied to all periods presented.

CAMPBELL SOUP COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Twelve Months Ended	
	July 31, 2016	August 2, 2015
Cash flows from operating activities:		
Net earnings	\$ 563	\$ 666
Adjustments to reconcile net earnings to operating cash flow		
Impairment charges	141	6
Restructuring charges	31	102
Stock-based compensation	64	57
Pension and postretirement benefit expense	317	118
Depreciation and amortization	308	303
Deferred income taxes	(30)	(49)
Other, net	6	15
Changes in working capital, net of acquisition		
Accounts receivable	24	12
Inventories	59	(18)
Prepaid assets	9	10
Accounts payable and accrued liabilities	(13)	6
Pension fund contributions	(2)	(5)
Receipts from hedging activities	44	11
Other	(58)	(52)
Net cash provided by operating activities	<u>1,463</u>	<u>1,182</u>
Cash flows from investing activities:		
Purchases of plant assets	(341)	(380)
Sales of plant assets	5	15
Business acquired, net of cash acquired	—	(232)
Other, net	(18)	(6)
Net cash used in investing activities	<u>(354)</u>	<u>(603)</u>
Cash flows from financing activities:		
Net short-term borrowings (repayments)	(547)	100
Long-term borrowings	—	300
Repayments of notes payable	—	(309)
Dividends paid	(390)	(394)
Treasury stock purchases	(143)	(244)
Treasury stock issuances	2	9
Excess tax benefits on stock-based compensation	7	6
Contributions from noncontrolling interest	—	9
Other, net	—	(3)
Net cash used in financing activities	<u>(1,071)</u>	<u>(526)</u>
Effect of exchange rate changes on cash	5	(32)
Net change in cash and cash equivalents	43	21
Cash and cash equivalents — beginning of period	253	232
Cash and cash equivalents — end of period	<u>\$ 296</u>	<u>\$ 253</u>

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. These changes in accounting policy have been retrospectively applied to all periods presented.