

**Reconciliation of GAAP to Non-GAAP Financial Measures**  
**First Quarter Ended October 27, 2013**

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.

**Net Debt**

The company believes that net debt is a non-GAAP measure that provides additional meaningful comparisons between the company's financial position at October 27, 2013 and October 28, 2012, and also a useful perspective on the financial condition of the business. Interest income earned on cash and cash equivalents partially offsets interest expense on debt. Cash and cash equivalents are available to repay outstanding debt upon maturity.

The table below summarizes information on total debt and cash and cash equivalents:

(millions)	October 27, 2013	October 28, 2012
<b>Short-term borrowings</b>	\$ 2,585	\$ 1,507
<b>Long-term debt</b>	2,247	2,940
<b>Total debt</b>	\$ 4,832	\$ 4,447
<b>Less: Cash and cash equivalents</b>	(305)	(361)
<b>Net debt</b>	\$ 4,527	\$ 4,086

**Organic Net Sales**

Organic net sales exclude the impact of acquisitions, currency and presenting revenue on a net basis in connection with a new business model in Mexico in fiscal 2014. The company believes that organic net sales improves the comparability of year-to-year results. A reconciliation of net sales as reported to organic net sales follows.

**Three Months Ended**

(millions)	October 27, 2013					October 28, 2012	% Change		
	Net Sales, as reported	Impact of Currency	Impact of Acquisition	Impact of Net Accounting	Organic Net Sales	Net Sales, as Reported	Net Sales, as Reported	Organic Net Sales	
<b>U.S. Simple Meals</b>	\$ 860	\$ —	\$ (15)	\$ —	\$ 845	\$ 896	(4)%	(6)%	
<b>Global Baking and Snacking</b>	609	19	(52)	—	576	574	6%	—%	
<b>International Simple Meals and Beverages</b>	193	11	—	3	207	223	(13)%	(7)%	
<b>U.S. Beverages</b>	173	—	—	—	173	189	(8)%	(8)%	
<b>Bolthouse and Foodservice</b>	330	1	(14)	—	317	323	2%	(2)%	
<b>Total Net Sales</b>	\$ 2,165	\$ 31	\$ (81)	\$ 3	\$ 2,118	\$ 2,205	(2)%	(4)%	

### **Items Impacting Gross Margin and Earnings**

The company believes that financial information excluding certain transactions that are not considered to be part of the ongoing business improves the comparability of year-to-year results. Consequently, the company believes that investors may be able to better understand its gross margin and earnings results excluding these transactions.

The following items impacted gross margin and/or earnings:

- (1) In the first quarter of fiscal 2014, the company recorded pre-tax restructuring charges of \$20 million (\$13 million after tax or \$.04 per share in earnings from continuing operations) associated with initiatives to streamline its salaried workforce in North America and in the Asia Pacific region.

In fiscal 2013, the company implemented initiatives to improve its U.S. supply chain cost structure and increase asset utilization across its U.S. thermal plant network; expand access to manufacturing and distribution capabilities in Mexico; improve its Pepperidge Farm bakery supply chain cost structure; and reduce overhead in North America. In the first quarter of fiscal 2014, the company recorded pre-tax restructuring charges of \$1 million and restructuring-related costs of \$2 million in Cost of products sold (aggregate impact of \$2 million after tax or \$.01 per share on earnings from continuing operations) related to the initiatives. In the first quarter of fiscal 2013, the company recorded pre-tax restructuring charges of \$22 million and restructuring-related costs of \$21 million in Cost of products sold (aggregate impact of \$27 million after tax or \$.09 per share on earnings from continuing operations). The aggregate impact of the restructuring initiatives on fiscal 2013 was pre-tax restructuring charges of \$51 million and restructuring-related costs of \$91 million in Cost of products sold (aggregate impact of \$90 million after tax or \$.28 per share on earnings from continuing operations).

- (2) On October 28, 2013, the company announced it completed the sale of its simple meals business in Europe. The results of the business are reported as discontinued operations. In the first quarter of fiscal 2014, the company recorded an unrealized loss of \$9 million (\$6 million after tax or \$.02 per share) on foreign exchange forward contracts used to hedge the proceeds from the sale of the European simple meals business. The loss was included in earnings from continuing operations. In addition, the company recorded tax expense of \$7 million (\$.02 per share) in earnings from continuing operations associated with the sale. In the fourth quarter of fiscal 2013, the company recorded an impairment charge on the intangible assets of this business of \$396 million (\$263 million after tax or \$.83 per share) in earnings from discontinued operations. In addition, the company recorded \$18 million in tax charges (\$.06 per share) in earnings from discontinued operations representing taxes on the difference between the book value and tax basis of the business.
- (3) In the first quarter of fiscal 2013, the company incurred transaction costs of \$10 million (\$7 million after tax or \$.02 per share) associated with the acquisition of Bolthouse Farms, which closed on August 6, 2012. These costs were included in earnings from continuing operations.

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

(millions, except per share amounts)	<b>Three Months Ended</b>		Percent Change
	<b>October 27, 2013</b>	<b>October 28, 2012</b>	
<b>Gross margin, as reported</b>	\$ 777	\$ 821	
Add: Restructuring-related costs (1)	2	21	
<b>Adjusted Gross margin</b>	<u>\$ 779</u>	<u>\$ 842</u>	(7)%
<b>Adjusted Gross margin percentage</b>	<u>36.0%</u>	38.2%	
<b>Earnings before interest and taxes, as reported</b>	\$ 305	\$ 368	
Add: Restructuring charges and related costs (1)	23	43	
Add: Loss on foreign exchange forward contracts (2)	9	—	
Add: Acquisition transaction costs (3)	—	10	
<b>Adjusted Earnings before interest and taxes</b>	<u>\$ 337</u>	<u>\$ 421</u>	(20)%
<b>Interest, net, as reported</b>	<u>\$ 30</u>	<u>\$ 33</u>	
<b>Adjusted Earnings before taxes</b>	<u>\$ 307</u>	<u>\$ 388</u>	
<b>Taxes on earnings, as reported</b>	\$ 95	\$ 105	
Add: Tax benefit from restructuring charges and related costs (1)	8	16	
Add: Tax benefit from loss on foreign exchange forward contracts (2)	3	—	
Deduct: Tax expense associated with sale of business (2)	(7)	—	
Add: Tax benefit from acquisition transaction costs (3)	—	3	
<b>Adjusted Taxes on earnings</b>	<u>\$ 99</u>	<u>\$ 124</u>	
<b>Adjusted effective income tax rate</b>	<u>32.2%</u>	32.0%	
<b>Earnings from continuing operations, as reported</b>	\$ 180	\$ 230	
Deduct: Net loss from noncontrolling interests	(1)	(2)	
<b>Earnings from continuing operations attributable to Campbell Soup Company</b>	<u>\$ 181</u>	<u>\$ 232</u>	
Add: Net adjustment from restructuring charges and related costs (1)	15	27	
Add: Net adjustment from loss on foreign exchange forward contracts (2)	6	—	
Add: Tax expense associated with sale of business (2)	7	—	
Add: Net adjustment from acquisition transaction costs (3)	—	7	
<b>Adjusted Earnings from continuing operations attributable to Campbell Soup Company</b>	<u>\$ 209</u>	<u>\$ 266</u>	(21)%
<b>Earnings (loss) from discontinued operations, as reported</b>	<u>\$ (9)</u>	<u>\$ 13</u>	
<b>Adjusted Net earnings attributable to Campbell Soup Company</b>	<u>\$ 200</u>	<u>\$ 279</u>	(28)%
<b>Diluted earnings per share - continuing operations attributable to Campbell Soup Company, as reported</b>	\$ .57	\$ .73	
Add: Net adjustment from restructuring charges and related costs (1)	.05	.09	
Add: Net adjustment from loss on foreign exchange forward contracts (2)	.02	—	
Add: Tax expense associated with sale of business (2)	.02	—	
Add: Net adjustment from acquisition transaction costs (3)	—	.02	
<b>Adjusted Diluted earnings per share - continuing operations attributable to Campbell Soup Company</b>	<u>\$ .66</u>	<u>\$ .84</u>	(21)%
<b>Diluted earnings (loss) per share - discontinued operations, as reported</b>	<u>\$ (.03)</u>	<u>\$ .04</u>	
<b>Diluted net earnings per share attributable to Campbell Soup Company, as reported*</b>	<u>\$ .54</u>	<u>\$ .78</u>	
Add: Net adjustment from restructuring charges and related costs (1)	.05	.09	
Add: Net adjustment from loss on foreign exchange forward contracts (2)	.02	—	

Add: Tax expense associated with sale of business (2)	<b>.02</b>	—	
Add: Net adjustment from acquisition transaction costs (3)	—	.02	
<b>Adjusted Diluted net earnings per share attributable to Campbell Soup Company*</b>	<b>\$ .63</b>	<b>\$ .88</b>	<b>(28)%</b>

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

(millions, except per share amounts)	Year Ended July 28, 2013
<b>Gross margin, as reported</b>	\$ 2,912
Add: Restructuring-related costs (1)	91
<b>Adjusted Gross margin</b>	<b>\$ 3,003</b>
<b>Adjusted Gross margin percentage</b>	<b>37.3%</b>
<b>Earnings before interest and taxes, as reported</b>	<b>\$ 1,080</b>
Add: Restructuring charges and related costs (1)	142
Add: Acquisition transaction costs (3)	10
<b>Adjusted Earnings before interest and taxes</b>	<b>\$ 1,232</b>
<b>Interest, net, as reported</b>	<b>\$ 125</b>
<b>Adjusted Earnings before taxes</b>	<b>\$ 1,107</b>
<b>Taxes on earnings, as reported</b>	<b>\$ 275</b>
Add: Tax benefit from restructuring charges and related costs (1)	52
Add: Tax benefit from acquisition transaction costs (3)	3
<b>Adjusted Taxes on earnings</b>	<b>\$ 330</b>
<b>Adjusted effective income tax rate</b>	<b>29.8%</b>
<b>Earnings from continuing operations, as reported</b>	<b>\$ 680</b>
Deduct: Net loss from noncontrolling interests	(9)
<b>Earnings from continuing operations attributable to Campbell Soup Company</b>	<b>\$ 689</b>
Add: Net adjustment from restructuring charges and related costs (1)	90
Add: Net adjustment from acquisition transaction costs (3)	7
<b>Adjusted Earnings from continuing operations attributable to Campbell Soup Company</b>	<b>\$ 786</b>
<b>Earnings (loss) from discontinued operations, as reported</b>	<b>\$ (231)</b>
Add: Net impairment on European business (2)	263
Add: Tax expense on book and tax differences (2)	18
<b>Adjusted Earnings from discontinued operations</b>	<b>\$ 50</b>
<b>Adjusted Net earnings attributable to Campbell Soup Company</b>	<b>\$ 836</b>
<b>Diluted earnings per share - continuing operations attributable to Campbell Soup Company, as reported</b>	<b>\$ 2.17</b>
Add: Net adjustment from restructuring charges and related costs (1)	.28
Add: Net adjustment from acquisition transaction costs (3)	.02
<b>Adjusted Diluted earnings per share - continuing operations attributable to Campbell Soup Company*</b>	<b>\$ 2.48</b>
<b>Diluted earnings (loss) per share - discontinued operations, as reported</b>	<b>\$ (.73)</b>
Add: Impairment on European business (2)	.83
Add: Tax expense on book and tax differences (2)	.06
<b>Adjusted Diluted earnings per share - discontinued operations</b>	<b>\$ .16</b>
<b>Diluted net earnings per share attributable to Campbell Soup Company, as reported</b>	<b>\$ 1.44</b>
Add: Net adjustment from restructuring charges and related costs (1)	.28
Add: Net adjustment from acquisition transaction costs (3)	.02
Add: Net impairment on European business (2)	.83
Add: Tax expense on book and tax differences (2)	.06
<b>Adjusted Diluted net earnings per share attributable to Campbell Soup Company*</b>	<b>\$ 2.64</b>

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