



FOR IMMEDIATE RELEASE

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**CAMPBELL REPORTS FOURTH-QUARTER AND FULL-YEAR RESULTS
 AND INCREASES QUARTERLY DIVIDEND**

- Fourth-Quarter As Reported Sales Comparable to Prior Year, Organic Sales Decreased 1 Percent
- Fourth-Quarter As Reported Earnings Per Share (EPS) Loss of \$0.26, Fourth-Quarter Adjusted EPS of \$0.46 Decreased 6 Percent
- Full-Year As Reported Sales and Organic Sales Decreased 1 Percent
- Full-Year As Reported EPS of \$1.81 Decreased 15 Percent, Adjusted EPS of \$2.94 Increased 11 Percent
- Full-Year Cash Flow From Operations Increased to \$1.463 Billion from \$1.182 Billion
- Campbell Provides Fiscal 2017 Guidance

CAMDEN, N.J., Sept. 1, 2016—Campbell Soup Company (NYSE:CPB) today reported its fourth-quarter and full-year results for fiscal 2016 and announced a 12 percent increase in its quarterly dividend.

	<u>Three Months Ended</u>			<u>Twelve Months Ended</u>		
	<u>July 31,</u> <u>2016</u>	<u>Aug. 2,</u> <u>2015</u>	<u>%</u> <u>Change</u>	<u>July 31,</u> <u>2016</u>	<u>Aug. 2,</u> <u>2015</u>	<u>%</u> <u>Change</u>
(\$ in millions, except per share)						
Net Sales						
As Reported (GAAP)	\$1,687	\$1,693	-%	\$7,961	\$8,082	(1)%
Organic			(1) %			(1)%
Earnings (Loss) Before Interest and Taxes						
As Reported (GAAP)	\$(37)	\$43	n/m	\$960	\$1,054	(9)%
Adjusted	\$253	\$259	(2)%	\$1,467	\$1,316	11%
Diluted Earnings (Loss) Per Share						
As Reported (GAAP)	\$(0.26)	\$0.05	n/m	\$1.81	\$2.13	(15)%
Adjusted	\$0.46	\$0.49	(6)%	\$2.94	\$2.65	11%

n/m – not meaningful

Note: A detailed reconciliation of the reported financial information to the adjusted financial information is included at the end of this news release.

CEO Comments

Denise Morrison, Campbell's President and Chief Executive Officer, said, "We finished the year in line with our guidance, including strong profit performance. However, I am not pleased with the results of our fourth quarter. The performance of our Campbell Fresh business, driven predominantly by execution issues, is disappointing. We have taken and are taking steps designed to ensure the business performs to its potential. We remain confident in our Campbell Fresh strategy and its ability to deliver long-term growth consistent with its portfolio role, as the business remains well-positioned to capitalize on the health and well-being consumer trend. For the year, Americas Simple Meals and Beverages and Global Biscuits and Snacks delivered significant margin expansion, driving double-digit profit growth. Despite the difficult quarter, we delivered adjusted EPS growth of 11 percent for the year."

Morrison concluded, "While we have made progress, we recognize we need to deliver sales growth – and it remains a top priority. Reflecting its confidence in our long-term growth prospects and strong profit performance this year, the Board declared a 12 percent increase in our quarterly dividend today."

Items Impacting Comparability

The Company reported a loss of \$0.26 per share in the fourth quarter. The current quarter results reflect a pre-tax non-cash impairment charge of \$141 million, or \$0.41 per share, to reduce the carrying value of the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit. The current quarter also included pre-tax pension and postretirement mark-to-market losses of \$138 million, or \$0.29 per share, and pre-tax charges related to cost savings initiatives of \$11 million, or \$0.02 per share. The prior-year quarter included pre-tax pension and postretirement mark-to-market losses of \$110 million, or \$0.22 per share, and pre-tax charges related to the implementation of the new organizational structure and cost savings initiatives of \$106 million, or \$0.21 per share. Excluding items impacting comparability in both periods, adjusted EPS decreased 6 percent to \$0.46 per share, compared with \$0.49 per share in the year-ago quarter. A detailed reconciliation of the reported financial information to the adjusted information is included at the end of this news release.

Fourth-Quarter Results

Sales of \$1.687 billion were comparable to prior year as the benefit from the acquisition of Garden Fresh Gourmet was offset by the decline in organic sales and the adverse impact of

currency translation. Organic sales decreased 1 percent primarily driven by Campbell Fresh, reflecting declines in carrots and carrot ingredients, as well as the impact from the voluntary recall announced on June 22 of *Bolthouse Farms Protein PLUS* drinks. The estimated negative impact on net sales in the fourth quarter related to the recall and related production outages was approximately one percentage point.

Gross margin decreased from 33.2 percent to 32.4 percent. Excluding items impacting comparability, adjusted gross margin decreased 0.9 points. The decrease in adjusted gross margin was primarily driven by increased promotional spending, inflation, the impact of the Bolthouse Farms recall and related production outages, as well as higher carrot costs, partly offset by productivity improvements.

Marketing and selling expenses increased 14 percent to \$216 million. Excluding items impacting comparability, adjusted marketing and selling expenses increased 14 percent to \$196 million primarily due to higher advertising and consumer promotion expenses. Administrative expenses decreased 4 percent to \$185 million. Excluding items impacting comparability, adjusted administrative expenses decreased 19 percent to \$128 million primarily due to lower incentive compensation costs and the benefits from cost savings initiatives.

As reported EBIT was a loss of \$37 million, reflecting the non-cash impairment charge, pension and postretirement mark-to-market losses and charges associated with cost savings initiatives as previously mentioned. Excluding items impacting comparability, adjusted EBIT decreased 2 percent to \$253 million reflecting higher advertising and consumer promotion expenses and a lower adjusted gross margin percentage, partly offset by lower administrative expenses.

Net interest expense increased \$1 million to \$28 million reflecting higher average interest rates on the debt portfolio, partly offset by lower levels of debt. The tax rate increased to 24.6 percent as compared with a tax rate of 6.3 percent in the prior year. Excluding items impacting comparability, the adjusted tax rate increased 2.3 percentage points to 36.4 percent. The increase in the adjusted tax rate reflects a \$13 million correction for deferred taxes, most of which related to the third quarter of fiscal 2016. This was partly offset by the geographic mix of earnings.

Full-Year Results

Sales decreased 1 percent to \$7.961 billion driven by the adverse impact of currency translation and a decline in organic sales, partly offset by the benefit from the acquisition of Garden Fresh Gourmet. Organic sales decreased 1 percent driven by lower volume, partly offset by higher selling prices.

EBIT decreased 9 percent to \$960 million. Excluding items impacting comparability, adjusted EBIT increased 11 percent to \$1.467 billion reflecting a higher adjusted gross margin percentage and the benefits from cost savings initiatives, partly offset by the adverse impact of currency translation, higher incentive compensation costs, and volume declines.

Net interest expense increased \$6 million to \$111 million reflecting higher average interest rates on the debt portfolio, partly offset by lower levels of debt. The tax rate increased 3.9 percentage points to 33.7 percent. Excluding items impacting comparability, the adjusted tax rate increased 1.2 percentage points to 32.6 percent. This increase was primarily due to lapping the favorable resolution of an intercompany pricing agreement between the U.S. and Canada in the prior year.

Cash flow from operations increased to \$1.463 billion from \$1.182 billion a year ago primarily due to higher cash earnings and lower working capital requirements.

Company Announces Quarterly Dividend Increase

Campbell announced that the company's Board of Directors has approved an increase in its quarterly dividend from \$0.312 per share to \$0.35 per share, an increase of 12 percent. The quarterly dividend is payable Oct. 31, 2016, to shareholders of record at the close of business Oct. 12, 2016.

Fiscal 2017 Guidance

Campbell expects sales to increase by 0 to 1 percent, adjusted EBIT to increase by 1 to 4 percent, and adjusted EPS to increase by 2 to 5 percent, or \$3.00 to \$3.09 per share. This guidance assumes the impact from currency translation will be nominal. A non-GAAP reconciliation is not provided for 2017 guidance since certain items are not estimable, such as pension and postretirement mark-to-market adjustments, and these items are not considered to be part of the company's ongoing business results.

Segment Operating Review

An analysis of net sales and operating earnings by reportable segment follows:

Three Months Ended July 31, 2016

(\$ in millions)

	Americas Simple Meals and Beverages	Global Biscuits and Snacks	Campbell Fresh	Total
Net Sales, as Reported	\$842	\$622	\$223	\$1,687
Volume and Mix	2%	3%	(10)%	1%
Price and Sales Allowances	-%	1%	-%	-%
Promotional Spending	(1)%	(2)%	(2)%	(2)%
Organic Net Sales	-%*	2%	(12)%	(1)%
Currency	-%	(1)%	-%	(1)%
Acquisitions	-%	-%	7%	1%
% Change vs. Prior Year	-%	1%	(5)%	-%*
Segment Operating Earnings	\$191	\$81	\$8	
% Change vs. Prior Year	4%	5%	(62)%	

* Numbers do not add due to rounding.

Note: A detailed reconciliation of the reported net sales to organic net sales is included at the end of this news release.

Twelve Months Ended July 31, 2016

(\$ in millions)

	Americas Simple Meals and Beverages	Global Biscuits and Snacks	Campbell Fresh	Total
Net Sales, as Reported	\$4,380	\$2,564	\$1,017	\$7,961
Volume and Mix	(2)%	1%	(3)%	(1)%
Price and Sales Allowances	1%	1%	-%	1%
Promotional Spending	-%	-%	(1)%	-%
Organic Net Sales	(1)%	1%*	(4)%	(1)%*
Currency	(1)%	(4)%	-%	(2)%
Acquisitions	-%	-%	10%	1%
% Change vs. Prior Year	(2)%	(3)%	5%*	(1)%*
Segment Operating Earnings	\$1,069	\$422	\$60	
% Change vs. Prior Year	13%	10%	(2)%	

* Numbers do not add due to rounding.

Note: A detailed reconciliation of the reported net sales to organic net sales is included at the end of this news release.

Americas Simple Meals and Beverages

Sales in the quarter were comparable to the prior year at \$842 million driven by gains in *Prego* pasta sauces and *Plum* products, partly offset by declines in *V8* beverages and soup. U.S. soup sales decreased 2 percent driven by declines in ready-to-serve soups, partly offset by increases in broth.

Segment operating earnings increased 4 percent to \$191 million. The increase was primarily driven by a higher gross margin percentage, partly offset by increased marketing and selling expenses.

Global Biscuits and Snacks

Sales increased 1 percent in the quarter to \$622 million. Excluding the negative impact of currency translation, segment sales increased 2 percent primarily driven by gains in *Pepperidge Farm Goldfish* crackers and *Arnott's* biscuits.

Segment operating earnings increased 5 percent to \$81 million as the benefit from lower administrative expenses was partly offset by a lower gross margin percentage.

Campbell Fresh

Sales decreased 5 percent in the quarter to \$223 million. Excluding the impact from the acquisition of *Garden Fresh Gourmet*, segment sales declined 12 percent reflecting lower sales in carrots and carrot ingredients, as well as in *Bolthouse Farms* premium refrigerated beverages, partly offset by gains in fresh soup and *Bolthouse Farms* salad dressings.

Segment operating earnings decreased 62 percent to \$8 million. The decrease in operating earnings was primarily driven by the adverse impact of the voluntary recall on *Bolthouse Farms Protein PLUS* drinks and related production outages, as well as higher carrot costs and lower sales in carrots and carrot ingredients. The decrease was partly offset by lower administrative expenses.

Unallocated Corporate Expenses

Unallocated corporate expenses for the quarter were \$318 million compared to \$145 million in the prior year. The increase in expenses reflects the impact of the non-cash impairment charge, pension and postretirement mark-to-market losses and charges related to cost savings

initiatives as previously mentioned. The remaining increase in expenses was primarily due to losses on open commodity hedges.

Conference Call

Campbell will host a conference call to discuss these results today at 8:30 a.m. Eastern Daylight Time. To join, dial +1 (703) 639-1316. The conference ID is 1673833. Access to a live webcast of the call with accompanying slides, as well as a replay of the call, will be available at investor.campbellsoupcompany.com. A recording of the call will also be available until midnight on Sept. 15, 2016, at +1 (703) 925-2533. The access code for the replay is 1673833.

About Campbell Soup Company

Campbell (NYSE:CPB) is driven and inspired by our Purpose, “Real food that matters for life’s moments.” We make a range of high-quality soups and simple meals, beverages, snacks and packaged fresh foods. For generations, people have trusted Campbell to provide authentic, flavorful and readily available foods and beverages that connect them to each other, to warm memories and to what’s important today. Led by our iconic *Campbell’s* brand, our portfolio includes *Pepperidge Farm*, *Bolthouse Farms*, *Arnott’s*, *V8*, *Swanson*, *Pace*, *Prego*, *Plum*, *Royal Dansk*, *Kjeldsens* and *Garden Fresh Gourmet*. Founded in 1869, Campbell has a heritage of giving back and acting as a good steward of the planet’s natural resources. The company is a member of the Standard & Poor’s 500 and the Dow Jones Sustainability Indexes. For more information, visit www.campbellsoupcompany.com or follow company news on Twitter via [@CampbellSoupCo](https://twitter.com/CampbellSoupCo). To learn more about how we make our food and the choices behind the ingredients we use, visit www.whatsinmyfood.com.

Forward-Looking Statements

This release contains “forward-looking statements” that reflect the company’s current expectations about the impact of its future plans and performance on the company’s business or financial results. These forward-looking statements, including the statements made regarding sales, EBIT and EPS guidance for fiscal 2017, rely on a number of assumptions and estimates that could be inaccurate and which are subject to risks and uncertainties. The factors that could cause the company’s actual results to vary materially from those anticipated or expressed in any forward-looking statement include (1) the company’s ability to manage changes to its organizational structure and/or business processes; (2) the company’s ability to realize projected cost savings and benefits from its efficiency programs; (3) the impact of strong

competitive responses to the company's efforts to leverage its brand power in the market; (4) the impact of changes in consumer demand for the company's products; (5) the impact of product quality and safety issues, including recalls and product liabilities; (6) the risks associated with trade and consumer acceptance of the company's initiatives, including its trade and promotional programs; (7) the practices, including changes to inventory practices, and increased significance of certain of the company's key trade customers; (8) the impact of fluctuations in the supply or costs of energy and raw and packaging materials; (9) the impact of business portfolio changes; (10) the uncertainties of litigation and regulatory actions against the company; (11) disruption to the independent contractor distribution models used by certain of our businesses, including the results of litigation or regulatory actions that could affect their independent contractor classification; (12) the company's ability to protect its intellectual property rights; (13) the impact of an impairment to goodwill or other intangible assets; (14) the impact of a material failure in or breach of the company's information technology systems; (15) the impact of changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; (16) the impact of unforeseen business disruptions in one or more of the company's markets due to political instability, civil disobedience, terrorism, armed hostilities, natural disasters or other calamities; and (17) other factors described in the company's most recent Form 10-K and subsequent Securities and Exchange Commission filings. The company disclaims any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this release.

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