AMT Training
Wilmington Professional

Campbell

PIB 2018

Company Overview

CPB US $ Market P41.30 /43.79K 1 x 1

Prev 42.84 Vol 1,315,828

CPB US Equity

Security Description: Equity

1) Profile | 2) Issue Info | 3) Ratios | 4) Revenue & EPS | 5) Industry Info

CAMPBELL SOUP CO

FIGI BBG000BG4202

BI Research Primer | BICO »

Classification Packaged Food

Campbell Soup Company, with its subsidiaries, manufactures and markets branded convenience food products. The Company's core divisions include soups and sauces, biscuits and confectionery, and foodservice. Campbell's distributes its products worldwide. ... More

8) Price Chart | GP »

Px/Chg 1D (USD)	42.84/+.59%
52 Wk H (05/26/17)	59.14
52 Wk L (03/21/18)	40.99
YTD Change/%	-5.27/-10.95%
Mkt Cap (USD)	12,879.2M
Shrs Out/Float	300.6M/197.7M
SI/% of Float	23.1M/11.7%
Days to Cover	7.1

9) Estimates | EE »

Date	(C)	05/18/18
P/E		14.15
Est P/E	07/18	13.68
T12M EPS	(USD)	3.03
Est EPS		3.13
Est PEG		2.46

12) Dividend | DVD »

Ind Gross Yield	3.27%
5Y Net Growth	3.83%
Cash 04/10/18	0.35

13) Corporate Info

www.campbellsoups.com

Camden, NJ, United States

Empls 18,000 (07/30/17)

15) Management | MGMT »

Denise M Morrison
President/CEO

Luca Mignini
Sr VP/COO/Pres:Global Biscuits

Anthony P Disilvestro
Senior VP/CFO

12M Tot Ret	-22.60%
Beta vs SPX	0.60

Share Price Graph


CPB US $ Market
P41.30 / 43.79K
1 x 1
Prev 42.84
Vol 1,315,828
CPB US Equity
95) Compare
96) Actions
97) Edit
Line Chart
04/12/2016 - 04/12/2018
Last Price
USD
Mov Avgs
Key Events
1D 3D 1M 6M YTD 1Y 5Y Max Daily
Table
Chart Content
Last Price 42.84
High on 05/26/17 58.96
Average 49.5925
Low on 03/02/18 42.02
Volume 1.316M
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
2017
2018
Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2018 Bloomberg Finance L.P.
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Historical Prices

CPB US $ Market  P41.30 /43.79K 1 x 1

...... Prev 42.84 Vol 1,315,828

CPB US Equity | 96) Export | 97) Settings | Page 1/6 | Historical Price Table

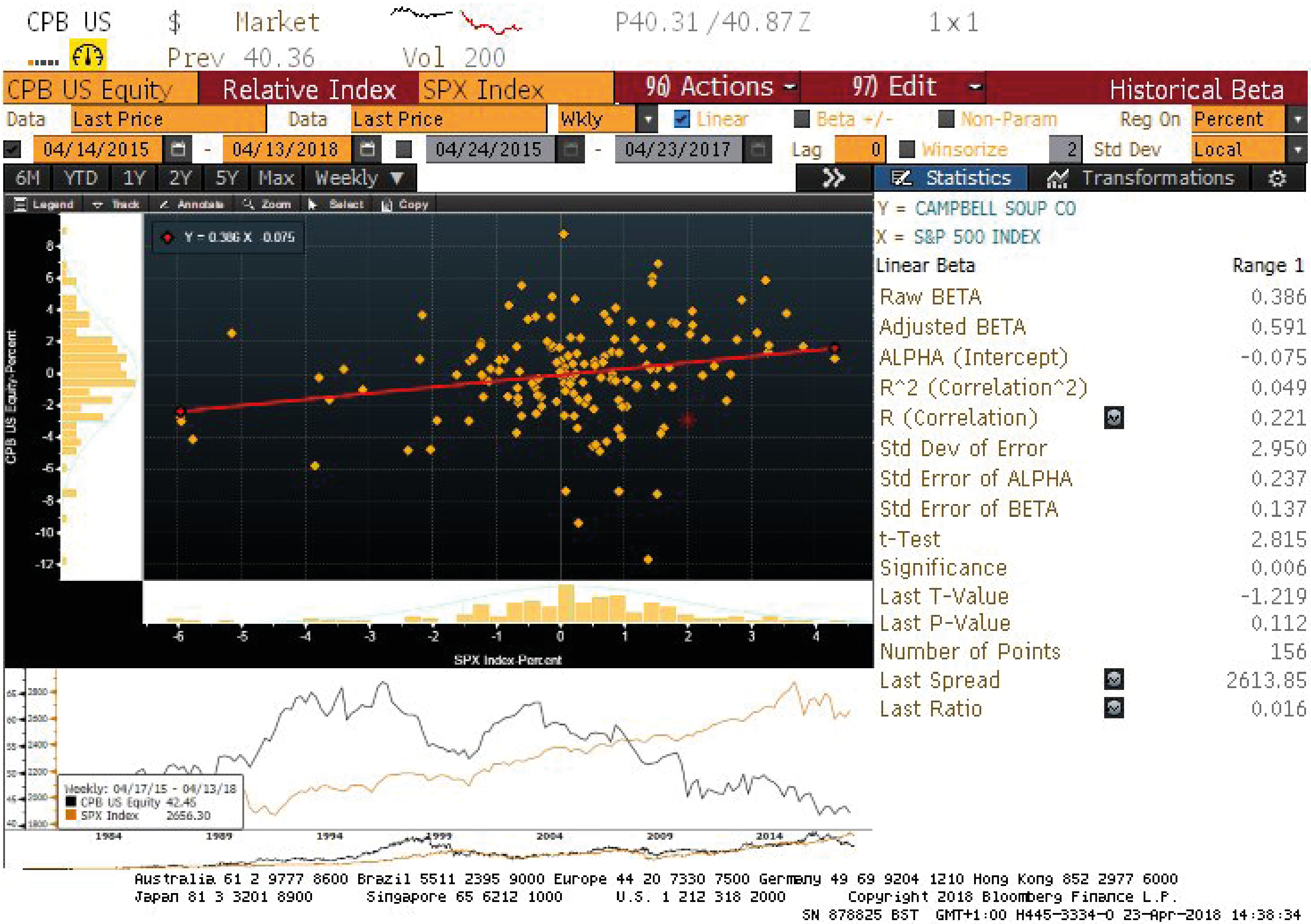
Campbell Soup Co

Range	04/13/2017 - 04/11/2018	Period	Daily	
Market	Last Price / Volume	Currency	USD	
View	Price Table			

High	58.96	on	05/26/17
Low	42.02	on	03/02/18
Average	49.5925		2,409,929
Net Chg	-14.19		-24.88%

	Date	Last Price	Volume		Date	Last Price	Volume		Date		Last Price	Volume
Fr	04/13/18			Fr	03/23/18	42.27	2,830,566	Fr	03/02/18	L	42.02	5,138,510
Th	04/12/18			Th	03/22/18	42.10	2,950,811	Th	03/01/18		42.28	5,207,964
We	04/11/18	42.84	1,315,828	We	03/21/18	42.17	4,268,646	We	02/28/18		43.05	4,537,023
Tu	04/10/18	42.59	1,836,838	Tu	03/20/18	43.12	2,603,965	Tu	02/27/18		43.94	2,832,012
Mo	04/09/18	43.26	2,826,599	Mo	03/19/18	43.60	3,307,888	Mo	02/26/18		44.37	2,105,536
Fr	04/06/18	43.73	3,012,213	Fr	03/16/18	43.58	5,682,867	Fr	02/23/18		44.12	2,462,913
Th	04/05/18	43.48	2,154,233	Th	03/15/18	43.31	3,094,406	Th	02/22/18		43.96	4,376,984
We	04/04/18	43.23	2,377,645	We	03/14/18	44.20	4,488,285	We	02/21/18		42.90	7,577,466
Tu	04/03/18	42.28	2,497,061	Tu	03/13/18	43.94	1,912,480	Tu	02/20/18		46.08	3,437,787
Mo	04/02/18	42.25	1,992,083	Mo	03/12/18	43.59	2,060,829	Mo	02/19/18			
Fr	03/30/18			Fr	03/09/18	43.61	1,780,264	Fr	02/16/18		46.17	7,061,220
Th	03/29/18	43.31	2,929,595	Th	03/08/18	43.14	2,163,672	Th	02/15/18		47.70	3,968,261
We	03/28/18	43.41	2,748,517	We	03/07/18	43.08	3,011,504	We	02/14/18		46.96	3,992,747
Tu	03/27/18	42.69	2,626,687	Tu	03/06/18	43.90	3,303,460	Tu	02/13/18		46.65	2,428,541
Mo	03/26/18	42.47	2,513,205	Mo	03/05/18	43.52	5,365,029	Mo	02/12/18		46.31	3,183,051

Beta


CPB US $ Market P40.31/40.87Z 1x1
Prev 40.36 Vol 200
CPB US Equity Relative Index SPX Index 96) Actions 97) Edit Historical Beta
Data Last Price Data Last Price Wkly Linear Beta +/- Non-Param Reg On Percent
04/14/2015 - 04/13/2018 04/24/2015 - 04/23/2017 Lag 0 Winsorize 2 Std Dev Local
6M YTD 1Y 2Y 5Y Max Weekly
Statistics Transformations
Legend Track Annotate Zoom Select Copy
Y = 0.386 X -0.075
CPB US Equity-Percent
SPX Index-Percent
Y = CAMPBELL SOUP CO
X = S&P 500 INDEX
Linear Beta Range 1
Raw BETA 0.386
Adjusted BETA 0.591
ALPHA (Intercept) -0.075
R^2 (Correlation^2) 0.049
R (Correlation) 0.221
Std Dev of Error 2.950
Std Error of ALPHA 0.237
Std Error of BETA 0.137
t-Test 2.815
Significance 0.006
Last T-Value -1.219
Last P-Value 0.112
Number of Points 156
Last Spread 2613.85
Last Ratio 0.016
Weekly: 04/17/15 - 04/13/18
CPB US Equity 42.45
SPX Index 2656.30
1984 1989 1994 1999 2004 2009 2014
Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2018 Bloomberg Finance L.P.
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Ownership

All Shareholders - Campbell Soup Co:

	Investor Name	Pos	% O/S	Pos Chg	% Pos Chg	Val ($MM)	Val Chg ($MM)	Investment Style	Equity Assets ($MM)	Turnover	City Name	Country	Filing Date	Filing Type
1	Malone (Mary Alice D)	53,271,548	17.72	54,935	0.10	2,494.17	2.57		2,494.17	Low		United States	19-Sep-2017	Proxy
2	Dorrance (Bennett)	46,315,129	15.41	-8,112	-0.02	2,168.47	-0.38		2,170.17	Low		United States	19-Sep-2017	Proxy
3	van Beuren (John A)	25,810,455	8.59	707,111	2.82	1,485.13	40.69		1,485.13	Low		United States	21-Apr-2017	13D
4	The Vanguard Group, Inc.	16,555,487	5.51	2,632,892	18.91	796.48	126.67	Index	3,187,007.09	Low	Malvern	United States	31-Dec-2017	13F
5	BlackRock Institutional Trust Company, N.A.	11,233,420	3.74	-266,834	-2.32	540.44	-12.84	Index	2,255,007.36	Low	San Francisco	United States	31-Dec-2017	13F
6	State Street Global Advisors (US)	8,398,246	2.79	38,125	0.46	404.04	1.83	Index	1,299,623.12	Low	Boston	United States	31-Dec-2017	13F
7	Invesco Advisers, Inc.	7,795,022	2.59	259,081	3.44	375.02	12.46	GARP	188,954.08	Low	Atlanta	United States	31-Dec-2017	13F
8	Wellington Management Company, LLP	5,459,312	1.82	1,241,165	29.42	262.65	59.71	Core Value	512,686.35	Low	Boston	United States	31-Dec-2017	13F
9	Fidelity Management & Research Company	4,845,732	1.61	2,735,475	129.63	233.13	131.60	GARP	1,214,035.18	Low	Boston	United States	31-Dec-2017	13F
10	Schroder Investment Management Ltd. (SIM)	4,362,072	1.45	961,852	28.29	209.86	46.27	Core Growth	162,070.31	Low	London	England	31-Dec-2017	13F
11	Brandywine Trust Company, LLC	3,917,508	1.30	0	0.00	188.47	0.00	Core Value	473.56	Low	Hockessin	United States	31-Dec-2017	13F
12	State Farm Insurance Companies	3,894,000	1.30	0	0.00	187.34	0.00	Core Growth	81,666.27	Low	Bloomington	United States	31-Dec-2017	13F
13	APG Asset Management	3,808,869	1.27	263,300	7.43	183.24	12.67	Core Growth	156,893.89	Low	Heerlen	Netherlands	31-Dec-2017	13F
14	Bessemer Trust Company, N.A. (US)	3,443,214	1.15	-2,549	-0.07	165.65	-0.12	Growth	32,725.71	Low	New York	United States	31-Dec-2017	13F
15	LSV Asset Management	3,095,193	1.03	2,114,693	215.67	148.91	101.74	Deep Value	73,803.48	Low	Chicago	United States	31-Dec-2017	13F
16	BNY Mellon Wealth Management	2,895,035	0.96	-17,500	-0.60	139.28	-0.84	Core Growth	43,291.12	Low	New York	United States	31-Dec-2017	13F
17	Beutel, Goodman & Company Ltd.	2,698,977	0.90	2,698,977	100.00	129.85	129.85	Core Value	18,678.32	Low	Toronto	Canada	31-Dec-2017	13F
18	Mellon Capital Management Corporation	2,562,781	0.85	21,429	0.84	123.30	1.03	Index	173,505.11	Low	San Francisco	United States	31-Dec-2017	13F
19	Geode Capital Management, L.L.C.	2,520,032	0.84	67,987	2.77	121.24	3.27	Index	342,341.82	Low	Boston	United States	31-Dec-2017	13F
20	Norges Bank Investment Management (NBIM)	1,962,023	0.65	49,833	2.61	94.39	2.40	Core Value	622,376.32	Low	Oslo	Norway	31-Dec-2017	13F
21	Northern Trust Investments, Inc.	1,748,206	0.58	45,158	2.65	84.11	2.17	Index	258,065.27	Low	Chicago	United States	31-Dec-2017	13F
22	Renaissance Technologies LLC	1,418,800	0.47	-673,700	-32.20	68.26	-32.41	Hedge Fund	90,457.85	Moderate	New York	United States	31-Dec-2017	13F
23	PNC Wealth Management	1,273,229	0.42	-20,349	-1.57	61.26	-0.98	Core Growth	73,757.41	Low	Philadelphia	United States	31-Dec-2017	13F
24	Manning & Napier Advisors, LLC	1,243,174	0.41	41,467	3.45	59.81	1.99	Core Value	12,880.16	Low	Fairport	United States	31-Dec-2017	13F
25	Two Sigma Investments, LP	1,214,474	0.40	-1,009,808	-45.40	58.43	-48.58	Hedge Fund	65,866.27	High	New York	United States	31-Dec-2017	13F
26	Guggenheim Investments	1,206,442	0.40	231,178	23.70	58.04	11.12	Core Value	45,221.64	Low	Rockville	United States	31-Dec-2017	13F
27	Schweizerische Nationalbank	1,152,553	0.38	19,100	1.69	55.45	0.92	Index	100,440.08	Low	Zurich	Switzerland	31-Dec-2017	13F
28	Nuveen LLC	1,120,178	0.37	-241,156	-17.71	53.89	-11.60	GARP	321,733.43	Low	New York	United States	31-Dec-2017	13F
29	Legal & General Investment Management Ltd.	1,083,583	0.36	12,869	1.20	52.13	0.62	Index	221,435.67	Low	London	England	31-Dec-2017	13F
30	PPM America, Inc.	1,055,700	0.35	1,055,700	100.00	50.79	50.79	Income Value	16,337.74	Low	Chicago	United States	31-Dec-2017	13F
31	BlackRock Investment Management (UK) Ltd.	1,040,008	0.35	11,394	1.11	50.03	0.55	Core Growth	317,816.09	Low	London	England	31-Dec-2017	13F
32	Dimensional Fund Advisors, L.P.	1,017,982	0.34	5,883	0.58	48.98	0.28	Core Growth	416,278.90	Low	Austin	United States	31-Dec-2017	13F
33	Eastspring Investments (Singapore) Limited	919,700	0.31	919,700	100.00	39.59	39.59	Core Value	32,558.36	Low	Singapore	Singapore	28-Feb-2018	Aggregate MFs
34	American Century Investment Management, Inc.	894,693	0.30	-462,745	-34.09	43.04	-22.26	Core Growth	135,487.34	Low	Kansas City	United States	31-Dec-2017	13F
35	Northern Trust Global Investments Limited	873,407	0.29	4,334	0.50	42.02	0.21	Core Growth	55,630.55	Low	London	England	31-Dec-2017	13F
36	Gabelli Funds, LLC	849,539	0.28	-53,200	-5.89	40.87	-2.56	Core Value	35,565.75	Low	Rye	United States	31-Dec-2017	13F
37	First Trust Advisors L.P.	827,395	0.28	396,150	91.86	39.81	19.06	Income Value	53,407.56	Low	Wheaton	United States	31-Dec-2017	13F
38	Charles Schwab Investment Management, Inc.	826,095	0.27	-128,223	-13.44	39.74	-6.17	Index	163,794.07	Low	San Francisco	United States	31-Dec-2017	13F
39	BlackRock Asset Management Ireland Limited	822,801	0.27	-9,493	-1.14	39.58	-0.46	Core Growth	94,699.19	Low	Dublin	Ireland	31-Dec-2017	13F
40	AQR Capital Management, LLC	813,047	0.27	-551,245	-40.41	39.12	-26.52	Hedge Fund	115,845.19	Low	Greenwich	United States	31-Dec-2017	13F
41	Deutsche Asset Management Americas	785,416	0.26	128,023	19.47	37.79	6.16	Core Growth	94,492.18	Moderate	New York	United States	31-Dec-2017	13F
42	Goldman Sachs & Company, Inc.	757,028	0.25	212,613	39.05	36.42	10.23	Broker-Dealer	207,374.16	Low	New York	United States	31-Dec-2017	13F
43	Hexavest Inc.	740,727	0.25	7,052	0.96	32.08	0.31	Core Value	9,033.72	Moderate	Montreal	Canada	31-Mar-2018	13F
44	BNY Mellon Asset Management	717,883	0.24	758	0.11	34.54	0.04	Income Value	93,594.45	Low	New York	United States	31-Dec-2017	13F
45	Bank of America Merrill Lynch (US)	698,025	0.23	-49,972	-6.68	33.58	-2.40	Broker-Dealer	376,251.73	Low	New York	United States	31-Dec-2017	13F
46	TOBAM	676,146	0.22	-71,334	-9.54	32.53	-3.43	Index	5,688.79	Low	Paris	France	31-Dec-2017	13F
47	Northern Trust Global Investments	660,976	0.22	86,264	15.01	31.80	4.15	Core Growth	116,871.65	Low	Chicago	United States	31-Dec-2017	13F
48	Morgan Stanley & Co. LLC	659,215	0.22	614,456	1,372.81	31.71	29.56	Broker-Dealer	82,858.17	Moderate	New York	United States	31-Dec-2017	13F
49	AXA Rosenberg Investment Management LLC	641,700	0.21	107,500	20.12	30.87	5.17	Core Value	23,035.88	Low	Orinda	United States	31-Dec-2017	13F
50	Columbia Threadneedle Investments (US)	625,858	0.21	532,386	569.57	30.11	25.61	Core Growth	219,241.52	Low	Boston	United States	31-Dec-2017	13F
51	Armistice Capital LLC	608,000	0.20	312,000	105.41	29.25	15.01	Hedge Fund	845.98	High	New York	United States	31-Dec-2017	13F
52	Sumitomo Mitsui Trust Bank, Limited	567,609	0.19	8,922	1.60	27.31	0.43	Core Growth	148,940.81	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
53	PGGM Vermogensbeheer B.V.	562,000	0.19	-110,272	-16.40	27.04	-5.31	GARP	57,985.88	Low	Zeist	Netherlands	31-Dec-2017	13F
54	California Public Employees' Retirement System	557,799	0.19	139,366	33.31	26.84	6.70	Index	143,716.59	Low	Sacramento	United States	31-Dec-2017	13F
55	Parametric Portfolio Associates LLC	519,708	0.17	196,116	60.61	25.00	9.44	Index	107,738.86	Low	Seattle	United States	31-Dec-2017	13F
56	Epoch Investment Partners, Inc.	488,941	0.16	-17,193	-3.40	23.52	-0.83	Growth	39,211.30	Low	New York	United States	31-Dec-2017	13F
57	GWL Investment Management Ltd.	481,551	0.16	292,949	155.33	23.17	14.09	Core Growth	43,166.97	Low	Winnipeg	Canada	31-Dec-2017	13F
58	Impax Asset Management Ltd.	472,900	0.16	56,000	13.43	20.48	2.43	Aggres. Gr.	8,274.48	Low	London	England	31-Mar-2018	13F
59	Goldman Sachs Asset Management (US)	466,418	0.16	61,614	15.22	22.44	2.96	Core Growth	140,389.11	Low	New York	United States	31-Dec-2017	13F
60	BlackRock Financial Management, Inc.	447,280	0.15	-108,147	-19.47	21.52	-5.20	Core Growth	201,112.09	Low	New York	United States	31-Dec-2017	13F
61	Credit Suisse Securities (USA) LLC	422,708	0.14	15,711	3.86	20.34	0.76	Broker-Dealer	82,845.51	Moderate	New York	United States	31-Dec-2017	13F
62	UBS Asset Management (UK) Ltd.	419,045	0.14	56,441	15.57	20.16	2.72	Core Value	74,041.63	Low	London	England	31-Dec-2017	13F
63	Mitsubishi UFJ Trust and Banking Corporation	417,417	0.14	-1,453	-0.35	20.08	-0.07	Core Growth	154,333.05	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
64	Rhumbline Advisers Ltd. Partnership	400,604	0.13	9,015	2.30	19.27	0.43	Index	49,196.49	Low	Boston	United States	31-Dec-2017	13F
65	BlackRock Investment Management, LLC	400,302	0.13	-18,434	-4.40	19.26	-0.89	Deep Value	118,750.10	Low	Princeton	United States	31-Dec-2017	13F
66	New York State Common Retirement Fund	396,100	0.13	0	0.00	19.06	0.00	Index	83,760.36	Low	Albany	United States	31-Dec-2017	13F
67	Principal Global Investors (Equity)	383,185	0.13	72,085	23.17	18.44	3.47	Core Growth	126,482.33	Low	Des Moines	United States	31-Dec-2017	13F
68	TD Waterhouse Private Investment Counsel, Inc.	379,888	0.13	369,729	3,639.42	18.28	17.79	Core Value	8,916.94	Low	Toronto	Canada	31-Dec-2017	13F
69	Asset Management One USA Inc.	351,017	0.12	-9,443	-2.62	16.89	-0.45	Equity Hedge	45,167.62	Low	New York	United States	31-Dec-2017	13F
70	T. Rowe Price Associates, Inc.	350,659	0.12	1,600	0.46	16.87	0.08	GARP	673,761.54	Low	Baltimore	United States	31-Dec-2017	13F
71	Anima SGR S.p.A.	349,781	0.12	-30,700	-8.07	15.15	-1.33	Core Growth	16,456.52	Moderate	Milan	Italy	31-Mar-2018	Aggregate MFs
72	Tocqueville Asset Management LP	345,554	0.11	-8,700	-2.46	16.62	-0.42	Deep Value	9,489.43	Low	New York	United States	31-Dec-2017	13F
73	INVESCO Global Structured Products Group	341,512	0.11	-2,605	-0.76	14.70	-0.11	Core Growth	9,685.98	Low	New York	United States	28-Feb-2018	Aggregate MFs
74	BNP Paribas Asset Management UK Limited	339,900	0.11	63,900	23.15	15.91	2.99	GARP	8,190.01	Low	London	England	30-Sep-2017	Aggregate MFs
75	Lazard Asset Management, L.L.C.	338,212	0.11	31,961	10.44	16.27	1.54	Core Value	106,822.81	Low	New York	United States	31-Dec-2017	13F
76	UBS Asset Management (Switzerland)	338,115	0.11	-21,735	-6.04	16.27	-1.05	Core Value	156,090.96	Low	Zurich	Switzerland	31-Dec-2017	13F
77	Federated MDTA LLC	337,246	0.11	156,691	86.78	16.22	7.54	GARP	4,503.06	Moderate	Boston	United States	31-Dec-2017	13F
78	Amundi Asset Management	333,532	0.11	86,093	34.79	16.05	4.14	GARP	129,520.71	Low	Paris	France	31-Dec-2017	13F
79	SunAmerica Asset Management, LLC	324,499	0.11	230,354	244.68	15.61	11.08	Growth	44,285.11	Low	Jersey City	United States	31-Dec-2017	13F
80	AllianceBernstein L.P.	324,305	0.11	-784,220	-70.74	15.60	-37.73	Core Growth	173,204.30	Low	New York	United States	31-Dec-2017	13F
81	Glenmede Investment Management LP	323,825	0.11	-297,540	-47.88	15.58	-14.31	Hedge Fund	23,858.71	Low	Philadelphia	United States	31-Dec-2017	13F
82	HSBC Global Asset Management (UK) Limited	323,760	0.11	45,035	16.16	15.58	2.17	Core Growth	76,222.52	Low	London	England	31-Dec-2017	13F
83	The Boston Company Asset Management, LLC	316,853	0.11	-5,326	-1.65	15.24	-0.26	Deep Value	55,156.85	Low	Boston	United States	31-Dec-2017	13F
84	New York State Teachers' Retirement System	315,472	0.10	17,699	5.94	15.18	0.85	Index	42,206.74	Low	Albany	United States	31-Dec-2017	13F
85	Martingale Asset Management, L.P.	311,897	0.10	-39,251	-11.18	15.01	-1.89	Core Value	7,537.01	Low	Boston	United States	31-Dec-2017	13F
86	Brown Advisory	304,820	0.10	85	0.03	14.66	0.00	GARP	31,684.29	Low	Baltimore	United States	31-Dec-2017	13F
87	California State Teachers Retirement System	303,983	0.10	-6,778	-2.18	14.62	-0.33	Index	49,910.19	Low	West Sacramento	United States	31-Dec-2017	13F
88	Citi Investment Research (US)	302,589	0.10	96,877	47.09	14.56	4.66	Broker-Dealer	52,305.45	Moderate	New York	United States	31-Dec-2017	13F
89	Herndon Capital Management, LLC	302,519	0.10	-20,557	-6.36	15.78	-1.07	GARP	836.76	Low	Atlanta	United States	30-Jun-2017	13F
90	AHL Partners LLP	292,061	0.10	216,738	287.74	14.05	10.43		6,394.07	High		United Kingdom	31-Dec-2017	13F
91	Aperio Group, LLC	291,783	0.10	157,456	117.22	14.04	7.58	Index	19,473.25	Low	Sausalito	United States	31-Dec-2017	13F
92	Deutsche Asset Management Investment GmbH	290,753	0.10	18,384	6.75	13.99	0.88	GARP	143,550.99	Low	Frankfurt	Germany	31-Dec-2017	13F
93	Citadel LLC	281,521	0.09	-258,175	-47.84	13.54	-12.42	Hedge Fund	68,842.73	High	Chicago	United States	31-Dec-2017	13F
94	Managed Asset Portfolios, LLC	276,240	0.09	13,001	4.94	13.29	0.63	Core Value	305.15	Low	Rochester	United States	31-Dec-2017	13F
95	Florida State Board of Administration	275,771	0.09	-1,740	-0.63	13.27	-0.08	Index	76,115.56	Low	Tallahassee	United States	31-Dec-2017	13F
96	Adage Capital Management, L.P.	274,246	0.09	163,092	146.73	13.19	7.85	Hedge Fund	44,132.64	Low	Boston	United States	31-Dec-2017	13F
97	Baillie Gifford & Co.	271,700	0.09	271,700	100.00	14.86	14.86	Core Growth	150,178.17	Low	Edinburgh	Scotland	30-Sep-2016	Aggregate MFs
98	Quantitative Management Associates LLC	269,712	0.09	-1,260	-0.46	12.98	-0.06	Index	75,801.13	Low	Newark	United States	31-Dec-2017	13F
99	UBS Asset Management (Americas), Inc.	266,567	0.09	18,734	7.56	12.82	0.90	Core Value	36,060.55	Low	Chicago	United States	31-Dec-2017	13F
100	JP Morgan Asset Management	256,998	0.09	124,671	94.21	12.36	6.00	GARP	347,179.94	Low	New York	United States	31-Dec-2017	13F
101	Schroder Investment Management North America Inc.	253,248	0.08	96,900	61.98	12.18	4.66	GARP	18,281.85	Low	New York	United States	31-Dec-2017	13F
102	Andra AP-Fonden	231,700	0.08	39,430	20.51	10.03	1.71	Income Value	5,103.83	Moderate	Gothenburg	Sweden	31-Mar-2018	13F
103	BlackRock Japan Co., Ltd.	222,912	0.07	-14,978	-6.30	10.72	-0.72	Core Growth	71,245.03	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
104	RBC Dominion Securities, Inc.	215,794	0.07	117,090	118.63	10.38	5.63		36,707.43	Low	Toronto	Canada	31-Dec-2017	13F
105	Envestnet Asset Management, Inc.	215,198	0.07	206,669	2,423.13	10.35	9.94	Core Growth	44,876.37	Low	Chicago	United States	31-Dec-2017	13F
106	Los Angeles Capital Management And Equity Research, Inc.	214,283	0.07	-7,863	-3.54	10.31	-0.38	Deep Value	19,334.35	Moderate	Los Angeles	United States	31-Dec-2017	13F
107	Morrison (Denise M)	208,998	0.07	26,724	14.66	9.79	1.25		10.33	Low		United States	30-Sep-2017	Insider Update
108	Morgan Stanley Wealth Management	199,919	0.07	16,057	8.73	9.62	0.77	Core Growth	203,532.67	Low	Seattle	United States	31-Dec-2017	13F
109	Hutchinson Capital Management	196,977	0.07	196,977	100.00	9.48	9.48	Core Value	385.41	Low	Larkspur	United States	31-Dec-2017	13F
110	Barclays Bank PLC	196,370	0.07	53,376	37.33	9.45	2.57		49,870.21	High	London	England	31-Dec-2017	13F
111	TD Asset Management Inc.	195,083	0.06	-5,406	-2.70	9.39	-0.26	GARP	71,039.99	Low	Toronto	Canada	31-Dec-2017	13F
112	Symons Capital Management Inc.	193,879	0.06	-26,144	-11.88	9.33	-1.26	Core Value	365.61	Moderate	Pittsburgh	United States	31-Dec-2017	13F
113	Waldron Wealth Management	189,385	0.06	189,385	100.00	9.11	9.11		412.98	Low	Bridgeville	United States	31-Dec-2017	13F
114	Victory Capital Management Inc.	185,556	0.06	18,249	10.91	8.93	0.88	Core Growth	48,960.24	Low	Brooklyn	United States	31-Dec-2017	13F
115	UBS Financial Services, Inc.	184,597	0.06	127,737	224.65	8.88	6.15		180,244.95	Low	Weehawken	United States	31-Dec-2017	13F
116	BlackRock Asset Management Canada Limited	183,354	0.06	-61,476	-25.11	8.82	-2.96	Index	37,703.05	Low	Toronto	Canada	31-Dec-2017	13F
117	Willis Investment Counsel Inc.	183,000	0.06	4,000	2.23	8.80	0.19	Deep Value	1,423.66	Low	Gainesville	United States	31-Dec-2017	13F
118	Pictet Asset Management Ltd.	177,565	0.06	2,314	1.32	8.54	0.11	Core Growth	92,805.46	Low	London	England	31-Dec-2017	13F
119	PineBridge Investments LLC	176,909	0.06	-12,153	-6.43	8.51	-0.58	GARP	5,147.51	Moderate	New York	United States	31-Dec-2017	13F
120	KBC Group NV	174,499	0.06	-37,483	-17.68	8.40	-1.80		11,669.24	Low	Brussels	Belgium	31-Dec-2017	13F
121	Wells Fargo Advisors	172,024	0.06	35,079	25.62	8.28	1.69	Broker-Dealer	171,744.95	Low	Richmond	United States	31-Dec-2017	13F
122	Gotham Asset Management, LLC	170,121	0.06	-222,477	-56.67	8.18	-10.70	Hedge Fund	6,867.98	High	New York	United States	31-Dec-2017	13F
123	Manulife Asset Management Limited	169,500	0.06	-3,281	-1.90	8.15	-0.16	Core Growth	38,014.12	Low	Toronto	Canada	31-Dec-2017	13F
124	Eaton Vance Management	169,457	0.06	5,562	3.39	8.15	0.27	Mixed Style	46,730.76	Low	Boston	United States	31-Dec-2017	13F
125	State of Wisconsin Investment Board	168,019	0.06	49,188	41.39	8.08	2.37	Core Growth	38,619.26	Low	Madison	United States	31-Dec-2017	13F
126	Chevy Chase Trust Company	164,225	0.05	-4,044	-2.40	7.11	-0.18		22,501.43	Low	Bethesda	United States	31-Mar-2018	13F
127	Fidelity Institutional Asset Management	161,900	0.05	152,300	1,586.46	7.79	7.33	GARP	76,248.77	Low	Smithfield	United States	31-Dec-2017	13F
128	JPMorgan Private Bank (United States)	158,562	0.05	63,118	66.13	7.63	3.04	Core Value	107,518.03	Low	New York	United States	31-Dec-2017	13F
129	PanAgora Asset Management Inc.	151,066	0.05	-90,352	-37.43	7.27	-4.35	GARP	27,315.87	Low	Boston	United States	31-Dec-2017	13F
130	AMP Capital Investors Limited	150,756	0.05	-21,675	-12.57	7.25	-1.04	Yield	23,818.05	Low	Sydney	Australia	31-Dec-2017	13F
131	CPP Investment Board	149,610	0.05	-146,300	-49.44	7.20	-7.04	Core Value	96,825.55	Low	Toronto	Canada	31-Dec-2017	13F
132	Voya Investment Management LLC	146,001	0.05	-144,955	-49.82	7.02	-6.97	Core Growth	54,528.95	Low	New York	United States	31-Dec-2017	13F
133	BlackRock Advisors (UK) Limited	145,838	0.05	25,502	21.19	7.02	1.23	Index	148,883.42	Low	London	England	31-Dec-2017	13F

134	Meyer Handelman Company LLC	143,800	0.05	-6,900	-4.58	6.92	-0.33	Core Value	2,086.99	Low	Rye Brook	United States	31-Dec-2017	13F
135	Echo Street Capital Management, LLC	143,193	0.05	143,193	100.00	6.89	6.89	Hedge Fund	3,354.14	Moderate	New York	United States	31-Dec-2017	13F
136	First National Bank of Omaha	143,000	0.05	0	0.00	6.88	0.00	Core Growth	1,733.47	Low	Omaha	United States	31-Dec-2017	13F
137	DZ Bank AG Deutsche Zentral-Genossenschaftsbank	141,076	0.05	8,933	6.76	6.79	0.43		24,908.94	Low	Frankfurt	Germany	31-Dec-2017	13F
138	State Street Global Advisors (UK) Ltd.	139,368	0.05	2,540	1.86	6.04	0.11	Index	91,423.37	Low	London	England	31-Mar-2018	Aggregate MFs
139	Arizona State Retirement System	139,086	0.05	3,959	2.93	6.69	0.19	Core Growth	10,236.88	Low	Phoenix	United States	31-Dec-2017	13F
140	Aberdeen Asset Investments Limited	138,254	0.05	1,129	0.82	6.65	0.05	Core Growth	93,330.98	Low	London	England	31-Dec-2017	13F
141	Wells Fargo Bank, N.A.	137,265	0.05	11,284	8.96	6.60	0.54	Core Value	92,165.96	Low	San Francisco	United States	31-Dec-2017	13F
142	Raiffeisen Kapitalanlage-Gesellschaft mbH	135,590	0.05	0	0.00	5.84	0.00	Core Value	6,231.81	Moderate	Vienna	Austria	28-Feb-2018	Aggregate MFs
143	Korea Investment Corporation	134,056	0.04	100,100	294.79	6.45	4.82	Core Growth	22,002.53	Low	Seoul	Korea, Rep. (South)	31-Dec-2017	13F
144	RBC Capital Markets Wealth Management	132,086	0.04	36,862	38.71	6.35	1.77	Broker-Dealer	46,106.80	Low	Minneapolis	United States	31-Dec-2017	13F
145	AXA Investment Managers UK Ltd.	129,800	0.04	43,658	50.68	6.24	2.10	Core Value	26,234.59	Low	London	England	31-Dec-2017	13F
146	Credit Suisse Asset Management	129,326	0.04	-2,470	-1.87	5.57	-0.11	Core Growth	86,525.02	Low	Zurich	Switzerland	28-Feb-2018	Aggregate MFs
147	Millennium Management LLC	125,265	0.04	-576,731	-82.16	6.03	-27.75	Hedge Fund	69,160.86	High	New York	United States	31-Dec-2017	13F
148	Tennessee Consolidated Retirement System	124,758	0.04	71,984	136.40	6.00	3.46	Core Growth	22,303.89	Low	Nashville	United States	31-Dec-2017	13F
149	BNP Paribas Securities Corp. North America	122,244	0.04	-26,539	-17.84	5.88	-1.28	Broker-Dealer	24,311.04	High	New York	United States	31-Dec-2017	13F
150	Invesco PowerShares Capital Management LLC	121,134	0.04	60,283	99.07	5.83	2.90	Index	112,941.34	Low	Downers Grove	United States	31-Dec-2017	13F
151	StoneRidge Investment Partners, LLC	120,823	0.04	120,823	100.00	5.81	5.81	Core Value	625.64	High	Radnor	United States	31-Dec-2017	13F
152	Ontario Teachers' Pension Plan Board	119,687	0.04	-16,482	-12.10	5.76	-0.79	Core Value	11,291.28	Low	Toronto	Canada	31-Dec-2017	13F
153	Candriam Belgium S.A.	119,635	0.04	0	0.00	5.15	0.00	GARP	16,301.75	Moderate	Brussels	Belgium	28-Feb-2018	Aggregate MFs
154	Janus Henderson Investors	119,546	0.04	-168,163	-58.45	5.75	-8.09	Core Growth	223,391.91	Low	London	England	31-Dec-2017	13F
155	BMO Asset Management Inc.	119,305	0.04	-9,404	-7.31	5.17	-0.41	GARP	50,761.52	Low	Toronto	Canada	31-Mar-2018	13F
156	Zürcher Kantonalbank (Asset Management)	118,875	0.04	69,309	139.83	5.72	3.33	Growth	34,343.92	Low	Zurich	Switzerland	31-Dec-2017	13F
157	TD Securities, Inc.	118,409	0.04	45,313	61.99	5.70	2.18	Broker-Dealer	31,016.05	Low	New York	United States	31-Dec-2017	13F
158	AXA Rosenberg Investment Management Ltd.	117,200	0.04	-81,800	-41.11	5.05	-3.52	Core Value	3,355.47	Moderate	London	England	28-Feb-2018	Aggregate MFs
159	Engineers Gate Manager, L.P.	113,419	0.04	-12,715	-10.08	5.46	-0.61	Hedge Fund	1,443.48	High	New York	United States	31-Dec-2017	13F
160	ACTIAM N.V.	110,897	0.04	7,690	7.45	4.77	0.33	Income Value	13,961.16	Low	Utrecht	Netherlands	28-Feb-2018	Aggregate MFs
161	Compagnie Lombard, Odier SCA	110,000	0.04	0	0.00	5.29	0.00		2,725.79	Low	Geneva	Switzerland	31-Dec-2017	13F
162	Robeco Institutional Asset Management B.V.	108,596	0.04	1,421	1.33	5.22	0.07	Core Growth	41,108.44	Low	Rotterdam	Netherlands	31-Dec-2017	13F
163	Sanlam Four Investments UK Limited	107,800	0.04	72,200	202.81	4.64	3.11	Core Value	1,395.64	Moderate	London	England	28-Feb-2018	Aggregate MFs
164	Nordea Funds Oy	104,764	0.03	0	0.00	5.04	0.00	GARP	100,312.05	Low	Helsinki	Finland	31-Dec-2017	13F
165	SG Americas Securities, L.L.C.	101,004	0.03	-13,278	-11.62	4.86	-0.64	Broker-Dealer	8,752.79	High	New York	United States	31-Dec-2017	13F
166	Front Street Capital Management, Inc.	100,526	0.03	-1,805	-1.76	4.84	-0.09		289.21	Low	Missoula	United States	31-Dec-2017	13F
167	Airain Ltd	99,323	0.03	99,323	100.00	5.18	5.18		2,128.87	High	St. Peter Port	Guernsey	30-Jun-2017	13F
168	Aviva Investors Global Services Limited	98,709	0.03	-14,488	-12.80	4.75	-0.70	Core Growth	51,671.76	Low	London	England	31-Dec-2017	13F
169	Alberta Investment Management Corporation	94,600	0.03	-13,500	-12.49	4.55	-0.65	Core Value	11,227.74	Moderate	Edmonton	Canada	31-Dec-2017	13F
170	The Retirement Systems of Alabama	93,207	0.03	-894	-0.95	4.48	-0.04	Core Value	21,003.22	Low	Montgomery	United States	31-Dec-2017	13F
171	Highland Capital Management, LLC	92,100	0.03	-5,450	-5.59	3.99	-0.24	GARP	1,280.41	Low	Memphis	United States	31-Mar-2018	13F
172	Evli Fund Management Company Ltd.	90,891	0.03	538	0.60	3.91	0.02	Aggres. Gr.	3,269.19	Moderate	Helsinki	Finland	28-Feb-2018	Aggregate MFs
173	First Quadrant L.P.	90,235	0.03	-483,420	-84.27	4.34	-23.26	Core Value	5,445.15	Moderate	Pasadena	United States	31-Dec-2017	13F
174	Banque de Luxembourg Investments	90,000	0.03	4,203	4.90	3.87	0.18	Core Growth	7,287.64	Low	Luxembourg	Luxembourg	28-Feb-2018	Aggregate MFs
175	Irish Life Investment Managers Ltd.	89,786	0.03	0	0.00	4.18	0.00	Core Value	8,363.83	Low	Dublin	Ireland	31-Jan-2018	Aggregate MFs
176	Alexander (Mark R)	89,345	0.03	29,565	49.46	4.18	1.38		4.78	Low		United States	30-Sep-2017	Insider Update
177	Achmea Investment Management B.V.	88,279	0.03	40,283	83.93	4.25	1.94	Growth	3,016.61	Low	Zeist	Netherlands	31-Dec-2017	13F
178	Barclays Capital Inc.	86,328	0.03	-4,630	-5.09	4.15	-0.22	Broker-Dealer	7,047.09	High	New York	United States	31-Dec-2017	13F
179	QS Investors, LLC	84,298	0.03	814	0.98	4.06	0.04	Growth	13,540.85	Low	New York	United States	31-Dec-2017	13F
180	Grossbötzl, Schmitz & Partner Vermögensverwaltersozietät	83,500	0.03	0	0.00	3.59	0.00	Growth	249.26	Low	Düsseldorf	Germany	28-Feb-2018	Aggregate MFs
181	RobecoSAM AG	81,994	0.03	81,994	100.00	4.49	4.49	Specialty	3,376.73	Low	Zurich	Switzerland	30-Sep-2016	13F
182	Nomura Asset Management Co., Ltd.	80,621	0.03	-49,573	-38.08	3.88	-2.38	Core Growth	162,912.11	Low	Chuo-ku (Tokyo)	Japan	31-Dec-2017	13F
183	Hartford Investment Management Company	78,800	0.03	-2,035	-2.52	3.79	-0.10	Core Growth	5,667.55	Low	Hartford	United States	31-Dec-2017	13F
184	Jane Street Capital, L.L.C.	76,327	0.03	-364,038	-82.67	3.67	-17.51	Broker-Dealer	13,022.94	High	New York	United States	31-Dec-2017	13F
185	Ohio Public Employees Retirement System	75,778	0.03	-535	-0.70	3.65	-0.03	GARP	21,590.61	Low	Columbus	United States	31-Dec-2017	13F
186	Manulife Asset Management (US) LLC	75,434	0.03	-15,004	-16.59	3.63	-0.72	Core Growth	122,225.14	Low	Boston	United States	31-Dec-2017	13F
187	Trexquant Investment LP	75,169	0.03	75,169	100.00	3.62	3.62	Hedge Fund	903.36	High	Stamford	United States	31-Dec-2017	13F
188	Lincoln Investment Advisors Corporation	74,616	0.02	19,600	35.63	3.59	0.94		29,986.19	Low	Concord	United States	31-Dec-2017	Aggregate MFs
189	Storebrand Kapitalforvaltning AS	73,963	0.02	-7,242	-8.92	3.18	-0.31	GARP	21,768.58	Low	Lysaker	Norway	28-Feb-2018	Aggregate MFs
190	Lombard Odier Darier Hentsch & Cie	73,171	0.02	-42,242	-36.60	3.52	-2.03	Core Growth	9,133.28	Moderate	Geneva	Switzerland	31-Dec-2017	13F
191	Destination Wealth Management	72,878	0.02	29,302	67.24	3.51	1.41	GARP	1,646.78	Low	Walnut Creek	United States	31-Dec-2017	13F
192	Alaska Retirement Management Board	72,586	0.02	16,211	28.76	3.14	0.70	Specialty	4,807.42	Moderate	Juneau	United States	31-Mar-2018	13F
193	Argenta Fund	72,292	0.02	15,437	27.15	3.11	0.66	Growth	2,333.85	Low	Luxembourg	Luxembourg	28-Feb-2018	Aggregate MFs
194	Jolley Asset Management, LLC	71,038	0.02	4,245	6.36	3.08	0.18	Deep Value	165.15	Low	Rocky Mount	United States	31-Mar-2018	13F
195	Kornitzer Capital Management Inc.	70,400	0.02	246	0.35	3.39	0.01	Core Value	6,089.96	Low	Shawnee Mission	United States	31-Dec-2017	13F
196	Vinney (Leslie C)	70,398	0.02	4,993	7.63	3.30	0.23		4.57	Low		United States	19-Sep-2017	Proxy
197	Vanguard Investments Australia Ltd.	69,722	0.02	880	1.28	3.02	0.04	Index	48,436.20	Low	Melbourne	Australia	31-Mar-2018	Aggregate MFs
198	DiSilvestro (Anthony P)	69,090	0.02	28,745	71.25	3.23	1.35		3.23	Low		United States	30-Sep-2017	Insider Update
199	British Columbia Investment Management Corp.	67,682	0.02	3,000	4.64	3.26	0.14	Core Value	41,898.08	Low	Victoria	Canada	31-Dec-2017	13F
200	NNIP Advisors B.V.	67,304	0.02	0	0.00	3.24	0.00	Core Growth	25,645.36	Moderate	The Hague	Netherlands	31-Dec-2017	13F
201	FCI Advisors	66,922	0.02	-662	-0.98	3.22	-0.03	Core Growth	2,182.09	Low	Kansas City	United States	31-Dec-2017	13F
202	BlackRock Investment Management (Australia) Ltd.	66,227	0.02	-10,022	-13.14	3.19	-0.48	Growth	18,792.79	Low	Melbourne	Australia	31-Dec-2017	13F
203	Hennessy Advisors, Inc.	65,400	0.02	65,400	100.00	2.83	2.83	GARP	3,627.63	Low	Novato	United States	31-Mar-2018	Aggregate MFs
204	World Asset Management, Inc.	61,885	0.02	-3,097	-4.77	2.98	-0.15	Index	11,704.42	Low	Detroit	United States	31-Dec-2017	13F
205	MetLife Investment Advisors, LLC	59,511	0.02	59,511	100.00	2.86	2.86		8,813.10			United States	31-Dec-2017	13F
206	The Bollard Group, LLC	58,695	0.02	1,815	3.19	2.82	0.09		2,111.93	Low	Boston	United States	31-Dec-2017	13F
207	Gulf International Bank (UK) Limited	58,518	0.02	0	0.00	2.82	0.00	Core Value	7,871.14	Low	London	England	31-Dec-2017	13F
208	Gargoyle Asset Management, LLC	57,975	0.02	7,975	15.95	2.79	0.38	Hedge Fund	250.27	Moderate	Englewood	United States	31-Dec-2017	13F
209	Aberdeen Asset Managers Ltd.	57,777	0.02	-8,835	-13.26	2.78	-0.43	Core Growth	47,453.07	Low	London	England	31-Dec-2017	13F
210	Mignini Luca	57,347	0.02	17,381	43.49	2.42	0.73		2.42	Low		United States	01-Apr-2018	Insider Update
211	INTECH Investment Management LLC	57,000	0.02	0	0.00	2.74	0.00	GARP	3,874.69	Low	West Palm Beach	United States	31-Dec-2017	Aggregate MFs
212	Michigan Department of Treasury	56,359	0.02	-2,500	-4.25	2.71	-0.12	Core Value	12,738.58	Low	East Lansing	United States	31-Dec-2017	13F
213	Wilshire Associates Incorporated	55,804	0.02	18,453	49.40	2.40	0.79	Index	383.33	Moderate	Santa Monica	United States	28-Feb-2018	Aggregate MFs
214	GAM Investment Management (Switzerland) AG	55,718	0.02	-3,135	-5.33	2.68	-0.15	GARP	6,535.02	Low	Zurich	Switzerland	31-Dec-2017	13F
215	Monyx Asset Management	55,564	0.02	48,062	640.66	2.63	2.28		1,378.51	High	Stockholm	Sweden	31-Oct-2017	Aggregate MFs
216	Winmill & Co. Incorporated.	55,000	0.02	0	0.00	2.38	0.00	Growth	248.44	Moderate	New York	United States	31-Mar-2018	13F
217	ProFund Advisors LLC	54,951	0.02	8,561	18.45	2.64	0.41	Index	17,283.08	Low	Bethesda	United States	31-Dec-2017	13F
218	Sompo Japan Nipponkoa Asset Management Co., Ltd.	54,290	0.02	-310	-0.57	2.61	-0.01	GARP	2,028.78	Low	Chuo-ku (Tokyo)	Japan	31-Dec-2017	13F
219	Teacher Retirement System of Texas	52,924	0.02	52,924	100.00	2.55	2.55	GARP	16,117.80	Low	Austin	United States	31-Dec-2017	13F
220	Texas Permanent School Fund	52,508	0.02	-1,245	-2.32	2.53	-0.06	Index	7,974.03	Low	Austin	United States	31-Dec-2017	13F
221	Assenagon Asset Management S.A.	50,570	0.02	13,954	38.11	2.43	0.67	Index	14,755.86	High	Munich	Germany	31-Dec-2017	13F
222	U.S. Bancorp Asset Management, Inc.	50,295	0.02	-5,560	-9.95	2.42	-0.27	Core Growth	33,415.36	Low	Minneapolis	United States	31-Dec-2017	13F
223	Oregon Public Employees Retirement System	50,019	0.02	545	1.10	2.17	0.02	Core Growth	6,630.48	Low	Salem	United States	31-Mar-2018	13F
224	Cognios Capital, LLC	49,221	0.02	-3,376	-6.42	2.37	-0.16	Hedge Fund	264.62	High	Leawood	United States	31-Dec-2017	13F
225	Managed Account Advisors LLC	49,001	0.02	-84,779	-63.37	2.36	-4.08	Specialty	219,380.25	Low	Jersey City	United States	31-Dec-2017	13F
226	LPL Financial LLC	47,874	0.02	15,441	47.61	2.30	0.74	GARP	32,762.28	Moderate	Boston	United States	31-Dec-2017	13F
227	Numeric Investors LLC	47,850	0.02	2,350	5.16	2.30	0.11	Core Value	14,520.43	Moderate	Boston	United States	31-Dec-2017	13F
228	Raymond James & Associates, Inc.	47,479	0.02	15,399	48.00	2.28	0.74	Broker-Dealer	54,284.32	Low	St. Petersburg	United States	31-Dec-2017	13F
229	CIBC World Markets Corp.	46,449	0.02	14,722	46.40	2.23	0.71	Broker-Dealer	11,491.43	High	New York	United States	31-Dec-2017	13F
230	Fjärde AP-Fonden	45,624	0.02	12,069	35.97	2.19	0.58	Index	13,286.29	Low	Stockholm	Sweden	31-Dec-2017	13F
231	Danske Capital	45,611	0.02	28,826	171.74	1.96	1.24	Core Growth	13,058.15	Low	Lyngby	Denmark	28-Feb-2018	Aggregate MFs
232	Canal Insurance Company	45,000	0.01	0	0.00	2.16	0.00	Deep Value	276.23	Low	Greenville	United States	31-Dec-2017	13F
233	DuPont Capital Management Corporation	44,910	0.01	0	0.00	2.16	0.00	Core Value	4,462.94	Moderate	Wilmington	United States	31-Dec-2017	13F
234	Shepherd Kaplan Krochuk, LLC	44,450	0.01	44,450	100.00	2.14	2.14	Hedge Fund	145.87	Moderate	Boston	United States	31-Dec-2017	13F
235	William Blair & Company, L.L.C. (Research)	44,068	0.01	5,929	15.55	2.12	0.29	Broker-Dealer	26,907.57	Low	Chicago	United States	31-Dec-2017	13F
236	Wilmington Trust, National Association	43,931	0.01	-185	-0.42	2.11	-0.01	Growth	5,818.91	Low	North Palm Beach	United States	31-Dec-2017	13F
237	Thrivent Asset Management, LLC	43,826	0.01	-928	-2.07	2.11	-0.04	GARP	33,232.76	Low	Minneapolis	United States	31-Dec-2017	13F
238	BMO Capital Markets (US)	43,825	0.01	5,488	14.32	1.90	0.24	Broker-Dealer	21,180.61	High	New York	United States	31-Mar-2018	13F
239	Tredje AP Fonden	43,719	0.01	-2,660	-5.74	2.10	-0.13	Core Growth	16,676.29	Moderate	Stockholm	Sweden	31-Dec-2017	13F
240	Northwestern Mutual Investment Management Company LLC	43,445	0.01	-42	-0.10	2.09	0.00		6,047.60	Low	Milwaukee	United States	31-Dec-2017	13F
241	Delta Capital Management, L.L.C.	42,990	0.01	-550	-1.26	1.86	-0.02	Core Value	152.57	Low	New York	United States	31-Mar-2018	13F
242	Candriam Luxembourg S.A.	42,757	0.01	-433,628	-91.02	2.06	-20.86	GARP	6,670.06	Low	Luxembourg	Luxembourg	31-Dec-2017	13F
243	Ciongoli (Adam G)	42,684	0.01	24,363	132.98	2.00	1.14		2.00	Low		United States	30-Sep-2017	Insider Update
244	BlackRock (Netherlands) B.V.	42,036	0.01	0	0.00	2.02	0.00	GARP	6,916.04	Low		Netherlands	31-Dec-2017	13F
245	Commonwealth Financial Network	40,980	0.01	8,261	25.25	1.97	0.40	Core Growth	18,278.44	Low	Waltham	United States	31-Dec-2017	13F
246	Monongahela Capital Management	40,846	0.01	-5,697	-12.24	1.97	-0.27	GARP	308.72	Low	Cranberry Township	United States	31-Dec-2017	13F
247	Banque Pictet & Cie S.A.	40,000	0.01	10,000	33.33	1.92	0.48		5,168.54	Low	Geneva	Switzerland	31-Dec-2017	13F
248	Paloma Partners Management Company	39,958	0.01	-42,742	-51.68	1.92	-2.06	Hedge Fund	2,537.85	High	Greenwich	United States	31-Dec-2017	13F
249	Analytic Investors, LLC	39,828	0.01	16,567	71.22	1.92	0.80	Deep Value	17,056.58	Moderate	Los Angeles	United States	31-Dec-2017	13F
250	Impax Asset Management LLC	39,352	0.01	24,647	167.61	1.89	1.19	Specialty	3,944.28	Low	Portsmouth	United States	31-Dec-2017	Aggregate MFs
251	Northern Capital Management, LLC	39,165	0.01	-34,645	-46.94	1.88	-1.67	Core Growth	387.87	Moderate	Madison	United States	31-Dec-2017	13F
252	Hamilton Point Investment Advisors, LLC	38,385	0.01	2,080	5.73	1.85	0.10		191.15	Low	Chapel Hill	United States	31-Dec-2017	13F
253	Baird Investment Management	38,359	0.01	19,488	103.27	1.85	0.94	Core Growth	14,323.35	Low	Milwaukee	United States	31-Dec-2017	13F
254	RBC Global Asset Management Inc.	38,144	0.01	-27,631	-42.01	1.84	-1.33	Core Value	66,726.80	Low	Toronto	Canada	31-Dec-2017	13F
255	Stone Ridge Asset Management LLC	38,063	0.01	38,063	100.00	1.83	1.83		2,138.89	High	New York	United States	31-Dec-2017	13F
256	SEB Investment Management AB	37,645	0.01	0	0.00	1.81	0.00	Core Growth	40,066.63	Low	Stockholm	Sweden	31-Dec-2017	13F
257	MEAG Munich ERGO Kapitalanlagegesellschaft mbH	37,432	0.01	9,289	33.01	1.80	0.45	Core Value	4,540.04	Moderate	Munich	Germany	31-Dec-2017	13F
258	TWIN Capital Management, Inc.	37,351	0.01	14,323	62.20	1.80	0.69	Core Value	2,034.10	Low	McMurray	United States	31-Dec-2017	13F
259	DekaBank Deutsche Girozentrale	37,115	0.01	-7,116	-16.09	1.74	-0.33	Core Growth	12,936.57	Low	Frankfurt	Germany	30-Sep-2017	13F
260	KBC Asset Management N.V.	36,765	0.01	9,680	35.74	1.92	0.50	Core Value	15,575.46	Low	Brussels	Belgium	30-Jun-2017	Aggregate MFs
261	NISA Investment Advisors, L.L.C.	36,736	0.01	6,350	20.90	1.59	0.28	Index	9,529.28	Low	St. Louis	United States	31-Mar-2018	13F
262	St. James's Place Wealth Management Plc	36,653	0.01	-14,860	-28.85	2.00	-0.81	GARP	9,696.87	Low	Gloucester	England	30-Sep-2016	Aggregate MFs
263	Janney Montgomery Scott LLC	36,609	0.01	14,504	65.61	1.59	0.63	Broker-Dealer	9,932.04	Low	Philadelphia	United States	31-Mar-2018	13F
264	Xact Kapitalforvaltning AB	36,175	0.01	1,774	5.16	1.74	0.09		5,425.92	Low	Stockholm	Sweden	31-Dec-2017	13F
265	Cornerstone Capital Management Holdings LLC	36,159	0.01	2,865	8.61	1.74	0.14	Core Growth	15,943.87	Moderate	New York	United States	31-Dec-2017	13F
266	Ronald Blue & Co LLC	36,019	0.01	-20	-0.06	1.88	0.00	Growth	3,101.24	Low	Roswell	United States	30-Jun-2017	13F
267	J O Hambro Capital Management Limited	35,082	0.01	35,082	100.00	1.83	1.83	Core Value	29,460.64	Low	London	England	30-Jun-2017	13F
268	Scotia Capital Inc.	34,736	0.01	21,105	154.83	1.67	1.02	Broker-Dealer	7,317.06	Low	Toronto	Canada	31-Dec-2017	13F
269	Metropolitan Life Insurance Co. (US)	34,651	0.01	-158,563	-82.07	1.67	-7.63	Index	10,290.98	Low	Morristown	United States	31-Dec-2017	13F
270	Connor, Clark & Lunn Investment Management Ltd.	34,075	0.01	-100,450	-74.67	1.64	-4.83	Core Value	18,897.26	Low	Vancouver	Canada	31-Dec-2017	13F
271	Public Employees' Retirement Association of CO	34,042	0.01	1,059	3.21	1.64	0.05	Index	15,684.29	Low	Denver	United States	31-Dec-2017	13F

272	Pittenger & Anderson, Inc.	33,735	0.01	4,215	14.28	1.62	0.20	Core Value	1,142.79	Low	Lincoln	United States	31-Dec-2017	13F
273	CIBC Asset Management Inc.	33,023	0.01	-82	-0.25	1.59	0.00	Core Value	27,118.72	Low	Montreal	Canada	31-Dec-2017	13F
274	Alambic Investment Management, L.P.	32,980	0.01	-14,100	-29.95	1.59	-0.68	Income Value	817.30	High	San Francisco	United States	31-Dec-2017	13F
275	Utah Retirement Systems	32,785	0.01	0	0.00	1.58	0.00	Index	4,751.99	Low	Salt Lake City	United States	31-Dec-2017	13F
276	Commonwealth Bank of Australia	32,220	0.01	-211	-0.65	1.55	-0.01	Core Growth	12,710.18	Low	Sydney	Australia	31-Dec-2017	13F
277	Catalyst Capital Advisors, LLC	32,000	0.01	2,000	6.67	1.54	0.10	Core Value	2,947.18	Moderate	Huntington	United States	31-Dec-2017	13F
278	Boston Family Office, LLC	31,765	0.01	2,245	7.61	1.53	0.11	Core Growth	906.59	Low	Boston	United States	31-Dec-2017	13F
279	HSBC Global Asset Management (France) S.A.	30,998	0.01	22,846	280.25	1.49	1.10	Core Growth	9,073.60	Low	Puteaux	France	31-Dec-2017	13F
280	Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	30,839	0.01	2,702	9.60	1.48	0.13	Core Growth	43,117.59	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
281	Neuberger Berman, LLC	30,677	0.01	30,677	100.00	1.48	1.48	GARP	91,861.89	Low	New York	United States	31-Dec-2017	13F
282	Bank of Oklahoma, N.A.	30,530	0.01	-2,221	-6.78	1.47	-0.11	Income Value	3,624.14	Low	Tulsa	United States	31-Dec-2017	13F
283	Cubist Systematic Strategies, LLC	30,527	0.01	30,527	100.00	1.47	1.47		1,874.20	High	Stamford	United States	31-Dec-2017	13F
284	Independence Advisors, LLC	30,511	0.01	0	0.00	1.32	0.00		303.11	Low	Wayne	United States	31-Mar-2018	13F
285	Bank of Nova Scotia	30,346	0.01	-4,289	-12.38	1.46	-0.21	Yield	23,283.61	Moderate	Toronto	Canada	31-Dec-2017	13F
286	Shreiber (Nicholas)	30,074	0.01	2,930	10.79	1.38	0.14		1.38	Low		United States	08-Jan-2018	Insider Update
287	Mn Services Vermogensbeheer B.V	29,910	0.01	0	0.00	1.40	0.00	Core Growth	3,811.89	High	The Hague	Netherlands	30-Sep-2017	13F
288	Accident Compensation Corporation	29,904	0.01	-7,596	-20.26	1.44	-0.37	Core Value	2,108.99	Low	Wellington	New Zealand	31-Dec-2017	13F
289	Wolverine Trading, LLC	29,892	0.01	29,892	100.00	1.44	1.44		3,900.04	High	Chicago	United States	31-Dec-2017	13F
290	Advisor Group, Inc	29,810	0.01	10,802	56.83	1.43	0.52		7,470.64	Low	New York	United States	31-Dec-2017	13F
291	Zebra Capital Management, LLC	29,722	0.01	7,057	31.14	1.43	0.34	Hedge Fund	331.36	Moderate	Milford	United States	31-Dec-2017	13F
292	Raymond James Financial Services Advisors, Inc.	29,593	0.01	5,881	24.80	1.28	0.25		17,388.28		St. Petersburg	United States	31-Mar-2018	13F
293	ExxonMobil Investment Management, Inc.	29,453	0.01	-1,130	-3.69	1.28	-0.05	GARP	3,466.45	Low	Irving	United States	31-Mar-2018	13F
294	Polomski (Stanley)	29,377	0.01	7,243	32.72	1.38	0.34		1.38	Low		United States	30-Sep-2017	Insider Update
295	Cantab Capital Partners LLP	29,295	0.01	4,104	16.29	1.41	0.20	Hedge Fund	712.22	High	Cambridge	England	31-Dec-2017	13F
296	ING Bank N.V.	29,273	0.01	-6,127	-17.31	1.41	-0.29	Core Growth	7,806.51	Moderate		Netherlands	31-Dec-2017	13F
297	First Asset Investment Management, Inc.	29,031	0.01	1,619	5.91	1.26	0.07		2,042.08	Low	Toronto	Canada	31-Mar-2018	Aggregate MFs
298	Shell Asset Management Company B.V.	28,935	0.01	-1,091	-3.63	1.39	-0.05	GARP	5,754.16	Low	Rijswijk	Netherlands	31-Dec-2017	13F
299	SEI Investments Management Corporation	28,726	0.01	-12,241	-29.88	1.38	-0.59	Specialty	32,437.97	Low	Oaks	United States	31-Dec-2017	13F
300	Cadence Capital Management, LLC	28,547	0.01	-12,973	-31.25	1.37	-0.62	Core Growth	1,728.38	Low	Boston	United States	31-Dec-2017	13F
301	Adams Asset Advisors, LLC	28,249	0.01	28,249	100.00	1.36	1.36	Yield	722.42	Low	Dallas	United States	31-Dec-2017	Aggregate MFs
302	Ladenburg Thalmann Asset Management Inc. (LTAM)	28,180	0.01	14,235	102.08	1.36	0.68	Hedge Fund	10,459.50	Low	New York	United States	31-Dec-2017	13F
303	Commerzbank AG	27,880	0.01	-8,935	-24.27	1.34	-0.43	Index	9,484.95	Moderate	Frankfurt	Germany	31-Dec-2017	13F
304	Barclays Capital	27,812	0.01	26,658	2,310.05	1.34	1.28	Broker-Dealer	8,382.89	High	London	England	31-Dec-2017	13F
305	Salient Trust Co., LTA	27,500	0.01	0	0.00	1.32	0.00	Core Growth	890.91	Low	Houston	United States	31-Dec-2017	13F
306	Boys, Arnold & Company, Inc.	26,875	0.01	0	0.00	1.29	0.00	GARP	664.28	Low	Asheville	United States	31-Dec-2017	13F
307	Boyar Asset Management Inc.	26,850	0.01	236	0.89	1.29	0.01	Core Value	141.38	Low	New York	United States	31-Dec-2017	13F
308	Mason Street Advisors, LLC	26,791	0.01	-135	-0.50	1.29	-0.01	Core Growth	4,718.29	Low	Milwaukee	United States	31-Dec-2017	13F
309	Boulegeris Investments, Inc.	26,361	0.01	-1,264	-4.58	1.27	-0.06		192.19	Low	Atlanta	United States	31-Dec-2017	13F
310	Stevens Capital Management LP	25,922	0.01	2,832	12.27	1.25	0.14	Hedge Fund	2,560.19	High	Radnor	United States	31-Dec-2017	13F
311	DNB Asset Management AS	25,813	0.01	1,600	6.61	1.12	0.07	Growth	21,996.52	Low	Oslo	Norway	31-Mar-2018	13F
312	OppenheimerFunds, Inc.	25,773	0.01	1,991	8.37	1.24	0.10	GARP	170,902.07	Low	New York	United States	31-Dec-2017	13F
313	Schroder Investment Management (Luxembourg) S.A.	25,700	0.01	10,300	66.88	1.24	0.50		446.06	Low	Luxembourg	Luxembourg	31-Dec-2017	Aggregate MFs
314	Snow Capital Management, L.P.	25,365	0.01	0	0.00	1.10	0.00	Core Value	4,209.88	Moderate	Sewickley	United States	31-Mar-2018	Aggregate MFs
315	Jefferies LLC	24,665	0.01	-22,090	-47.25	1.19	-1.06	Broker-Dealer	5,529.54	High	New York	United States	31-Dec-2017	13F
316	North Star Investment Management Corporation	24,384	0.01	820	3.48	1.06	0.04	Deep Value	854.25	Low	Chicago	United States	31-Mar-2018	13F
317	Aberdeen Asset Management, Inc. (US)	24,161	0.01	-567	-2.29	1.16	-0.03	Core Growth	4,874.55	Moderate	Philadelphia	United States	31-Dec-2017	13F
318	State Teachers Retirement System of Ohio	24,040	0.01	-1,193	-4.73	1.16	-0.06	Core Value	23,542.03	Low	Columbus	United States	31-Dec-2017	13F
319	NNIP Asset Management B.V.	23,912	0.01	-152,273	-86.43	1.37	-8.72		4,583.03	Low	The Hague	Netherlands	31-Mar-2017	Aggregate MFs
320	Balyasny Asset Management LP	23,732	0.01	18,557	358.59	1.14	0.89	Hedge Fund	27,762.40	High	Chicago	United States	31-Dec-2017	13F
321	Mutual of America Capital Management LLC	23,668	0.01	1,733	7.90	1.14	0.08	Core Growth	6,544.58	Low	New York	United States	31-Dec-2017	13F
322	Mandatum Henkivakuutusosakeyhtiö	23,463	0.01	0	0.00	1.13	0.00	GARP	1,422.23	Low	Helsinki	Finland	31-Dec-2017	13F
323	Amalgamated Bank Institutional Asset Management & Custody	23,218	0.01	1,798	8.39	1.12	0.09	Core Value	3,684.31	Low	New York	United States	31-Dec-2017	13F
324	PVG Asset Management Corporation	23,150	0.01	23,150	100.00	1.08	1.08	Yield	258.30	High	Golden	United States	31-Jan-2018	Aggregate MFs
325	Vident Investment Advisory, LLC	22,782	0.01	4,966	27.87	1.10	0.24		4,473.10	Moderate	Roswell	United States	31-Dec-2017	13F
326	Cypress Capital Group, Inc.	22,615	0.01	-5,153	-18.56	1.09	-0.25	Growth	480.53	Low	Palm Beach	United States	31-Dec-2017	13F
327	Callan LLC	22,443	0.01	-14,499	-39.25	1.08	-0.70	GARP	4,839.26	Low	San Francisco	United States	31-Dec-2017	Aggregate MFs
328	USAA Asset Management Company	22,136	0.01	-245,109	-91.72	1.06	-11.79		13,259.12	Moderate	San Antonio	United States	31-Dec-2017	Aggregate MFs
329	Flinton Capital Management LLC	22,100	0.01	816	3.83	1.06	0.04		2,939.50	Low	Philadelphia	United States	31-Dec-2017	13F
330	BP Investment Management Limited	22,000	0.01	0	0.00	1.06	0.00	Core Growth	2,815.93	Low	London	England	31-Dec-2017	13F
331	Gratus Capital LLC	21,951	0.01	-300	-1.35	1.06	-0.01		770.69	Low	Atlanta	United States	31-Dec-2017	13F
332	Robinson Value Management, Ltd.	21,691	0.01	551	2.61	0.94	0.02		108.41	Moderate	San Antonio	United States	31-Mar-2018	13F
333	State Street Global Advisors Ltd. (Canada)	21,451	0.01	311	1.47	0.93	0.01	Index	5,590.55	Low	Montreal	Canada	31-Mar-2018	Aggregate MFs
334	Municipal Employees' Retirement System of Michigan	21,330	0.01	16,320	325.75	1.03	0.79		1,980.19	Low	Lansing	United States	31-Dec-2017	13F
335	SEI Investments Canada	21,282	0.01	5,600	35.71	1.02	0.27		1,527.08	Moderate	Toronto	Canada	31-Dec-2017	Aggregate MFs
336	Swisscanto Fondsleitung AG	21,246	0.01	39	0.18	0.99	0.00	GARP	5,485.05	Moderate	Zurich	Switzerland	31-Jan-2018	Aggregate MFs
337	Kentucky Teachers' Retirement System	21,200	0.01	0	0.00	1.02	0.00	Index	8,504.84	Low	Frankfort	United States	31-Dec-2017	13F
338	City Holding Company	21,069	0.01	3,525	20.09	0.91	0.15		313.48	Low	Cross Lanes	United States	31-Mar-2018	13F
339	Viking Fund Management, LLC	21,000	0.01	2,000	10.53	0.91	0.09		527.80	Low	Minot	United States	31-Mar-2018	13F
340	ID-Sparinvest A/S	20,978	0.01	0	0.00	0.98	0.00	Core Value	4,308.32	Low	Taastrup	Denmark	31-Jan-2018	Aggregate MFs
341	Squarepoint Capital LLP	20,812	0.01	-234,019	-91.83	1.00	-11.26		5,617.23	High	London	England	31-Dec-2017	13F
342	Meiji Yasuda Asset Management Company Ltd.	20,743	0.01	-890	-4.11	1.00	-0.04	Core Growth	2,143.76	Low	Minato-ku (Tokyo)	Japan	31-Dec-2017	13F
343	Crossmark Global Investments, Inc	20,470	0.01	-2,143	-9.48	0.89	-0.09	Core Growth	3,853.05	Low	Houston	United States	31-Mar-2018	13F
344	Aviva Investors London Ltd	20,300	0.01	0	0.00	0.95	0.00	Core Growth	98.56	Moderate	Westborough	United States	30-Sep-2017	13F
345	Aviva Italia Holding SpA	20,300	0.01	20,300	100.00	0.98	0.98		107.11		Milan	Italy	31-Dec-2017	13F
346	Barclays Bank PLC (Barclays Capital Fund Solutions)	20,095	0.01	20,095	100.00	1.22	1.22	Core Growth	1,298.42	Low	London	England	31-Dec-2016	Aggregate MFs
347	AEGON Investment Management B.V.	20,058	0.01	-519	-2.52	0.96	-0.02	Core Growth	5,725.07	Low	The Hague	Netherlands	31-Dec-2017	Aggregate MFs
348	IKC Fonder AB	20,000	0.01	0	0.00	0.86	0.00		693.88	Moderate	Malmö	Sweden	28-Feb-2018	Aggregate MFs
349	Calvert Research and Management	19,843	0.01	1,957	10.94	0.85	0.08	Core Value	3,295.40	Low	Bethesda	United States	28-Feb-2018	Aggregate MFs
350	Principal Asset Management Company (Asia) Ltd.	19,610	0.01	19,610	100.00	1.02	1.02	GARP	1,806.95	Low	Wanchai (Hong Kong)	Hong Kong SAR	30-Jun-2017	Aggregate MFs
351	Creative Planning, Inc.	19,479	0.01	1,479	8.22	0.84	0.06	Deep Value	24,528.73	Low	Leawood	United States	31-Mar-2018	13F
352	Macquarie Investment Management	19,460	0.01	5,200	36.47	0.94	0.25	Core Value	58,370.31	Low	Philadelphia	United States	31-Dec-2017	13F
353	Macquarie Investment Management Austria Kapitalanlage AG	19,460	0.01	5,200	36.47	0.94	0.25	Core Growth	638.02	High	Vienna	Austria	31-Dec-2017	13F
354	Sequent Asset Management LLC	19,342	0.01	197	1.03	0.84	0.01	Income Value	169.55	Low	Houston	United States	31-Mar-2018	13F
355	Principal Funds, Inc.	19,235	0.01	-3,305	-14.66	0.83	-0.14		35,162.23	Moderate	Des Moines	United States	28-Feb-2018	Aggregate MFs
356	Advantus Capital Management, Inc.	19,208	0.01	-389	-1.98	0.92	-0.02	Core Growth	4,237.74	Low	St. Paul	United States	31-Dec-2017	13F
357	Koch Industries, Inc.	18,881	0.01	7,595	67.30	0.91	0.37	Core Growth	773.13	High	Wichita	United States	31-Dec-2017	13F
358	The Dai-ichi Life Insurance Company, Limited	18,806	0.01	0	0.00	0.90	0.00	GARP	25,853.08	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
359	Asset Management One Co., Ltd.	18,670	0.01	7,330	64.64	0.90	0.35	Growth	84,897.60	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
360	New Mexico Educational Retirement Board	18,612	0.01	800	4.49	0.90	0.04	Index	2,636.93	Low	Albuquerque	United States	31-Dec-2017	13F
361	Horizon Investments, LLC	18,531	0.01	18,531	100.00	0.89	0.89		1,867.99	Moderate	Charlotte	United States	31-Dec-2017	13F
362	Holocene Advisors, LP	18,503	0.01	18,503	100.00	0.89	0.89	Hedge Fund	3,547.98		New York	United States	31-Dec-2017	13F
363	LBJ Family Wealth Advisors, Ltd.	18,447	0.01	0	0.00	0.80	0.00		120.72	Low	Austin	United States	31-Mar-2018	13F
364	Tyers Asset Management LLC	18,200	0.01	672	3.83	0.88	0.03		2,852.16	Low	Austin	United States	31-Dec-2017	13F
365	THEAM	17,814	0.01	-8,864	-33.23	0.83	-0.42		27,220.15	Low	Paris	France	30-Sep-2017	13F
366	Tower Bridge Advisors, Inc.	17,600	0.01	0	0.00	0.85	0.00	GARP	932.17	Low	Conshohocken	United States	31-Dec-2017	13F
367	Deutsche Investment Management Americas, Inc.	17,549	0.01	-12,013	-40.64	0.84	-0.58	Core Value	18,389.50	Moderate	New York	United States	31-Dec-2017	13F
368	Larrimore (Randall W)	17,433	0.01	-6,108	-25.95	0.82	-0.29		3.01	Low		United States	19-Sep-2017	Proxy
369	CA Indosuez Wealth (Europe) S.A.	17,332	0.01	0	0.00	0.83	0.00	Core Value	1,316.58	Moderate	Luxembourg	Luxembourg	31-Dec-2017	13F
370	Caisse de Depot et Placement du Quebec	17,300	0.01	-1,200	-6.49	0.83	-0.06	GARP	88,197.91	Low	Montreal	Canada	31-Dec-2017	13F
371	Neuberger Berman Breton Hill ULC	17,257	0.01	17,257	100.00	0.81	0.81	Hedge Fund	1,283.23	Low	Toronto	Canada	30-Sep-2017	13F
372	Pennsylvania Public School Employees Retirement System	17,204	0.01	1,430	9.07	0.83	0.07	Index	7,014.67	Low	Harrisburg	United States	31-Dec-2017	13F
373	Invenomic Capital Management LP	17,016	0.01	6,798	66.53	0.79	0.32		36.47	High	Boston	United States	31-Jan-2018	Aggregate MFs
374	Rand & Associates, LLC	17,000	0.01	0	0.00	0.74	0.00	Yield	889.94	Low	San Francisco	United States	31-Mar-2018	13F
375	Amundi Austria GmbH	16,963	0.01	16,963	100.00	0.78	0.78	Core Growth	431.59	High	Vienna	Austria	31-Aug-2017	Aggregate MFs
376	KeyBanc Capital Markets	16,793	0.01	-2,533	-13.11	0.81	-0.12	Broker-Dealer	17,409.55	Low	Cleveland	United States	31-Dec-2017	13F
377	Sicart Associates LLC	16,500	0.01	0	0.00	0.71	0.00	Core Value	167.37	Low	New York	United States	31-Mar-2018	13F
378	Riverhead Capital Management LLC	16,442	0.01	650	4.12	0.79	0.03	Core Growth	2,328.71	Moderate	Wilmington	United States	31-Dec-2017	13F
379	Nissay Asset Management Corp.	16,403	0.01	16,403	100.00	0.79	0.79	Core Growth	8,679.22	Moderate	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
380	NORINCHUKIN BANK	16,388	0.01	991	6.44	0.79	0.05	Index	8,853.93	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
381	Goldman Sachs Bank AG	16,324	0.01	3,750	29.82	0.79	0.18	Growth	3,700.23	Low	Zurich	Switzerland	31-Dec-2017	13F
382	Golden Capital Management, L.L.C.	16,310	0.01	-2,524	-13.40	0.78	-0.12	Core Value	7,152.42	Low	Charlotte	United States	31-Dec-2017	13F
383	Blackstone Alternative Investment Advisors LLC	16,000	0.01	16,000	100.00	0.75	0.75	Hedge Fund	2,137.93	Moderate	New York	United States	30-Sep-2017	Aggregate MFs
384	Stonebridge Capital Advisors, LLC	16,000	0.01	2,000	14.29	0.77	0.10	Core Growth	456.53	Low	St. Paul	United States	31-Dec-2017	Aggregate MFs
385	BMO Harris Bank N.A.	15,499	0.01	3,787	32.33	0.67	0.16	GARP	11,861.73	Low	Chicago	United States	31-Mar-2018	13F
386	Amica Mutual Insurance Company	15,495	0.01	-7,985	-34.01	0.75	-0.38	Core Value	1,881.82	Low	Lincoln	United States	31-Dec-2017	13F
387	Franklin Advisers, Inc.	15,429	0.01	526	3.53	0.74	0.03	Income Value	137,150.40	Low	San Mateo	United States	31-Dec-2017	13F
388	Glenview Trust Co	15,295	0.01	0	0.00	0.74	0.00		1,446.10	Low	Louisville	United States	31-Dec-2017	13F
389	Arthur M. Cohen & Associates, LLC	15,244	0.01	-160	-1.04	0.73	-0.01		340.81	High	Northbrook	United States	31-Dec-2017	13F
390	Sentry Investment Management, L.L.C.	15,168	0.01	0	0.00	0.73	0.00	Core Growth	1,833.55	Low	Stevens Point	United States	31-Dec-2017	13F
391	Raffles Capital Management, LLC	15,000	0.00	15,000	100.00	0.72	0.72	Hedge Fund	94.29	Low	New York	United States	31-Dec-2017	13F
392	Walleye Trading, LLC	14,955	0.00	-8,672	-36.70	0.72	-0.42	Broker-Dealer	2,982.24	High	Plymouth	United States	31-Dec-2017	13F
393	Welch & Forbes LLC	14,909	0.00	-300	-1.97	0.65	-0.01	GARP	3,880.59	Low	Boston	United States	31-Mar-2018	13F
394	Tokio Marine Asset Management Co., Ltd.	14,899	0.00	-554	-3.59	0.72	-0.03	GARP	2,527.69	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
395	Dynamic Technology Lab Pte. Ltd.	14,842	0.00	14,842	100.00	0.71	0.71		563.26	High	Singapore	Singapore	31-Dec-2017	13F
396	ARGI Investment Services, LLC	14,733	0.00	-44	-0.30	0.71	0.00	Income Value	1,504.65	Low	Louisville	United States	31-Dec-2017	13F
397	HL Financial Services LLC	14,429	0.00	14,429	100.00	0.69	0.69	Core Growth	5,151.97	Low	Louisville	United States	31-Dec-2017	13F
398	Gamble Jones Investment Counsel	14,350	0.00	-1,000	-6.51	0.69	-0.05	Core Value	1,050.93	Low	Pasadena	United States	31-Dec-2017	13F
399	Jensen Investment Management Inc.	14,300	0.00	0	0.00	0.69	0.00	Deep Value	8,086.79	Low	Lake Oswego	United States	31-Dec-2017	13F
400	Neuburgh Advisers LLC	14,300	0.00	528	3.83	0.69	0.03		2,788.15	Low	Los Angeles	United States	31-Dec-2017	13F
401	Manulife Asset Management (Asia)	14,259	0.00	0	0.00	0.69	0.00	Deep Value	4,082.25	Moderate	Causeway Bay (Hong Kong)	Hong Kong SAR	31-Dec-2017	13F
402	Franklin Templeton Portfolio Advisors, Inc	14,082	0.00	-461	-3.17	0.61	-0.02	Yield	2,449.50	Low	San Mateo	United States	31-Mar-2018	Aggregate MFs
403	Barrow Street Advisors LLC	14,062	0.00	4,257	43.42	0.68	0.20		60.48	High	Stamford	United States	31-Dec-2017	Aggregate MFs
404	Wilmington Trust Investment Management LLC	14,053	0.00	-1,454	-9.38	0.68	-0.07	Core Value	8,432.97	Low	Atlanta	United States	31-Dec-2017	13F
405	BNP Paribas Asset Management France SAS	14,033	0.00	14,033	100.00	0.68	0.68	Core Growth	41,425.74	Low	Paris	France	31-Dec-2017	13F
406	Bredin Investment LLC	13,951	0.00	13,951	100.00	0.67	0.67		123.01		Wilmington	United States	31-Dec-2017	13F
407	Sumitomo Mitsui Asset Management Company, Limited	13,904	0.00	-538	-3.73	0.67	-0.03	GARP	16,326.59	Low	Minato-ku (Tokyo)	Japan	31-Dec-2017	13F
408	Global X Management Company LLC	13,889	0.00	482	3.60	0.67	0.02	Index	9,253.31	Moderate	New York	United States	31-Dec-2017	13F

409	Franklin Templeton Investment Management Ltd.	13,870	0.00	12,384	833.38	0.67	0.60	Core Value	9,724.14	Low	Edinburgh	Scotland	31-Dec-2017	13F
410	Travis (Tracey Thomas)	13,806	0.00	-590	-4.10	0.65	-0.03		3.88	Low		United States	19-Sep-2017	Proxy
411	Furbee (Robert)	13,625	0.00	5,930	77.06	0.64	0.28		0.64	Moderate		United States	30-Sep-2017	Insider Update
412	Aviance Capital Partners, LLC	13,603	0.00	646	4.99	0.65	0.03	Deep Value	303.10	Low	Naples	United States	31-Dec-2017	13F
413	CTC myCFO, LLC	13,592	0.00	-1,472	-9.77	0.59	-0.06	Core Growth	4,399.48	Low	Palo Alto	United States	31-Mar-2018	13F
414	Arca SGR S.p.A.	13,546	0.00	0	0.00	0.58	0.00	Core Growth	6,709.42	Moderate	Milan	Italy	28-Feb-2018	Aggregate MFs
415	Westpac Banking Corporation	13,504	0.00	937	7.46	0.65	0.05	Core Growth	4,521.80	High	Sydney	Australia	31-Dec-2017	13F
416	AmericaFirst Capital Management, LLC	13,210	0.00	13,210	100.00	0.62	0.62		83.05	High	Roseville	United States	30-Sep-2017	13F
417	Acker Finley, Inc.	13,200	0.00	13,200	100.00	0.64	0.64	Core Value	58.91	Moderate	Toronto	Canada	31-Dec-2017	Aggregate MFs
418	Deutsche Bank Securities Inc.	13,115	0.00	13,024	14,312.09	0.63	0.63	Broker-Dealer	5,256.94	High	Baltimore	United States	31-Dec-2017	13F
419	Zurich Insurance Group	13,000	0.00	-25,225	-65.99	0.63	-1.21		4,559.03	Low	Zurich	Switzerland	31-Dec-2017	13F
420	Nomura Securities Co., Ltd.	12,609	0.00	-9,305	-42.46	0.61	-0.45	Broker-Dealer	19,504.10	Moderate	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
421	Balter Capital Management, LLC	12,411	0.00	2,193	21.46	0.60	0.11	Hedge Fund	277.48	High	Boston	United States	31-Dec-2017	13F
422	CIBC World Markets Inc.	12,366	0.00	1,990	19.18	0.59	0.10	Broker-Dealer	19,559.69	Moderate	Toronto	Canada	31-Dec-2017	13F
423	Degroof Petercam Asset Management	12,358	0.00	4,500	57.27	0.59	0.22	GARP	10,932.57	Low	Brussels	Belgium	31-Dec-2017	Aggregate MFs
424	Fisher Investments	12,324	0.00	12,324	100.00	0.53	0.53	Core Value	78,068.34	Low	Woodside	United States	31-Mar-2018	13F
425	FFCM LLC	12,300	0.00	2,051	20.01	0.59	0.10	Core Growth	639.76	Low	Boston	United States	31-Dec-2017	13F
426	Moors & Cabot Inc.	12,252	0.00	1	0.01	0.59	0.00	N/A	751.88	Low	Boston	United States	31-Dec-2017	13F
427	Kessler (Bethmara)	12,212	0.00	2,058	20.27	0.57	0.10		0.57	Low		United States	30-Sep-2017	Insider Update
428	CIGNA Investments, Inc.	12,182	0.00	-4,825	-28.37	0.59	-0.23	Core Growth	1,538.41	Low	Bloomfield	United States	31-Dec-2017	13F
429	Capital Investment Advisors, LLC	12,106	0.00	654	5.71	0.52	0.03		1,520.61	Moderate	Atlanta	United States	31-Mar-2018	13F
430	Successful Portfolios LLC	12,075	0.00	12,075	100.00	0.58	0.58		80.32		Clearwater	United States	31-Dec-2017	13F
431	BMO Nesbitt Burns Inc.	12,060	0.00	-7,423	-38.10	0.52	-0.32	Growth	24,353.60	Low	Toronto	Canada	31-Mar-2018	13F
432	Advisors Asset Management, Inc.	12,048	0.00	8,342	225.09	0.58	0.40	Yield	6,072.64	Low	Monument	United States	31-Dec-2017	13F
433	ClearArc Capital, Inc.	12,007	0.00	188	1.59	0.58	0.01	Core Growth	15,245.05	Low	Cincinnati	United States	31-Dec-2017	13F
434	Quadrature Capital LLP	11,996	0.00	11,996	100.00	0.58	0.58	Hedge Fund	1,119.70	High	London	England	31-Dec-2017	13F
435	BlueCrest Capital Management LLP	11,949	0.00	6,375	114.37	0.57	0.31	Hedge Fund	2,216.34	High	St. Peter Port	Guernsey	31-Dec-2017	13F
436	BB&T Securities, LLC	11,899	0.00	-70,117	-85.49	0.57	-3.37		7,688.23	Moderate	Richmond	United States	31-Dec-2017	13F
437	Kentucky Retirement Systems	11,861	0.00	87	0.74	0.57	0.00	Index	1,403.74	Low	Frankfort	United States	31-Dec-2017	13F
438	Berkshire Asset Management, LLC	11,786	0.00	-250	-2.08	0.57	-0.01	Core Value	1,031.50	Low	Wilkes Barre	United States	31-Dec-2017	13F
439	Louisiana State Employees' Retirement System	11,700	0.00	100	0.86	0.51	0.00	Index	2,202.67	Low	Baton Rouge	United States	31-Mar-2018	13F
440	Dimensional Fund Advisors, Ltd.	11,674	0.00	0	0.00	0.50	0.00	Core Growth	6,797.40	Low	London	England	28-Feb-2018	Aggregate MFs
441	TD Asset Management USA, Inc.	11,606	0.00	110	0.96	0.56	0.01	Income Value	1,798.00	Low	New York	United States	31-Dec-2017	13F
442	Schroder Investment Management (Switzerland) AG	11,600	0.00	1,200	11.54	0.56	0.06		1,002.46	Low	Zurich	Switzerland	31-Dec-2017	Aggregate MFs
443	JPMorgan Asset Management U.K. Limited	11,423	0.00	-68,262	-85.66	0.55	-3.28	Core Growth	135,979.40	Low	London	England	31-Dec-2017	13F
444	Hightower Advisors, LLC	11,420	0.00	3,264	40.02	0.55	0.16	Core Growth	12,141.34	Low	Chicago	United States	31-Dec-2017	13F
445	Legal & General Investment Management America Inc.	11,361	0.00	0	0.00	0.55	0.00	Core Value	1,369.64	Low	Chicago	United States	31-Dec-2017	Aggregate MFs
446	OLZ & Partners Asset and Liability Management AG	11,309	0.00	-2,068	-15.46	0.65	-0.12		1,026.43	Low		Switzerland	31-Mar-2017	Aggregate MFs
447	Columbus Circle Investors	11,214	0.00	-1,361	-10.82	0.59	-0.07	Growth	5,736.62	Moderate	Stamford	United States	31-Jul-2017	Aggregate MFs
448	Principal Management Corporation	11,115	0.00	-38,557	-77.62	0.48	-1.66		14,149.17	Moderate	Des Moines	United States	28-Feb-2018	Aggregate MFs
449	Virtu Americas LLC	11,013	0.00	4,727	75.20	0.53	0.23	Broker-Dealer	1,204.67	High	Jersey City	United States	31-Dec-2017	13F
450	AcomeA SGR S.p.A.	11,000	0.00	11,000	100.00	0.47	0.47	Growth	347.62	Moderate	Milan	Italy	28-Feb-2018	Aggregate MFs
451	Gerald L. Ray & Associates, Ltd.	10,853	0.00	0	0.00	0.52	0.00	Core Growth	826.16	Low	Dallas	United States	31-Dec-2017	13F
452	Deka Investment GmbH	10,809	0.00	-6,415	-37.24	0.52	-0.31	Core Growth	47,159.93	Low	Frankfurt	Germany	31-Dec-2017	Aggregate MFs
453	State Street Global Advisors (France) S.A.	10,799	0.00	1	0.01	0.46	0.00	Index	3,659.03	Low	La Défense	France	28-Feb-2018	Aggregate MFs
454	Verition Fund Management LLC	10,760	0.00	10,760	100.00	0.52	0.52	Hedge Fund	714.69	High	Greenwich	United States	31-Dec-2017	13F
455	Vaughan Nelson Investment Management, L.P.	10,703	0.00	-2,798	-20.72	0.46	-0.12	Core Growth	11,868.55	Moderate	Houston	United States	28-Feb-2018	Aggregate MFs
456	United Capital Financial Advisers, LLC	10,698	0.00	1,059	10.99	0.51	0.05	Income Value	12,605.43	Low	Newport Beach	United States	31-Dec-2017	13F
457	Wealthfront, Inc.	10,690	0.00	10,690	100.00	0.51	0.51		8,866.52	Low	Palo Alto	United States	31-Dec-2017	13F
458	Magnetar Capital Partners LP	10,544	0.00	-3,840	-26.70	0.51	-0.18	Hedge Fund	3,240.49	High	Evanston	United States	31-Dec-2017	13F
459	MacKay Shields LLC	10,526	0.00	0	0.00	0.45	0.00	GARP	6,634.99	Moderate	New York	United States	28-Feb-2018	Aggregate MFs
460	Amundi Investment Solutions	10,519	0.00	-7,781	-42.52	0.45	-0.33		2,917.57	Low	Paris	France	28-Feb-2018	Aggregate MFs
461	Sciencast Management LP	10,503	0.00	10,503	100.00	0.51	0.51	Hedge Fund	176.18	High	Princeton	United States	31-Dec-2017	13F
462	GLG Partners LP	10,471	0.00	10,471	100.00	0.50	0.50	Hedge Fund	11,393.61	Moderate	London	England	31-Dec-2017	13F
463	Obermeyer Wood Investment Counsel, LLLP	10,465	0.00	0	0.00	0.50	0.00	Core Value	1,144.89	Low	Aspen	United States	31-Dec-2017	13F
464	Meadow Creek Investment Management LLC	10,400	0.00	384	3.83	0.50	0.02		4,599.89	Low	Atlanta	United States	31-Dec-2017	13F
465	Joel Isaacson & Co., LLC	10,308	0.00	10,308	100.00	0.50	0.50		576.28	Low	New York	United States	31-Dec-2017	13F
466	Handelsbanken Asset Management	10,291	0.00	-25,884	-71.55	0.44	-1.11	Core Growth	44,408.26	Low	Stockholm	Sweden	28-Feb-2018	Aggregate MFs
467	PSP Investments	10,278	0.00	-10,600	-50.77	0.49	-0.51	Core Value	14,048.03	Moderate	Montreal	Canada	31-Dec-2017	13F
468	LS Investment Advisors, LLC	10,120	0.00	-227	-2.19	0.49	-0.01	Core Growth	1,718.74	Low	Bloomfield Hills	United States	31-Dec-2017	13F
469	Williams, Jones & Associates, LLC	10,103	0.00	0	0.00	0.49	0.00	GARP	4,403.55	Low	New York	United States	31-Dec-2017	13F
470	Employees Retirement System of Texas	10,000	0.00	-1,000	-9.09	0.48	-0.05	Core Value	8,174.91	Low	Austin	United States	31-Dec-2017	13F
471	Kamunting Street Capital Management, L.P.	10,000	0.00	10,000	100.00	0.48	0.48	Hedge Fund	77.04	High	Miami Beach	United States	31-Dec-2017	13F
472	RBF Capital, LLC	10,000	0.00	0	0.00	0.48	0.00	Hedge Fund	904.83	Low	Greenbrae	United States	31-Dec-2017	13F
473	United Fire & Casualty Company	10,000	0.00	0	0.00	0.48	0.00	Yield	306.38	Low	Cedar Rapids	United States	31-Dec-2017	13F
474	Asset Management One International Ltd	9,990	0.00	5,330	114.38	0.55	0.29	GARP	1,095.84	Low	London	England	30-Sep-2016	13F
475	Cutler Group, LP	9,907	0.00	6,692	208.15	0.48	0.32		1,921.93	High	San Francisco	United States	31-Dec-2017	13F
476	Gateway Investment Advisers, LLC	9,892	0.00	-818	-7.64	0.43	-0.04	Index	11,284.01	Low	Cincinnati	United States	31-Mar-2018	13F
477	Dreman Value Management, L.L.C.	9,709	0.00	9,709	100.00	0.47	0.47	Core Value	581.53	Low	Jersey City	United States	31-Dec-2017	13F
478	The Pennsylvania Trust Company	9,694	0.00	-200	-2.02	0.42	-0.01	Core Growth	2,150.46	Moderate	Radnor	United States	31-Mar-2018	13F
479	Livförsäkringsbolaget Skandia, ömsesidigt	9,693	0.00	0	0.00	0.42	0.00		4,382.87	Low	Stockholm	Sweden	31-Mar-2018	13F
480	Carnegie Investment Counsel	9,688	0.00	0	0.00	0.47	0.00	Core Growth	1,122.21	Low	Pepper Pike	United States	31-Dec-2017	13F
481	CPR Asset Management	9,500	0.00	-3,200	-25.20	0.52	-0.18	Core Growth	12,180.69	Low	Paris	France	30-Sep-2016	13F
482	Clifford Swan Investment Counselors	9,433	0.00	0	0.00	0.45	0.00	Core Growth	1,834.32	Low	Pasadena	United States	31-Dec-2017	13F
483	Excalibur Management Corporation	9,328	0.00	-81	-0.86	0.45	0.00	Core Growth	119.08	Low	Newton	United States	31-Dec-2017	13F
484	Fayez Sarofim & Co.	9,100	0.00	0	0.00	0.44	0.00	Core Growth	19,863.16	Low	Houston	United States	31-Dec-2017	13F
485	Old Mutual Customised Solutions (Pty) Ltd	9,100	0.00	3,600	65.45	0.44	0.17	Index	1,091.94	Low		South Africa	31-Dec-2017	13F
486	Gideon Capital Advisors, Inc.	9,084	0.00	9,084	100.00	0.44	0.44	Hedge Fund	112.88	High	New York	United States	31-Dec-2017	13F
487	Dynamic Capital Management LLC	9,005	0.00	-9,023	-50.05	0.43	-0.43	Hedge Fund	290.79	High	New York	United States	31-Dec-2017	13F
488	Lyxor Asset Management	8,851	0.00	6,869	346.57	0.38	0.30	Index	60,507.02	Moderate	Paris	France	31-Mar-2018	Aggregate MFs
489	Huntington Private Financial Group	8,777	0.00	61	0.70	0.42	0.00	Core Value	6,255.85	Low	Columbus	United States	31-Dec-2017	13F
490	Nordea Investment Funds S.A.	8,742	0.00	2,982	51.77	0.50	0.17	Core Value	258.69	Low	Luxembourg	Luxembourg	31-Mar-2017	Aggregate MFs
491	Azzad Asset Management, Inc.	8,704	0.00	0	0.00	0.40	0.00	Index	80.98	Moderate	Falls Church	United States	31-Aug-2017	Aggregate MFs
492	Mawer Investment Management Ltd.	8,677	0.00	0	0.00	0.43	0.00	GARP	26,636.73	Low	Calgary	Canada	30-Nov-2017	Aggregate MFs
493	Stifel Nicolaus Investment Advisors	8,668	0.00	-5,493	-38.79	0.42	-0.26	GARP	19,308.76	Low	St. Louis	United States	31-Dec-2017	13F
494	The Commerce Trust Company	8,638	0.00	575	7.13	0.42	0.03	GARP	7,594.71	Low	Clayton	United States	31-Dec-2017	13F
495	Conning, Inc.	8,582	0.00	3,625	73.13	0.41	0.17	Index	2,885.98	Low	Hartford	United States	31-Dec-2017	13F
496	Trilogy Capital Inc	8,544	0.00	8,544	100.00	0.41	0.41		615.08		Huntington Beach	United States	31-Dec-2017	13F
497	Russell Investments Limited	8,515	0.00	1,092	14.71	0.37	0.05	Core Value	11,499.23	Moderate	London	England	28-Feb-2018	Aggregate MFs
498	Macquarie Investment Management Ltd.	8,500	0.00	-10,123	-54.36	0.41	-0.49	GARP	4,839.38	Low	Sydney	Australia	31-Dec-2017	13F
499	6 Meridian LLC	8,387	0.00	8,387	100.00	0.40	0.40		862.94		Wichita	United States	31-Dec-2017	13F
500	OxFORD Asset Management	8,375	0.00	-13,681	-62.03	0.40	-0.66	Hedge Fund	3,579.91	High	Oxford	England	31-Dec-2017	13F
501	Waldorf (Emily)	8,310	0.00	8,310	100.00	0.36	0.35		0.36			United States	05-Apr-2018	US Insider - Form 3
502	Mirae Asset Global Investments (USA) LLC	8,276	0.00	1,448	21.21	0.40	0.07	Aggres. Gr.	7,474.15	Moderate	New York	United States	31-Dec-2017	13F
503	Federated Equity Management Company of Pennsylvania	8,266	0.00	-4,581	-35.66	0.40	-0.22	Core Value	15,161.95	Low	Pittsburgh	United States	31-Dec-2017	13F
504	Wells Capital Management Inc.	8,115	0.00	-509	-5.90	0.39	-0.02	Core Value	68,020.05	Low	San Francisco	United States	31-Dec-2017	13F
505	Groupama Asset Management	8,040	0.00	3,062	61.51	0.39	0.15	Core Growth	8,436.94	Low	Paris	France	31-Dec-2017	Aggregate MFs
506	Essex Investment Management Company, LLC	7,991	0.00	-2,465	-23.57	0.38	-0.12	Aggres. Gr.	755.25	Low	Boston	United States	31-Dec-2017	13F
507	Regions Investment Management, Inc.	7,939	0.00	802	11.24	0.34	0.03	Core Growth	8,909.88	Low	Birmingham	United States	31-Mar-2018	13F
508	WesBanco Bank, Inc.	7,915	0.00	0	0.00	0.38	0.00	Core Value	1,516.65	Low	Wheeling	United States	31-Dec-2017	13F
509	INVESCO Asset Management Deutschland GmbH	7,908	0.00	-66,656	-89.39	0.38	-3.21	Core Value	13,221.89	Low	Frankfurt	Germany	31-Dec-2017	13F
510	Old Mutual Investment Management Limited	7,900	0.00	-10,200	-56.35	0.34	-0.44	Deep Value	9,938.13	Moderate	Southampton	England	28-Feb-2018	Aggregate MFs
511	Liberty Mutual Insurance Group	7,731	0.00	-457	-5.58	0.37	-0.02	Specialty	3,565.67	Moderate	Boston	United States	31-Dec-2017	13F
512	Morgan Stanley Investment Management Inc. (US)	7,687	0.00	-4,370	-36.24	0.37	-0.21	GARP	70,737.50	Low	New York	United States	31-Dec-2017	13F
513	Schulhoff & Company, Inc.	7,685	0.00	0	0.00	0.37	0.00	Income Value	178.04	Low	Cincinnati	United States	31-Dec-2017	13F
514	Global Index Advisors, Inc.	7,673	0.00	-179	-2.28	0.40	-0.01	Index	754.48	Low	Marietta	United States	30-Jun-2017	Aggregate MFs
515	BlackRock (Singapore) Limited	7,621	0.00	0	0.00	0.37	0.00	Core Growth	15,960.69	High	Singapore	Singapore	31-Dec-2017	13F
516	Pacad Investment Ltd.	7,200	0.00	7,200	100.00	0.35	0.35		439.21	High	Vancouver	Canada	31-Dec-2017	13F
517	State Street Global Advisors (Japan) Co., Ltd.	7,100	0.00	7,100	100.00	0.40	0.40	Index	4,100.19	Low	Minato-ku (Tokyo)	Japan	30-Nov-2016	Aggregate MFs
518	Winton Capital Management Ltd.	7,016	0.00	-8,414	-54.53	0.34	-0.40	Hedge Fund	3,769.80	High	London	England	31-Dec-2017	13F
519	PIMCO (US)	7,000	0.00	7,000	100.00	0.34	0.34	Yield	38,776.77	Moderate	Newport Beach	United States	31-Dec-2017	13F
520	Lucus Advisors LLC	6,960	0.00	-432	-5.84	0.33	-0.02	Hedge Fund	69.03	High	New York	United States	31-Dec-2017	13F
521	Private Advisor Group LLC	6,943	0.00	-2,651	-27.63	0.33	-0.13		2,328.01	Moderate	Morristown	United States	31-Dec-2017	13F
522	BlackRock International Ltd.	6,815	0.00	0	0.00	0.33	0.00	Core Growth	9,809.97	Moderate	Edinburgh	Scotland	31-Dec-2017	13F
523	Town & Country Bank & Trust Co.	6,780	0.00	0	0.00	0.29	0.00	Yield	189.82	Low	Louisville	United States	31-Mar-2018	13F
524	Signator Financial Services, Inc.	6,755	0.00	3,561	111.49	0.32	0.17		1,058.01	Low	Bellevue	United States	31-Dec-2017	13F
525	Morgan Stanley Investment Management Ltd. (UK)	6,747	0.00	4,280	173.49	0.32	0.21	Core Value	30,745.04	Low	London	England	31-Dec-2017	13F
526	Central Trust & Investment Company	6,726	0.00	-973	-12.64	0.29	-0.04	Core Value	1,574.63	Low	St. Louis	United States	31-Mar-2018	13F
527	BLB&B Advisors, LLC	6,723	0.00	529	8.54	0.29	0.02	Core Value	744.69	Low	Ambler	United States	31-Mar-2018	13F
528	Comerica, Inc.	6,695	0.00	-1,751	-20.73	0.32	-0.08	GARP	6,400.74	Low	Dallas	United States	31-Dec-2017	13F
529	Smith, Moore & Company	6,500	0.00	0	0.00	0.31	0.00		370.69	Low	Clayton	United States	31-Dec-2017	13F
530	Veritable, L.P.	6,477	0.00	-3,459	-34.81	0.31	-0.17	Specialty	4,621.33	Low	Newtown Square	United States	31-Dec-2017	13F
531	Prospector Partners, LLC	6,400	0.00	0	0.00	0.31	0.00	Hedge Fund	1,375.76	Low	Guilford	United States	31-Dec-2017	13F
532	Sanlam Investment Management (Pty) Ltd.	6,400	0.00	0	0.00	0.28	0.00	Core Value	7,280.23	Low		South Africa	28-Feb-2018	Aggregate MFs
533	Marshwinds Advisory Co.	6,375	0.00	225	3.66	0.28	0.01	Yield	203.68	Low	St. Simons	United States	31-Mar-2018	13F
534	Grandfield & Dodd, LLC	6,367	0.00	0	0.00	0.31	0.00	Deep Value	931.55	Low	New York	United States	31-Dec-2017	13F
535	Nicollet Investment Management, Inc.	6,358	0.00	6,358	100.00	0.31	0.31	GARP	121.65		Minneapolis	United States	31-Dec-2017	13F
536	First Manhattan Company	6,350	0.00	0	0.00	0.31	0.00	Deep Value	18,723.02	Low	New York	United States	31-Dec-2017	13F
537	BetaShares Capital Ltd.	6,345	0.00	923	17.02	0.30	0.04		1,068.95	High	Sydney	Australia	31-Oct-2017	Aggregate MFs
538	Harris Associates L.P.	6,300	0.00	2,300	57.50	0.29	0.11	Core Value	121,387.24	Low	Chicago	United States	31-Jan-2018	Aggregate MFs
539	The Haverford Trust Company	6,290	0.00	-235	-3.60	0.30	-0.01	Core Growth	5,332.15	Low	Radnor	United States	31-Dec-2017	13F
540	AE Wealth Management LLC	6,247	0.00	352	5.97	0.30	0.02		1,132.29	Moderate	Topeka	United States	31-Dec-2017	13F
541	Franklin Equity Group	6,230	0.00	0	0.00	0.30	0.00	Core Growth	14,521.24	Low	New York	United States	31-Dec-2017	13F
542	Seacrest Wealth Management, LLC	6,223	0.00	6,223	100.00	0.30	0.30		544.97		Purchase	United States	31-Dec-2017	13F
543	The Burney Company	6,202	0.00	-505	-7.53	0.30	-0.02	Core Growth	1,763.58	Low	Falls Church	United States	31-Dec-2017	13F
544	The CAPROCK Group, Inc.	6,198	0.00	44	0.71	0.30	0.00		492.80	Low	Boise	United States	31-Dec-2017	13F
545	IFM Investors	6,191	0.00	0	0.00	0.30	0.00		788.84	Low	Melbourne	Australia	31-Dec-2017	13F
546	Barings LLC	6,189	0.00	0	0.00	0.30	0.00	Core Value	5,026.37	High	Boston	United States	31-Dec-2017	13F
547	Pacer Advisors, Inc.	6,181	0.00	1,140	22.61	0.30	0.05	Index	1,503.43	Moderate	Paoli	United States	31-Dec-2017	13F
548	Valeo Financial Advisors LLC	6,074	0.00	-474	-7.24	0.26	-0.02		628.16	Low	Indianapolis	United States	31-Mar-2018	13F

549	Goldman Sachs Asset Management International	6,064	0.00	0	0.00	0.26	0.00	Growth	26,197.34	Moderate	London	England	28-Feb-2018	Aggregate MFs
550	Old National Wealth Management	6,011	0.00	21	0.35	0.26	0.00	Income Value	1,896.70	Low	Evansville	United States	31-Mar-2018	13F
551	MLC Investments Limited	5,959	0.00	-442	-6.91	0.29	-0.02	Growth	14,891.27	Low	Sydney	Australia	31-Dec-2017	Aggregate MFs
552	Ellington Management Group, L.L.C.	5,900	0.00	5,900	100.00	0.28	0.28	Hedge Fund	358.21	High	Old Greenwich	United States	31-Dec-2017	13F
553	Charter Trust Company	5,895	0.00	-1,452	-19.76	0.26	-0.06	Core Growth	816.20	Low	Concord	United States	31-Mar-2018	13F
554	Advisor Partners, LLC	5,779	0.00	1,074	22.83	0.28	0.05	Core Growth	531.26	Low	Walnut Creek	United States	31-Dec-2017	13F
555	Parallax Volatility Advisers, L.P.	5,752	0.00	5,664	6,436.36	0.28	0.27	Hedge Fund	3,656.02	High	San Francisco	United States	31-Dec-2017	13F
556	Eurizon Capital S.A.	5,737	0.00	0	0.00	0.25	0.00	Core Value	7,012.11	Moderate	Luxembourg	Luxembourg	28-Feb-2018	Aggregate MFs
557	Advisors Management Group Inc.	5,719	0.00	0	0.00	0.28	0.00		195.07	Low	La Crosse	United States	31-Dec-2017	13F
558	E.Öhman J:or Fonder AB	5,700	0.00	-1,100	-16.18	0.27	-0.05	Growth	5,745.82	Low	Stockholm	Sweden	31-Dec-2017	Aggregate MFs
559	Sigma Planning Corporation	5,691	0.00	891	18.56	0.27	0.04		1,285.66	Low	Ann Arbor	United States	31-Dec-2017	13F
560	Cetera Advisor Networks LLC	5,669	0.00	-1,223	-17.75	0.27	-0.06	Yield	2,381.18	Low	El Segundo	United States	31-Dec-2017	13F
561	Sheaff Brock Investment Advisors, LLC	5,637	0.00	1	0.02	0.27	0.00	Growth	771.00	Low	Indianapolis	United States	31-Dec-2017	13F
562	Bryn Mawr Trust Company	5,600	0.00	-500	-8.20	0.27	-0.02	Core Value	1,834.71	Low	Bryn Mawr	United States	31-Dec-2017	13F
563	Calibrium AG	5,539	0.00	5,539	100.00	0.27	0.27	Hedge Fund	279.47	Moderate	Pfäffikon	Switzerland	31-Dec-2017	13F
564	Daiwa Asset Management Co., Ltd.	5,517	0.00	-420	-7.07	0.27	-0.02	GARP	80,269.54	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
565	Courier Capital, LLC	5,492	0.00	0	0.00	0.26	0.00	GARP	778.74	Low	Buffalo	United States	31-Dec-2017	13F
566	Dumont & Blake Investment Advisors, LLC	5,375	0.00	5,375	100.00	0.26	0.26	Core Growth	236.37	Low	Princeton	United States	31-Dec-2017	13F
567	Meeschaert Asset Management, S.A.S.	5,352	0.00	1,292	31.82	0.26	0.06	Growth	515.00	Low	Paris	France	31-Dec-2017	Aggregate MFs
568	D.A. Davidson & Co.	5,342	0.00	5,342	100.00	0.26	0.26	Broker-Dealer	4,746.22	Low	Lake Oswego	United States	31-Dec-2017	13F
569	Whitnell & Co.	5,307	0.00	0	0.00	0.26	0.00	Yield	238.50	Low	Oak Brook	United States	31-Dec-2017	13F
570	Mission Wealth Management, LP	5,197	0.00	249	5.03	0.25	0.01		577.52	Low	Santa Barbara	United States	31-Dec-2017	13F
571	People's Securities, Inc.	5,133	0.00	5,133	100.00	0.25	0.25	Core Growth	1,419.69	Low	Wethersfield	United States	31-Dec-2017	13F
572	Wedbush Securities, Inc.	5,125	0.00	5,125	100.00	0.25	0.25	Broker-Dealer	759.96	Low	Los Angeles	United States	31-Dec-2017	13F
573	Green Square Capital, L.L.C.	5,119	0.00	0	0.00	0.25	0.00	Core Growth	663.27	Moderate	Memphis	United States	31-Dec-2017	13F
574	Tudor Investment Corporation	5,110	0.00	-48,278	-90.43	0.25	-2.32	Hedge Fund	1,595.57	High	Greenwich	United States	31-Dec-2017	13F
575	Kentucky Retirement Systems Insurance Trust Fund	5,108	0.00	37	0.73	0.25	0.00		599.17	Low	Frankfort	United States	31-Dec-2017	13F
576	Banque Cantonale Vaudoise	5,090	0.00	0	0.00	0.24	0.00	Core Growth	1,894.63	Low		Switzerland	30-Sep-2017	Aggregate MFs
577	Associated Investment Management, LLC	5,000	0.00	5,000	100.00	0.24	0.24	GARP	1,842.37	Low	Green Bay	United States	31-Dec-2017	13F
578	Beauregard Capital Limited	5,000	0.00	1,000	25.00	0.26	0.05	Core Value	20.58	High	London	England	30-Jun-2017	Aggregate MFs
579	Saybrook Capital Corporation	5,000	0.00	0	0.00	0.24	0.00	Growth	216.23	Low	New York	United States	31-Dec-2017	13F
580	Susquehanna Financial Group, LLLP	5,000	0.00	-79,075	-94.05	0.24	-3.80	Broker-Dealer	27,159.83	High	Bala Cynwyd	United States	31-Dec-2017	13F
581	DB Platinum Advisors	4,977	0.00	-53	-1.05	0.23	0.00	Index	2,490.85	Low	Luxembourg	Luxembourg	31-Aug-2017	Aggregate MFs
582	Acrospire Investment Management LLC	4,945	0.00	3,500	242.21	0.26	0.18	Hedge Fund	102.92	High	Chicago	United States	30-Jun-2017	13F
583	GRESHAM Banque Privée	4,875	0.00	0	0.00	0.23	0.00	Index	527.45	Low	Paris	France	31-Dec-2017	Aggregate MFs
584	Midwest Professional Planners, Ltd	4,831	0.00	4,831	100.00	0.23	0.23		109.49		Wausau	United States	31-Dec-2017	13F
585	DNB Asset Management AB	4,800	0.00	0	0.00	0.21	0.00	Core Growth	2,692.36	Low	Stockholm	Sweden	28-Feb-2018	Aggregate MFs
586	Exchange Capital Management Inc	4,767	0.00	3,497	275.35	0.23	0.17	Core Growth	279.37	Moderate	Ann Arbor	United States	31-Dec-2017	13F
587	Northwestern Mutual Capital, LLC	4,754	0.00	361	8.22	0.23	0.02	Core Growth	15,895.99	Low	Milwaukee	United States	31-Dec-2017	13F
588	Valley National Advisers Inc.	4,703	0.00	0	0.00	0.20	0.00		268.96	Low	Bethlehem	United States	31-Mar-2018	13F
589	MML Investors Services, LLC	4,700	0.00	-144	-2.97	0.23	-0.01		5,221.85	High	Springfield	United States	31-Dec-2017	13F
590	RBC Capital Partners	4,670	0.00	4,670	100.00	0.22	0.22	Core Value	4,473.40	High	Toronto	Canada	31-Dec-2017	13F
591	Albion Financial Group	4,650	0.00	0	0.00	0.20	0.00	Growth	650.04	Low	Salt Lake City	United States	31-Mar-2018	13F
592	Zeke Capital Advisors, LLC	4,570	0.00	4,570	100.00	0.22	0.22	Yield	952.46	Moderate	Berwyn	United States	31-Dec-2017	13F
593	Everence Capital Management, Inc.	4,561	0.00	61	1.36	0.22	0.00	Core Value	497.14	Low	Goshen	United States	31-Dec-2017	13F
594	HPM Partners LLC	4,527	0.00	-16	-0.35	0.22	0.00		1,487.97	Low	Chicago	United States	31-Dec-2017	13F
595	Ameritas Investment Partners, Inc.	4,525	0.00	0	0.00	0.22	0.00	GARP	2,148.02	Low	Lincoln	United States	31-Dec-2017	13F
596	Nikko Asset Management Co., Ltd.	4,504	0.00	300	7.14	0.24	0.02	Core Growth	71,777.81	Low	Minato-ku (Tokyo)	Japan	31-Oct-2016	Aggregate MFs
597	Arredondo (Fabiola Raquel)	4,404	0.00	2,719	161.36	0.20	0.13		0.20	High		United Kingdom	08-Jan-2018	Insider Update
598	Fuller & Thaler Asset Management Inc.	4,400	0.00	0	0.00	0.21	0.00	GARP	8,664.09	Low	San Mateo	United States	31-Dec-2017	13F
599	BBVA Asset Management, S.A., S.G.I.I.C.	4,392	0.00	-1,415	-24.37	0.21	-0.07	Core Value	8,449.04	Low	Madrid	Spain	31-Dec-2017	Aggregate MFs
600	Nuveen Asset Management, LLC	4,330	0.00	-653	-13.10	0.20	-0.03	Core Value	21,444.62	Low	Chicago	United States	30-Sep-2017	13F
601	Cypress Wealth Services LLC	4,329	0.00	4,329	100.00	0.21	0.21		240.70		Palm Desert	United States	31-Dec-2017	13F
602	Integrated Wealth Management	4,329	0.00	0	0.00	0.25	0.00		298.24		Palm Springs	United States	31-Mar-2017	13F
603	Confluence Wealth Management LLC	4,304	0.00	4,304	100.00	0.21	0.21		210.77	Low	Portland	United States	31-Dec-2017	13F
604	Fairfield, Bush & Co.	4,300	0.00	0	0.00	0.21	0.00	Growth	359.58	Low	New Haven	United States	31-Dec-2017	13F
605	The Institute for Wealth Management	4,255	0.00	4,255	100.00	0.20	0.20		429.04	Moderate	Denver	United States	31-Dec-2017	13F
606	Camden National Wealth Management	4,135	0.00	0	0.00	0.23	0.00	Income Value	319.78		Camden	United States	30-Sep-2016	13F
607	Schroders Private Bank	4,060	0.00	0	0.00	0.20	0.00		1,090.33	Low	London	England	31-Dec-2017	13F
608	Lebenthal Asset Management, LLC	4,058	0.00	-27	-0.66	0.23	0.00	Yield	794.18	Low	New York	United States	31-Mar-2017	13F
609	Aberdeen Asset Management (Asia) Ltd.	4,023	0.00	800	24.82	0.20	0.04	GARP	34,084.93	Low	Singapore	Singapore	30-Nov-2017	Aggregate MFs
610	Bel Air Investment Advisors, LLC	4,015	0.00	-2,200	-35.40	0.19	-0.11	GARP	1,565.39	Low	Los Angeles	United States	31-Dec-2017	13F
611	Gesiuris Asset Management S.G.I.I.C., S.A.	4,001	0.00	4,001	100.00	0.19	0.19		379.59	Low	Barcelona	Spain	31-Dec-2017	Aggregate MFs
612	Rinehart Wealth Management	3,856	0.00	1,179	44.04	0.19	0.06		509.46	Low	Charlotte	United States	31-Dec-2017	13F
613	1919 Investment Counsel, LLC	3,832	0.00	0	0.00	0.18	0.00	GARP	7,131.28	Low	Baltimore	United States	31-Dec-2017	13F
614	Mcloughlin Keith R	3,790	0.00	2,119	126.81	0.18	0.10		0.28	Moderate		United States	19-Sep-2017	Proxy
615	Wilmington Trust Investment Advisors, Inc.	3,765	0.00	0	0.00	0.18	0.00	Core Value	4,480.17	Low	Baltimore	United States	31-Dec-2017	13F
616	Federated Investment Management Company	3,739	0.00	-1,066	-22.19	0.18	-0.05	Core Growth	26,976.03	Moderate	Pittsburgh	United States	31-Dec-2017	Aggregate MFs
617	Seligson & Co Rahastoyhtiö Oyj	3,657	0.00	0	0.00	0.17	0.00	GARP	1,616.31	Low	Helsinki	Finland	31-Jan-2018	Aggregate MFs
618	Massachusetts Mutual Life Insurance Company	3,586	0.00	-650	-15.34	0.17	-0.03		3,319.05	Low	Springfield	United States	31-Dec-2017	Aggregate MFs
619	NORD/LB Asset Management AG	3,442	0.00	1,324	62.51	0.15	0.06	GARP	426.04	Low	Hanover	Germany	28-Feb-2018	Aggregate MFs
620	Nykredit Bank AS	3,400	0.00	-2,157	-38.82	0.15	-0.09	Growth	1,595.63	Low	Copenhagen	Denmark	28-Feb-2018	Aggregate MFs
621	Raiffeisen Salzburg Invest Kapitalanlage GmbH	3,400	0.00	0	0.00	0.16	0.00		11.57	Low	Salzburg	Austria	31-Jan-2018	Aggregate MFs
622	Mercer Capital Advisers, Inc.	3,383	0.00	5	0.15	0.16	0.00		138.19	Low	Little Silver	United States	31-Dec-2017	13F
623	Itaú Chile Administradora General de Fondos S.A.	3,200	0.00	-1,200	-27.27	0.14	-0.05	Core Growth	3,951.38	Low	Santiago	Chile	31-Mar-2018	Aggregate MFs
624	Kathrein Capital Management AG	3,158	0.00	-824	-20.69	0.18	-0.05		62.45		Vienna	Austria	31-Mar-2017	Aggregate MFs
625	PGIM Investments LLC	3,146	0.00	-403	-11.36	0.15	-0.02		21,742.33	Low	Newark	United States	30-Sep-2017	Aggregate MFs
626	UBI Pramerica SGR S.p.A.	3,146	0.00	3,146	100.00	0.19	0.19	Core Growth	3,313.32	High	Milan	Italy	31-Dec-2016	Aggregate MFs
627	Fidelity International	3,126	0.00	5	0.16	0.15	0.00	Core Growth	138,157.24	Low	London	England	31-Dec-2017	Aggregate MFs
628	Artisan Partners Limited Partnership	3,008	0.00	254	9.22	0.14	0.01	Core Growth	97,302.56	Low	Milwaukee	United States	31-Dec-2017	Aggregate MFs
629	Cordasco Financial Network, LLC	3,000	0.00	0	0.00	0.13	0.00		92.93	Low	Philadelphia	United States	31-Mar-2018	13F
630	Whittier Trust Company of Nevada, Inc.	2,998	0.00	1,998	199.80	0.14	0.10	Core Growth	1,173.92	Low	Reno	United States	31-Dec-2017	13F
631	Washington Trust Bank	2,974	0.00	2,374	395.67	0.13	0.10	Core Value	697.04	Low	Spokane	United States	31-Mar-2018	13F
632	Fukoku Mutual Life Insurance Co.	2,700	0.00	-300	-10.00	0.13	-0.01		3,417.56	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
633	Banca Passadore & C. S.p.A.	2,600	0.00	400	18.18	0.11	0.02		37.58	High	Genova	Italy	28-Feb-2018	Aggregate MFs
634	Johnson Financial Group Inc.	2,513	0.00	0	0.00	0.12	0.00	Deep Value	815.75	Low	Racine	United States	31-Dec-2017	13F
635	Stratos Wealth Partners, Ltd.	2,490	0.00	2,490	100.00	0.12	0.12		2,221.54	Low	Beachwood	United States	31-Dec-2017	13F
636	Ofi Asset Management	2,478	0.00	-179	-6.74	0.14	-0.01	GARP	2,724.00	Low	Paris	France	31-May-2017	Aggregate MFs
637	INVESCO Asset Management (Japan) Ltd.	2,435	0.00	-600	-19.77	0.12	-0.03	Yield	3,821.84	Low	Minato-ku (Tokyo)	Japan	31-Dec-2017	13F
638	City National Rochdale, LLC	2,420	0.00	-570	-19.06	0.12	-0.03	Yield	15,691.98	Low	New York	United States	31-Dec-2017	13F
639	Rampart Investment Management Company, LLC	2,419	0.00	-12	-0.49	0.12	0.00	Specialty	262.14	High	Boston	United States	31-Dec-2017	13F
640	Swedbank Robur Fonder AB	2,399	0.00	-9,052	-79.05	0.11	-0.42	Core Growth	84,430.17	Low	Stockholm	Sweden	31-Jan-2018	Aggregate MFs
641	Security Kapitalanlage AG	2,348	0.00	0	0.00	0.10	0.00	Index	1,101.71	Low	Graz	Austria	28-Feb-2018	Aggregate MFs
642	Itaú Unibanco S.A.	2,332	0.00	2,202	1,693.85	0.11	0.11		5,568.17	Low	São Paulo	Brazil	31-Dec-2017	13F
643	Hilado (Maria Teresa)	2,330	0.00	2,330	100.00	0.10	0.10		3.50	Low		United States	03-Apr-2018	Insider Update
644	Deutsche Bank (Suisse) SA	2,318	0.00	-5,246	-69.35	0.11	-0.25	GARP	1,205.90	Low	Geneva	Switzerland	31-Dec-2017	13F
645	Perrin (Charles R)	2,304	0.00	2,304	100.00	0.11	0.11		0.53	Low		United States	19-Sep-2017	Proxy
646	Arabesque Asset Management Ltd	2,300	0.00	-171	-6.92	0.11	-0.01		39.81	High	London	England	30-Sep-2017	Aggregate MFs
647	DBX Advisors LLC	2,286	0.00	2,286	100.00	0.11	0.11		166.29	Moderate		United States	31-Dec-2017	13F
648	Bankhaus Carl Spängler & Co. AG	2,230	0.00	0	0.00	0.14	0.00	Yield	866.71	Low	Salzburg	Austria	31-Jan-2017	Aggregate MFs
649	Valex Capital AG	2,230	0.00	0	0.00	0.10	0.00		65.39	Moderate	Pfäffikon	Switzerland	31-Jan-2018	Aggregate MFs
650	RBC Private Counsel (USA) Inc.	2,213	0.00	1,661	300.91	0.11	0.08	Growth	1,539.32	Low	Toronto	Canada	31-Dec-2017	13F
651	Kanaly Trust Company	2,200	0.00	-226	-9.32	0.13	-0.01	Core Growth	467.53		Houston	United States	31-Dec-2016	13F
652	Smithfield Trust Company	2,180	0.00	0	0.00	0.10	0.00	Hedge Fund	818.69	Low	Pittsburgh	United States	31-Dec-2017	13F
653	Franklin Mutual Advisers, LLC	2,166	0.00	0	0.00	0.09	0.00	Deep Value	56,616.42	Low	Short Hills	United States	28-Feb-2018	Aggregate MFs
654	Swiss Life Asset Management (France)	2,148	0.00	148	7.40	0.09	0.01	Core Value	1,064.02	Low	Paris	France	28-Feb-2018	Aggregate MFs
655	Keppler Asset Management, Inc.	2,130	0.00	0	0.00	0.10	0.00	Core Value	451.65	Low	New York	United States	31-Jan-2018	Aggregate MFs
656	Brown Brothers Harriman & Company	2,100	0.00	0	0.00	0.10	0.00	Core Growth	18,634.47	Low	New York	United States	31-Dec-2017	13F
657	Adirondack Trust Company	2,080	0.00	-80	-3.70	0.10	0.00	Yield	137.29	Low	Saratoga Springs	United States	31-Dec-2017	13F
658	Invesco Management Group, Inc.	2,069	0.00	-12	-0.58	0.10	0.00	GARP	3,290.84	Low	Houston	United States	31-Dec-2017	13F
659	PNC Capital Advisors, LLC	2,066	0.00	-1,696	-45.08	0.10	-0.08	Core Value	11,760.82	Low	Baltimore	United States	31-Dec-2017	13F
660	Independent Financial Partners	2,004	0.00	-10,318	-83.74	0.10	-0.50	Growth	2,193.71	Low	Tampa	United States	31-Dec-2017	13F
661	Acorn Wealth Advisors, LLC	2,000	0.00	2,000	100.00	0.10	0.10		107.97		Grand Blanc	United States	31-Dec-2017	13F
662	Duncker, Streett & Co., L.L.C.	2,000	0.00	0	0.00	0.10	0.00	GARP	389.00	Low	St. Louis	United States	31-Dec-2017	13F
663	Banca Finnat Euramerica S.p.A.	1,990	0.00	4	0.20	0.10	0.00	Core Growth	96.39	Moderate	Rome	Italy	31-Dec-2017	Aggregate MFs
664	Deutsche Bank AG (Germany)	1,974	0.00	172	9.54	0.09	0.01	GARP	1,514.50	Low	Frankfurt	Germany	31-Mar-2018	Aggregate MFs
665	Meeder Asset Management, Inc	1,950	0.00	-1,779	-47.71	0.09	-0.09	Deep Value	1,709.01	Moderate	Dublin	United States	31-Dec-2017	13F
666	Alps Advisors, Inc.	1,909	0.00	426	28.73	0.08	0.02	Yield	14,959.23	Low	Denver	United States	31-Mar-2018	Aggregate MFs
667	Advisory Services Network, LLC	1,865	0.00	-525	-21.97	0.09	-0.03		1,145.86	Moderate	Atlanta	United States	31-Dec-2017	13F
668	Advisory Research, Inc.	1,831	0.00	1,831	100.00	0.09	0.09	Core Value	9,117.74	Low	Chicago	United States	30-Sep-2017	Aggregate MFs
669	Adepa Asset Management S.A.	1,824	0.00	1,824	100.00	0.11	0.11		158.88	Moderate	Luxembourg	Luxembourg	31-Dec-2016	Aggregate MFs
670	Foresters Investment Management Company, Inc.	1,796	0.00	186	11.55	0.09	0.01	GARP	6,510.79	Low	New York	United States	31-Dec-2017	13F
671	Monetary Management Group, Inc.	1,750	0.00	0	0.00	0.08	0.00	Core Growth	248.14	Low	St. Louis	United States	31-Dec-2017	13F
672	Tressis, S.V.	1,716	0.00	-430	-20.04	0.08	-0.02	Core Growth	5.20	Low	Madrid	Spain	31-Dec-2017	Aggregate MFs
673	Ledyard National Bank	1,700	0.00	0	0.00	0.07	0.00	Core Growth	822.30	Low	Hanover	United States	31-Mar-2018	13F
674	Agincourt Capital Management, L.L.C.	1,645	0.00	0	0.00	0.08	0.00	Yield	162.07	Moderate	Richmond	United States	31-Dec-2017	Aggregate MFs
675	Covington Capital Management	1,600	0.00	1,600	100.00	0.08	0.08	Core Value	1,618.16	Low	Los Angeles	United States	31-Dec-2017	13F
676	Glassman Wealth Services LLC	1,600	0.00	-3	-0.19	0.08	0.00		164.44	Low	McLean	United States	31-Dec-2017	13F
677	Taylor Hoffman Wealth Management, LLC	1,600	0.00	1,600	100.00	0.08	0.08		104.54		Richmond	United States	31-Dec-2017	13F
678	Ariel Investments, LLC	1,596	0.00	0	0.00	0.09	0.00	Core Value	10,194.41	Low	Chicago	United States	30-Nov-2016	Aggregate MFs
679	Norinchukin Zenkyoren Asset Management Co., Ltd.	1,577	0.00	1,577	100.00	0.07	0.07	Core Value	2,279.65	Low	Chiyoda-ku (Tokyo)	Japan	30-Sep-2017	Aggregate MFs
680	Virtus Investment Advisers, Inc.	1,574	0.00	-430	-21.46	0.08	-0.02	GARP	1,195.39	Moderate	Hartford	United States	31-Dec-2017	13F
681	Bartlett & Company	1,540	0.00	0	0.00	0.07	0.00	Deep Value	2,508.90	Low	Cincinnati	United States	31-Dec-2017	13F
682	J.P. Morgan Securities LLC	1,489	0.00	-170	-10.25	0.07	-0.01	Broker-Dealer	38,194.48	Moderate	New York	United States	31-Dec-2017	13F
683	Carroll Financial Associates, Inc.	1,480	0.00	550	59.14	0.06	0.02	Yield	910.80	Low	Charlotte	United States	31-Mar-2018	13F
684	Rothschild et Cie Gestion	1,480	0.00	65	4.59	0.08	0.00	GARP	4,366.70	Moderate	Paris	France	30-Jun-2017	Aggregate MFs
685	Samsung Asset Management Co., Ltd.	1,460	0.00	46	3.25	0.06	0.00	Core Value	11,757.98	Low	Seoul	Korea, Rep. (South)	31-Mar-2018	Aggregate MFs
686	Lautenbach (Marc Bradley)	1,433	0.00	0	0.00	0.07	0.00		3.09	Low		United States	19-Sep-2017	Proxy
687	Barrett Asset Management, LLC	1,400	0.00	0	0.00	0.07	0.00	Core Growth	1,421.38	Low	New York	United States	31-Dec-2017	13F
688	Krilogy Financial LLC	1,400	0.00	1,400	100.00	0.07	0.07	Growth	414.23	Low	St. Louis	United States	31-Dec-2017	13F

689	HighMark Capital Management Inc.	1,380	0.00	0	0.00	0.07	0.00	Income Value	3,379.50	Low	San Francisco	United States	31-Dec-2017	13F
690	M&R Capital Management Inc.	1,360	0.00	-1,300	-48.87	0.07	-0.06	Core Value	431.53	Low	New York	United States	31-Dec-2017	13F
691	American Financial Network Advisory Services, LLC	1,319	0.00	0	0.00	0.06	0.00		238.19	Low	Calabasas	United States	31-Dec-2017	13F
692	MB Financial Bank, N.A.	1,312	0.00	12	0.92	0.06	0.00	Core Growth	868.89	Low	Rosemont	United States	31-Mar-2018	13F
693	Gardner Russo & Gardner	1,300	0.00	1,300	100.00	0.06	0.06	Core Value	14,504.08	Low	Lancaster	United States	31-Dec-2017	13F
694	Amica Retiree Medical Trust	1,294	0.00	0	0.00	0.06	0.00		132.13	Low	Lincoln	United States	31-Dec-2017	13F
695	Omnia Family Wealth, LLC	1,288	0.00	1,288	100.00	0.06	0.06		218.39	Low	Aventura	United States	31-Dec-2017	13F
696	FTB Advisors, Inc.	1,259	0.00	-7	-0.55	0.06	0.00	Core Value	1,044.41	Low	Chattanooga	United States	31-Dec-2017	13F
697	Wolverine Asset Management, LLC	1,244	0.00	-825	-39.87	0.06	-0.04	Hedge Fund	2,809.20	High	Chicago	United States	31-Dec-2017	13F
698	ACSI Funds	1,190	0.00	307	34.77	0.05	0.01	Hedge Fund	29.58	Low	Ann Arbor	United States	28-Feb-2018	Aggregate MFs
699	Blackhawk Capital Partners, L.L.C.	1,135	0.00	1,135	100.00	0.05	0.05		115.76		Thiensville	United States	31-Dec-2017	13F
700	Quadrant Family Wealth Advisors	1,122	0.00	61	5.75	0.05	0.00		257.73	Low	Cincinnati	United States	31-Dec-2017	13F
701	BMO Global Asset Management	1,094	0.00	103	10.39	0.05	0.00	Growth	17,147.95	Moderate	London	England	31-Mar-2018	13F
702	Manchester Capital Management LLC	1,094	0.00	0	0.00	0.05	0.00		665.91	Low	Manchester	United States	31-Dec-2017	13F
703	The Index Group, Inc.	1,063	0.00	207	24.18	0.05	0.01	Index	26.23	Moderate	Colorado Springs	United States	31-Dec-2017	Aggregate MFs
704	Guardian Investor Services LLC	1,058	0.00	-20	-1.86	0.05	0.00	Core Growth	130.02	Low	New York	United States	28-Feb-2018	Aggregate MFs
705	Invesco Canada Ltd.	1,049	0.00	97	10.19	0.05	0.00	Core Growth	19,555.45	Low	Toronto	Canada	31-Dec-2017	13F
706	St. Galler Kantonalbank AG	1,045	0.00	222	26.97	0.05	0.01	Core Value	588.82	Low		Switzerland	31-Dec-2017	Aggregate MFs
707	Evercore Wealth Management, LLC	1,000	0.00	1,000	100.00	0.05	0.05	GARP	2,694.30	Low	New York	United States	31-Dec-2017	13F
708	Integrated Wealth Counsel, LLC	1,000	0.00	0	0.00	0.06	0.00	Core Value	42.06		Reno	United States	31-Dec-2016	13F
709	Nextam Partners SGR S.p.A.	1,000	0.00	-400	-28.57	0.04	-0.02	Equity Hedge	118.46	Moderate	Milan	Italy	28-Feb-2018	Aggregate MFs
710	Whittier Trust Company	1,000	0.00	-2,000	-66.67	0.05	-0.10	Core Growth	2,865.75	Low	South Pasadena	United States	31-Dec-2017	13F
711	Dacheng Fund Management Co., Ltd.	972	0.00	705	264.04	0.06	0.04	Growth	7,929.46	Moderate	Shenzhen	China	31-Dec-2016	Aggregate MFs
712	Arcadia Investment Management Corp.	960	0.00	0	0.00	0.04	0.00	Growth	360.29	Low	Kalamazoo	United States	31-Mar-2018	13F
713	W & W Asset Management GmbH	932	0.00	0	0.00	0.04	0.00	Core Growth	939.83	Moderate	Ludwigsburg	Germany	31-Jan-2018	Aggregate MFs
714	Siemens Fonds Invest GmbH	924	0.00	0	0.00	0.04	0.00	Core Growth	946.97	Moderate	Munich	Germany	28-Feb-2018	Aggregate MFs
715	Parallel Advisors, LLC	909	0.00	-153	-14.41	0.04	-0.01		610.35	Low	San Francisco	United States	31-Dec-2017	13F
716	Fiera Capital Corporation	892	0.00	892	100.00	0.04	0.04	GARP	27,292.23	Low	Montreal	Canada	31-Dec-2017	13F
717	Fiera Capital Inc.	892	0.00	0	0.00	0.04	0.00	Core Growth	704.18	Moderate	New York	United States	28-Feb-2018	Aggregate MFs
718	Enterprise Financial Services Corp.	867	0.00	225	35.05	0.04	0.01	Core Growth	205.16	Low	Clayton	United States	31-Dec-2017	13F
719	CAPTRUST Financial Advisors	850	0.00	850	100.00	0.04	0.04	Yield	1,648.25	Moderate	Raleigh	United States	31-Dec-2017	13F
720	RBC Wealth Management, International	837	0.00	-902	-51.87	0.04	-0.04	Core Growth	18,865.68	Low	New York	United States	31-Dec-2017	13F
721	Summit Trail Advisors, LLC	813	0.00	813	100.00	0.04	0.04		745.47		New York	United States	31-Dec-2017	13F
722	CREATIVE FINANCIAL DESIGNS INC /ADV	800	0.00	800	100.00	0.05	0.05		122.36		Kokomo	United States	31-Dec-2016	13F
723	Bronfman E.L. Rothschild, L.P	797	0.00	418	110.29	0.04	0.02		1,022.93	Low	Rockville	United States	31-Dec-2017	13F
724	HSBC Global Asset Management (Hong Kong) Limited	791	0.00	108	15.81	0.05	0.01	Core Value	16,670.29	Low	Central (Hong Kong)	Hong Kong SAR	31-Jan-2017	Aggregate MFs
725	Barclays Bank PLC Hong Kong	783	0.00	0	0.00	0.04	0.00		593.50	Low	Central (Hong Kong)	Hong Kong SAR	30-Jun-2017	13F
726	NFJ Investment Group LLC	713	0.00	482	208.66	0.03	0.02		9,011.00	Low	Dallas	United States	31-Dec-2017	Aggregate MFs
727	Holistic Financial Partners, LLC	710	0.00	710	100.00	0.03	0.03		121.27		Indianapolis	United States	31-Dec-2017	13F
728	Landaas & Company	700	0.00	0	0.00	0.03	0.00		115.91	Low	Wisconsin	United States	31-Dec-2017	13F
729	Nomura Asset Management (UK) Ltd.	700	0.00	0	0.00	0.03	0.00	Core Growth	467.85	High	London	England	31-Dec-2017	13F
730	Acadian Asset Management LLC	697	0.00	-28,585	-97.62	0.03	-1.24	Deep Value	33,649.01	Moderate	Boston	United States	31-Mar-2018	13F
731	Delpha Capital Management, L.L.C.	684	0.00	684	100.00	0.03	0.03		66.72		New York	United States	31-Dec-2017	13F
732	The Patriot Financial Group, LLC	666	0.00	1	0.15	0.03	0.00		131.18	Low	Westborough	United States	31-Dec-2017	13F
733	CIBC Atlantic Trust Private Wealth Management	638	0.00	638	100.00	0.03	0.03	Growth	23,313.19	Low	Boston	United States	31-Dec-2017	13F
734	Guardian Life Insurance Company of America	627	0.00	193	44.47	0.03	0.01		466.09	High	New York	United States	31-Dec-2017	13F
735	Plante Moran Financial Advisors, LLC	613	0.00	0	0.00	0.03	0.00	Growth	180.23	Low	Southfield	United States	31-Dec-2017	13F
736	Peoples Financial Services Corp.	600	0.00	0	0.00	0.03	0.00		182.76	Low	Halstead	United States	31-Dec-2017	13F
737	WisdomTree Asset Management, Inc.	592	0.00	320	117.65	0.03	0.01	Growth	403.88	Moderate	New York	United States	31-Mar-2018	Aggregate MFs
738	Allianz Global Investors U.S. LLC	582	0.00	582	100.00	0.03	0.03	Core Growth	48,576.96	Low	San Diego	United States	31-Dec-2017	13F
739	Gradient Investments LLC	568	0.00	118	26.22	0.02	0.01	Core Growth	1,847.09	Moderate	Arden Hills	United States	31-Mar-2018	13F
740	ETF Securities Advisors LLC	564	0.00	12	2.17	0.03	0.00		137.06	Low	New York	United States	30-Sep-2016	Aggregate MFs
741	Telemus Capital, LLC	533	0.00	533	100.00	0.03	0.03	GARP	1,289.56	Low	Southfield	United States	31-Dec-2017	13F
742	State Street Global Advisors Australia Ltd.	507	0.00	0	0.00	0.02	0.00	Index	6,845.99	Low	Sydney	Australia	31-Jan-2018	Aggregate MFs
743	Chicago Partners Wealth Advisors	500	0.00	0	0.00	0.02	0.00		609.23	High	Chicago	United States	31-Dec-2017	13F
744	Financial Architects Inc.	500	0.00	0	0.00	0.02	0.00	GARP	577.03	Low	Marlton	United States	31-Dec-2017	13F
745	Horrell Capital Management, Inc.	500	0.00	-250	-33.33	0.02	-0.01	Core Growth	190.59	Low	Little Rock	United States	31-Mar-2018	13F
746	Perkins Coie Trust Co	500	0.00	0	0.00	0.02	0.00		198.62	Low	Seattle	United States	31-Mar-2018	13F
747	Webster Financial Advisors	500	0.00	0	0.00	0.02	0.00	Core Value	692.27	Low	Hartford	United States	31-Mar-2018	13F
748	YorkBridge Wealth Partners, LLC	450	0.00	0	0.00	0.02	0.00		207.68	Low	New York	United States	31-Dec-2017	13F
749	Templeton Investment Counsel, L.L.C.	444	0.00	-1,275	-74.17	0.02	-0.06	Core Value	62,295.40	Low	Fort Lauderdale	United States	31-Dec-2017	13F
750	Resources Investment Advisors, Inc.	440	0.00	100	29.41	0.02	0.00		428.09	Moderate	Overland Park	United States	31-Dec-2017	13F
751	Schroder Investment Management (Singapore) Ltd.	440	0.00	-141	-24.27	0.03	-0.01	GARP	11,104.60	Low	Singapore	Singapore	31-Dec-2016	Aggregate MFs
752	Averill (Howard M)	437	0.00	437	100.00	0.02	0.02		9.10	Low		United States	01-Dec-2017	Insider Update
753	Cavanal Hill Investment Management, Inc.	436	0.00	2	0.46	0.02	0.00	Core Growth	140.69	Moderate	Tulsa	United States	28-Feb-2018	Aggregate MFs
754	Cornerstone Advisors, Inc. (WA)	435	0.00	-36	-7.64	0.02	0.00	Yield	250.76	Low	Bellevue	United States	31-Mar-2018	13F
755	ABN AMRO Investment Solutions (AAIS)	431	0.00	78	22.10	0.02	0.00	Growth	10,310.98	Low	Paris	France	31-Jan-2018	Aggregate MFs
756	Sun Life Assurance Company of Canada (Toronto)	422	0.00	-1,005	-70.43	0.02	-0.05	Core Growth	1,044.99	Low	Toronto	Canada	31-Dec-2017	13F
757	Omega Global Investors Pty Ltd.	403	0.00	67	19.94	0.02	0.00		65.09	High	Melbourne	Australia	31-Oct-2017	Aggregate MFs
758	Jennison Associates LLC	400	0.00	-39,484	-99.00	0.02	-1.90	Growth	108,349.33	Low	New York	United States	31-Dec-2017	13F
759	Security National Trust Company	400	0.00	0	0.00	0.02	0.00	Income Value	310.25	Low	Wheeling	United States	31-Dec-2017	13F
760	BB&T Investment Services,Inc	383	0.00	3	0.79	0.02	0.00		594.26	Moderate	Charlotte	United States	31-Dec-2017	13F
761	Horizons ETFs Management (Canada) Inc.	374	0.00	-170	-31.25	0.02	-0.01	Core Growth	972.40	Moderate	Toronto	Canada	31-Mar-2018	Aggregate MFs
762	Loring, Wolcott & Coolidge Fiduciary Advisors, LLP	373	0.00	0	0.00	0.02	0.00	Growth	5,444.88	Low	Boston	United States	31-Dec-2017	13F
763	Balentine LLC	371	0.00	0	0.00	0.02	0.00		1,266.95	High	Atlanta	United States	31-Dec-2017	13F
764	Versant Capital Management, Inc.	370	0.00	-525	-58.66	0.02	-0.02		243.64		Phoenix	United States	31-Mar-2018	13F
765	BMO Asset Management U.S.	366	0.00	21	6.09	0.02	0.00	Core Value	13,804.87	Moderate	Chicago	United States	31-Mar-2018	13F
766	MOTCO	365	0.00	-165	-31.13	0.02	-0.01	Deep Value	875.49	Low	San Antonio	United States	31-Dec-2017	13F
767	Desjardins Global Asset Management	363	0.00	0	0.00	0.02	0.00	Core Value	4,638.54	Low	Montreal	Canada	28-Feb-2018	Aggregate MFs
768	Jacobi Capital Management, LLC	362	0.00	-176	-32.71	0.02	-0.01		302.03	Low	Wilkes Barre	United States	31-Dec-2017	13F
769	Madrona Funds, LLC	362	0.00	20	5.85	0.02	0.00	Core Growth	61.12	Moderate	Everett	United States	28-Feb-2018	Aggregate MFs
770	Hirtle, Callaghan & Co., LLC	360	0.00	0	0.00	0.02	0.00	Hedge Fund	2,415.55	Low	West Conshohocken	United States	31-Dec-2017	Aggregate MFs
771	RBC Capital Markets (Canada)	360	0.00	360	100.00	0.02	0.02	N/A	69.77	Low	Toronto	Canada	30-Sep-2016	13F
772	Risk Paradigm Group, LLC	358	0.00	0	0.00	0.02	0.00	Hedge Fund	93.16	Low	Austin	United States	31-Dec-2017	13F
773	Bosera Asset Management Co., Ltd.	353	0.00	55	18.46	0.02	0.00	GARP	14,683.41	Low	Shenzhen	China	31-Dec-2016	Aggregate MFs
774	Thompson, Siegel & Walmsley LLC	350	0.00	350	100.00	0.02	0.02	Core Value	10,696.62	Moderate	Richmond	United States	31-Dec-2017	13F
775	Northwest Wealth Management, LLC	300	0.00	300	100.00	0.01	0.01		134.01	Moderate	Spencer	United States	31-Mar-2018	13F
776	The Trust Company of Vermont	300	0.00	0	0.00	0.01	0.00	Core Growth	1,071.32	Low	Brattleboro	United States	31-Dec-2017	13F
777	IKOS CIF Ltd	295	0.00	295	100.00	0.02	0.02	Hedge Fund	15.57		Limassol	Cyprus	30-Sep-2016	13F
778	Steward Partners Investment Advisory, LLC	290	0.00	0	0.00	0.01	0.00		1,306.77	Moderate	Clearwater	United States	31-Dec-2017	13F
779	Price Wealth Management, Inc.	288	0.00	288	100.00	0.01	0.01	Core Growth	152.75		Austin	United States	31-Dec-2017	13F
780	Kinea Investimentos Ltda.	256	0.00	256	100.00	0.01	0.01	Hedge Fund	294.86	High	São Paulo	Brazil	30-Sep-2017	Aggregate MFs
781	Commonwealth Financial Services, LLC	250	0.00	0	0.00	0.01	0.00		91.36		Parkersburg	United States	31-Mar-2017	13F
782	Marino, Stram & Associates, LLC	248	0.00	248	100.00	0.01	0.01		108.20		Braintree	United States	31-Dec-2017	13F
783	Diamond Hill Capital Management Inc.	246	0.00	52	26.80	0.01	0.00	Deep Value	21,468.24	Low	Columbus	United States	31-Mar-2018	Aggregate MFs
784	UBS Asset Management (Australia) Ltd.	222	0.00	0	0.00	0.01	0.00	GARP	835.50	Low	Sydney	Australia	31-Mar-2018	Aggregate MFs
785	TCI Wealth Advisors, Inc.	213	0.00	165	343.75	0.01	0.01		227.47	Low	Tucson	United States	31-Dec-2017	13F
786	Carson Wealth Management Group	200	0.00	0	0.00	0.01	0.00		2,239.64	Moderate	Omaha	United States	31-Dec-2017	13F
787	Community Bank, N.A.	200	0.00	0	0.00	0.01	0.00		930.38	Moderate	Dewitt	United States	31-Dec-2017	13F
788	Cornerstone Capital Management LLC	200	0.00	-101,412	-99.80	0.01	-6.02	Core Growth	966.21	Low	Minneapolis	United States	28-Feb-2017	Aggregate MFs
789	Tortoise Investment Management, LLC	200	0.00	0	0.00	0.01	0.00		348.35	Low	White Plains	United States	31-Dec-2017	13F
790	AlphaOne Capital Partners, LLC	190	0.00	-1,038	-84.53	0.01	-0.05	Aggres. Gr.	335.67	Moderate	Villanova	United States	31-Dec-2017	13F
791	Advantage Investment Management, LLC	187	0.00	0	0.00	0.01	0.00	Core Value	322.30	Moderate	Cedar Rapids	United States	31-Dec-2017	13F
792	Kaizen Advisory, LLC	181	0.00	181	100.00	0.01	0.01	Hedge Fund	151.47	High	Wheaton	United States	31-Dec-2017	13F
793	TLP Trading, LLC	172	0.00	172	100.00	0.01	0.01	VC/Private Equity	137.99	High	Lake Forest	United States	31-Dec-2017	13F
794	Gemmer Asset Management LLC	164	0.00	14	9.33	0.01	0.00	GARP	288.63	Low	Walnut Creek	United States	31-Dec-2017	13F
795	JCI Capital Limited	163	0.00	163	100.00	0.01	0.01		9.83	Moderate	London	England	31-Aug-2016	Aggregate MFs
796	Benjamin F. Edwards & Company, Inc.	150	0.00	150	100.00	0.01	0.01		980.36	Moderate	St. Louis	United States	31-Mar-2018	13F
797	Delta Asset Management, LLC	150	0.00	0	0.00	0.01	0.00	Core Value	709.21	Low	Memphis	United States	31-Dec-2017	13F
798	Gryphon Financial Partners LLC	145	0.00	145	100.00	0.01	0.01		175.80		Columbus	United States	31-Dec-2017	13F
799	Cloud Capital LLC	132	0.00	-175	-57.00	0.01	-0.01	Core Growth	8.24		Tulsa	United States	28-Feb-2017	Aggregate MFs
800	Fiduciary Trust Company of Canada	129	0.00	129	100.00	0.01	0.01	GARP	486.69	Moderate	Calgary	Canada	31-Dec-2017	13F
801	Litman Gregory Asset Management, LLC	124	0.00	0	0.00	0.01	0.00	Deep Value	888.53	Low	Orinda	United States	31-Dec-2017	13F
802	Berner Kantonalbank AG	119	0.00	-32	-21.19	0.01	0.00		811.79	Low		Switzerland	31-Dec-2017	Aggregate MFs
803	Central Bank & Trust Company	119	0.00	0	0.00	0.01	0.00	Core Growth	414.61	Low	Lexington	United States	31-Dec-2017	13F
804	New York Life Investment Management, LLC	117	0.00	-1,656	-93.40	0.01	-0.09	Core Growth	6,219.18	Low	New York	United States	31-Mar-2017	13F
805	HFM Wealth Management	111	0.00	0	0.00	0.00	0.00	Hedge Fund	197.87	Low	Hartford	United States	31-Mar-2018	13F
806	Sumitomo Mitsui Trust Asset Management Co., Ltd.	110	0.00	-12,206	-99.11	0.01	-0.70	Core Growth	10,588.92	Low	Minato-ku (Tokyo)	Japan	31-May-2017	Aggregate MFs
807	Parisi Gray Wealth Management, LLC	105	0.00	105	100.00	0.01	0.01		132.82		Bedminster	United States	31-Dec-2017	13F
808	BMO Private Investment Counsel Inc.	100	0.00	0	0.00	0.00	0.00	GARP	4,204.21	Low	Toronto	Canada	31-Mar-2018	13F
809	Centerpoint Advisors, LLC	100	0.00	100	100.00	0.00	0.00		113.10		Needham	United States	31-Dec-2017	13F
810	IHT Wealth Management, LLC	100	0.00	100	100.00	0.00	0.00	Deep Value	368.45	Moderate	Chicago	United States	31-Dec-2017	13F
811	Legacy Advisors, LLC	100	0.00	0	0.00	0.00	0.00		136.47	Low	Plymouth Meeting	United States	31-Mar-2018	13F
812	SRS Capital Advisors, Inc	100	0.00	100	100.00	0.00	0.00		230.55	Low	Denver	United States	31-Dec-2017	13F
813	Horizons ETFs Management (US) LLC	92	0.00	0	0.00	0.00	0.00		224.74	Low	New York	United States	31-Aug-2017	Aggregate MFs
814	Grove Bank & Trust	90	0.00	0	0.00	0.00	0.00		229.10	Moderate	Miami	United States	31-Dec-2017	13F
815	EARNEST Partners, LLC	88	0.00	88	100.00	0.00	0.00	Core Value	11,730.54	Low	Atlanta	United States	31-Dec-2017	13F
816	Assetmark, Inc.	83	0.00	-147	-63.91	0.00	-0.01		9,861.44	Moderate	Concord	United States	31-Dec-2017	13F
817	AdvisorNet Financial, Inc	80	0.00	80	100.00	0.00	0.00		657.35		Minneapolis	United States	31-Dec-2017	13F
818	CT Financial Advisors LLC	79	0.00	0	0.00	0.00	0.00		160.62		Chadds Ford	United States	31-Mar-2017	13F
819	FinEx Capital Management LLP	76	0.00	0	0.00	0.00	0.00		18.56	Low	London	England	31-Mar-2018	Aggregate MFs
820	Cribstone Capital Management, LLC	74	0.00	74	100.00	0.00	0.00	GARP	200.02	Low	Augusta	United States	31-Mar-2018	13F
821	Union Bank & Trust Company (Nebraska)	73	0.00	0	0.00	0.00	0.00	Core Growth	1,327.18	Low	Lincoln	United States	31-Mar-2018	13F
822	T. Rowe Price International (UK) Ltd.	71	0.00	71	100.00	0.00	0.00	GARP	62,999.83	Low	London	England	31-Dec-2017	Aggregate MFs
823	Proficio Capital Partners	64	0.00	-46	-41.82	0.00	0.00		256.57	Low	Newton	United States	31-Dec-2017	13F
824	Beacon Capital Management, Inc.	57	0.00	57	100.00	0.00	0.00		2,313.26	Low	Dayton	United States	31-Mar-2018	13F
825	Aevitas Wealth Management, Inc.	50	0.00	50	100.00	0.00	0.00		105.37		Wellesley Hills	United States	31-Dec-2017	13F

826	Thurgauer Kantonalbank	48	0.00	5	11.63	0.00	0.00	Specialty	94.60	Moderate		Switzerland	31-Dec-2017	Aggregate MFs
827	Tower Research Capital LLC	47	0.00	-6,748	-99.31	0.00	-0.32	Hedge Fund	764.12	High	New York	United States	31-Dec-2017	13F
828	Convergent Wealth Advisors	45	0.00	0	0.00	0.00	0.00		461.05		Potomac	United States	30-Sep-2016	13F
829	IST Investmentstiftung	41	0.00	1	2.50	0.00	0.00	Core Value	295.49	Low	Zurich	Switzerland	28-Feb-2018	Aggregate MFs
830	FutureAdvisor	29	0.00	-44	-60.27	0.00	0.00		1,118.05	Low	San Francisco	United States	31-Dec-2017	13F
831	San Francisco Sentry Investment Group	28	0.00	0	0.00	0.00	0.00	Hedge Fund	341.59	Moderate	San Francisco	United States	31-Dec-2017	13F
832	Sparinvest S.A.	27	0.00	-4,293	-99.38	0.00	-0.26	Core Value	2,098.81	Moderate	Luxembourg	Luxembourg	31-Dec-2016	Aggregate MFs
833	Tarbox Family Office, Inc.	24	0.00	18	300.00	0.00	0.00		252.35	Low	Newport Beach	United States	31-Dec-2017	13F
834	NuWave Investment Management, LLC	22	0.00	22	100.00	0.00	0.00	Hedge Fund	84.54		Parsippany	United States	31-Dec-2017	13F
835	Parkside Financial Bank & Trust	20	0.00	0	0.00	0.00	0.00	Yield	269.00	Low	St. Louis	United States	31-Dec-2017	13F
836	We Are One Seven, LLC	20	0.00	20	100.00	0.00	0.00		215.25			United States	31-Dec-2017	13F
837	Legacy Financial Advisors, Inc.	17	0.00	0	0.00	0.00	0.00		249.62	Low	Covington	United States	31-Mar-2018	13F
838	Man Investments, Ltd.	16	0.00	-163	-91.06	0.00	-0.01	Hedge Fund	9.25		London	England	28-Feb-2017	Aggregate MFs
839	MAINSTAY CAPITAL MANAGEMENT LLC /ADV	15	0.00	15	100.00	0.00	0.00		119.08		Grand Blanc	United States	31-Dec-2017	13F
840	First Capital Advisors Group, LLC	14	0.00	14	100.00	0.00	0.00		172.58	Moderate	Little Silver	United States	31-Mar-2018	13F
841	Avestar Capital, LLC	12	0.00	12	100.00	0.00	0.00		136.75		New York	United States	31-Dec-2017	13F
842	A.R.T. Advisors, LLC	0	0.00	-72,100	-100.00	0.00	-3.38	Hedge Fund	2,256.70	High	New York	United States	30-Sep-2017	13F
843	AJO, LP	0	0.00	-16,850	-100.00	0.00	-0.79	Deep Value	24,760.72	Moderate	Philadelphia	United States	30-Sep-2017	13F
844	ARP Americas LP	0	0.00	-10,724	-100.00	0.00	-0.52		298.51	High	New York	United States	31-Dec-2017	13F
845	Affinity Investment Advisors, LLC	0	0.00	-344,343	-100.00	0.00	-18.84	GARP	884.83	Moderate	Irvine	United States	30-Sep-2016	13F
846	Alethea Capital Management, LLC	0	0.00	-43,620	-100.00	0.00	-2.04		73.56	High	Rancho Santa Fe	United States	30-Sep-2017	13F
847	Aletti Gestielle SGR S.p.A.	0	0.00	-4,000	-100.00	0.00	-0.19	GARP	3,743.40	Moderate	Milan	Italy	31-Dec-2017	Aggregate MFs
848	Alfred Berg Kapitalförvaltning AB	0	0.00	-36,400	-100.00	0.00	-2.20	Core Growth	6,694.68	Low	Stockholm	Sweden	31-Dec-2016	13F
849	Allianz Global Investors GmbH	0	0.00	-13,031	-100.00	0.00	-0.75	GARP	118,071.43	Low	Frankfurt	Germany	31-Mar-2017	13F
850	Alpha Architect, LLC	0	0.00	-138	-100.00	0.00	-0.01		392.14	Moderate	Cleveland	United States	31-Mar-2017	13F
851	Alpine Woods Capital Investors, LLC	0	0.00	-3,300	-100.00	0.00	-0.18	Core Value	3,043.36	Low	Purchase	United States	30-Sep-2016	13F
852	Amundi Pioneer Asset Management, Inc.	0	0.00	-293,225	-100.00	0.00	-13.73	Core Growth	34,465.52	Low	Boston	United States	30-Sep-2017	13F
853	Ancora Advisors, L.L.C.	0	0.00	-700	-100.00	0.00	-0.04	Core Value	1,848.06	Low	Cleveland	United States	31-Mar-2017	13F
854	Arrow Capital Management Inc.	0	0.00	-1,300	-100.00	0.00	-0.07	Hedge Fund	164.32	Moderate	Toronto	Canada	30-Jun-2017	Aggregate MFs
855	Arrow Investment Advisors, LLC	0	0.00	-1,460	-100.00	0.00	-0.08	Core Value	445.27	High	Olney	United States	30-Sep-2016	Aggregate MFs
856	Arrowstreet Capital, Limited Partnership	0	0.00	-151,400	-100.00	0.00	-7.09	Hedge Fund	43,431.20	High	Boston	United States	30-Sep-2017	13F
857	Ashfield Capital Partners, LLC	0	0.00	-4,116	-100.00	0.00	-0.19	Growth	777.43	Low	San Francisco	United States	30-Sep-2017	13F
858	Aspiriant, LLC	0	0.00	-809	-100.00	0.00	-0.05	Yield	1,522.89	High	San Francisco	United States	31-May-2017	Aggregate MFs
859	Asset Management Group of Bank of Hawaii	0	0.00	-5,325	-100.00	0.00	-0.26	Core Growth	1,229.16	Low	Honolulu	United States	31-Dec-2017	13F
860	Aviance Capital Management LLC	0	0.00	-6,317	-100.00	0.00	-0.38	GARP	1,398.65	Moderate	Sarasota	United States	31-Dec-2016	13F
861	Aviva Investors France S.A.	0	0.00	-35,867	-100.00	0.00	-1.96	Core Growth	5,765.07	Low	Paris	France	30-Sep-2016	13F
862	BKD Wealth Advisors, LLC	0	0.00	-3,451	-100.00	0.00	-0.19	Core Value	999.84	Low	Springfield	United States	30-Sep-2016	13F
863	BNP Paribas Asset Management USA, Inc.	0	0.00	-42,572	-100.00	0.00	-2.22	GARP	6,135.13	Moderate	Boston	United States	30-Jun-2017	13F
864	BNP Paribas Luxembourg	0	0.00	-967	-100.00	0.00	-0.06	GARP	1,512.64	Moderate	Luxembourg	Luxembourg	31-Mar-2017	Aggregate MFs
865	Baker Ellis Asset Management LLC	0	0.00	-6,582	-100.00	0.00	-0.32	Income Value	381.11	Low	Portland	United States	31-Dec-2017	13F
866	Banque Degroof Petercam N.V.	0	0.00	-21,000	-100.00	0.00	-1.10	Core Growth	5,691.59	Low	Brussels	Belgium	30-Jun-2017	Aggregate MFs
867	Banque Morval S.A.	0	0.00	-2,200	-100.00	0.00	-0.12	Core Growth	153.67	High	Geneva	Switzerland	30-Sep-2016	Aggregate MFs
868	Bayesian Capital Management, LP	0	0.00	-16,303	-100.00	0.00	-0.93		489.45	High	Brooklyn	United States	31-Mar-2017	13F
869	Bellwether Investment Group, LLC	0	0.00	-9,858	-100.00	0.00	-0.46		24.96	Moderate	Chattanooga	United States	30-Sep-2017	13F
870	Blue Bell Private Wealth Management, LLC	0	0.00	-850	-100.00	0.00	-0.05	Core Growth	221.82	Low	Blue Bell	United States	31-Dec-2016	13F
871	Blue Sky Asset Management, LLC	0	0.00	-620	-100.00	0.00	-0.03		190.41	High	Greenwood	United States	31-Dec-2017	13F
872	BlueMountain Capital Management, LLC	0	0.00	-47,237	-100.00	0.00	-2.27	Hedge Fund	3,260.44	High	New York	United States	31-Dec-2017	13F
873	Boothbay Fund Management, LLC	0	0.00	-3,062	-100.00	0.00	-0.17		579.69	High	New York	United States	30-Sep-2016	13F
874	Boston Advisors, LLC	0	0.00	-4,850	-100.00	0.00	-0.28	Hedge Fund	4,774.41	Low	Boston	United States	31-Mar-2017	13F
875	Bowen, Hanes & Company, Inc.	0	0.00	-4,690	-100.00	0.00	-0.23	Core Growth	2,240.39	Low	Atlanta	United States	31-Dec-2017	13F
876	Bowling Portfolio Management LLC	0	0.00	-73,308	-100.00	0.00	-4.20	Specialty	749.42	High	Cincinnati	United States	31-Mar-2017	13F
877	Bradley, Foster & Sargent, Inc.	0	0.00	-3,469	-100.00	0.00	-0.20	Core Value	2,755.22	Low	Hartford	United States	31-Mar-2017	13F
878	Brandywine Global Investment Management, LLC	0	0.00	-138	-100.00	0.00	-0.01	Deep Value	16,992.83	Low	Philadelphia	United States	31-Dec-2016	13F
879	Brick & Kyle, Associates	0	0.00	-1,056	-100.00	0.00	-0.06		123.02	Low	Newtown	United States	30-Jun-2017	13F
880	Bridges Investment Management Inc	0	0.00	-4,176	-100.00	0.00	-0.24	Core Growth	1,331.14	Low	Omaha	United States	31-Mar-2017	13F
881	Bridgewater Associates, LP	0	0.00	-105,111	-100.00	0.00	-5.06	Hedge Fund	12,605.64	Low	Westport	United States	31-Dec-2017	13F
882	Bridgeway Capital Management, Inc.	0	0.00	-8,900	-100.00	0.00	-0.51	Aggres. Gr.	9,785.57	Moderate	Houston	United States	31-Mar-2017	13F
883	Bruderman Asset Management, LLC	0	0.00	-700	-100.00	0.00	-0.03		390.14	Low	New York	United States	30-Sep-2017	13F
884	C. M. Bidwell & Associates, Ltd.	0	0.00	-4,565	-100.00	0.00	-0.25	GARP	115.75	High	Honolulu	United States	30-Sep-2016	13F
885	Cable Hill Partners, LLC	0	0.00	-90	-100.00	0.00	-0.01		227.39	Low	Portland	United States	31-Mar-2017	13F
886	Camden National Bank	0	0.00	-4,135	-100.00	0.00	-0.19		344.53	Low	Camden	United States	30-Sep-2017	13F
887	Candriam S.A. (France)	0	0.00	-8,000	-100.00	0.00	-0.37	Growth	4,169.16	Low	Paris	France	30-Sep-2017	Aggregate MFs
888	Capital Analysts, LLC	0	0.00	-10,660	-100.00	0.00	-0.61		791.04	Low	Washington	United States	31-Mar-2017	13F
889	Capital Fund Management S.A.	0	0.00	-88,456	-100.00	0.00	-4.26	Hedge Fund	6,797.13	High	Paris	France	31-Dec-2017	13F
890	Capital Guardian Trust Company	0	0.00	-300	-100.00	0.00	-0.01	GARP	14,093.40	Moderate	Los Angeles	United States	31-Dec-2017	13F
891	Capital World Investors	0	0.00	-4,600,000	-100.00	0.00	-278.16	Core Value	705,631.70	Low	Los Angeles	United States	31-Dec-2016	13F
892	Capstone Investment Advisors, LLC	0	0.00	-49,093	-100.00	0.00	-2.30	Core Growth	1,288.42	High	New York	United States	30-Sep-2017	13F
893	Carlson Capital, L.P.	0	0.00	-497,200	-100.00	0.00	-30.07	Hedge Fund	5,334.78	High	Dallas	United States	31-Dec-2016	13F
894	Cascade Investment Advisors, Inc.	0	0.00	-50	-100.00	0.00	0.00	Core Value	123.70	Low	Oregon City	United States	31-Mar-2017	13F
895	Caxton Associates LP	0	0.00	-10,500	-100.00	0.00	-0.51	Hedge Fund	1,275.99	High	New York	United States	31-Dec-2017	13F
896	Ceredex Value Advisors LLC	0	0.00	-1,095,493	-100.00	0.00	-51.29	Deep Value	9,074.23	Moderate	Orlando	United States	30-Sep-2017	13F
897	Checchi Capital Advisers, LLC	0	0.00	-1,798	-100.00	0.00	-0.10		421.14	Low	Beverly Hills	United States	30-Sep-2016	13F
898	Chemung Canal Trust Company	0	0.00	-3,675	-100.00	0.00	-0.22	Core Growth	418.63	Low	Elmira	United States	31-Dec-2016	13F
899	Chicago Equity Partners, LLC	0	0.00	-12,065	-100.00	0.00	-0.58	Core Value	3,292.85	Moderate	Chicago	United States	31-Dec-2017	13F
900	Cipher Capital LP	0	0.00	-43,468	-100.00	0.00	-2.04		1,253.97	High	New York	United States	30-Sep-2017	13F
901	ClariVest Asset Management LLC	0	0.00	-15	-100.00	0.00	0.00	GARP	7,197.02	Low	San Diego	United States	30-Sep-2017	13F
902	ClearBridge Investments, LLC	0	0.00	-190	-100.00	0.00	-0.01	GARP	111,238.33	Low	New York	United States	30-Sep-2016	13F
903	Clinton Group, Inc.	0	0.00	-8,374	-100.00	0.00	-0.40	Hedge Fund	1,111.90	High	New York	United States	31-Dec-2017	13F
904	Concert Wealth Management Inc.	0	0.00	-7,827	-100.00	0.00	-0.41	Aggres. Gr.	23.24	High	San Jose	United States	30-Jun-2017	13F
905	Contravisory Investment Management, Inc.	0	0.00	-271	-100.00	0.00	-0.02	Core Growth	270.90	Moderate	Norwell	United States	31-Dec-2016	13F
906	CornerCap Investment Counsel, Inc.	0	0.00	-79,130	-100.00	0.00	-3.81	Deep Value	730.19	Moderate	Atlanta	United States	31-Dec-2017	13F
907	Cornerstone Advisors, Inc. (NC)	0	0.00	-2,200	-100.00	0.00	-0.13	Growth	901.12	Moderate	Asheville	United States	31-Dec-2016	Aggregate MFs
908	Creative Financial Group Ltd.	0	0.00	-500	-100.00	0.00	-0.03	Aggres. Gr.	259.80	Moderate	Atlanta	United States	30-Jun-2017	13F
909	Credit Suisse Private Banking (Switzerland)	0	0.00	-64,500	-100.00	0.00	-3.53	GARP	4,417.69	Low	Zurich	Switzerland	30-Sep-2016	Aggregate MFs
910	D. E. Shaw & Co., L.P.	0	0.00	-121,164	-100.00	0.00	-5.83	Hedge Fund	54,630.10	Moderate	New York	United States	31-Dec-2017	13F
911	D. F. Dent & Company, Inc.	0	0.00	-4,000	-100.00	0.00	-0.19	Aggres. Gr.	3,974.00	Low	Baltimore	United States	30-Sep-2017	13F
912	Dana Investment Advisors, Inc.	0	0.00	-15,342	-100.00	0.00	-0.93	Core Value	2,302.95	Low	Brookfield	United States	31-Dec-2016	13F
913	Davenport Asset Management	0	0.00	-16,951	-100.00	0.00	-0.79	GARP	8,189.59	Low	Richmond	United States	30-Sep-2017	13F
914	Davidson Investment Advisors, Inc.	0	0.00	-1,940	-100.00	0.00	-0.09	Core Growth	966.47	Low	Great Falls	United States	30-Sep-2017	13F
915	Decatur Capital Management, Inc.	0	0.00	-160,595	-100.00	0.00	-8.38	Core Growth	493.52	Moderate	Decatur	United States	30-Jun-2017	13F
916	Deere & Company	0	0.00	-13,517	-100.00	0.00	-0.70	Core Growth	177.90	High	Moline	United States	30-Jun-2017	13F
917	Delphi Private Advisors, LLC	0	0.00	-31	-100.00	0.00	0.00	Growth	40.73	Moderate	San Diego	United States	31-Mar-2017	13F
918	Denali Advisors, LLC	0	0.00	-73,500	-100.00	0.00	-4.02	Yield	660.01	Moderate	San Diego	United States	30-Sep-2016	13F
919	Douglass Winthrop Advisors, LLC	0	0.00	-14,200	-100.00	0.00	-0.81	Income Value	1,838.26	Low	New York	United States	31-Mar-2017	13F
920	E*TRADE Capital Management LLC	0	0.00	-4,025	-100.00	0.00	-0.19	Growth	3,117.75	Low	New York	United States	30-Sep-2017	13F
921	Edge Asset Management, Inc.	0	0.00	-110	-100.00	0.00	-0.01	GARP	28,070.91	Low	Seattle	United States	31-Dec-2016	Aggregate MFs
922	Edmond de Rothschild Asset Management	0	0.00	-1,900	-100.00	0.00	-0.10	Core Value	9,923.86	Low	Paris	France	30-Sep-2016	13F
923	Element Capital Management, LLC	0	0.00	-9,099	-100.00	0.00	-0.50	Hedge Fund	4,862.78	High	New York	United States	30-Sep-2016	13F
924	Elgethun Capital Management, Inc.	0	0.00	-245	-100.00	0.00	-0.01	Core Value	139.79	Low	Sioux Falls	United States	31-Mar-2017	13F
925	Emso Asset Management Limited	0	0.00	-8,916	-100.00	0.00	-0.54	Hedge Fund	416.27	Moderate	London	England	31-Dec-2016	Aggregate MFs
926	Equitycompass Strategies	0	0.00	-2,502	-100.00	0.00	-0.15		109.45	High	Baltimore	United States	31-Dec-2016	13F
927	Euclid Advisors LLC	0	0.00	-22,930	-100.00	0.00	-1.25	GARP	58.66	Moderate	New York	United States	30-Sep-2016	13F
928	Evanston Investments, Inc.	0	0.00	-129,986	-100.00	0.00	-6.09	Core Value	417.69	Low	Schaumburg	United States	30-Sep-2017	13F
929	FDO Partners, LLC	0	0.00	-5,235	-100.00	0.00	-0.25		116.92	High	Cambridge	United States	31-Dec-2017	13F
930	FDX Advisors, Inc.	0	0.00	-8,463	-100.00	0.00	-0.51	Hedge Fund	3,656.18	Low	Sacramento	United States	31-Dec-2016	13F
931	FNY Partners Fund LP	0	0.00	-2,500	-100.00	0.00	-0.12		182.49	High	New York	United States	30-Sep-2017	13F
932	FT Options LLC	0	0.00	-1,100	-100.00	0.00	-0.05		39.34	High	Chicago	United States	30-Sep-2017	13F
933	Ferris Capital, LLC	0	0.00	-52	-100.00	0.00	0.00		281.35	Low	Marlborough	United States	30-Sep-2017	13F
934	Financial Advisors Network, Inc.	0	0.00	-12	-100.00	0.00	0.00		148.08	Low	Tustin	United States	30-Jun-2017	13F
935	Financial Sense Advisors, Inc.	0	0.00	-3,414	-100.00	0.00	-0.19	Core Value	215.97	Moderate	San Diego	United States	30-Sep-2016	13F
936	FineMark National Bank & Trust	0	0.00	-10,975	-100.00	0.00	-0.53	Yield	1,574.50	Low	Fort Myers	United States	31-Dec-2017	13F
937	First Allied Asset Management, Inc.	0	0.00	-3,847	-100.00	0.00	-0.18	Deep Value	2,524.43	Low	Scottsdale	United States	30-Sep-2017	13F
938	First Citizens Bank & Trust Company	0	0.00	-24,669	-100.00	0.00	-1.29	Core Growth	732.57	Moderate	Raleigh	United States	30-Jun-2017	13F
939	First Mercantile Trust Company	0	0.00	-12,900	-100.00	0.00	-0.78	Core Growth	509.57	Low	Cordova	United States	31-Dec-2016	13F
940	First Merchants Trust Company	0	0.00	-3,561	-100.00	0.00	-0.19	Core Value	585.42	Low	Muncie	United States	30-Jun-2017	13F
941	First Midwest Trust Company	0	0.00	-4,339	-100.00	0.00	-0.23	Core Value	801.21	Low	Joliet	United States	30-Jun-2017	13F
942	First New York Capital Corp.	0	0.00	-33	-100.00	0.00	0.00	Hedge Fund	96.39	High	New York	United States	31-Mar-2018	13F
943	First Republic Investment Management, Inc.	0	0.00	-16,380	-100.00	0.00	-0.79	Growth	15,161.49	Low	San Francisco	United States	31-Dec-2017	13F
944	Fort Pitt Capital Group, Inc.	0	0.00	-4,390	-100.00	0.00	-0.25	Core Value	1,268.12	Low	Pittsburgh	United States	31-Mar-2017	13F
945	Fox Run Management, L.L.C	0	0.00	-17,508	-100.00	0.00	-0.76	Hedge Fund	412.50	High	Greenwich	United States	31-Mar-2018	13F
946	Frankfurt-Trust Investment-Gesellschaft mbH	0	0.00	-34,200	-100.00	0.00	-1.60	Core Growth	5,174.66	Low	Frankfurt	Germany	30-Sep-2017	Aggregate MFs
947	Franklin Templeton SinoAm Securities Investment Management	0	0.00	-17,440	-100.00	0.00	-1.05	Growth	606.00	Low	Taipei	Taiwan, R.O.C.	31-Dec-2016	Aggregate MFs
948	Fred Alger Management, Inc.	0	0.00	-185	-100.00	0.00	-0.01	Aggres. Gr.	22,445.83	Low	New York	United States	30-Sep-2017	13F
949	Frontier Wealth Management LLC	0	0.00	-3,462	-100.00	0.00	-0.20	Core Growth	622.99	Low	Kansas City	United States	31-Mar-2017	13F
950	FundLogic SAS	0	0.00	-24,781	-100.00	0.00	-1.29		1,958.14	High	Paris	France	30-Jun-2017	Aggregate MFs
951	Första AP-Fonden	0	0.00	-40,825	-100.00	0.00	-2.13	GARP	12,824.30	Low	Stockholm	Sweden	30-Jun-2017	13F
952	GSA Capital Partners LLP	0	0.00	-14,274	-100.00	0.00	-0.67	Hedge Fund	1,642.16	High	London	England	30-Sep-2017	13F
953	GVC Gaesco Beka S.V.S.A.	0	0.00	-2,004	-100.00	0.00	-0.11		1.22	High	Barcelona	Spain	31-Mar-2017	Aggregate MFs
954	GW&K Investment Management, LLC	0	0.00	-17,478	-100.00	0.00	-0.84	Core Growth	5,902.51	Low	Boston	United States	31-Dec-2017	13F
955	GWM Advisors LLC	0	0.00	-204	-100.00	0.00	-0.01	Growth	725.43	Moderate	Baton Rouge	United States	30-Sep-2017	13F
956	Gabalex Capital Management LLC	0	0.00	-75,000	-100.00	0.00	-3.91	Core Growth	348.09	Low	New York	United States	30-Jun-2017	13F
957	Gerstein, Fisher & Associates, Inc.	0	0.00	-3,120	-100.00	0.00	-0.17	Core Value	1,170.09	Low	New York	United States	30-Sep-2016	13F
958	Global Financial Private Capital, LLC	0	0.00	-4,241	-100.00	0.00	-0.22		2,906.00	Moderate	Sarasota	United States	30-Jun-2017	13F
959	Gofen and Glossberg, L.L.C.	0	0.00	-3,950	-100.00	0.00	-0.18	Core Growth	2,661.76	Low	Chicago	United States	30-Sep-2017	13F
960	Great Lakes Advisors, LLC	0	0.00	-5,332	-100.00	0.00	-0.29	Core Value	4,833.40	Moderate	Chicago	United States	30-Sep-2016	13F
961	Group One Trading, L.P.	0	0.00	-4,260	-100.00	0.00	-0.20	Core Growth	1,962.29	High	Chicago	United States	30-Sep-2017	13F
962	Guardian Capital LP	0	0.00	-1,840	-100.00	0.00	-0.10	Core Growth	8,073.25	Low	Toronto	Canada	30-Jun-2017	Aggregate MFs
963	Guyasuta Investment Advisors, Inc.	0	0.00	-4,525	-100.00	0.00	-0.21	Specialty	882.53	Low	Pittsburgh	United States	30-Sep-2017	13F
964	HAMEL ASSOCIATES, INC	0	0.00	-5,166	-100.00	0.00	-0.25		211.00	Low	Chatham	United States	31-Dec-2017	13F
965	HBK Investments, L.P.	0	0.00	-20,050	-100.00	0.00	-0.96	Hedge Fund	7,761.26	High	Dallas	United States	31-Dec-2017	13F

966	HSBC Bank USA, N.A.	0	0.00	-1,146	-100.00	0.00	-0.07	GARP	4,047.14	Low	Buffalo	United States	31-Mar-2017	13F
967	HSBC Global Asset Management (International) Limited	0	0.00	-19,500	-100.00	0.00	-1.02	Core Growth	579.73	High	St. Helier	Jersey	30-Jun-2017	13F
968	HSBC Global Asset Management Deutschland GmbH	0	0.00	-12,934	-100.00	0.00	-0.61	Core Value	1,900.09	Low	Düsseldorf	Germany	30-Sep-2017	13F
969	Hall Capital Management Company, Inc.	0	0.00	-5,050	-100.00	0.00	-0.24	Growth	114.34	Low	Warwick	United States	31-Dec-2017	13F
970	Hancock Horizon Investments	0	0.00	-242,028	-100.00	0.00	-13.24	Core Value	2,531.76	Low	Gulfport	United States	30-Sep-2016	13F
971	Hanseatic Management Services, Inc.	0	0.00	-8,138	-100.00	0.00	-0.45	Growth	98.42	High	Albuquerque	United States	30-Sep-2016	13F
972	Hanson & Doremus Investment Management, Inc.	0	0.00	-640	-100.00	0.00	-0.04	Core Value	298.93	Low	Burlington	United States	31-Mar-2017	13F
973	Harel Insurance Investments and Financial Services Ltd	0	0.00	-52	-100.00	0.00	0.00		2,560.08	Low	Ramat-Gan	Israel	30-Sep-2016	13F
974	Hauck & Aufhäuser (Schweiz) AG	0	0.00	-4,000	-100.00	0.00	-0.22	GARP	76.35	Low	Zurich	Switzerland	31-Oct-2016	Aggregate MFs
975	HeadInvest, LLC	0	0.00	-5,672	-100.00	0.00	-0.27	GARP	311.85	Low	Portland	United States	30-Sep-2017	13F
976	Heemann Vermögensverwaltung GmbH	0	0.00	-4,000	-100.00	0.00	-0.22		43.24	High	Gronau	Germany	31-Oct-2016	Aggregate MFs
977	HighVista Strategies LLC	0	0.00	-18,200	-100.00	0.00	-1.04	Core Value	354.78	High	Boston	United States	31-Mar-2017	13F
978	Highbridge Capital Management, LLC	0	0.00	-105,436	-100.00	0.00	-5.07	Arbitrage	3,057.37	High	New York	United States	31-Dec-2017	13F
979	Highlander Capital Management, LLC	0	0.00	-4,600	-100.00	0.00	-0.24	Core Growth	112.01	Low	Short Hills	United States	30-Jun-2017	13F
980	Hillsdale Investment Management Inc.	0	0.00	-25	-100.00	0.00	0.00	Growth	723.29	Moderate	Toronto	Canada	31-Dec-2017	13F
981	Hollencrest Capital Management	0	0.00	-4,956	-100.00	0.00	-0.27	GARP	760.05	Low	Newport Beach	United States	30-Sep-2016	13F
982	Howe and Rusling, Inc.	0	0.00	-49	-100.00	0.00	0.00	GARP	551.10	Low	Rochester	United States	30-Jun-2017	13F
983	Hussman Strategic Advisors, Inc.	0	0.00	-75,000	-100.00	0.00	-4.10	Growth	401.99	Moderate	Ellicott City	United States	30-Sep-2016	13F
984	I.G. Investment Management, Ltd.	0	0.00	-5,808	-100.00	0.00	-0.35	GARP	493.07	High	Winnipeg	Canada	31-Dec-2016	13F
985	IBM Retirement Fund	0	0.00	-17,465	-100.00	0.00	-1.00	Index	657.96	Low	White Plains	United States	31-Mar-2017	13F
986	ICON Advisers, Inc.	0	0.00	-5,800	-100.00	0.00	-0.28	Specialty	1,627.65	Moderate	Greenwood Village	United States	31-Dec-2017	13F
987	IM Gestão de Ativos, Sociedade Gestora de Fundos de Investi	0	0.00	-500	-100.00	0.00	-0.02	GARP	733.05	Low	Lisbon	Portugal	30-Sep-2017	Aggregate MFs
988	INVESCO Australia Ltd.	0	0.00	-9,766	-100.00	0.00	-0.47	GARP	500.35	Low	Melbourne	Australia	31-Dec-2017	13F
989	Intact Investment Management Inc.	0	0.00	-4,600	-100.00	0.00	-0.22	Income Value	2,413.75	Low	Toronto	Canada	31-Dec-2017	13F
990	Invesco Hong Kong Limited	0	0.00	-8,802	-100.00	0.00	-0.46	GARP	5,964.18	Low	Central (Hong Kong)	Hong Kong SAR	30-Jun-2017	13F
991	Investec Asset Management Ltd.	0	0.00	-82,062	-100.00	0.00	-4.70	Core Growth	47,439.14	Low	London	England	31-Mar-2017	13F
992	Investment Centers of America, Inc.	0	0.00	-4,963	-100.00	0.00	-0.24	Core Growth	0.00		Appleton	United States	31-Dec-2017	13F
993	Invictus RG Pte. Ltd.	0	0.00	-434	-100.00	0.00	-0.02	Core Growth	94.38	High	Singapore	Singapore	31-Dec-2017	13F
994	Ironwood Investment Counsel, L.L.C.	0	0.00	-5,200	-100.00	0.00	-0.25	Core Growth	248.04	Low	Scottsdale	United States	31-Dec-2017	13F
995	J.P. Morgan Asset Management (Hong Kong) Ltd.	0	0.00	-37	-100.00	0.00	0.00	GARP	21,771.36	Moderate	Central (Hong Kong)	Hong Kong SAR	30-Sep-2016	Aggregate MFs
996	J.P. Morgan Securities plc	0	0.00	-554	-100.00	0.00	-0.03	Broker-Dealer	2,449.89	Moderate	London	England	30-Sep-2017	13F
997	JNBA Financial Advisors Inc.	0	0.00	-10	-100.00	0.00	0.00		474.49	Low	Minneapolis	United States	31-Dec-2016	13F
998	JPMorgan Asset Management (Japan) Limited	0	0.00	-2,619	-100.00	0.00	-0.15	GARP	10,061.52	Low	Chiyoda-ku (Tokyo)	Japan	31-Mar-2017	13F
999	JPMorgan Asset Management (Taiwan) Limited	0	0.00	-4,371	-100.00	0.00	-0.25	GARP	2,578.31	Low	Taipei	Taiwan, R.O.C.	31-Mar-2017	13F
1000	Jackson Square Partners, LLC	0	0.00	-211,428	-100.00	0.00	-10.17	Core Growth	24,181.58	Low	San Francisco	United States	31-Dec-2017	Aggregate MFs
1001	Jackson, Grant Investment Advisers, Inc.	0	0.00	-204	-100.00	0.00	-0.01		147.86	Low	Stamford	United States	30-Jun-2017	13F
1002	Jacobs & Company, LLC	0	0.00	-3,550	-100.00	0.00	-0.20	Growth	550.51	Low	San Francisco	United States	31-Mar-2017	13F
1003	Jacobs Levy Equity Management, Inc.	0	0.00	-24,490	-100.00	0.00	-1.48	Hedge Fund	8,478.96	Moderate	Florham Park	United States	31-Dec-2016	13F
1004	Jaffetilchin Investment Partners LLC	0	0.00	-5,856	-100.00	0.00	-0.35	Aggres. Gr.	300.42	High	Tampa	United States	31-Dec-2016	13F
1005	Janney Capital Management LLC	0	0.00	-3,932	-100.00	0.00	-0.18		2,258.24	Low	Pittsburgh	United States	30-Sep-2017	13F
1006	K. J. Harrison & Partners, Inc.	0	0.00	-52,860	-100.00	0.00	-2.76	Deep Value	295.26	Moderate	Toronto	Canada	30-Jun-2017	13F
1007	KBI Global Investors Ltd	0	0.00	-4,277	-100.00	0.00	-0.21	Growth	3,499.76	Moderate	Dublin	Ireland	31-Dec-2017	13F
1008	Kathrein Privatbank Aktiengesellschaft	0	0.00	-10,105	-100.00	0.00	-0.61	Core Growth	201.78	High	Vienna	Austria	31-Aug-2016	Aggregate MFs
1009	Kernodle & Katon Asset Management Group, LLC	0	0.00	-1,071	-100.00	0.00	-0.06		163.11		Searcy	United States	31-Dec-2016	13F
1010	L2 Asset Management, LLC	0	0.00	-892	-100.00	0.00	-0.04		51.00	Moderate	Boston	United States	30-Sep-2017	Aggregate MFs
1011	LMCG Investments, LLC	0	0.00	-200	-100.00	0.00	-0.01	Growth	5,463.59	Low	Boston	United States	30-Sep-2016	13F
1012	LMR Partners LLP	0	0.00	-14,061	-100.00	0.00	-0.66	Hedge Fund	972.50	High	London	England	30-Sep-2017	13F
1013	La Banque Postale Asset Management	0	0.00	-1,973	-100.00	0.00	-0.11	Core Growth	16,641.54	Low	Paris	France	30-Nov-2016	Aggregate MFs
1014	Landry Investment Management Inc.	0	0.00	-3,900	-100.00	0.00	-0.21	Hedge Fund	61.48	High	Montreal	Canada	30-Sep-2016	Aggregate MFs
1015	Laurion Capital Management LP	0	0.00	-103,435	-100.00	0.00	-4.98	Hedge Fund	5,888.75	High	New York	United States	31-Dec-2017	13F
1016	Lee Financial Corp	0	0.00	-180	-100.00	0.00	-0.01		339.59	Low	Dallas	United States	31-Dec-2017	13F
1017	Lee, Danner & Bass, Inc.	0	0.00	-21,500	-100.00	0.00	-1.01	Core Growth	981.58	Low	Nashville	United States	30-Sep-2017	13F
1018	Legg Mason Asset Management (Japan) Co., Ltd.	0	0.00	-9,300	-100.00	0.00	-0.45	Core Growth	185.85	Low	Chiyoda-ku (Tokyo)	Japan	31-Dec-2017	13F
1019	Lemanik Asset Management S.A.	0	0.00	-1,289	-100.00	0.00	-0.08	Core Growth	258.90	Low	Capellen	Luxembourg	31-Dec-2016	Aggregate MFs
1020	Lombard Odier Asset Management (Europe) Ltd	0	0.00	-3,092	-100.00	0.00	-0.17		2,892.31	Low	London	England	30-Sep-2016	13F
1021	London Capital Management Ltd.	0	0.00	-222,472	-100.00	0.00	-10.70	GARP	5,727.71	Low	London	Canada	31-Dec-2017	Aggregate MFs
1022	Loomis, Sayles & Company, L.P.	0	0.00	-5,202	-100.00	0.00	-0.25	GARP	50,039.62	Low	Boston	United States	31-Dec-2017	13F
1023	Lowe Wealth Advisors, LLC	0	0.00	-252	-100.00	0.00	-0.01		159.27	Low	Columbia	United States	31-Dec-2017	13F
1024	Lyons Wealth Management, LLC	0	0.00	-14,077	-100.00	0.00	-0.66	Hedge Fund	78.11	Moderate	Winter Park	United States	30-Sep-2017	13F
1025	M & G Investment Management Ltd.	0	0.00	-11,302	-100.00	0.00	-0.62	Deep Value	87,288.12	Low	London	England	30-Sep-2016	13F
1026	MFP Investors, LLC	0	0.00	-120,000	-100.00	0.00	-5.77	Deep Value	808.90	Low	New York	United States	31-Dec-2017	13F
1027	MFS Investment Management	0	0.00	-309,648	-100.00	0.00	-18.72	Core Growth	338,202.79	Low	Boston	United States	31-Dec-2016	Aggregate MFs
1028	MV Capital Management, Inc.	0	0.00	-190	-100.00	0.00	-0.01		367.38	Low	Bethesda	United States	30-Jun-2017	13F
1029	Mackenzie Financial Corporation	0	0.00	-11,581	-100.00	0.00	-0.70	Core Growth	62,007.40	Low	Toronto	Canada	31-Dec-2016	13F
1030	Manifold Fund Advisors, LLC	0	0.00	-969	-100.00	0.00	-0.05	Core Growth	155.35	Moderate	New York	United States	30-Sep-2017	Aggregate MFs
1031	Marble Harbor Investment Counsel, LLC	0	0.00	-4,600	-100.00	0.00	-0.24	Yield	513.15	Low	Boston	United States	30-Jun-2017	13F
1032	Marshall Wace LLP	0	0.00	-17,310	-100.00	0.00	-0.81	Hedge Fund	23,868.92	High	London	England	30-Sep-2017	13F
1033	McKinley Capital Management, LLC	0	0.00	-400	-100.00	0.00	-0.02	Growth	9,353.55	Moderate	Anchorage	United States	31-Dec-2016	13F
1034	McKinley Carter Wealth Services, Inc.	0	0.00	-28,360	-100.00	0.00	-1.71	Deep Value	290.83	Low	Wheeling	United States	31-Dec-2016	13F
1035	Menta Capital LLC	0	0.00	-21,200	-100.00	0.00	-1.02	Hedge Fund	509.00	High	San Francisco	United States	31-Dec-2017	13F
1036	Migdal Insurance and Financial Holdings Ltd	0	0.00	-3,500	-100.00	0.00	-0.16		4,128.04	Low	Petach Tikva	Israel	30-Sep-2017	13F
1037	Mirova	0	0.00	-8,959	-100.00	0.00	-0.49		3,393.38	Low	Paris	France	30-Sep-2016	13F
1038	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	0	0.00	-10	-100.00	0.00	0.00	Broker-Dealer	7,681.33	High	Chiyoda-ku (Tokyo)	Japan	30-Jun-2017	13F
1039	Mizuho Trust & Banking Co., Ltd.	0	0.00	-346,680	-100.00	0.00	-20.96	Core Growth	7,908.71	Low	Chuo-ku (Tokyo)	Japan	31-Dec-2016	13F
1040	Moloney Securities Asset Management, LLC	0	0.00	-5,382	-100.00	0.00	-0.26		234.22	Low	Manchester	United States	31-Dec-2017	13F
1041	Montecito Bank & Trust	0	0.00	-1,637	-100.00	0.00	-0.09	Yield	307.17	Low	Santa Barbara	United States	31-Mar-2017	13F
1042	Moore Capital Management, LP	0	0.00	-6,591	-100.00	0.00	-0.40	Hedge Fund	4,134.74	High	New York	United States	31-Dec-2016	13F
1043	Morgan Stanley & Co. International Plc	0	0.00	-13,386	-100.00	0.00	-0.64	Broker-Dealer	10,628.76	High	London	England	31-Dec-2017	13F
1044	Mosaic Family Wealth, LLC	0	0.00	-12	-100.00	0.00	0.00		274.71	Low	St. Louis	United States	31-Dec-2016	13F
1045	Mount Lucas Management LP	0	0.00	-38,027	-100.00	0.00	-2.18	Global Hedge	578.64	Moderate	Newtown	United States	31-Mar-2017	13F
1046	NEXT Financial Group, Inc.	0	0.00	-1,370	-100.00	0.00	-0.06		233.86	Moderate	Houston	United States	30-Sep-2017	13F
1047	NPC of America	0	0.00	-20,144	-100.00	0.00	-0.97	Core Growth	0.00		El Segundo	United States	31-Dec-2017	13F
1048	National Asset Management, Inc.	0	0.00	-4,029	-100.00	0.00	-0.22	Hedge Fund	747.87	Moderate	Seattle	United States	30-Sep-2016	13F
1049	National Pension Service	0	0.00	-1,736	-100.00	0.00	-0.08		132,290.31	Low	Seoul	Korea, Rep. (South)	31-Mar-2018	13F
1050	New Century Investment Management, Inc.	0	0.00	-35,700	-100.00	0.00	-1.95		69.89		Southfield	United States	30-Sep-2016	13F
1051	New Jersey Division of Investment	0	0.00	-380,000	-100.00	0.00	-18.28	Core Growth	28,473.64	Low	Trenton	United States	31-Dec-2017	13F
1052	Newton Investment Management Ltd.	0	0.00	-149,900	-100.00	0.00	-7.82	Core Growth	51,447.06	Low	London	England	30-Jun-2017	Aggregate MFs
1053	Nikko Asset Management Americas, Inc.	0	0.00	-2,300	-100.00	0.00	-0.11	Core Value	3,907.62	Moderate	New York	United States	31-Dec-2017	13F
1054	O'Shaughnessy Asset Management, LLC	0	0.00	-2,208	-100.00	0.00	-0.12	Core Growth	5,186.76	Moderate	Stamford	United States	30-Jun-2017	13F
1055	OMERS Administration Corporation	0	0.00	-18,000	-100.00	0.00	-0.98	Core Value	10,868.95	Low	Toronto	Canada	30-Sep-2016	13F
1056	OakBrook Investments, LLC	0	0.00	-8,400	-100.00	0.00	-0.44	Core Growth	1,611.07	Low	Lisle	United States	30-Jun-2017	13F
1057	Old Mutual Global Investors (UK) Limited	0	0.00	-3,200	-100.00	0.00	-0.15	Core Value	42,220.38	Low	London	England	30-Sep-2017	13F
1058	Oppenheimer Asset Management Inc.	0	0.00	-109	-100.00	0.00	-0.01	Core Value	7,857.99	Low	New York	United States	31-Dec-2017	13F
1059	Orrstown Financial Services Inc	0	0.00	-100	-100.00	0.00	-0.01	Yield	84.04	Low	Shippensburg	United States	30-Jun-2017	13F
1060	Ostrum Asset Management	0	0.00	-5,757	-100.00	0.00	-0.28	Core Value	39,041.51	Moderate	Paris	France	31-Dec-2017	13F
1061	OtterWood Capital Management Inc.	0	0.00	-64,900	-100.00	0.00	-3.55	Deep Value	66.18	Low	Toronto	Canada	30-Sep-2016	Aggregate MFs
1062	Paradigm Asset Management Company, L.L.C.	0	0.00	-5,700	-100.00	0.00	-0.34	Income Value	363.17	Moderate	White Plains	United States	31-Dec-2016	13F
1063	Parametrica Management Ltd	0	0.00	-7,583	-100.00	0.00	-0.36		158.04	High	Central (Hong Kong)	Hong Kong SAR	31-Dec-2017	13F
1064	Park Avenue Institutional Advisers LLC	0	0.00	-1,132	-100.00	0.00	-0.06		5.41	High	New York	United States	30-Sep-2016	13F
1065	Parkwood LLC	0	0.00	-4,401	-100.00	0.00	-0.23		735.64	High	Cleveland	United States	30-Jun-2017	13F
1066	Parsec Financial Management, Inc.	0	0.00	-4,600	-100.00	0.00	-0.24	GARP	1,458.42	Low	Asheville	United States	30-Jun-2017	13F
1067	Patriot Wealth Management, Inc.	0	0.00	-60,268	-100.00	0.00	-2.90	Core Growth	702.31	Moderate	Houston	United States	31-Dec-2017	13F
1068	Peak 6 Capital Management, LLC	0	0.00	-23,593	-100.00	0.00	-1.14	Hedge Fund	2,984.35	High	Chicago	United States	31-Dec-2017	13F
1069	Penserra Capital Management LLC	0	0.00	-8,217	-100.00	0.00	-0.45		1,226.18	Moderate	New York	United States	30-Sep-2016	13F
1070	People's United Bank	0	0.00	-3,672	-100.00	0.00	-0.20	GARP	1,782.81	Low	Bridgeport	United States	30-Sep-2016	13F
1071	Piedmont Investment Advisors, LLC	0	0.00	-556	-100.00	0.00	-0.03	GARP	5,114.31	Low	Durham	United States	31-Mar-2017	13F
1072	Pine River Capital Management, L.P.	0	0.00	-8,848	-100.00	0.00	-0.51	Hedge Fund	276.12	High	Minnetonka	United States	31-Mar-2017	13F
1073	Pinnacle Associates Ltd.	0	0.00	-11,299	-100.00	0.00	-0.53	Core Growth	5,204.38	Low	New York	United States	30-Sep-2017	13F
1074	Point72 Asia (Hong Kong) Limited	0	0.00	-46	-100.00	0.00	0.00	Hedge Fund	130.35	High	Central (Hong Kong)	Hong Kong SAR	30-Sep-2017	13F
1075	Point72 Asset Management, L.P.	0	0.00	-297,079	-100.00	0.00	-16.25	Hedge Fund	18,711.01	High	Stamford	United States	30-Sep-2016	13F
1076	Prelude Capital Management, LLC	0	0.00	-650	-100.00	0.00	-0.03	Hedge Fund	866.24	High	New York	United States	31-Dec-2017	13F
1077	Prescient Investment Management (Pty) Ltd.	0	0.00	-988	-100.00	0.00	-0.05		226.28	Moderate	Cape Town	South Africa	30-Jun-2017	Aggregate MFs
1078	Princeton Alpha Management LP	0	0.00	-17,959	-100.00	0.00	-0.94		0.00		Princeton Junction	United States	30-Jun-2017	13F
1079	Putnam Investment Management, L.L.C.	0	0.00	-255,957	-100.00	0.00	-12.31	Core Growth	50,496.04	Low	Boston	United States	31-Dec-2017	13F
1080	QUANTRES ASSET MANAGEMENT Ltd	0	0.00	-7,100	-100.00	0.00	-0.33		158.73	High		United Kingdom	30-Sep-2017	13F
1081	Quantbot Technologies, LP	0	0.00	-73,449	-100.00	0.00	-3.44	Core Growth	1,077.68	High	New York	United States	30-Sep-2017	13F
1082	Quantitative Investment Management LLC	0	0.00	-91,400	-100.00	0.00	-4.77	Hedge Fund	6,771.59	High	Charlottesville	United States	30-Jun-2017	13F
1083	Quantlab Capital Management, LLC	0	0.00	-4,527	-100.00	0.00	-0.24	Hedge Fund	24.90	High	Houston	United States	30-Jun-2017	13F
1084	Quoniam Asset Management GmbH	0	0.00	-38,162	-100.00	0.00	-2.31	Yield	1,393.87	Low	Frankfurt	Germany	31-Dec-2016	Aggregate MFs
1085	RAM Active Investments S.A.	0	0.00	-4,618	-100.00	0.00	-0.22		3,915.46	Moderate	Geneva	Switzerland	30-Sep-2017	Aggregate MFs
1086	RBC Investment Solutions (CI) Limited	0	0.00	-1,000	-100.00	0.00	-0.05	GARP	682.08	Low	St. Peter Port	Guernsey	30-Sep-2017	13F
1087	Radnor Capital Management, LLC	0	0.00	-3,813	-100.00	0.00	-0.20		311.91	Low	Wayne	United States	30-Jun-2017	13F
1088	Rafferty Asset Management LLC	0	0.00	-72,229	-100.00	0.00	-4.13	Growth	10,317.97	Moderate	New York	United States	31-Mar-2017	13F
1089	Raymond James Trust N.A.	0	0.00	-42,469	-100.00	0.00	-2.21	Yield	1,448.48	Low	St. Petersburg	United States	30-Jun-2017	13F
1090	RegentAtlantic Capital, L.L.C.	0	0.00	-10,960	-100.00	0.00	-0.51	Core Value	1,183.27	Low	Morristown	United States	30-Sep-2017	13F
1091	Rehmann Financial, LLC	0	0.00	-3,627	-100.00	0.00	-0.20		591.59	Low	Saginaw	United States	30-Sep-2016	13F
1092	Reilly Financial Advisors, LLC	0	0.00	-400	-100.00	0.00	-0.02	Core Value	704.06	Low	La Mesa	United States	31-Mar-2017	13F
1093	Reliance Trust Company of Delaware	0	0.00	-4,658	-100.00	0.00	-0.25	Income Value	649.94	Low	Atlanta	United States	30-Sep-2016	13F
1094	Research Affiliates, LLC	0	0.00	-969	-100.00	0.00	-0.06	Income Value	36,640.53	Low	Newport Beach	United States	31-Mar-2017	Aggregate MFs
1095	Riverfront Investment Group, LLC	0	0.00	-482	-100.00	0.00	-0.03	Core Growth	5,396.68	Low	Richmond	United States	31-Mar-2017	Aggregate MFs
1096	Rock Creek Group, L.P.	0	0.00	-400	-100.00	0.00	-0.02	Hedge Fund	395.65	Moderate	Washington	United States	28-Feb-2018	Aggregate MFs
1097	Ropes Wealth Advisors LLC	0	0.00	-1	-100.00	0.00	0.00		381.76	Low	Boston	United States	30-Jun-2017	13F
1098	Rothschild Asset Management, Inc.	0	0.00	-14,993	-100.00	0.00	-0.70	Deep Value	11,743.99	Low	New York	United States	30-Sep-2017	13F
1099	SEVEN Capital Management	0	0.00	-4,801	-100.00	0.00	-0.25	Hedge Fund	53.10	Moderate	Paris	France	30-Jun-2017	Aggregate MFs
1100	SG3 Management, LLC	0	0.00	-400	-100.00	0.00	-0.02		33.44	High	Dorado	Puerto Rico	31-Mar-2017	13F

1101	Sabadell Asset Management, S.A., S.G.I.I.C., Sociedad Uniper	0	0.00	-16,575	-100.00	0.00	-0.86	Growth	6,024.42	Moderate	Sant Cugat del Vallés	Spain	30-Jun-2017	Aggregate MFs
1102	Sageworth Trust Co.	0	0.00	-745	-100.00	0.00	-0.03	Yield	572.76	Low	Lancaster	United States	30-Sep-2017	13F
1103	Sandy Spring Bank	0	0.00	-196	-100.00	0.00	-0.01	Core Growth	1,093.97	Low	Olney	United States	30-Sep-2017	13F
1104	Schroder Investment Management (Hong Kong) Ltd.	0	0.00	-6,105	-100.00	0.00	-0.29	GARP	20,637.22	Low	Admiralty (Hong Kong)	Hong Kong SAR	31-Dec-2017	Aggregate MFs
1105	Scout Investments, Inc.	0	0.00	-3,031	-100.00	0.00	-0.17	GARP	7,906.32	Low	Kansas City	United States	30-Sep-2016	13F
1106	Sella Gestioni SGR SpA	0	0.00	-1,000	-100.00	0.00	-0.05	GARP	475.00	Low	Milan	Italy	30-Sep-2016	Aggregate MFs
1107	Seven Eight Capital, LP	0	0.00	-76,534	-100.00	0.00	-3.68	Hedge Fund	966.29	High	New York	United States	31-Dec-2017	13F
1108	Shamrock Asset Management, L.L.C.	0	0.00	-254	-100.00	0.00	-0.02	Income Value	168.47	Moderate	Dallas	United States	31-Dec-2016	13F
1109	Shelton Capital Management	0	0.00	-4,549	-100.00	0.00	-0.26	Core Growth	1,685.52	Low	Denver	United States	31-Mar-2017	13F
1110	Signal Iduna Asset Management GmbH	0	0.00	-7,739	-100.00	0.00	-0.36	Income Value	703.79	High	Hamburg	Germany	30-Sep-2017	Aggregate MFs
1111	Signature Wealth Management Group	0	0.00	-22	-100.00	0.00	0.00		129.62	Low	Atlanta	United States	31-Mar-2018	13F
1112	Signaturefd, LLC	0	0.00	-10	-100.00	0.00	0.00	Yield	790.57	Low	Atlanta	United States	31-Dec-2016	13F
1113	Simplex Trading, LLC	0	0.00	-3,391	-100.00	0.00	-0.18	Broker-Dealer	1,418.93	High	Chicago	United States	30-Jun-2017	13F
1114	Skandia Asset Management Fondsmæglerselskab A/S	0	0.00	-3,600	-100.00	0.00	-0.17		87.55	High	Copenhagen	Denmark	31-Dec-2017	Aggregate MFs
1115	Smith Asset Management Group, LP	0	0.00	-1,100,783	-100.00	0.00	-66.56	GARP	3,189.97	Moderate	Dallas	United States	31-Dec-2016	13F
1116	Smith, Salley & Associates, LLC	0	0.00	-3,701	-100.00	0.00	-0.21	Core Value	558.32	Low	Greensboro	United States	31-Mar-2017	13F
1117	Soros Fund Management, L.L.C.	0	0.00	-571,416	-100.00	0.00	-27.49	Hedge Fund	4,072.53	Moderate	New York	United States	31-Dec-2017	13F
1118	Sparrow Capital Management, Inc.	0	0.00	-3,250	-100.00	0.00	-0.18	Core Growth	12.40	High	St. Louis	United States	30-Nov-2016	Aggregate MFs
1119	Spot Trading LLC	0	0.00	-4,321	-100.00	0.00	-0.24	Broker-Dealer	778.68	High	Chicago	United States	30-Sep-2016	13F
1120	Sterling Capital Management, LLC	0	0.00	-29,071	-100.00	0.00	-1.40	Core Value	16,536.95	Low	Charlotte	United States	31-Dec-2017	13F
1121	Stillwater Investment Management, LLC.	0	0.00	-6,358	-100.00	0.00	-0.33	GARP	229.21	High	Stillwater	United States	30-Jun-2017	13F
1122	Sullivan, Bruyette, Speros & Blayney, LLC	0	0.00	-3,393	-100.00	0.00	-0.19	Yield	1,053.09	Low	McLean	United States	31-Mar-2017	13F
1123	SunTrust Bank	0	0.00	-6,126	-100.00	0.00	-0.29	Yield	17,597.24	Low	Orlando	United States	31-Dec-2017	13F
1124	Sungarden Fund Management	0	0.00	-9,000	-100.00	0.00	-0.52		46.51	High	Weston	United States	31-Mar-2017	Aggregate MFs
1125	Swiss Life Asset Management	0	0.00	-4,229	-100.00	0.00	-0.25	Index	1,111.67	Low	Zurich	Switzerland	28-Feb-2017	Aggregate MFs
1126	Swiss Wealth Management SA	0	0.00	-2,000	-100.00	0.00	-0.11		89.09	Low	Lugano	Switzerland	30-Nov-2016	Aggregate MFs
1127	Sydinvest	0	0.00	-12,807	-100.00	0.00	-0.62	Core Growth	1,351.17	High	Åbenrå	Denmark	31-Dec-2017	Aggregate MFs
1128	Symphony Asset Management LLC	0	0.00	-16,920	-100.00	0.00	-0.88	Hedge Fund	1,003.95	Moderate	San Francisco	United States	30-Jun-2017	13F
1129	Synovus Trust Company, N.A.	0	0.00	-1,500	-100.00	0.00	-0.08	Aggres. Gr.	4,086.26	Low	Columbus	United States	30-Jun-2017	13F
1130	Syntal Capital Partners, LLC	0	0.00	-3,543	-100.00	0.00	-0.19		328.29	Moderate	Midland	United States	30-Sep-2016	13F
1131	TCW Asset Management Company LLC	0	0.00	-14,300	-100.00	0.00	-0.82	Core Growth	12,812.75	Low	Los Angeles	United States	31-Mar-2017	13F
1132	TFS Capital LLC	0	0.00	-7,133	-100.00	0.00	-0.44	Hedge Fund	32.02	High	West Chester	United States	31-Jan-2017	Aggregate MFs
1133	Teza Capital Management LLC	0	0.00	-17,799	-100.00	0.00	-0.93	Hedge Fund	145.80		Chicago	United States	30-Jun-2017	13F
1134	Timber Hill LLC	0	0.00	-4,867	-100.00	0.00	-0.25	Broker-Dealer	1,280.78	High	Greenwich	United States	30-Jun-2017	13F
1135	Tirschwell & Loewy, Inc.	0	0.00	-8,650	-100.00	0.00	-0.47	Core Growth	719.80	Low	New York	United States	30-Sep-2016	13F
1136	Toews Corporation	0	0.00	-8,100	-100.00	0.00	-0.46	Specialty	949.64	High	Northfield	United States	30-Nov-2016	Aggregate MFs
1137	Trinity Fiduciary Partners, LLC.	0	0.00	-10,466	-100.00	0.00	-0.60	Index	23.75	Moderate	Irving	United States	31-Mar-2017	Aggregate MFs
1138	TrueNorth, Inc.	0	0.00	-4,307	-100.00	0.00	-0.25	GARP	222.87	Low	Wichita	United States	31-Mar-2017	13F
1139	Trust Co	0	0.00	-4,810	-100.00	0.00	-0.28		373.75	Low	Manhattan	United States	31-Mar-2017	13F
1140	Twin Tree Management, LP	0	0.00	-1,360	-100.00	0.00	-0.07	Core Value	1,170.31	High	Dallas	United States	31-Dec-2017	13F
1141	U.S. Capital Advisors LLC	0	0.00	-4,000	-100.00	0.00	-0.19		15.51	Moderate	Houston	United States	30-Sep-2017	Aggregate MFs
1142	UTC Fund Services, Inc.	0	0.00	-4,212	-100.00	0.00	-0.22	GARP	38.38	High	Port of Spain	Trinidad and Tobago	30-Jun-2017	Aggregate MFs
1143	UniCredit Bank AG	0	0.00	-24,731	-100.00	0.00	-1.35		1,831.92	Moderate	Munich	Germany	30-Sep-2016	Aggregate MFs
1144	VG Asset Management SA	0	0.00	-5,080	-100.00	0.00	-0.29	Core Value	15.06	High	Lugano	Switzerland	31-Mar-2017	Aggregate MFs
1145	Valiant Bank AG	0	0.00	-3,500	-100.00	0.00	-0.17	Core Growth	976.08	Low		Switzerland	31-Dec-2017	Aggregate MFs
1146	Van Eck Associates Corporation	0	0.00	-3,122	-100.00	0.00	-0.16	Index	32,430.09	Low	New York	United States	30-Jun-2017	13F
1147	Vantage Investment Advisory Limited	0	0.00	-106	-100.00	0.00	-0.01	N/A	432.69	Low	London	England	31-Mar-2017	13F
1148	Vicus Capital, Inc.	0	0.00	-3,686	-100.00	0.00	-0.19		557.65	Moderate	State College	United States	30-Jun-2017	13F
1149	Virginia Retirement System	0	0.00	-50,900	-100.00	0.00	-2.65	Core Growth	8,836.33	Low	Richmond	United States	30-Jun-2017	13F
1150	Voloridge Investment Management, LLC	0	0.00	-392,005	-100.00	0.00	-18.86		4,577.11	High	Orlando	United States	31-Dec-2017	13F
1151	Vontobel Asset Management AG	0	0.00	-567	-100.00	0.00	-0.03	Hedge Fund	1,025.20	Moderate	Zurich	Switzerland	30-Sep-2016	Aggregate MFs
1152	WBI Investments Inc	0	0.00	-96,647	-100.00	0.00	-5.53	Yield	2,386.46	High	Red Bank	United States	31-Mar-2017	13F
1153	WFG Advisors LP	0	0.00	-200	-100.00	0.00	-0.01	Growth	436.05	Low	Dallas	United States	30-Jun-2017	13F
1154	Waddell & Reed Investment Management Company	0	0.00	-645	-100.00	0.00	-0.03	Core Growth	60,290.60	Low	Overland Park	United States	31-Dec-2017	Aggregate MFs
1155	Warburg Invest Kapitalanlagegesellschaft mbH	0	0.00	-9,000	-100.00	0.00	-0.39	Core Growth	1,221.02	Low	Hamburg	Germany	28-Feb-2018	Aggregate MFs
1156	West Oak Capital, LLC	0	0.00	-510	-100.00	0.00	-0.03	Deep Value	168.59	Low	West Lake Village	United States	30-Sep-2016	13F
1157	Westfield Capital Management Company, L.P.	0	0.00	-6,000	-100.00	0.00	-0.34	Core Growth	14,103.20	Moderate	Boston	United States	31-Mar-2017	13F
1158	Wilmington Funds Management Corporation	0	0.00	-1,200	-100.00	0.00	-0.06	Core Growth	867.47	Low	Wilmington	United States	31-Dec-2017	13F
1159	Winch Financial	0	0.00	-3,000	-100.00	0.00	-0.18		164.10	Low	Appleton	United States	31-Dec-2016	13F
1160	Woodmont Investment Counsel LLC	0	0.00	-129	-100.00	0.00	-0.01	GARP	386.55	Low	Nashville	United States	31-Dec-2016	13F
1161	Zacks Investment Management, Inc.	0	0.00	-130,431	-100.00	0.00	-7.13	Core Growth	4,588.17	Low	Chicago	United States	30-Sep-2016	13F
1162	Ziegler Capital Management, LLC	0	0.00	-1,930	-100.00	0.00	-0.10	GARP	4,402.22	Moderate	Chicago	United States	30-Jun-2017	13F
1163	Zions Capital Advisors, Inc.	0	0.00	-430	-100.00	0.00	-0.02		582.68	Low	Salt Lake City	United States	31-Dec-2017	13F
1164	myCIO Wealth Partners, LLC	0	0.00	-10,350	-100.00	0.00	-0.63	Core Value	916.88	Low	Philadelphia	United States	31-Dec-2016	13F
Total		**282,602,306**	**94.00**	**-401,512**		**13,684.30**	**-122.99**							

Source: Thomson Financial

Credit Rating Summary

CPB US $ Market P41.30 /43.79K 1 x 1
..... Prev 42.84 Vol 1,315,828

CPB US Equity | 91) Company Tree Rating: | 92) Alert | Page 1/1 | Credit Rating Profile

Campbell Soup Co

1) Bloomberg Default Risk | DRSK »

Moody's	
2) Outlook	STABLE
3) Long Term Rating	Baa2
4) Senior Unsecured Debt	Baa2
5) Short Term	P-2

6) Standard & Poor's	SP
7) Outlook	NEG
8) LT Foreign Issuer Credit	BBB
9) LT Local Issuer Credit	BBB
10) ST Foreign Issuer Credit	A-2
11) ST Local Issuer Credit	A-2

Fitch	
12) LT Issuer Default Rating	WD
13) Senior Unsecured Debt	WD
14) Short Term	WD
15) ST Issuer Default Rating	WD

DBRS	
16) Senior Unsecured Debt	WR
17) Short Term	WR

Egan-Jones Ratings Company	
18) LC Senior Unsecured	BBB+
19) FC Senior Unsecured	BBB+
20) LC Commercial Paper	A1
21) FC Commercial Paper	A1

Duff & Phelps	
22) Senior Unsecured Debt	WR

Credit Reports

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
26 March 2018

Update

Rate this Research

RATINGS

Campbell Soup Company

Domicile	Camden, New Jersey, United States
Long Term Rating	Baa2
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Campbell Soup Company

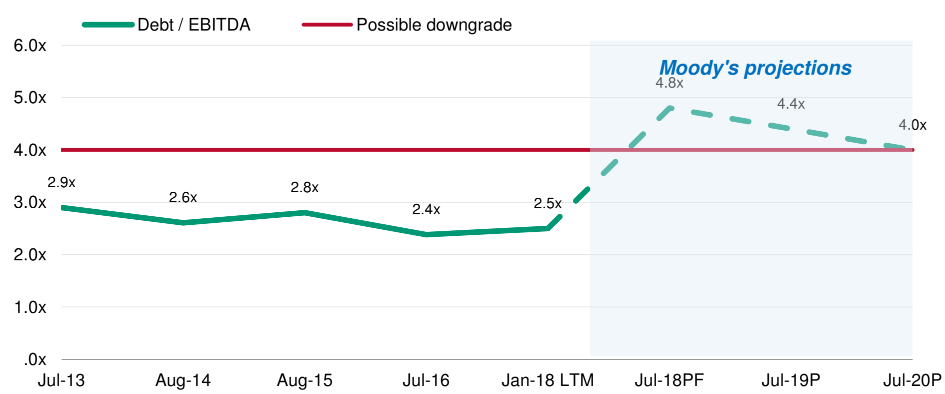
Update to Discussion of Key Credit Factors

Summary

Campbell Soup Company's credit profile is supported by its strong brand equities, leading market share in the declining, but highly profitable US soup category, and stable market share in the snacks category led by the Pepperidge Farm brand. The acquisition of Snyder's-Lance will nearly double Campbell's size in snacks from $2.5 billion to $4.7 billion in sales. It also will improve sales diversity within snacks by adding leading brands in categories that are new to Campbell, including pretzels, sandwich crackers, kettle chips and deli snacks.

Campbell has stated its commitment to maintain an investment grade profile. This commitment includes prioritizing debt reduction over shareholder distributions following leveraging acquisitions until credit metrics are restored. This is a key credit consideration.

Exhibit 1
Leverage should decline to 4.0x within 24 months after the Snyder's-Lance acquisition



Source: Moody's Financial Metrics, Moody's estimates

Credit strengths

» Stable cash flow should gradually improve credit metrics

» Snyder's-Lance acquisition strengthens snacks portfolio

» Leading market share in the high-margin US soup category

» Significant profitability improvement through efficiency programs and synergies

Credit challenges

» Mixed track record of acquisition integration warrants skepticism on synergy plan

» Operational challenges across portfolio will stretch management resources

» Challenges in the soup category will persist

» Operational set-backs in important C-Fresh division are not fully resolved

Outlook

The stable outlook reflects our expectation that Campbell will meet most of its cost savings goals, which should allow the company to reduce debt/EBITDA below 4.0 within 24 months.

Factors that could lead to an upgrade

» Successful integration of Snyder's-Lance as planned

» Stable operating performance of legacy portfolio

» Retained cash flow to net debt sustained above 16%

Factors that could lead to a downgrade

» Significant deterioration of core operating performance

» Setbacks in the integration of Snyder's-Lance or in achieving planned cost savings

» An increase in shareholder distributions before metrics are restored

» Debt/EBITDA is not likely to fall below 4.0x

» Retained cash flow/net debt is sustained below 13%

Exhibit 2

Key Indicators

Campbell Soup Company

Campbell Soup Company

US Millions	Jul-13	Aug-14	Aug-15	Jul-16	LTM (Jan-18)	Jul-18PF	Jul-19P	Jul-20P
Revenue	8,052.0	8,268.0	8,082.0	7,961.0	7,858.0	10,227.0	10,446.0	10,548.0
EBIT Margin %	15.1%	16.0%	15.5%	17.8%	17.4%	16.1%	16.3%	17.0%
Debt / EBITDA	2.9x	2.6x	2.8x	2.4x	2.5x	4.8x	4.4x	4.0x
RCF / Net Debt	24.8%	21.8%	20.5%	26.8%	23.5%	10.3%	10.2%	12.5%
EBIT / Interest Expense	7.6x	9.8x	10.5x	11.0x	10.3x	5.2x	4.2x	4.5x

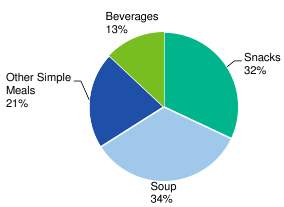
Note: All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics™, Moody's estimates

Profile

Campbell Soup Company, headquartered in Camden, New Jersey, is the world's leading producer of retail soups, and a global producer and marketer of a portfolio of simple meals, baked snacks and healthy beverages. The company's brands include Campbell's, Swanson, Prego, V8, Pepperidge Farm, Goldfish, Arnott's, Bolthouse Farms, Garden Fresh, and Plum. Snyder's-Lance, Inc., headquartered in Charlotte, NC, manufactures and markets snack foods primarily throughout the United States and internationally.

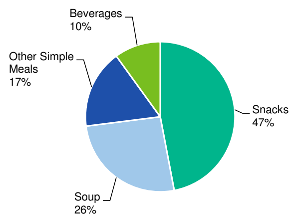
Snyder's-Lance's products include pretzels, sandwich crackers, potato chips, popcorn, nuts and other snacks. Key brands include Snyder's of Hanover, Lance, KETTLE, Cape Cod, Pop Secret and Emerald. The company's annual sales are approximately $2.2 billion. Pro forma sales for the combined company exceed $10 billion.

Exhibit 3
Revenue by product segment - Pre-Snyder's-Lance acquisition



Source: Company presentation

Exhibit 4
Revenue by product segment - Post-Snyder's-Lance acquisition



Source: Company presentation

Detailed credit considerations

High financial leverage and execution risk are key concerns

Campbell’s key risks are the high financial leverage that will result from the $6.1 billion, all-debt financed Snyder’s-Lance transaction and high execution risks related to the significant amount of transaction synergies planned, which the company will partly rely on to restore credit metrics. We estimate that debt/EBITDA at closing will approximate 5.0x before synergies, compared to 2.2x currently. Campbell should be able to reduce debt/EBITDA below 4.0x within 24 months through core operating cash flow and cost synergies. In addition, deleveraging is supported by benefits from the recent US tax overhaul and the company's stated commitment to suspend share repurchases to accelerate debt reduction.

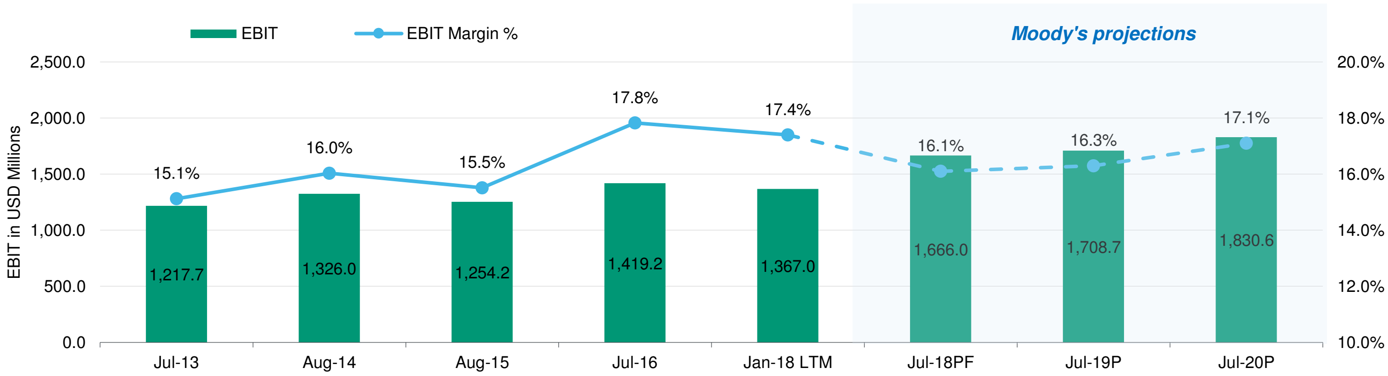
Campbell expects to achieve at least $295 million of cost synergies from the Snyder's-Lance transaction by 2022, which would nearly double the $315 million of EBITDA currently generated by Snyder’s-Lance. Campbell's has identified $170 million of cost synergies on top of at least $125 million of cost reductions already planned by Snyder's-Lance under its Performance Transformation Plan launched in July 2017.

The heavy amounts of planned transaction synergies along with Campbell’s mixed track record with acquisition integrations raise doubts that Campbell will avoid setbacks along the way. The company already has its hands full with the integration of the December 2017 Pacific Foods acquisition and its efforts to stabilize recent weak operational performance in its core ready-to-serve soups, V8 Beverages and Campbell Fresh. And Snyder’s-Lance's Performance Transformation Plan is itself a major undertaking involving a complex plan to turn around lagging performance across its operations. In addition, Campbell is in the midst of a separate cost savings program begun in 2014 that separately will deliver $500 million of savings by 2020, of which $400 million to $410 million will be achieved by FYE July 2018.

Notwithstanding the high execution risk, we estimate that in the event of a moderate decline in the amount and pace of transaction synergies, Campbell should still be able to reduce debt/EBITDA by 0.4 of a turn per year, which would leave leverage near 4.0x by the end of 2020. Campbell’s core operations, which generates a reliable $1.8 billion in annual EBITDA, will be the main driver of debt reduction.

Exhibit 6

Campbell's EBIT margin will decline initially, then recover through synergy capture



Source: Moody's Financial Metrics, Moody's estimates

Snyder's-Lance transaction has strong merits

Once successfully integrated, Snyder's-Lance will meaningfully enhance Campbell's overall credit profile. The transaction will double the size of Campbell's snacks sales from \$2.5 billion to \$4.7 billion, or from 32% of sales to 47%. It also will provide sales diversity and share stability within snacks by adding leading brands in categories that are new to Campbell, including pretzels, sandwich crackers, kettle chips and deli snacks. Campbell's plans to leverage Snyder's-Lance strong network in convenience store channels to expand its access to these channels. Conversely, Campbell should be able to drive increased sales of Snyder's-Lance products in supermarket channels. Finally, the acquisition will grow Campbell's overall scale, lifting annual sales above the \$10 billion mark on a pro forma basis.

Overall negative trends in the soup category are likely to persist

Gradually deteriorating consumption trends in core ready-to-eat and condensed soups are likely to persist for the foreseeable future. Soup consumption has been declining in the US for a decade and consumption of canned soups has declined even faster. These negative trends reflect the expanding array of competing meal alternatives and a broader shift in consumer preference to healthier and fresher foods versus shelf-stable foods.

To be sure, mainstream canned soup remains a very attractive business. It represents more than 85% of total retail sales, generates over 25% operating profit margins and solid cash flows. However, over time, we expect that mainstream soups will be faced with increasing pricing pressure and declining shelf space as retailers reallocate space and promotional spending in favor of faster growing product categories. Campbell recently experienced such challenges last fall after it failed to successfully negotiate a promotional program with a major retailer for the 2017-2018 soup season, which left its soups not competitively priced. As a result, soup sales declined 7% in the second quarter of fiscal 2018. Negotiations with the retailer are continuing.

Premium varieties like organic and aseptic soups are gaining ground with consumers reflecting growing demand for healthy, convenient, and higher quality foods. But this trend is moving gradually, limited partly by the higher price points. Campbell also is competing in these higher margin formats, most recently through acquisitions, after mixed results with up-tiering its Campbell's branded offerings. The recent acquisition of Pacific Foods for \$700 million will allow Campbell to expand its soup offerings with a highly credible brand in the faster growing natural and organic soup category.

C-Fresh challenges remain a drag on Campbell's shift to healthier and fresher foods

Recent execution problems in the Campbell Fresh (C-Fresh) division has resulted in disappointing overall operating results that will drag down overall operating performance through fiscal 2018. The C-Fresh division, which includes Bolthouse Farms, Garden Fresh Gourmet and refrigerated soups, represents about \$1 billion in revenue or about 12% of total sales. The main problems cropped up in 2017 in the carrot business and in Bolthouse Farms. In carrots, poor management of crop production led to quality and supply issues that caused the company to lose customers and resulted in higher carrot costs for its own beverage lines that use carrots as an input. In Bolthouse Farms, supply constraints were the primary driver of slightly negative sales growth. As a result, the C-Fresh division reported operating losses for fiscal 2017 and for the first half of fiscal 2018.

The company believes that it has remediated the most of the problems in C-Fresh after modifying production processes, reorganizing the division and replacing several managers. However, it will take more time to fully recover or replace business lost due to poor service levels, some of which was likely bid away on a long-term basis. However, the C-Fresh division's sales and profitability should improve incrementally in the second half of fiscal 2018.

Liquidity analysis

Campbell's liquidity is characterized by relatively stable cash flows, modest seasonality, ready access to short-term and long-term debt funding, and adequate liquidity backstop arrangements.

Campbell should generate over $1.4 billion of cash from operations in fiscal year ending July 2019, which the company will use to fund approximately $475 million in capital expenditures and about $450 million of dividends, leaving at least $475 million of free cash flow for debt reduction. We are not anticipating any share repurchases in fiscal 2019.

Working capital needs usually peak in early fall as inventories and receivables build prior to the fall/winter soup season. The most significant capital expenditures are usually made in late spring when soup production is lowest and often continue into late summer and fall. Swings in working capital usage typically peak at approximately $200 million at the end of the first fiscal quarter.

Campbell funds its short-term borrowing needs under a commercial paper ("CP") program. Campbell had approximately $1.3 billion in CP outstanding at the end of January 2018. The unusually high CP balance reflects the short-term funding of the $700 million Pacific Foods acquisition.

Backing the CP program is a $1.85 billion committed five-year bank credit facility that expires in December 2021. The backup facility has a "Most Favored Lender" clause that subjects the company to the same covenants under its $900 million term loan (while there is more than $500 million outstanding). The most restrictive covenant is a maximum debt/EBITDA test of 5.75x through April 2020 and 5.25x thereafter.

The company also has a CAD $150 million revolving credit facility expiring July 2019, that was nearly fully drawn at the end of January 2018.

The company's next major debt maturity is September 18, 2018 when AUD $280 (USD $224) million 4.88% notes mature.

Structural Considerations

To fund the $6.1 billion acquisition of Snyder's Lance that closed on March 26, 2018 Campbell issued $5.3 billion of new senior unsecured notes in two tranches of floating rate and five tranches of fixed rate debt. The company also borrowed $900 million through a new single-draw senior unsecured three-year bank term loan maturing December 2020.

Exhibit 7
Pro-Forma Debt Capitalization [1]
Campbell Soup Company

Instrument	Amount ($mm)	Maturity
Commerical Paper	1,261	
Australian note	381	Sept-18
4.500% notes	300	Feb-19
CAD150mm revolving credit facility	116	Jul-19
Floating rate notes	500	Mar-20
3Y term loan	900	Dec-20
3.300% notes	650	Mar-21
Floating rate notes	400	Mar-21
4.250% notes	500	Apr-21
8.875% notes	200	May-21
USD1.85bn revolving credit facility	-	Dec-21
2.500% notes	450	Aug-22
3.650% notes	1,200	Mar-23
3.300% notes	300	Mar-25
3.950% notes	850	Mar-25
4.150% notes	1,000	Mar-28
3.800% notes	400	Aug-43
4.800% notes	700	Mar-48
Capital Leases & Other	13	
Debt issuance costs	(63)	
Total Reported Debt	10,057	

[1] Jan 2018 Pro-Forma for the close of Snyder's-Lance acquisition.
Source: Company filings

Methodology and scorecard factors

The principal methodology used in rating Campbell Soup Company is the `Consumer Packaged Goods Methodology', published in January 2017. Based on our 12-18 months forward looking view, the methodology grid-indicated rating is Baa1, a notch higher than the assigned Baa2 rating.

Exhibit 8

Rating Factors				
Campbell Soup Company				
Consumer Packaged Goods Industry Grid [1][2]	**Current LTM 1/28/2018**		**Moody's 12-18 Month Forward View As of 3/23/2018 [3]**	
Factor 1 : Scale and Diversification (44%)	**Measure**	**Score**	**Measure**	**Score**
a) Total Sales (USD Billion)	$7.9	Baa	$10.2	A
b) Geographic Diversification	A	A	A	A
c) Segmental Diversification	A	A	A	A
Factor 2 : Franchise Strength and Potential (14%)				
a) Market Share	Aa	Aa	Aa	Aa
b) Category Assessment	Baa	Baa	Baa	Baa
Factor 3 : Profitability (7%)				
a) EBIT Margin	17.4%	A	16.1%	Baa
Factor 4 : Financial Policy (14%)				
a) Financial Policy	A	A	Baa	Baa
Factor 5 : Leverage and Coverage (21%)				
a) Debt / EBITDA	2.5x	Baa	4.8x	B
b) RCF / Net Debt	23.5%	Baa	10.3%	B
c) EBIT / Interest Expense	10.3x	A	5.2x	Baa
Rating:				
a) Indicated Rating from Grid		A3		Baa1
b) Actual Rating Assigned		Baa2		Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 1/28/2018(L).
[3] This represents Moody's forward view, not the view of the issuer.
Source: Moody's Financial Metrics

Appendix

Exhibit 9
Peer comparison

	Campbell Soup Company			General Mills, Inc.			Conagra Brands, Inc.			Kellogg Company		
	Baa2			Baa2			Baa2			Baa2		
(in US millions)	FYE Jul-16	FYE Jul-17	LTM Jan-18	FYE May-16	FYE May-17	LTM Nov-17	FYE May-16	FYE May-17	LTM Nov-17	FYE Dec-16	FYE Dec-17	LTM Dec-17
Revenue	$7,961	$7,890	$7,858	$16,563	$15,620	$15,568	$8,664	$7,827	$7,821	$13,014	$12,923	$12,923
EBITDA	$1,768	$1,790	$1,740	$3,635	$3,576	$3,370	$1,416	$1,496	$1,191	$2,625	$2,643	$2,643
Total Debt	$4,210	$3,982	$4,399	$10,398	$10,996	$11,242	$7,188	$3,939	$4,470	$10,485	$11,506	$11,506
Cash & Cash Equiv.	$296	$319	$196	$764	$766	$962	$798	$251	$84	$280	$281	$281
EBIT Margin	17.8%	18.0%	17.4%	17.2%	17.9%	16.7%	12.4%	14.9%	11.0%	15.0%	15.4%	15.4%
EBIT / Int. Exp.	11.0x	10.8x	10.3x	8.1x	8.0x	7.6x	3.2x	4.8x	4.5x	4.1x	5.9x	5.9x
Debt / EBITDA	2.4x	2.2x	2.5x	2.9x	3.1x	3.3x	5.1x	2.6x	3.8x	4.0x	4.4x	4.4x
RCF / Net Debt	26.8%	26.6%	23.5%	13.2%	14.5%	12.2%	19.3%	19.8%	17.3%	6.5%	13.2%	13.2%
FCF / Debt	18.1%	13.4%	11.5%	7.2%	3.9%	8.4%	7.6%	15.9%	12.2%	-5.5%	2.3%	2.3%

Source: Moody's Financial Metrics

Exhibit 10
Moody's adjusted debt detail

(in US Millions)	FYE Jul-13	FYE Aug-14	FYE Aug-15	FYE Jul-16	FYE Jul-17	LTM Ending Jan-18
As Reported Debt	**4,453.0**	**4,015.0**	**4,082.0**	**3,533.0**	**3,536.0**	**3,906.0**
Pensions	214.0	182.0	253.0	515.0	275.0	275.0
Operating Leases	179.7	169.3	144.0	144.4	159.0	159.0
Non-Standard Adjustments	0.0	0.0	0.0	18.0	12.0	59.0
Moody's-Adjusted Debt	**4,846.7**	**4,366.3**	**4,479.0**	**4,210.4**	**3,982.0**	**4,399.0**

Source: Moody's Financial Metrics

Exhibit 11
Moody's adjusted EBITDA detail

(in US Millions)	FYE Jul-13	FYE Aug-14	FYE Aug-15	FYE Jul-16	FYE Jul-17	LTM Ending Jan-18
As Reported EBITDA	**1,497.0**	**1,500.0**	**1,360.0**	**1,272.0**	**1,723.0**	**1,722.0**
Pensions	41.0	36.0	68.0	253.0	-256.0	-260.0
Operating Leases	54.0	50.0	48.0	45.0	53.0	53.0
Unusual	80.0	89.0	124.0	198.0	270.0	225.0
Moody's-Adjusted EBITDA	**1,672.0**	**1,675.0**	**1,600.0**	**1,768.0**	**1,790.0**	**1,740.0**

Source: Moody's Financial Metrics

Ratings

Exhibit 12

Category	Moody's Rating
CAMPBELL SOUP COMPANY	
Outlook	Stable
Senior Unsecured	Baa2

Commercial Paper	P-2

Source: Moody's Investors Service

REPORT NUMBER 1115904

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Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S INVESTORS SERVICE

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Ratings

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Research Update:

Campbell Soup Co. Ratings Lowered To 'BBB' From 'BBB+' On Snyder's-Lance Acquisition; Outlook Negative

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Research Update:

Campbell Soup Co. Ratings Lowered To 'BBB' From 'BBB+' On Snyder's-Lance Acquisition; Outlook Negative

Overview

- U.S.-based Campbell Soup Co. is purchasing Snyder's-Lance Inc. for about $6.1 billion. We believe that the transaction will close in the calendar second quarter of 2018.
- We believe the proposed acquisition will substantially increase Campbell's debt obligations and meaningfully weaken its credit protection measures.
- As a result, we are lowering all of our long-term ratings on Campbell, including our corporate credit rating, to 'BBB' from 'BBB+'.
- We are also affirming our 'A-2' short-term and commercial paper ratings.
- The negative outlook reflects the pro forma credit metric deterioration following the acquisition, the inherent integration risks of such a large acquisition, and the risk that Campbell's Fresh segment will continue to underperform, as well as that Snyder's-Lance relatively weak margins may not rebound, thus causing Campbell to struggle to reduce leverage below 4.0x over the next 24 months.

Rating Action

On Dec. 18, 2017, S&P Global Ratings lowered its corporate credit rating on Camden, New Jersey-based Campbell Soup Co. to 'BBB' from 'BBB+'. The outlook is negative. At the same time, we affirmed the 'A-2' short-term rating.

We also lowered the existing issue-level ratings to 'BBB' from 'BBB+'.

The ratings are based on preliminary information and can change if the terms of transaction change. We estimate that Campbell's pro forma fund debt for the acquisition would be roughly $10.3 billion at the transaction's close, based on current financing expectations.

Rationale

The downgrade reflects our belief that Campbell's pro forma credit protection measures will meaningfully deteriorate following this acquisition and will remain weaker than our prior expectations for several years after the close of the transaction. In addition, S&P Global Ratings believes the company's willingness to fund a large acquisition almost entirely with debt is a departure from its historically conservative financial policy that supports the current ratings. We see the possibility that Campbell will not be able to deleverage below 4.0x over the next 24 months because it may have difficulty strengthening Snyder's-Lance's EBITDA margins, which are below peer averages. This comes especially at a time when it needs to reverse negative trends in its Campbell Fresh division, it needs to improve the margins of its recently acquired Pacific Food business, and its high-margin soup business is declining.

Campbell will fund the acquisition almost entirely with debt. We estimate that the company's adjusted leverage will have increased to about 4.9x and that funds from operations (FFO) to debt will have dropped to below 15%, from 2.2x and 36%, respectively, for the 12 months ended Oct. 31, 2017. We had expected Campbell to maintain leverage at below 3.0x to maintain the current ratings and outlook. Our ratings now factor in our belief that Campbell will not improve credit metrics near those levels until the fiscal year 2022 (ending July 31) or thereafter.

We expect that Campbell will prioritize debt reduction over shareholder returns during the next couple of years, including suspending its share-repurchase program. Under our base-case scenario, we estimate that Campbell will modestly deleverage during the next two years, with adjusted leverage declining to 4.2x at the end of fiscal 2019 and 3.8x in fiscal 2020 and FFO to debt will strengthen to 18% and 20%, respectively.

Assumptions supporting this forecast include:

- U.S. GDP growth of 2.1% in 2017, 2.3% in 2019, 2.0% in 2020, and 1.9% in 2021.
- Pro forma revenues grow roughly by 2.0%-3.5% annually, slightly better than the economy, factoring in modest growth for the company's base business and faster growth from the Snyder's-Lance business
- Pro forma EBITDA margin declines to 21.2% in fiscal 2018 from 22.3% in fiscal 2017 but the EBITDA margin expands to 22.6% in fiscal 2019 and 23.2% in fiscal 2020, because we believe the Campbell's management will be able to improve Snyder's-Lance's margins closer to those of peers. We expect Campbell to bring better operating procedures to the Snyder's-Lance business, given the similarity in distribution network, warehouse capabilities, and its larger advertising and promotion budget and sales team.
- capital expenditures of about $480 million annually over the next two years, which is consistent with company guidance.
- Free cash flow declines to about $625 million in fiscal 2018 from $975 million in fiscal 2017 because of integration costs and increases close to $1.0 billion in fiscal 2019 and to $1.1 billion in fiscal 2020.
- The company uses a portion of its internally generated cash to repay debt.
- The dividend payout ratio remains at current levels and no share repurchases

Based on these assumptions, we estimate at least $1.2 billion in debt reduction by the end of fiscal 2020. We believe that this amount of debt reduction is achievable, given Campbell's strong cash flow generation, provided management remains committed to prioritizing deleveraging over shareholder returns and additional large, debt-financed acquisitions. We believe the integration risk is low, because Snyder's-Lance will become part of Campbell's Global Biscuits and Snacks segment, which is its best performing segment.

While we believe that our forecast metrics are achievable, risks to our forecast include:

- Further headwinds in the company's Packaged Food and Fresh businesses, which could limit topline growth;
- A slower pace of achieving cost synergies given Snyder's-Lance's operating inefficiencies; and
- Management's inability to effectively integrate the acquisition.

We believe the acquisition will modestly strengthen Campbell's business risk profile as it bolsters the company's global Biscuits and Snacks business by creating a scaled snacking platform in North America and enabling it to expand into additional distribution channels. Importantly, the transaction will improve the quality of Campbell's product portfolio, as almost 50% of sales will be in the faster growing snack sector, and reduces its reliance on the declining soup category. Soup as a percentage of sales will decline to 27% from 34%. The acquisition fits into Campbell's strategy of expanding into faster growing better-for-you snack category and gives them the No. 1 position in pretzels, sandwich crackers, kettle chips, and deli snacks. Campbell's snacking business will be $4.7 billion pro forma for the transaction and will give it scale to compete in the $89 billion U.S. snacking market.

We have also factored into our ratings the tough competition Campbell will face from PepsiCo, whose savory snack business has significantly greater market share and who has much greater financial wherewithal and marketing and innovation capabilities. Intense competition and the weak retail environment could make it difficult for Campbell to strengthen Snyder's-Lance's EBITDA margins, which are below the peer average.

Campbell has a strong competitive position within the packaged food industry, with diverse product offerings and leading brands and market share. The company has good diversification across soups, premium cookies and crackers, sauces, and vegetable-based juices. Snyder's-Lance will give it a good position in better-for-you snacks. Campbell has been experiencing declines in its Simple Meals and Beverages business, similar to broader trends in the industry whereby the center-of-store categories have been declining as consumers shift toward healthier, fresher ingredients. We view this acquisition and Campbell's recent acquisition of Pacific Foods favorably, because Campbell has expertise in the soup and snack categories. Both acquisitions expand Campbell's presence in the natural and organic segments. Snyder's-Lance moreover expands its distribution into convenience store and club channels, areas where Campbell is underpenetrated. Still, we do not think acquiring Snyder's-Lance strengthens Campbell's business risk enough to offset the increased financial risk resulting from the significantly higher leverage following the acquisition.

Although, Snyder's-Lance will be dilutive to Campbell's EBITDA margin, we expect the pro forma margin to remain over 20%, which is in line with Mondelez, General Mills, and J.M. Smucker, and above Kellogg's. As part of its ongoing efforts to improve profitability, the company continues to implement cost-savings programs and zero-based budgeting, similar to other peers. The company forecasts incremental cost savings of $385 million by fiscal 2018 for its existing business. This should allow the company to reinvest in its products and withstand some of the margin dilution from mix-shift to the lower margin snacking and packaged fresh divisions.

Liquidity

We view Campbell's liquidity as strong, because we expect sources of liquidity to exceed uses by more than 1.5x over the next 12 months and will be above 1.0x over the next 24 months. We also forecast net sources of liquidity to be positive, even if EBITDA fell by 30%, owing to our view of the company's well-established, solid relationships with banks and high standing in the credit markets. The company is a large, frequent issuer in the marketplace and has been able to access the capital markets successfully at favorable rates. Campbell also has generally prudent financial risk management to ensure strong liquidity. The strong liquidity assessment is also supported by the company's access to the commercial paper markets with an 'A-2' short-term and commercial paper rating, demonstrating its strength in the marketplace and access to lower costs of capital to fund short-term working capital needs.

Principal liquidity sources:

- Substantial availability on Campbell's $1.85 billion revolving credit facility due December 2021. The revolving credit facility backstops the company's commercial paper program
- Following the acquisition, cash on the balance sheet of $100 million
- Free operating cash flow of at least $1.1 billion

Principal liquidity uses:

- Capital spending of about 4.5% of sales.
- Annual dividend payout ratio of 45%.
- Peak working capital use of under $300 million.
- Debt maturity of about $770 million in 2019.

Outlook

The negative outlook reflects the pro forma credit metric deterioration that will result from the proposed transaction and the inherent integration risks of a large acquisition at a time when Campbell's soup business, the Campbell Fresh segment, and Snyder's-Lance are all underperforming. This results in the potential for Campbell to struggle to deleverage below 4x over the next 24 months. If we lower the corporate credit rating, we will lower the rating on the commercial paper to 'A-3'.

Downside scenario

We could lower the ratings over the next 12-24 months if there are unexpected operating missteps in the integration or it is affected by the weak retail environment, leading to weaker profitability and cash flows, and adjusted debt to EBITDA remains above 4x. In addition, we could also lower the ratings if the company demonstrates a more aggressive financial policy by prioritizing cash to shareholder-friendly activities or another medium or large debt-financed acquisition that results in leverage remaining above 4x.

Upside scenario

We could revise the outlook to stable if the company successfully integrates Snyder's-Lance and realizes the cost synergies as planned, and it strengthens credit metrics, including improving adjusted debt to EBITDA toward to the low-4x range with a clear path to deleveraging below 4x through a combination of EBITDA growth and debt reduction.

Ratings Score Snapshot

Corporate Credit Rating: BBB/Negative/A-2

Business risk: Strong
- Country risk: Very low
- Industry risk: Low
- Competitive position: Strong

Financial risk: Significant
- Cash flow/Leverage: Significant

Anchor: bbb

Modifiers
- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Strong (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: bbb

Issue Ratings

Capital structure

Campbell's capital structure consists of senior unsecured debt, the majority of which has been issued at the parent level. The company has roughly 3.5% of its debt at an Australian subsidiary.

Analytical conclusions

The senior unsecured debt is rated 'BBB', the same as the corporate credit rating, because priority debt is roughly 3.5% of total pro forma group debt, limiting the risk of subordination for lenders of unsecured debt at the holding company.

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, Sept. 21, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria - Corporates - Industrials: Key Credit Factors For The Branded Nondurables Industry, May 7, 2015
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Ratings List

Downgraded; Ratings Affirmed

	To	From
Campbell Soup Co.		
Corporate Credit Rating	BBB/Negative/A-2	BBB+/Stable/A-2
Senior Unsecured	BBB	BBB+
Commercial Paper	A-2	A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Financial Filings

UNITED STATES
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	Commission File Number
January 28, 2018	**1-3822**

CAMPBELL SOUP COMPANY

New Jersey	21-0419870
State of Incorporation	*I.R.S. Employer Identification No.*

1 Campbell Place
Camden, New Jersey 08103-1799
Principal Executive Offices

Telephone Number: (856) 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 ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

There were 300,633,988 shares of capital stock outstanding as of February 28, 2018.

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PART I - FINANCIAL INFORMATION

Item 1. ***Financial Statements***
CAMPBELL SOUP COMPANY
Consolidated Statements of Earnings
(unaudited)
(millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017
Net sales	**$ 2,180**	$ 2,171	**$ 4,341**	$ 4,373
Costs and expenses				
Cost of products sold	**1,414**	1,360	**2,792**	2,711
Marketing and selling expenses	**228**	240	**447**	470
Administrative expenses	**165**	141	**314**	266
Research and development expenses	**27**	25	**57**	52
Other expenses / (income)	**70**	201	**41**	212
Restructuring charges	**33**	(1)	**35**	—
Total costs and expenses	**1,937**	1,966	**3,686**	3,711
Earnings before interest and taxes	**243**	205	**655**	662
Interest expense	**32**	29	**63**	58
Interest income	**—**	1	**1**	2
Earnings before taxes	**211**	177	**593**	606
Taxes on earnings	**(74)**	76	**33**	213
Net earnings	**285**	101	**560**	393
Less: Net earnings (loss) attributable to noncontrolling interests	**—**	—	**—**	—
Net earnings attributable to Campbell Soup Company	**$ 285**	$ 101	**$ 560**	$ 393
Per Share — Basic				
Net earnings attributable to Campbell Soup Company	**$ .95**	$ .33	**$ 1.86**	$ 1.28
Dividends	**$ .35**	$ .35	**$ .70**	$ .70
Weighted average shares outstanding — basic	**301**	306	**301**	307
Per Share — Assuming Dilution				
Net earnings attributable to Campbell Soup Company	**$ .95**	$ .33	**$ 1.85**	$ 1.27
Weighted average shares outstanding — assuming dilution	**301**	309	**302**	309

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Comprehensive Income
(unaudited)
(millions)

	Three Months Ended					
	January 28, 2018			January 29, 2017		
	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net earnings			**$ 285**			$ 101
Other comprehensive income (loss):						
Foreign currency translation:						
Foreign currency translation adjustments	**$ 66**	**$ —**	**66**	$ (16)	$ —	(16)
Cash-flow hedges:						
Unrealized gains (losses) arising during the period	**2**	**(2)**	**—**	17	(6)	11
Reclassification adjustment for (gains) losses included in net earnings	**3**	**—**	**3**	5	(2)	3
Pension and other postretirement benefits:						
Prior service cost arising during the period	**(3)**	**1**	**(2)**	—	—	—
Reclassification of prior service credit included in net earnings	**(6)**	**2**	**(4)**	(7)	3	(4)
Other comprehensive income (loss)	**$ 62**	**$ 1**	**63**	$ (1)	$ (5)	(6)
Total comprehensive income (loss)			**$ 348**			$ 95
Total comprehensive income (loss) attributable to noncontrolling interests			**(1)**			—
Total comprehensive income (loss) attributable to Campbell Soup Company			**$ 349**			$ 95

	Six Months Ended					
	January 28, 2018			January 29, 2017		
	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Net earnings			**$ 560**			$ 393
Other comprehensive income (loss):						
Foreign currency translation:						
Foreign currency translation adjustments	**$ 34**	**$ —**	**34**	$ (24)	$ —	(24)
Cash-flow hedges:						
Unrealized gains (losses) arising during the period	**11**	**(4)**	**7**	30	(11)	19
Reclassification adjustment for (gains) losses included in net earnings	**1**	**—**	**1**	7	(2)	5
Pension and other postretirement benefits:						
Prior service cost arising during the period	**(3)**	**1**	**(2)**	—	—	—
Reclassification of prior service credit included in net earnings	**(13)**	**4**	**(9)**	(13)	5	(8)
Other comprehensive income (loss)	**$ 30**	**$ 1**	**31**	$ —	$ (8)	(8)
Total comprehensive income (loss)			**$ 591**			$ 385
Total comprehensive income (loss) attributable to noncontrolling interests			**(1)**			1
Total comprehensive income (loss) attributable to Campbell Soup Company			**$ 592**			$ 384

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Balance Sheets
(unaudited)
(millions, except per share amounts)

	January 28, 2018	July 30, 2017
Current assets		
Cash and cash equivalents	$ 196	$ 319
Accounts receivable, net	738	605
Inventories	869	902
Other current assets	125	74
Total current assets	1,928	1,900
Plant assets, net of depreciation	2,518	2,454
Goodwill	2,259	2,115
Other intangible assets, net of amortization	1,485	1,118
Other assets ($70 as of 2018 and $51 as of 2017 attributable to variable interest entity)	146	139
Total assets	$ 8,336	$ 7,726
Current liabilities		
Short-term borrowings	$ 1,659	$ 1,037
Payable to suppliers and others	707	666
Accrued liabilities	523	561
Dividends payable	106	111
Accrued income taxes	17	20
Total current liabilities	3,012	2,395
Long-term debt	2,247	2,499
Deferred taxes	383	490
Other liabilities	745	697
Total liabilities	6,387	6,081
Commitments and contingencies		
Campbell Soup Company shareholders' equity		
Preferred stock; authorized 40 shares; none issued	—	—
Capital stock, $.0375 par value; authorized 560 shares; issued 323 shares	12	12
Additional paid-in capital	321	359
Earnings retained in the business	2,734	2,385
Capital stock in treasury, at cost	(1,104)	(1,066)
Accumulated other comprehensive loss	(21)	(53)
Total Campbell Soup Company shareholders' equity	1,942	1,637
Noncontrolling interests	7	8
Total equity	1,949	1,645
Total liabilities and equity	$ 8,336	$ 7,726

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Cash Flows
(unaudited)
(millions)

	Six Months Ended	
	January 28, 2018	**January 29, 2017**
Cash flows from operating activities:		
Net earnings	**$ 560**	$ 393
Adjustments to reconcile net earnings to operating cash flow		
Impairment charges	**75**	212
Restructuring charges	**35**	—
Stock-based compensation	**32**	32
Noncurrent income taxes	**52**	—
Pension and postretirement benefit income	**(32)**	(23)
Depreciation and amortization	**161**	154
Deferred income taxes	**(106)**	—
Other, net	**18**	6
Changes in working capital, net of acquisition		
Accounts receivable	**(113)**	(95)
Inventories	**84**	117
Prepaid assets	**(25)**	(9)
Accounts payable and accrued liabilities	**(10)**	(100)
Net receipts from (payments of) hedging activities	**(31)**	1
Other	**(40)**	(21)
Net cash provided by operating activities	**660**	667
Cash flows from investing activities:		
Purchases of plant assets	**(132)**	(119)
Business acquired, net of cash acquired	**(682)**	—
Other, net	**(11)**	(13)
Net cash used in investing activities	**(825)**	(132)
Cash flows from financing activities:		
Net short-term borrowings	**379**	2
Long-term repayments	**(16)**	(61)
Dividends paid	**(216)**	(207)
Treasury stock purchases	**(86)**	(234)
Treasury stock issuances	**—**	2
Payments related to tax withholding for stock-based compensation	**(23)**	(20)
Net cash provided by (used in) financing activities	**38**	(518)
Effect of exchange rate changes on cash	**4**	(4)
Net change in cash and cash equivalents	**(123)**	13
Cash and cash equivalents — beginning of period	**319**	296
Cash and cash equivalents — end of period	**$ 196**	$ 309

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Equity
(unaudited)
(millions, except per share amounts)

	Campbell Soup Company Shareholders' Equity									
	Capital Stock				Additional Paid-in Capital	Earnings Retained in the Business	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
	Issued		In Treasury						
	Shares	Amount	Shares	Amount					
Balance at July 31, 2016	323	$ 12	(15)	$ (664)	$ 354	$ 1,927	$ (104)	$ 8	$ 1,533
Net earnings (loss)						393		—	393
Other comprehensive income (loss)							(9)	1	(8)
Dividends ($.70 per share)						(218)			(218)
Treasury stock purchased			(4)	(234)					(234)
Treasury stock issued under management incentive and stock option plans			1	33	(20)				13
Balance at January 29, 2017	323	$ 12	(18)	$ (865)	$ 334	$ 2,102	$ (113)	$ 9	$ 1,479
Balance at July 30, 2017	323	$ 12	(22)	$ (1,066)	$ 359	$ 2,385	$ (53)	$ 8	$ 1,645
Net earnings (loss)						**560**		**—**	**560**
Other comprehensive income (loss)							**32**	**(1)**	**31**
Dividends ($.70 per share)						**(211)**			**(211)**
Treasury stock purchased			**(2)**	**(86)**					**(86)**
Treasury stock issued under management incentive and stock option plans			**2**	**48**	**(38)**				**10**
Balance at January 28, 2018	**323**	**$ 12**	**(22)**	**$ (1,104)**	**$ 321**	**$ 2,734**	**$ (21)**	**$ 7**	**$ 1,949**

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements
(unaudited)
(currency in millions, except per share amounts)

1. Basis of Presentation and Significant Accounting Policies

In this Form 10-Q, unless otherwise stated, the terms "we," "us," "our" and the "company" refer to Campbell Soup Company and its consolidated subsidiaries.

The consolidated financial statements include our accounts and entities in which we maintain a controlling financial interest and a variable interest entity (VIE) for which we are the primary beneficiary. Intercompany transactions are eliminated in consolidation. Certain amounts in prior-year financial statements were reclassified to conform to the current-year presentation.

The financial statements reflect all adjustments which are, in our opinion, necessary for a fair statement of the results of operations, financial position, and cash flows for the indicated periods. The accounting policies we used in preparing these financial statements are substantially consistent with those we applied in our Annual Report on Form 10-K for the year ended July 30, 2017, except as described in Note 2.

The results for the period are not necessarily indicative of the results to be expected for other interim periods or the full year. Our fiscal year ends on the Sunday nearest July 31.

2. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued revised guidance on the recognition of revenue from contracts with customers. The guidance is designed to create greater comparability for financial statement users across industries and jurisdictions. The guidance also requires enhanced disclosures. The guidance was originally effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. In July 2015, the FASB decided to delay the effective date of the new revenue guidance by one year to fiscal years, and interim periods within those years, beginning after December 15, 2017. Entities will be permitted to adopt the new revenue standard early, but not before the original effective date. The guidance permits the use of either a full retrospective or modified retrospective transition method. We are currently performing a diagnostic review of our arrangements with customers across our significant businesses, including our practices of offering rebates, refunds, discounts and other price allowances, and trade and consumer promotion programs. We are evaluating our methods of estimating the amount and timing of these various forms of variable consideration. We are continuing to evaluate the impact that the new guidance will have on our consolidated financial statements, as well as which transition method we will use. We will adopt the new guidance in 2019.

In January 2016, the FASB issued guidance that amends the recognition and measurement of financial instruments. The changes primarily affect the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. Under the new guidance, equity investments in unconsolidated entities that are not accounted for under the equity method will generally be measured at fair value through earnings. When the fair value option has been elected for financial liabilities, changes in fair value due to instrument-specific credit risk will be recognized separately in other comprehensive income. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In February 2016, the FASB issued guidance that amends accounting for leases. Under the new guidance, a lessee will recognize assets and liabilities for most leases but will recognize expenses similar to current lease accounting. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. The new guidance must be adopted using a modified retrospective transition, and provides for certain practical expedients. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In August 2016, the FASB issued guidance on the classification of certain cash receipts and payments in the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted. The guidance must be applied retrospectively to all periods presented but may be applied prospectively if retrospective application would be impracticable. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In October 2016, the FASB issued guidance on tax accounting for intra-entity asset transfers. Under current guidance, the tax effects of intra-entity asset transfers (intercompany sales) are deferred until the transferred asset is sold to a third party or otherwise recognized. The new guidance requires companies to account for the income tax effects on intercompany transfers of assets other than inventory when the transfer occurs. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted in the first interim period of a fiscal year. The modified retrospective approach is required upon adoption, with a cumulative-effect adjustment recorded in retained earnings as of the beginning of the period of adoption. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In January 2017, the FASB issued guidance that revises the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this threshold is met, the set of transferred assets and activities is not a business. If it is not met, the entity then evaluates whether the set meets the requirement that a business include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted. We will prospectively apply the guidance to applicable transactions.

In March 2017, the FASB issued guidance that changes the presentation of net periodic pension cost and net periodic postretirement benefit cost. Under the revised guidance, the service cost component of benefit cost is classified in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost (such as interest expense, return on assets, amortization of prior service credit, actuarial gains and losses, settlements and curtailments) are required to be presented in the income statement separately from the service cost component. The guidance also allows only the service cost component to be eligible for capitalization when applicable (for example, as a cost of internally manufactured inventory). The guidance should be applied retrospectively for the presentation of the service cost component and the other components of benefit cost in the income statement, and applied prospectively on and after the effective date for the capitalization of the service cost component. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted. We elected to early adopt the guidance in the first quarter of 2018. The retrospective impact of presenting net periodic benefit cost in accordance with the new guidance is as follows:

	Three Months Ended		Six Months Ended	
Increase / (decrease) in expense	**January 29, 2017**		**January 29, 2017**	
Cost of products sold	$	14	$	4
Marketing and selling expenses	$	3	$	5
Administrative expenses	$	2	$	4
Research and development expenses	$	—	$	1
Other expenses / (income)	$	(19)	$	(14)

In May 2017, the FASB issued guidance that clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Under the new guidance, modification accounting is required only if the value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The guidance is effective prospectively for fiscal years beginning after December 15, 2017. Early adoption is permitted. We will apply the guidance in evaluating future changes to terms or conditions of share-based payment awards.

In August 2017, the FASB issued guidance that amends hedge accounting. Under the new guidance, more hedging strategies will be eligible for hedge accounting and the application of hedge accounting is simplified. The new guidance amends presentation and disclosure requirements, and how effectiveness is assessed. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those years. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In February 2018, the FASB issued guidance that provides entities an option to reclassify the tax effects of the Tax Cuts and Jobs Act of 2017 on items within accumulated other comprehensive income to retained earnings. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those years. Entities are able to early adopt the guidance in any interim or annual period for which financial statements have not yet been issued and apply it either in the period of adoption or retrospectively to each period in which the tax effects of the Tax Cuts and Jobs Act of 2017 related to items in accumulated other comprehensive income are recognized. New disclosures are required regardless of whether an entity elects to reclassify the tax effects. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

3. Acquisitions

On December 18, 2017, we entered into an agreement to acquire Snyder's-Lance, Inc. (Snyder's-Lance) for $50.00 per share. The closing of the transaction is subject to customary closing conditions and termination rights, including the approval of Snyder's-Lance shareholders. We expect to finance the acquisition through $6,200 of debt, which includes the payoff of Snyder's-Lance indebtedness. We are a party to a bridge facility commitment letter with a group of lenders, which initially provided up to $6,200 under a 364-day senior unsecured bridge term loan credit facility. On December 29, 2017, we entered into a single draw, unsecured, senior term loan facility equal to $1,200 to finance a portion of the Snyder's-Lance acquisition and reduce the commitment under the bridge facility commitment letter to $5,000. Debt issued under the term loan facility has a maturity date of three years from the initial funding date and will bear interest at the rates specified in the term loan facility, which vary based on the type of loan and certain other customary conditions. The term loan facility contains customary covenants and events of default for credit facilities of this type. We plan to replace or refinance the remaining $5,000 under the bridge loan facility through an offering of senior unsecured notes. In the three-month period ended January 28, 2018, we recognized transaction costs of $24 associated with the pending acquisition. These costs were recorded in Other expenses / (income).

On December 12, 2017, we completed the acquisition of Pacific Foods of Oregon, LLC (Pacific Foods) for $689, subject to customary post-closing adjustments. Pacific Foods produces broth, soups, non-dairy beverages and other simple meals. The excess of the purchase price over the estimated fair values of identifiable net assets was recorded as $202 of goodwill. The goodwill is expected to be deductible for tax purposes. The goodwill was primarily attributable to future growth opportunities, anticipated synergies, and intangible assets that did not qualify for separate recognition. The goodwill is included in the Americas Simple Meals and Beverages segment.

For the three-month period ended January 28, 2018, the contribution of the Pacific Foods acquisition to Net sales was $28. The contribution to Net earnings was not material.

The acquired assets and assumed liabilities include the following:

	Pacific Foods
Cash	$ 7
Accounts receivable	16
Inventories	50
Other current assets	1
Plant assets	78
Goodwill	202
Other intangible assets	366
Accounts payable	(25)
Accrued liabilities	(6)
Total assets acquired and liabilities assumed	$ 689

The identifiable intangible assets of Pacific Foods consist of $280 in non-amortizable trademarks, and $86 in customer relationships to be amortized over 20 years.

The purchase price allocation is preliminary and is subject to the finalization of appraisals, which will be completed in 2018.

The following unaudited summary information is presented on a consolidated pro forma basis as if the Pacific Foods acquisition had occurred on August 1, 2016:

	Three Months Ended		Six Months Ended	
	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017
Net sales	**$ 2,210**	$ 2,234	**$ 4,449**	$ 4,506
Net earnings attributable to Campbell Soup Company	**$ 285**	$ 102	**$ 563**	$ 394
Net earnings per share attributable to Campbell Soup Company - assuming dilution	**$ 0.95**	$ 0.33	**$ 1.86**	$ 1.28

The pro forma amounts include additional interest expense on the debt issued to finance the purchase, amortization and depreciation expense based on the estimated fair value and useful lives of intangible assets and plant assets, and related tax effects. The pro forma results are not necessarily indicative of the combined results had the Pacific Foods acquisition been completed on August 1, 2016, nor are they indicative of future combined results.

4. Accumulated Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive income (loss) consisted of the following:

	Foreign Currency Translation Adjustments[1]	Gains (Losses) on Cash Flow Hedges[2]	Pension and Postretirement Benefit Plan Adjustments[3]	Total Accumulated Comprehensive Income (Loss)
Balance at July 31, 2016	$ (124)	$ (41)	$ 61	$ (104)
Other comprehensive income (loss) before reclassifications	(25)	19	—	(6)
Amounts reclassified from accumulated other comprehensive income (loss)	—	5	(8)	(3)
Net current-period other comprehensive income (loss)	(25)	24	(8)	(9)
Balance at January 29, 2017	$ (149)	$ (17)	$ 53	$ (113)
Balance at July 30, 2017	$ (84)	$ (22)	$ 53	$ (53)
Other comprehensive income (loss) before reclassifications	**35**	**7**	**(2)**	40
Amounts reclassified from accumulated other comprehensive income (loss)	**—**	**1**	**(9)**	**(8)**
Net current-period other comprehensive income (loss)	**35**	**8**	**(11)**	**32**
Balance at January 28, 2018	**$ (49)**	**$ (14)**	**$ 42**	**$ (21)**

(1) Included a tax expense of $6 as of January 28, 2018, July 30, 2017, January 29, 2017, and July 31, 2016.
(2) Included a tax benefit of $8 as of January 28, 2018, $12 as of July 30, 2017, $10 as of January 29, 2017, and $23 as of July 31, 2016.
(3) Included a tax expense of $25 as of January 28, 2018, $30 as of July 30, 2017, and January 29, 2017, and $35 as of July 31, 2016.

Amounts related to noncontrolling interests were not material.

The amounts reclassified from Accumulated other comprehensive income (loss) consisted of the following:

Details about Accumulated Other Comprehensive Income (Loss) Components	Three Months Ended January 28, 2018	Three Months Ended January 29, 2017	Six Months Ended January 28, 2018	Six Months Ended January 29, 2017	Location of (Gain) Loss Recognized in Earnings
(Gains) losses on cash flow hedges:					
Foreign exchange forward contracts	**$ 2**	$ 3	**$ —**	$ 4	Cost of products sold
Foreign exchange forward contracts	**—**	1	**—**	1	Other expenses / (income)
Forward starting interest rate swaps	**1**	1	**1**	2	Interest expense
Total before tax	**3**	5	**1**	7	
Tax expense (benefit)	**—**	(2)	**—**	(2)	
(Gain) loss, net of tax	**$ 3**	$ 3	**$ 1**	$ 5	
Pension and postretirement benefit adjustments:					
Prior service credit	**$ (6)**	$ (7)	**$ (13)**	$ (13)	Other expenses / (income)
Tax expense (benefit)	**2**	3	**4**	5	
(Gain) loss, net of tax	**$ (4)**	$ (4)	**$ (9)**	$ (8)	

5. Goodwill and Intangible Assets

Goodwill

The following table shows the changes in the carrying amount of goodwill by business segment:

	Americas Simple Meals and Beverages		Global Biscuits and Snacks		Campbell Fresh		Total	
Net balance at July 30, 2017[(1)]	$	780	$	795	$	540	$	2,115
Acquisition		**202**		**—**		**—**		**202**
Impairment charges		**—**		**—**		**(75)**		**(75)**
Foreign currency translation adjustment		**—**		**17**		**—**		**17**
Net balance at January 28, 2018[(1)]	**$**	**982**	**$**	**812**	**$**	**465**	**$**	**2,259**

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(1) The Campbell Fresh segment includes accumulated impairment charges of $372 as of January 28, 2018, and $297 as of July 30, 2017 related to the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit.

In 2018, we acquired Pacific Foods for $689 and goodwill related to the acquisition was $202. See Note 3 for additional information.

During the second quarter of 2018, we performed an interim impairment assessment as of December 31, 2017, on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit as operating performance was below expectations. The business was impacted by adverse weather conditions and the implementation of enhanced quality protocols, which impacted crop yields and resulted in higher costs. This cost volatility continued to be higher than expected and caused us to reassess our short- and long-term margin expectations for this business. Based on recent performance, we reduced our outlook for future operating margins and discounted cash flows, which resulted in a $75 impairment charge, representing a write-down of all of the remaining goodwill in the reporting unit.

Intangible Assets

The following table sets forth balance sheet information for intangible assets, excluding goodwill, subject to amortization and intangible assets not subject to amortization:

Intangible Assets		January 28, 2018		July 30, 2017
Amortizable intangible assets				
Customer relationships	**$**	**311**	$	223
Technology		**40**		40
Other		**35**		35
Total gross amortizable intangible assets	**$**	**386**	$	298
Accumulated amortization		**(101)**		(92)
Total net amortizable intangible assets	**$**	**285**	$	206
Non-amortizable intangible assets				
Trademarks		**1,200**		912
Total net intangible assets	**$**	**1,485**	$	1,118

Non-amortizable intangible assets consist of trademarks, which include *Bolthouse Farms, Pace*, *Pacific Foods*, *Plum, Kjeldsens, Garden Fresh Gourmet* and *Royal Dansk*. Other amortizable intangible assets consist of recipes, patents, trademarks and distributor relationships.

Amortization of intangible assets was $8 and $10 for the six-month periods ended January 28, 2018, and January 29, 2017, respectively. Amortization expense for the next 5 years is estimated to be $18 in 2018, $20 in 2019 through 2021, and $19 in 2022. Asset useful lives range from 5 to 20 years.

Due to the factors described above regarding the Bolthouse Farms carrot and carrot ingredients reporting unit, we performed an interim impairment assessment on the trademark in the reporting unit. The fair value of the trademark exceeded the carrying value, which was $48, as of December 31, 2017.

6. Segment Information

We manage our businesses in three segments focused mainly on product categories. The segments are as follows:

- Americas Simple Meals and Beverages segment includes the retail and food service businesses in the U.S. and Canada. The segment includes the following products: *Campbell's* condensed and ready-to-serve soups; *Swanson* broth and stocks; *Prego* pasta sauces; *Pace* Mexican sauces; *Campbell's* gravies, pasta, beans and dinner sauces; *Swanson* canned poultry; *Plum* food and snacks; *V8* juices and beverages; *Campbell's* tomato juice; and as of December 12, 2017, *Pacific Foods* broth, soups, non-dairy beverages and other simple meals;
- Global Biscuits and Snacks segment includes Pepperidge Farm cookies, crackers, bakery and frozen products in U.S. retail, Arnott's biscuits in Australia and Asia Pacific, and Kelsen cookies globally. The segment also includes the simple meals and shelf-stable beverages business in Australia and Asia Pacific, and beginning in 2018, the business in Latin America; and
- Campbell Fresh segment includes Bolthouse Farms fresh carrots, carrot ingredients, refrigerated beverages and refrigerated salad dressings, Garden Fresh Gourmet salsa, hummus, dips and tortilla chips, and the U.S. refrigerated soup business.

Prior to 2018, the business in Latin America was managed as part of the Americas Simple Meals and Beverages segment. Segment results have been adjusted retrospectively to reflect this change.

We evaluate segment performance before interest, taxes and costs associated with restructuring activities. Unrealized gains and losses on commodity hedging activities are excluded from segment operating earnings and are recorded in Corporate as these open positions represent hedges of future purchases. Upon closing of the contracts, the realized gain or loss is transferred to segment operating earnings, which allows the segments to reflect the economic effects of the hedge without exposure to quarterly volatility of unrealized gains and losses. Only the service cost component of pension and postretirement expense is allocated to segments. All other components of expense, including interest cost, expected return on assets, amortization of prior service credits and recognized actuarial gains and losses are reflected in Corporate and not included in segment operating results. Asset information by segment is not discretely maintained for internal reporting or used in evaluating performance.

	Three Months Ended		Six Months Ended	
	January 28, 2018	**January 29, 2017**	**January 28, 2018**	**January 29, 2017**
Net sales				
Americas Simple Meals and Beverages	**$ 1,196**	$ 1,215	**$ 2,414**	$ 2,493
Global Biscuits and Snacks	**726**	696	**1,435**	1,386
Campbell Fresh	**257**	260	**491**	494
Corporate	**1**	—	**1**	—
Total	**$ 2,180**	$ 2,171	**$ 4,341**	$ 4,373

	Three Months Ended		Six Months Ended	
	January 28, 2018	**January 29, 2017**	**January 28, 2018**	**January 29, 2017**
Earnings before interest and taxes				
Americas Simple Meals and Beverages	**$ 282**	$ 311	**$ 610**	$ 691
Global Biscuits and Snacks	**139**	137	**259**	252
Campbell Fresh	**(11)**	(3)	**(17)**	(2)
Corporate(1)	**(134)**	(241)	**(162)**	(279)
Restructuring charges(2)	**(33)**	1	**(35)**	—
Total	**$ 243**	$ 205	**$ 655**	$ 662

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(1) Represents unallocated items. Pension and postretirement benefit mark-to-market adjustments are included in Corporate. There were gains of $14 in the six-month period ended January 28, 2018, and losses of $20 in the six-month period ended January 29, 2017. Costs related to the implementation of our new organizational structure and cost savings initiatives were $27 in the three-month period ended January 28, 2018, and $44 and $11 in the six-month periods ended January 28, 2018, and January 29, 2017, respectively. Transaction costs of $24 associated with the pending acquisition of Snyder's-Lance were in the three- and six-month periods ended January 28, 2018. Impairment charge of $75 on the intangible assets of the Bolthouse

Farms carrot and carrot ingredients reporting unit was included in the three- and six-month periods ended January 28, 2018, and impairment charges of $212 on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit were also included in the three- and six-month periods ended January 29, 2017.

(2) See Note 7 for additional information.

Our global net sales based on product categories are as follows:

	Three Months Ended		Six Months Ended	
	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017
Net sales				
Soup	**$ 814**	$ 831	**$ 1,621**	$ 1,694
Baked snacks	**690**	661	**1,367**	1,314
Other simple meals	**434**	436	**869**	865
Beverages	**241**	243	**483**	500
Other	**1**	—	**1**	—
Total	**$ 2,180**	$ 2,171	**$ 4,341**	$ 4,373

Soup includes various soup, broths and stock products. Baked snacks include cookies, crackers, biscuits and other baked products. Other simple meals include sauces, carrot products, refrigerated salad dressings, refrigerated salsa, hummus, dips and Plum foods and snacks.

7. Restructuring Charges and Cost Savings Initiatives

2015 Initiatives

On January 29, 2015, we announced plans to implement a new enterprise design focused mainly on product categories. Under the new structure, which we fully implemented at the beginning of 2016, our businesses are organized in the following divisions: Americas Simple Meals and Beverages, Global Biscuits and Snacks, and Campbell Fresh.

In support of the new structure, we designed and implemented a global shared services organization. We also streamlined our organizational structure, implemented an initiative to reduce overhead across the organization and are pursuing other initiatives to reduce costs and increase effectiveness. As part of these initiatives, we commenced a voluntary employee separation program available to certain U.S.-based salaried employees nearing retirement who met age, length-of-service and business unit/function criteria. A total of 471 employees elected the program. The electing employees remained with us through at least July 31, 2015, with some remaining beyond that date.

In February 2017, we announced that we were expanding these cost savings initiatives by further optimizing our supply chain network, primarily in North America, continuing to evolve our operating model to drive efficiencies, and more fully integrating our recent acquisitions. We extended the time horizon for the initiatives from 2018 to 2020. Cost estimates for these expanded initiatives, as well as timing for certain activities, are continuing to be developed. In January 2018, as part of the expanded initiatives, we authorized additional pre-tax costs to improve the operational efficiency of our thermal supply chain network in North America by closing our manufacturing facility in Toronto, Ontario, and to optimize our information technology infrastructure by migrating certain applications to the latest cloud technology platform.

A summary of the restructuring charges we recorded and charges incurred in Administrative expenses and Cost of products sold related to the implementation of the new organizational structure and costs savings initiatives is as follows:

	Three Months Ended		Six Months Ended		Year Ended		
	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017	July 30, 2017	July 31, 2016	August 2, 2015
Restructuring charges	**$ 33**	$ (1)	**$ 35**	$ —	$ 18	$ 35	$ 102
Administrative expenses	**26**	3	**38**	11	36	47	22
Cost of products sold	**1**	—	**6**	—	4	—	—
Total pre-tax charges	**$ 60**	$ 2	**$ 79**	$ 11	$ 58	$ 82	$ 124

A summary of the pre-tax costs associated with the initiatives is as follows:

	Recognized as of January 28, 2018
Severance pay and benefits	$ 167
Asset impairment/accelerated depreciation	19
Implementation costs and other related costs	157
Total	$ 343

The total estimated pre-tax costs for actions that have been identified are approximately $515 to $560. We expect to incur substantially all of the costs through 2019. This estimate will be updated as costs for the expanded initiatives are developed.

We expect the costs for actions that have been identified to date to consist of the following: approximately $170 in severance pay and benefits; approximately $85 in asset impairment and accelerated depreciation; and approximately $260 to $305 in implementation costs and other related costs. We expect these pre-tax costs to be associated with our segments as follows: Americas Simple Meals and Beverages - approximately 39%; Global Biscuits and Snacks - approximately 30%; Campbell Fresh - approximately 3%; and Corporate - approximately 28%.

Of the aggregate $515 to $560 of pre-tax costs identified to date, we expect approximately $415 to $460 will be cash expenditures. In addition, we expect to invest approximately $250 in capital expenditures through 2020 primarily related to the U.S. warehouse optimization project, transition of production of the Toronto manufacturing facility to our U.S. thermal plants, insourcing of manufacturing for certain simple meal products and optimization of information technology infrastructure and applications, of which we invested approximately $37 as of January 28, 2018.

A summary of the restructuring activity and related reserves associated with the initiatives at January 28, 2018, is as follows:

	Severance Pay and Benefits	Non-Cash Benefits[3]	Implementation Costs and Other Related Costs[4]	Asset Impairment/Accelerated Depreciation	Other Non-Cash Exit Costs[5]	Total Charges
Accrued balance at July 30, 2017[1]	$ 26					
2018 charges	**30**	**2**	**37**	**7**	**3**	**$ 79**
2018 cash payments	**(18)**					
Accrued balance at January 28, 2018[2]	**$ 38**					

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(1) Includes $2 of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.

(2) Includes $27 of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.

(3) Represents pension termination benefits. See Note 10.

(4) Includes other costs recognized as incurred that are not reflected in the restructuring reserve in the Consolidated Balance Sheet. The costs are included in Administrative expenses and Cost of products sold in the Consolidated Statements of Earnings.

(5) Includes non-cash costs that are not reflected in the restructuring reserve in the Consolidated Balance Sheet.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

	January 28, 2018		
	Three Months Ended	Six Months Ended	Costs Incurred to Date
Americas Simple Meals and Beverages	$ 33	$ 40	$ 132
Global Biscuits and Snacks	21	27	105
Campbell Fresh	2	3	9
Corporate	4	9	97
Total	$ 60	$ 79	$ 343

8. Earnings per Share (EPS)

For the periods presented in the Consolidated Statements of Earnings, the calculations of basic EPS and EPS assuming dilution vary in that the weighted average shares outstanding assuming dilution include the incremental effect of stock options and other share-based payment awards, except when such effect would be antidilutive. The earnings per share calculation for the three-month period ended January 28, 2018, excludes approximately 2 million stock options that would have been antidilutive. The earnings per share calculation for the six-month period ended January 28, 2018, excludes approximately 1 million stock options that would have been antidilutive. The earnings per share calculation for the three- and six-month periods ended January 29, 2017, excludes less than 1 million stock options that would have been antidilutive.

9. Taxes on Earnings

The Tax Cuts and Jobs Act of 2017 (the Act) was enacted into law on December 22, 2017, and made significant changes to corporate taxation. Changes under the Act include:

- Reducing the federal corporate tax rate from 35% to 21% effective January 1, 2018;
- Eliminating the deduction for domestic manufacturing activities, which impacts us beginning in 2019;
- Repealing the exception for deductibility of performance-based compensation to covered employees, which impacts us beginning in 2019, along with expanding the number of covered employees;
- Transitioning to a territorial system for taxation on foreign earnings along with the imposition of a transition tax in 2018 on the deemed repatriation of unremitted foreign earnings;
- Limiting the deductibility of interest expense to 30% of adjusted taxable income, which is effective for us beginning in 2019 ;
- Immediate expensing of machinery and equipment placed into service after September 27, 2017; and
- Changes to the taxation of multinational companies, including a new minimum tax on Global Intangible Low-Taxed Income, a new Base Erosion Anti-Abuse Tax, and a new U.S. corporate deduction for Foreign-Derived Intangible Income, all of which are effective for us beginning in 2019.

The U.S. Securities and Exchange Commission recently released Staff Accounting Bulletin (SAB) 118, which allows for a measurement period while a company obtains, prepares, and analyzes the information necessary to finalize its accounting for the effects of the Act. Specifically, SAB 118 details a three-step process that should apply to each reporting period:

- First, report the effects of the Act for which the accounting is complete;
- Second, report provisional amounts for which the accounting is not complete, but a reasonable estimate can be determined; and
- Third, do not report a provisional amount for which a reasonable estimate cannot be made.

Based on the Act and SAB 118, the following items are reflected in this quarter:

- The corporate rate reduction as of January 1, 2018, resulted in a blended U.S. statutory tax rate of approximately 27%;
- Remeasurement of deferred tax assets and liabilities resulted in a tax benefit of $183; and
- Imposition of a transition tax on unremitted foreign earnings resulted in a tax charge of $59.

The amounts recorded represent provisional amounts based on our best estimates and current interpretation of the provisions of the Act and may change as additional guidance is issued.

During the first quarter of 2018, we settled a state tax audit which resulted in the recognition of a $15 benefit that impacted the effective tax rate, and a $33 reduction in unrecognized tax benefits. The balance of unrecognized tax benefits as of January 28, 2018, was $32, of which $21 would impact the effective tax rate if recognized. The total amount of unrecognized tax benefits can change due to audit settlements, tax examination activities, statute expirations and the recognition and measurement criteria under accounting for uncertainty in income taxes.

10. Pension and Postretirement Benefits

Components of net benefit expense (income) were as follows:

	Three Months Ended				Six Months Ended			
	Pension		Postretirement		Pension		Postretirement	
	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017
Service cost	**$ 6**	$ 7	**$ —**	$ 1	**$ 12**	$ 13	**$ —**	$ 1
Interest cost	**18**	21	**2**	2	**37**	43	**4**	5
Expected return on plan assets	**(36)**	(36)	**—**	—	**(72)**	(72)	**—**	—
Amortization of prior service credit	**—**	—	**(6)**	(7)	**—**	—	**(13)**	(13)
Special termination benefits	**2**	—	**—**	—	**2**	—	**—**	—
Net periodic benefit income	**$ (10)**	$ (8)	**$ (4)**	$ (4)	**$ (21)**	$ (16)	**$ (9)**	$ (7)

The special termination benefits of $2 related to the planned closure of the manufacturing facility in Toronto, Ontario, and were included in Restructuring charges. See Note 7.

The components of net periodic benefit expense (income) other than the service cost component are included in Other expenses / (income) in the Consolidated Statements of Earnings. Beginning in 2018, under the revised FASB guidance adopted in the first quarter, only the service cost component of net periodic benefit expense (income) is eligible for capitalization.

Beginning in 2018, we changed the method we use to estimate the service and interest cost components of net periodic benefit expense (income). We elected to use a full yield curve approach to estimate service cost and interest cost by applying the specific spot rates along the yield curve used to determine the benefit obligation of the relevant projected cash flows. Previously, we estimated service cost and interest cost using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. We are making this change to provide a more precise measurement of service cost and interest cost by improving the correlation between projected benefit cash flows and the corresponding spot yield curve rates. This change will not affect the measurement of our benefit obligations. We accounted for this change prospectively in 2018 as a change in accounting estimate. As a result of this change, net periodic benefit income increased by approximately $4 and $8 in the three- and six-month periods ended January 28, 2018, respectively, compared to what the net periodic benefit income would have been under the previous method.

11. Financial Instruments

The principal market risks to which we are exposed are changes in foreign currency exchange rates, interest rates, and commodity prices. In addition, we are exposed to equity price changes related to certain deferred compensation obligations. In order to manage these exposures, we follow established risk management policies and procedures, including the use of derivative contracts such as swaps, rate locks, options, forwards and commodity futures. We enter into these derivative contracts for periods consistent with the related underlying exposures, and the contracts do not constitute positions independent of those exposures. We do not enter into derivative contracts for speculative purposes and do not use leveraged instruments. Our derivative programs include instruments that qualify and others that do not qualify for hedge accounting treatment.

Concentration of Credit Risk

We are exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate counterparty credit risk, we enter into contracts only with carefully selected, leading, credit-worthy financial institutions, and distribute contracts among several financial institutions to reduce the concentration of credit risk. We did not have credit-risk-related contingent features in our derivative instruments as of January 28, 2018, or July 30, 2017.

We are also exposed to credit risk from our customers. During 2017, our largest customer accounted for approximately 20% of consolidated net sales. Our five largest customers accounted for approximately 39% of our consolidated net sales in 2017.

We closely monitor credit risk associated with counterparties and customers.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange risk related to our international operations, including non-functional currency intercompany debt and net investments in subsidiaries. We are also exposed to foreign exchange risk as a result of transactions in currencies other than the functional currency of certain subsidiaries. Principal currencies hedged include the Canadian dollar, Australian dollar and U.S. dollar. We utilize foreign exchange forward purchase and sale contracts, as well as cross-currency swaps, to hedge these exposures. The contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge portions of our forecasted foreign currency transaction exposure with foreign exchange forward contracts for periods typically up to 18 months. To hedge currency exposures related to intercompany debt, we enter into foreign exchange forward purchase and sale contracts, as well as cross-currency swap contracts, for periods consistent with the underlying debt. The notional amount of foreign exchange forward contracts accounted for as cash-flow hedges was $70 at January 28, 2018, and $84 at July 30, 2017. The effective portion of the changes in fair value on these instruments is recorded in other comprehensive income (loss) and is reclassified into the Consolidated Statements of Earnings on the same line item and the same period in which the underlying hedged transaction affects earnings. The notional amount of foreign exchange forward contracts that are not designated as accounting hedges was $148 and $336 at January 28, 2018, and July 30, 2017, respectively. There were no cross-currency swap contracts outstanding as of January 28, 2018, or July 30, 2017.

Interest Rate Risk

We manage our exposure to changes in interest rates by optimizing the use of variable-rate and fixed-rate debt and by utilizing interest rate swaps in order to maintain our variable-to-total debt ratio within targeted guidelines. Receive fixed rate/pay variable rate interest rate swaps are designated as fair-value hedges. We manage our exposure to interest rate volatility on future debt issuances by entering into forward starting interest rate swaps or treasury rate lock contracts to lock in the rate on the interest payments related to the anticipated debt issuances. The contracts are either designated as cash-flow hedging instruments or are undesignated.The effective portion of the changes in fair value on designated instruments is recorded in other comprehensive income (loss) and reclassified into the Consolidated Statements of Earnings over the life of the debt. The change in fair value on undesignated instruments is recorded in interest expense. At January 28, 2018, and July 30, 2017, we had forward starting interest rate swaps accounted for as cash flow hedges with a notional value of $300, which relate to an anticipated debt issuance in 2018. We settled forward starting interest rate swaps with a notional value of $300 in October 2017 at a loss of $22. The effective portion of the loss was recorded in other comprehensive income (loss) and will be recognized as additional interest expense over the 10-year life of the anticipated debt issuance in 2018. The notional amount of treasury rate lock contracts accounted for as undesignated hedges was $200 at January 28, 2018, which relate to an anticipated debt issuance in 2018.

Subsequent to January 28, 2018, we entered into additional treasury rate lock contracts which relate to an anticipated debt issuance in 2018 with a notional amount of $2,100 as of February 28, 2018. These instruments are undesignated.

Commodity Price Risk

We principally use a combination of purchase orders and various short- and long-term supply arrangements in connection with the purchase of raw materials, including certain commodities and agricultural products. We also enter into commodity futures, options and swap contracts to reduce the volatility of price fluctuations of wheat, soybean oil, diesel fuel, cocoa, natural gas, aluminum, soybean meal, corn, butter and cheese, which impact the cost of raw materials. Commodity futures, options, and swap contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge a portion of commodity requirements for periods typically up to 18 months. There were no commodity contracts accounted for as cash-flow hedges as of January 28, 2018, or July 30, 2017. The notional amount of commodity contracts not designated as accounting hedges was $84 at January 28, 2018, and $90 at July 30, 2017.

In 2017, we entered into a supply contract under which prices for certain raw materials are established based on anticipated volume requirements over a twelve-month period. Certain prices under the contract are based in part on certain component parts of the raw materials that are in excess of our needs or not required for our operations, thereby creating an embedded derivative requiring bifurcation. We net settle amounts due under the contract with our counterparty. The notional value was approximately $75 at January 28, 2018, and $35 at July 30, 2017. The fair value was not material as of January 28, 2018, and July 30, 2017. Unrealized gains (losses) and settlements are included in Cost of products sold in our Consolidated Statements of Earnings.

Equity Price Risk

We enter into swap contracts which hedge a portion of exposures relating to certain deferred compensation obligations linked to the total return of our capital stock, the total return of the Vanguard Institutional Index, and the total return of the Vanguard Total International Stock Index. Under these contracts, we pay variable interest rates and receive from the counterparty either the total return on our capital stock; the total return of the Standard & Poor's 500 Index, which is expected to approximate the total return of the Vanguard Institutional Index; or the total return of the iShares MSCI EAFE Index, which is expected to approximate the total return of the Vanguard Total International Stock Index. These contracts were not designated as hedges for accounting purposes. We enter into these contracts for periods typically not exceeding 12 months. The notional amounts of the contracts as of January 28, 2018, and July 30, 2017, were $42 and $43, respectively.

The following table summarizes the fair value of derivative instruments on a gross basis as recorded in the Consolidated Balance Sheets as of January 28, 2018, and July 30, 2017:

	Balance Sheet Classification	January 28, 2018	July 30, 2017
Asset Derivatives			
Derivatives designated as hedges:			
Foreign exchange forward contracts	Other current assets	**$ 1**	$ 3
Forward starting interest rate swaps	Other current assets	**10**	—
Total derivatives designated as hedges		**$ 11**	$ 3
Derivatives not designated as hedges:			
Commodity derivative contracts	Other current assets	**$ 5**	$ 5
Deferred compensation derivative contracts	Other current assets	**3**	1
Treasury rate lock contracts	Other current assets	**1**	—
Commodity derivative contracts	Other assets	**—**	1
Total derivatives not designated as hedges		**$ 9**	$ 7
Total asset derivatives		**$ 20**	$ 10

	Balance Sheet Classification	January 28, 2018	July 30, 2017
Liability Derivatives			
Derivatives designated as hedges:			
Foreign exchange forward contracts	Accrued liabilities	**$ —**	$ 1
Forward starting interest rate swaps	Accrued liabilities	**—**	22
Total derivatives designated as hedges		**$ —**	$ 23
Derivatives not designated as hedges:			
Commodity derivative contracts	Accrued liabilities	**$ 2**	$ 1
Foreign exchange forward contracts	Accrued liabilities	**6**	19
Foreign exchange forward contracts	Other liabilities	**—**	1
Total derivatives not designated as hedges		**$ 8**	$ 21
Total liability derivatives		**$ 8**	$ 44

We do not offset the fair values of derivative assets and liabilities executed with the same counterparty that are generally subject to enforceable netting agreements. However, if we were to offset and record the asset and liability balances of derivatives on a net basis, the amounts presented in the Consolidated Balance Sheets as of January 28, 2018, and July 30, 2017, would be adjusted as detailed in the following table:

	January 28, 2018			July 30, 2017		
Derivative Instrument	**Gross Amounts Presented in the Consolidated Balance Sheet**	**Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements**	**Net Amount**	**Gross Amounts Presented in the Consolidated Balance Sheet**	**Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements**	**Net Amount**
Total asset derivatives	**$ 20**	**$ (6)**	**$ 14**	$ 10	$ (3)	$ 7
Total liability derivatives	**$ 8**	**$ (6)**	**$ 2**	$ 44	$ (3)	$ 41

We do not offset fair value amounts recognized for exchange-traded commodity derivative instruments and cash margin accounts executed with the same counterparty that are subject to enforceable netting agreements. We are required to maintain cash margin accounts in connection with funding the settlement of open positions. At January 28, 2018, and July 30, 2017, a cash margin account balance of $1 was included in Other current assets in the Consolidated Balance Sheets.

The following tables show the effect of our derivative instruments designated as cash-flow hedges for the three- and six-month periods ended January 28, 2018, and January 29, 2017, in other comprehensive income (loss) (OCI) and the Consolidated Statements of Earnings:

Derivatives Designated as Cash-Flow Hedges		Total Cash-Flow Hedge OCI Activity January 28, 2018	January 29, 2017
Three Months Ended			
OCI derivative gain (loss) at beginning of quarter		**$ (27)**	$ (49)
Effective portion of changes in fair value recognized in OCI:			
Foreign exchange forward contracts		**(5)**	(2)
Forward starting interest rate swaps		**7**	19
Amount of (gain) loss reclassified from OCI to earnings:	**Location in Earnings**		
Foreign exchange forward contracts	Cost of products sold	**2**	3
Foreign exchange forward contracts	Other expenses / (income)	**—**	1
Forward starting interest rate swaps	Interest expense	**1**	1
OCI derivative gain (loss) at end of quarter		**$ (22)**	$ (27)
Six Months Ended			
OCI derivative gain (loss) at beginning of year		**$ (34)**	$ (64)
Effective portion of changes in fair value recognized in OCI:			
Foreign exchange forward contracts		**1**	1
Forward starting interest rate swaps		**10**	29
Amount of (gain) loss reclassified from OCI to earnings:	**Location in Earnings**		
Foreign exchange forward contracts	Cost of products sold	**—**	4
Foreign exchange forward contracts	Other expenses / (income)	**—**	1
Forward starting interest rate swaps	Interest expense	**1**	2
OCI derivative gain (loss) at end of quarter		**$ (22)**	$ (27)

Based on current valuations, the amount expected to be reclassified from OCI into earnings within the next 12 months is a loss of $8. The ineffective portion and amount excluded from effectiveness testing were not material.

The following table shows the effects of our derivative instruments not designated as hedges in the Consolidated Statements of Earnings:

		Amount of (Gain) Loss Recognized in Earnings on Derivatives			
		Three Months Ended		Six Months Ended	
Derivatives not Designated as Hedges	Location of (Gain) Loss Recognized in Earnings	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017
Foreign exchange forward contracts	Cost of products sold	**$ —**	$ (1)	**$ —**	$ (1)
Foreign exchange forward contracts	Other expenses / (income)	**—**	—	**(1)**	—
Commodity derivative contracts	Cost of products sold	**(2)**	(2)	**—**	(6)
Deferred compensation derivative contracts	Administrative expenses	**(4)**	(4)	**(5)**	(2)
Treasury rate lock contracts	Interest expense	**(1)**	—	**(1)**	—
Total		**$ (7)**	$ (7)	**$ (7)**	$ (9)

12. Variable Interest Entity

In February 2016, we agreed to make a $125 capital commitment to Acre Venture Partners, L.P. (Acre), a limited partnership formed to make venture capital investments in innovative new companies in food and food-related industries. Acre is managed by its general partner, Acre Ventures GP, LLC, which is independent of us. We are the sole limited partner of Acre and own a 99.8% interest. Our share of earnings (loss) is calculated according to the terms of the partnership agreement. Acre is a VIE. We have determined that we are the primary beneficiary. Therefore, we consolidate Acre and account for the third party ownership as a noncontrolling interest. Through January 28, 2018, we funded $71 of the capital commitment. Except for the remaining unfunded capital commitment of $54, we do not have obligations to provide additional financial or other support to Acre.

Acre elected the fair value option to account for qualifying investments to more appropriately reflect the value of the investments in the financial statements. The investments were $70 and $51 as of January 28, 2018, and July 30, 2017, respectively, and are included in Other assets on the Consolidated Balance Sheets. Changes in the fair values of investments for which the fair value option was elected are included in Other expenses / (income) on the Consolidated Statements of Earnings. Current assets and liabilities of Acre were not material as of January 28, 2018, or July 30, 2017.

13. Fair Value Measurements

We categorize financial assets and liabilities based on the following fair value hierarchy:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data.
- Level 3: Unobservable inputs, which are valued based on our estimates of assumptions that market participants would use in pricing the asset or liability.

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. When available, we use unadjusted quoted market prices to measure the fair value and classify such items as Level 1. If quoted market prices are not available, we base fair value upon internally developed models that use current market-based or independently sourced market parameters such as interest rates and currency rates. Included in the fair value of derivative instruments is an adjustment for credit and nonperformance risk.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents our financial assets and liabilities that are measured at fair value on a recurring basis as of January 28, 2018, and July 30, 2017, consistent with the fair value hierarchy:

	Fair Value as of January 28, 2018	Fair Value Measurements at January 28, 2018 Using Fair Value Hierarchy			Fair Value as of July 30, 2017	Fair Value Measurements at July 30, 2017 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets								
Forward starting interest rate swaps[1]	$ 10	$ —	$ 10	$ —	$ —	$ —	$ —	$ —
Treasury lock contracts[2]	1	—	1	—	—	—	—	—
Foreign exchange forward contracts[3]	1	—	1	—	3	—	3	—
Commodity derivative contracts[4]	5	4	1	—	6	6	—	—
Deferred compensation derivative contracts[5]	3	—	3	—	1	—	1	—
Fair value option investments [6]	70	—	—	70	50	—	1	49
Total assets at fair value	$ 90	$ 4	$ 16	$ 70	$ 60	$ 6	$ 5	$ 49

	Fair Value as of January 28, 2018	Fair Value Measurements at January 28, 2018 Using Fair Value Hierarchy			Fair Value as of July 30, 2017	Fair Value Measurements at July 30, 2017 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Liabilities								
Forward starting interest rate swaps(1)	$ —	$ —	$ —	$ —	$ 22	$ —	$ 22	$ —
Foreign exchange forward contracts(3)	6	—	6	—	21	—	21	—
Commodity derivative contracts(4)	2	2	—	—	1	1	—	—
Deferred compensation obligation(7)	127	127	—	—	112	112	—	—
Total liabilities at fair value	$ 135	$ 129	$ 6	$ —	$ 156	$ 113	$ 43	$ —

(1) Based on LIBOR swap rates.
(2) Based on U.S. Treasury rates.
(3) Based on observable market transactions of spot currency rates and forward rates.
(4) Based on quoted futures exchanges and on observable prices of futures and options transactions in the marketplace.
(5) Based on LIBOR and equity index swap rates.
(6) Primarily represents investments in equity securities that are not readily marketable and are accounted for under the fair value option. The investments were funded by Acre. See Note 12 for additional information. Fair value is based on analyzing recent transactions and transactions of comparable companies, and the discounted cash flow method. In addition, allocation methods, including the option pricing method, are used in distributing fair value among various equity holders according to rights and preferences. Changes in the fair value of investments were not material in 2018 or 2017.
(7) Based on the fair value of the participants' investments.

Items Measured at Fair Value on a Nonrecurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, we are also required to measure certain items at fair value on a nonrecurring basis.

During the second quarter of 2018, we performed an interim impairment assessment as of December 31, 2017, and recognized an impairment charge of $75 on goodwill of the Bolthouse Farms carrot and carrot ingredients reporting unit, which represented the remaining carrying value of goodwill.

Fair value was determined based on unobservable Level 3 inputs. The fair value of goodwill was determined based on discounted cash flow analysis that include significant management assumptions such as revenue growth rates, operating margins, weighted average cost of capital, and future economic and market conditions.

See Note 5 for additional information on the impairment charge.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings, excluding the current portion of long-term debt, approximate fair value.

Cash equivalents of $16 at January 28, 2018, and $8 at July 30, 2017, represent fair value as these highly liquid investments have an original maturity of three months or less. Fair value of cash equivalents is based on Level 2 inputs.

The fair value of long-term debt, including the current portion of long-term debt in Short-term borrowings, was $2,516 at January 28, 2018, and $2,582 at July 30, 2017. The carrying value was $2,486 at January 28, 2018, and $2,499 at July 30, 2017. The fair value of long-term debt is principally estimated using Level 2 inputs based on quoted market prices or pricing models using current market rates.

14. Share Repurchases

In March 2017, the Board authorized a share repurchase program to purchase up to $1,500. The program has no expiration date, but it may be suspended or discontinued at any time. In addition to this publicly announced program, we have a separate Board authorization to purchase shares to offset the impact of dilution from shares issued under our stock compensation plans. With the pending acquisition of Snyder's-Lance, we suspended our share repurchases in the second quarter of 2018.

During the six-month period ended January 28, 2018, we repurchased 2 million shares at a cost of $86. Of this amount, $75 was used to repurchase shares pursuant to our March 2017 publicly announced share repurchase program. Approximately $1,296 remained available under the March 2017 program as of January 28, 2018. During the six-month period ended January 29, 2017, we repurchased 4 million shares at a cost of $234.

15. Stock-based Compensation

We provide compensation benefits by issuing stock options, unrestricted stock and restricted stock units (including time-lapse restricted stock units, EPS performance restricted stock units, total shareholder return (TSR) performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units). In 2018, we issued stock options, time-lapse restricted stock units, unrestricted stock, EPS performance restricted stock units and TSR performance restricted stock units. We have not issued strategic performance restricted stock units or special performance restricted stock units in 2018.

Total pre-tax stock-based compensation expense and tax-related benefits recognized in the Consolidated Statements of Earnings were as follows:

	Three Months Ended		Six Months Ended	
	January 28, 2018	**January 29, 2017**	**January 28, 2018**	**January 29, 2017**
Total pre-tax stock-based compensation expense	**$ 18**	$ 18	**$ 32**	$ 32
Tax-related benefits	**$ 2**	$ 7	**$ 7**	$ 12

Cash received from the exercise of stock options was $2 for the six-month period ended January 29, 2017, and is reflected in cash flows from financing activities in the Consolidated Statements of Cash Flows.

The following table summarizes stock option activity as of January 28, 2018:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value
	(Options in thousands)		(In years)	
Outstanding at July 30, 2017	1,042	$ 52.08		
Granted	575	$ 47.19		
Exercised	—	$ —		
Terminated	—	$ —		
Outstanding at January 28, 2018	1,617	$ 50.34	8.7	$ —
Exercisable at January 28, 2018	544	$ 51.40	7.9	$ —

The total intrinsic value of options exercised during the six-month period ended January 29, 2017, was not material. We measure the fair value of stock options using the Black-Scholes option pricing model. The expected term of options granted was based on the weighted average time of vesting and the end of the contractual term. We utilized this simplified method as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term.

The assumptions and grant-date fair values for grants in 2018 and 2017 were as follows:

	2018	2017
Risk-free interest rate	**2.06%**	1.28%
Expected dividend yield	**2.95%**	2.26%
Expected volatility	**19.60%**	18.64%
Expected term	**6 years**	6 years
Grant-date fair value	**$6.67**	$7.51

We expense stock options on a straight-line basis over the vesting period, except for awards issued to retirement eligible participants, which we expense on an accelerated basis. As of January 28, 2018, total remaining unearned compensation related to nonvested stock options was $3, which will be amortized over the weighted-average remaining service period of 1.1 years.

The following table summarizes time-lapse restricted stock units and EPS performance restricted stock units as of January 28, 2018:

	Units		Weighted-Average Grant-Date Fair Value
	(Restricted stock units in thousands)		
Nonvested at July 30, 2017	1,221	$	50.86
Granted	689	$	46.95
Vested	(625)	$	48.46
Forfeited	(49)	$	50.34
Nonvested at January 28, 2018	1,236	$	49.91

We determine the fair value of time-lapse restricted stock units, EPS performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units based on the quoted price of our stock at the date of grant. We expense time-lapse restricted stock units on a straight-line basis over the vesting period, except for awards issued to retirement-eligible participants, which we expense on an accelerated basis. We expense EPS performance restricted stock units on a graded-vesting basis, except for awards issued to retirement-eligible participants, which we expense on an accelerated basis. There were 150 thousand EPS performance target grants outstanding at January 28, 2018, with a weighted-average grant-date fair value of $49.58. The actual number of EPS performance restricted stock units issued at the vesting date could range from 0% or 100% of the initial grant, depending on actual performance achieved. We estimate expense based on the number of awards expected to vest. In the first quarter of 2017, recipients of strategic performance restricted stock units earned 35% of the initial grants based on actual performance achieved during a three-year period ended July 31, 2016. There were no strategic performance restricted stock units outstanding at January 28, 2018.

In 2015, we issued special performance restricted stock units for which vesting was contingent upon meeting various financial goals and performance milestones to support innovation and growth initiatives. These awards vested in the first quarter of 2017. Recipients of special performance restricted stock units earned 0% of the initial grants based upon financial goals and 100% of the initial grants based upon performance milestones to support innovation and growth initiatives.

As of January 28, 2018, total remaining unearned compensation related to nonvested time-lapse restricted stock units and EPS performance restricted stock units was $34, which will be amortized over the weighted-average remaining service period of 1.8 years. The fair value of restricted stock units vested during the six-month periods ended January 28, 2018, and January 29, 2017, was $30, and $51, respectively. The weighted-average grant-date fair value of the restricted stock units granted during the six-month period ended January 29, 2017, was $54.73.

The following table summarizes TSR performance restricted stock units as of January 28, 2018:

	Units		Weighted-Average Grant-Date Fair Value
	(Restricted stock units in thousands)		
Nonvested at July 30, 2017	1,774	$	48.24
Granted	943	$	39.39
Vested	(815)	$	43.39
Forfeited	(70)	$	45.71
Nonvested at January 28, 2018	1,832	$	46.29

We estimated the fair value of TSR performance restricted stock units at the grant date using a Monte Carlo simulation. Assumptions used in the Monte Carlo simulation were as follows:

	2018	2017
Risk-free interest rate	**1.58%**	0.85%
Expected dividend yield	**2.95%**	2.26%
Expected volatility	**19.07%**	17.78%
Expected term	**3 years**	3 years

We recognize compensation expense on a straight-line basis over the service period. As of January 28, 2018, total remaining unearned compensation related to TSR performance restricted stock units was $38, which will be amortized over the weighted-average remaining service period of 2.0 years. In the first quarter of 2018, recipients of TSR performance restricted stock units earned 125% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended July 28, 2017. As a result, approximately 160 thousand additional shares were awarded. In the first quarter of 2017, recipients of TSR performance restricted stock units earned 75% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended July 29, 2016. The fair value of TSR performance restricted stock units vested during the six-month periods ended January 28, 2018, and January 29, 2017, was $38 and $14, respectively. The grant-date fair value of the TSR performance restricted stock units granted during 2017 was $39.53.

The excess tax benefits on the exercise of stock options and vested restricted stock presented as cash flows from operating activities for the six-month periods ended January 28, 2018, and January 29, 2017, were $4 and $6, respectively.

16. Commitments and Contingencies

We are involved in various pending or threatened legal or regulatory proceedings, including purported class actions, arising from the conduct of business both in the ordinary course and otherwise. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the trial court. In addition, jurisdictions may permit plaintiffs to allege monetary damages in amounts well exceeding reasonably possible verdicts in the jurisdiction for similar matters. This variability in pleadings, together with our actual experiences in litigating or resolving through settlement numerous claims over an extended period of time, demonstrates to us that the monetary relief which may be specified in a lawsuit or claim bears little relevance to its merits or disposition value.

Due to the unpredictable nature of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time is normally difficult to ascertain. Uncertainties can include how fact finders will evaluate documentary evidence and the credibility and effectiveness of witness testimony, and how trial and appellate courts will apply the law in the context of the pleadings or evidence presented, whether by motion practice, or at trial or on appeal. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel will themselves view the relevant evidence and applicable law.

Four securities class action lawsuits (collectively, the Actions) related to the pending acquisition of Snyder's-Lance have been filed by purported shareholders of Snyder's-Lance. The Actions, captioned *Shaev v. Snyder's-Lance, Inc., et al.,* No. 3:18-cv-00039 (the *Shaev* Action), *Sciabacucchi v. Snyder's-Lance, Inc., et al.,* No. 3:18-cv-00049-RJC-DCK (the *Sciabacucchi* Action), *Kendall v. Snyder's-Lance, Inc., et al.,* No. 3:18-cv-00051 (the *Kendall* Action), and *Daniel v. Snyder's-Lance, Inc., et al.,* No. 3:18-cv-00058 (the *Daniel* Action), were filed in the United States District Court for the Western District of North Carolina on January 25, 2018, January 29, 2018, January 30, 2018, and January 31, 2018, respectively. The Actions name as defendants Snyder's-Lance and the members of the Snyder's-Lance board of directors, and allege that the defendants filed a materially incomplete and misleading Schedule 14A in violation of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and SEC Rule 14a-9. Additionally, the *Sciabacucchi* Action names Campbell Soup Company as a defendant, and alleges that Campbell Soup Company violated Section 20(a) of the Exchange Act. The *Kendall* Action seeks to enjoin the shareholder vote on the pending acquisition, and the *Shaev*, *Sciabacucchi*, and *Daniel* Actions seek to enjoin the defendants from proceeding with or consummating the pending acquisition or, in the event the acquisition is consummated, request that the Court issue an order rescinding the acquisition and/or awarding rescissory damages. Additionally, the *Shaev* and *Kendall* Actions seek that the Court direct defendants to account for alleged damages, and all the Actions seek attorneys' and expert fees and expenses. The time for the defendants to move or answer has not yet expired in any of the Actions. We believe the Actions are without merit.

We establish liabilities for litigation and regulatory loss contingencies when information related to the loss contingencies shows both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be reasonably estimated as of January 28, 2018. While the potential future charges could be material in a particular quarter or annual period, based on information currently known by us, we do not believe any such charges are likely to have a material adverse effect on our consolidated results of operations or financial condition.

17. Supplemental Financial Statement Data

Balance Sheets

	January 28, 2018	July 30, 2017
Inventories		
Raw materials, containers and supplies	**$ 392**	$ 377
Finished products	**477**	525
Total	**$ 869**	$ 902

Statements of Earnings

	Three Months Ended		Six Months Ended	
	January 28, 2018	January 29, 2017	January 28, 2018	January 29, 2017
Other expenses / (income)				
Amortization of intangible assets	**$ 4**	$ 5	**$ 8**	$ 10
Impairment of intangible assets[1]	**75**	212	**75**	212
Net periodic benefit expense (income) other than the service cost	**(22)**	(19)	**(64)**	(14)
Investment (gains) / losses	**(8)**	2	**—**	2
Transaction costs[2]	**24**	—	**24**	—
Other	**(3)**	1	**(2)**	2
Total	**$ 70**	$ 201	**$ 41**	$ 212

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[1] In 2018, we recognized an impairment charge of $75 related to the goodwill of the Bolthouse Farms carrot and carrot ingredients reporting unit. In 2017, we recognized impairment charges of $212 related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit. See Note 5 for additional information.

[2] In 2018, we recognized transaction costs of $24 related to the pending acquisition of Snyder's-Lance. See Note 3 for additional information.

Statements of Cash Flows

	Six Months Ended	
<u>Cash Flows from Operating Activities</u>	January 28, 2018	January 29, 2017
Other non-cash charges to net earnings		
Non-cash compensation	**$ 6**	$ 3
Transaction costs	**12**	—
Other	**—**	3
Total	**$ 18**	$ 6
Other		
Benefit related payments	**$ (16)**	$ (19)
Transaction costs	**(23)**	—
Other	**(1)**	(2)
Total	**$ (40)**	$ (21)

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

OVERVIEW

Description of the Company

Unless otherwise stated, the terms "we," "us," "our" and the "company" refer to Campbell Soup Company and its consolidated subsidiaries.

We are a manufacturer and marketer of high-quality, branded food and beverage products. We manage our businesses in three divisions focused mainly on product categories. The divisions, which represent our operating and reportable segments, are as follows: Americas Simple Meals and Beverages; Global Biscuits and Snacks; and Campbell Fresh. Through the fourth quarter of 2017, our business in Latin America was managed as part of the Americas Simple Meals and Beverages segment. Beginning in 2018, our business in Latin America is managed as part of the Global Biscuits and Snacks segment.

On December 12, 2017, we completed the acquisition of Pacific Foods of Oregon, LLC (Pacific Foods) for $689 million, subject to customary post-closing adjustments. For additional information on this acquisition, see Note 3 to the Consolidated Financial Statements.

On December 18, 2017, we entered into an agreement to acquire Snyder's-Lance, Inc. (Snyder's-Lance) for $50.00 per share. We expect to finance the acquisition through the issuance of $6.2 billion of debt, which includes the payoff of Snyder's-Lance indebtedness. The closing of the transaction is subject to customary closing conditions and termination rights, including the approval of Snyder's-Lance shareholders. For additional information on this pending acquisition, see our Form 8-K filed with the U.S. Securities and Exchange Commission on December 18, 2017, and Note 3 to the Consolidated Financial Statements.

Summary of Results

In 2018, we adopted new accounting guidance that changes the presentation of net periodic pension cost and net periodic postretirement benefit cost. Certain amounts in the prior year were reclassified to conform to the current presentation. See Note 2 to the Consolidated Financial Statements for additional information.

This Summary of Results provides significant highlights from the discussion and analysis that follows.

- Net sales of $2.180 billion were comparable to the year-ago quarter as a benefit from the acquisition of Pacific Foods and the favorable impact from currency translation were offset by lower volume in Americas Simple Meals and Beverages.
- Gross profit, as a percent of sales, decreased to 35.1% from 37.4% in the year-ago quarter. The decrease was primarily due to cost inflation and higher supply chain costs, and unfavorable mix, partially offset by productivity improvements and increased benefits from cost savings initiatives.
- Administrative expenses increased 17% to $165 million from $141 million in the year-ago quarter. The increase was primarily due to higher costs related to the implementation of the new organizational structure and cost savings initiatives.
- Other expenses / (income) decreased from expense of $201 million in the year-ago quarter to expense of $70 million in the current quarter. The current quarter included a non-cash impairment charge of $75 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and transaction costs of $24 million associated with the pending acquisition of Snyder's-Lance. The year-ago quarter included non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit. For additional information on the impairment, see "Significant Accounting Estimates".
- The effective tax rate declined to negative 35.1% in the current quarter, compared to 42.9% in the year-ago quarter. The current quarter included a $124 million net tax benefit related to the remeasurement of deferred tax assets and liabilities and a transition tax on unremitted foreign earnings as a result of the enactment of the Tax Cuts and Jobs Act of 2017 (the Act). See Note 9 to the Consolidated Financial Statements for additional information. After adjusting for this net benefit, the remaining decrease was primarily due to an ongoing lower U.S. federal tax rate as a result of the Act.
- Earnings per share were $.95 in the current quarter, compared to $.33 a year-ago quarter. The current and prior-year quarter included expenses of $.05 and $.58 per share, respectively, from items impacting comparability as discussed below.

Net Earnings attributable to Campbell Soup Company

The following items impacted the comparability of earnings and earnings per share:

- Year-to-date in 2018, we recognized gains of $14 million in Other expenses / (income) ($10 million after tax, or $.03 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. Year-to-date in 2017, we recognized losses of $20 million in Other expenses / (income) ($13 million after tax, or $.04 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans;

- In 2015, we implemented a new enterprise design and initiatives to reduce costs and to streamline our organizational structure. In 2017, we expanded these cost savings initiatives by further optimizing our supply chain network, primarily in North America, continuing to evolve our operating model to drive efficiencies, and more fully integrating our recent acquisitions. In January 2018, as part of the expanded initiatives, we authorized additional costs to improve the operational efficiency of our thermal supply chain network in North America by closing our manufacturing facility in Toronto, Ontario, and to optimize our information technology infrastructure by migrating certain applications to the latest cloud technology platform. In the second quarter of 2018, we recorded a pre-tax restructuring charge of $33 million and implementation costs and other related costs of $26 million in Administrative expenses and $1 million in Cost of products sold (aggregate impact of $46 million after tax, or $.15 per share) related to these initiatives. Year-to-date in 2018, we recorded a pre-tax restructuring charge of $35 million and implementation costs and other related costs of $38 million in Administrative expenses and $6 million in Cost of products sold (aggregate impact of $58 million after tax, or $.19 per share) related to these initiatives. Year-to-date in 2017, we recorded implementation costs and other related costs of $11 million in Administrative expenses ($7 million after tax, or $.02 per share) related to these initiatives. See Note 7 to the Consolidated Financial Statements and "Restructuring Charges and Cost Savings Initiatives" for additional information;
- In the second quarter of 2018, we announced our intent to acquire Snyder's-Lance. We incurred transaction costs of $24 million in Other expenses / (income) ($19 million after tax, or $.06 per share) associated with the acquisition, which we expect to close in the first quarter of calendar 2018;
- In the second quarter of 2018, we performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit as operating performance was below expectations. Based on recent performance, we revised our outlook for future earnings and cash flows. We recorded a non-cash impairment charge of $75 million in Other expenses / (income) ($74 million after tax, or $.25 per share). In the second quarter of 2017, we performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit as operating performance was well below expectations and a new leadership team of the Campbell Fresh division initiated a strategic review which led to a revised outlook for future sales, earnings, and cash flow. We recorded a non-cash impairment charge of $147 million ($139 million after tax, or $.45 per share) related to intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and a non-cash impairment charge of $65 million ($41 million after tax, or $.13 per share) related to the intangible assets of the Garden Fresh Gourmet reporting unit (aggregate pre-tax impact of $212 million, $180 million after tax, or $.58 per share). The charges are included in Other expenses / (income); and
- In the second quarter of 2018, we reflected the impact on taxes of the enactment of the Act that was signed into law in December 2017. We recorded a tax benefit of $183 million due to the remeasurement of deferred tax assets and liabilities, and a tax charge of $59 million related to a transition tax on unremitted foreign earnings. The net impact was a tax benefit of $124 million ($.41 per share).

The items impacting comparability are summarized below:

	Three Months Ended			
	January 28, 2018		January 29, 2017	
(Millions, except per share amounts)	Earnings Impact	EPS Impact	Earnings Impact	EPS Impact
Net earnings attributable to Campbell Soup Company	**$ 285**	**$ .95**	$ 101	$ .33
Restructuring charges, implementation costs and related costs	**$ (46)**	**$ (.15)**	$ —	$ —
Transaction costs	**(19)**	**(.06)**	—	—
Impairment charges	**(74)**	**(.25)**	(180)	(.58)
Tax reform	**124**	**.41**	—	—
Impact of items on Net earnings	**$ (15)**	**$ (.05)**	$ (180)	$ (.58)

	Six Months Ended			
	January 28, 2018		January 29, 2017	
(Millions, except per share amounts)	Earnings Impact	EPS Impact	Earnings Impact	EPS Impact
Net earnings attributable to Campbell Soup Company	**$ 560**	**$ 1.85**	$ 393	$ 1.27
Pension and postretirement benefit mark-to-market adjustments	**$ 10**	**$ .03**	$ (13)	$ (.04)
Restructuring charges, implementation costs and other related costs	**(58)**	**(.19)**	(7)	(.02)
Transaction costs	**(19)**	**(.06)**	—	—
Impairment charges	**(74)**	**(.25)**	(180)	(.58)
Tax reform	**124**	**.41**	—	—
Impact of items on Net earnings[1]	**$ (17)**	**$ (.06)**	$ (200)	$ (.65)

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[1] The sum of the individual per share amounts may not add due to rounding.

Net earnings attributable to Campbell Soup Company were $285 million ($.95 per share) in the current quarter, compared to $101 million ($.33 per share) in the year-ago quarter. After adjusting for items impacting comparability, earnings increased due to a lower effective tax rate, reflecting the ongoing benefit of a lower U.S. federal tax rate as a result of the Act. Earnings per share also benefited from a reduction in the weighted average diluted shares outstanding, primarily due to share repurchases under our strategic share repurchase program.

Net earnings attributable to Campbell Soup Company were $560 million ($1.85 per share) in the six-month period ended January 28, 2018, compared to $393 million ($1.27 per share) in the year-ago period. After adjusting for items impacting comparability, earnings decreased primarily due to a lower gross profit performance, lower sales and higher administrative expenses, partially offset by a lower effective tax rate, lower marketing and selling expenses and an increase in other income. Earnings per share benefited from a reduction in the weighted average diluted shares outstanding, primarily due to share repurchases under our strategic share repurchase program.

SECOND-QUARTER DISCUSSION AND ANALYSIS

Sales

An analysis of net sales by reportable segment follows:

	Three Months Ended		
(Millions)	**January 28, 2018**	**January 29, 2017**	**% Change[1]**
Americas Simple Meals and Beverages	**$ 1,196**	$ 1,215	(2)%
Global Biscuits and Snacks	**726**	696	4
Campbell Fresh	**257**	260	(1)
Corporate	**1**	—	n/m
	$ 2,180	$ 2,171	—%

[1] n/m - Not meaningful.

An analysis of percent change of net sales by reportable segment follows:

	Americas Simple Meals and Beverages	Global Biscuits and Snacks	Campbell Fresh	Total
Volume and Mix	(4)%	—%	—%	(2)%
Price and Sales Allowances	—	2	—	—
(Increased)/Decreased Promotional Spending[1]	—	1	(1)	—
Currency	—	1	—	1
Acquisition	2	—	—	1
	(2)%	4%	(1)%	—%

[1] Represents revenue reductions from trade promotion and consumer coupon redemption programs.

In Americas Simple Meals and Beverages, sales decreased 2% primarily due to declines in U.S. soup and *V8* beverages, partly offset by the benefit of the acquisition of Pacific Foods and gains in the retail business in Canada. Excluding Pacific Foods, U.S. soup sales decreased 7% due to declines in ready-to-serve soups and condensed soups, while sales of broth were comparable to prior year. The decline in U.S. soup sales was primarily due to a key customer's different promotional approach for soup in 2018. Excluding Pacific Foods, retail consumer takeaway of U.S. soup decreased 3% in the quarter, based on IRI Total U.S. Multi-Outlet data. Changes in retailer inventory levels did not meaningfully impact U.S. soup sales performance in the quarter.

In Global Biscuits and Snacks, sales increased 4%, including a 1% favorable impact from currency translation. Excluding the favorable impact of currency translation, sales increased primarily due to gains in Pepperidge Farm, reflecting growth in *Goldfish* crackers and in cookies, as well as gains in Kelsen cookies in China. Excluding the favorable impact of currency translation, sales of Arnott's biscuits were comparable to prior year. In 2018, we reduced promotional spending as we sought to improve efficiency in Arnott's.

In Campbell Fresh, sales decreased 1% primarily due to sales declines on *Bolthouse Farms* refrigerated beverages. Promotional spending increased 1% primarily on *Bolthouse Farms* refrigerated beverages.

Gross Profit

Gross profit, defined as Net sales less Cost of products sold, decreased by $45 million in 2018 from 2017. As a percent of sales, gross profit was 35.1% in 2018 and 37.4% in 2017.

The 2.3% percentage-point overall decrease in gross profit percentage was due to the following factors:

	Margin Impact
Cost inflation, supply chain costs and other factors[1]	**(3.3)%**
Impact of acquisition	**(0.4)**
Mix	**(0.2)**
Restructuring-related costs	**(0.1)**
Higher selling prices	**0.2**
Lower level of promotional spending	**0.2**
Productivity improvements	**1.3**
	(2.3)%

(1) Includes a positive margin impact of 0.7 of a point from cost savings initiatives, which was more than offset by cost inflation and other factors, including higher transportation and logistics costs and higher carrot costs in 2018.

Marketing and Selling Expenses

Marketing and selling expenses as a percent of sales were 10.5% in 2018 compared to 11.1% in 2017. Marketing and selling expenses decreased 5% in 2018 from 2017. The decrease was primarily due to lower advertising and consumer promotion expenses (approximately 5 percentage points) and increased benefits from cost savings initiatives (approximately 2 percentage points), partially offset by investments in e-commerce (approximately 1 percentage point) and the impact of currency translation (approximately 1 percentage point).

Administrative Expenses

Administrative expenses as a percent of sales were 7.6% in 2018 compared to 6.5% in 2017. Administrative expenses increased 17% in 2018 from 2017. The increase was primarily due to higher costs related to cost savings initiatives (approximately 16 percentage points).

Other Expenses / (Income)

Other expenses in 2018 included a non-cash impairment charge of $75 million on the intangible assets of the Bolthouse Farms carrot and carrots ingredients reporting unit and $24 million of transaction costs associated with the pending acquisition of Snyder's-Lance. Other expenses in 2017 included non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrots ingredients reporting unit and the Garden Fresh Gourmet reporting unit. The 2018 and 2017 impairment charges were recorded as a result of interim impairment assessments on the intangible assets of these reporting units. The remaining change in Other expenses / (income) was primarily due to gains on investments and higher pension and postretirement benefit income in 2018.

Operating Earnings

Segment operating earnings decreased 8% from the year-ago quarter.

An analysis of operating earnings by segment follows:

	Three Months Ended		
(Millions)	**January 28, 2018**	**January 29, 2017**	**% Change[2]**
Americas Simple Meals and Beverages	**$ 282**	$ 311	(9)%
Global Biscuits and Snacks	**139**	137	1
Campbell Fresh	**(11)**	(3)	n/m
	410	445	(8)%
Corporate	**(134)**	(241)	
Restructuring charges[1]	**(33)**	1	
Earnings before interest and taxes	**$ 243**	$ 205	

(1) See Note 7 to the Consolidated Financial Statements for additional information on restructuring charges.

(2) n/m - Not meaningful.

Operating earnings from Americas Simple Meals and Beverages decreased 9%. The decrease was primarily due to a lower gross profit percentage and lower sales volume, partly offset by lower marketing and selling expenses. Gross profit performance was impacted by higher transportation and logistics costs, unfavorable mix related to the acquisition of Pacific Foods, which included the impact of purchase accounting adjustments, and lower sales of U.S. soup.

Operating earnings from Global Biscuits and Snacks increased 1%. Excluding the favorable impact of currency translation, earnings were comparable to the prior year as lower advertising and consumer promotion expenses offset a lower gross profit percentage, reflecting higher levels of cost inflation, particularly on butter.

Operating earnings from Campbell Fresh were a loss of $3 million in 2017 and a loss of $11 million in 2018. The decrease was primarily due to a lower gross profit percentage, reflecting an increase in supply chain costs and higher carrot costs attributable to the adverse impact of weather conditions on crop yields.

Corporate in 2018 included a non-cash impairment charge of $75 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit, costs of $27 million related to the implementation of our new organizational structure and cost savings initiatives and transaction costs of $24 million associated with the pending acquisition of Snyder's-Lance. Corporate in 2017 included non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit. Excluding these amounts, the remaining decrease in costs was primarily due to gains on investments and higher pension and postretirement benefit income.

Interest Expense

Interest expense increased to $32 million in 2018 from $29 million in 2017 reflecting higher average interest rates on the debt portfolio and higher levels of debt.

Taxes on Earnings

The Act was enacted into law on December 22, 2017, and made significant changes to corporate taxation. As a result, the following items are reflected in this quarter:

- The corporate rate reduction as of January 1, 2018, resulted in a blended U.S. statutory tax rate of approximately 27%;
- Remeasurement of deferred tax assets and liabilities resulted in a tax benefit of $183 million; and
- Imposition of a transition tax on unremitted foreign earnings resulted in a tax charge of $59 million.

The amounts recorded represent provisional amounts based on our best estimates and current interpretation of the provisions of the Act and may change as additional guidance is issued. See Note 9 to the Consolidated Financial Statements for additional information.

The effective tax rate was a negative 35.1% in 2018 and 42.9% in 2017.

The following items impacted the effective tax rate in 2018 and 2017:

- In 2018, we recognized a $14 million tax benefit on $60 million of restructuring charges, implementation costs and other related costs;
- In 2018, we recognized a $5 million tax benefit on $24 million of transaction costs associated with the pending acquisition of Snyder's-Lance;
- In 2018, we recognized a $1 million tax benefit on the $75 million impairment charge on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit. In 2017, we recognized a $32 million tax benefit on the $212 million impairment charges on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit; and
- In 2018, we recognized a net tax benefit of $124 million related to the enactment of the Act on the remeasurement of deferred tax assets and liabilities and transition tax on unremitted foreign earnings described above.

After adjusting for the items above, the remaining decrease in the effective tax rate was primarily due to the ongoing benefit of the lower U.S. federal tax rate as a result of the Act.

SIX-MONTH DISCUSSION AND ANALYSIS

Sales

An analysis of net sales by reportable segment follows:

(Millions)	Six Months Ended January 28, 2018	Six Months Ended January 29, 2017	% Change[1]
Americas Simple Meals and Beverages	**$ 2,414**	$ 2,493	(3)%
Global Biscuits and Snacks	**1,435**	1,386	4
Campbell Fresh	**491**	494	(1)
Corporate	**1**	—	n/m
	$ 4,341	$ 4,373	(1)%

(1) n/m - Not meaningful.

An analysis of percent change of net sales by reportable segment follows:

	Americas Simple Meals and Beverages[1]	Global Biscuits and Snacks[1]	Campbell Fresh	Total[1]
Volume and Mix	(5)%	1%	(1)%	(2)%
Price and Sales Allowances	—	1	—	—
Currency	—	1	—	1
Acquisition	1	—	—	1
	(3)%	4%	(1)%	(1)%

(1) Sum of the individual amounts does not add due to rounding.

In Americas Simple Meals and Beverages, sales decreased 3% primarily due to declines in U.S. soup and *V8* beverages, partly offset by the benefit of the Pacific Foods acquisition, gains in the retail business in Canada, including the favorable impact of currency translation, and gains in *Prego* pasta sauces. Excluding Pacific Foods, sales of U.S. soup declined 8%, driven by declines in condensed soups, ready-to-serve soups and broth. The decline in U.S. soup was primarily due to a key customer's different promotional approach for soup in 2018.

In Global Biscuits and Snacks, sales increased 4%, including a 1% favorable impact from currency translation. Excluding the favorable impact of currency translation, sales increased primarily due to gains in Pepperidge Farm, reflecting growth in *Goldfish* crackers and in cookies, as well as gains of Kelsen cookies in China. Excluding the favorable impact of currency translation, sales of Arnott's biscuits were comparable to the prior year.

In Campbell Fresh, sales decreased 1% primarily due to sales declines in carrots and *Bolthouse Farms* refrigerated beverages, partly offset by gains in carrot ingredients.

Gross Profit

Gross profit, defined as Net sales less Cost of products sold, decreased by $113 million in 2018 from 2017. As a percent of sales, gross profit was 35.7% in 2018 and 38.0% in 2017.

The 2.3 percentage-point overall decrease in gross profit percentage was due to the following factors:

	Margin Impact
Cost inflation, supply chain costs and other factors[1]	**(2.9)%**
Mix	**(0.5)**
Impact of acquisition	**(0.2)**
Restructuring-related costs	**(0.1)**
Lower level of promotional spending	**0.1**
Productivity improvements	**1.3**
	(2.3)%

(1) Includes a positive margin impact of 0.7 of a point from cost savings initiatives, which was more than offset by cost inflation and other factors, including higher transportation and logistics costs and higher carrot costs in 2018.

Marketing and Selling Expenses

Marketing and selling expenses as a percent of sales were 10.3% in 2018 compared to 10.7% in 2017. Marketing and selling expenses decreased 5% in 2018 from 2017. The decrease was primarily due to lower advertising and consumer promotion expenses (approximately 5 percentage points) and increased benefits from cost savings initiatives (approximately 2 percentage points), partially offset by investments in e-commerce (approximately 1 percentage point) and the impact of currency translation (approximately 1 percentage point).

Administrative Expenses

Administrative expenses as a percent of sales were 7.2% in 2018 compared to 6.1% in 2017. Administrative expenses increased 18% in 2018 from 2017. The increase was primarily due to higher costs related to cost savings initiatives (approximately 10 percentage points); an increase in information technology costs (approximately 2 percentage points); inflation (approximately 2 percentage points); investments in long-term innovation (approximately 2 percentage points); and the impact of currency translation (approximately 1 percentage point).

Other Expenses / (Income)

Other expenses in 2018 included a non-cash impairment charge of $75 million on the intangible assets of the Bolthouse Farms carrot and carrots ingredients reporting unit and $24 million of transaction costs associated with the pending acquisition of Snyder's-Lance. In addition, 2018 included gains on pension and postretirement benefit mark-to-market adjustments of $14 million. Other expenses in 2017 included non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrots ingredients reporting unit and the Garden Fresh Gourmet reporting unit. In addition, 2017 included losses of $20 million on pension and postretirement benefit mark-to-market adjustments. The remaining change in Other expenses / (income) was primarily due to higher pension and postretirement benefit income and gains on investments in 2018.

Operating Earnings

Segment operating earnings decreased 9% in 2018 from 2017.

An analysis of operating earnings by segment follows:

	Six Months Ended		
(Millions)	**January 28, 2018**	**January 29, 2017**	**% Change[2]**
Americas Simple Meals and Beverages	**$ 610**	$ 691	(12)%
Global Biscuits and Snacks	**259**	252	3
Campbell Fresh	**(17)**	(2)	n/m
	852	941	(9)%
Corporate	**(162)**	(279)	
Restructuring charges[1]	**(35)**	—	
Earnings before interest and taxes	**$ 655**	$ 662	

(1) See Note 7 to the Consolidated Financial Statements for additional information on restructuring charges.

(2) n/m - Not meaningful.

Operating earnings from Americas Simple Meals and Beverages decreased 12%. The decrease was primarily due to a lower gross profit percentage and lower sales volume, partly offset by lower marketing and selling expenses.

Operating earnings from Global Biscuits and Snacks increased 3%. The increase was primarily due to higher sales volume and lower marketing and selling expenses, partly offset by a lower gross profit percentage.

Operating earnings from Campbell Fresh decreased from a loss of $2 million in 2017 to a loss of $17 million in 2018. The decrease was primarily due to a lower gross profit percentage, reflecting higher carrot costs attributable to the adverse impact of weather conditions on crop yields and higher supply chain costs.

Corporate in 2018 included a non-cash impairment charge of $75 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit, a $14 million gain associated with pension and postretirement benefit mark-to-market adjustments, costs of $44 million related to the implementation of our new organizational structure and cost savings initiatives, and transaction costs of $24 million associated with the pending acquisition of Snyder's-Lance. Corporate in 2017 included non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit, a $20 million loss associated with pension and postretirement benefit mark-to-market adjustments and costs of $11 million related to cost savings initiatives. Excluding these amounts, the remaining decrease in costs was primarily due to higher pension and postretirement benefit income in 2018, partially offset by higher administrative expenses as well as losses on open commodity hedges versus gains in the prior year.

Interest Expense

Interest expense increased to $63 million in 2018 from $58 million in 2017 reflecting higher average interest rates on the debt portfolio and higher levels of debt.

Taxes on Earnings

As previously discussed, the Act was enacted into law on December 22, 2017. As a result, the following items are reflected this year:

- The corporate rate reduction as of January 1, 2018, resulted in a blended U.S. statutory tax rate of approximately 27%;
- Remeasurement of deferred tax assets and liabilities resulted in a tax benefit of $183 million; and
- Imposition of a transition tax on unremitted foreign earnings resulted in a tax charge of $59 million.

The amounts recorded represent provisional amounts based on our best estimates and current interpretation of the provisions of the Act and may change as additional guidance is issued. See Note 9 to the Consolidated Financial Statements for additional information.

The effective tax rate was 5.6% in 2018 and 35.1% in 2017.

The following items impacted the effective tax rate in 2018 and 2017:

- In 2018, we recognized tax expense of $4 million on $14 million of pension and postretirement benefit mark-to-market gains. In 2017, we recognized a tax benefit of $7 million on $20 million of pension and postretirement benefit mark-to-market losses;
- In 2018, we recognized a $21 million tax benefit on $79 million of restructuring charges, implementation costs and other related costs. In 2017, we recognized a $4 million tax benefit on $11 million of restructuring charges, implementation costs and other related costs;
- In 2018, we recognized a $5 million tax benefit on $24 million of transaction costs associated with the pending acquisition of Snyder's-Lance;
- In 2018, we recognized a $1 million tax benefit on the $75 million impairment charges on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit. In 2017, we recognized a $32 million tax benefit on the $212 million impairment charges on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit; and
- In 2018, we recognized a net tax benefit of $124 million related to the enactment of the Act as discussed above.

After adjusting for the items above, the remaining decrease in the effective tax rate was primarily due to the ongoing benefit of the lower U.S. federal tax rate as a result of the Act and the favorable resolution of a state tax matter in 2018.

Restructuring Charges and Cost Savings Initiatives

2015 Initiatives

On January 29, 2015, we announced plans to implement a new enterprise design focused mainly on product categories. Under the new structure, which we fully implemented at the beginning of 2016, our businesses are organized in the following divisions: Americas Simple Meals and Beverages, Global Biscuits and Snacks, and Campbell Fresh.

In support of the new structure, we designed and implemented a global shared services organization. We also streamlined our organizational structure, implemented an initiative to reduce overhead across the organization and are pursuing other initiatives to reduce costs and increase effectiveness. As part of these initiatives, we commenced a voluntary employee separation program available to certain U.S.-based salaried employees nearing retirement who met age, length-of-service and business unit/function criteria. A total of 471 employees elected the program. The electing employees remained with us through at least July 31, 2015, with some remaining beyond that date.

In February 2017, we announced that we were expanding these cost savings initiatives by further optimizing our supply chain network, primarily in North America, continuing to evolve our operating model to drive efficiencies, and more fully integrating our recent acquisitions. We extended the time horizon for the initiatives from 2018 to 2020. Cost estimates for these expanded initiatives, as well as timing for certain activities, are continuing to be developed. In January 2018, as part of the expanded initiatives, we authorized additional pre-tax costs to improve the operational efficiency of our thermal supply chain network in North America by closing our manufacturing facility in Toronto, Ontario, and to optimize our information technology infrastructure by migrating certain applications to the latest cloud technology platform.

A summary of the restructuring charges we recorded and charges incurred in Administrative expenses and Cost of products sold related to the implementation of the new organizational structure and costs savings initiatives is as follows:

	Three Months Ended		Six Months Ended		Year Ended		
(Millions, except per share amounts)	**January 28, 2018**	**January 29, 2017**	**January 28, 2018**	**January 29, 2017**	**July 30, 2017**	**July 31, 2016**	**August 2, 2015**
Restructuring charges	**$ 33**	$ (1)	**$ 35**	$ —	$ 18	$ 35	$ 102
Administrative expenses	**26**	3	**38**	11	36	47	22
Cost of products sold	**1**	—	**6**	—	4	—	—
Total pre-tax charges	**$ 60**	$ 2	**$ 79**	$ 11	$ 58	$ 82	$ 124
Aggregate after-tax impact	**$ 46**	$ 1	**$ 58**	$ 7	$ 37	$ 52	$ 78
Per share impact	**$ .15**	$ —	**$ .19**	$ .02	$ .12	$ .17	$ .25

A summary of the pre-tax costs associated with the initiatives is as follows:

(Millions)	**Recognized as of January 28, 2018**
Severance pay and benefits	$ 167
Asset impairment/accelerated depreciation	19
Implementation costs and other related costs	157
Total	$ 343

The total estimated pre-tax costs for actions that have been identified are approximately $515 million to $560 million. This estimate will be updated as costs for the expanded initiatives are developed.

We expect the costs for actions that have been identified to date to consist of the following: approximately $170 million in severance pay and benefits; approximately $85 million in asset impairment and accelerated depreciation; and approximately $260 million to $305 million in implementation costs and other related costs.We expect these pre-tax costs to be associated with our segments as follows: Americas Simple Meals and Beverages - approximately 39%; Global Biscuits and Snacks - approximately 30%; Campbell Fresh - approximately 3%; and Corporate - approximately 28%.

Of the aggregate $515 million to $560 million of pre-tax costs identified to date, we expect approximately $415 million to $460 million will be cash expenditures. In addition, we expect to invest approximately $250 million in capital expenditures through 2020 primarily related to the U.S. warehouse optimization project, transition of production of the Toronto manufacturing facility to our U.S. thermal plants, insourcing of manufacturing for certain simple meal products and optimization of information technology infrastructure and applications, of which we invested approximately $37 million as of January 28, 2018.

We expect to incur substantially all of the costs through 2019 and to fund the costs through cash flows from operations and short-term borrowings.

We expect the initiatives for actions that have been identified to date to generate pre-tax savings of $400 million to $410 million in 2018, and once all phases are implemented, to generate annual ongoing savings of approximately $500 million beginning in 2020. In the six-month period ended January 28, 2018, we generated an additional $40 million of pre-tax savings. The annual pre-tax savings generated by the initiatives were as follows:

	Year Ended		
(Millions)	July 30, 2017	July 31, 2016	August 2, 2015
Total pre-tax savings	$ 325	$ 215	$ 85

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs incurred to date associated with segments is as follows:

	January 28, 2018		
(Millions)	Three Months Ended	Six Months Ended	Costs Incurred to Date
Americas Simple Meals and Beverages	$ 33	$ 40	$ 132
Global Biscuits and Snacks	21	27	105
Campbell Fresh	2	3	9
Corporate	4	9	97
Total	$ 60	$ 79	$ 343

See Note 7 to the Consolidated Financial Statements for additional information.

LIQUIDITY AND CAPITAL RESOURCES

We expect foreseeable liquidity and capital resource requirements to be met through anticipated cash flows from operations; long-term borrowings; short-term borrowings, including commercial paper; credit facilities; and cash and cash equivalents. We believe that our sources of financing will be adequate to meet our future requirements.

We generated cash flows from operations of $660 million in 2018, compared to $667 million in 2017. The decline in 2018 was primarily due to higher net payments on hedging activities, partially offset by improvements in working capital requirements.

Current assets are less than current liabilities as a result of our level of current maturities of long-term debt and short-term borrowings and our focus to lower core working capital requirements by reducing trade receivables and inventories while extending payment terms for accounts payables. We had negative working capital of $1.084 billion as of January 28, 2018, and $495 million as of July 30, 2017. Debt maturing within one year was $1.659 billion as of January 28, 2018, and $1.037 billion as of July 30, 2017.

Capital expenditures were $132 million in 2018 compared to $119 million in 2017. Capital expenditures are expected to total approximately $425 million in 2018. Capital expenditures in 2018 included a U.S. warehouse optimization project (approximately $12 million); insourcing manufacturing for certain simple meal products (approximately $8 million); replacement of a Pepperidge Farm refrigeration system (approximately $4 million); and an Australian multi-pack biscuit capacity expansion project (approximately $2 million).

On December 12, 2017, we completed the acquisition of Pacific Foods. The purchase price was $689 million, subject to customary post-closing adjustments, and was funded through the issuance of commercial paper.

On December 18, 2017, we entered into an agreement to acquire Snyder's-Lance for $50.00 per share. The closing of the transaction is subject to customary closing conditions and termination rights, including the approval of Snyder's-Lance shareholders. We expect to finance the acquisition through $6.2 billion of debt, which includes the payoff of Snyder's-Lance indebtedness. We are a party to a bridge facility commitment letter with a group of lenders, which initially provided up to $6.2 billion under a 364-day senior unsecured bridge term loan credit facility. On December 29, 2017, we entered into a single draw, unsecured, senior term loan facility equal to $1.2 billion to finance a portion of the Snyder's-Lance acquisition and reduce the commitment under the bridge facility commitment letter to $5 billion. Debt issued under the term loan facility has a maturity date of three years from the initial funding date and will bear interest at the rates specified in the term loan facility, which vary based on the type of loan and certain other customary conditions. The term loan facility contains customary covenants and events of default for credit facilities of this type. We plan to replace or refinance the remaining $5 billion under the bridge loan facility through an offering of senior unsecured notes. For additional information on the bridge facility commitment letter and the term loan facility, see our Form 8-Ks respectively filed with the U.S. Securities and Exchange Commission on December 18, 2017, and December 29, 2017.

Dividend payments were $216 million in 2018 and $207 million in 2017. We repurchased approximately 2 million shares at a cost of $86 million in 2018 and approximately 4 million shares at a cost of $234 million in 2017. With the pending acquisition of Snyder's-Lance, we suspended our share repurchases in the second quarter of 2018. See Note 14 to the Consolidated Financial Statements for more information.

As of January 28, 2018, we had $1.659 billion of short-term borrowings due within one year, of which $1.261 billion was comprised of commercial paper borrowings. As of January 28, 2018, we issued $50 million of standby letters of credit. We have a committed revolving credit facility totaling $1.85 billion that matures in December 2021. This U.S. facility remained unused at January 28, 2018, except for $1 million of standby letters of credit that we issued under it. The U.S. facility supports our commercial paper programs and other general corporate purposes. In July 2016, we entered into a Canadian committed revolving credit facility that matures in July 2019. As of January 28, 2018, the total commitment under the Canadian facility was CAD $150 million, or $122 million, and we had borrowings of CAD $142 million, or $115 million, at a rate of 2.47% under this facility. The Canadian facility supports general corporate purposes.

In July 2017, we filed a shelf registration statement with the Securities and Exchange Commission that registered an indeterminate amount of debt securities. Under the registration statement, we may issue debt securities from time to time, depending on market conditions.

We are in compliance with the covenants contained in our revolving credit facilities and debt securities.

SIGNIFICANT ACCOUNTING ESTIMATES

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions. Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended July 30, 2017 (2017 Annual Report on Form 10-K). The accounting policies we used in preparing these financial statements are substantially consistent with those we applied in our 2017 Annual Report on Form 10-K, with the exception of the adoption of new guidance that changes the presentation of net periodic pension cost and net periodic postretirement benefit cost as described in Note 2 to the Consolidated Financial Statements. The following areas all require the use of subjective or complex judgments, estimates and assumptions: trade and consumer promotion programs; the valuation of long-lived assets; pension and postretirement benefits; and income taxes. Our significant accounting estimates are described in Management’s Discussion and Analysis included in the 2017 Annual Report on Form 10-K.

Valuation of Long-lived Assets — The valuation of long-lived assets is an area that requires the use of subjective or complex judgments, estimates and assumptions. Goodwill and intangible assets deemed to have indefinite lives are not amortized but rather are tested at least annually for impairment, or more often if events or changes in circumstances indicate that more likely than not the carrying amount of the asset may not be recoverable.

Interim Assessment - Second Quarter of 2017

During the second quarter of 2017, sales and operating profit performance for Bolthouse Farms carrot and carrot ingredients were well below our expectations due to difficulty with regaining market share lost during 2016 and higher carrot costs from the adverse impact of heavy rains on crop yields. During the quarter, we also lowered our forecast for sales and earnings for the reporting unit for the second half of 2017 based on revised market share recovery expectations and the continuing effect of unusual weather conditions on carrot costs. In addition, as part of a strategic review initiated by a new leadership team of Campbell Fresh during the second quarter, we decided to reduce emphasis on growing sales of carrot ingredients, which are a by-product of the manufacturing process, and to manage carrots sold at retail for modest sales growth consistent with the category while improving profitability. Accordingly, we reduced our expectations for recovery of retail carrot market share. As a consequence of current-year performance and the strategic review, we lowered our sales outlook for future fiscal years.We also lowered our average margin expectations due in part to cost volatility, which had been higher than expected. Based upon the business performance in the second quarter of 2017, our reduced near-term outlook, and reduced expectations for sales, operating margins and discounted cash flows, we performed an interim impairment assessment as of December 31, 2016, which resulted in a $127 million impairment charge on goodwill and $20 million on a trademark in the reporting unit.

We acquired Garden Fresh Gourmet on June 29, 2015. During 2017, sales and operating profit performance for Garden Fresh Gourmet, which is a reporting unit within the Campbell Fresh segment, were well below expectations, and we lowered our outlook for the second half of 2017 due to customer losses and failure to meet product distribution goals. We expected to expand distribution of salsa beyond our concentration in the Midwest region, however this proved to be challenging as differentiated recipes are required to meet taste profiles in other parts of the country. In addition, as part of a strategic review initiated by a new leadership team of Campbell Fresh during the second quarter, we lowered our distribution and category growth expectations and, therefore, future sales outlook. Based upon the business performance in 2017, our reduced near-term outlook, and reduced expectations for sales, operating margins and discounted cash flows, we performed an interim impairment assessment as of December 31, 2016, which resulted in a $64 million impairment charge on goodwill and $1 million on a trademark in the reporting unit.

Interim Assessment - Second Quarter of 2018

During the second quarter of 2018, we performed an interim impairment assessment as of December 31, 2017, on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit as operating performance was below expectations. The business was impacted by adverse weather conditions and the implementation of enhanced quality protocols, which impacted crop yields and resulted in higher costs. This cost volatility continued to be higher than expected and caused us to reassess our short- and long-term margin expectations for this business. Based on recent performance, we reduced our outlook for future operating margins and discounted cash flows, which resulted in a $75 million impairment charge, representing a write-down of all of the remaining goodwill in the reporting unit. The fair value of the trademark exceeded the carrying value, which was $48 million, as of December 31, 2017. We will continue to monitor the performance of the business.

We acquired Plum on June 13, 2013. The business is a reporting unit within Americas Simple Meals and Beverages segment. In 2018, sales and operating performance were well below expectations due in part to competitive pressure and reduced margins. Based on the recent performance, in the second quarter we reduced our outlook for future sales, operating margins and discounted cash flows and performed an interim impairment assessment. As of the interim assessment, the fair value of the trademark exceeded the carrying value by approximately 15%, and the fair value of the reporting unit exceeded the carrying value by less than 10%. As of December 31, 2017, the carrying value of the trademark was $115 million and the carrying value of goodwill was $128 million. We will continue to invest in innovation on this business. We are focused on improving profitability by pursuing various supply chain initiatives. We will continue to monitor the performance of the business.

The estimates of future cash flows involve considerable management judgment and are based upon assumptions about expected future operating performance, economic conditions, market conditions, and cost of capital. Inherent in estimating the future cash flows are uncertainties beyond our control, such as changes in capital markets. The actual cash flows could differ materially from management's estimates due to changes in business conditions, operating performance, and economic conditions.

As of January 28, 2018, the carrying value of goodwill was $2.259 billion. Holding all other assumptions used in the 2018 interim fair value measurement constant, changes in the assumptions below would reduce fair value of the Plum reporting unit and result in impairment charges of approximately:

(Millions)	Plum
1% increase in the weighted-average cost of capital	$ (55)
1% reduction in revenue growth	$ (10)
1% reduction in EBITDA* margin	$ (25)

* Earnings before interest, taxes, depreciation and amortization.

If assumptions are not achieved or market conditions decline, potential impairment charges could result.

As of January 28, 2018, the carrying value of indefinite-lived trademarks was $1.2 billion. Holding all other assumptions used in the 2018 interim fair value measurement constant, changes in the weighted-average cost of capital assumption would reduce fair value of the trademarks and result in impairment charges of approximately:

(Millions)	Bolthouse Farms Carrot and Carrot Ingredients	Plum
1% increase in the weighted-average cost of capital	$ —	$ (5)

If assumptions are not achieved or market conditions decline, potential impairment charges could result.

See Note 5 to the Consolidated Financial Statements for additional information on goodwill and intangible assets.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 to the Consolidated Financial Statements for information on recent accounting pronouncements.

FORWARD-LOOKING STATEMENTS

This Report contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current expectations regarding our future results of operations, economic performance, financial condition and achievements. These forward-looking statements can be identified by words such as "anticipate," "believe," "estimate," "expect," "will," "goal," and similar expressions. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements reflect our current plans and expectations and are based on information currently available to us. They rely on several assumptions regarding future events and estimates which could be inaccurate and which are inherently subject to risks and uncertainties.

We wish to caution the reader that the following important factors and those important factors described in our other Securities and Exchange Commission filings, or in our 2017 Annual Report on Form 10-K, could affect our actual results and could cause such results to vary materially from those expressed in any forward-looking statements made by, or on behalf of, us:

- changes in consumer demand for our products and favorable perception of our brands;
- the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies;
- the impact of strong competitive responses to our efforts to leverage our brand power with product innovation, promotional programs and new advertising;
- changing inventory management practices by certain of our key customers;
- a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of our key customers continue to increase their significance to our business;
- our ability to realize projected cost savings and benefits from our efficiency and/or restructuring initiatives;
- our ability to manage changes to our organizational structure and/or business processes, including our selling, distribution, manufacturing and information management systems or processes;
- product quality and safety issues, including recalls and product liabilities;
- the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes;
- the conditions to the completion of the Snyder’s-Lance acquisition, including obtaining Snyder’s-Lance shareholder approval, may not be satisfied;
- long-term financing for the Snyder’s-Lance acquisition may not be available on favorable terms, or at all;
- closing of the Snyder’s-Lance acquisition may not occur or may be delayed, either as a result of litigation related to the acquisition or otherwise;
- we may be unable to achieve the anticipated benefits of the Snyder’s-Lance acquisition;
- completing the Snyder’s-Lance acquisition may distract our management from other important matters;
- disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost;
- the uncertainties of litigation and regulatory actions against us;
- the possible disruption to the independent contractor distribution models used by certain of our businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification;
- the impact of non-U.S. operations, including export and import restrictions, public corruption and compliance with foreign laws and regulations;
- impairment to goodwill or other intangible assets;
- our ability to protect our intellectual property rights;
- increased liabilities and costs related to our defined benefit pension plans;
- a material failure in or breach of our information technology systems;
- our ability to attract and retain key talent;
- changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; and

- unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters or other calamities.

This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact our outlook. We disclaim any obligation or intent to update forward-looking statements made by us in order to reflect new information, events or circumstances after the date they are made.

Item 3. *Quantitative and Qualitative Disclosure About Market Risk*

For information regarding our exposure to certain market risk, see Item 7A, Quantitative and Qualitative Disclosure About Market Risk, in the 2017 Annual Report on Form 10-K. There have been no significant changes in our portfolio of financial instruments or market risk exposures from the 2017 year-end other than utilizing treasury rate lock contracts to lock in the rate related to the anticipated debt issuances. As of January 28, 2018, 30-year treasury rate lock contracts with a notional value of $200 million were outstanding. The average rate to be paid on these rate locks is 2.90%. Subsequent to January 28, 2018, we entered into 5, 10 and 30-year treasury rate lock contracts with notional values of $600 million, $1 billion and $500 million, respectively as of February 28, 2018. The average rate to be paid on the 5, 10 and 30-year rate locks is 2.65%, 2.80% and 3.09%, respectively.

Item 4. *Controls and Procedures*

a. Evaluation of Disclosure Controls and Procedures

We, under the supervision and with the participation of our management, including the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of January 28, 2018 (Evaluation Date). Based on such evaluation, the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective.

b. Changes in Internal Controls

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that materially affected, or were likely to materially affect, such control over financial reporting during the quarter ended January 28, 2018.

PART II - OTHER INFORMATION

Item 1. ***Legal Proceedings***

Information regarding reportable legal proceedings is contained in Note 16 to the Consolidated Financial Statements and incorporated herein by reference.

Item 1A. ***Risk Factors***

The following disclosure modifies the discussion of risks and uncertainties previously disclosed in our Annual Report on Form 10-K for the year ended July 30, 2017. These risks and uncertainties, along with those previously disclosed, could materially adversely affect our business, financial condition and results of operations. Additional risks and uncertainties that are not presently known to us or that we deem immaterial may also impair our business operations and financial condition.

Risk Factors related to the Snyder's-Lance, Inc. (Snyder's-Lance) Acquisition

The Snyder's-Lance acquisition is subject to certain closing conditions that, if not satisfied or waived, could delay closing or prevent it from occurring at all

The Snyder's-Lance acquisition is subject to closing conditions, including approval of the transaction by the affirmative vote of the holders of at least 75% of the outstanding shares of the common stock of Snyder's-Lance. If any condition to the acquisition is not satisfied or waived, the completion of the acquisition could be significantly delayed, or may not occur at all. We and Snyder's-Lance may also terminate the merger agreement under certain circumstances, and we may be required, in certain circumstances, to pay a termination fee of $198.6 million. For additional information, see our Form 8-K filed with the U.S. Securities and Exchange Commission on December 18, 2017. There are also several pending lawsuits seeking, among other things, to enjoin the acquisition. See Note 16 to the Consolidated Financial Statements for additional information on these lawsuits. If we do not complete the acquisition, or if the closing is significantly delayed, our business or financial results may be adversely affected.

The anticipated benefits of acquiring Snyder's-Lance may not be fully realized

We expect that the acquisition of Snyder's-Lance will result in various benefits including, among other things, cost savings, cost synergies, a strengthened market position and revenue opportunities. Achieving these anticipated benefits is subject to uncertainties, including whether we integrate in an efficient and effective manner, and general competitive factors in the marketplace. Integrating Snyder's-Lance will be a complex, time-consuming and expensive process. We may experience unanticipated difficulties or expenses related to the integration, including:

- diversion of management's attention from ongoing business concerns;
- managing a larger combined business;
- finalizing the integration of Snyder's-Lance's past acquisitions to the extent not yet completed;
- perceived adverse changes in product offerings to consumers, whether or not these changes actually occur;
- assumption of unknown risks and liabilities;
- the retention of key suppliers and customers of Snyder's-Lance;
- attracting new business and operational relationships;
- retaining and integrating key employees and maintaining employee morale; and
- unforeseen expenses or delays.

After the acquisition, we may seek to combine certain operations, functions, systems and processes, which we may be unsuccessful or delayed in implementing. While we have assumed that a certain level of expenses would be incurred in connection with the Snyder's-Lance acquisition, transaction costs, acquisition-related costs, costs for synergies and integration costs may be more than anticipated. In addition, there are many factors beyond our control and the control of Snyder's-Lance that could affect the total amount or the timing of these expenses. Although we expect that the elimination of duplicative costs and realization of other efficiencies related to the integration of the businesses will offset incremental costs over time, any net benefit may not be achieved in the near term or at all. The failure to effectively address any of these risks, or any other risks related to the integration of the Snyder's-Lance acquisition, may adversely affect our business or financial results.

We will incur substantial indebtedness to finance the acquisition of Snyder's-Lance

In connection with the closing of the acquisition of Snyder's-Lance and the payoff of Snyder's-Lance indebtedness, we expect to incur approximately $6.2 billion of indebtedness through a combination of senior unsecured notes and senior unsecured term loans. This substantial level of indebtedness may have important consequences to our business, including, but not limited to:

- increasing our debt service obligations, making it more difficult for us to satisfy our obligations;
- increasing our exposure to fluctuations in interest rates;
- subjecting us to financial and other covenants, the non-compliance with which could result in an event of default;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, including undertaking significant capital projects;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- restricting us from pursuing certain business opportunities, including other acquisitions.

In addition, we regularly access the commercial paper markets for working capital needs and other general corporate purposes. We expect our credit ratings to be downgraded following our acquisition of Snyder's-Lance. A downgrade in our credit ratings may increase our borrowing costs and adversely affect our ability to issue commercial paper. If our credit ratings are further downgraded or put on watch for a potential downgrade beyond what we expect in connection with the acquisition, we may not be able to sell additional debt securities or borrow money in the amounts and on the terms that might be available if our credit ratings were maintained. Disruptions in the commercial paper market or other effects of volatile economic conditions on the credit markets may also reduce the amount of commercial paper that we can issue and raise our borrowing costs for both short- and long-term debt offerings. There can be no assurance that we will have access to the capital markets on terms we find acceptable. Limitations on our ability to access the capital markets, a reduction in our liquidity or an increase in our borrowing costs may adversely affect our business or financial results.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

None.

Item 6. ***Exhibits***

The Index to Exhibits, which immediately precedes the signature page, is incorporated by reference into this Report.

INDEX TO EXHIBITS

2(a)	Agreement and Plan of Merger, dated December 18, 2017, by and among Campbell Soup Company, Twist Merger Sub, Inc. and Snyder's-Lance, Inc. is incorporated by reference to Exhibit 2.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on December 18, 2017.
2(b)	Voting Agreement, dated December 18, 2017, by and among, Campbell Soup Company, the Patricia A. Warehime Revocable Deed of Trust, Warehime 2016 GRAT #1, the Warehime 2017 GRAT #2, the Warehime 2012 Dynasty Trust for the benefit of Susan A. Rupp, the Warehime 2012 Dynasty Trust for the benefit of Katherine A. Mininger, the Warehime 2012 Dynasty Trust for the benefit of Elizabeth A. Warehime, the Michael & Patricia Warehime 1995 Irrevocable Trust for the benefit of Daughters, the Michael A. Warehime 2010 Trust for the benefit of Margaret Anne Mininger, the Michael A. Warehime 2010 Trust for the benefit of Harrison Michael Rupp, the Michael A. Warehime 2010 Trust for the benefit of Sophie Ann Mininger and the Michael A. Warehime Trust for the benefit of Evan Michael Rupp is incorporated by reference to Exhibit 2.2 to Campbell's Form 8-K (SEC filed number 1-3822) filed with the SEC on December 18, 2017.
10	Three-Year Term Loan Credit Agreement, dated December 29, 2017, by and among Campbell Soup Company, Credit Suisse AG, Cayman Islands Branch, as administrative agent, and the other lenders named therein, is incorporated by reference to Exhibit 10 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on December 29, 2017.
31(a)	Certification of Denise M. Morrison pursuant to Rule 13a-14(a).
31(b)	Certification of Anthony P. DiSilvestro pursuant to Rule 13a-14(a).
32(a)	Certification of Denise M. Morrison pursuant to 18 U.S.C. Section 1350.
32(b)	Certification of Anthony P. DiSilvestro pursuant to 18 U.S.C. Section 1350.
99	Bridge Commitment Letter, dated December 18, 2017, by and among Campbell Soup Company, Credit Suisse Securities (USA) LLC and Credit Suisse AG is incorporated by reference to Exhibit 99.3 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on December 18, 2017.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

SIGNATURES

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

Date: March 5, 2018

CAMPBELL SOUP COMPANY

By: /s/ Anthony P. DiSilvestro

Anthony P. DiSilvestro
Senior Vice President and Chief Financial Officer

By: /s/ Stanley Polomski

Stanley Polomski
Vice President and Controller

EXHIBIT 31(a)

**CERTIFICATION PURSUANT
TO RULE 13a-14(a)**

I, Denise M. Morrison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Campbell Soup Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 5, 2018

By: /s/ Denise M. Morrison

Name: Denise M. Morrison

Title: President and Chief Executive Officer

EXHIBIT 31(b)

CERTIFICATION PURSUANT
TO RULE 13a-14(a)

I, Anthony P. DiSilvestro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Campbell Soup Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 5, 2018

By:	/s/ Anthony P. DiSilvestro	
	Name:	Anthony P. DiSilvestro
	Title:	Senior Vice President and Chief Financial Officer

EXHIBIT 32(a)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Campbell Soup Company (the “Company”) on Form 10-Q for the fiscal quarter ended January 28, 2018 (the “Report”), I, Denise M. Morrison, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 5, 2018

By: /s/ Denise M. Morrison

Name: Denise M. Morrison

Title: President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32(b)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Campbell Soup Company (the "Company") on Form 10-Q for the fiscal quarter ended January 28, 2018 (the "Report"), I, Anthony P. DiSilvestro, Senior Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 5, 2018

By: /s/ Anthony P. DiSilvestro
Name: Anthony P. DiSilvestro
Title: Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended	Commission File Number
July 30, 2017	**1-3822**

CAMPBELL SOUP COMPANY

New Jersey	**21-0419870**
State of Incorporation	*I.R.S. Employer Identification No.*

1 Campbell Place
Camden, New Jersey 08103-1799
Principal Executive Offices
Telephone Number: (856) 342-4800
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Capital Stock, par value $.0375	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.☑ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☑ No

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 ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

As of January 27, 2017 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of capital stock held by non-affiliates of the registrant was approximately $11,934,667,846. There were 300,528,501 shares of capital stock outstanding as of September 20, 2017.

Portions of the Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on November 15, 2017, are incorporated by reference into Part III.

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PART I

This Report contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current expectations regarding our future results of operations, economic performance, financial condition and achievements. These forward-looking statements can be identified by words such as "anticipate," "believe," "estimate," "expect," "will," "goal," and similar expressions. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements reflect our current plans and expectations and are based on information currently available to us. They rely on several assumptions regarding future events and estimates which could be inaccurate and which are inherently subject to risks and uncertainties. Risks and uncertainties include, but are not limited to, those discussed in "Risk Factors" and in the "Cautionary Factors That May Affect Future Results" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Report. Our consolidated financial statements and the accompanying notes to the consolidated financial statements are presented in "Financial Statements and Supplementary Data."

Item 1. *Business*

The Company

Unless otherwise stated, the terms "we," "us," "our" and the "company" refer to Campbell Soup Company and its consolidated subsidiaries.

We are a manufacturer and marketer of high-quality, branded food and beverage products. We organized as a business corporation under the laws of New Jersey on November 23, 1922; however, through predecessor organizations, we trace our heritage in the food business back to 1869. Our principal executive offices are in Camden, New Jersey 08103-1799.

In 2013, we acquired BF Bolthouse Holdco LLC (Bolthouse Farms) and Plum, PBC (formerly Plum Inc.) (Plum). In 2014, we acquired Kelsen Group A/S (Kelsen) and divested our European simple meals business. In 2015, we acquired the assets of Garden Fresh Gourmet. In 2017, we entered into an agreement to acquire Pacific Foods of Oregon, Inc. for $700 million. For additional information on this pending acquisition, see our Form 8-K filed with the U.S. Securities and Exchange Commission on July 6, 2017. See also Note 3 to the Consolidated Financial Statements for additional information on our recent acquisitions.

Reportable Segments

We manage our businesses in three segments focused mainly on product categories. The segments are:

- The Americas Simple Meals and Beverages segment, which includes the retail and food service businesses in the U.S., Canada and Latin America. The segment includes the following products: *Campbell's* condensed and ready-to-serve soups; *Swanson* broth and stocks; *Prego* pasta sauces; *Pace* Mexican sauces; *Campbell's* gravies, pasta, beans and dinner sauces; *Swanson* canned poultry; *Plum* food and snacks; *V8* juices and beverages; and *Campbell's* tomato juice;

- The Global Biscuits and Snacks segment, which includes: Pepperidge Farm cookies, crackers, bakery and frozen products in U.S. retail; Arnott's biscuits in Australia and Asia Pacific; and Kelsen cookies globally. The segment also includes the simple meals and shelf-stable beverages business in Australia and Asia Pacific; and

- The Campbell Fresh segment, which includes: Bolthouse Farms fresh carrots, carrot ingredients, refrigerated beverages and refrigerated salad dressings; Garden Fresh Gourmet salsa, hummus, dips and tortilla chips; and the U.S. refrigerated soup business.

Beginning in 2018, the business in Latin America will be managed as part of the Global Biscuits and Snacks segment. See Note 6 to the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information regarding our reportable segments.

Ingredients and Packaging

The ingredients and packaging materials required for the manufacture of our food and beverage products are purchased from various suppliers. These items are subject to price fluctuations from a number of factors, including changes in crop size, cattle cycles, crop disease and/or crop pests, product scarcity, demand for raw materials, commodity market speculation, energy costs, currency fluctuations, government-sponsored agricultural programs, import and export requirements, drought, water scarcity, temperature extremes, scarcity of suitable agricultural land, scarcity of organic ingredients and other factors that may be beyond our control during the growing and harvesting seasons. To help reduce some of this price volatility, we use a combination of purchase orders, short- and long-term contracts, inventory management practices and various commodity risk management tools for most of our ingredients and packaging. Ingredient inventories are at a peak during the late fall and decline during the winter and spring. Since many ingredients of suitable quality are available in sufficient quantities only during certain seasons, we make commitments for the purchase of such ingredients in their respective seasons. At this time, we do not anticipate any material restrictions on the availability of ingredients or packaging that would have a significant impact on our businesses. For information on the impact of inflation, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Customers

In most of our markets, sales and merchandising activities are conducted through our own sales force and/or third-party brokers and distribution partners. In the U.S., Canada and Latin America, our products are generally resold to consumers through retail food chains, mass discounters, mass merchandisers, club stores, convenience stores, drug stores, dollar stores and other retail, commercial and non-commercial establishments. Pepperidge Farm also has a direct-store-delivery distribution model that uses independent contractor distributors. In the Asia Pacific region, our products are generally resold to consumers through retail food chains, convenience stores and other retail, commercial and non-commercial establishments. We make shipments promptly after acceptance of orders.

Our five largest customers accounted for approximately 39% of our consolidated net sales in 2017, 40% in 2016 and 38% in 2015. Our largest customer, Wal-Mart Stores, Inc. and its affiliates, accounted for approximately 20% of our consolidated net sales in 2017, 2016 and 2015. All of our reportable segments sold products to Wal-Mart Stores, Inc. or its affiliates. No other customer accounted for 10% or more of our consolidated net sales. For additional information on our customers, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Trademarks and Technology

As of September 20, 2017, we owned over 3,700 trademark registrations and applications in over 160 countries. We believe our trademarks are of material importance to our business. Although the laws vary by jurisdiction, trademarks generally are valid as long as they are in use and/or their registrations are properly maintained and have not been found to have become generic. Trademark registrations generally can be renewed indefinitely as long as the trademarks are in use. We believe that our principal brands, including *Arnott's*, *Bolthouse Farms*, *Campbell's*, *Garden Fresh Gourmet*, *Goldfish*, *Kjeldsens*, *Milano*, *Pace*, *Pepperidge Farm*, *Plum*, *Prego*, *Swanson,* and *V8,* are protected by trademark law in the major markets where they are used.

Although we own a number of valuable patents, we do not regard any segment of our business as being dependent upon any single patent or group of related patents. In addition, we own copyrights, both registered and unregistered, proprietary trade secrets, technology, know-how, processes and other intellectual property rights that are not registered.

Competition

We operate in a highly competitive industry and experience competition in all of our categories. This competition arises from numerous competitors of varying sizes across multiple food and beverage categories, and includes producers of generic and store brand products, as well as other branded food and beverage manufacturers. All of these competitors vie for trade merchandising support and consumer dollars. The number of competitors cannot be reliably estimated. The principal areas of competition are brand recognition, taste, quality, nutritional value, price, advertising, promotion, convenience and service.

Working Capital

For information relating to our cash flows from operations and working capital items, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Capital Expenditures

During 2017, our aggregate capital expenditures were $338 million. We expect to spend approximately $400 million for capital projects in 2018. Major capital projects based on planned spend in 2018 include a U.S. warehouse optimization project, insourcing of manufacturing for certain simple meal products, and ongoing refrigeration system replacement projects.

Research and Development

During the last three fiscal years, our expenditures on research and development activities relating to new products and the improvement and maintenance of existing products were $98 million in 2017, $124 million in 2016, and $117 million in 2015. The decrease from 2016 to 2017 was primarily due to gains on pension and postretirement benefit mark-to-market adjustments in the current year compared to losses in the prior year; increased benefits from cost savings initiatives; and lower incentive compensation costs, partially offset by inflation and other factors, and investments in long-term innovation. The increase from 2015 to 2016 was primarily due to increased losses on pension and postretirement benefit mark-to-market adjustments and increased costs to support long-term innovation, partially offset by benefits from cost savings initiatives.

Regulation

The manufacture and sale of consumer food products is highly regulated. In the U.S., our activities are subject to regulation by various federal government agencies, including the Food and Drug Administration, U.S. Department of Agriculture, Federal Trade Commission, Department of Labor, Department of Commerce and Environmental Protection Agency, as well as various state and local agencies. Our business is also regulated by similar agencies outside of the U.S.

Environmental Matters

We have requirements for the operation and design of our facilities that meet or exceed applicable environmental rules and regulations. Of our $338 million in capital expenditures made during 2017, approximately $14 million was for compliance with environmental laws and regulations in the U.S. We further estimate that approximately $13 million of the capital expenditures anticipated during 2018 will be for compliance with U.S. environmental laws and regulations. We believe that continued compliance with existing environmental laws and regulations (both within the U.S. and elsewhere) will not have a material effect on capital expenditures, earnings or our competitive position. In addition, we continue to monitor existing and pending environmental laws and regulations within the U.S. and elsewhere relating to climate change and greenhouse gas emissions. While the impact of these laws and regulations cannot be predicted with certainty, we do not believe that compliance with these laws and regulations will have a material effect on capital expenditures, earnings or our competitive position.

Seasonality

Demand for soup products is seasonal, with the fall and winter months usually accounting for the highest sales volume. Sales of Kelsen products are also highest in the fall and winter months due primarily to holiday gift giving, including the Chinese New Year. Demand for our other products is generally evenly distributed throughout the year.

Employees

On July 30, 2017, we had approximately 18,000 employees.

Financial Information

Financial information for our reportable segments and geographic areas is found in Note 6 to the Consolidated Financial Statements. For risks attendant to our foreign operations, see "Risk Factors."

Websites

Our primary corporate website can be found at www.campbellsoupcompany.com. We make available free of charge at this website (under the "Investor Center — Financial Information — SEC Filings" caption) all of our reports (including amendments) filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, including our annual report on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K. These reports are made available on the website as soon as reasonably practicable after their filing with, or furnishing to, the Securities and Exchange Commission.

All websites appearing in this Annual Report on Form 10-K are inactive textual references only, and the information in, or accessible through, such websites is not incorporated into this Annual Report on Form 10-K, or into any of our other filings with the Securities and Exchange Commission.

Item 1A. *Risk Factors*

In addition to the factors discussed elsewhere in this Report, the following risks and uncertainties could materially adversely affect our business, financial condition and results of operations. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations and financial condition.

Operational Risk Factors

We operate in a highly competitive industry

We operate in the highly competitive food and beverage industry and experience competition in all of our categories. The principal areas of competition are brand recognition, taste, quality, nutritional value, price, advertising, promotion, convenience and service. A number of our primary competitors are larger than us and have substantial financial, marketing and other resources. In addition, reduced barriers to entry and easier access to funding are creating new competition. A strong competitive response from one or more of these competitors to our marketplace efforts, or a continued shift towards store brand offerings, could result in us reducing prices, increasing marketing or other expenditures, and/or losing market share.

Our results are dependent on strengthening our core businesses while diversifying into faster-growing spaces

Our strategy is focused on strengthening our core businesses while diversifying our portfolio into faster-growing spaces. Our core businesses are concentrated in slower-growing center-store categories in traditional retail grocery channels. Factors that may impact our success include our ability to:

- identify and capture market share in faster-growing spaces;
- identify and capitalize on customer or consumer trends, including those related to fresh or organic products;
- design and implement effective retail execution plans;
- design and implement effective advertising and marketing programs, including digital programs; and
- secure or maintain sufficient shelf space at retailers.

If we are not successful in addressing these factors, or if there are changes in the underlying growth rates of the categories in which we compete, our strategy may not be successful and/or our business or financial results may be adversely impacted.

We may be adversely impacted by a changing customer landscape and the increased significance of some of our customers

Our businesses are largely concentrated in the traditional retail grocery trade, which has experienced slower growth than alternative retail channels, such as dollar stores, drug stores, club stores, Internet-based retailers and meal-delivery services. This trend towards alternative channels is expected to continue in the future. If we are not successful in expanding sales in alternative retail channels, our business or financial results may be adversely impacted. In addition, retailers with increased buying power and negotiating strength are seeking more favorable terms, including increased promotional programs funded by their suppliers. These customers may use more of their shelf space for their store brand products. If we are unable to use our scale, marketing expertise, product innovation and category leadership positions to respond to these customer dynamics, our business or financial results could be adversely impacted.

In 2017, our five largest customers accounted for approximately 39% of our consolidated net sales, with the largest customer, Wal-Mart Stores, Inc. and its affiliates, accounting for approximately 20% of our consolidated net sales. There can be no assurance that our largest customers will continue to purchase our products in the same mix or quantities or on the same terms as in the past. Disruption of sales to any of these customers, or to any of our other large customers, for an extended period of time could adversely affect our business or financial results.

We may not realize the anticipated benefits from our cost reduction, organizational design or other initiatives

We are pursuing a multi-year cost savings initiative with targeted annualized cost savings of $450 million by the end of 2020. In addition, we are making other organizational changes, including changes to our sales and supply chain functions. These initiatives will require a substantial amount of management and operational resources. Our management team must successfully execute the administrative and operational changes necessary to achieve the anticipated benefits of the initiatives. These and related demands on our resources may divert the organization's attention from other business issues, have adverse effects on existing business relationships with suppliers and customers and impact employee morale. From time-to-time, we may also implement other information technology or related initiatives. Our success is partly dependent upon properly executing, and realizing cost savings or other benefits from, these often complex initiatives. Any failure to implement our initiatives could adversely affect our business or financial results.

Our results may be adversely affected by our inability to complete or realize the projected benefits of acquisitions, divestitures and other strategic transactions

We expect to continue to seek acquisitions and other strategic transactions. Our ability to meet our objectives with respect to acquisitions and other strategic transactions may depend in part on our ability to identify suitable counterparties, negotiate favorable financial and other contractual terms, obtain all necessary regulatory approvals on the terms expected and complete those transactions. Potential risks also include:

- the inability to integrate acquired businesses into our existing operations in a timely and cost-efficient manner;
- diversion of management's attention from other business concerns;
- potential loss of key employees, suppliers and/or customers of acquired businesses;
- assumption of unknown risks and liabilities;
- the inability to achieve anticipated benefits, including revenues or other operating results;
- operating costs of acquired businesses may be greater than expected;
- the inability to promptly implement an effective control environment; and
- the risks inherent in entering markets or lines of business with which we have limited or no prior experience.

Acquisitions outside the U.S. may present added unique challenges and increase our exposure to risks associated with foreign operations, including foreign currency risks and risks associated with local regulatory regimes.

For divestitures, our ability to meet our objectives may depend in part on our ability to identify suitable buyers, negotiate favorable financial and other contractual terms and obtain all necessary regulatory approvals on the terms expected. Potential risks of divestitures may also include the inability to separate divested businesses or business units effectively and efficiently from our existing business operations and to reduce or eliminate associated overhead costs.

Disruption to our supply chain could adversely affect our business

Our ability to manufacture and/or sell our products may be impaired by damage or disruption to our manufacturing or distribution capabilities, or to the capabilities of our suppliers or contract manufacturers, due to factors that are hard to predict or beyond our control, such as product or raw material scarcity, adverse weather conditions, natural disasters, fire, terrorism, pandemics, strikes or other events. Production of the agricultural commodities used in our business may also be adversely affected by drought, water scarcity, temperature extremes, scarcity of suitable agricultural land, scarcity of organic ingredients, crop size, cattle cycles, crop disease and/or crop pests. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, may adversely affect our business or financial results, particularly in circumstances when a product is sourced from a single supplier or location. Disputes with significant suppliers or contract manufacturers, including disputes regarding pricing or performance, may also adversely affect our ability to manufacture and/or sell our products, as well as our business or financial results.

Our non-U.S. operations pose additional risks to our business

In 2017, approximately 19% of our consolidated net sales were generated outside of the U.S. Sales outside the U.S. are expected to continue to represent a significant portion of consolidated net sales. Our business or financial condition may be adversely affected due to the risks of doing business in markets outside of the U.S., including but not limited to the following:

- unfavorable changes in tariffs, quotas, trade barriers or other export and import restrictions;
- the difficulty and/or costs of complying with a wide variety of laws, treaties and regulations, including anti-corruption laws and regulations such as the U.S. Foreign Corrupt Practices Act;
- the difficulty and/or costs of designing and implementing an effective control environment across diverse regions and employee bases;
- the adverse impact of foreign tax treaties and policies;
- political or economic instability, including the possibility of civil unrest, public corruption, armed hostilities or terrorist acts;
- the possible nationalization of operations;
- the difficulty of enforcing remedies and protecting intellectual property in various jurisdictions; and
- restrictions on the transfer of funds to and from countries outside of the U.S., including potential adverse tax consequences.

In addition, we hold assets and incur liabilities, generate revenue, and pay expenses in a variety of currencies other than the U.S. dollar, primarily the Australian dollar and the Canadian dollar. Our consolidated financial statements are presented in U.S. dollars, and we must translate our assets, liabilities, sales and expenses into U.S. dollars for external reporting purposes. As a result, changes in the value of the U.S. dollar due to fluctuations in currency exchange rates or currency exchange controls may materially and adversely affect the value of these items in our consolidated financial statements, even if their value has not changed in their local currency.

Our results may be adversely impacted by increases in the price of raw and packaging materials

The raw and packaging materials used in our business include tomato paste, grains, beef, poultry, dairy, vegetables, steel, glass, paper and resin. Many of these materials are subject to price fluctuations from a number of factors, including changes in crop size, cattle cycles, crop disease and/or crop pests, product scarcity, demand for raw materials, commodity market speculation, energy costs, currency fluctuations, government-sponsored agricultural programs, import and export requirements, drought, water scarcity, temperature extremes, scarcity of suitable agricultural land, scarcity of organic ingredients and other factors that may be beyond our control. To the extent any of these factors result in an increase in raw and packaging material prices, we may not be able to offset such increases through productivity or price increases or through our commodity hedging activity.

Price increases may not be sufficient to cover increased costs, or may result in declines in sales volume due to pricing elasticity in the marketplace

We expect to pass along to customers some or all cost increases in raw and packaging materials and other inputs through increases in the selling prices of, or decreases in the packaging sizes of, some of our products. Higher product prices or smaller packaging sizes may result in reductions in sales volume. To the extent the price increases or packaging size decreases are not sufficient to offset increased raw and packaging materials and other input costs, and/or if they result in significant decreases in sales volume, our business results and financial condition may be adversely affected.

If our food products become adulterated or are mislabeled, we might need to recall those items, and we may experience product liability claims and damage to our reputation

We have in the past and we may, in the future, need to recall some of our products if they become adulterated or if they are mislabeled, and we may also be liable if the consumption of any of our products causes injury to consumers. A widespread product recall could result in significant losses due to the costs of a recall, the destruction of product inventory, and lost sales due to the unavailability of product for a period of time. We could also suffer losses from a significant adverse product liability judgment. A significant product recall or product liability claim could also result in adverse publicity, damage to our reputation, and a loss of consumer confidence in the safety and/or quality of our products, ingredients or packaging. In addition, if another company recalls or experiences negative publicity related to a product in a category in which we compete, consumers might reduce their overall consumption of products in this category.

Our results may be adversely impacted if consumers do not maintain their favorable perception of our brands

We have a number of iconic brands with significant value. Maintaining and continually enhancing the value of these brands is critical to the success of our business. Brand value is based in large part on consumer perceptions. Success in promoting and enhancing brand value depends in large part on our ability to provide high-quality products. Brand value could diminish significantly due to a number of factors, including consumer perception that we have acted in an irresponsible manner, adverse publicity about our products, packaging and/or ingredients (whether or not valid), our failure to maintain the quality of our products, the failure of our products to deliver consistently positive consumer experiences, or the products becoming unavailable to consumers. The growing use of social and digital media by consumers increases the speed and extent that information and opinions can be shared. Negative posts or comments about us, our brands, products or packaging on social or digital media could seriously damage our brands and reputation. If we do not maintain the favorable perception of our brands, our results could be adversely impacted.

We may be adversely impacted by inadequacies in, or security breaches of, our information technology systems

Our information technology systems are critically important to our operations. We rely on our information technology systems (some of which are outsourced to third parties) to manage the data, communications and business processes for all of our functions, including our marketing, sales, manufacturing, logistics, customer service, accounting and administrative functions. If we do not allocate and effectively manage the resources necessary to build, sustain and protect an appropriate technology infrastructure, our business or financial results could be adversely impacted. Furthermore, our information technology systems may be vulnerable to material security breaches (including the access to or acquisition of customer, consumer or other confidential data), cyber-based attacks or other material system failures. We periodically test our systems to attempt to detect vulnerabilities. If we are unable to prevent or adequately respond to and resolve these events, our operations may be impacted, and we may suffer other adverse consequences such as reputational damage, litigation, remediation costs and/or penalties under various data privacy laws and regulations. Although unauthorized users have attempted and continue to attempt to infiltrate our information technology systems, we are not aware of a material security breach and all immaterial security breaches we have detected have been successfully remediated.

An impairment of the carrying value of goodwill or other indefinite-lived intangible assets could adversely affect our financial results and net worth

As of July 30, 2017, we had goodwill of $2.115 billion and other indefinite-lived intangible assets of $912 million. Goodwill and indefinite-lived intangible assets are initially recorded at fair value and not amortized, but are tested for impairment at least annually or more frequently if impairment indicators arise. We test goodwill at the reporting unit level by comparing the carrying value of the net assets of the reporting unit, including goodwill, to the unit's fair value. Similarly, we test indefinite-lived intangible assets by comparing the fair value of the assets to their carrying values. Fair value for both goodwill and other indefinite-lived intangible assets is determined based on a discounted cash flow analysis. If the carrying values of the reporting unit or indefinite-lived intangible assets exceed their fair value, the goodwill or indefinite-lived intangible assets are considered impaired and reduced to fair value. Factors that could result in an impairment include a change in revenue growth rates, operating margins, weighted average cost of capital, future economic and market conditions or assumed royalty rates. See "Significant Accounting Estimates" for additional information on past impairments. We may be required in the future to record additional impairment of the carrying value of goodwill or other indefinite-lived intangible assets, which could adversely affect our financial results and net worth.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products and brands

We consider our intellectual property rights, particularly our trademarks, to be a significant and valuable aspect of our business. We protect our intellectual property rights through a combination of trademark, patent, copyright and trade secret protection, contractual agreements and policing of third-party misuses of our intellectual property. Our failure to obtain or adequately protect our intellectual property or any change in law that lessens or removes the current legal protections of our intellectual property may diminish our competitiveness and adversely affect our business and financial results.

Competing intellectual property claims that impact our brands or products may arise unexpectedly. Any litigation or disputes regarding intellectual property may be costly and time-consuming and may divert the attention of our management and key personnel from our business operations. We also may be subject to significant damages or injunctions against development, launch and sale of certain products. Any of these occurrences may harm our business and financial results.

We may be adversely impacted by increased liabilities and costs related to our defined benefit pension plans

We sponsor a number of defined benefit pension plans for certain employees in the U.S. and various non-U.S. locations. The major defined benefit pension plans are funded with trust assets invested in a globally diversified portfolio of securities and other investments. Changes in regulatory requirements or the market value of plan assets, investment returns, interest rates and mortality rates may affect the funded status of our defined benefit pension plans and cause volatility in the net periodic benefit cost, future funding requirements of the plans and the funded status as recorded on the balance sheet. A significant increase in our obligations or future funding requirements could have a material adverse effect on our financial results.

We may not be able to attract and retain the highly skilled people we need to support our business

We depend on the skills and continued service of key personnel, including our experienced management team. In addition, our ability to achieve our strategic and operating goals depends on our ability to identify, hire, train and retain qualified individuals. We compete with other companies both within and outside of our industry for talented personnel, and we may lose key personnel or fail to attract, train and retain other talented personnel. Any such loss or failure may adversely affect our business or financial results. In addition, activities related to identifying, recruiting, hiring and integrating qualified individuals may require significant time and expense. We may not be able to locate suitable replacements for any key employees who leave, or offer employment to potential replacements on reasonable terms, each of which may adversely affect our business and financial results.

Market Conditions and Other General Risk Factors

We face risks related to recession, financial and credit market disruptions and other economic conditions

Customer and consumer demand for our products may be impacted by weak economic conditions, recession, equity market volatility or other negative economic factors in the U.S. or other nations. Similarly, disruptions in financial and/or credit markets may impact our ability to manage normal commercial relationships with our customers, suppliers and creditors. In addition, changes in tax or interest rates in the U.S. or other nations, whether due to recession, financial and credit market disruptions or other reasons, may adversely impact us.

Adverse changes in the global climate or extreme weather conditions could adversely affect our business or operations

Our business or financial results could be adversely affected by changing global temperatures or weather patterns or by extreme or unusual weather conditions. Adverse changes in the global climate or extreme or unusual weather conditions could:

- unfavorably impact the cost or availability of raw or packaging materials, especially if such events have an adverse impact on agricultural productivity or on the supply of water;
- disrupt our ability, or the ability of our suppliers or contract manufacturers, to manufacture or distribute our products;
- disrupt the retail operations of our customers; or
- unfavorably impact the demand for, or the consumer's ability to purchase, our products.

In addition, there is growing concern that the release of carbon dioxide and other greenhouse gases into the atmosphere may be impacting global temperatures and weather patterns and contributing to extreme or unusual weather conditions. This growing concern may result in more regional, federal, and/or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases. Adoption of such additional regulation may result in increased compliance costs, capital expenditures and other financial obligations that could adversely affect our business or financial results.

Legal and Regulatory Risk Factors

We may be adversely impacted by legal and regulatory proceedings or claims

We are party to a variety of legal and regulatory proceedings and claims arising out of the normal course of business. Since these actions are inherently uncertain, there is no guarantee that we will be successful in defending ourselves against such proceedings or claims, or that our assessment of the materiality or immateriality of these matters, including any reserves taken in connection with such matters, will be consistent with the ultimate outcome of such proceedings or claims. The marketing of food products has come under increased regulatory scrutiny in recent years, and the food industry has been subject to an increasing number of proceedings and claims relating to alleged false or deceptive marketing under federal, state and foreign laws or regulations. In addition, the independent contractor distribution model, which is used by Pepperidge Farm, has come under increased legal and regulatory scrutiny in recent years. We are a defendant in state law class action litigation challenging the independent contractor classification of a small percentage of the total Pepperidge Farm distribution network. We are contesting class certification and the merits as appropriate and plan to defend against these claims vigorously. In the event we are unable to successfully defend ourselves against these proceedings or claims, or if our assessment of the materiality of these proceedings or claims proves inaccurate, our business or financial results may be adversely affected. In addition, our reputation could be damaged by allegations made in proceedings or claims (even if untrue).

Increased regulation or changes in law could adversely affect our business or financial results

The manufacture and marketing of food products is extensively regulated. Various laws and regulations govern the processing, packaging, storage, distribution, marketing, advertising, labeling, quality and safety of our food products, as well as the health and safety of our employees and the protection of the environment. In the U.S., we are subject to regulation by various government agencies, including the Food and Drug Administration, the Department of Agriculture, the Federal Trade Commission, the Occupational Safety and Health Administration and the Environmental Protection Agency, as well as various state and local agencies. We are also regulated by similar agencies outside the U.S.

Governmental and administrative bodies within the U.S. are considering a variety of tax, trade and other regulatory reforms. Changes in legal or regulatory requirements (such as new food safety requirements and revised nutrition facts labeling and serving size regulations), or evolving interpretations of existing legal or regulatory requirements, may result in increased compliance cost, capital expenditures and other financial obligations that could adversely affect our business or financial results.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

Our principal executive offices are company-owned and located in Camden, New Jersey. The following table sets forth our principal manufacturing facilities and the business segment that primarily uses each of the facilities:

Principal Manufacturing Facilities

Inside the U.S.

California
Bakersfield (CF)
Dixon (ASMB)
Stockton (ASMB)

Connecticut
Bloomfield (GBS)

Florida
Lakeland (GBS)

Illinois
Downers Grove (GBS)

Michigan
Ferndale (CF)
Grand Rapids (CF)

New Jersey
East Brunswick (GBS)

North Carolina
Maxton (ASMB)

Ohio
Napoleon (ASMB)
Willard (GBS)

Pennsylvania
Denver (GBS)
Downingtown (GBS)

Texas
Paris (ASMB)

Utah
Richmond (GBS)

Washington
Everett (CF)
Prosser (CF)

Wisconsin
Milwaukee (ASMB)

Outside the U.S.

Australia
Huntingwood (GBS)
Marleston (GBS)
Shepparton (GBS)
Virginia (GBS)

Canada
Toronto (ASMB)

Denmark
Nørre Snede (GBS)
Ribe (GBS)

Indonesia
Jawa Barat (GBS)

Malaysia
Selangor Darul Ehsan (GBS)

ASMB - Americas Simple Meals and Beverages
GBS - Global Biscuits and Snacks
CF - Campbell Fresh

Each of the foregoing manufacturing facilities is company-owned, except the Selangor Darul Ehsan, Malaysia, and the East Brunswick, New Jersey, facilities, which are leased. We also maintain principal business unit offices in Norwalk, Connecticut; Santa Monica, California; Emeryville, California; Toronto, Canada; Nørre Snede, Denmark; and North Strathfield, Australia.

We believe that our manufacturing and processing plants are well maintained and, together with facilities operated by our contract manufacturers, are generally adequate to support the current operations of the businesses.

Item 3. ***Legal Proceedings***

None.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Executive Officers of the Company

The following is a list of our executive officers as of September 20, 2017:

Name	Present Title & Business Experience	Age	Year First Appointed Executive Officer
Mark R. Alexander	Senior Vice President. We have employed Mr. Alexander in an executive or managerial capacity for at least five years.	53	2009
Carlos J. Barroso	Senior Vice President. President and Founder of CJB and Associates, LLC, an R&D consulting firm (2009 - 2013).	58	2013
Edward L. Carolan	Senior Vice President. We have employed Mr. Carolan in an executive or managerial capacity for at least five years.	48	2015
Adam G. Ciongoli	Senior Vice President and General Counsel. Executive Vice President and General Counsel of Lincoln Financial Group (2012 - 2015) and Group General Counsel and Secretary of Willis Group Holdings, PLC (2007 - 2012).	49	2015
Anthony P. DiSilvestro	Senior Vice President and Chief Financial Officer. We have employed Mr. DiSilvestro in an executive or managerial capacity for at least five years.	58	2004
Robert J. Furbee	Senior Vice President. We have employed Mr. Furbee in an executive or managerial capacity for at least five years.	55	2017
Bethmara Kessler	Senior Vice President. Vice President of Campbell Soup Company (2014 - 2016), Senior Vice President of Warner Music Group (2013 - 2014) and Managing Director of The Fraud and Risk Advisory Group (2008 - 2013).	53	2016
Luca Mignini	Senior Vice President. Chief Executive Officer of the Findus Italy division of IGLO Group (2010 - 2012).	55	2013
Denise M. Morrison	President and Chief Executive Officer. We have employed Ms. Morrison in an executive or managerial capacity for at least five years.	63	2003
Robert W. Morrissey	Senior Vice President and Chief Human Resources Officer. We have employed Mr. Morrissey in an executive or managerial capacity for at least five years.	59	2012

All of the executive officers were appointed at the November 2016 meeting of the Board of Directors, except Mr. Furbee was appointed at the May 2017 meeting with this appointment being effective as of June 1, 2017.

PART II

Item 5. ***Market for Registrant's Capital Stock, Related Shareholder Matters and Issuer Purchases of Equity Securities***

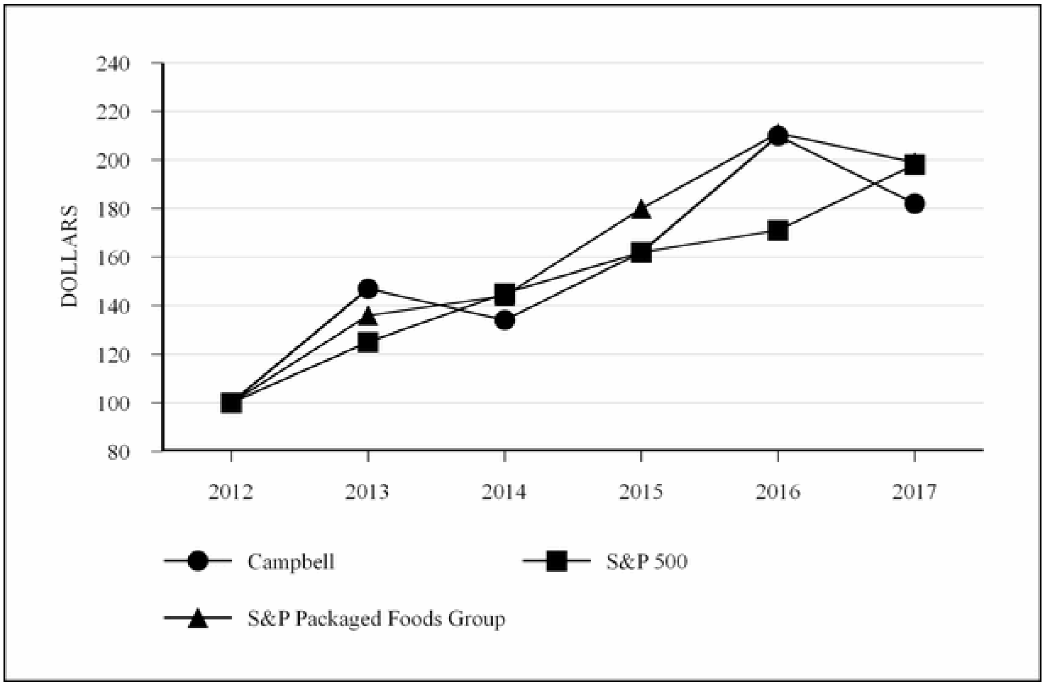
Market for Registrant's Capital Stock

Our capital stock is listed and principally traded on the New York Stock Exchange. On September 20, 2017, there were 19,235 holders of record of our capital stock. Market price and dividend information with respect to our capital stock are set forth in Note 20 to the Consolidated Financial Statements. Future dividends will be dependent upon future earnings, financial requirements and other factors.

Return to Shareholders* Performance Graph

The information contained in this Return to Shareholders Performance Graph section shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), except to the extent we specifically incorporate it by reference into a document filed under the Securities Exchange Act of 1933, as amended, or the Exchange Act.

The following graph compares the cumulative total shareholder return (TSR) on our stock with the cumulative total return of the Standard & Poor's 500 Stock Index (the S&P 500) and the Standard & Poor's Packaged Foods Index (the S&P Packaged Foods Group). The graph assumes that $100 was invested on July 27, 2012, in each of our stock, the S&P 500 and the S&P Packaged Foods Group, and that all dividends were reinvested. The total cumulative dollar returns shown on the graph represent the value that such investments would have had on July 28, 2017.



* Stock appreciation plus dividend reinvestment.

	2012	2013	2014	2015	2016	2017
Campbell	100	147	134	162	210	**182**
S&P 500	100	125	145	162	171	**198**
S&P Packaged Foods Group	100	136	144	180	211	**199**

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased [1]		Average Price Paid Per Share [2]		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [3]	Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs ($ in Millions) [3]
5/1/17 - 5/31/17	840,649	(4)	$58.25	(4)	783,564	$1,454
6/1/17 - 6/30/17	305,694		$55.29		305,694	$1,437
7/3/17 - 7/28/17	1,289,997		$51.69		1,289,997	$1,371
Total	2,436,340	(4)	$54.40	(4)	2,379,255	$1,371

(1) Shares purchased are as of the trade date.

(2) Average price paid per share is calculated on a settlement basis and excludes commission.

(3) During the fourth quarter of 2017, we had a publicly announced strategic share repurchase program. Under this program, which was announced on March 22, 2017 and effective May 1, 2017, our Board of Directors authorized the purchase of up to $1.5 billion of our stock. The program has no expiration date. Pursuant to our longstanding practice, under a separate 2017 authorization, we expect to continue purchasing shares sufficient to offset the impact of dilution from shares issued under our incentive compensation plans.

(4) Includes 57,085 shares repurchased in open-market transactions at an average price of $57.61 primarily to offset the dilutive impact to existing shareholders of issuances under stock compensation plans.

Item 6. ***Selected Financial Data***

Fiscal Year	2017[1]	2016[2]	2015[3]	2014[4]	2013[5]
(Millions, except per share amounts)					
Summary of Operations					
Net sales	**$ 7,890**	$ 7,961	$ 8,082	$ 8,268	$ 8,052
Earnings before interest and taxes	**1,400**	960	1,054	1,267	1,474
Earnings before taxes	**1,293**	849	949	1,148	1,349
Earnings from continuing operations	**887**	563	666	774	934
Earnings (loss) from discontinued operations	**—**	—	—	81	(231)
Net earnings	**887**	563	666	855	703
Net earnings attributable to Campbell Soup Company	**887**	563	666	866	712
Financial Position					
Plant assets - net	**$ 2,454**	$ 2,407	$ 2,347	$ 2,318	$ 2,260
Total assets	**7,726**	7,837	8,077	8,100	8,290
Total debt	**3,536**	3,533	4,082	4,003	4,438
Total equity	**1,645**	1,533	1,377	1,602	1,192
Per Share Data					
Earnings from continuing operations attributable to Campbell Soup Company - basic	**$ 2.91**	$ 1.82	$ 2.13	$ 2.50	$ 3.00
Earnings from continuing operations attributable to Campbell Soup Company - assuming dilution	**2.89**	1.81	2.13	2.48	2.97
Net earnings attributable to Campbell Soup Company - basic	**2.91**	1.82	2.13	2.76	2.27
Net earnings attributable to Campbell Soup Company - assuming dilution	**2.89**	1.81	2.13	2.74	2.25
Dividends declared	**1.40**	1.248	1.248	1.248	1.16
Other Statistics					
Capital expenditures	**$ 338**	$ 341	$ 380	$ 347	$ 336
Weighted average shares outstanding - basic	**305**	309	312	314	314
Weighted average shares outstanding - assuming dilution	**307**	311	313	316	317

(All per share amounts below are on a diluted basis)

In March 2016, the Financial Accounting Standards Board (FASB) issued guidance that amends accounting for share-based payments, including the accounting for income taxes, forfeitures, and statutory withholding requirements, as well as classification in the statement of cash flows. We adopted the guidance in 2017. In accordance with the prospective adoption of the recognition of excess tax benefits and deficiencies in the Consolidated Statements of Earnings, we recognized a $6 million tax benefit in Taxes on earnings in 2017.

In April 2015, the FASB issued guidance that requires debt issuance costs to be presented in the balance sheet as a reduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. We adopted the guidance in 2016 and retrospectively adjusted all prior periods.

In November 2015, the FASB issued guidance that requires deferred tax liabilities and assets to be classified as noncurrent in the balance sheet. We adopted the guidance in 2016 on a prospective basis and modified the presentation of deferred taxes in the Consolidated Balance Sheet as of July 31, 2016.

The 2014 fiscal year consisted of 53 weeks. All other periods had 52 weeks.

(1) The 2017 earnings from continuing operations attributable to Campbell Soup Company were impacted by the following: a restructuring charge, related costs and administrative expenses of $37 million ($.12 per share) associated with restructuring and cost savings initiatives; gains of $116 million ($.38 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans; impairment charges of $180 million ($.59 per share) related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit; and a tax benefit and reduction to interest expense of $56 million ($.18 per share) primarily associated with the sale of intercompany notes receivable to a financial institution.

(2) The 2016 earnings from continuing operations attributable to Campbell Soup Company were impacted by the following: a restructuring charge and administrative expenses of $49 million ($.16 per share) associated with restructuring and cost savings initiatives; losses of $200 million ($.64 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans; a gain of $25 million ($.08 per share) associated with a settlement of a claim related to the Kelsen acquisition; and an impairment charge of $127 million ($.41 per share) related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit.

(3) The 2015 earnings from continuing operations attributable to Campbell Soup Company were impacted by the following: a restructuring charge and administrative expenses of $78 million ($.25 per share) associated with restructuring and cost savings initiatives and losses of $87 million ($.28 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans.

(4) The 2014 earnings from continuing operations attributable to Campbell Soup Company were impacted by the following: a restructuring charge and related costs of $36 million ($.11 per share) associated with restructuring initiatives; losses of $19 million ($.06 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans; a loss of $6 million ($.02 per share) on foreign exchange forward contracts used to hedge the proceeds from the sale of the European simple meals business; $7 million ($.02 per share) tax expense associated with the sale of the European simple meals business; and the estimated impact of the additional week of $25 million ($.08 per share). Earnings from discontinued operations included a gain of $72 million ($.23 per share) on the sale of the European simple meals business.

(5) The 2013 earnings from continuing operations attributable to Campbell Soup Company were impacted by the following: a restructuring charge and related costs of $87 million ($.27 per share) associated with restructuring initiatives; gains of $183 million ($.58 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans; and $7 million ($.02 per share) of transaction costs related to the acquisition of Bolthouse Farms. Earnings from discontinued operations were impacted by an impairment charge on the intangible assets of the simple meals business in Europe of $263 million ($.83 per share) and tax expense of $18 million ($.06 per share) representing taxes on the difference between the book value and tax basis of the business.

Selected Financial Data should be read in conjunction with the Notes to Consolidated Financial Statements.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

OVERVIEW

This Management’s Discussion and Analysis of Financial Condition and Results of Operations is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the accompanying notes to the consolidated financial statements presented in "Financial Statements and Supplementary Data," as well as the information contained in "Risk Factors."

Unless otherwise stated, the terms "we," "us," "our" and the "company" refer to Campbell Soup Company and its consolidated subsidiaries.

Executive Summary

We are a manufacturer and marketer of high-quality, branded food and beverage products. We operate in a highly competitive industry and experience competition in all of our categories. We manage our businesses in three divisions focused mainly on product categories. The divisions, which represent our operating and reportable segments, are: Americas Simple Meals and Beverages; Global Biscuits and Snacks; and Campbell Fresh. See "Business - Reportable Segments" for a description of the products included in each segment.

Our goal is to be the leading health and well-being food company. Guided by our purpose - *Real food that matters for life's moments*, we are pursuing this goal through a dual strategy of strengthening our core businesses while expanding into faster-growing spaces. We believe that this commitment to health and well-being will build shareholder value by driving sustainable, profitable net sales growth.

Industry Trends

Our businesses are being influenced by a variety of trends that we anticipate will continue in the future, including: shifting demographics; changing consumer preferences for food; technological and digital advancements that are reshaping the retailer landscape and the consumer shopping experience; and socioeconomic shifts.

We believe Millennials and Generation Z are replacing Baby Boomers as the key influencers of societal and cultural norms in the U.S. and are increasingly focused on health and well-being. We expect consumers to continue to seek products that they associate with health and well-being, including fresh, naturally functional and organic foods. While demanding products with these qualities, consumers also continue to gravitate toward store brands and value offerings. Consumers are also changing their eating habits by increasing the type and frequency of snacks consumed.

Digital media and technology are changing the way consumers purchase food. Although e-commerce represents only a small percent of total food sales, we anticipate it will accelerate rapidly through the growth of pure-play e-tailers, increased focus of brick and mortar retailers on e-commerce and the continued growth of meal delivery services. Consumers are also increasingly using technology to customize their diets for their individual lifestyle, physiology and health goals.

Retailers continue to use their buying power and negotiating strength to seek increased promotional programs funded by their suppliers and more favorable terms. We expect consolidations among retailers will continue to create large and sophisticated customers that may further this trend. In addition, new and existing retailers continue to grow and promote store brands that compete with branded products.

Strategic Imperatives

We are responding to the above-described industry trends by continuing to focus on four strategic imperatives:

- Building greater trust with consumers through real food, transparency and sustainability;
- Accelerating digital marketing and e-commerce efforts;
- Continuing to diversify our portfolio in fresh foods and health and well-being; and
- Increasing our presence in the faster-growing snacking category.

Building Greater Trust with Consumers through Real Food, Transparency and Sustainability

Our goal is to strengthen the trust of our consumers and customers through real food. For example, we are in the process of removing artificial flavors and colors from certain of our products, increasing the use of vegetables and whole grains and transitioning to chicken with no antibiotics. We have also removed Bisphenol A (BPA) from the lining of our U.S. and Canadian soup cans. In addition, we recently entered into an agreement with the Sage Project to partner on customizable and digital labels for our products that include nutrition facts and product attributes. We also support and remain committed to mandatory national genetically modified organism labeling and implementation of the Food and Drug Administration's nutrition facts panel. Our www.whatsinmyfood.com website promotes transparency by providing consumers with a wide range of details about how certain of our foods and beverages are made and the choices behind the ingredients we use in those products.

Accelerating Digital Marketing and E-Commerce Efforts

We are responding to the growing consumer shift to digital and mobile technologies by investing in digital and e-commerce across our company with a goal of building industry-leading capabilities. We are working to increase the scale of our digital marketing capabilities using content, marketing technology and data analytics. We are building an experienced business team in North America to pursue these initiatives. We are also pursuing digital and e-commerce innovation with new business models and development of cross-portfolio e-commerce solutions. To support these efforts, we are developing a more flexible and cost effective distribution system that we believe will position us well to grow with the expanding e-commerce market. We also plan to continue partnering with leading e-commerce companies, such as our recently announced partnership with a meal-delivery service.

Continuing to Diversify our Portfolio in Fresh Foods and Health and Well-Being

Capitalizing on recent consumer and retailer trends, we are continuing to increase our portfolio's commitment to fresh food and health and well-being through internal innovation, changes to recipes and our recent acquisitions. We expect to continue expanding our product offerings in key growth areas, such as in the packaged fresh category and with organic and clean label products. We are focusing on naturally functional foods by leveraging our vegetable and whole grain capabilities. While we are working to develop brands and innovate these products, we are developing increased distribution capabilities in new channels that also support this commitment.

Increasing our Presence in the Faster-Growing Snacking Category

Through a company-wide approach, we plan to expand our brand footprint by driving our existing snacking portfolio, pursuing expansion in promising emerging markets, building global brands and leveraging global capabilities to build sustainable business models. We are pursuing this goal with a plan to reach new consumers and existing consumers more frequently, including new snacking products that are premium snacks and focused on health and well-being. We also intend to broaden our snacking business beyond cookies and baked snacks to include soup, mini meals and fresh snacks. In addition, we expect to introduce snack products with new packaging formats.

To support these four imperatives, we will continue to pursue different models of innovation, including internal and external development, disciplined mergers and acquisitions, strategic partnerships and venture investing.

Cost Savings Initiative

We are pursuing a multi-year cost savings initiative with targeted annualized cost savings of $450 million by the end of 2020. These savings are above and beyond our existing supply-chain productivity initiatives. See "Restructuring Charges and Cost Savings Initiatives" for additional information on these initiatives. We expect to reinvest a portion of these savings into the businesses that we have identified as high growth and that are consistent with our strategic imperatives.

Summary of Results

This Summary of Results provides significant highlights from the discussion and analysis that follows.

- Net sales decreased 1% in 2017 to $7.890 billion, primarily due to lower volume and increased promotional spending.
- Gross profit, as a percent of sales, increased to 38.8% from 34.9% a year ago. The increase was primarily due to gains on pension and postretirement benefit mark-to-market adjustments in the current year compared to losses in the prior year, productivity improvements and increased benefits from cost savings initiatives, partially offset by higher supply chain costs and cost inflation, and higher promotional spending.
- Administrative expenses decreased 24% to $488 million from $641 million a year ago. The decrease was primarily due to gains on pension and postretirement benefit mark-to-market adjustments in the current year compared to losses in the prior year, increased benefits from cost savings initiatives, lower incentive compensation costs and lower costs related to the implementation of the new organizational structure and cost savings initiatives, partially offset by inflation and investments in long-term innovation.
- Other expenses increased to $238 million in 2017 from $131 million in 2016, primarily due to non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit in 2017. In 2016, we recorded a $141 million non-cash impairment charge on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit, partially offset by a gain from the settlement of a claim related to the Kelsen acquisition.
- The effective tax rate was 31.4% in 2017, compared to 33.7% in 2016. In 2017, the effective rate reflected a tax benefit of $52 million primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses on the notes for tax purposes.
- Earnings per share were $2.89 in 2017, compared to $1.81 a year ago. The current and prior year included expenses of $.15 and $1.13 per share, respectively, from items impacting comparability as discussed below.
- Cash flow from operations was $1.291 billion in 2017, compared to $1.491 billion in 2016. The decline was primarily due to lapping significant reductions in working capital in the prior year, as well as lower cash earnings and lower receipts from hedging activities in the current year.

Net Earnings attributable to Campbell Soup Company - 2017 Compared with 2016

The following items impacted the comparability of earnings and earnings per share:

- In 2017, we recognized gains of $178 million in Costs and expenses ($116 million after tax, or $.38 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In 2016, we recognized losses of $313 million in Costs and expenses ($200 million after tax, or $.64 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans;
- In 2015, we implemented a new enterprise design and initiatives to reduce costs and to streamline our organizational structure. In 2017, we expanded these cost savings initiatives by further optimizing our supply chain network, primarily in North America, continuing to evolve our operating model to drive efficiencies, and more fully integrating our recent acquisitions. In 2017, we recorded a pre-tax restructuring charge of $18 million and implementation costs and other related costs of $36 million in Administrative expenses and $4 million in Cost of products sold (aggregate impact of $37 million after tax, or $.12 per share) related to these initiatives. In 2016, we recorded a pre-tax restructuring charge of $35 million and implementation costs and other related costs of $47 million in Administrative expenses related to these initiatives. In 2016, we also recorded a reduction to pre-tax restructuring charges of $4 million related to the 2014 initiatives. The aggregate after-tax impact in 2016 of restructuring charges, implementation costs and other related costs was $49 million, or $.16 per share. See Note 7 to the Consolidated Financial Statements and "Restructuring Charges and Cost Savings Initiatives" for additional information;
- In the second quarter of 2017, we performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit as operating performance was well below expectations and a new leadership team of the Campbell Fresh division initiated a strategic review which led to a revised outlook for future sales, earnings, and cash flow. We recorded a non-cash impairment charge of $147 million ($139 million after tax, or $.45 per share) related to intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and a non-cash impairment charge of $65 million ($41 million after tax, or $.13 per share) related to the intangible assets of the Garden Fresh Gourmet reporting unit (aggregate pre-tax impact of $212 million, $180 million after tax, or $.59 per share). In the fourth quarter of 2016, as part of the annual review of intangible assets, we recorded a non-cash impairment charge of $141 million ($127 million after tax, or $.41 per share) related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit. The charges are included in Other expenses / (income). See Note 5 to the Consolidated Financial Statements for additional information;
- In 2017, we recorded a tax benefit of $52 million in Taxes on earnings primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses on the notes for tax purposes. In addition, we recorded a $6 million reduction to interest expense ($4 million after tax) related to premiums and fees received on the sale of the notes. The aggregate impact was $56 million after tax, or $.18 per share. See Note 11 to the Consolidated Financial Statements for additional information; and
- In 2016, we recorded a gain of $25 million ($.08 per share) in Other expenses / (income) from a settlement of a claim related to the Kelsen acquisition. The claim was for a warranty breach and has no meaningful ongoing impact on Kelsen.

The items impacting comparability are summarized below:

	2017		2016	
(Millions, except per share amounts)	**Earnings Impact**	**EPS Impact**	**Earnings Impact**	**EPS Impact**
Net earnings attributable to Campbell Soup Company	**$ 887**	**$ 2.89**	$ 563	$ 1.81
Pension and postretirement benefit mark-to-market adjustments	**$ 116**	**$ .38**	$ (200)	$ (.64)
Restructuring charges, implementation costs and other related costs	**(37)**	**(.12)**	(49)	(.16)
Impairment charges	**(180)**	**(.59)**	(127)	(.41)
Sale of notes	**56**	**.18**	—	—
Claim settlement	**—**	**—**	25	.08
Impact of items on Net earnings	**$ (45)**	**$ (.15)**	$ (351)	$ (1.13)

Net earnings attributable to Campbell Soup Company were $887 million ($2.89 per share) in 2017, compared to $563 million ($1.81 per share) in 2016. After adjusting for items impacting comparability, earnings increased primarily due to an improved gross profit performance and lower administrative expenses, partially offset by lower sales. Earnings per share benefited from a reduction in the weighted average diluted shares outstanding, primarily due to share repurchases under our strategic share repurchase program.

Net Earnings attributable to Campbell Soup Company - 2016 Compared with 2015

In addition to the 2016 items that impacted comparability of Net earnings discussed above, the following items impacted the comparability of earnings and earnings per share:

- In 2015, we recognized losses of $138 million in Costs and expenses ($87 million after tax, or $.28 per share) associated with mark-to-market adjustments for defined benefit pension and postretirement plans; and
- In 2015, we recorded a pre-tax restructuring charge of $102 million and implementation costs of $22 million recorded in Administrative expenses related to the 2015 initiatives (aggregate impact of $78 million after tax, or $.25 per share). See Note 7 to the Consolidated Financial Statements and "Restructuring Charges and Cost Savings Initiatives" for additional information.

The items impacting comparability are summarized below:

	2016		2015	
(Millions, except per share amounts)	**Earnings Impact**	**EPS Impact**	**Earnings Impact**	**EPS Impact**
Net earnings attributable to Campbell Soup Company	$ 563	$ 1.81	$ 666	$ 2.13
Pension and postretirement benefit mark-to-market adjustments	$ (200)	$ (.64)	$ (87)	$ (.28)
Restructuring charges, implementation costs and other related costs	(49)	(.16)	(78)	(.25)
Impairment charge	(127)	(.41)	—	—
Claim settlement	25	.08	—	—
Impact of items on Net earnings	$ (351)	$ (1.13)	$ (165)	$ (.53)

Net earnings were $563 million ($1.81 per share) in 2016, compared to $666 million ($2.13 per share) in 2015. After adjusting for items impacting comparability, earnings increased primarily due to an improved gross profit performance, lower administrative expenses and lower marketing and selling expenses, partially offset by the negative impact of currency translation and a higher effective tax rate.

Net earnings (loss) attributable to noncontrolling interests

We own a 60% controlling interest in a joint venture formed with Swire Pacific Limited to support our soup and broth business in China.

We own a 70% controlling interest in a Malaysian food products manufacturing company.

In addition, beginning in 2016, we own a 99.8% interest in Acre Venture Partners, L.P., a limited partnership formed to make venture capital investments in innovative new companies in food and food-related industries. See Note 14 to the Consolidated Financial Statements for additional information.

The noncontrolling interests' share in the net earnings (loss) was included in Net earnings (loss) attributable to noncontrolling interests in the Consolidated Statements of Earnings.

DISCUSSION AND ANALYSIS

Sales

An analysis of net sales by reportable segment follows:

				% Change	
(Millions)	**2017**	**2016**	**2015**	**2017/2016**	**2016/2015**
Americas Simple Meals and Beverages	**$ 4,325**	$ 4,380	$ 4,483	(1)%	(2)%
Global Biscuits and Snacks	**2,598**	2,564	2,631	1	(3)
Campbell Fresh	**967**	1,017	968	(5)	5
	$ 7,890	$ 7,961	$ 8,082	(1)%	(1)%

An analysis of percent change of net sales by reportable segment follows:

2017 versus 2016	**Americas Simple Meals and Beverages[2]**	**Global Biscuits and Snacks[2]**	**Campbell Fresh[2]**	**Total[2]**
Volume and Mix	(1)%	1%	(5)%	(1)%
(Increased)/Decreased Promotional Spending[1]	(1)	—	1	(1)
Currency	—	1	—	—
	(1)%	1%	(5)%	(1)%

2016 versus 2015	**Americas Simple Meals and Beverages**	**Global Biscuits and Snacks[2]**	**Campbell Fresh[2]**	**Total**
Volume and Mix	(2)%	1%	(3)%	(1)%
Price and Sales Allowances	1	1	—	1
Increased Promotional Spending[1]	—	—	(1)	—
Currency	(1)	(4)	—	(2)
Acquisitions	—	—	10	1
	(2)%	(3)%	5%	(1)%

(1) Represents revenue reductions from trade promotion and consumer coupon redemption programs.
(2) Sum of the individual amounts does not add due to rounding.

In 2017, Americas Simple Meals and Beverages sales decreased 1% primarily due to declines in *V8* beverages and soup, partly offset by gains in *Prego* pasta sauces and *Campbell's* pasta. U.S. soup sales decreased 1% due to declines in condensed soups and broth, partly offset by gains in ready-to-serve soups. Gains in ready-to-serve soups were primarily driven by *Campbell's Chunky* soups due to improved execution, including merchandising and dedicated advertising, as well as new items, and the launch of *Well Yes!* soups. Promotional spending had a negative impact of 1% on sales, with increases on broth, in Canada and on *V8* beverages. We increased promotional spending on broth and *V8* beverages to remain competitive, and in Canada to hold certain promoted prices following list price increases. For 2018, we were unable to reach an agreement with a large customer on a promotional program for U.S. soup. As a result, we expect our U.S. soup sales to decline in 2018.

In 2016, Americas Simple Meals and Beverages sales decreased 2%. Sales decreased primarily due to declines in soup and *V8* beverages, partially offset by gains in *Prego* pasta sauces, *Plum* products and *Pace* Mexican sauces. U.S. soup sales decreased 4% primarily as a result of the impact of our net price realization actions and category declines, which were partly related to warmer weather. Further details of U.S. soup include:

- Sales of condensed soups were comparable to the prior year.
- Sales of ready-to-serve soups declined 13%. The sales decrease in ready-to-serve soups was also due to marketing execution issues on *Campbell's Chunky* soups.
- Broth sales increased 1%.

V8 beverages continued to be under pressure from competition from specialty and packaged fresh beverages.

In 2017, Global Biscuits and Snacks sales increased 1% reflecting a 1% favorable impact from currency translation. Excluding the favorable impact of currency translation, segment sales were comparable to the prior year as gains in Pepperidge Farm were offset by declines in Kelsen, mostly in the U.S., and in Arnott's in Indonesia. Pepperidge Farm sales increased due to gains in *Goldfish* crackers and in cookies, benefiting from new items, partly offset by declines in fresh bakery and frozen products.

In 2016, Global Biscuits and Snacks sales decreased 3% reflecting a 4% negative impact from currency translation. Excluding the negative impact of currency translation, segment sales increased primarily due to gains in *Goldfish* crackers and Arnott's biscuits in Australia, partially offset by declines in Kelsen.

In 2017, Campbell Fresh sales decreased 5% primarily due to lower sales of refrigerated beverages and carrots, partly offset by gains in refrigerated soup. The decrease in refrigerated beverages reflects the adverse impact of supply constraints related to enhanced quality processes following the voluntary recall of *Bolthouse Farms Protein PLUS* drinks in June 2016. The carrot sales performance reflects the market share impact of quality and execution issues experienced in 2016, as well as the adverse impact of weather conditions in the second quarter of 2017.

In 2016, Campbell Fresh sales increased 5% primarily due to the acquisition of Garden Fresh Gourmet, which was acquired on June 29, 2015. Excluding the acquisition, sales declined reflecting lower sales in carrots and carrot ingredients, partially offset by gains in refrigerated beverages and salad dressings. In 2016, carrot sales performance primarily reflected the adverse impact of weather conditions on crop yields, and execution issues in response to those conditions, which led to customer dissatisfaction and a loss of business in the second half of the year. The increase in refrigerated beverages was primarily due to new product launches, partially offset by the impact of the voluntary recall of *Bolthouse Farms Protein PLUS* drinks in June 2016. In 2016, promotional spending was increased to remain competitive and to support new product launches.

Gross Profit

Gross profit, defined as Net sales less Cost of products sold, increased by $279 million in 2017 from 2016 and decreased by $2 million in 2016 from 2015. As a percent of sales, gross profit was 38.8% in 2017, 34.9% in 2016 and 34.4% in 2015.

The 3.9 percentage-point increase in gross profit percentage in 2017 and 0.5 percentage-point increase in gross profit percentage in 2016 were due to the following factors:

	Margin Impact	
	2017	**2016**
Pension and postretirement benefit mark-to-market adjustments[1]	**3.3%**	(1.2)%
Productivity improvements	**1.8**	2.0
Higher selling prices	**0.1**	0.6
Mix	**0.1**	0.4
Higher level of promotional spending	**(0.4)**	(0.2)
Cost inflation, supply chain costs and other factors[2]	**(1.0)**	(0.8)
Impact of acquisitions	**—**	(0.3)
	3.9%	0.5%

(1) Pension and postretirement benefit mark-to-market gains were $85 in 2017 and losses were $176 million in 2016.

(2) 2017 includes a positive margin impact of 1 point from cost savings initiatives. 2016 includes a positive margin impact of 0.6 points from cost savings initiatives.

Marketing and Selling Expenses

Marketing and selling expenses as a percent of sales were 10.4% in 2017, 11.2% in 2016 and 10.9% in 2015. Marketing and selling expenses decreased 9% in 2017 from 2016. The decrease was primarily due to gains on pension and postretirement benefit mark-to-market adjustments in the current year compared to losses in the prior year (approximately 8 percentage points); increased benefits from cost savings initiatives (approximately 2 percentage points); and lower incentive compensation costs (approximately 1 percentage point), partially offset by higher selling expenses (approximately 1 percentage point) and inflation (approximately 1 percentage point).

Marketing and selling expenses increased 1% in 2016 from 2015. The increase was due to increased losses on pension and postretirement benefit mark-to-market adjustments (approximately 3 percentage points); higher advertising and consumer promotion expenses (approximately 2 percentage points); lower marketing overhead expenses and lower selling expenses (approximately 1 percentage point); and inflation (approximately 1 percentage point), partially offset by benefits from cost savings initiatives (approximately 4 percentage points) and the impact of currency translation (approximately 2 percentage points). The increase in advertising and consumer promotion expenses in 2016 was primarily in Global Biscuits and Snacks.

Administrative Expenses

Administrative expenses as a percent of sales were 6.2% in 2017, 8.1% in 2016 and 7.4% in 2015. Administrative expenses decreased 24% in 2017 from 2016. The decrease was primarily due to gains on pension and postretirement benefit mark-to-market adjustments in the current year compared to losses in the prior year (approximately 19 percentage points); increased benefits from cost savings initiatives (approximately 3 percentage points); lower incentive compensation costs (approximately 3 percentage points); and lower costs related to the implementation of the new organizational structure and cost savings initiatives (approximately 2 percentage points), partially offset by inflation (approximately 2 percentage points) and investments in long-term innovation (approximately 1 percentage point).

Administrative expenses increased 7% in 2016 from 2015. The increase was primarily due to increased losses on pension and postretirement benefit mark-to-market adjustments (approximately 7 percentage points); higher costs related to the implementation of the new organizational structure and cost savings initiatives (approximately 4 percentage points); inflation (approximately 2 percentage points); and higher incentive compensation costs (approximately 1 percentage point), partially offset by benefits from cost savings initiatives (approximately 6 percentage points) and the impact of currency translation (approximately 1 percentage point).

Research and Development Expenses

Research and development expenses decreased $26 million, or 21%, in 2017 from 2016. The decrease was primarily due to gains on pension and postretirement benefit mark-to-market adjustments in the current year compared to losses in the prior year (approximately 25 percentage points); increased benefits from cost savings initiatives (approximately 2 percentage points); and lower incentive compensation costs (approximately 2 percentage points), partially offset by inflation and other factors (approximately 7 percentage points) and investments in long-term innovation (approximately 1 percentage point).

Research and development expenses increased $7 million, or 6%, in 2016 from 2015. The increase was primarily due to increased losses on pension and postretirement benefit mark-to-market adjustments (approximately 9 percentage points) and increased costs to support long-term innovation (approximately 3 percentage points), partially offset by benefits from cost savings initiatives (approximately 6 percentage points).

Other Expenses / (Income)

Other expenses in 2017 included non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit, and the Garden Fresh Gourmet reporting unit, which are part of the Campbell Fresh segment. The impairment charges were recorded as a result of an interim impairment assessment on the intangible assets of these reporting units in the second quarter. In addition, 2017 included $19 million of amortization of intangible assets.

Other expenses in 2016 included a non-cash impairment charge of $141 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit. The impairment charge was recorded as a result of our annual review of intangible assets. In addition, 2016 included $20 million of amortization of intangible assets and a $25 million gain from a settlement of a claim related to the Kelsen acquisition.

Other expenses in 2015 included $17 million of amortization of intangible assets and an impairment charge of $6 million related to minor trademarks used in the Global Biscuits and Snacks segment.

See Note 5 to the Consolidated Financial Statements for additional information on the impairment charges.

Operating Earnings

Segment operating earnings increased 1% in 2017 from 2016 and increased 11% in 2016 from 2015.

An analysis of operating earnings by segment follows:

				% Change[2]	
(Millions)	**2017**	**2016**	**2015**	**2017/2016**	**2016/2015**
Americas Simple Meals and Beverages	**$ 1,120**	$ 1,069	$ 948	5%	13 %
Global Biscuits and Snacks	**454**	422	383	8	10
Campbell Fresh	**(9)**	60	61	n/m	(2)
	1,565	1,551	1,392	1%	11 %
Corporate	**(147)**	(560)	(236)		
Restructuring charges[1]	**(18)**	(31)	(102)		
Earnings before interest and taxes	**$ 1,400**	$ 960	$ 1,054		

(1) See Note 7 to the Consolidated Financial Statements for additional information on restructuring charges.

(2) n/m - Not meaningful.

Operating earnings from Americas Simple Meals and Beverages increased 5% in 2017 versus 2016. The increase was primarily due to a higher gross profit percentage, benefiting from productivity improvements, and lower administrative expenses, partly offset by volume declines.

Operating earnings from Americas Simple Meals and Beverages increased 13% in 2016 versus 2015. The increase was primarily due to a higher gross profit percentage, benefiting from productivity improvements and increased net price realization, as well as lower marketing and selling expenses, partially offset by volume declines.

Operating earnings from Global Biscuits and Snacks increased 8% in 2017 versus 2016. The increase was primarily due to lower administrative expenses, lower marketing and selling expenses and the favorable impact of currency translation.

Operating earnings from Global Biscuits and Snacks increased 10% in 2016 versus 2015. The increase was primarily due to a higher gross profit percentage, volume gains, lower selling expenses and lower administrative expenses, partly offset by the negative impact of currency translation and higher advertising and consumer promotion expenses.

Operating earnings from Campbell Fresh decreased from $60 million in 2016 to a loss of $9 million in 2017. The decrease was primarily due to lower volume and unfavorable mix; higher carrot costs, which were partly associated with the adverse impact on crop yields of heavy rains in December and January of this fiscal year, as well as excess organic carrots; the cost impact of both lower beverage operating efficiencies and enhanced quality processes; and higher administrative expenses.

Operating earnings from Campbell Fresh decreased 2% in 2016 versus 2015. The decrease was primarily due to higher carrot costs, and the impact of the voluntary recall of *Bolthouse Farms Protein PLUS* drinks and the related production outages, partially offset by productivity improvements and lower administrative expenses.

Corporate in 2017 included a $178 million gain associated with pension and postretirement benefit mark-to-market adjustments, non-cash impairment charges of $212 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit, and costs of $40 million related to the implementation of our new organizational structure and cost savings initiatives. Corporate in 2016 included a $313 million loss associated with pension and postretirement benefit mark-to-market adjustments, a non-cash impairment charge of $141 million on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit, costs of $47 million related to the implementation of our new organizational structure and cost savings initiatives, and a $25 million gain from a settlement of a claim related to the Kelsen acquisition. The remaining decrease in 2017 was primarily due to lower postretirement benefit costs as a result of amortization of prior service credit, partially offset by investments in long-term innovation.

Corporate in 2015 included a $138 million loss associated with pension and postretirement benefit mark-to-market adjustments and costs of $22 million related to the implementation of our new organizational structure and cost savings initiatives. The remaining increase in 2016 was primarily due to an increase in pension benefit cost, resulting from a reduction in expected return on assets partially offset by lower interest cost.

Interest Expense

Interest expense decreased to $112 million in 2017 from $115 million in 2016. In 2017, we recorded a $6 million reduction to interest expense related to premiums and fees received from the sale of intercompany notes receivable to a financial institution. Excluding the premium and fees, interest expense increased reflecting higher average interest rates on the debt portfolio, partially offset by lower average levels of debt.

Interest expense increased to $115 million in 2016 from $108 million in 2015, reflecting higher average interest rates on the debt portfolio, partially offset by lower average levels of debt.

Taxes on Earnings

The effective tax rate was 31.4% in 2017, 33.7% in 2016 and 29.8% in 2015.

The following items impacted the tax rate in 2017 and 2016:

- In 2017, we recognized a tax benefit of $52 million primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses on the notes for tax purposes;
- In 2017, we recognized tax expense of $62 million on $178 million of pension and postretirement benefit mark-to-market gains. In 2016, we recognized a tax benefit of $113 million on $313 million of pension and postretirement benefit mark-to-market losses;
- In 2017, we recognized a $32 million tax benefit on the $212 million impairment charges on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit. In 2016, we recognized a $14 million tax benefit on the $141 million impairment charge on the trademark and goodwill associated with the Bolthouse Farms carrot and carrot ingredients reporting unit;
- In 2017, we recognized a $21 million tax benefit on $58 million of restructuring charges, implementation costs and other related costs. In 2016, we recognized a $29 million tax benefit on $78 million of restructuring charges, implementation costs and other related costs; and
- In 2016, the $25 million gain from a settlement of a claim related to the Kelsen acquisition was not subject to tax.

In addition, in 2017 the effective rate was favorably impacted by the recognition of $6 million of excess tax benefits in connection with the adoption of new accounting guidance on stock-based compensation in the first quarter. See Note 2 to the Consolidated Financial Statements for additional information on the adoption of the new accounting guidance.

In 2015, we recognized a tax benefit of $51 million on $138 million of pension and postretirement benefit mark-to-market losses and a $46 million tax benefit on $124 million of restructuring charges and implementation costs. After adjusting for the items above, the remaining increase in the effective tax rate in 2016 was primarily due to lapping the favorable resolution of an intercompany pricing agreement between the U.S. and Canada in 2015.

Restructuring Charges and Cost Savings Initiatives

2015 Initiatives

On January 29, 2015, we announced plans to implement a new enterprise design focused mainly on product categories. Under the new structure, which we fully implemented at the beginning of 2016, our businesses are organized in the following divisions: Americas Simple Meals and Beverages, Global Biscuits and Snacks, and Campbell Fresh.

In support of the new structure, we designed and implemented a new Integrated Global Services organization to deliver shared services across the company. We also streamlined our organizational structure, implemented an initiative to reduce overhead across the organization and are pursuing other initiatives to reduce costs and increase effectiveness, such as adopting zero-based budgeting over time. As part of these initiatives, we commenced a voluntary employee separation program available to certain U.S.-based salaried employees nearing retirement who met age, length-of-service and business unit/function criteria. A total of 471 employees elected the program. The electing employees remained with us through at least July 31, 2015, with some remaining beyond that date.

In February 2017, we announced that we are expanding these cost savings initiatives by further optimizing our supply chain network, primarily in North America, continuing to evolve our operating model to drive efficiencies, and more fully integrating our recent acquisitions. We have extended the time horizon for the initiatives from 2018 to 2020. Cost estimates for these expanded initiatives, as well as timing for certain activities, are being developed.

A summary of the restructuring charges we recorded and charges incurred in Administrative expenses and Cost of products sold related to the implementation of the new organizational structure and costs savings initiatives is as follows:

(Millions, except per share amounts)	2017	2016	2015
Restructuring charges	**18**	35	102
Administrative expenses	**36**	47	22
Cost of products sold	**4**	—	—
Total pre-tax charges	**$ 58**	$ 82	$ 124
Aggregate after-tax impact	**$ 37**	$ 52	$ 78
Per share impact	**$ .12**	$ .17	$ .25

A summary of the pre-tax costs associated with the initiatives is as follows:

(Millions)	Recognized as of July 30, 2017
Severance pay and benefits	$ 135
Asset impairment/accelerated depreciation	12
Implementation costs and other related costs	117
Total	$ 264

The total estimated pre-tax costs for actions that have been identified are approximately $380 million to $420 million. This estimate will be updated as costs for the expanded initiatives are developed.

We expect the costs for actions that have been identified to date to consist of the following: approximately $135 million in severance pay and benefits; approximately $20 million in asset impairment and accelerated depreciation; and approximately $225 million to $265 million in implementation costs and other related costs.We expect these pre-tax costs to be associated with our segments as follows: Americas Simple Meals and Beverages - approximately 30%; Global Biscuits and Snacks - approximately 38%; Campbell Fresh - approximately 4%; and Corporate - approximately 28%.

Of the aggregate $380 million to $420 million of pre-tax costs identified to date, we expect approximately $350 million to $390 million will be cash expenditures. In addition, we expect to invest approximately $180 million in capital expenditures through 2019 primarily related to the construction of a network of distribution centers for our U.S. thermal plants and insourcing of manufacturing for certain simple meal products, of which we invested approximately $10 million as of July 30, 2017.

We expect to incur substantially all of the costs through 2019 and to fund the costs through cash flows from operations and short-term borrowings.

We expect the initiatives for actions that have been identified to date to generate pre-tax savings of $390 million in 2018, and once all phases are implemented, to generate annual ongoing savings of approximately $450 million beginning in 2020. The annual pre-tax savings generated by the initiatives were as follows:

(Millions)	2017	2016	2015
Total pre-tax savings	$ 325	$ 215	$ 85

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs incurred to date associated with segments is as follows:

(Millions)	2017	Costs Incurred to Date
Americas Simple Meals and Beverages	$ 21	$ 92
Global Biscuits and Snacks	12	78
Campbell Fresh	4	6
Corporate	21	88
Total	$ 58	$ 264

2014 Initiatives

In 2014, we implemented initiatives to reduce overhead across the organization, restructure manufacturing and streamline operations for our soup and broth business in China and improve supply chain efficiency in Australia.

In 2016, we recorded a reduction to restructuring charges of $4 million ($3 million after tax, or $.01 per share) related to the 2014 initiatives. As of July 31, 2016, we incurred substantially all of the costs related to the 2014 initiatives.

A summary of the pre-tax costs associated with the 2014 initiatives is as follows:

(Millions)	Total Program[(1)]	Change in Estimate	Recognized as of July 31, 2016
Severance pay and benefits	$ 41	$ (4)	$ 37
Asset impairment	12	—	12
Other exit costs	1	—	1
Total	$ 54	$ (4)	$ 50

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(1) Recognized as of August 2, 2015.

See Note 7 to the Consolidated Financial Statements for additional information.

LIQUIDITY AND CAPITAL RESOURCES

We expect foreseeable liquidity and capital resource requirements to be met through anticipated cash flows from operations; long-term borrowings; short-term borrowings, including commercial paper; credit facilities; and cash and cash equivalents. We believe that our sources of financing will be adequate to meet our future requirements.

We generated cash flows from operations of $1.291 billion in 2017, compared to $1.491 billion in 2016. The decline in 2017 was primarily due to lapping significant reductions in working capital in the prior year, as well as lower cash earnings and lower receipts from hedging activities in the current year.

We generated cash flows from operations of $1.491 billion in 2016, compared to $1.206 billion in 2015. The increase in 2016 was primarily due to higher cash earnings and lower working capital requirements, primarily inventories.

Current assets are less than current liabilities as a result of our level of current maturities of long-term debt and short-term borrowings and our focus to lower core working capital requirements by reducing trade receivables and inventories while extending payment terms for accounts payables. We had negative working capital of $495 million as of July 30, 2017, and $647 million as of July 31, 2016. Debt maturing within one year was $1.037 billion as of July 30, 2017, and $1.219 billion as of July 31, 2016.

Capital expenditures were $338 million in 2017, $341 million in 2016 and $380 million in 2015. Capital expenditures are expected to total approximately $400 million in 2018. Capital expenditures in 2017 included projects to expand: Australian multi-pack biscuit capacity (approximately $15 million); beverage and salad dressing capacity at Bolthouse Farms (approximately $8 million); and capacity at Garden Fresh (approximately $3 million); as well as the continued enhancement of our corporate headquarters (approximately $11 million); replacement of a Pepperidge Farm refrigeration system (approximately $12 million); and a U.S. warehouse optimization project (approximately $10 million). Capital expenditures in 2016 included projects to expand: beverage and salad dressing capacity at Bolthouse Farms (approximately $22 million); biscuit capacity in Indonesia (approximately $11 million); warehouse capacity in North America (approximately $11 million); cracker capacity at Pepperidge Farm (approximately $9 million); and capacity in Malaysia (approximately $6 million); as well as the continued enhancement of our corporate headquarters (approximately $15 million) and the ongoing initiative to simplify the soup-making process in North America (also known as the soup common platform initiative) (approximately $5 million). Capital expenditures in 2015 included projects to expand: cracker capacity at Pepperidge Farm (approximately $36 million); beverage and salad dressing capacity at Bolthouse Farms (approximately $33 million); warehouse capacity at Bolthouse Farms (approximately $13 million); biscuit capacity in Indonesia (approximately $13 million); and aseptic broth capacity (approximately $6 million); as well as the ongoing soup common platform initiative in North America (approximately $30 million); and continued enhancement of our corporate headquarters (approximately $12 million).

On June 29, 2015, we completed the acquisition of the assets of Garden Fresh Gourmet. The purchase price was $232 million, and was funded through the issuance of commercial paper.

On July 6, 2017, we entered into an agreement to acquire Pacific Foods of Oregon, Inc. (Pacific Foods) for $700 million, subject to customary purchase price adjustments related to the amount of Pacific Foods' cash, debt, working capital and transaction expenses. We expect to fund the acquisition through debt. The closing of the transaction is subject to customary closing conditions and termination rights. The agreement provides that if we fail to close the transaction when all conditions to closing have been satisfied or if we are in breach of the agreement, we will be required to pay Pacific Foods a $50 million termination fee. On August 21, 2017, the estate of a former Pacific Foods shareholder, Edward C. Lynch, filed a lawsuit against Pacific Foods and certain of its directors, among others, seeking in excess of $250 million in damages. Because of the impediment that the lawsuit creates to closing, on September 27, 2017, we noticed Pacific Foods that it has 60 days under the terms of the agreement to resolve the issues arising from the suit if the transaction is to close. After the 60-day period, we may in our sole discretion extend the cure period or terminate the agreement. We do not believe a termination of the agreement under these circumstances will result in any termination fee payable by us. For additional information on this pending acquisition, see our Form 8-K filed with the U.S. Securities and Exchange Commission on July 6, 2017.

In June 2017, we sold intercompany notes to a financial institution, including an AUD $280 million, or $224 million, note with an interest rate of 4.88% that matures on September 18, 2018, and an AUD $190 million, or $152 million, note with an interest rate of 6.98% that matures on March 29, 2021, but is payable upon demand. Interest on both notes is due semi-annually on January 23 and July 23. The net proceeds were used for general corporate purposes.

In March 2015, we issued $300 million of 3.30% notes that mature on March 19, 2025. Interest on the notes is due semi-annually on March 19 and September 19, commencing on September 19, 2015. The notes may be redeemed in whole, or in part, at our option at any time at the applicable redemption price. In certain circumstances, we may be required to repurchase some or all of the notes upon a change in control of our company and a downgrade of the notes below investment grade. The net proceeds were used for general corporate purposes.

Dividend payments were $420 million in 2017, $390 million in 2016 and $394 million in 2015. Annual dividends declared were $1.40 per share in 2017, and $1.248 per share in 2016 and 2015. The 2017 fourth quarter dividend was $.35 per share.

We repurchased approximately 8 million shares at a cost of $437 million in 2017, approximately 3 million shares at a cost of $143 million in 2016, and approximately 5 million shares at a cost of $244 million in 2015. See Note 16 to the Consolidated Financial Statements and "Market for Registrant's Capital Stock, Related Shareholder Matters and Issuer Purchases of Equity Securities" for more information.

As of July 30, 2017, we had $1.037 billion of short-term borrowings due within one year, of which $874 million was comprised of commercial paper borrowings. As of July 30, 2017, we issued $48 million of standby letters of credit. We have a committed revolving credit facility totaling $1.85 billion that matures in December 2021. This U.S. facility remained unused at July 30, 2017, except for $1 million of standby letters of credit that we issued under it. The U.S. facility supports our commercial paper programs and other general corporate purposes. In July 2016, we entered into a Canadian committed revolving credit facility that matures in July 2019. As of July 30, 2017, the total commitment under the Canadian facility was CAD $170 million, or $137 million, and we had borrowings of CAD $162 million, or $130 million, at a rate of 2.09% under this facility. The Canadian facility supports general corporate purposes.

In July 2017, we filed a shelf registration statement with the Securities and Exchange Commission that registered an indeterminate amount of debt securities. Under the registration statement, we may issue debt securities from time to time, depending on market conditions.

We are in compliance with the covenants contained in our revolving credit facilities and debt securities.

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

Contractual Obligations

The following table summarizes our obligations and commitments to make future payments under certain contractual obligations as of July 30, 2017. For additional information on debt, see Note 12 to the Consolidated Financial Statements. Operating leases are primarily entered into for warehouse and office facilities and certain equipment. Purchase commitments represent purchase orders and long-term purchase arrangements related to the procurement of ingredients, supplies, machinery, equipment and services. These commitments are not expected to have a material impact on liquidity. Other long-term liabilities primarily represent payments related to deferred compensation obligations. For additional information on other long-term liabilities, see Note 19 to the Consolidated Financial Statements.

	Contractual Payments Due by Fiscal Year				
(Millions)	**Total**	**2018**	**2019-2020**	**2021-2022**	**Thereafter**
Debt obligations[1]	$ 3,548	$ 1,037	$ 655	$ 701	$ 1,155
Interest payments[2]	710	113	164	101	332
Derivative payments[3]	44	43	1	—	—
Purchase commitments	1,125	813	211	66	35
Operating leases	163	38	64	40	21
Other long-term payments[4]	145	—	58	32	55
Total long-term cash obligations	$ 5,735	$ 2,044	$ 1,153	$ 940	$ 1,598

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(1) Excludes unamortized net discount/premium on debt issuances and debt issuance costs. For additional information on debt obligations, see Note 12 to the Consolidated Financial Statements.

(2) Interest payments for short- and long-term borrowings are based on principal amounts and coupons or contractual rates at fiscal year end.

(3) Represents payments of foreign exchange forward contracts, commodity contracts and forward starting interest rate swaps.

(4) Represents other long-term liabilities, excluding unrecognized tax benefits, postretirement benefits and payments related to pension plans. For additional information on pension and postretirement benefits, see Note 10 to the Consolidated Financial Statements. For additional information on unrecognized tax benefits, see Note 11 to the Consolidated Financial Statements.

In July 2017, we entered into an agreement to acquire Pacific Foods for $700 million. For additional information on this pending acquisition, see our Form 8-K filed with the U.S. Securities and Exchange Commission on July 6, 2017, and Note 3 to the Consolidated Financial Statements.

Off-Balance Sheet Arrangements and Other Commitments

We guarantee approximately 2,000 bank loans to Pepperidge Farm independent contractor distributors by third-party financial institutions used to purchase distribution routes. The maximum potential amount of the future payments under existing guarantees we could be required to make is $204 million. Our guarantees are indirectly secured by the distribution routes. We do not believe that it is probable that we will be required to make material guarantee payments as a result of defaults on the bank loans guaranteed. See also Note 18 to the Consolidated Financial Statements for information on off-balance sheet arrangements.

INFLATION

We are exposed to the impact of inflation on our cost of products sold. We use a number of strategies to mitigate the effects of cost inflation including increasing prices, commodity hedging and pursuing cost productivity initiatives such as global procurement strategies and capital investments that improve the efficiency of operations.

MARKET RISK SENSITIVITY

The principal market risks to which we are exposed are changes in foreign currency exchange rates, interest rates and commodity prices. In addition, we are exposed to equity price changes related to certain deferred compensation obligations. We manage our exposure to changes in interest rates by optimizing the use of variable-rate and fixed-rate debt and by utilizing interest rate swaps in order to maintain our variable-to-total debt ratio within targeted guidelines. International operations, which accounted for 19% of 2017 net sales, are concentrated principally in Australia and Canada. We manage our foreign currency exposures by borrowing in various foreign currencies and utilizing cross-currency swaps and foreign exchange forward contracts. We enter into cross-currency swaps and foreign exchange forward contracts for periods consistent with related underlying exposures, and the contracts do not constitute positions independent of those exposures. We do not enter into derivative contracts for speculative purposes and do not use leveraged instruments.

We principally use a combination of purchase orders and various short- and long-term supply arrangements in connection with the purchase of raw materials, including certain commodities and agricultural products. We also enter into commodity futures, options and swap contracts to reduce the volatility of price fluctuations of wheat, diesel fuel, soybean oil, natural gas, cocoa, aluminum, butter, corn, soybean meal and cheese, which impact the cost of raw materials.

The information below summarizes our market risks associated with debt obligations and other significant financial instruments as of July 30, 2017. Fair values included herein have been determined based on quoted market prices or pricing models using current market rates. The information presented below should be read in conjunction with Notes 12, 13 and 15 to the Consolidated Financial Statements.

The following table presents principal cash flows and related interest rates by fiscal year of maturity for debt obligations. Interest rates disclosed on variable-rate debt represent the weighted-average rates at July 30, 2017. Notional amounts and related interest rates of interest rate swaps are presented by fiscal year of maturity. For the swaps, variable rates are the weighted-average forward rates for the term of each contract.

	Expected Fiscal Year of Maturity							
(Millions)	2018	2019	2020	2021	2022	Thereafter	Total	Fair Value of Liabilities
Debt[1]								
Fixed rate[2]	$ 153	$ 524	$ 1	$ 700	$ 1	$ 1,155	$ 2,534	$ 2,620
Weighted-average interest rate	6.97%	4.66%	5.00%	5.57%	5.00%	3.17%	4.37%	
Variable rate[3]	$ 884	$ 130	$ —	$ —	$ —	$ —	$ 1,014	$ 1,015
Weighted-average interest rate	1.34%	2.09%	—%	—%	—%	—%	1.44%	
Interest Rate Swaps								
Cash-flow swaps								
Variable to fixed	$ 300	$ —	$ —	$ —	$ —	$ —	$ 300	$ 22
Average pay rate	3.09%	—%	—%	—%	—%	—%	3.09%	
Average receive rate	2.27%	—%	—%	—%	—%	—%	2.27%	

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(1) Expected maturities exclude unamortized net discount/premium on debt issuances and debt issuance costs.

(2) Represents $2.150 billion of USD borrowings, $376 million equivalent of AUD borrowings and $8 million equivalent of borrowings in other currencies.

(3) Represents $874 million of USD borrowings, $130 million equivalent of CAD borrowings and $10 million equivalent of borrowings in other currencies.

As of July 31, 2016, fixed-rate debt of approximately $2.56 billion with an average interest rate of 3.97% and variable-rate debt of approximately $991 million with an average interest rate of 1.02% were outstanding. As of July 31, 2016, forward starting interest rate swaps with a notional amount of $300 million were outstanding. The average rate to be received on these swaps was 1.47%, and the average rate to be paid was estimated to be 3.09% over the remaining life of the swaps.

We are exposed to foreign exchange risk related to our international operations, including non-functional currency intercompany debt and net investments in subsidiaries.

We did not have any cross-currency swap contracts outstanding as of July 30, 2017, or July 31, 2016.

We are also exposed to foreign exchange risk as a result of transactions in currencies other than the functional currency of certain subsidiaries, including subsidiary debt. We utilize foreign exchange forward purchase and sale contracts to hedge these exposures. The following table summarizes the foreign exchange forward contracts outstanding and the related weighted-average contract exchange rates as of July 30, 2017.

(Millions) Foreign Exchange Forward Contracts	Notional Value	Average Contractual Exchange Rate (currency paid/ currency received)
Receive USD/Pay AUD	$ 192	1.3292
Receive USD/Pay CAD	$ 150	1.3167
Receive AUD/Pay NZD	$ 35	1.0556
Receive DKK/Pay USD	$ 31	0.1482

We had an additional number of smaller contracts to purchase or sell various other currencies with a notional value of $12 million as of July 30, 2017. The aggregate fair value of all contracts was a loss of $18 million as of July 30, 2017. The total notional value of foreign exchange forward contracts outstanding was $266 million, and the aggregate fair value was a loss of $10 million as of July 31, 2016.

We enter into commodity futures, options and swap contracts to reduce the volatility of price fluctuations for commodities. The notional value of these contracts was $90 million, and the aggregate fair value of these contracts was a gain of $5 million as of July 30, 2017. The notional value of these contracts was $88 million, and the aggregate fair value of these contracts was a loss of $1 million as of July 31, 2016.

We enter into swap contracts which hedge a portion of exposures relating to certain deferred compensation obligations linked to the total return of our capital stock, the total return of the Vanguard Institutional Index, and the total return of the Vanguard Total International Stock Index. Under these contracts, we pay variable interest rates and receive from the counterparty either: the total return on our capital stock; the total return of the Standard & Poor's 500 Index, which is expected to approximate the total return of the Vanguard Institutional Index; or the total return of the iShares MSCI EAFE Index, which is expected to approximate the total return of the Vanguard Total International Stock Index. The notional value of the contract that is linked to the total return on our capital stock was $9 million at July 30, 2017, and $15 million at July 31, 2016. The average forward interest rate applicable to this contract, which expires in April 2018, was 1.82% at July 30, 2017. The notional value of the contract that is linked to the return on the Standard & Poor's 500 Index was $26 million at July 30, 2017, and $22 million at July 31, 2016. The average forward interest rate applicable to this contract, which expires in March 2018, was 1.66% at July 30, 2017. The notional value of the contract that is linked to the total return of the iShares MSCI EAFE Index was $8 million at July 30, 2017, and $7 million at July 31, 2016. The average forward interest rate applicable to this contract, which expires in March 2018, was 1.41% at July 30, 2017. The fair value of these contracts was not material at July 30, 2017, and July 31, 2016.

Our utilization of financial instruments in managing market risk exposures described above is consistent with the prior year. Changes in the portfolio of financial instruments are a function of the results of operations, debt repayment and debt issuances, market effects on debt and foreign currency, and our acquisition and divestiture activities.

SIGNIFICANT ACCOUNTING ESTIMATES

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions. See Note 1 to the Consolidated Financial Statements for a discussion of significant accounting policies. The following areas all require the use of subjective or complex judgments, estimates and assumptions:

Trade and consumer promotion programs — We offer various sales incentive programs to customers and consumers, such as feature price discounts, in-store display incentives, cooperative advertising programs, new product introduction fees, and coupons. The mix between promotion programs, which are classified as reductions in revenue, and advertising or other marketing activities, which are classified as marketing and selling expenses, fluctuates between periods based on our overall marketing plans, and such fluctuations have an impact on revenues. The measurement and recognition of the costs for trade and consumer promotion programs involves the use of judgment related to performance and redemption estimates. Estimates are made based on historical experience and other factors. Typically, programs that are offered have a very short duration. Historically, the difference between actual experience compared to estimated redemptions and performance has not been significant to the quarterly or annual financial statements. However, actual expenses may differ if the level of redemption rates and performance were to vary from estimates.

Valuation of long-lived assets — Fixed assets and amortizable intangible assets are reviewed for impairment as events or changes in circumstances occur indicating that the carrying value of the asset may not be recoverable. Undiscounted cash flow analyses are used to determine if impairment exists. If impairment is determined to exist, the loss is calculated based on estimated fair value.

Goodwill and intangible assets deemed to have indefinite lives are not amortized but rather are tested at least annually for impairment, or more often if events or changes in circumstances indicate that more likely than not the carrying amount of the asset may not be recoverable. Goodwill is tested for impairment at the reporting unit level. A reporting unit represents an operating segment or a component of an operating segment. Goodwill is tested for impairment by either performing a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. We may elect not to perform the qualitative assessment for some or all reporting units and perform a quantitative impairment test. Fair value is determined based on discounted cash flow analyses. The discounted estimates of future cash flows include significant management assumptions such as revenue growth rates, operating margins, weighted average cost of capital, and future economic and market conditions. If the carrying value of the reporting unit exceeds fair value, goodwill is considered impaired. In January 2017, the FASB issued revised guidance that simplifies the test for goodwill impairment, effective for fiscal years beginning after December 15, 2019, with early adoption permitted. Under the revised guidance, if a reporting unit's carrying value exceeds its fair value, an impairment charge will be recorded to reduce the reporting unit to fair value. Prior to the revised guidance, the amount of the impairment was the difference between the carrying value of the goodwill and the "implied" fair value, which was calculated as if the reporting unit had just been acquired and accounted for as a business combination.

Indefinite-lived intangible assets are tested for impairment by comparing the fair value of the asset to the carrying value. Fair value is determined based on discounted cash flow analyses that include significant management assumptions such as revenue growth rates, weighted average cost of capital, and assumed royalty rates. If the carrying value exceeds fair value, an impairment charge will be recorded to reduce the asset to fair value.

In the fourth quarter of 2015, as part of our annual review of intangible assets, we recognized an impairment charge of $6 million on minor trademarks used in the Global Biscuits and Snacks segment. The trademarks were determined to be impaired as a result of a decrease in the fair value of the brands, resulting from reduced expectations for future sales and discounted cash flows.

In the fourth quarter of 2016, as part of our annual review of intangible assets, we recognized an impairment charge of $106 million on goodwill and $35 million on a trademark within the Bolthouse Farms carrot and carrot ingredients reporting unit, which is included in the Campbell Fresh segment. In 2016, carrot performance primarily reflected the adverse impact of weather conditions on crop yields, and execution issues in response to those conditions, which led to customer dissatisfaction, a loss of business, and higher carrot costs in the second half of the year. The impairment was attributable to a decline in profitability in the second half of 2016 and a revised outlook for the business, with reduced expectations for sales, operating margins, and discounted cash flows.

During the second quarter of 2017, sales and operating profit performance for Bolthouse Farms carrot and carrot ingredients were well below our revised expectations due to difficulty with regaining market share lost during 2016 and higher carrot costs from the adverse impact of heavy rains on crop yields. During the quarter, we also lowered our forecast for sales and earnings for the reporting unit for the second half of 2017 based on revised market share recovery expectations and the continuing effect of unusual weather conditions on carrot costs. In addition, as part of a strategic review initiated by a new leadership team of Campbell Fresh during the second quarter, we decided to reduce emphasis on growing sales of carrot ingredients, which are a by-product of the manufacturing process, and to manage carrots sold at retail for modest sales growth consistent with the category while improving profitability. Accordingly, we reduced our expectations for recovery of retail carrot market share. As a consequence of current-year performance and the strategic review, we lowered our sales outlook for future fiscal years.We also lowered our average margin expectations due in part to cost volatility, which has been higher than expected. Based upon the business performance in the second quarter of 2017, our reduced near-term outlook, and reduced expectations for sales, operating margins and discounted cash flows, we performed an interim impairment assessment as of December 31, 2016, which resulted in a $127 million impairment charge on goodwill and $20 million on a trademark in the reporting unit. The updated cash flow projections include expectations that operating margins will improve from reduced levels in 2016 and 2017. We performed our annual review of intangible assets in the fourth quarter. Our long-term outlook for the business is consistent with the second quarter assessment. We will continue to monitor the performance of the business.

We acquired Garden Fresh Gourmet on June 29, 2015. During 2017, sales and operating profit performance for Garden Fresh Gourmet, which is a reporting unit within the Campbell Fresh segment, were well below expectations, and we lowered our outlook for the second half of 2017 due to customer losses and failure to meet product distribution goals. We expected to expand distribution of salsa beyond our concentration in the Midwest region, however this proved to be challenging as differentiated recipes are required to meet taste profiles in other parts of the country. In addition, as part of a strategic review initiated by a new leadership team of Campbell Fresh during the second quarter, we lowered our distribution and category growth expectations and, therefore, future sales outlook. Based upon the business performance in 2017, our reduced near-term outlook, and reduced expectations for sales, operating margins and discounted cash flows, we performed an interim impairment assessment as of December 31, 2016, which resulted in a $64 million impairment charge on goodwill and $1 million on a trademark in the reporting unit. The updated cash flow projections include expectations that we will build distribution in the U.S., operating margins will expand partly driven by the benefits from further integration, and sales growth rates will exceed the company's overall sales growth rates. We performed our annual review of intangible assets in the fourth quarter. Our long-term outlook for the business is consistent with the second quarter assessment. We will continue to monitor the performance of the business.

During the third quarter of 2017, we reduced our expectations for 2017 Bolthouse Farms refrigerated beverages and salad dressings sales performance, principally due to constrained production capacity related to the voluntary recall of *Bolthouse Farms Protein PLUS* drinks in the fourth quarter of 2016. Consistent with the strategic review conducted during the second quarter, we expect that the rate of future sales growth will be above the company's overall sales growth but from a lower base in 2017. We continue to focus on improving profitability by pursuing various supply chain initiatives. While we did not believe that an interim impairment assessment was required, we performed a sensitivity analysis for the *Bolthouse Farms* refrigerated beverages and salad dressings trademark and goodwill as of the third quarter. We concluded that the trademark and reporting unit had risk of decreasing coverage. We performed our annual review of intangible assets in the fourth quarter, which indicated the fair value of the reporting unit and the trademark exceeded the respective carrying values by less than 10%. The carrying value of the goodwill in the reporting unit was $384 million at July 30, 2017. The carrying value of the trademark related to the Bolthouse Farms refrigerated beverages and salad dressings reporting unit was $280 million at July 30, 2017. We will continue to monitor the performance of the business.

The estimates of future cash flows involve considerable management judgment and are based upon assumptions about expected future operating performance, economic conditions, market conditions, and cost of capital. Inherent in estimating the future cash flows are uncertainties beyond our control, such as changes in capital markets. The actual cash flows could differ materially from management's estimates due to changes in business conditions, operating performance, and economic conditions.

As of July 30, 2017, the carrying value of goodwill was $2.115 billion, of which $75 million related to the Bolthouse Farms carrot and carrot ingredients reporting unit and $52 million related to the Garden Fresh Gourmet reporting unit, each of which approximates fair value as a result of the impairment charges in 2017. Goodwill related to the Bolthouse Farms refrigerated beverages and salad dressings reporting unit was $384 million as of July 30, 2017. For the reporting units which comprised substantially all of the remaining goodwill, the estimated fair value of each reporting unit exceeded the carrying value by at least 30% as of the 2017 measurement. Excluding the Bolthouse Farms carrot and carrot ingredients reporting unit, the Bolthouse Farms refrigerated beverages and salad dressings reporting unit, and the Garden Fresh Gourmet reporting unit, holding all other assumptions used in the 2017 fair value measurement constant, a 1% increase in the weighted-average cost of capital assumption for our other reporting units would not result in any material impairment.

Holding all other assumptions used in the 2017 fair value measurement constant, changes in the assumptions below would reduce fair value of the three reporting units and result in impairment charges of approximately:

(Millions)	Bolthouse Farms Carrot and Carrot Ingredients	Bolthouse Farms Refrigerated Beverages and Salad Dressings	Garden Fresh Gourmet
1% increase in the weighted-average cost of capital	$ (50)	$ (110)	$ (25)
1% reduction in revenue growth	$ (25)	$ (30)	$ (10)
1% reduction in EBITDA* margin	$ (40)	$ (20)	$ (5)

* Earnings before interest, taxes, depreciation and amortization.

If assumptions are not achieved or market conditions decline, potential additional impairment charges could result.

As of July 30, 2017, the carrying value of indefinite-lived trademarks was $912 million, of which $48 million related to the Bolthouse Farms carrot and carrot ingredients reporting unit, $280 million related to the Bolthouse Farms refrigerated beverages and salad dressings reporting unit, and $37 million related to the Garden Fresh Gourmet reporting unit. Holding all other assumptions used in the 2017 fair value measurement constant, changes in the weighted-average cost of capital assumption would reduce fair value of the trademarks and result in impairment charges of approximately:

(Millions)	Bolthouse Farms Carrot and Carrot Ingredients	Bolthouse Farms Refrigerated Beverages and Salad Dressings	Garden Fresh Gourmet
1% increase in the weighted-average cost of capital	$ (5)	$ (30)	$ (5)

Holding all other assumptions used in the 2017 fair value measurement constant, a 1% reduction in the revenue growth assumption would not result in any material impairment on these trademarks.

The carrying value of the *Pace* trademark was $292 million as of July 30, 2017, and the estimated fair value exceeded the carrying value by less than 10%. Holding all other assumptions used in the 2017 fair value measurement of the *Pace* trademark constant, a 1% increase in the weighted-average cost of capital assumption would result in an impairment charge of approximately $30 million, and a 1% reduction in the revenue growth assumption would result in an impairment charge of approximately $10 million.

For all of our other trademarks, holding all other assumptions used in the 2017 fair value measurement constant, neither a 1% increase in the weighted-average cost of capital assumption nor a 1% reduction in the revenue growth assumption would result in any material impairment.

If assumptions are not achieved or market conditions decline, potential additional impairment charges could result.

See also Note 5 to the Consolidated Financial Statements for additional information on goodwill and intangible assets.

Pension and postretirement benefits — We provide certain pension and postretirement benefits to employees and retirees. Determining the cost associated with such benefits is dependent on various actuarial assumptions, including discount rates, expected return on plan assets, compensation increases, turnover rates and health care trend rates. Independent actuaries, in accordance with accounting principles generally accepted in the United States, perform the required calculations to determine expense.

The discount rate is established as of our fiscal year-end measurement date. In establishing the discount rate, we review published market indices of high-quality debt securities, adjusted as appropriate for duration. In addition, independent actuaries apply high-quality bond yield curves to the expected benefit payments of the plans. Beginning in 2018, we will change the method we use to estimate the service and interest cost components of the net periodic benefit expense. We will use a full yield curve approach to estimate service cost and interest cost by applying the specific spot rates along the yield curve used to determine the benefit obligation of the relevant projected cash flows. Previously, we estimated service cost and interest cost using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. We are making this change to provide a more precise measurement of service cost and interest cost by improving the correlation between projected benefit cash flows and the corresponding spot yield curve rates. This change will not affect the measurement of our benefit obligations. We will account for this change prospectively in 2018 as a change in accounting estimate.

The expected return on plan assets is a long-term assumption based upon historical experience and expected future performance, considering our current and projected investment mix. This estimate is based on an estimate of future inflation, long-term projected real returns for each asset class, and a premium for active management. Within any given fiscal period, significant differences may arise between the actual return and the expected return on plan assets. Gains and losses resulting from differences between actual experience and the assumptions are determined at each measurement date.

Net periodic pension and postretirement expense (income) was $(258) million in 2017, $317 million in 2016 and $125 million in 2015.

Significant weighted-average assumptions as of the end of the year were as follows:

	2017	**2016**	**2015**
Pension			
Discount rate for benefit obligations	**3.74%**	3.39%	4.19%
Expected return on plan assets	**6.84%**	7.09%	7.35%
Postretirement			
Discount rate for obligations	**3.45%**	3.20%	4.00%
Initial health care trend rate	**7.25%**	7.25%	7.75%
Ultimate health care trend rate	**4.50%**	4.50%	4.50%

Estimated sensitivities to annual net periodic pension cost are as follows: a 50-basis-point decline in the discount rate would decrease expense by approximately $7 million and would result in an immediate loss recognition of approximately $135 million. A 50-basis-point reduction in the estimated return on assets assumption would increase expense by approximately $11 million. A one-percentage-point increase in assumed health care costs would have no impact on postretirement service and interest cost and would result in an immediate loss recognition of $3 million.

No contributions were made to U.S. pension plans in 2017, 2016 and 2015. Contributions to non-U.S. plans were $5 million in 2017, $2 million in 2016 and $5 million in 2015. We do not expect to contribute to the U.S. pension plans in 2018. Contributions to non-U.S. plans are expected to be approximately $5 million in 2018.

See also Note 10 to the Consolidated Financial Statements for additional information on pension and postretirement benefits.

Income taxes — The effective tax rate reflects statutory tax rates, tax planning opportunities available in the various jurisdictions in which we operate and management's estimate of the ultimate outcome of various tax audits and issues. Significant judgment is required in determining the effective tax rate and in evaluating tax positions. Income taxes are recorded based on amounts refundable or payable in the current year and include the effect of deferred taxes. Deferred tax assets and liabilities are recognized for the future impact of differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. Valuation allowances are established for deferred tax assets when it is more likely than not that a tax benefit will not be realized.

See also Notes 1 and 11 to the Consolidated Financial Statements for further discussion on income taxes.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 to the Consolidated Financial Statements for information on recent accounting pronouncements.

CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

This Report contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current expectations regarding our future results of operations, economic performance, financial condition and achievements. These forward-looking statements can be identified by words such as "anticipate," "believe," "estimate," "expect," "will," "goal," and similar expressions. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements reflect our current plans and expectations and are based on information currently available to us. They rely on several assumptions regarding future events and estimates which could be inaccurate and which are inherently subject to risks and uncertainties.

We wish to caution the reader that the following important factors and those important factors described in Part 1, Item 1A and elsewhere in this Report, or in our other Securities and Exchange Commission filings, could affect our actual results and could cause such results to vary materially from those expressed in any forward-looking statements made by, or on behalf of, us:

- changes in consumer demand for our products and favorable perception of our brands;
- the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies;
- the impact of strong competitive response to our efforts to leverage our brand power with product innovation, promotional programs and new advertising;
- changing inventory management practices by certain of our key customers;
- a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of our key customers continue to increase their significance to our business;
- our ability to realize projected cost savings and benefits from our efficiency and/or restructuring initiatives;
- our ability to manage changes to our organizational structure and/or business processes, including our selling, distribution, manufacturing and information management systems or processes;
- product quality and safety issues, including recalls and product liabilities;
- the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes;
- disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost;
- the uncertainties of litigation and regulatory actions against us;
- the possible disruption to the independent contractor distribution models used by certain of our businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification;
- the impact of non-U.S. operations, including export and import restrictions, public corruption and compliance with foreign laws and regulations;
- impairment to goodwill or other intangible assets;
- our ability to protect our intellectual property rights;
- increased liabilities and costs related to our defined benefit pension plans;
- a material failure in or breach of our information technology systems;
- our ability to attract and retain key talent;
- changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; and
- unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters or other calamities.

This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact our outlook. We disclaim any obligation or intent to update forward-looking statements made by us in order to reflect new information, events or circumstances after the date they are made.

Item 7A. ***Quantitative and Qualitative Disclosure About Market Risk***

The information presented in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Sensitivity" is incorporated herein by reference.

Item 8. ***Financial Statements and Supplementary Data***

CAMPBELL SOUP COMPANY
Consolidated Statements of Earnings
(millions, except per share amounts)

	2017	2016	2015
Net sales	**$ 7,890**	$ 7,961	$ 8,082
Costs and expenses			
Cost of products sold	**4,831**	5,181	5,300
Marketing and selling expenses	**817**	893	884
Administrative expenses	**488**	641	601
Research and development expenses	**98**	124	117
Other expenses / (income)	**238**	131	24
Restructuring charges	**18**	31	102
Total costs and expenses	**6,490**	7,001	7,028
Earnings before interest and taxes	**1,400**	960	1,054
Interest expense	**112**	115	108
Interest income	**5**	4	3
Earnings before taxes	**1,293**	849	949
Taxes on earnings	**406**	286	283
Net earnings	**887**	563	666
Less: Net earnings (loss) attributable to noncontrolling interests	**—**	—	—
Net earnings attributable to Campbell Soup Company	**$ 887**	$ 563	$ 666
Per Share — Basic			
Net earnings attributable to Campbell Soup Company	**$ 2.91**	$ 1.82	$ 2.13
Weighted average shares outstanding — basic	**305**	309	312
Per Share — Assuming Dilution			
Net earnings attributable to Campbell Soup Company	**$ 2.89**	$ 1.81	$ 2.13
Weighted average shares outstanding — assuming dilution	**307**	311	313

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Comprehensive Income
(millions)

	2017			2016			2015		
	Pre-tax amount	**Tax (expense) benefit**	**After-tax amount**	**Pre-tax amount**	**Tax (expense) benefit**	**After-tax amount**	**Pre-tax amount**	**Tax (expense) benefit**	**After-tax amount**
Net earnings			**$ 887**			$ 563			$ 666
Other comprehensive income (loss):									
Foreign currency translation:									
Foreign currency translation adjustments	**$ 40**	**$ —**	**40**	$ 45	$ —	45	$ (312)	$ 1	(311)
Cash-flow hedges:									
Unrealized gains (losses) arising during period	**19**	**(7)**	**12**	(45)	16	(29)	(5)	3	(2)
Reclassification adjustment for (gains) losses included in net earnings	**11**	**(4)**	**7**	(9)	2	(7)	(1)	1	—
Pension and other postretirement benefits:									
Prior service credit arising during the period	**12**	**(4)**	**8**	93	(34)	59	—	—	—
Reclassification of prior service credit included in net earnings	**(25)**	**9**	**(16)**	(1)	—	(1)	(2)	1	(1)
Other comprehensive income (loss)	**$ 57**	**$ (6)**	**51**	$ 83	$ (16)	67	$ (320)	$ 6	(314)
Total comprehensive income (loss)			**$ 938**			$ 630			$ 352
Total comprehensive income (loss) attributable to noncontrolling interests			**—**			3			(1)
Total comprehensive income (loss) attributable to Campbell Soup Company			**$ 938**			$ 627			$ 353

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Balance Sheets
(millions, except per share amounts)

	July 30, 2017	July 31, 2016
Current assets		
Cash and cash equivalents	$ 319	$ 296
Accounts receivable, net	605	626
Inventories	902	940
Other current assets	74	46
Total current assets	1,900	1,908
Plant assets, net of depreciation	2,454	2,407
Goodwill	2,115	2,263
Other intangible assets, net of amortization	1,118	1,152
Other assets ($51 as of 2017 and $34 as of 2016 attributable to variable interest entity)	139	107
Total assets	$ 7,726	$ 7,837
Current liabilities		
Short-term borrowings	$ 1,037	$ 1,219
Payable to suppliers and others	666	610
Accrued liabilities	561	604
Dividends payable	111	100
Accrued income taxes	20	22
Total current liabilities	2,395	2,555
Long-term debt	2,499	2,314
Deferred taxes	490	396
Other liabilities	697	1,039
Total liabilities	6,081	6,304
Commitments and contingencies		
Campbell Soup Company shareholders' equity		
Preferred stock; authorized 40 shares; none issued	—	—
Capital stock, $.0375 par value; authorized 560 shares; issued 323 shares	12	12
Additional paid-in capital	359	354
Earnings retained in the business	2,385	1,927
Capital stock in treasury, at cost	(1,066)	(664)
Accumulated other comprehensive loss	(53)	(104)
Total Campbell Soup Company shareholders' equity	1,637	1,525
Noncontrolling interests	8	8
Total equity	1,645	1,533
Total liabilities and equity	$ 7,726	$ 7,837

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Cash Flows
(millions)

	2017	2016	2015
Cash flows from operating activities:			
Net earnings	**$ 887**	$ 563	$ 666
Adjustments to reconcile net earnings to operating cash flow			
Impairment charges	**212**	141	6
Restructuring charges	**18**	31	102
Stock-based compensation	**60**	64	57
Pension and postretirement benefit expense (income)	**(258)**	317	118
Depreciation and amortization	**318**	308	303
Deferred income taxes	**93**	(30)	(49)
Other, net	**18**	6	15
Changes in working capital, net of acquisitions			
Accounts receivable	**28**	24	12
Inventories	**46**	59	(18)
Prepaid assets	**(27)**	9	10
Accounts payable and accrued liabilities	**(48)**	15	30
Pension fund contributions	**(5)**	(2)	(5)
Net receipts from hedging activities	**2**	44	11
Other	**(53)**	(58)	(52)
Net cash provided by operating activities	**1,291**	1,491	1,206
Cash flows from investing activities:			
Purchases of plant assets	**(338)**	(341)	(380)
Sales of plant assets	**—**	5	15
Business acquired, net of cash acquired	**—**	—	(232)
Other, net	**(30)**	(18)	(6)
Net cash used in investing activities	**(368)**	(354)	(603)
Cash flows from financing activities:			
Net short-term borrowings (repayments)	**245**	(762)	100
Long-term borrowings	**211**	215	300
Long-term repayments	**(90)**	—	—
Repayments of notes payable	**(400)**	—	(309)
Dividends paid	**(420)**	(390)	(394)
Treasury stock purchases	**(437)**	(143)	(244)
Treasury stock issuances	**2**	2	9
Contributions from noncontrolling interest	**—**	—	9
Payments related to tax withholding for stock-based compensation	**(22)**	(21)	(18)
Other, net	**—**	—	(3)
Net cash used in financing activities	**(911)**	(1,099)	(550)
Effect of exchange rate changes on cash	**11**	5	(32)
Net change in cash and cash equivalents	**23**	43	21
Cash and cash equivalents — beginning of period	**296**	253	232
Cash and cash equivalents — end of period	**$ 319**	$ 296	$ 253

See accompanying Notes to Consolidated Financial Statements.

CAMPBELL SOUP COMPANY
Consolidated Statements of Equity
(millions, except per share amounts)

	Campbell Soup Company Shareholders' Equity								
	Capital Stock								
	Issued		In Treasury						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Earnings Retained in the Business	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balance at August 3, 2014	323	$ 12	(10)	$ (356)	$ 330	$ 1,483	$ 145	$ (12)	$ 1,602
Contribution from noncontrolling interest								9	9
Net earnings (loss)						666		—	666
Other comprehensive income (loss)							(313)	(1)	(314)
Dividends ($1.248 per share)						(395)			(395)
Treasury stock purchased			(5)	(244)					(244)
Treasury stock issued under management incentive and stock option plans			2	44	9				53
Balance at August 2, 2015	323	12	(13)	(556)	339	1,754	(168)	(4)	1,377
Contribution from noncontrolling interest								9	9
Net earnings (loss)						563		—	563
Other comprehensive income (loss)							64	3	67
Dividends ($1.248 per share)						(390)			(390)
Treasury stock purchased			(3)	(143)					(143)
Treasury stock issued under management incentive and stock option plans			1	35	15				50
Balance at July 31, 2016	323	12	(15)	(664)	354	1,927	(104)	8	1,533
Net earnings (loss)						**887**		**—**	**887**
Other comprehensive income (loss)							**51**	**—**	**51**
Dividends ($1.40 per share)						**(429)**			**(429)**
Treasury stock purchased			**(8)**	**(437)**					**(437)**
Treasury stock issued under management incentive and stock option plans			**1**	**35**	**5**				**40**
Balance at July 30, 2017	**323**	**$ 12**	**(22)**	**$ (1,066)**	**$ 359**	**$ 2,385**	**$ (53)**	**$ 8**	**$ 1,645**

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements
(currency in millions, except per share amounts)

1. Summary of Significant Accounting Policies

In this Report, unless otherwise stated, the terms "we," "us," "our" and the "company" refer to Campbell Soup Company and its consolidated subsidiaries.

We are a manufacturer and marketer of high-quality, branded food and beverage products.

Basis of Presentation — The consolidated financial statements include our accounts and entities in which we maintain a controlling financial interest and a variable interest entity (VIE) for which we are the primary beneficiary. Intercompany transactions are eliminated in consolidation. Certain amounts in prior-year financial statements were reclassified to conform to the current-year presentation. See Note 2. Our fiscal year ends on the Sunday nearest July 31. There were 52 weeks in 2017, 2016, and 2015.

Use of Estimates — Generally accepted accounting principles require management to make estimates and assumptions that affect assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Revenue Recognition — Revenues are recognized when the earnings process is complete. This occurs when products are shipped in accordance with terms of agreements, title and risk of loss transfer to customers, collection is probable and pricing is fixed or determinable. Revenues are recognized net of provisions for returns, discounts and allowances. Certain sales promotion expenses, such as feature price discounts, in-store display incentives, cooperative advertising programs, new product introduction fees and coupon redemption costs, are classified as a reduction of sales. The recognition of costs for promotion programs involves the use of judgment related to performance and redemption estimates. Estimates are made based on historical experience and other factors. Costs are recognized either upon sale or when the incentive is offered, based on the program. Revenues are presented on a net basis for arrangements under which suppliers perform certain additional services.

Cash and Cash Equivalents — All highly liquid debt instruments purchased with a maturity of three months or less are classified as cash equivalents.

Inventories — All inventories are valued at the lower of average cost or net realizable value.

Property, Plant and Equipment — Property, plant and equipment are recorded at historical cost and are depreciated over estimated useful lives using the straight-line method. Buildings and machinery and equipment are depreciated over periods not exceeding 45 years and 20 years, respectively. Assets are evaluated for impairment when conditions indicate that the carrying value may not be recoverable. Such conditions include significant adverse changes in business climate or a plan of disposal. Repairs and maintenance are charged to expense as incurred.

Goodwill and Intangible Assets — Goodwill and intangible assets deemed to have indefinite lives are not amortized but rather are tested at least annually for impairment, or when circumstances indicate that the carrying amount of the asset may not be recoverable. Goodwill is tested for impairment at the reporting unit level. A reporting unit is an operating segment or a component of an operating segment. Goodwill is tested for impairment by either performing a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. We may elect not to perform the qualitative assessment for some or all reporting units and perform a quantitative impairment test. Fair value is determined based on discounted cash flow analyses. The discounted estimates of future cash flows include significant management assumptions such as revenue growth rates, operating margins, weighted average cost of capital, and future economic and market conditions. If the carrying value of the reporting unit exceeds fair value, goodwill is considered impaired. In January 2017, the Financial Accounting Standards Board (FASB) issued revised guidance that simplifies the test for goodwill impairment, effective for fiscal years beginning after December 15, 2019, with early adoption permitted. Under the revised guidance, if a reporting unit's carrying value exceeds its fair value, an impairment charge will be recorded to reduce the reporting unit to fair value. Prior to the revised guidance, the amount of the impairment was the difference between the carrying value of the goodwill and the "implied" fair value, which was calculated as if the reporting unit had just been acquired and accounted for as a business combination.

Indefinite-lived intangible assets are tested for impairment by comparing the fair value of the asset to the carrying value. Fair value is determined based on discounted cash flow analyses that include significant management assumptions such as revenue growth rates, weighted average cost of capital, and assumed royalty rates. If the carrying value exceeds fair value, an impairment charge will be recorded to reduce the asset to fair value.

See Note 5 for information on intangible assets and impairment charges.

Derivative Financial Instruments — We use derivative financial instruments primarily for purposes of hedging exposures to fluctuations in foreign currency exchange rates, interest rates, commodities and equity-linked employee benefit obligations. We enter into these derivative contracts for periods consistent with the related underlying exposures, and the contracts do not constitute positions independent of those exposures. We do not enter into derivative contracts for speculative purposes and do not use leveraged instruments. Our derivative programs include strategies that qualify and strategies that do not qualify for hedge accounting treatment. To qualify for hedge accounting, the hedging relationship, both at inception of the hedge and on an ongoing basis, is expected to be highly effective in achieving offsetting changes in the fair value of the hedged risk during the period that the hedge is designated.

All derivatives are recognized on the balance sheet at fair value. For derivatives that qualify for hedge accounting, on the date the derivative contract is entered into, we designate the derivative as a hedge of the fair value of a recognized asset or liability or a firm commitment (fair-value hedge), a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (cash-flow hedge), or a hedge of a net investment in a foreign operation. Some derivatives may also be considered natural hedging instruments (changes in fair value act as economic offsets to changes in fair value of the underlying hedged item) and are not designated for hedge accounting.

Changes in the fair value of a fair-value hedge, along with the gain or loss on the underlying hedged asset or liability (including losses or gains on firm commitments), are recorded in current-period earnings. The effective portion of gains and losses on cash-flow hedges are recorded in other comprehensive income (loss), until earnings are affected by the variability of cash flows. If the hedge is no longer effective, all changes in the fair value of the derivative are included in earnings each period until the instrument matures. If a derivative is used as a hedge of a net investment in a foreign operation, its changes in fair value, to the extent effective as a hedge, are recorded in other comprehensive income (loss). Any ineffective portion of designated hedges is recognized in current-period earnings. Changes in the fair value of derivatives that are not designated for hedge accounting are recognized in current-period earnings.

Cash flows from derivative contracts are included in Net cash provided by operating activities.

Advertising Production Costs — Advertising production costs are expensed in the period that the advertisement first takes place or when a decision is made not to use an advertisement.

Research and Development Costs — The costs of research and development are expensed as incurred. Costs include expenditures for new product and manufacturing process innovation, and improvements to existing products and processes. Costs primarily consist of salaries, wages, consulting, and depreciation and maintenance of research facilities and equipment.

Income Taxes — Deferred tax assets and liabilities are recognized for the future impact of differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Changes in Accounting Policy — In the first quarter of 2016, we elected to change our 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 our Consolidated Statements of Earnings as of the measurement date, which is our fiscal year end, or more frequently if an interim remeasurement is required. In addition, we 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. We believe the new policies will provide greater transparency to ongoing operating results and better reflect the impact of current market conditions on the obligations and assets. Results have been adjusted retrospectively to reflect these revisions.

2. Recent Accounting Pronouncements

In May 2014, the FASB issued revised guidance on the recognition of revenue from contracts with customers. The guidance is designed to create greater comparability for financial statement users across industries and jurisdictions. The guidance also requires enhanced disclosures. The guidance was originally effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. In July 2015, the FASB decided to delay the effective date of the new revenue guidance by one year to fiscal years, and interim periods within those years, beginning after December 15, 2017. Entities will be permitted to adopt the new revenue standard early, but not before the original effective date. The guidance permits the use of either a full retrospective or modified retrospective transition method. We are currently performing a diagnostic review of our arrangements with customers across our significant businesses, including our practices of offering rebates, refunds, discounts and other price allowances, and trade and consumer promotion programs. We are evaluating our methods of estimating the amount and timing of these various forms of variable consideration. We are continuing to evaluate the impact that the new guidance will have on our consolidated financial statements, as well as which transition method we will use. We will adopt the new guidance in 2019.

In April 2015, the FASB issued guidance to clarify the accounting for fees paid by a customer in a cloud computing arrangement. The guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those years. Early adoption is permitted. The new guidance should be applied either prospectively to all arrangements entered into or materially modified after the effective date or retrospectively. In 2017, we prospectively adopted the guidance. The adoption did not have a material impact on our consolidated financial statements.

In January 2016, the FASB issued guidance that amends the recognition and measurement of financial instruments. The changes primarily affect the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. Under the new guidance, equity investments in unconsolidated entities that are not accounted for under the equity method will generally be measured at fair value through earnings. When the fair value option has been elected for financial liabilities, changes in fair value due to instrument-specific credit risk will be recognized separately in other comprehensive income. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In February 2016, the FASB issued guidance that amends accounting for leases. Under the new guidance, a lessee will recognize assets and liabilities for most leases but will recognize expenses similar to current lease accounting. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. The new guidance must be adopted using a modified retrospective transition, and provides for certain practical expedients. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In March 2016, the FASB issued guidance that amends accounting for share-based payments, including the accounting for income taxes, forfeitures, and statutory withholding requirements, as well as classification in the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2016, and interim periods within those years. Early adoption is permitted. We adopted the guidance in 2017. In accordance with the prospective adoption of the recognition of excess tax benefits and deficiencies in the Consolidated Statements of Earnings, we recognized a $6 tax benefit in Taxes on earnings in 2017. We elected to continue to estimate forfeitures expected to occur. In addition, we elected to adopt retrospectively the amendment to present excess tax benefits on share-based compensation as an operating activity, which resulted in a reclassification of $7 and $6 from Net cash used in financing activities to Net cash provided by operating activities in the Consolidated Statements of Cash Flows for 2016, and 2015, respectively. We also adopted retrospectively the amendment to present cash payments to tax authorities in connection with shares withheld to meet statutory tax withholding requirements as a financing activity. As a result, there was a reclassification of $21 and $18 from Net cash provided by operating activities to Net cash used in financing activities in the Consolidated Statements of Cash Flows for 2016, and 2015, respectively.

In August 2016, the FASB issued guidance on the classification of certain cash receipts and payments in the statement of cash flows. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted. The guidance must be applied retrospectively to all periods presented but may be applied prospectively if retrospective application would be impracticable. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In October 2016, the FASB issued guidance on tax accounting for intra-entity asset transfers. Under current guidance, the tax effects of intra-entity asset transfers (intercompany sales) are deferred until the transferred asset is sold to a third party or otherwise recognized. The new guidance requires companies to account for the income tax effects on intercompany transfers of assets other than inventory when the transfer occurs. The new guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted in the first interim period of a fiscal year. The modified retrospective approach is required upon adoption, with a cumulative-effect adjustment recorded in retained earnings as of the beginning of the period of adoption. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In January 2017, the FASB issued guidance that revises the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this threshold is met, the set of transferred assets and activities is not a business. If it is not met, the entity then evaluates whether the set meets the requirement that a business include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted. We will prospectively apply the guidance to applicable transactions.

In January 2017, the FASB issued guidance that simplifies the test for goodwill impairment. Under the revised guidance, if a reporting unit's carrying amount exceeds its fair value, an entity will record an impairment charge to reduce the reporting unit to fair value. The impairment charge will be limited to the amount of goodwill allocated to that reporting unit. The revised guidance eliminates the current requirement to determine the fair value of individual assets and liabilities of a reporting unit to measure the goodwill impairment. The guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those years. Early adoption is permitted. We elected to early adopt the guidance in the fourth quarter 2017. The adoption did not have an impact on our consolidated financial statements.

In March 2017, the FASB issued guidance that improves the presentation of net periodic pension cost and net periodic postretirement benefit cost. Under the revised guidance, the service cost component of benefit cost is classified in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost (such as interest expense, return on assets, amortization of prior service credit, actuarial gains and losses, settlements and curtailments) are required to be presented in the income statement separately from the service cost component. The guidance also allows only the service cost component to be eligible for capitalization when applicable (for example, as a cost of internally manufactured inventory). The guidance should be applied retrospectively for the presentation of the service cost component and the other components of benefit cost in the income statement, and applied prospectively on and after the effective date for the capitalization of the service cost component. The guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted. We plan to adopt the new guidance in the first quarter of 2018. If net periodic benefit cost was presented in accordance with the new guidance, the estimated impact on classification of expense is as follows:

Increase / (decrease) in expense	**2017**	**2016**	**2015**
Cost of products sold	**$ 134**	$ (148)	$ (42)
Marketing and selling expenses	**$ 38**	$ (41)	$ (12)
Administrative expenses	**$ 62**	$ (66)	$ (21)
Research and development expenses	**$ 13**	$ (19)	$ (8)
Other expenses / (income)	**$ (247)**	$ 274	$ 83

In May 2017, the FASB issued guidance that clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. Under the new guidance, modification accounting is required only if the value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The guidance is effective prospectively for fiscal years beginning after December 15, 2017. Early adoption is permitted. We will apply the guidance in evaluating future changes to terms or conditions of share-based payment awards.

In August 2017, the FASB issued guidance that amends hedge accounting. Under the new guidance, more hedging strategies will be eligible for hedge accounting and the application of hedge accounting is simplified. The new guidance amends presentation and disclosure requirements, and how effectiveness is assessed. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those years. Early adoption is permitted. We are currently evaluating the impact that the new guidance will have on our consolidated financial statements.

3. Acquisitions

On July 6, 2017, we entered into an agreement to acquire Pacific Foods of Oregon, Inc. (Pacific Foods) for $700, subject to customary purchase price adjustments related to the amount of Pacific Foods' cash, debt, working capital and transaction expenses. The closing of the transaction is subject to customary closing conditions and termination rights. The agreement provides that if we fail to close the transaction when all conditions to closing have been satisfied or if we are in breach of the agreement, we will be required to pay Pacific Foods a $50 termination fee. On August 21, 2017, the estate of a former Pacific Foods shareholder, Edward C. Lynch, filed a lawsuit against Pacific Foods and certain of its directors, among others, seeking in excess of $250 in damages. Because of the impediment that the lawsuit creates to closing, on September 27, 2017, we noticed Pacific Foods that it has 60 days under the terms of the agreement to resolve the issues arising from the suit if the transaction is to close. After the 60-day period, we may in our sole discretion extend the cure period or terminate the agreement. We do not believe a termination of the agreement under these circumstances will result in any termination fee payable by us.

On June 29, 2015, we completed the acquisition of the assets of Garden Fresh Gourmet for $232. Garden Fresh Gourmet is a provider of refrigerated salsa, hummus, dips and tortilla chips.

The contribution of the Garden Fresh Gourmet acquisition to Net sales and Net earnings from June 29, 2015, through August 2, 2015 was not material.

The following unaudited summary information is presented on a consolidated pro forma basis as if the Garden Fresh Gourmet acquisition had occurred on July 29, 2013:

	2015
Net sales	$ 8,174
Net earnings attributable to Campbell Soup Company	$ 668
Net earnings per share attributable to Campbell Soup Company - assuming dilution	$ 2.13

The pro forma amounts include additional interest expense on the debt issued to finance the purchase, amortization and depreciation expense based on the estimated fair value and useful lives of intangible assets and plant assets, and related tax effects. The pro forma results are not necessarily indicative of the combined results had the Garden Fresh Gourmet acquisition been completed on July 29, 2013, nor are they indicative of future combined results.

4. Accumulated Other Comprehensive Income (Loss)

The components of Accumulated other comprehensive income (loss) consisted of the following:

	Foreign Currency Translation Adjustments[1]	Gains (Losses) on Cash Flow Hedges[2]	Pension and Postretirement Benefit Plan Adjustments[3]	Total Accumulated Comprehensive Income (Loss)
Balance at August 3, 2014	$ 144	$ (3)	$ 4	$ 145
Other comprehensive income (loss) before reclassifications	(310)	(2)	—	(312)
Amounts reclassified from accumulated other comprehensive income (loss)	—	—	(1)	(1)
Net current-period other comprehensive income (loss)	(310)	(2)	(1)	(313)
Balance at August 2, 2015	$ (166)	$ (5)	$ 3	$ (168)
Other comprehensive income (loss) before reclassifications	42	(29)	59	72
Amounts reclassified from accumulated other comprehensive income (loss)	—	(7)	(1)	(8)
Net current-period other comprehensive income (loss)	42	(36)	58	64
Balance at July 31, 2016	$ (124)	$ (41)	$ 61	$ (104)
Other comprehensive income (loss) before reclassifications	**40**	**12**	**8**	60
Amounts reclassified from accumulated other comprehensive income (loss)	**—**	**7**	**(16)**	**(9)**
Net current-period other comprehensive income (loss)	**40**	**19**	**(8)**	**51**
Balance at July 30, 2017	**$ (84)**	**$ (22)**	**$ 53**	**$ (53)**

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(1) Included a tax expense of $6 as of July 30, 2017, July 31, 2016, and August 2, 2015, and $7 as of August 3, 2014.
(2) Included a tax benefit of $12 as of July 30, 2017, $23 as of July 31, 2016, $5 as of August 2, 2015, and $1 as of August 3, 2014.
(3) Included a tax expense of $30 as of July 30, 2017, $35 as of July 31, 2016, $1 as of August 2, 2015, and $2 as of August 3, 2014.

Amounts related to noncontrolling interests were not material.

The amounts reclassified from Accumulated other comprehensive income (loss) consisted of the following:

Details about Accumulated Other Comprehensive Income (Loss) Components	2017	2016	2015	Location of (Gain) Loss Recognized in Earnings
(Gains) losses on cash flow hedges:				
Foreign exchange forward contracts	**$ 6**	$ (11)	$ (4)	Cost of products sold
Foreign exchange forward contracts	**1**	(2)	(1)	Other expenses / (income)
Forward starting interest rate swaps	**4**	4	4	Interest expense
Total before tax	**11**	(9)	(1)	
Tax expense (benefit)	**(4)**	2	1	
(Gain) loss, net of tax	**$ 7**	$ (7)	$ —	
Pension and postretirement benefit adjustments:				
Prior service credit	**$ (25)**	$ (1)	$ (2)	(1)
Tax expense (benefit)	**9**	—	1	
(Gain) loss, net of tax	**$ (16)**	$ (1)	$ (1)	

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(1) This is included in the components of net periodic benefit costs (see Note 10 for additional details).

5. Goodwill and Intangible Assets

Goodwill

The following table shows the changes in the carrying amount of goodwill by business segment:

	Americas Simple Meals and Beverages	Global Biscuits and Snacks	Campbell Fresh	Total
Balance at August 2, 2015	$ 775	$ 732	$ 837	$ 2,344
Impairment charges	—	—	(106)	(106)
Foreign currency translation adjustment	—	25	—	25
Net balance at July 31, 2016[1]	$ 775	$ 757	$ 731	$ 2,263
Impairment charges	**—**	**—**	**(191)**	**(191)**
Foreign currency translation adjustment	**5**	**38**	**—**	**43**
Net balance at July 30, 2017[1]	**$ 780**	**$ 795**	**$ 540**	**$ 2,115**

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(1) The balance of goodwill is reflected net of accumulated impairment charges of $297 as of July 30, 2017 and $106 as of July 31, 2016, respectively.

In the fourth quarter of 2016, as part of our annual review of intangible assets, an impairment charge of $106 was recorded on goodwill for the Bolthouse Farms carrot and carrot ingredients reporting unit within the Campbell Fresh segment. In 2016, carrot performance primarily reflected the adverse impact of weather conditions on crop yields, and execution issues in response to those conditions, which led to customer dissatisfaction, a loss of business, and higher carrot costs in the second half of the year. The impairment was attributable to a decline in profitability in the second half of 2016 and a revised outlook for the business, with reduced expectations for sales, operating margins, and discounted cash flows.

During the second quarter of 2017, sales and operating profit performance for the Bolthouse Farms carrot and carrot ingredients reporting unit were well below our revised expectations due to difficulty with regaining market share lost during 2016 and higher carrot costs from the adverse impact of heavy rains on crop yields. During the quarter, we also lowered our forecast for sales and earnings for the reporting unit for the second half of 2017 based on revised market share recovery expectations and the continuing effect of unusual weather conditions on carrot costs. In addition, as part of a strategic review initiated by a new leadership team of Campbell Fresh during the second quarter, we decided to reduce emphasis on growing sales of carrot ingredients, which are a by-product of the manufacturing process, and to manage carrots sold at retail for modest sales growth consistent with the category while improving profitability. Accordingly, we reduced our expectations for recovery of retail carrot market share. As a consequence of current-year performance and the strategic review, we lowered our sales outlook for future fiscal years. We also lowered our average margin expectations due in part to cost volatility, which has been higher than expected. Based upon the business performance in the second quarter of 2017, our reduced near-term outlook, and reduced expectations for sales, operating margins and discounted cash flows, we performed an interim goodwill impairment assessment as of December 31, 2016, which resulted in a $127 impairment charge to reduce the carrying amount to $75. The updated cash flow projections include expectations that operating margins will improve from reduced levels in 2016 and 2017.

Garden Fresh Gourmet was acquired in June 2015 and is a reporting unit within the Campbell Fresh segment. During 2017, sales and operating profit performance for Garden Fresh Gourmet were well below expectations, and we lowered our outlook for the second half of 2017 due to customer losses and failure to meet product distribution goals. We expected to expand distribution of salsa beyond our concentration in the Midwest region, however this proved to be challenging as differentiated recipes are required to meet taste profiles in other parts of the country. In addition, as part of a strategic review initiated by a new leadership team of Campbell Fresh during the second quarter, we lowered our distribution and category growth expectations and, therefore, future sales outlook. Based upon the business performance in 2017, our reduced near-term outlook, and reduced expectations for sales, operating margins and discounted cash flows, we performed an interim goodwill impairment assessment on this reporting unit as of December 31, 2016, which resulted in a $64 impairment charge to reduce the carrying amount to $52. The updated cash flow projections include expectations that we will build distribution in the U.S., operating margins will expand partly driven by the benefits from further integration, and sales growth rates will exceed the company's overall sales growth rates.

The impairment charges were recorded in Other expenses / (income) in the Consolidated Statements of Earnings.

Intangible Assets

The following table sets forth balance sheet information for intangible assets, excluding goodwill, subject to amortization and intangible assets not subject to amortization:

Intangible Assets	2017	2016
Amortizable intangible assets		
Customer relationships	**$ 223**	$ 222
Technology	**40**	40
Other	**35**	35
Total gross amortizable intangible assets	**$ 298**	$ 297
Accumulated amortization	**(92)**	(72)
Total net amortizable intangible assets	**$ 206**	$ 225
Non-amortizable intangible assets		
Trademarks	**912**	927
Total net intangible assets	**$ 1,118**	$ 1,152

Non-amortizable intangible assets consist of trademarks, which include *Bolthouse Farms, Pace*, *Plum, Kjeldsens, Garden Fresh Gourmet* and *Royal Dansk*. Other amortizable intangible assets consist of recipes, patents, trademarks and distributor relationships.

Amortization of intangible assets was $19 for 2017, $20 for 2016 and $17 for 2015. Amortization expense for the next 5 years is estimated to be $16 in 2018 and 2019, and $15 in 2020 through 2022. Asset useful lives range from 5 to 20 years.

In the fourth quarter of 2016, as part of our annual review of intangible assets, an impairment charge of $35 was recognized on the Bolthouse Farms carrot and carrot ingredients reporting unit trademark as a result of the factors previously described. Due to the factors previously described, we performed an interim impairment assessment as of December 31, 2016, which resulted in a $20 impairment charge on the trademark to reduce the carrying amount to $48.

Due to the factors previously described, we also performed an interim impairment assessment as of December 31, 2016, on the trademark in the Garden Fresh Gourmet reporting unit, which resulted in a $1 impairment charge to reduce the carrying amount to $37.

As part of our annual review of intangible assets, an impairment charge of $6 was recognized in the fourth quarter of 2015 related to minor trademarks used in the Global Biscuits and Snacks segment. The trademarks were determined to be impaired as a result of a decrease in the fair value of the brands, resulting from reduced expectations for future sales and discontinued cash flows.

The impairment charges were recorded in Other expenses / (income) in the Consolidated Statements of Earnings.

The estimates of future cash flows used in determining the fair value of goodwill and intangible assets involve significant management judgment and are based upon assumptions about expected future operating performance, economic conditions, market conditions and cost of capital. Inherent in estimating the future cash flows are uncertainties beyond our control, such as changes in capital markets. The actual cash flows could differ materially from management's estimates due to changes in business conditions, operating performance and economic conditions.

6. Business and Geographic Segment Information

We manage our businesses in three segments focused mainly on product categories. The segments are:

- Americas Simple Meals and Beverages segment includes the retail and food service businesses in the U.S., Canada and Latin America. The segment includes the following products: *Campbell's* condensed and ready-to-serve soups; *Swanson* broth and stocks; *Prego* pasta sauces; *Pace* Mexican sauces; *Campbell's* gravies, pasta, beans and dinner sauces; *Swanson* canned poultry; *Plum* food and snacks; *V8* juices and beverages; and *Campbell's* tomato juice;
- Global Biscuits and Snacks segment includes Pepperidge Farm cookies, crackers, bakery and frozen products in U.S. retail; Arnott's biscuits in Australia and Asia Pacific; and Kelsen cookies globally. The segment also includes the simple meals and shelf-stable beverages business in Australia and Asia Pacific; and
- Campbell Fresh segment includes Bolthouse Farms fresh carrots, carrot ingredients, refrigerated beverages and refrigerated salad dressings; Garden Fresh Gourmet salsa, hummus, dips and tortilla chips; and the U.S. refrigerated soup business.

Beginning in 2018, the business in Latin America will be managed as part of the Global Biscuits and Snacks segment.

We evaluate segment performance before interest, taxes and costs associated with restructuring activities. Unrealized gains and losses on commodity hedging activities are excluded from segment operating earnings and are recorded in Corporate as these open positions represent hedges of future purchases. Upon closing of the contracts, the realized gain or loss is transferred to segment operating earnings, which allows the segments to reflect the economic effects of the hedge without exposure to quarterly volatility of unrealized gains and losses. Only the service cost component of pension and postretirement expense is allocated to segments. All other components of expense, including interest cost, expected return on assets, amortization of prior service credits and recognized actuarial gains and losses are reflected in Corporate and not included in segment operating results. Asset information by segment is not discretely maintained for internal reporting or used in evaluating performance. Therefore, only geographic segment asset information is provided.

Our largest customer, Wal-Mart Stores, Inc. and its affiliates, accounted for approximately 20% of consolidated net sales in 2017, 2016 and 2015. All of our reportable segments sold products to Wal-Mart Stores, Inc. or its affiliates.

	2017	2016	2015
Net sales			
Americas Simple Meals and Beverages	**$ 4,325**	$ 4,380	$ 4,483
Global Biscuits and Snacks	**2,598**	2,564	2,631
Campbell Fresh	**967**	1,017	968
Total	**$ 7,890**	$ 7,961	$ 8,082

	2017	2016	2015
Earnings before interest and taxes			
Americas Simple Meals and Beverages	**$ 1,120**	$ 1,069	$ 948
Global Biscuits and Snacks	**454**	422	383
Campbell Fresh	**(9)**	60	61
Corporate(1)	**(147)**	(560)	(236)
Restructuring charges(2)	**(18)**	(31)	(102)
Total	**$ 1,400**	$ 960	$ 1,054

	2017	2016	2015
Depreciation and amortization			
Americas Simple Meals and Beverages	**$ 118**	$ 117	$ 123
Global Biscuits and Snacks	**98**	96	94
Campbell Fresh	**83**	77	70
Corporate(3)	**19**	18	16
Total	**$ 318**	$ 308	$ 303

	2017	2016	2015
Capital expenditures			
Americas Simple Meals and Beverages	**$ 117**	$ 105	$ 137
Global Biscuits and Snacks	**127**	122	137
Campbell Fresh	**47**	74	82
Corporate(3)	**47**	40	24
Total	**$ 338**	$ 341	$ 380

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(1) Represents unallocated items. Pension and postretirement benefit mark-to-market adjustments are included in Corporate. There were gains of $178 in 2017, and losses of $313 and $138 in 2016 and 2015, respectively. Costs related to the implementation of our new organizational structure and cost savings initiatives were $40, $47 and $22 in 2017, 2016 and 2015, respectively. Impairment charges of $212 on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit were included in 2017 and an impairment charge of $141 on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit was included in 2016. See Note 5 for information on the impairment charges. A gain of $25 from a settlement of a claim related to the Kelsen acquisition was also included in 2016.

(2) See Note 7 for additional information.
(3) Represents primarily corporate offices.

Our global net sales based on product categories are as follows:

	2017	2016	2015
Net sales			
Soup	**$ 2,673**	$ 2,690	$ 2,798
Baked snacks	**2,511**	2,479	2,502
Other simple meals	**1,698**	1,702	1,648
Beverages	**1,008**	1,090	1,134
Total	**$ 7,890**	$ 7,961	$ 8,082

Soup includes various soup, broths and stock products. Baked Snacks include cookies, crackers, biscuits and other baked products. Other simple meals include sauces, carrot products, refrigerated salad dressings, refrigerated salsa, hummus, dips and Plum foods and snacks.

Geographic Area Information

Information about operations in different geographic areas is as follows:

	2017	2016	2015
Net sales			
United States	**$ 6,357**	$ 6,437	$ 6,400
Australia	**610**	590	646
Other countries	**923**	934	1,036
Total	**$ 7,890**	$ 7,961	$ 8,082

	2017	2016	2015
Long-lived assets			
United States	**$ 1,987**	$ 1,967	$ 1,942
Australia	**265**	242	232
Other countries	**202**	198	173
Total	**$ 2,454**	$ 2,407	$ 2,347

7. Restructuring Charges and Cost Savings Initiatives

2015 Initiatives

On January 29, 2015, we announced plans to implement a new enterprise design focused mainly on product categories. Under the new structure, which we fully implemented at the beginning of 2016, our businesses are organized in the following divisions: Americas Simple Meals and Beverages, Global Biscuits and Snacks, and Campbell Fresh.

In support of the new structure, we designed and implemented a new Integrated Global Services organization to deliver shared services across the company. We also streamlined our organizational structure, implemented an initiative to reduce overhead across the organization and are pursuing other initiatives to reduce costs and increase effectiveness, such as adopting zero-based budgeting over time. As part of these initiatives, we commenced a voluntary employee separation program available to certain U.S.-based salaried employees nearing retirement who met age, length-of-service and business unit/function criteria. A total of 471 employees elected the program. The electing employees remained with us through at least July 31, 2015, with some remaining beyond that date.

In February 2017, we announced that we are expanding these cost savings initiatives by further optimizing our supply chain network, primarily in North America, continuing to evolve our operating model to drive efficiencies, and more fully integrating our recent acquisitions. We have extended the time horizon for the initiatives from 2018 to 2020. Cost estimates for these expanded initiatives, as well as timing for certain activities, are being developed.

A summary of the restructuring charges we recorded and charges incurred in Administrative expenses and Cost of products sold related to the implementation of the new organizational structure and costs savings initiatives is as follows:

	2017	2016	2015
Restructuring charges	**$ 18**	$ 35	$ 102
Administrative expenses	**36**	47	22
Cost of products sold	**4**	—	—
Total pre-tax charges	**$ 58**	$ 82	$ 124

A summary of the pre-tax costs associated with the initiatives is as follows:

	Recognized as of July 30, 2017
Severance pay and benefits	$ 135
Asset impairment/accelerated depreciation	12
Implementation costs and other related costs	117
Total	$ 264

The total estimated pre-tax costs for actions that have been identified are approximately $380 to $420. We expect to incur substantially all of the costs through 2019. This estimate will be updated as costs for the expanded initiatives are developed.

We expect the costs for actions that have been identified to date to consist of the following: approximately $135 in severance pay and benefits; approximately $20 in asset impairment and accelerated depreciation; and approximately $225 to $265 in implementation costs and other related costs.We expect these pre-tax costs to be associated with our segments as follows: Americas Simple Meals and Beverages - approximately 30%; Global Biscuits and Snacks - approximately 38%; Campbell Fresh - approximately 4%; and Corporate - approximately 28%.

Of the aggregate $380 to $420 of pre-tax costs identified to date, we expect approximately $350 to $390 will be cash expenditures. In addition, we expect to invest approximately $180 in capital expenditures through 2019 primarily related to the construction of a network of distribution centers for our U.S. thermal plants and insourcing of manufacturing for certain simple meal products, of which we invested approximately $10 as of July 30, 2017.

A summary of the restructuring activity and related reserves associated with the initiatives at July 30, 2017, is as follows:

	Severance Pay and Benefits	Other Restructuring Costs	Non-Cash Benefits[4]	Implementation Costs and Other Related Costs[5]	Asset Impairment/Accelerated Depreciation	Total Charges
Accrued balance at August 3, 2014	$ —	$ —				
2015 charges	87	8	7	22	—	$ 124
2015 cash payments	(1)	—				
Foreign currency translation adjustment	(1)	—				
Accrued balance at August 2, 2015[1]	$ 85	$ 8				
2016 charges	34	1	—	47	—	$ 82
2016 cash payments	(46)	(9)				
Accrued balance at July 31, 2016[2]	$ 73	$ —				
2017 charges	**7**	**—**	**—**	**39**	**12**	**$ 58**
2017 cash payments	**(54)**	**—**				
Accrued balance at July 30, 2017[3]	**$ 26**	**$ —**				

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(1) Includes $45 of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.
(2) Includes $17 of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.
(3) Includes $2 of severance pay and benefits recorded in Other liabilities in the Consolidated Balance Sheet.
(4) Represents postretirement and pension curtailment costs. See Note 10.
(5) Includes other costs recognized as incurred that are not reflected in the restructuring reserve in the Consolidated Balance Sheet. The costs are included in Administrative expenses and Cost of products sold in the Consolidated Statements of Earnings.

Segment operating results do not include restructuring charges, implementation costs and other related costs because we evaluate segment performance excluding such charges. A summary of the pre-tax costs associated with segments is as follows:

	2017	Costs Incurred to Date
Americas Simple Meals and Beverages	$ 21	$ 92
Global Biscuits and Snacks	12	78
Campbell Fresh	4	6
Corporate	21	88
Total	$ 58	$ 264

2014 Initiatives

In 2014, we implemented initiatives to reduce overhead across the organization, restructure manufacturing and streamline operations for our soup and broth business in China and improve supply chain efficiency in Australia.

In 2016, we recorded a reduction to restructuring charges of $4 related to the 2014 initiatives. As of July 31, 2016, we incurred substantially all of the costs related to the 2014 initiatives. A summary of the pre-tax costs associated with the 2014 initiatives is as follows:

	Total Program[1]	Change in Estimate	Recognized as of July 31, 2016
Severance pay and benefits	$ 41	$ (4)	$ 37
Asset impairment	12	—	12
Other exit costs	1	—	1
Total	$ 54	$ (4)	$ 50

(1) Recognized as of August 2, 2015.

8. Earnings per Share (EPS)

For the periods presented in the Consolidated Statements of Earnings, the calculations of basic EPS and EPS assuming dilution vary in that the weighted average shares outstanding assuming dilution include the incremental effect of stock options and other share-based payment awards, except when such effect would be antidilutive. The earnings per share calculation for 2017 and 2016 excludes less than 1 million stock options that would have been antidilutive. There were no antidilutive stock options in 2015.

9. Noncontrolling Interests

We own a 60% controlling interest in a joint venture formed with Swire Pacific Limited to support our soup and broth business in China. We contributed cash of $14 and the joint venture partner contributed cash of $9 in 2015.

We own a 70% controlling interest in a Malaysian food products manufacturing company.

We also own a 99.8% interest in Acre Venture Partners, L.P. (Acre), a limited partnership formed to make venture capital investments in innovative new companies in food and food-related industries. See also Note 14.

The noncontrolling interests' share in the net earnings (loss) was included in Net earnings (loss) attributable to noncontrolling interests in the Consolidated Statements of Earnings. The noncontrolling interests in these entities were included in Total equity in the Consolidated Balance Sheets and Consolidated Statements of Equity.

10. Pension and Postretirement Benefits

Pension Benefits — We sponsor a number of noncontributory defined benefit pension plans to provide retirement benefits to all eligible U.S. and non-U.S. employees. The benefits provided under these plans are based primarily on years of service and compensation levels. Benefits are paid from funds previously provided to trustees and insurance companies or are paid directly by us from general funds. In 1999, we implemented significant amendments to certain U.S. pension plans. Under a new formula, retirement benefits are determined based on percentages of annual pay and age. To minimize the impact of converting to the new formula, service and earnings credit continued to accrue through the year 2014 for certain active employees participating in the plans under the old formula prior to the amendments. Employees will receive the benefit from either the new or old formula, whichever is higher. Benefits become vested upon the completion of three years of service. Effective as of January 1, 2011, our

U.S. pension plans were amended so that employees hired or rehired on or after that date and who are not covered by collective bargaining agreements will not be eligible to participate in the plans.

Postretirement Benefits — We provide postretirement benefits, including health care and life insurance, to substantially all retired U.S. employees and their dependents. We established retiree medical account benefits for eligible U.S. retirees. The accounts were intended to provide reimbursement for eligible health care expenses on a tax-favored basis. Effective as of January 1, 2011, the retirement medical program was amended to eliminate the retiree medical account benefit for employees not covered by collective bargaining agreements. To preserve the benefit for employees close to retirement age, the retiree medical account will be available to employees who were at least age 50 with at least 10 years of service as of December 31, 2010, and who satisfy the other eligibility requirements for the retiree medical program. In July 2016, the retirement medical program was amended and effective as of January 1, 2017, we no longer sponsor our own medical coverage for certain Medicare-eligible retirees. Instead, we offer these Medicare-eligible retirees access to health care coverage through a private exchange and offer a health reimbursement account to subsidize benefits for a select group of such retirees. In July 2017, the retirement medical program was once again amended and beginning on January 1, 2018, we will no longer sponsor our own medical coverage for certain Medicare-eligible retirees covered by one of our collective bargaining agreements. Instead, we will offer these Medicare-eligible retirees access to health care coverage through a private exchange and offer a health reimbursement account to subsidize benefits for a select group of such retirees.

We use the fiscal year end as the measurement date for the benefit plans.

Components of net benefit expense (income) were as follows:

	Pension		
	2017	**2016**	**2015**
Service cost	**$ 26**	$ 26	$ 28
Interest cost	**86**	98	105
Expected return on plan assets	**(144)**	(147)	(173)
Amortization of prior service credit	**—**	—	(1)
Recognized net actuarial (gain) loss	**(198)**	302	136
Curtailment loss	**—**	—	1
Net periodic benefit expense (income)	**$ (230)**	$ 279	$ 96

The curtailment loss of $1 in 2015 was related to a voluntary employee separation program and was included in Restructuring charges. See also Note 7.

	Postretirement		
	2017	**2016**	**2015**
Service cost	**$ 1**	$ 1	$ 2
Interest cost	**10**	15	15
Amortization of prior service credit	**(25)**	(1)	(1)
Recognized net actuarial (gain) loss	**(14)**	23	7
Curtailment loss	**—**	—	6
Net periodic benefit expense (income)	**$ (28)**	$ 38	$ 29

The curtailment loss of $6 in 2015 was related to a voluntary employee separation program and was included in Restructuring charges. See also Note 7.

The estimated prior service credit that will be amortized from Accumulated other comprehensive loss into net periodic postretirement expense during 2018 is $27. The prior service credit is primarily related to the amendments in July 2016 and July 2017.

Change in benefit obligation:

	Pension		Postretirement	
	2017	**2016**	**2017**	**2016**
Obligation at beginning of year	**$ 2,626**	$ 2,569	**$ 313**	$ 392
Service cost	**26**	26	**1**	1
Interest cost	**86**	98	**10**	15
Actuarial (gain) loss	**(134)**	210	**(14)**	23
Participant contributions	**—**	—	**1**	1
Plan amendments	**—**	—	**(12)**	(93)
Benefits paid	**(164)**	(116)	**(26)**	(30)
Settlements	**—**	(160)	**—**	—
Medicare subsidies	**—**	—	**3**	4
Other	**(3)**	(6)	**—**	—
Foreign currency adjustment	**13**	5	**—**	—
Benefit obligation at end of year	**$ 2,450**	$ 2,626	**$ 276**	$ 313

Change in the fair value of pension plan assets:

	2017	**2016**
Fair value at beginning of year	**$ 2,111**	$ 2,316
Actual return on plan assets	**208**	54
Employer contributions	**5**	2
Benefits paid	**(154)**	(106)
Settlements	**—**	(160)
Foreign currency adjustment	**13**	5
Fair value at end of year	**$ 2,183**	$ 2,111

Net amounts recognized in the Consolidated Balance Sheets:

	Pension		Postretirement	
	2017	**2016**	**2017**	**2016**
Other assets	**$ 8**	$ —	**$ —**	$ —
Accrued liabilities	**14**	14	**29**	28
Other liabilities	**261**	501	**247**	285
Net amounts recognized	**$ 267**	$ 515	**$ 276**	$ 313

Amounts recognized in accumulated other comprehensive income (loss) consist of:

	Postretirement	
	2017	**2016**
Prior service credit	**$ 83**	$ 96

The change in amounts recognized in accumulated other comprehensive income (loss) associated with postretirement benefits was due to the plan amendments in July 2016 and July 2017, net of amortization.

The following table provides information for pension plans with accumulated benefit obligations in excess of plan assets:

	2017	**2016**
Projected benefit obligation	**$ 2,270**	$ 2,434
Accumulated benefit obligation	**$ 2,232**	$ 2,385
Fair value of plan assets	**$ 1,995**	$ 1,933

The accumulated benefit obligation for all pension plans was $2,399 at July 30, 2017, and $2,557 at July 31, 2016.

Weighted-average assumptions used to determine benefit obligations at the end of the year:

	Pension		Postretirement	
	2017	2016	2017	2016
Discount rate	**3.74%**	3.39%	**3.45%**	3.20%
Rate of compensation increase	**3.24%**	3.25%	**3.25%**	3.25%

Weighted-average assumptions used to determine net periodic benefit cost for the years ended:

	Pension		
	2017	2016	2015
Discount rate	**3.39%**	4.19%	4.33%
Expected return on plan assets	**7.09%**	7.35%	7.62%
Rate of compensation increase	**3.25%**	3.29%	3.30%

The discount rate is established as of our fiscal year-end measurement date. In establishing the discount rate, we review published market indices of high-quality debt securities, adjusted as appropriate for duration. In addition, independent actuaries apply high-quality bond yield curves to the expected benefit payments of the plans. The expected return on plan assets is a long-term assumption based upon historical experience and expected future performance, considering our current and projected investment mix. This estimate is based on an estimate of future inflation, long-term projected real returns for each asset class, and a premium for active management.

The discount rate used to determine net periodic postretirement expense was 3.20% in 2017, and 4.00% in 2016 and 2015.

Assumed health care cost trend rates at the end of the year:

	2017	2016
Health care cost trend rate assumed for next year	**7.25%**	7.25%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	**4.50%**	4.50%
Year that the rate reaches the ultimate trend rate	**2023**	2022

A one-percentage-point change in assumed health care costs would have the following effects on 2017 reported amounts:

	Increase	Decrease
Effect on service and interest cost	$ —	$ —
Effect on the 2017 accumulated benefit obligation	$ 3	$ (3)

Pension Plan Assets

The fundamental goal underlying the investment policy is to ensure that the assets of the plans are invested in a prudent manner to meet the obligations of the plans as these obligations come due. The primary investment objectives include providing a total return which will promote the goal of benefit security by attaining an appropriate ratio of plan assets to plan obligations, to provide for real asset growth while also tracking plan obligations, to diversify investments across and within asset classes, to reduce the impact of losses in single investments, and to follow investment practices that comply with applicable laws and regulations.

The primary policy objectives will be met by investing assets to achieve a reasonable tradeoff between return and risk relative to plan obligations. This includes investing a portion of the assets in funds selected in part to hedge the interest rate sensitivity to plan obligations.

The portfolio includes investments in the following asset classes: fixed income, equity, real estate and alternatives. Fixed income will provide a moderate expected return and partially hedge the exposure to interest rate risk of the plans' obligations. Equities are used for their high expected return. Additional asset classes are used to provide diversification.

Asset allocation is monitored on an ongoing basis relative to the established asset class targets. The interaction between plan assets and benefit obligations is periodically studied to assist in the establishment of strategic asset allocation targets. The investment policy permits variances from the targets within certain parameters. Asset rebalancing occurs when the underlying asset class allocations move outside these parameters, at which time the asset allocation is rebalanced back to the policy target weight.

Our year-end pension plan weighted-average asset allocations by category were:

	Strategic Target	2017	2016
Equity securities	47%	**48%**	51%
Debt securities	40%	**40%**	35%
Real estate and other	13%	**12%**	14%
Total	100%	**100%**	100%

Pension plan assets are categorized based on the following fair value hierarchy:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data.
- Level 3: Unobservable inputs, which are valued based on our estimates of assumptions that market participants would use in pricing the asset or liability.

The following table presents our pension plan assets by asset category at July 30, 2017, and July 31, 2016:

	Fair Value as of July 30, 2017	Fair Value Measurements at July 30, 2017 Using Fair Value Hierarchy			Fair Value as of July 31, 2016	Fair Value Measurements at July 31, 2016 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Short-term investments	**$ 46**	**$ 35**	**$ 11**	**$ —**	$ 43	$ 41	$ 2	$ —
Equities:								
U.S.	**338**	**338**	**—**	**—**	349	349	—	—
Non-U.S.	**290**	**290**	**—**	**—**	273	273	—	—
Corporate bonds:								
U.S.	**537**	**—**	**537**	**—**	469	—	469	—
Non-U.S.	**123**	**—**	**123**	**—**	98	—	98	—
Government and agency bonds:								
U.S.	**60**	**—**	**60**	**—**	49	—	49	—
Non-U.S.	**31**	**—**	**31**	**—**	29	—	29	—
Municipal bonds	**58**	**—**	**58**	**—**	67	—	67	—
Mortgage and asset backed securities	**8**	**—**	**8**	**—**	7	—	7	—
Real estate	**17**	**10**	**—**	**7**	19	13	—	6
Hedge funds	**38**	**—**	**—**	**38**	45	—	—	45
Derivative assets	**9**	**—**	**9**	**—**	6	—	6	—
Derivative liabilities	**(10)**	**—**	**(10)**	**—**	(7)	—	(7)	—
Total assets at fair value	**$ 1,545**	**$ 673**	**$ 827**	**$ 45**	$ 1,447	$ 676	$ 720	$ 51
Investments measured at net asset value:								
Short-term investments	**31**				20			
Commingled funds:								
Equities	**332**				309			
Fixed income	**30**				31			
Blended	**86**				79			
Real estate	**84**				108			
Hedge funds	**103**				144			
Total investments measured at net asset value:	**666**				691			
Other items to reconcile to fair value of plan assets	**(28)**				(27)			
Total pension plan assets at fair value	**$ 2,183**				$ 2,111			

Short-term investments — Investments include cash and cash equivalents, and various short-term debt instruments and short-term investment funds. Institutional short-term investment vehicles valued daily are classified as Level 1 at cost which approximates market value. Short-term debt instruments are classified at Level 2 and are valued based on bid quotations and recent trade data for identical or similar obligations. Other investments valued based upon net asset value are included as a reconciling item to the fair value table.

Equities — Common stocks and preferred stocks are classified as Level 1 and are valued using quoted market prices in active markets.

Corporate bonds — These investments are valued based on quoted market prices, yield curves and pricing models using current market rates.

Government and agency bonds — These investments are generally valued based on bid quotations and recent trade data for identical or similar obligations.

Municipal bonds — These investments are valued based on quoted market prices, yield curves and pricing models using current market rates.

Mortgage and asset backed securities — These investments are valued based on prices obtained from third party pricing sources. The prices from third party pricing sources may be based on bid quotes from dealers and recent trade data. Mortgage backed securities are traded in the over-the-counter market.

Real estate — Real estate investments consist of real estate investment trusts, property funds and limited partnerships. Real estate investment trusts are classified as Level 1 and are valued based on quoted market prices. Property funds are classified as either Level 2 or Level 3 depending upon whether liquidity is limited or there are few observable market participant transactions. Property funds are valued based on third party appraisals. Limited partnerships are valued based upon valuations provided by the general partners of the funds. The values of limited partnerships are based upon an assessment of each underlying investment, incorporating valuations that consider the evaluation of financing and sales transactions with third parties, expected cash flows, and market-based information, including comparable transactions and performance multiples among other factors. The investments are classified as Level 3 since the valuation is determined using unobservable inputs. Real estate investments valued at net asset value are included as a reconciling item to the fair value table.

Hedge funds — Hedge fund investments include hedge funds valued based upon a net asset value derived from the fair value of underlying securities. Hedge fund investments that are subject to liquidity restrictions or that are based on unobservable inputs are classified as Level 3. Hedge fund investments may include long and short positions in equity and fixed income securities, derivative instruments such as futures and options, commodities and other types of securities. Hedge fund investments valued at net asset value are included as a reconciling item to the fair value table.

Derivatives — Derivative financial instruments include forward currency contracts, futures contracts, options contracts, interest rate swaps and credit default swaps. Derivative financial instruments are classified as Level 2 and are valued based on observable market transactions or prices.

Commingled funds — Investments in commingled funds are not traded in active markets. Blended commingled funds are invested in both equities and fixed income securities. Commingled funds are valued based on the net asset values of such funds and are included as a reconciling item to the fair value table.

Other items to reconcile to fair value of plan assets included amounts due for securities sold, amounts payable for securities purchased, and other payables.

The following table summarizes the changes in fair value of Level 3 investments for the years ended July 30, 2017, and July 31, 2016:

	Real Estate	Hedge Funds	Total
Fair value at July 31, 2016	$ 6	$ 45	$ 51
Actual return on plan assets	**1**	**2**	**3**
Purchases	**1**	**1**	**2**
Sales	**(1)**	**(10)**	**(11)**
Settlements	**—**	**—**	**—**
Transfers out of Level 3	**—**	**—**	**—**
Fair value at July 30, 2017	**$ 7**	**$ 38**	**$ 45**

	Real Estate	Hedge Funds	Total
Fair value at August 2, 2015	$ 6	$ 39	$ 45
Actual return on plan assets	1	1	2
Purchases	—	5	5
Sales	(1)	—	(1)
Settlements	—	—	—
Transfers out of Level 3	—	—	—
Fair value at July 31, 2016	$ 6	$ 45	$ 51

The following tables present additional information about the pension plan assets valued using net asset value as a practical expedient within the fair value hierarchy table:

	2017			2016		
	Fair Value	**Redemption Frequency**	**Redemption Notice Period Range**	**Fair Value**	**Redemption Frequency**	**Redemption Notice Period Range**
Short-term investments	**$ 31**	Daily	1 Day	$ 20	Daily	1 Day
Commingled funds:						
Equities	**332**	Daily, Monthly	2 to 60 Days	309	Daily, Monthly	1 to 60 Days
Fixed income	**30**	Daily	1 Day	31	Daily	1 Day
Blended	**86**	Primarily Daily	1 to 20 Days	79	Primarily Daily	1 Day
Real estate funds(1)	**84**	Quarterly	45 to 90 Days	108	Primarily Quarterly	1 to 90 Days
Hedge funds(2)	**103**	Monthly	5 to 30 Days	144	Monthly, Quarterly	5 to 65 Days
Total	**$ 666**			$ 691		

(1) Included real estate investments valued at $34 in 2016 for which a redemption queue was imposed by the investment manager increasing the redemption receipt period to up to 9 months after notice.

(2) Includes a fund valued at $2 in 2017 and $45 in 2016 which is being liquidated. Distributions from the fund will be received as the underlying investments are liquidated which is estimated to occur by December 31, 2017.

There were no unfunded commitments in 2017 or 2016.

No contributions are expected to be made to U.S. pension plans in 2018. We expect contributions to non-U.S. pension plans to be approximately $5 in 2018.

Estimated future benefit payments are as follows:

	Pension	Postretirement
2018	$ 175	$ 29
2019	$ 171	$ 28
2020	$ 162	$ 27
2021	$ 160	$ 25
2022	$ 161	$ 24
2023-2027	$ 801	$ 97

The estimated future benefit payments include payments from funded and unfunded plans.

401(k) Retirement Plan — We sponsor employee savings plans that cover substantially all U.S. employees. Effective January 1, 2011, we provide a matching contribution of 100% of employee contributions up to 4% of compensation for employees who are not covered by collective bargaining agreements. Employees hired or rehired on or after January 1, 2011, who will not be eligible to participate in the defined benefit plans and who are not covered by collective bargaining agreements receive a contribution equal to 3% of compensation regardless of their participation in the 401(k) Retirement Plan. Amounts charged to Costs and expenses were $34 in 2017, $33 in 2016 and $31 in 2015.

11. Taxes on Earnings

The provision for income taxes on earnings consists of the following:

	2017	2016	2015
Income taxes:			
Currently payable:			
Federal	**$ 238**	$ 235	$ 246
State	**39**	34	31
Non-U.S.	**36**	47	55
	313	316	332
Deferred:			
Federal	**77**	(17)	(47)
State	**2**	—	1
Non-U.S.	**14**	(13)	(3)
	93	(30)	(49)
	$ 406	$ 286	$ 283

	2017	2016	2015
Earnings before income taxes:			
United States	**$ 1,103**	$ 705	$ 803
Non-U.S.	**190**	144	146
	$ 1,293	$ 849	$ 949

The following is a reconciliation of the effective income tax rate to the U.S. federal statutory income tax rate:

	2017	2016	2015
Federal statutory income tax rate	**35.0 %**	35.0 %	35.0 %
State income taxes (net of federal tax benefit)	**2.1**	2.7	2.2
Tax effect of international items	**(2.1)**	(3.0)	(2.5)
Settlement of tax contingencies	**—**	—	(0.8)
Federal manufacturing deduction	**(2.1)**	(3.2)	(2.9)
Goodwill impairment	**3.4**	4.3	—
Claim settlement	**—**	(0.8)	—
Foreign exchange losses[1]	**(3.9)**	—	—
Other	**(1.0)**	(1.3)	(1.2)
Effective income tax rate	**31.4 %**	33.7 %	29.8 %

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(1) The 2017 rate was favorably impacted by a $52 benefit primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses.

Deferred tax liabilities and assets are comprised of the following:

	2017	2016
Depreciation	**$ 355**	$ 362
Amortization	**521**	541
Other	**20**	23
Deferred tax liabilities	**896**	926
Benefits and compensation	**241**	266
Pension benefits	**98**	185
Tax loss carryforwards	**36**	37
Capital loss carryforwards	**92**	88
Other	**95**	113
Gross deferred tax assets	**562**	689
Deferred tax asset valuation allowance	**(120)**	(118)
Deferred tax assets, net of valuation allowance	**442**	571
Net deferred tax liability	**$ 454**	$ 355

At July 30, 2017, our U.S. and non-U.S. subsidiaries had tax loss carryforwards of approximately $170. Of these carryforwards, $149 expire between 2018 and 2037, and $21 may be carried forward indefinitely. At July 30, 2017, deferred tax asset valuation allowances have been established to offset $137 of these tax loss carryforwards. Additionally, at July 30, 2017, our non-U.S. subsidiaries had capital loss carryforwards of approximately $323, which were fully offset by valuation allowances.

The net change in the deferred tax asset valuation allowance in 2017 was an increase of $2. The increase was primarily due to the impact of currency and the recognition of additional valuation allowances on tax loss carryforwards, partially offset by the expiration of tax losses. The net change in the deferred tax asset valuation allowance in 2016 was a decrease of $4. The decrease was primarily due to the expiration of tax losses, partially offset by the recognition of additional valuation allowance on tax loss carryforwards.

As of July 30, 2017, other deferred tax assets included $1 of state tax credit carryforwards related to various states that expire between 2021 and 2029. As of July 31, 2016, other deferred tax assets included $2 of state tax credit carryforwards related to various states that expire between 2018 and 2025. No valuation allowances have been established related to these deferred tax assets.

As of July 30, 2017, U.S. income taxes have not been provided on approximately $820 of undistributed earnings of non-U.S. subsidiaries, which are deemed to be permanently reinvested. It is not practical to estimate the tax liability that might be incurred if such earnings were remitted to the U.S.

A reconciliation of the activity related to unrecognized tax benefits follows:

	2017	2016	2015
Balance at beginning of year	**$ 63**	$ 58	$ 71
Increases related to prior-year tax positions	**4**	2	9
Decreases related to prior-year tax positions	**—**	—	—
Increases related to current-year tax positions	**4**	3	5
Settlements	**(7)**	—	(27)
Lapse of statute	**—**	—	—
Balance at end of year	**$ 64**	$ 63	$ 58

The amount of unrecognized tax benefits that, if recognized, would impact the annual effective tax rate was $43 as of July 30, 2017, $42 as of July 31, 2016, and $39 as of August 2, 2015. The total amount of unrecognized tax benefits can change due to audit settlements, tax examination activities, statute expirations and the recognition and measurement criteria under accounting for uncertainty in income taxes. We are unable to estimate what this change may be within the next 12 months, but do not believe that it will be material to the financial statements. Approximately $5 of unrecognized tax benefits, including interest and penalties, were reported in Accounts receivable in the Consolidated Balance Sheets as of July 30, 2017, and July 31, 2016.

Our accounting policy with respect to interest and penalties attributable to income taxes is to reflect any expense or benefit as a component of our income tax provision. The total amount of interest and penalties recognized in the Consolidated Statements of Earnings was $4 in 2017, $3 in 2016 and $1 in 2015. The total amount of interest and penalties recognized in the Consolidated Balance Sheets in Other liabilities was $5 as of July 30, 2017, and $6 as of July 31, 2016.

We do business internationally and, as a result, file income tax returns in the U.S. federal jurisdiction and various state and non-U.S. jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the U.S., Australia, Canada and Denmark. The 2017 tax year is currently under audit by the Internal Revenue Service. In addition, several state income tax examinations are in progress for the years 1999 to 2016.

With limited exceptions, we have been audited for income tax purposes in Australia through 2010, Denmark through 2013, and in Canada through 2014.

12. Short-term Borrowings and Long-term Debt

Short-term borrowings consist of the following:

	2017	2016
Commercial paper	**$ 874**	$ 770
Australian note	**152**	—
Current portion of long-term debt	**—**	400
Current portion of Canadian credit facility	**—**	42
Variable-rate bank borrowings	**10**	6
Capital leases	**1**	2
Other[1]	**—**	(1)
Total short-term borrowings	**$ 1,037**	$ 1,219

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[1] Includes unamortized net discount/premium on debt issuances and debt issuance costs.

As of July 30, 2017, the weighted-average interest rate of commercial paper, which consisted of U.S. borrowings, was 1.31%. As of July 31, 2016, the weighted-average interest rate of commercial paper, which consisted of U.S. borrowings, was 0.74%.

As of July 30, 2017, we had $1,037 of short-term borrowings due within one year, of which $874 was comprised of commercial paper borrowings. As of July 30, 2017, we issued $48 of standby letters of credit. We have a committed revolving credit facility totaling $1,850 that matures in December 2021. This U.S. facility remained unused at July 30, 2017, except for $1 of standby letters of credit that we issued under it. The U.S. facility supports our commercial paper programs and other general corporate purposes.

In June 2017, we sold an intercompany note to a financial institution of AUD $190, or $152, with an interest rate of 6.98% that matures on March 29, 2021, but is payable upon demand. Interest on the note is due semi-annually on January 23 and July 23. The net proceeds were used for general corporate purposes.

Long-term debt consists of the following:

Type	Fiscal Year of Maturity	Rate	2017	2016
Notes	2017	3.05%	**$ —**	$ 400
Canadian credit facility	2019	Variable	**130**	215
Australian note	2019	4.88%	**224**	—
Notes	2019	4.50%	**300**	300
Notes	2021	4.25%	**500**	500
Debentures	2021	8.88%	**200**	200
Notes	2023	2.50%	**450**	450
Notes	2025	3.30%	**300**	300
Notes	2043	3.80%	**400**	400
Capital leases			**7**	8
Other(1)			**(12)**	(18)
Total			**$ 2,499**	$ 2,755
Less current portion(1)			**—**	441
Total long-term debt			**$ 2,499**	$ 2,314

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(1) Includes unamortized net discount/premium on debt issuances and debt issuance costs.

In July 2016, we entered into a Canadian committed revolving credit facility that matures in July 2019. As of July 30, 2017, the total commitment under the Canadian facility was CAD $170, or $137, and we had borrowings of CAD $162, or $130, at a rate of 2.09% under this facility. The Canadian facility supports general corporate purposes.

In June 2017, we sold an intercompany note to a financial institution of AUD $280, or $224, with an interest rate of 4.88% that matures on September 18, 2018. Interest on the note is due semi-annually on January 23 and July 23. The net proceeds were used for general corporate purposes.

Principal amounts of long-term debt mature as follows: $654 in 2019; $1 in 2020; $700 in 2021; $1 in 2022; and a total of $1,155 in periods beyond 2022.

13. Financial Instruments

The principal market risks to which we are exposed are changes in foreign currency exchange rates, interest rates, and commodity prices. In addition, we are exposed to equity price changes related to certain deferred compensation obligations. In order to manage these exposures, we follow established risk management policies and procedures, including the use of derivative contracts such as swaps, options, forwards and commodity futures. We enter into these derivative contracts for periods consistent with the related underlying exposures, and the contracts do not constitute positions independent of those exposures. We do not enter into derivative contracts for speculative purposes and do not use leveraged instruments. Our derivative programs include instruments that qualify and others that do not qualify for hedge accounting treatment.

Concentration of Credit Risk

We are exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate counterparty credit risk, we enter into contracts only with carefully selected, leading, credit-worthy financial institutions, and distribute contracts among several financial institutions to reduce the concentration of credit risk. We did not have credit-risk-related contingent features in our derivative instruments as of July 30, 2017, or July 31, 2016.

We are also exposed to credit risk from our customers. During 2017, our largest customer accounted for approximately 20% of consolidated net sales. Our five largest customers accounted for approximately 39% of our consolidated net sales in 2017.

We closely monitor credit risk associated with counterparties and customers.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange risk related to our international operations, including non-functional currency intercompany debt and net investments in subsidiaries. We are also exposed to foreign exchange risk as a result of transactions in currencies other than the functional currency of certain subsidiaries. Principal currencies hedged include the Canadian dollar, Australian dollar and U.S. dollar. We utilize foreign exchange forward purchase and sale contracts, as well as cross-currency swaps, to hedge these exposures. The contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge portions of our forecasted foreign currency transaction exposure with foreign exchange forward contracts for periods typically up to 18 months. To hedge currency exposures related to intercompany debt, we enter into foreign exchange forward purchase and sale contracts, as well as cross-currency swap contracts, for periods consistent with the underlying debt. The notional amount of foreign exchange forward contracts accounted for as cash-flow hedges was $84 at July 30, 2017, and $91 at July 31, 2016. The effective portion of the changes in fair value on these instruments is recorded in other comprehensive income (loss) and is reclassified into the Consolidated Statements of Earnings on the same line item and the same period in which the underlying hedged transaction affects earnings. The notional amount of foreign exchange forward contracts that are not designated as accounting hedges was $336 and $175 at July 30, 2017, and July 31, 2016, respectively. There were no cross-currency swap contracts outstanding as of July 30, 2017 or July 31, 2016.

Interest Rate Risk

We manage our exposure to changes in interest rates by optimizing the use of variable-rate and fixed-rate debt and by utilizing interest rate swaps in order to maintain our variable-to-total debt ratio within targeted guidelines. Receive fixed rate/pay variable rate interest rate swaps are accounted for as fair-value hedges. We manage our exposure to interest rate volatility on future debt issuances by entering into forward starting interest rate swaps to lock in the rate on the interest payments related to the anticipated debt issuances. These pay fixed rate/receive variable rate forward starting interest rate swaps are accounted for as cash-flow hedges. The effective portion of the changes in fair value on these instruments is recorded in other comprehensive income (loss) and is reclassified into the Consolidated Statements of Earnings over the life of the debt. The notional amount of outstanding forward starting interest rate swaps totaled $300 at July 30, 2017, and July 31, 2016, which relates to an anticipated debt issuance in 2018.

Commodity Price Risk

We principally use a combination of purchase orders and various short- and long-term supply arrangements in connection with the purchase of raw materials, including certain commodities and agricultural products. We also enter into commodity futures, options and swap contracts to reduce the volatility of price fluctuations of wheat, diesel fuel, soybean oil, natural gas, cocoa, aluminum, butter, corn, soybean meal and cheese, which impact the cost of raw materials. Commodity futures, options, and swap contracts are either designated as cash-flow hedging instruments or are undesignated. We hedge a portion of commodity requirements for periods typically up to 18 months. There were no commodity contracts accounted for as cash-flow hedges as of July 30, 2017, or July 31, 2016. The notional amount of commodity contracts not designated as accounting hedges was $90 at July 30, 2017, and $88 at July 31, 2016.

In 2017, we entered into a supply contract under which prices for certain raw materials are established based on anticipated volume requirements over a twelve-month period. Certain prices under the contract are based in part on certain component parts of the raw materials that are in excess of our needs or not required for our operations, thereby creating an embedded derivative requiring bifurcation. We net settle amounts due under the contract with our counterparty. The notional value is approximately $35 as of July 30, 2017. The fair value was not material as of July 30, 2017. Unrealized gains (losses) and settlements are included in Cost of products sold in our Consolidated Statements of Earnings.

Equity Price Risk

We enter into swap contracts which hedge a portion of exposures relating to certain deferred compensation obligations linked to the total return of our capital stock, the total return of the Vanguard Institutional Index, and the total return of the Vanguard Total International Stock Index. Under these contracts, we pay variable interest rates and receive from the counterparty either the total return on our capital stock; the total return of the Standard & Poor's 500 Index, which is expected to approximate the total return of the Vanguard Institutional Index; or the total return of the iShares MSCI EAFE Index, which is expected to approximate the total return of the Vanguard Total International Stock Index. These contracts were not designated as hedges for accounting purposes. We enter into these contracts for periods typically not exceeding 12 months. The notional amounts of the contracts as of July 30, 2017, and July 31, 2016, were $43 and $44, respectively.

The following table summarizes the fair value of derivative instruments on a gross basis as recorded in the Consolidated Balance Sheets as of July 30, 2017, and July 31, 2016:

	Balance Sheet Classification	2017	2016
Asset Derivatives			
Derivatives designated as hedges:			
Foreign exchange forward contracts	Other current assets	**$ 3**	$ 1
Total derivatives designated as hedges		**$ 3**	$ 1
Derivatives not designated as hedges:			
Commodity derivative contracts	Other current assets	**$ 5**	$ 3
Deferred compensation derivative contracts	Other current assets	**1**	1
Commodity derivative contracts	Other assets	**1**	—
Total derivatives not designated as hedges		**$ 7**	$ 4
Total asset derivatives		**$ 10**	$ 5

	Balance Sheet Classification	2017	2016
Liability Derivatives			
Derivatives designated as hedges:			
Foreign exchange forward contracts	Accrued liabilities	**$ 1**	$ 4
Forward starting interest rate swaps	Accrued liabilities	**22**	—
Forward starting interest rate swaps	Other liabilities	**—**	44
Total derivatives designated as hedges		**$ 23**	$ 48
Derivatives not designated as hedges:			
Commodity derivative contracts	Accrued liabilities	**$ 1**	$ 4
Deferred compensation derivative contracts	Accrued liabilities	**—**	1
Foreign exchange forward contracts	Accrued liabilities	**19**	7
Foreign exchange forward contracts	Other liabilities	**1**	—
Total derivatives not designated as hedges		**$ 21**	$ 12
Total liability derivatives		**$ 44**	$ 60

We do not offset the fair values of derivative assets and liabilities executed with the same counterparty that are generally subject to enforceable netting agreements. However, if we were to offset and record the asset and liability balances of derivatives on a net basis, the amounts presented in the Consolidated Balance Sheets as of July 30, 2017, and July 31, 2016, would be adjusted as detailed in the following table:

	2017			2016		
Derivative Instrument	Gross Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements	Net Amount	Gross Amounts Presented in the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet Subject to Netting Agreements	Net Amount
Total asset derivatives	**$ 10**	**$ (3)**	**$ 7**	$ 5	$ (4)	$ 1
Total liability derivatives	**$ 44**	**$ (3)**	**$ 41**	$ 60	$ (4)	$ 56

We do not offset fair value amounts recognized for exchange-traded commodity derivative instruments and cash margin accounts executed with the same counterparty that are subject to enforceable netting agreements. We are required to maintain cash margin accounts in connection with funding the settlement of open positions. At July 30, 2017, and July 31, 2016, a cash margin account balance of $1 and $5, respectively, was included in Other current assets in the Consolidated Balance Sheets.

The following tables show the effect of our derivative instruments designated as cash-flow hedges for the years ended July 30, 2017, July 31, 2016, and August 2, 2015 in other comprehensive income (loss) (OCI) and the Consolidated Statements of Earnings:

Derivatives Designated as Cash-Flow Hedges		Total Cash-Flow Hedge OCI Activity		
		2017	2016	2015
OCI derivative gain (loss) at beginning of year		**$ (64)**	$ (10)	$ (4)
Effective portion of changes in fair value recognized in OCI:				
Foreign exchange forward contracts		**(4)**	(9)	18
Forward starting interest rate swaps		**23**	(36)	(23)
Amount of (gain) loss reclassified from OCI to earnings:	**Location in Earnings**			
Foreign exchange forward contracts	Cost of products sold	**6**	(11)	(4)
Foreign exchange forward contracts	Other expenses / (income)	**1**	(2)	(1)
Forward starting interest rate swaps	Interest expense	**4**	4	4
OCI derivative gain (loss) at end of year		**$ (34)**	$ (64)	$ (10)

Based on current valuations, the amount expected to be reclassified from OCI into earnings within the next 12 months is a loss of $11. The ineffective portion and amount excluded from effectiveness testing were not material.

The following table shows the effects of our derivative instruments not designated as hedges in the Consolidated Statements of Earnings:

Derivatives not Designated as Hedges	Location of (Gain) Loss Recognized in Earnings	Amount of (Gain) Loss Recognized in Earnings on Derivatives		
		2017	2016	2015
Foreign exchange forward contracts	Cost of products sold	**$ —**	$ —	$ (2)
Foreign exchange forward contracts	Other expenses / (income)	**14**	(1)	3
Cross-currency swap contracts	Other expenses / (income)	**—**	2	(58)
Commodity derivative contracts	Cost of products sold	**(11)**	6	19
Deferred compensation derivative contracts	Administrative expenses	**(3)**	(6)	(7)
Total		**$ —**	$ 1	$ (45)

14. Variable Interest Entity

In February 2016, we agreed to make a $125 capital commitment to Acre, a limited partnership formed to make venture capital investments in innovative new companies in food and food-related industries. Acre is managed by its general partner, Acre Ventures GP, LLC, which is independent of us. We are the sole limited partner of Acre and own a 99.8% interest. Our share of earnings (loss) is calculated according to the terms of the partnership agreement. Acre is a VIE. We have determined that we are the primary beneficiary. Therefore, we consolidate Acre and account for the third party ownership as a noncontrolling interest. Through July 30, 2017, we funded $58 of the capital commitment. Except for the remaining unfunded capital commitment of $67, we do not have obligations to provide additional financial or other support to Acre.

Acre elected the fair value option to account for qualifying investments to more appropriately reflect the value of the investments in the financial statements. The investments were $51 and $34 as of July 30, 2017, and July 31, 2016, respectively, and are included in Other assets on the Consolidated Balance Sheets. Changes in the fair values of investments for which the fair value option was elected are included in Other expenses / (income) on the Consolidated Statements of Earnings. Changes in the fair value were not material in 2017 or 2016. Current assets and liabilities of Acre were not material as of July 30, 2017, or July 31, 2016.

15. Fair Value Measurements

We categorize financial assets and liabilities based on the following fair value hierarchy:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with observable market data.
- Level 3: Unobservable inputs, which are valued based on our estimates of assumptions that market participants would use in pricing the asset or liability.

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. When available, we use unadjusted quoted market prices to measure the fair value and classify such items as Level 1. If quoted market prices are not available, we base fair value upon internally developed models that use current market-based or independently sourced market parameters such as interest rates and currency rates. Included in the fair value of derivative instruments is an adjustment for credit and nonperformance risk.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents our financial assets and liabilities that are measured at fair value on a recurring basis as of July 30, 2017, and July 31, 2016, consistent with the fair value hierarchy:

	Fair Value as of July 30, 2017	Fair Value Measurements at July 30, 2017 Using Fair Value Hierarchy			Fair Value as of July 31, 2016	Fair Value Measurements at July 31, 2016 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets								
Foreign exchange forward contracts(1)	$ 3	$ —	$ 3	$ —	$ 1	$ —	$ 1	$ —
Commodity derivative contracts(2)	6	6	—	—	3	2	1	—
Deferred compensation derivative contracts(3)	1	—	1	—	1	—	1	—
Fair value option investments (4)	50	—	1	49	33	—	8	25
Total assets at fair value	$ 60	$ 6	$ 5	$ 49	$ 38	$ 2	$ 11	$ 25

	Fair Value as of July 30, 2017	Fair Value Measurements at July 30, 2017 Using Fair Value Hierarchy			Fair Value as of July 31, 2016	Fair Value Measurements at July 31, 2016 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Liabilities								
Forward starting interest rate swaps(5)	$ 22	$ —	$ 22	$ —	$ 44	$ —	$ 44	$ —
Foreign exchange forward contracts(1)	21	—	21	—	11	—	11	—
Commodity derivative contracts(2)	1	1	—	—	4	4	—	—
Deferred compensation derivative contracts(3)	—	—	—	—	1	—	1	—
Deferred compensation obligation(6)	112	112	—	—	119	119	—	—
Total liabilities at fair value	$ 156	$ 113	$ 43	$ —	$ 179	$ 123	$ 56	$ —

(1) Based on observable market transactions of spot currency rates and forward rates.

(2) Based on quoted futures exchanges and on observable prices of futures and options transactions in the marketplace.

(3) Based on LIBOR and equity index swap rates.

(4) Primarily represents investments in equity securities that are not readily marketable and are accounted for under the fair value option. The investments were funded by Acre. See Note 14 for additional information. Fair value is based on analyzing recent transactions and transactions of comparable companies, and the discounted cash flow method. In addition, allocation methods,

including the option pricing method, are used in distributing fair value among various equity holders according to rights and preferences. Changes in the fair value of investments were not material in 2017 or 2016.

(5) Based on LIBOR swap rates.

(6) Based on the fair value of the participants' investments.

Items Measured at Fair Value on a Nonrecurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, we are also required to measure certain items at fair value on a nonrecurring basis.

In the fourth quarter of 2017, we recognized $12 of charges, primarily asset impairment, on plant assets associated with the 2015 restructuring initiatives described in Note 7. The carrying value was reduced to estimated fair value based on expected proceeds. The carrying value was not material.

In the fourth quarter of 2016, as part of our annual review of intangible assets, we recognized an impairment charge of $106 on goodwill and $35 on a trademark of the Bolthouse Farms carrot and carrot ingredients reporting unit. During the second quarter of 2017, we performed an interim impairment assessment as of December 31, 2016, and recognized an impairment charge of $127 on goodwill and $20 on a trademark of the Bolthouse Farms carrot and carrot ingredients reporting unit.

During the second quarter of 2017, we performed an interim impairment assessment of the Garden Fresh Gourmet reporting unit as of December 31, 2016, and recognized an impairment charge of $64 on goodwill and $1 on a trademark.

Fair value was determined based on unobservable Level 3 inputs. The fair value of goodwill was determined based on discounted cash flow analyses that include significant management assumptions such as revenue growth rates, operating margins, weighted average cost of capital, and future economic and market conditions. The fair value of trademarks was determined based on discounted cash flow analyses that include significant management assumptions such as revenue growth rates, weighted average cost of capital and assumed royalty rates.

The following table presents fair value measurements of intangible assets that were recognized in the second quarter of 2017 and the fourth quarter of 2016, respectively, consistent with the fair value hierarchy:

	January 29, 2017		July 31, 2016	
	Impairment Charges	Fair Value	Impairment Charges	Fair Value
Bolthouse Farms Carrot and Carrot Ingredients				
Goodwill	**$ 127**	**$ 75**	$ 106	$ 202
Trademark	**$ 20**	**$ 48**	$ 35	$ 68
Garden Fresh Gourmet				
Goodwill	**$ 64**	**$ 52**		
Trademark	**$ 1**	**$ 37**		

See also Note 5 for additional information on the impairment charges.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings, excluding the current portion of long-term debt, approximate fair value.

Cash equivalents of $8 at July 30, 2017, and $74 at July 31, 2016, represent fair value as these highly liquid investments have an original maturity of three months or less. Fair value of cash equivalents is based on Level 2 inputs.

The fair value of long-term debt, including the current portion of long-term debt in Short-term borrowings, was $2,582 at July 30, 2017, and $2,949 at July 31, 2016. The carrying value was $2,499 at July 30, 2017, and $2,755 at July 31, 2016. The fair value of long-term debt is principally estimated using Level 2 inputs based on quoted market prices or pricing models using current market rates.

16. Shareholders' Equity

We have authorized 560 million shares of Capital stock with $.0375 par value and 40 million shares of Preferred stock, issuable in one or more classes, with or without par as may be authorized by the Board of Directors. No Preferred stock has been issued.

Share Repurchase Programs

In March 2017, the Board authorized a new share repurchase program to purchase up to $1,500. The new program has no expiration date, but it may be suspended or discontinued at any time. Effective May 1, 2017, the new share repurchase program replaced the prior $1,000 program, which our Board approved in June 2011. In addition to these publicly announced programs, we have a separate Board authorization to purchase shares to offset the impact of dilution from shares issued under our stock compensation plans.

In 2017, we repurchased 8 million shares at a cost of $437. Of this amount, $129 was used to repurchase shares pursuant to our March 2017 publicly announced share repurchase program and $271 pursuant to our June 2011 program. Approximately $1,371 remained available under the March 2017 program as of July 30, 2017. In 2016, we repurchased 3 million shares at a cost of $143 and in 2015, we repurchased 5 million shares at a cost of $244.

17. Stock-based Compensation

In 2003, shareholders approved the 2003 Long-Term Incentive Plan, which authorized the issuance of an aggregate of 31.2 million shares to satisfy awards of stock options, stock appreciation rights, unrestricted stock, restricted stock/units (including performance restricted stock) and performance units. In 2005, shareholders approved the 2005 Long-Term Incentive Plan, which authorized the issuance of an additional 6 million shares to satisfy the same types of awards. In 2008, shareholders approved an amendment to the 2005 Long-Term Incentive Plan to increase the number of authorized shares to 10.5 million and in 2010, shareholders approved another amendment to the 2005 Long-Term Incentive Plan to increase the number of authorized shares to 17.5 million. In 2015, shareholders approved the 2015 Long-Term Incentive Plan, which authorized the issuance of 13 million shares. Approximately 6 million of these shares were shares that were currently available under the 2005 plan and were incorporated into the 2015 Plan upon approval by shareholders.

Awards under Long-Term Incentive Plans may be granted to employees and directors. Pursuant to the Long-Term Incentive Plan, we adopted a long-term incentive compensation program which provides for grants of total shareholder return (TSR) performance restricted stock/units, EPS performance restricted stock/units, strategic performance restricted stock/units, time-lapse restricted stock/units, special performance restricted stock/units and unrestricted stock. Under the program, awards of TSR performance restricted stock/units will be earned by comparing our total shareholder return during a three-year period to the respective total shareholder returns of companies in a performance peer group. Based upon our ranking in the performance peer group, a recipient of TSR performance restricted stock/units may earn a total award ranging from 0% to 200% of the initial grant. Awards of EPS performance restricted stock/units will be earned based upon our achievement of annual earnings per share goals. During the three-year vesting period, a recipient of EPS performance restricted stock/units may earn a total award of either 0% or 100% of the initial grant. Awards of the strategic performance restricted stock units were earned based upon the achievement of two key metrics, net sales and EPS growth, compared to strategic plan objectives during a three-year period. A recipient of strategic performance restricted stock units earned a total award ranging from 0% to 200% of the initial grant. Awards of time-lapse restricted stock/units will vest ratably over the three-year period. In addition, we may issue special grants of restricted stock/units to attract and retain executives which vest over various periods. Awards are generally granted annually in October.

Annual stock option grants were granted in 2017 and 2016 and were not part of the long-term incentive compensation program for 2015. Stock options are granted on a selective basis under the Long-Term Incentive Plans. The term of a stock option granted under these plans may not exceed ten years from the date of grant. Options granted in 2017 and 2016 under these plans vest ratably over a three-year period. The option price may not be less than the fair market value of a share of common stock on the date of the grant.

In 2017, we issued stock options, time-lapse restricted stock units, unrestricted stock, EPS performance restricted stock units and TSR performance restricted stock units. We did not issue strategic performance restricted stock units or special performance restricted units in 2017.

Total pre-tax stock-based compensation expense and tax-related benefits recognized in the Consolidated Statements of Earnings were as follows:

	2017	2016	2015
Total pre-tax stock-based compensation expense	**$ 60**	$ 64	$ 57
Tax-related benefits	**$ 22**	$ 24	$ 21

The following table summarizes stock option activity as of July 30, 2017:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value
	(Options in thousands)		(In years)	
Outstanding at July 31, 2016	681	$ 50.21		
Granted	489	$ 54.65		
Exercised	(33)	$ 50.21		
Terminated	(95)	$ 52.49		
Outstanding at July 30, 2017	1,042	$ 52.08	8.6	$ 2
Exercisable at July 30, 2017	194	$ 50.21	8.2	$ 1

The total intrinsic value of options exercised during 2017 was not material. During 2016 and 2015, the total intrinsic value of options exercised was $2 and $5, respectively. We measure the fair value of stock options using the Black-Scholes option pricing model. The expected term of options granted was based on the weighted average time of vesting and the end of the contractual term. We utilized this simplified method as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term.

The assumptions and grant-date fair values for grants in 2017 and 2016 were as follows:

	2017	2016
Risk-free interest rate	**1.28%**	**1.68%**
Expected dividend yield	**2.26%**	**2.46%**
Expected volatility	**18.64%**	**18.35%**
Expected term	**6 years**	**6 years**
Grant-date fair value	**$7.51**	**$6.86**

We expense stock options on a straight-line basis over the vesting period, except for awards issued to retirement eligible participants, which we expense on an accelerated basis. As of July 30, 2017, total remaining unearned compensation related to nonvested stock options was $1, which will be amortized over the weighted-average remaining service period of 1.4 years.

The following table summarizes time-lapse restricted stock units, EPS performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units as of July 30, 2017:

	Units	Weighted-Average Grant-Date Fair Value
	(Restricted stock units in thousands)	
Nonvested at July 31, 2016	2,004	$ 45.08
Granted	586	$ 54.79
Vested	(990)	$ 44.16
Forfeited	(379)	$ 43.87
Nonvested at July 30, 2017	1,221	$ 50.86

We determine the fair value of time-lapse restricted stock units, EPS performance restricted stock units, strategic performance restricted stock units and special performance restricted stock units based on the quoted price of our stock at the date of grant. We expense time-lapse restricted stock units on a straight-line basis over the vesting period, except for awards issued to retirement-eligible participants, which we expense on an accelerated basis. We expense EPS performance restricted stock units on a graded-vesting basis, except for awards issued to retirement-eligible participants, which we expense on an accelerated basis. There were 155 thousand EPS performance target grants outstanding at July 30, 2017, with a weighted-average grant-date fair value of $49.89. The actual number of EPS performance restricted stock units and strategic performance restricted stock units that vest will depend on actual performance achieved. We estimate expense based on the number of awards expected to vest. In the first quarter of 2017, recipients of strategic performance restricted stock units earned 35% of the initial grants based on actual performance achieved during a three-year period ended July 31, 2016. There were no strategic performance restricted stock units outstanding at July 30, 2017.

In 2015, we issued special performance restricted stock units for which vesting was contingent upon meeting various financial goals and performance milestones to support innovation and growth initiatives. These awards vested in the first quarter of 2017 and are included in the table above. Recipients of special performance restricted stock units earned 0% of the initial grants based upon financial goals and 100% of the initial grants based upon performance milestones to support innovation and growth initiatives.

As of July 30, 2017, total remaining unearned compensation related to nonvested time-lapse restricted stock units and EPS performance restricted stock units was $22, which will be amortized over the weighted-average remaining service period of 1.6 years. The fair value of restricted stock units vested during 2017, 2016 and 2015 was $55, $44 and $56, respectively. The weighted-average grant-date fair value of the restricted stock units granted during 2016 and 2015 was $50.44 and $43.00, respectively.

The following table summarizes TSR performance restricted stock units as of July 30, 2017:

	Units	**Weighted-Average Grant-Date Fair Value**
	(Restricted stock units in thousands)	
Nonvested at July 31, 2016	1,641	$ 49.13
Granted	606	$ 39.53
Vested	(251)	$ 36.26
Forfeited	(222)	$ 44.58
Nonvested at July 30, 2017	1,774	$ 48.24

We estimated the fair value of TSR performance restricted stock units at the grant date using a Monte Carlo simulation. Assumptions used in the Monte Carlo simulation were as follows:

	2017	**2016**	**2015**
Risk-free interest rate	**0.85%**	0.92%	0.97%
Expected dividend yield	**2.26%**	2.46%	2.91%
Expected volatility	**17.78%**	17.25%	16.20%
Expected term	**3 years**	3 years	3 years

We recognize compensation expense on a straight-line basis over the service period. As of July 30, 2017, total remaining unearned compensation related to TSR performance restricted stock units was $27, which will be amortized over the weighted-average remaining service period of 1.6 years. In the first quarter of 2017, recipients of TSR performance restricted stock units earned 75% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended July 29, 2016. In the first quarter of 2016, recipients of TSR performance restricted stock units earned 100% of the initial grants based upon our TSR ranking in a performance peer group during a three-year period ended July 31, 2015. There were no TSR performance restricted stock units scheduled to vest in 2015. The fair value of TSR performance restricted stock units vested during 2017 and 2016 was $14 and $22, respectively. The grant-date fair value of the TSR performance restricted stock units granted during 2016 and 2015 was $62.44 and $43.39, respectively. In the first quarter of 2018, recipients of TSR performance restricted stock units will receive a 125% payout based upon our TSR ranking in a performance peer group during a three-year period ended July 28, 2017.

The excess tax benefits on the exercise of stock options and vested restricted stock presented as cash flows from operating activities were $6 in 2017, $7 in 2016 and $6 in 2015. Cash received from the exercise of stock options was $2 for 2017 and 2016, and $9 for 2015, and are reflected in cash flows from financing activities in the Consolidated Statements of Cash Flows.

18. Commitments and Contingencies

Regulatory and Litigation Matters

We are involved in various pending or threatened legal or regulatory proceedings, including purported class actions, arising from the conduct of business both in the ordinary course and otherwise. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the trial court. In addition, jurisdictions may permit plaintiffs to allege monetary damages in amounts well exceeding reasonably possible verdicts in the jurisdiction for similar matters. This variability in pleadings, together with our actual experiences in litigating or resolving through settlement numerous claims over an extended period of time, demonstrates to us that the monetary relief which may be specified in a lawsuit or claim bears little relevance to its merits or disposition value.

Due to the unpredictable nature of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time is normally difficult to ascertain. Uncertainties can include how fact finders will evaluate documentary evidence and the credibility and effectiveness of witness testimony, and how trial and appellate courts will apply the law in the context of the pleadings or evidence presented, whether by motion practice, or at trial or on appeal. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel will themselves view the relevant evidence and applicable law.

We establish liabilities for litigation and regulatory loss contingencies when information related to the loss contingencies shows both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be reasonably estimated as of July 30, 2017. While the potential future charges could be material in a particular quarter or annual period, based on information currently known by us, we do not believe any such charges are likely to have a material adverse effect on our consolidated results of operations or financial condition.

Operating Leases

We have certain operating lease commitments, primarily related to warehouse and office facilities, and certain equipment. Rent expense under operating lease commitments was $53 in 2017, $45 in 2016 and $48 in 2015. Future minimum annual rental payments under these operating leases as of July 30, 2017, are as follows:

2018	2019	2020	2021	2022	Thereafter
$38	$34	$30	$25	$15	$21

Other Contingencies

We guarantee approximately 2,000 bank loans made to Pepperidge Farm independent contractor distributors by third-party financial institutions for the purchase of distribution routes. The maximum potential amount of future payments under existing guarantees we could be required to make is $204. Our guarantees are indirectly secured by the distribution routes. We do not believe it is probable that we will be required to make material guarantee payments as a result of defaults on the bank loans guaranteed. The amounts recognized as of July 30, 2017, and July 31, 2016, were not material.

We have provided certain standard indemnifications in connection with divestitures, contracts and other transactions. Certain indemnifications have finite expiration dates. Liabilities recognized based on known exposures related to such matters were not material at July 30, 2017, and July 31, 2016.

19. Supplemental Financial Statement Data

Balance Sheets

	2017	2016
Accounts receivable		
Customer accounts receivable	**$ 561**	$ 566
Allowances	**(11)**	(12)
Subtotal	**$ 550**	$ 554
Other	**55**	72
	$ 605	$ 626
Inventories		
Raw materials, containers and supplies	**$ 377**	$ 391
Finished products	**525**	549
	$ 902	$ 940
Other current assets		
Fair value of derivatives	**$ 9**	$ 5
Other	**65**	41
	$ 74	$ 46
Plant assets		
Land	**$ 64**	$ 58
Buildings	**1,553**	1,488
Machinery and equipment	**4,231**	4,042
Projects in progress	**195**	176
Total cost	**$ 6,043**	$ 5,764
Accumulated depreciation[1]	**(3,589)**	(3,357)
	$ 2,454	$ 2,407
Other assets		
Investments	**$ 69**	$ 47
Deferred taxes	**36**	41
Other	**34**	19
	$ 139	$ 107

	2017	2016
Accrued liabilities		
Accrued compensation and benefits	**$ 241**	$ 263
Fair value of derivatives	**43**	16
Accrued trade and consumer promotion programs	**131**	130
Accrued interest	**34**	35
Restructuring	**24**	57
Other	**88**	103
	$ 561	$ 604
Other liabilities		
Pension benefits	**$ 261**	$ 501
Deferred compensation[(2)]	**96**	100
Postretirement benefits	**247**	285
Fair value of derivatives	**1**	44
Unrecognized tax benefits	**34**	31
Restructuring	**2**	17
Other	**56**	61
	$ 697	$ 1,039

(1) Depreciation expense was $299 in 2017, $288 in 2016 and $286 in 2015. Buildings are depreciated over periods ranging from 7 to 45 years. Machinery and equipment are depreciated over periods generally ranging from 2 to 20 years.

(2) The deferred compensation obligation represents unfunded plans maintained for the purpose of providing our directors and certain of our executives the opportunity to defer a portion of their compensation. All forms of compensation contributed to the deferred compensation plans are accounted for in accordance with the underlying program. Deferrals and our contributions are credited to an investment account in the participant's name, although no funds are actually contributed to the investment account and no investments are actually purchased. Seven investment choices are available, including: (1) a book account that tracks the total return on our stock; (2) a book account that tracks the performance of the Vanguard Institutional Index; (3) a book account that tracks the performance of the Vanguard Extended Market Index; (4) a book account that tracks the performance of the Vanguard Total International Stock Index; (5) a book account that tracks the performance of the Vanguard Total Bond Market Index; (6) a book account that tracks the performance of the Vanguard Short-Term Bond Index; and (7) a book account that tracks the BlackRock Short-Term Investment Fund. Participants can reallocate investments daily and are entitled to the gains and losses on investment funds. We recognize an amount in the Consolidated Statements of Earnings for the market appreciation/depreciation of each fund.

Statements of Earnings

	2017	2016	2015
Other expenses / (income)			
Amortization of intangible assets	**$ 19**	$ 20	$ 17
Impairment of intangible assets[1]	**212**	141	6
Claim settlement[2]	**—**	(25)	—
Other	**7**	(5)	1
	$ 238	$ 131	$ 24
Advertising and consumer promotion expense[3]	**$ 389**	$ 397	$ 385
Interest expense			
Interest expense	**$ 114**	$ 118	$ 111
Less: Interest capitalized	**2**	3	3
	$ 112	$ 115	$ 108

(1) In 2017, we recognized impairment charges of $212 related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit; in 2016, we recognized an impairment charge of $141 related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit; and in 2015, we recognized an impairment charge of $6 related to minor trademarks used in the Global Biscuits and Snacks segment. See also Note 5.

(2) In 2016, we recorded a gain of $25 from a settlement of a claim related to the Kelsen acquisition.

(3) Included in Marketing and selling expenses.

Statements of Cash Flows

	2017	2016	2015
Cash Flows from Operating Activities			
Other			
Benefit related payments	**$ (53)**	$ (55)	$ (53)
Other	**—**	(3)	1
	$ (53)	$ (58)	$ (52)
Other Cash Flow Information			
Interest paid	**$ 110**	$ 113	$ 111
Interest received	**$ 5**	$ 4	$ 3
Income taxes paid	**$ 320**	$ 325	$ 333

20. Quarterly Data (unaudited)

	2017			
	First	Second	Third	Fourth
Net sales	**$ 2,202**	**$ 2,171**	**$ 1,853**	**$ 1,664**
Gross profit	**841**	**825**	**678**	**715**
Net earnings attributable to Campbell Soup Company	**292**	**101**	**176**	**318**
Per share - basic				
Net earnings attributable to Campbell Soup Company	**.95**	**.33**	**.58**	**1.05**
Dividends	**.35**	**.35**	**.35**	**.35**
Per share - assuming dilution				
Net earnings attributable to Campbell Soup Company	**.94**	**.33**	**.58**	**1.04**
Market price				
High	**$ 62.30**	**$ 63.50**	**$ 64.23**	**$ 59.14**
Low	**$ 52.74**	**$ 52.59**	**$ 56.05**	**$ 50.62**

	2017			
	First	Second	Third	Fourth
In 2017, the following charges (gains) were recorded in Net earnings attributable to Campbell Soup Company:				
Impairment charges	**$ —**	**$ 180**	**$ —**	**$ —**
Restructuring charges, implementation costs and other related costs	**6**	**—**	**4**	**26**
Pension and postretirement benefit mark-to-market adjustments	**13**	**—**	**—**	**(129)**
Sale of notes	**—**	**—**	**—**	**(56)**
Per share - assuming dilution				
Impairment charges	**—**	**.58**	**—**	**—**
Restructuring charges, implementation costs and other related costs	**.02**	**—**	**.01**	**.09**
Pension and postretirement benefit mark-to-market adjustments	**.04**	**—**	**—**	**(.42)**
Sale of notes	**—**	**—**	**—**	**(.18)**

	2016			
	First	Second	Third	Fourth
Net sales	$ 2,203	$ 2,201	$ 1,870	$ 1,687
Gross profit	755	819	660	546
Net earnings (loss) attributable to Campbell Soup Company	194	265	185	(81)
Per share - basic				
Net earnings (loss) attributable to Campbell Soup Company	.63	.85	.60	(.26)
Dividends	.312	.312	.312	.312
Per share - assuming dilution				
Net earnings (loss) attributable to Campbell Soup Company	.62	.85	.59	(.26)
Market price				
High	$ 52.37	$ 56.63	$ 65.48	$ 67.89
Low	$ 45.23	$ 47.77	$ 54.97	$ 59.51

	2016			
	First	Second	Third	Fourth
In 2016, the following charges (gains) were recorded in Net earnings attributable to Campbell Soup Company:				
Impairment charge	$ —	$ —	$ —	$ 127
Restructuring charges, implementation costs and other related costs	23	10	9	7
Pension and postretirement benefit mark-to-market adjustments	80	(4)	34	90
Claim settlement	—	—	(25)	—
Per share - assuming dilution				
Impairment charge	—	—	—	.41
Restructuring charges, implementation costs and other related costs	.07	.03	.03	.02
Pension and postretirement benefit mark-to-market adjustments	.26	(.01)	.11	.29
Claim settlement	—	—	(.08)	—

In the fourth quarter of 2016, an out-of-period adjustment of $13 ($.04 per share) to increase taxes on earnings was recorded. The adjustment related to deferred tax expense that should have been provided on certain cross-currency swap contracts associated with intercompany debt. Most of the adjustment related to the third quarter of 2016. Management does not believe the adjustment is material to the consolidated financial statements for any period.

Management's Report on Internal Control Over Financial Reporting

The company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

The company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and Directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, any system of internal control over financial reporting, no matter how well defined, may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The company's management assessed the effectiveness of the company's internal control over financial reporting as of July 30, 2017. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework (2013)*. Based on this assessment using those criteria, management concluded that the company's internal control over financial reporting was effective as of July 30, 2017.

The effectiveness of the company's internal control over financial reporting as of July 30, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which appears herein.

/s/ Denise M. Morrison

Denise M. Morrison
President and Chief Executive Officer

/s/ Anthony P. DiSilvestro

Anthony P. DiSilvestro
Senior Vice President and Chief Financial Officer

/s/ Stanley Polomski

Stanley Polomski
Vice President and Controller
(Principal Accounting Officer)

September 27, 2017

Report of Independent Registered Public Accounting Firm

To the Shareholders and Directors of Campbell Soup Company:

In our opinion, the consolidated financial statements listed in the accompanying index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Campbell Soup Company and its subsidiaries as of July 30, 2017 and July 31, 2016, and the results of their operations and their cash flows for each of the three years in the period ended July 30, 2017 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 30, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania

September 27, 2017

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

We, under the supervision and with the participation of our management, including the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of July 30, 2017 (Evaluation Date). Based on such evaluation, the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer have concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective.

The annual report of management on our internal control over financial reporting is provided under "Financial Statements and Supplementary Data" on page 74. The attestation report of PricewaterhouseCoopers LLP, our independent registered public accounting firm, regarding our internal control over financial reporting is provided under "Financial Statements and Supplementary Data" on page 75.

During the fourth quarter of 2017, we replaced a financial planning and consolidation system with an upgraded version. In connection with this implementation, we modified select controls relating to financial data consolidation and financial reporting.

Except as described above, there were no changes in our internal control over financial reporting that materially affected, or were likely to materially affect, such control over financial reporting during the quarter ended July 30, 2017.

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The sections entitled "Item 1 — Election of Directors," "Voting Securities and Principal Shareholders — Ownership of Directors and Executive Officers" and "Voting Securities and Principal Shareholders — Compliance with Section 16(a) of the Exchange Act" in our Proxy Statement for the Annual Meeting of Shareholders to be held on November 15, 2017 (the 2017 Proxy) are incorporated herein by reference. The information presented in the section entitled "Corporate Governance Policies and Practices — Board Meetings and Committees — Board Committee Structure" in the 2017 Proxy relating to the members of our Audit Committee and the Audit Committee's financial experts is incorporated herein by reference.

Certain of the information required by this Item relating to our executive officers is set forth under the heading "Executive Officers of the Company" in this Report.

We have adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers that applies to our Chief Executive Officer, Chief Financial Officer, Controller and members of the Chief Financial Officer's financial leadership team. The Code of Ethics for the Chief Executive Officer and Senior Financial Officers is posted on our website, www.campbellsoupcompany.com (under the "About Us — Corporate Governance" caption). We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver of, a provision of the Code of Ethics for the Chief Executive Officer and Senior Financial Officers by posting such information on our website.

We have also adopted a separate Code of Business Conduct and Ethics applicable to the Board of Directors, our officers and all of our employees. The Code of Business Conduct and Ethics is posted on our website, www.campbellsoupcompany.com (under the "About Us — Corporate Governance" caption). Our Corporate Governance Standards and the charters of our four standing committees of the Board of Directors can also be found at this website. Printed copies of the foregoing are available to any shareholder requesting a copy by:

- writing to Investor Relations, Campbell Soup Company, 1 Campbell Place, Camden, NJ 08103-1799;
- calling 1-800-840-2865; or
- e-mailing our Investor Relations Department at investorrelations@campbellsoup.com.

Item 11. ***Executive Compensation***

The information presented in the sections entitled "Compensation Discussion and Analysis," "Executive Compensation Tables," "Corporate Governance Policies and Practices — Compensation of Directors," "Corporate Governance Policies and Practices — Board Meetings and Committees — Board Committee Structure — Compensation and Organization Committee Interlocks and Insider Participation" and "Compensation Discussion and Analysis — Compensation and Organization Committee Report" in the 2017 Proxy is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters***

The information presented in the sections entitled "Voting Securities and Principal Shareholders — Ownership of Directors and Executive Officers" and "Voting Securities and Principal Shareholders — Principal Shareholders" in the 2017 Proxy is incorporated herein by reference.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information about the stock that could have been issued under our equity compensation plans as of July 30, 2017:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column) (c)
Equity Compensation Plans Approved by Security Holders [1]	5,810,861	$ 52.08	9,650,970
Equity Compensation Plans Not Approved by Security Holders	N/A	N/A	N/A
Total	5,810,861	$ 52.08	9,650,970

(1) Column (a) represents stock options and restricted stock units outstanding under the 2015 Long-Term Incentive Plan, 2005 Long-Term Incentive Plan and the 2003 Long-Term Incentive Plan. Column (a) includes 3,547,900 TSR performance restricted stock units based on the maximum number of shares potentially issuable under the awards, and the number of shares, if any, to be issued pursuant to such awards will be determined based upon performance during the applicable three-year performance period. No additional awards can be made under the 2003 Long-Term Incentive Plan or the 2005 Long-Term Incentive Plan. Future equity awards under the 2015 Long-Term Incentive Plan may take the form of stock options, SARs, performance unit awards, restricted stock, restricted performance stock, restricted stock units, or stock awards. Column (b) represents the weighted-average exercise price of the outstanding stock options only; the outstanding restricted stock units are not included in this calculation. Column (c) represents the maximum number of future equity awards that can be made under the 2015 Long-Term Incentive Plan as of July 30, 2017.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information presented in the section entitled "Corporate Governance Policies and Practices — Transactions with Related Persons," "Item 1 — Election of Directors — Director Independence" and "Corporate Governance Policies and Practices — Board Meetings and Committees — Board Committee Structure" in the 2017 Proxy is incorporated herein by reference.

Item 14. ***Principal Accounting Fees and Services***

The information presented in the sections entitled "Item 2 — Ratification of Appointment of Independent Registered Public Accounting Firm — Audit Firm Fees and Services" and "Item 2 — Ratification of Appointment of Independent Registered Public Accounting Firm — Audit Committee Pre-Approval Policy" in the 2017 Proxy is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this Report:

1. Financial Statements

Consolidated Statements of Earnings for 2017, 2016 and 2015

Consolidated Statements of Comprehensive Income for 2017, 2016 and 2015

Consolidated Balance Sheets as of July 30, 2017 and July 31, 2016

Consolidated Statements of Cash Flows for 2017, 2016 and 2015

Consolidated Statements of Equity for 2017, 2016 and 2015

Notes to Consolidated Financial Statements

Management's Report on Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm

2. Financial Statement Schedule

II - Valuation and Qualifying Accounts for 2017, 2016 and 2015

3. Exhibits

Reference is made to Item 15(b) below.

(b) *Exhibits*. The Exhibit Index, which immediately precedes the signature page, is incorporated by reference into this Report.

(c) *Financial Statement Schedules*. Reference is made to Item 15(a)(2) above.

Item 16. *Form 10-K Summary*

None.

INDEX TO EXHIBITS

2*	Securities Purchase Agreement, dated July 6, 2017, by and among Campbell Investment Company, Pacific Foods of Oregon, Inc. and the other parties named therein is incorporated by reference to Exhibit 2.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on July 6, 2017.
3(a)	Campbell's Restated Certificate of Incorporation, as amended through February 24, 1997, is incorporated by reference to Exhibit 3(i) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended July 28, 2002.
3(b)	Campbell's By-Laws, amended and restated effective March 22, 2017, are incorporated by reference to Exhibit 3 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on March 23, 2017.
4(a)	Indenture, dated November 24, 2008, between Campbell and The Bank of New York Mellon, as Trustee, is incorporated by reference to Exhibit 4(a) to Campbell's Registration Statement on Form S-3 (SEC file number 333-155626) filed with the SEC on November 24, 2008.
4(b)	Form of First Supplemental Indenture, dated August 2, 2012, among Campbell, The Bank of New York Mellon and Wells Fargo Bank, National Association, as Series Trustee, to Indenture dated November 24, 2008, is incorporated by reference to Exhibit 4.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on August 2, 2012.
4(c)	Form of Subordinated Indenture between Campbell and Wells Fargo Bank, National Association, as Trustee, is incorporated by reference to Exhibit 4.2 to Campbell's Registration Statement on Form S-3 (SEC file number 333-219217) filed with the SEC on July 10, 2017.
4(d)	Form of 4.500% Notes due 2019 is incorporated by reference to Exhibit 4.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on January 20, 2009.
4(e)	Form of 4.250% Notes due 2021 is incorporated by reference to Exhibit 4.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on April 1, 2011.
4(f)	Form of 2.500% Notes due 2022 is incorporated by reference to Exhibit 4.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on August 2, 2012.
4(g)	Form of 3.800% Notes due 2042 is incorporated by reference to Exhibit 4.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on August 2, 2012.
9	Major Stockholders' Voting Trust Agreement dated June 2, 1990, as amended, is incorporated by reference to (i) Exhibit 99.C to Campbell's Schedule 13E-4 (SEC file number 5-7735) filed on September 12, 1996, (ii) Exhibit 99.G to Amendment No. 7 to Schedule 13D (SEC file number 5-7735) dated March 3, 2000, (iii) Exhibit 99.M to Amendment No. 8 to Schedule 13D (SEC file number 5-7735) dated January 26, 2001, (iv) Exhibit 99.P to Amendment No. 9 to Schedule 13D (SEC file number 5-7735) dated September 30, 2002, and (v) Exhibits 9(b), 9(c), 9(d) and 9(e) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended August 3, 2014, each as filed with the SEC.
10(a)+	Campbell Soup Company 2003 Long-Term Incentive Plan, as amended and restated on September 25, 2008, is incorporated by reference to Exhibit 10(b) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended August 3, 2008.
10(b)+	Campbell Soup Company 2005 Long-Term Incentive Plan, as amended and restated on November 18, 2010, is incorporated by reference to Campbell's 2010 Proxy Statement (SEC file number 1-3822) filed with the SEC on October 7, 2010.
10(c)+	Campbell Soup Company 2015 Long-Term Incentive Plan is incorporated by reference to Campbell's 2015 Proxy Statement (SEC file number 1-3822) filed with the SEC on October 9, 2015.
10(d)+	Campbell Soup Company Annual Incentive Plan, as amended on November 19, 2014, is incorporated by reference to Campbell's 2014 Proxy Statement (SEC file number 1-3822) filed with the SEC on October 1, 2014.
10(e)+	Campbell Soup Company Mid-Career Hire Pension Plan, as amended and restated effective as of January 1, 2009, is incorporated by reference to Exhibit 10(a) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended February 1, 2009.
10(f)+	First Amendment to the Campbell Soup Company Mid-Career Hire Pension Plan, effective as of December 31, 2010, is incorporated by reference to Exhibit 10(a) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended January 30, 2011.
10(g)+	Deferred Compensation Plan, effective November 18, 1999, is incorporated herein by reference to Exhibit 10(e) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended July 30, 2000.

10(h)+	Campbell Soup Company Supplemental Retirement Plan (formerly known as Deferred Compensation Plan II), as amended and restated effective as of August 1, 2015, is incorporated herein by reference to Exhibit 4(c) to Campbell's Form S-8 (SEC file number 333-216582) filed with the SEC on March 9, 2017.
10(i)+	Form of Severance Protection Agreement filed herewith.
10(j)+	Form of Amendment to the Severance Protection Agreement filed herewith.
10(k)+	Form of U.S. Severance Protection Agreement is incorporated by reference to Exhibit 10(c) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended November 2, 2008.
10(l)+	Form of Non-U.S. Severance Protection Agreement is incorporated by reference to Exhibit 10(d) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended November 2, 2008.
10(m)+	Form of U.S. Severance Protection Agreement is incorporated by reference to Exhibit 10(m) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended July 31, 2011.
10(n)+	Form of Non-U.S. Severance Protection Agreement is incorporated by reference to Exhibit 10(n) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended July 31, 2011.
10(o)+	Form of Amendment to U.S. and Non-U.S. Severance Protection Agreements is incorporated by reference to Exhibit 10(o) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended July 31, 2016.
10(p)+	Campbell Soup Company Severance Pay Plan for Salaried Employees, as amended and restated effective January 1, 2011, is incorporated by reference to Exhibit 10(a) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended May 1, 2011.
10(q)+	Amendment to the Campbell Soup Company Severance Pay Plan for Salaried Employees, effective as of May 1, 2015, is incorporated by reference to Exhibit 10(b) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended May 3, 2015.
10(r)+	Amendment to the Campbell Soup Company Severance Pay Plan for Salaried Employees, dated December 17, 2015, is incorporated by reference to Exhibit 10(a) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended January 31, 2016.
10(s)+	Amendment 2017-1 to the Campbell Soup Company Severance Pay Plan for Salaried Employees, effective January 1, 2017, is incorporated by reference to Exhibit 10 to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended April 30, 2017.
10(t)+	Campbell Soup Company Supplemental Employees' Retirement Plan, as amended and restated effective January 1, 2009, is incorporated by reference to Exhibit 10(c) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended February 1, 2009.
10(u)+	First Amendment to the Campbell Soup Company Supplemental Employees' Retirement Plan, effective as of December 31, 2010, is incorporated by reference to Exhibit 10(c) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended January 30, 2011.
10(v)+	Wm. Bolthouse Farms, Inc. Deferred Compensation Plan, effective as of August 1, 2010, is incorporated by reference to Exhibit 10(f) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended February 1, 2015.
10(w)+	Form of 2005 Long-Term Incentive Plan Time-Lapsed Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.1 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on February 2, 2015.
10(x)+	Form of 2005 Long-Term Incentive Plan Nonqualified Stock Option Agreement is incorporated by reference to Exhibit 10 to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended November 1, 2015.
10(y)+	Form of 2015 Long-Term Incentive Plan Nonqualified Stock Option Agreement is incorporated by reference to Exhibit 10(dd) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended July 31, 2016.
10(z)+	Form of 2015 Long-Term Incentive Plan Performance Stock Unit Agreement (Earnings Per Share) is incorporated by reference to Exhibit 10(b) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended October 30, 2016.
10(aa)+	Form of 2015 Long-Term Incentive Plan Performance Stock Unit Agreement (Total Shareholder Return) is incorporated by reference to Exhibit 10(ff) to Campbell's Form 10-K (SEC file number 1-3822) for the fiscal year ended July 31, 2016.
10(bb)+	Form of 2015 Long-Term Incentive Plan Time-Lapse Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10(c) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended October 30, 2016.

10(cc)+	2017 Non-Employee Director Fees are incorporated by reference to Exhibit 10(a) to Campbell's Form 10-Q (SEC file number 1-3822) for the fiscal quarter ended October 30, 2016.
10(dd)	Five-Year Credit Agreement, dated December 9, 2016, by and among Campbell Soup Company, the eligible subsidiaries referred to therein, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders named therein, is incorporated by reference to Exhibit 10 to Campbell's Form 8-K (SEC file number 1-3822) filed with the SEC on December 12, 2016.
12	Computation of Ratio of Earnings to Fixed Charges.
21	Subsidiary List.
23	Consent of Independent Registered Public Accounting Firm.
31(a)	Certification of Denise M. Morrison pursuant to Rule 13a-14(a).
31(b)	Certification of Anthony P. DiSilvestro pursuant to Rule 13a-14(a).
32(a)	Certification of Denise M. Morrison pursuant to 18 U.S.C. Section 1350.
32(b)	Certification of Anthony P. DiSilvestro pursuant to 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document

*Disclosure schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Campbell agrees to furnish a copy of any omitted attachment to the SEC on a confidential basis upon request.

+This exhibit is a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, Campbell has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

September 27, 2017

CAMPBELL SOUP COMPANY

By: /s/ Anthony P. DiSilvestro

Anthony P. DiSilvestro
Senior Vice President and Chief Financial Officer (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of Campbell and in the capacities indicated on September 27, 2017.

Signatures

/s/ Denise M. Morrison	/s/ Mary Alice D. Malone
Denise M. Morrison President, Chief Executive Officer and Director (Principal Executive Officer)	Mary Alice D. Malone Director
/s/ Anthony P. DiSilvestro	/s/ Sara Mathew
Anthony P. DiSilvestro Senior Vice President and Chief Financial Officer (Principal Financial Officer)	Sara Mathew Director
/s/ Stanley Polomski	/s/ Keith R. McLoughlin
Stanley Polomski Vice President and Controller (Principal Accounting Officer)	Keith R. McLoughlin Director
/s/ Les C. Vinney	/s/ Charles R. Perrin
Les C. Vinney Chairman and Director	Charles R. Perrin Director
/s/ Fabiola R. Arredondo	/s/ Nick Shreiber
Fabiola R. Arredondo Director	Nick Shreiber Director
/s/ Bennett Dorrance	/s/ Tracey T. Travis
Bennett Dorrance Director	Tracey T. Travis Director
/s/ Randall W. Larrimore	/s/ Archbold D. van Beuren
Randall W. Larrimore Director	Archbold D. van Beuren Director
/s/ Marc B. Lautenbach	
Marc B. Lautenbach Director	

Schedule II

CAMPBELL SOUP COMPANY
Valuation and Qualifying Accounts

For the Fiscal Years ended July 30, 2017, July 31, 2016, and August 2, 2015
(Millions)

	Balance at Beginning of Period	Charged to/ (Reduction in) Costs and Expenses	Deductions	Balance at End of Period
Fiscal year ended July 30, 2017				
Cash discount	$ 4	**$ 109**	**$ (109)**	**$ 4**
Bad debt reserve	3	**—**	**(1)**	**2**
Returns reserve[1]	5	**—**	**—**	**5**
Total Accounts receivable allowances	$ 12	**$ 109**	**$ (110)**	**$ 11**
Fiscal year ended July 31, 2016				
Cash discount	$ 5	$ 116	$ (117)	$ 4
Bad debt reserve	4	(1)	—	3
Returns reserve[1]	4	2	(1)	5
Total Accounts receivable allowances	$ 13	$ 117	$ (118)	$ 12
Fiscal year ended August 2, 2015				
Cash discount	$ 4	$ 116	$ (115)	$ 5
Bad debt reserve	3	2	(1)	4
Returns reserve[1]	5	—	(1)	4
Total Accounts receivable allowances	$ 12	$ 118	$ (117)	$ 13

(1) The returns reserve is evaluated quarterly and adjusted accordingly. During each period, returns are charged to net sales in the Consolidated Statements of Earnings as incurred. Actual returns were approximately $103 in 2017, $95 in 2016 and $105 in 2015, or less than 2% of net sales.

Exhibit 10(i)

FORM OF SEVERANCE PROTECTION AGREEMENT

THIS AGREEMENT made as of _______________, by and between Campbell Soup Company (the "*Company*") and _______________ (the "*Executive*").

WHEREAS, the Board of Directors of the Company (the "*Board*") recognizes that the possibility of a Change in Control (as hereinafter defined) exists and that the threat of or the occurrence of a Change in Control may result in the departure or in significant distractions of its key management personnel because of the uncertainties inherent in such a situation;

WHEREAS, the Board has, as recommended and approved by the Compensation and Organization Committee (the "*Committee*"), determined that it is essential and in the best interest of the Company and its stockholders to retain the services of the Executive in the event of a threat or occurrence of a Change in Control and to ensure her continued dedication and efforts in such event without undue concern for her personal financial and employment security; and

WHEREAS, in order to induce the Executive to remain in the employ of the Company and to encourage the continued attention and dedication of the Executive, particularly in the event of a threat or the occurrence of a Change in Control, the Company desires to enter into this Agreement with the Executive to provide the Executive with certain benefits in the event her employment is terminated as a result of, or in connection with, a Change in Control.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. *Term of Agreement*. The term of this Agreement (the "*Term*") shall commence on _______________, and shall continue in effect until the third anniversary of such date; *provided*, *however*, that commencing on the second anniversary of such date and on each anniversary thereafter, the term of this Agreement shall automatically be extended for one (1) year unless either the Company or the Executive shall have given written notice to the other at least ninety (90) days prior thereto that the term of this Agreement shall not be so extended; and *provided, further, however*, that notwithstanding any such notice by the Company not to extend, the Term shall not expire prior to the expiration of twenty-four (24) months after the occurrence of a Change in Control.

2. *Definitions.*

2.1. "*Cause*" means a termination evidenced by a resolution adopted in good faith by no less than two-thirds of the Board that the Executive (a) intentionally and continually failed to substantially perform her duties with the Company (other than a failure resulting from the Executive's incapacity due to physical or mental illness) which failure continued for a period of at least thirty (30) days after a written notice of demand for substantial performance has been delivered to the Executive specifying the manner in which the Executive has failed to substantially perform, or (b) intentionally engaged in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; *provided, however,* that no termination of the Executive's employment shall be for Cause as set forth in clause (b) above until (x) there shall have been delivered to the Executive a copy of a written notice setting forth that the Executive was guilty of the conduct set forth in clause (b) and specifying the particulars thereof in detail, and (y) the Executive shall have been provided an opportunity to be heard by the Board (with the assistance of the Executive's counsel if the Executive so desires). No act, nor failure to act, on the Executive's part, shall be considered “intentional” unless she has acted, or failed to act, with an absence of good faith and without a reasonable belief that her action or failure to act was in the best interest of the Company. Notwithstanding anything contained in this Agreement to the contrary, no failure to perform by the Executive after a Notice of Termination is given by the Executive shall constitute Cause for purposes of this Agreement.

2.2 “*Change in Control*” means any of the following events:

(a) The acquisition in one or more transactions by any “*Person*” (as the term person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “*1934 Act*”) of “*Beneficial Ownership*” (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of twenty-five percent (25%) or more of the combined voting power of the Company’s then outstanding voting securities (the “*Voting Securities”*), *provided*, *however*, that for purposes of this Section 2.2(a), the Voting Securities acquired directly from the Company by any Person shall be excluded from the determination of such Person's Beneficial Ownership of Voting Securities (but such Voting Securities shall be included in the calculation of the total number of Voting Securities then outstanding); or

(b) The individuals who, as of September 28, 2000, are members of the Board (the “*Incumbent Board*”), cease for any reason to constitute more than fifty percent (50%) of the Board; *provided*, *however*, that if the election, or nomination for election by the Company's stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; or

(c) Approval by stockholders of the Company of (1) a merger or consolidation involving the Company if the stockholders of the Company, immediately before such merger or consolidation, do not own, directly or indirectly immediately following such merger or consolidation, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the Voting Securities immediately before such merger or consolidation or (2) a complete liquidation or dissolution of the Company or an agreement for the sale or other disposition of all or substantially all of the assets of the Company; or

(d) Acceptance of stockholders of the Company of shares in a share exchange if the stockholders of the Company, immediately before such share exchange, do not own, directly or indirectly immediately following such share exchange, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such share exchange in substantially the same proportion as their ownership of the Voting Securities outstanding immediately before such share exchange.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because twenty-five percent (25%) or more of the then outstanding Voting Securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries, (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition, (iii) any "*Grandfathered Dorrance Family Stockholder"* (as hereinafter defined) or (iv) any Person who has acquired such Voting Securities directly from any Grandfathered Dorrance Family Stockholder but only if such Person has executed an agreement which is approved by two-thirds of the Board and pursuant to which such Person has agreed that she (or they) will not increase her (or their) Beneficial Ownership (directly or indirectly) to 30% or more of the outstanding Voting Securities (the "*Standstill Agreement*") and only for the period during which the Standstill Agreement is effective and fully honored by such Person.

For purposes of this Section, "*Grandfathered Dorrance Family Stockholder"* shall mean at any time a "*Dorrance Family Stockholder*" (as hereinafter defined) who or which is at the time in question the Beneficial Owner solely of (v) Voting Securities Beneficially Owned by such individual on January 25, 1990, (w) Voting Securities acquired directly from the Company, (x) Voting Securities acquired directly from another Grandfathered Dorrance Family Stockholder, (y) Voting Securities which are also Beneficially Owned by other Grandfathered Dorrance Family Stockholders at the time in question, and (z) Voting Securities acquired after January 25, 1990 other than directly from the Company or from another Grandfathered Dorrance Family Stockholder by any "*Dorrance Grandchild*" (as hereinafter defined), *provided* that the aggregate amount of Voting Securities so acquired by each such Dorrance Grandchild shall not exceed five percent (5%) of the Voting Securities outstanding at the time of such acquisition.

A "*Dorrance Family Stockholder*" who or which is at the time in question the Beneficial Owner of Voting Securities which are not specified in clauses (v), (w), (x), (y) and (z) of the immediately preceding sentence shall not be a Grandfathered Dorrance Family Stockholder at the time in question. For purposes of this Section, "*Dorrance Family Stockholders"* shall mean individuals who are descendants of the late Dr. John T. Dorrance, Sr. and/or the spouses, fiduciaries and foundations of such descendants. A "*Dorrance Grandchild*" means as to each particular grandchild of the late Dr. John T. Dorrance, Sr., all of the following taken collectively: such grandchild, such grandchild's descendants and/or the spouses, fiduciaries and foundations of such grandchild and such grandchild's descendants.

Moreover, notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "*Subject Person*") acquired Beneficial Ownership of more than the permitted amount of the outstanding Voting Securities as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by the Subject Person, *provided* that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Voting Securities by the Company, and after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Voting Securities which increases the percentage of the then outstanding Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

(e) Notwithstanding anything contained in this Agreement to the contrary, if the Executive's employment is terminated by the Company without Cause within one year prior to a Change in Control and the Executive reasonably demonstrates that such termination (1) was at the request of a Third Party (as defined in Section 2.4(b)) who effectuates a Change in Control or (2) otherwise occurred in connection with or in anticipation of, a Change in Control, then, for all purposes of this Agreement, the date of a Change in Control shall mean the date immediately prior to the date of such Executive's termination of employment.

2.3 "*Disability"* means a physical or mental infirmity that impairs the Executive's ability to substantially perform her duties under this Agreement for a continous period of one hundred eighty (180) days. Any question as to the existence of an Executive's Disability upon which the Executive and the Company cannot agree will be determined by a qualified independent physician selected by the Executive and the Company. If the Company and the Executive cannot agree on a physician, the Chief of Staff of Thomas Jefferson Hospital in Philadelphia, Pennsylvania shall select a physician. The determination of such physician made in writing to the Company and to the Executive shall be final and conclusive for all purposes of this Agreement.

2.4

(a) "*Good Reason*" means the occurrence after a Change in Control of any of the events or conditions described in subsections (1) through (7) hereof:

(1) a change in the Executive's position or responsibilities (including reporting responsibilities) which represents a material adverse change from her position or responsibilities as in effect immediately prior to such Change in Control; the assignment to the Executive of any duties or responsibilities which, in the Executive's reasonable judgment, are inconsistent with her status, position or responsibilities; or any removal of the Executive from or failure to reappoint or reelect the Executive to any of such offices or positions, except in connection with the termination of her employment for Disability, Cause, death or by the Executive other than for Good Reason;

(2) a reduction in the Executive's base salary or any failure to pay the Executive any compensation or benefits to which she is entitled within thirty (30) days of the date due;

(3) the Company's requiring the Executive to be based at any place outside a 50-mile radius from her principal place of employment immediately prior to such Change in Control, except for reasonably required travel on the Company's business which is not greater than such travel requirements prior to the Change in Control;

(4) the failure by the Company to (A) continue in effect (without reduction in benefit level, and/or reward opportunities) any compensation or employee benefit plan in which the Executive was participating immediately prior to the Change in Control, unless a substitute or replacement plan has been implemented which provides substantially identical compensation or benefits to the Executive or (B) provide the Executive with compensation and benefits, in the aggregate, at least equal (in terms of benefit levels and/or reward opportunities) to those provided for under each other compensation or employee benefit plan, program and practice as in effect immediately prior to the Change in Control (or as in effect following the Change in Control, if greater);

(5) any material breach by the Company of any provision of this Agreement;

(6) any purported termination of the Executive's employment for Cause by the Company which does not comply with the terms of Section 2.1; or

(7) the failure of the Company to obtain an agreement, satisfactory to the Executive, from any successor or assign of the Company to assume and agree to perform this Agreement, as contemplated in Section 8 hereof.

(b) Any event or condition described in Section 2.4(a)(1) through (7) which occurs prior to a Change in Control but which the Executive reasonably demonstrates (1) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control (a "*Third Party*"), or (2) otherwise arose in connection with or in anticipation of a Change in Control, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred prior to the Change in Control.

(c) The Executive's right to terminate her employment pursuant to this Section 2.4 shall not be affected by her incapacity due to physical or mental illness.

3. *Severance and Benefits.*

3.1 If, during the Term, the Executive's employment with the Company is terminated within twenty-four (24) months following a Change in Control, the Executive shall be entitled to the following compensation and benefits:

(a) If the Executive's employment with the Company is terminated (1) by the Company for Cause or Disability, (2) by reason of the Executive's death, or (3) by the Executive other than for Good Reason, the Company shall pay the Executive all amounts earned or accrued through the Termination Date (as hereinafter defined) but not paid as of the Termination Date, including (i) base salary (at the rate then in effect), (ii) reimbursement for reasonable and necessary expenses incurred by the Executive on behalf of the Company during the period ending on the Termination Date, and (iii) vacation pay (collectively, "*Accrued Compensation*"). In addition to the foregoing, if the Executive's employment is terminated by the Company for Disability or by reason of the Executive's death, the Company shall pay to the Executive or her beneficiaries an amount equal to the Pro Rata Bonus (as hereinafter defined). The "*Pro Rata Bonus*" is an amount equal to the Bonus Amount (as hereinafter defined) multiplied by a fraction the numerator of which is the number of days in such fiscal year through the Termination Date and the denominator of which is 365. The term "*Bonus Amount*" shall mean the greater of the (x) Executive's target bonus under the Campbell Soup Company Management Worldwide Incentive Plan for the fiscal year in which the Termination Date occurs or (y) average of the annual bonuses paid or payable to the Executive during the two full fiscal years immediately prior to the Termination Date. Executive's entitlement to any other compensation or benefits shall be determined in accordance with the Company's employee benefit plans and other applicable programs and practices then in effect.

(b) If the Executive's employment with the Company is terminated (other than by reason of death), (1) by the Company other than for Cause or Disability or (2) by the Executive for Good Reason, the Executive shall be entitled to the following benefits provided below:

(i) The Company shall pay the Executive all Accrued Compensation and a Pro-Rata Bonus (each as defined in Section 3.1(a)).

(ii) The Company shall pay the Executive as severance pay and in lieu of any further compensation for periods subsequent to the Termination Date, a single sum cash payment (the "Severance Amount") equal to the amount set forth in paragraph (a) on Schedule A.

(iii) For a number of months equal to the lesser of (A) the number of months set forth in paragraph (b) on Schedule A or (B) the number of months remaining until the Executive's 65th birthday (the "*Continuation Period*"), the Company shall at its expense continue to provide the Executive and her dependents and beneficiaries the life insurance and medical benefits in an amount equal to the greater of: (x) the greater of (1) such benefits provided to the Executive at any time during the 90-day period immediately prior to the Change in Control or (2) the benefits provided to the Executive at any time following the Change in Control or (y) the benefits provided to other similarly situated executives who continue in the employ of the Company during the Continuation Period. The coverage and benefits (including deductibles and costs) provided in this Section 3.1(b)(iii) during the Continuation Period shall be no less favorable to the Executive and her dependents and beneficiaries, than the most favorable of such coverages and benefits provided during any of the periods referred to in clauses (x) and (y) above. The Company's obligation hereunder with respect to the foregoing benefits shall be limited to the extent that the Executive obtains any such benefits pursuant to a subsequent employer's benefit plans, in which case the Company may reduce the coverage of any benefits it is required to provide the Executive hereunder as long as the aggregate coverages and benefits of the combined benefit plans is no less favorable to the Executive than the coverages and benefits required to be provided hereunder. This subsection (iii) shall not be interpreted so as to limit any benefits to which the Executive, her dependents or beneficiaries may be entitled under any of the Company's employee benefit plans, programs or practices following the Executive's termination of employment, including without limitation, life insurance benefits.

(iv) The Company shall pay the Executive a single sum cash payment equal to the actuarial equivalent of the excess of (A) the Supplemental Retirement Benefit (as defined below) (determined as a straight life annuity commencing at age 65) determined as if (w) the Executive remained employed by the Company and accumulated additional months of credited service as set forth in paragraph (c) on Schedule A (but in no event shall the Executive be deemed to have accumulated additional credited service after attaining age 65), (x) her annual compensation during such period had been equal to the sum of (A) the greater of (1) the Executive's annual base salary in effect at any time during the 90-day period immediately prior to the Change in Control or (2) the Executive's annual base salary in effect at any time following the Change in Control and (B) the Bonus Amount, (y) the Company and/or the Subsidiary or division made employer contributions to each defined contribution plan in which the Executive was a participant at the Termination Date (in an amount equal to the amount of such contribution for the applicable plan year immediately preceding the Termination Date) and (z) the Executive had been fully (100%) vested in her benefit under each retirement plan in which the Executive was a participant, over (B) the lump sum actuarial equivalent of the aggregate retirement benefit the Executive has actually accrued under such retirement plans (determined as a straight life annuity commencing at age 65). For purposes of this subsection (iv), the "*Supplemental Retirement Benefit*" shall mean the lump sum actuarial equivalent of the aggregate retirement benefit the Executive would have been entitled to receive under the Company's supplemental and other retirement plans including, but not limited to, the Campbell Soup Company Retirement and Pension Plan for Salaried Employees, the Campbell Soup Company Supplemental Employees' Retirement Benefit Plan (collectively referred to as the "*Retirement Plan*"), the Campbell Soup Company Mid-Career Hire Pension Plan, the Campbell Soup Company Savings and 401(k) Plan for Salaried Employees and the Campbell Soup Company Deferred Compensation Plan. For purposes of this subsection (iv), the "*actuarial equivalent*" shall be determined in accordance with the actuarial assumptions used for the calculation of benefits under the Company Retirement and

Pension Plan for Salaried Employees as applied prior to the Termination Date in accordance with such plan's past practices.

(v) In the event that the Executive has unvested outstanding incentive awards (including restricted stock and performance shares or units, stock options or stock appreciation rights, hereinafter collectively referred to as the "*Incentive Awards*") pursuant to the terms of the LTIP or under any subsequent incentive plan or arrangement on her Termination Date, then (A) all such Incentive Awards shall vest and any restrictions thereon shall lapse as follows: (i) all such Incentive Awards (other than performance related awards) shall vest or become exercisable immediately and any restrictions thereon shall lapse and (ii) any performance related awards shall vest or become exercisable and any restrictions thereon shall lapse on a pro-rata portion of such awards based on the portion of the relevant performance period that has expired as of the Termination Date (but in no event shall such performance related award vest, become exercisable or restrictions lapse with respect to less than 50% of the total outstanding awards); *provided*, that such accelerated vesting shall apply first to those awards which have been outstanding the longest, and (B) the Executive shall have the right to require the Company to purchase, for cash, any shares of unrestricted stock or shares purchased upon exercise of any options, at a price equal to the fair market value of such shares on the date of purchase by the Company.

(c) The amounts provided for in Sections 3.1(a) and 3.1(b)(i), (ii), (iv) and (v) (with respect to performance units) shall be paid within thirty (30) days after the Executive's Termination Date.

(d) The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment except as provided in Section 3.1(b)(iii).

3.2 The severance pay and benefits provided for in Sections 3.1(a) and 3.1(b)(i) and (ii) shall be in lieu of any other severance pay to which the Executive may be entitled under any Company severance plan, program or arrangement (including, without limitation, the Company's Special Severance Protection Program).

4. *Notice of Termination*. Following a Change in Control, any purported termination of the Executive's employment by the Company or by the Executive shall be communicated by written Notice of Termination to the other party in accordance with Section 10. For purposes of this Agreement, a "*Notice of Termination"* shall mean a notice which indicates the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. For purposes of this Agreement, no such purported termination shall be effective without such Notice of Termination.

5. *Termination Date*. For purposes of this Agreement, "Termination Date" means, in the case of the Executive's death, her date of death, and in all other cases, the date specified in the Notice of Termination subject to the following:

(a) If the Executive's employment is terminated by the Company for Cause or due to Disability, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to the Executive, *provided* that in the case of Disability the Executive shall not have returned to the full-time performance of her duties during such period of at least thirty (30) days; and

(b) If the Executive resigns for Good Reason, the date specified in the Notice of Termination shall not be more than sixty (60) days from the date the Notice of Termination is given to the Company.

(c) Notwithstanding any other provision in this Agreement to the contrary, the termination of the Executive's employment in connection with the sale, divestiture or other disposition of a division, group or business unit of the Company (or part thereof) at which the Executive was employed at the time of such sale, divestiture or other disposition, shall not be deemed to be a termination of employment of the Executive for purposes of this Agreement, *provided* the Executive is offered employment by the purchaser or acquiror of such division, group or business unit of the Company and the Company obtains an agreement from such purchaser or acquiror as contemplated in Section 8(c) and *provided, further,* that the Executive shall not be entitled to any benefits from the Company under this Agreement as a result of such sale, divestiture, or other disposition, or as a result of any subsequent termination of employment. This Section 5 (c) will only apply in the event that (i) the Executive’s employment is terminated by the Company without Cause or the Executive resigns for Good Reason on or after the occurrence of a Change in Control and (ii) the Executive’s employment is terminated by the Company without Cause within one year prior to a Change in Control and the Executive reasonably demonstrates that such termination (y) was at the request of a Third Party who effectuates a Change in Control or (z) otherwise occurred in connection with, or in anticipation of, a Change in Control.

6. *Excise Tax Payment.*

6.1 (a) If any amount or benefit payable to the Executive under this Agreement and under any other agreement, plan or program of the Company (such payments and benefits referred to as a “*Payment”*) is subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the “*Code*”) or any similar federal or state law (an “*Excise Tax”*), the Company shall pay to the Executive an additional amount (the “*Gross Up Amount”*) in cash, equal to (i) the amount of the Excise Tax, plus (ii) the aggregate amount of any interest, penalties, fines or additions to any tax which is imposed in connection with the imposition of such Excise Tax, plus (iii) all income, excise and other applicable taxes imposed on the Executive under the laws of any federal, state or local government or taxing authority by reason of the payments required under clause (i) and clause (ii) and this clause (iii); *provided*, *however*, that a Gross Up Amount will not be paid to the Executive unless the aggregate amount of Payments received by the Executive which constitute “parachute payments” under Section 280G(b)(2) of the Code equals or exceeds the product of 3.1 multiplied by the amount of the Executive’s “base amount” as such term is defined in Section 280G(b)(3) of the Code (the “*Base Amount*”).

(b) For purposes of determining the Gross Up Amount, the Executive shall be deemed to be taxed at the highest marginal rate under all applicable local, state, federal and foreign income tax laws for the year in which the Gross Up Amount is paid. The Gross Up Amount payable with respect to an Excise Tax shall be paid by the Company coincident with the Payment with respect to which such Excise Tax relates.

(c) All calculations under this Section 6.1 shall be made by a nationally recognized accounting firm designated by the Company and reasonably acceptable to the Executive (other than the accounting firm that is regularly engaged by any party who has effectuated a Change in Control) (the

"*Accounting Firm"*). The Company shall pay all fees and expenses of such Accounting Firm. The Accounting Firm shall provide its calculations, together with detailed supporting documentation, both to the Company and the Executive within 15 days after the Termination Date (or such earlier time as is requested by the Company) and, if applicable, a reasonable opinion to the Executive that she is not required to report any Excise Tax on her federal income tax return with respect to the Payment (collectively, the "*Determination*"). Within 5 days of the Executive's receipt of the Determination, the Executive shall have the right to dispute the Determination (the "*Dispute*"). The existence of the Dispute shall not in any way affect the right of the Executive to receive the Payments in accordance with the Determination. If the Executive is successful in the Dispute, the Company shall pay the Executive any additional amount determined by the Accounting Firm to be due under this Section 6.1 (together with interest thereon at a rate equal to 120% of the federal short-term rate determined under Section 1274(d) of the Code) promptly after such determination.

(d) If there is no Dispute, the final determination by the Accounting Firm shall be conclusive and binding upon all parties unless the Internal Revenue Service, a court of competent jurisdiction, or such other duly empowered governmental body or agency (a "*Tax Authority*") determines that the Executive owes a greater or lesser amount of Excise Tax with respect to any Payment than the amount determined by the Accounting Firm.

(e) If a Taxing Authority makes a claim against the Executive which, if successful, would require the Company to make a payment under this Section 6.1, the Executive agrees to contest the claim on request of the Company subject to the following conditions:

(i) The Executive shall notify the Company of any such claim within 10 days of becoming aware thereof. In the event that the Company desires the claim to be contested, it shall promptly (but in no event more than 30 days after the notice from the Executive or such shorter time as the Taxing Authority may specify for responding to such claim) request the Executive to contest the claim. The Executive shall not make any payment of any tax which is the subject of the claim before she has given the notice or during the 30-day period thereafter unless the Executive receives written instructions from the Company to make such payment together with an advance of funds sufficient to make the requested payment plus any amounts payable under this Section 6.1 determined as if such advance were an Excise Tax, in which the Executive will act promptly in accordance with such instructions.

(ii) If the Company so requests, the Executive will contest the claim by either paying the tax claimed and suing for a refund in the appropriate court or contesting the claim in the United States Tax Court or other appropriate court, as directed by the Company; *provided, however*, that any request by the Company for the Executive to pay the tax shall be accompanied by an advance from the Company to the Executive of funds sufficient to make the requested payment plus any amounts under this Section 6.1 determined as if such advance were an Excise Tax. If directed by the Company in writing the Executive will take all action necessary to compromise or settle the claim, but in no event will the Executive compromise or settle the claim or cease to contest the claim without the written consent of the Company; *provided, however*, that the Executive may take any such action if the Executive waives in writing her right to a payment under this Section 6.1 for any amounts payable in connection with such claim. The Executive agrees to cooperate in good faith with the Company in contesting the claim and to comply with any reasonable request from the Company concerning the contest of the claim, including the pursuit of administrative remedies, the appropriate forum for any judicial proceedings, and the legal basis for contesting the claim. Upon request of the Company, the Executive shall take appropriate appeals of any judgment or decision that would require the Company to make a payment under this Section 6.1. Provided that the Executive is in compliance with the provisions of this subparagraph (ii), the Company shall be liable for and indemnify the Executive against any loss in connection with, and all costs and expenses, including attorneys' fees, which may be incurred as a result of, contesting the claim, and shall provide to the Executive within 30 days after each written request therefor by the Executive cash advances or reimbursement for all such costs and expenses actually incurred or reasonably expected to be incurred by the Executive as a result of contesting the claim.

(f) Should a Tax Authority ultimately determine that an additional Excise Tax is owed, then the Company shall pay an additional Gross Up Amount to the Executive in a manner consistent with this Section 6.1 with respect to any additional Excise Tax and any assessed interest, fines, or penalties. If any Excise Tax as calculated by the Company or the Accounting Firm, as the case may be, is finally determined by a Tax Authority to exceed the amount required to be paid under applicable law, then the Executive shall repay such excess to the Company within 30 days of such determination; *provided,* that such repayment shall be reduced by the amount of any taxes paid by the Executive on such excess which is not offset by the tax benefit attributable to the repayment.

6.2 If (i) the aggregate amount of any Payments received by the Executive which constitute "parachute payments" under Section 280G(b)(2) of the Code equals less than the product of 3.1 multiplied by the Executive's Base Amount, and is subject to an Excise Tax, or (ii) if the provisions of Section 7 of this Agreement are invoked, with respect to the Executive, then the Company and the Executive agree that the following provisions shall apply:

(A) Notwithstanding anything contained in this Agreement to the contrary, to the extent that any or all Payments would be subject to the imposition of an Excise Tax, the Payments shall be reduced (but not below zero) if and to the extent that such reduction would result in the Executive retaining a larger amount, on an after tax basis (taking into account federal, state and local income taxes and the imposition of the Excise Tax), than if the Executive received all of the Payments (such reduced amount is hereinafter referred to as the "*Limited Payment Amount"*). Unless the Executive shall have given prior written notice specifying a different order to the Company to effectuate the limitations described in the preceding sentence, the Company shall reduce or eliminate the Payments, by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination. Any notice given by the Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

(B) All calculations required to be made under this Section 6.2 shall be made, at the Company's expense, by an Accounting Firm. The Accounting Firm shall provide their Determination, both to the Company and the Executive within 15 days after the Executive's Termination Date (or such earlier time as is requested by the Company) and, with respect to the Limited Payment Amount, a reasonable opinion to the Executive that she is not required to report any Excise Tax on her federal income tax return with respect to the Limited Payment Amount. Within 5 days of the Executive's receipt of the Determination, the Executive shall have the right to Dispute the Determination. The existence of the Dispute shall not in any way affect the right of the Executive to receive the Payments in accordance with the Determination. If there is no Dispute, the Determination by the Accounting Firm shall be final binding and conclusive upon the Company and the Executive (except as provided in Subsection (C) below).

(C) If it is established that the Payments made to, or provided for the benefit of, the Executive either have been made or have not been made by the Company, in a manner inconsistent with the limitations provided in Subsection (A) (hereinafter referred to as an "*Excess Payment*" or "*Underpayment*", respectively), then the provisions of this Subsection (C) shall apply. If it is established pursuant to a final determination of a court or an Internal Revenue Service (the "*IRS*") proceeding which has been finally and conclusively resolved, that an Excess Payment has been made, such Excess Payment shall be deemed for all purposes to be a loan to the Executive made on the date the Executive received the Excess Payment and the Executive shall repay the Excess Payment to the Company on demand, together with interest on the Excess Payment at the applicable federal rate (as defined in Section 1274(d) of the Code) from the date of the Executive's receipt of such Excess Payment until the date of such repayment. In the event that it is determined by (i) the Accounting Firm, the Company (which shall include the position taken by the Company, or together with its consolidated group, on its federal income tax return) or the IRS, (ii) pursuant to a determination by a court, or (iii) upon the resolution to the satisfaction of the Executive of the Dispute, that an Underpayment has occurred, the Company shall pay an amount equal to the Underpayment to the Executive within 10 days of such determination or resolution together with interest on such amount at the applicable federal rate from the date such amount would have been paid to the Executive until the date of payment.

7. *Pooling Savings Clause*. If the Company becomes a party to a transaction or series of transactions that are intended to qualify for "pooling of interests" accounting treatment and, but for the Executive entering into this Agreement, would so qualify, then, to the extent that the Board determines that Section 6.1 of this Agreement would disqualify the transaction(s) from pooling of interests accounting treatment, then Section 6.1 shall be null and void and any Payments payable to the Executive shall be subject to Section 6.2.

8. *Successors; Binding Agreement.*

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns and the Company shall require any successor or assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. In such event, the term "the *Company*" as used herein shall include such successors and assigns. The term "*successors and assigns*" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive, her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representative.

(c) In the event that one or more divisions, groups and business units of the Company (or parts thereof) that the Executive is primarily associated with (or part thereof) are sold, divested, or otherwise disposed of by the Company subsequent to a Change in Control, the Company shall require such purchaser or acquiror, as a condition precedent to such purchase or acquisition, to assume, and agree to perform the Company's obligations under this Agreement, in the same manner, and to the same extent that the Company would be required to perform if no such acquisition or purchase had taken place. In such circumstances, the purchaser or acquiror shall be solely responsible for providing any payments or benefits payable under this Agreement to the Executive.

9. *Fees and Expense*. The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (a) the Executive's termination of employment (including all such fees and expenses, if any, incurred in contesting or disputing any such termination of employment), (b) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement or by any other plan or arrangement maintained by the Company under which the Executive is or may be entitled to receive benefits, or (c) the Executive's hearing before the Board as contemplated in Section 2.1 of this Agreement; *provided, however*, that the circumstances set forth in clauses (a) and (b) (other than as a result of the Executive's termination of employment under circumstances described in Section 2.2(e)) occurred on or after a Change in Control.

10. *Notice*. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to the other, *provided* that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

11. *Non-exclusivity of Rights*. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its subsidiaries and for which the Executive may qualify, nor shall anything herein limit or reduce such rights as the Executive may have under any other agreements with the Company or any of its subsidiaries; *provided, however*, to the extent that the Executive receives benefits under this Agreement, she will not be entitled to severance pay or benefits under any other severance plan, program, policy or arrangement of the Company, including, without limitation, the Company's Special Severance Protection Program. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, program or arrangement of the Company or any of its subsidiaries shall be payable in accordance with such plan, program or arrangement except as expressly modified by this Agreement.

12. *Settlement of Claims*. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

13. *Miscellaneous*. No provision of this Agreement may be modified, waived, amended or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

14. *Employment Status*. This Agreement does not constitute a contract of employment or impose on the Company any obligation to retain the Executive, or any obligation on the Executive to remain in the employment of the Company.

15. *Governing Law*. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New Jersey, without reference to the principles of conflicts of laws. Each party hereto consents to in personam jurisdiction and venue in the United States District Court of New Jersey. In the event that the United States District Court of New Jersey should lack subject matter jurisdiction, the parties consent to jurisdiction and venue in a court of competent jurisdiction in Camden County in the State of New Jersey.

16. *Withholding*. The Company may withhold from all payments due to Executive (or her beneficiary or estate) under this Agreement all applicable federal, state, local and foreign income and employment taxes.

17. *Severability*. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

18. *Counterparts*. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

19. *Headings*. The headings contained in this Agreement are intended solely for convenience and shall not control or affect the meaning or construction of the provisions of this Agreement.

20. *Entire Agreement*. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and, in the event of a Change in Control, supersedes all prior agreements (including, without limitation, the Company's Special Severance Protection Program), understandings and arrangements, whether oral or written, between the parties hereto with respect to such subject matter.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

Attest: Campbell Soup Company

By: ___________________________ By:_______________________________

Corporate Secretary President and Chief Executive Officer

By:_______________________________

Executive

Schedule A to Severance Protection Agreement

(a) The Executive's Severance Amount provided for in Section 3.1 (b) (ii) shall equal the severance pay multiple set forth below next to the Executive's salary grade level at the Termination Date multiplied by the sum of (A) the greater of (1) the Executive's annual base salary in effect at any time during the 90-day period immediately prior to the Change in Control or (2) the Executive's annual base salary in effect at any time following the Change in Control and (B) the Bonus Amount.

Salary Grade Level at Termination Date	Severance Pay Multiple
42 - 44	1.5
46 - 48	2.0
50 and above	2.5

(b) The Benefits Continuation Period provided for in Section 3.1 (b) (iii) shall be determined using the number of months set forth below next to the Executive's salary grade level at the Termination Date.

Salary Grade Level at Termination Date	Benefits Continuation Period
42 - 44	18 months
46 - 48	24 months
50 and above	30 months

(c) The additional service credit provided for in Section 3.1 (b) (iv) (w) shall be equal to the number of months set forth below next to the Executive's salary grade level at the Termination Date.

Salary Grade Level at Termination Date	Additional Service Credit
42 - 44	18 months
46 - 48	24 months
50 and above	30 months

Exhibit 10(j)

FORM OF AMENDMENT TO SEVERANCE PROTECTION AGREEMENT

This is an amendment to the Severance Protection Agreement made as of _______________ by and between Campbell Soup Company (the "*Company*") and _______________ (the "*Executive*") (the "Agreement").

WHEREAS, the Company and the Executive desire that any potential severance payments made pursuant to the Agreement are not subject to the provisions of section 409A of the Internal Revenue Code; and

WHEREAS, the changes to the Agreement made by this amendment are intended to result in the severance payments not being subject to section 409A of the Internal Revenue Code.

NOW, THEREFORE, in consideration of the respective agreements of the parties, it is agreed as follows:

1. Section 2.4(a)(2) of the Agreement shall be amended by deleting this section in its entirety and replacing it with the following:

   "(2) a reduction in the Executive's base salary by a material amount or any failure to pay the Executive any compensation or benefits to which he is entitled within thirty (30) days of the date due;"

2. Section 2.4(b) of the Agreement shall be renumbered as Section 2.4(b)(2) and a new Section 2.4(b)(1) shall be added to the Agreement to read as follows:

   "(1) A Good Reason termination shall not occur unless the Executive gives notice to the Company that an event or condition described in Sections 2.4(a)(1) through (7) has occurred within a time period not to exceed ninety (90) days from the date of first occurrence of one of these events or conditions, and the Company shall have at least thirty (30) days from the time of that notice in which to remedy the event or condition described in Sections 2.4(1) through (7)."

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized officer and the Executive has executed this Amendment as of _______________.

Campbell Soup Company

By: ___________________________ By:_______________________________

Executive

Exhibit 12

Campbell Soup Company
Ratio of Earnings to Fixed Charges
($ millions)

	Fiscal Year Ended				
	July 30, 2017	**July 31, 2016**	**August 2, 2015**	**August 3, 2014**	**July 28, 2013**
Earnings					
Earnings from continuing operations before taxes	**$ 1,293**	$ 849	$ 949	$ 1,148	$ 1,349
Amortization of capitalized interest	**3**	3	4	4	4
Fixed charges	**132**	133	129	144	159
Interest capitalized	**(2)**	(3)	(3)	(2)	(3)
Earnings	**$ 1,426**	$ 982	$ 1,079	$ 1,294	$ 1,509
Fixed Charges					
Gross Interest:					
Interest expense	**$ 112**	$ 115	$ 108	$ 122	$ 135
Capitalized interest	**2**	3	3	2	3
Amortization of debt issuance costs	**—**	—	2	3	3
Interest portion of rent	**18**	15	16	17	18
Fixed Charges	**$ 132**	$ 133	$ 129	$ 144	$ 159
Ratio of Earnings to Fixed Charges	**10.8**	7.4	8.4	9.0	9.5

The ratios of earnings to fixed charges were computed by dividing our earnings by fixed charges. For this purpose, earnings include the sum of earnings from continuing operations before taxes, amortization of capitalized interest, and fixed charges, less capitalized interest. Fixed charges include interest expense, capitalized interest, amortization of debt expenses and one-third of rent expense, which represents a reasonable approximation of the interest factor. Beginning in fiscal 2016, amortization of debt issuance costs is included in interest expense. All amounts are on an as reported basis.

In the fiscal years ended 2017, 2016, 2015, 2014, and 2013, we incurred pre-tax losses/(gains) of $(178), $313, $138, $31, and ($285), respectively, associated with mark-to-market adjustments for defined benefit pension and postretirement plans. In the fiscal years ended 2017, 2016, 2015, 2014, and 2013, we recorded pre-tax restructuring charges, administrative expenses and related costs of $58, $78, $124, $58, and $138, respectively. In fiscal year 2017, we recorded a non-cash impairment charge of $212 related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit and a reduction to interest expense of $6 associated with the sale of intercompany notes receivable to a financial institution. In fiscal year 2016, we recorded a non-cash impairment charge of $141 related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and a pre-tax gain of $25 from a settlement of a claim related to the Kelsen acquisition. In fiscal year 2014, we recorded a pre-tax loss of $9 on foreign exchange forward contracts used to hedge the proceeds from the sale of the European simple meals business. In fiscal year 2013, we recorded pre-tax transaction costs of $10 associated with the acquisition of Bolthouse Farms.

EXHIBIT 21

SUBSIDIARY LIST

Name of Subsidiary and Name Under Which It Does Business	Jurisdiction of Incorporation
1035 Line Company	Delaware
AB Australasia Pty Limited	Australia
Arnott’s Biscuit Company Singapore Pte Ltd	Singapore
Arnotts Biscuits Holdings Pty Limited	Australia
Arnott’s Biscuits Limited	Australia
Arnotts Limited	Australia
Arnott’s New Zealand Limited	New Zealand
Arnott’s Sales Pty Limited	Australia
Arnott’s Foundation Pty. Limited	Australia
BF Bolthouse Holdco LLC	Delaware
Bolthouse Farms Canada Co.	Canada
Bolthouse Farms Japan YK	Japan
Bolthouse Juice Holdings, LLC	Delaware
Bolthouse Juice Products, LLC	Delaware
CAH Corporation	Delaware
Campbell Argentina S.A.	Argentina
Campbell Arnott’s Holdings Pty Ltd	Australia
Campbell Arnott’s Investments Pty Ltd	Australia
Campbell Arnott’s Investments No. 2 Pty Ltd	Australia
Campbell Australasia Pty Ltd	Australia
Campbell Cheong Chan Malaysia Sdn. Bhd	Malaysia
Campbell Company of Canada	Canada
Campbell EU Investment Company	Delaware
Campbell Finance 2 Corp.	Delaware
Campbell Foods (NZ) Ltd	New Zealand
Campbell Foodservice Company	Pennsylvania
Campbell Hong Kong Limited	Hong Kong
Campbell International Holdings Inc.	Delaware
Campbell Investment (Australia) Pty. Limited	Australia
Campbell Investment Company	Delaware
Campbell Japan Incorporated	Japan
Campbell Jin Bao Tang, Inc.	Delaware
Campbell MFG 1 Company	Delaware
Campbell Luxembourg Holdings S.a.r.l.	Luxembourg
Campbell Sales Company	New Jersey
Campbell Soup Asia Limited	Hong Kong
Campbell Soup Dominicana, S.A.	Dominican Republic
Campbell Soup Supply Company L.L.C.	Delaware
Campbell Southeast Asia Sdn Bhd	Malaysia
Campbell Swire (HK) Ltd	Hong Kong

Name of Subsidiary and Name Under Which It Does Business	Jurisdiction of Incorporation
Campbell Swire Equipment Leasing Ltd	Hong Kong
Campbell Swire (Xiamen) Co Ltd	China
Campbell Urban Renewal Corporation	New Jersey
Campbell’s de Mexico S.A. de C. V.	Mexico
Campbell's de Panama S.A.	Panama
Campbell’s U.K. Limited	United Kingdom
CANEB L.L.C.	Delaware
CanFin Holdings Inc.	Delaware
CASP Pty. Limited	Australia
CCHC Pty Ltd	Australia
CIRT Urban Renewal Corp.	New Jersey
Comercializadora Campbell de Guatemala, Limitada	Guatemala
CRHC Pty. Ltd.	Australia
CSC Brands LP	Delaware
CSC Insights, Inc.	New Jersey
CSC Standards, Inc.	New Jersey
EDS Investments, LLC	New Jersey
EPL Properties Pty Limited	Australia
Fresh Logistics, LLC	Delaware
Garden Fresh Gourmet, LLC	Delaware
Garden Fresh Gourmet Foods, Inc.	Washington
Habit, LLC	Delaware
Joseph Campbell Company	New Jersey
Kelsen Group A/S	Denmark
Kelsen South Africa (Pty) Ltd.	South Africa
Kelsen, Inc.	Delaware
Kjeldsens Campbell (Shanghai) Management Co. Ltd.	China
Kjeldsens Limited	Hong Kong
Pepperidge Farm, Incorporated	Connecticut
Players Biscuits Pty. Ltd.	Australia
Players Group Limited	Australia
Plum, PBC	Delaware
Plyfix Pty. Ltd.	Australia
PT Arnott’s Indonesia	Indonesia
The Soulfull Project, PBC	Delaware
Wm. Bolthouse Farms, Inc.	Michigan

The foregoing does not constitute a complete list of all subsidiaries of the registrant. The subsidiaries that have been omitted do not, if considered in the aggregate as a single subsidiary, constitute a “Significant Subsidiary” as defined by the SEC.

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-219217) and Forms S-8 (Nos. 333-216582, 333-208441, 333-173583, 333-173582, 333-160381, 333-157850, 333-134675, 333-112319, 333-22803, 333-00729 and 33-59797) of Campbell Soup Company of our report dated September 27, 2017 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania

September 27, 2017

EXHIBIT 31(a)

**CERTIFICATION PURSUANT
TO RULE 13a-14(a)**

I, Denise M. Morrison, certify that:

1. I have reviewed this Annual Report on Form 10-K of Campbell Soup Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 27, 2017

By: /s/ Denise M. Morrison

Name: Denise M. Morrison

Title: President and Chief Executive Officer

EXHIBIT 31(b)

**CERTIFICATION PURSUANT
TO RULE 13a-14(a)**

I, Anthony P. DiSilvestro, certify that:

1. I have reviewed this Annual Report on Form 10-K of Campbell Soup Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 27, 2017

By: /s/ Anthony P. DiSilvestro

Name: Anthony P. DiSilvestro

Title: Senior Vice President and Chief Financial Officer

EXHIBIT 32(a)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Annual Report of Campbell Soup Company (the "Company") on Form 10-K for the fiscal year ended July 30, 2017 (the "Report"), I, Denise M. Morrison, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 27, 2017

By:	/s/ Denise M. Morrison	
	Name:	Denise M. Morrison
	Title:	President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32(b)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Annual Report of Campbell Soup Company (the “Company”) on Form 10-K for the fiscal year ended July 30, 2017 (the “Report”), I, Anthony P. DiSilvestro, Senior Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

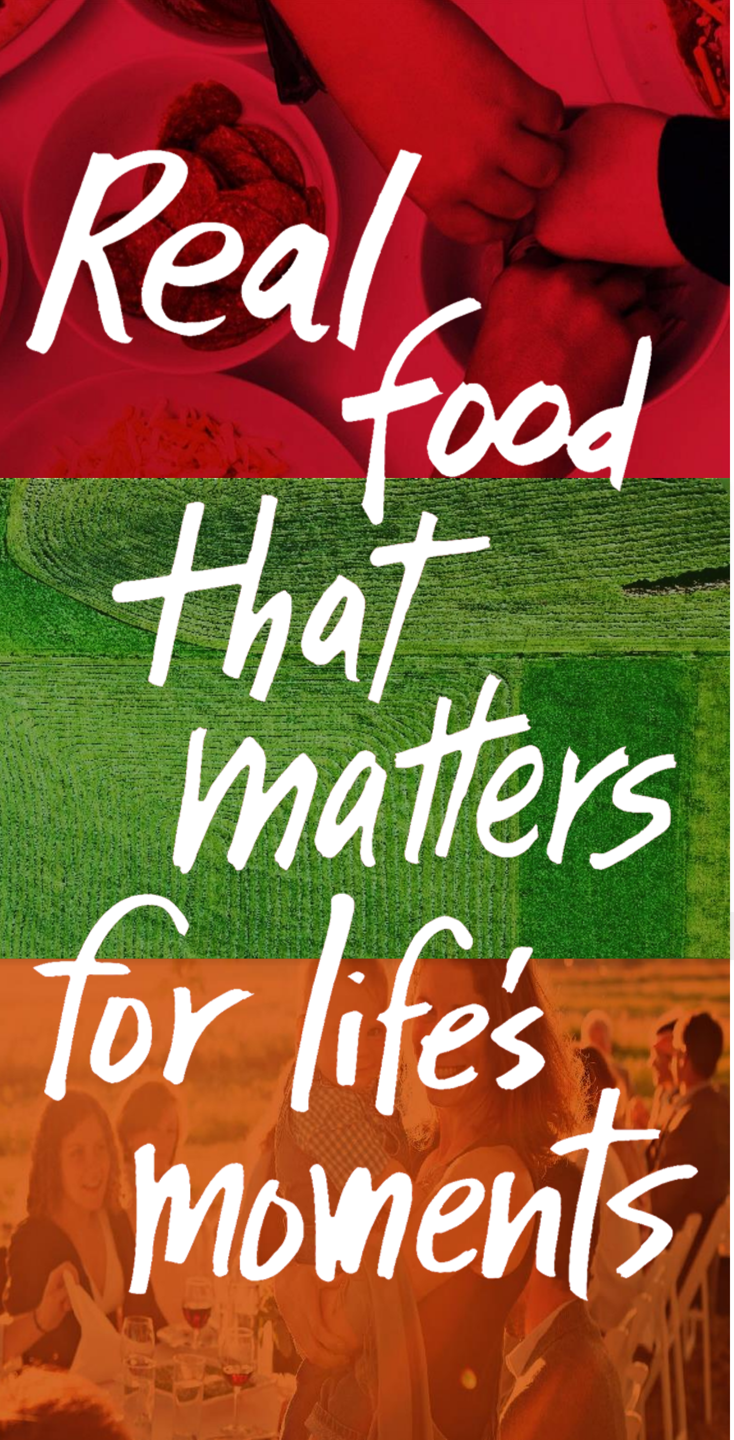
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 27, 2017

By: /s/ Anthony P. DiSilvestro
Name: Anthony P. DiSilvestro
Title: Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.



Fiscal 2018

Q2 Investor Update

Ken Gosnell

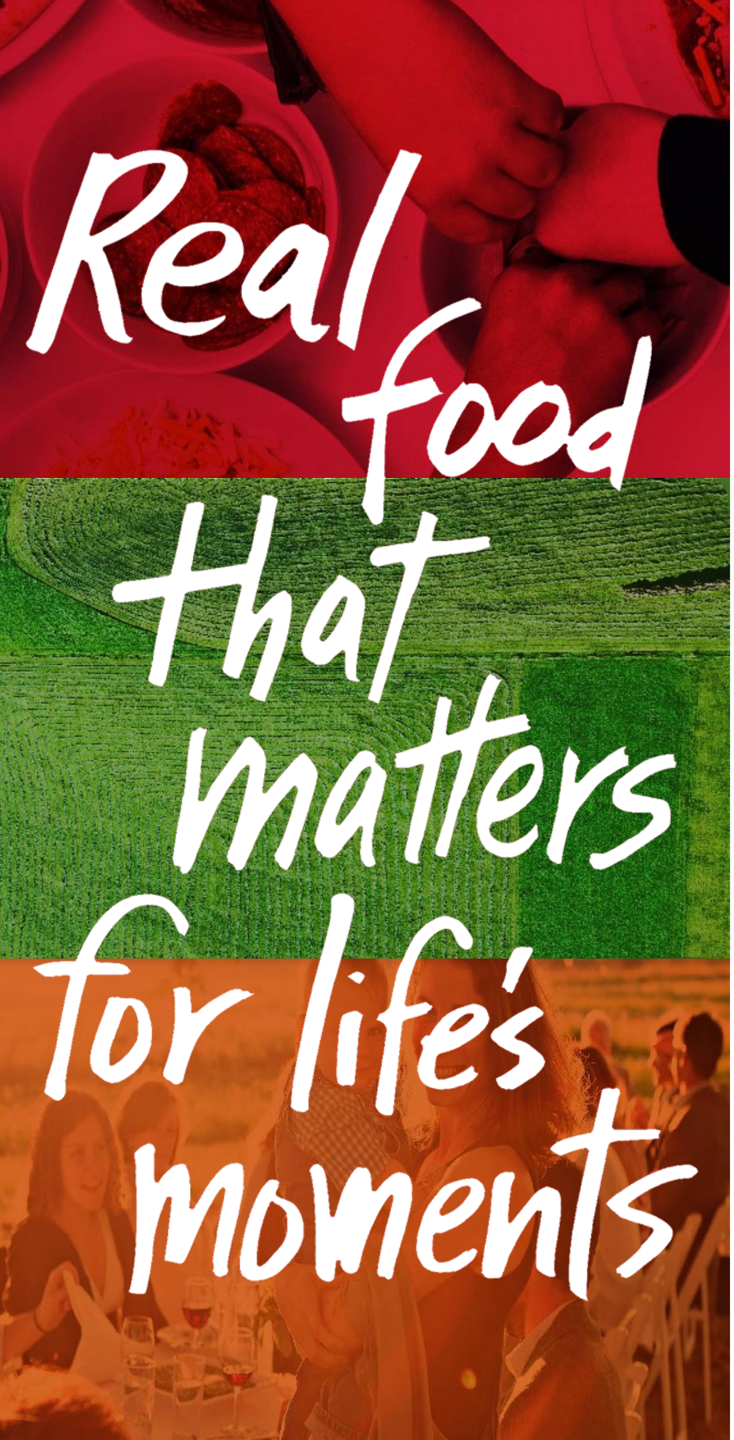
Vice President – Finance Strategy and Investor Relations

Forward-Looking Statements

The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include: changes in consumer demand for our products and favorable perception of our brands; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; the impact of strong competitive responses to our efforts to leverage brand power with product innovation, promotional programs and new advertising; changing inventory management practices by certain of our key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of our key customers continue to increase their significance to our business; our ability to realize projected cost savings and benefits from efficiency and/or restructuring initiatives; our ability to manage changes to our organizational structure and/or business processes; product quality and safety issues, including recalls and product liabilities; the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes; the conditions to the completion of the Snyder's-Lance acquisition, including obtaining Snyder's-Lance shareholder approval, may not be satisfied; long-term financing for the Snyder's-Lance acquisition may not be available on favorable terms, or at all; closing of the Snyder's-Lance acquisition may not occur or may be delayed, either as a result of litigation related to the acquisition or otherwise; we may be unable to achieve the anticipated benefits of the Snyder's-Lance acquisition; completing the Snyder's-Lance acquisition may distract our management from other important matters; disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; the uncertainties of litigation and regulatory actions against us; the possible disruption to the independent contractor distribution models used by certain of our businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification; the impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; impairment to goodwill or other intangible assets; our ability to protect our intellectual property rights; increased liabilities and costs related to our defined benefit pension plans; a material failure in or a breach of our information technology systems; our ability to attract and retain key talent; changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters or other calamities; and other factors described in our most recent Form 10-K and subsequent Securities and Exchange Commission filings. We disclaim any obligation or intent to update these statements to reflect new information or future events.

Non-GAAP Measures

This presentation includes certain “non-GAAP” measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is shown as an appendix to this presentation and accessible online at ***investor.campbellsoupcompany.com.***

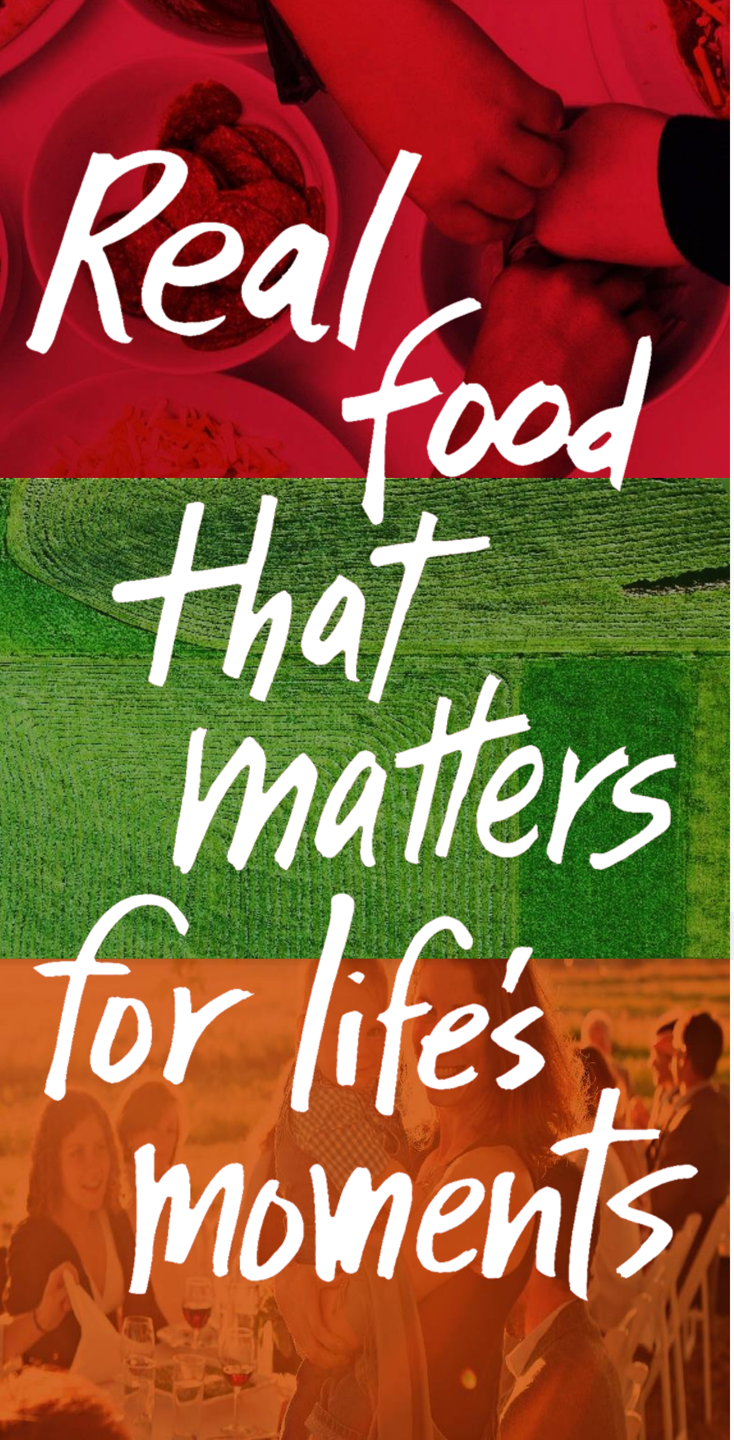


Campbell's

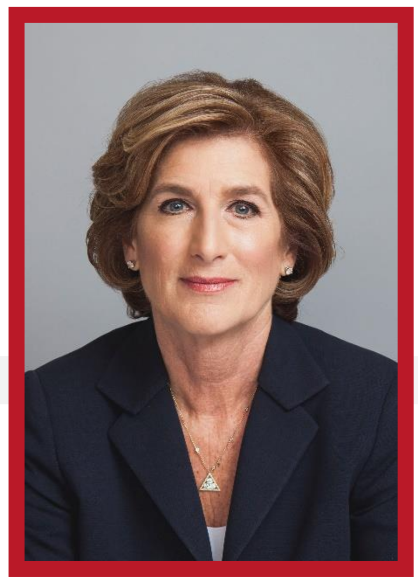
CAGNY
CONSUMER ANALYST GROUP OF NEW YORK

Campbell Presentation

Wednesday
February 21, 2018
at 11:00am Eastern



CEO Perspective
Second Quarter
Fiscal Year 2018



Denise Morrison
President & CEO
Campbell Soup Company

Second Quarter Financial Summary

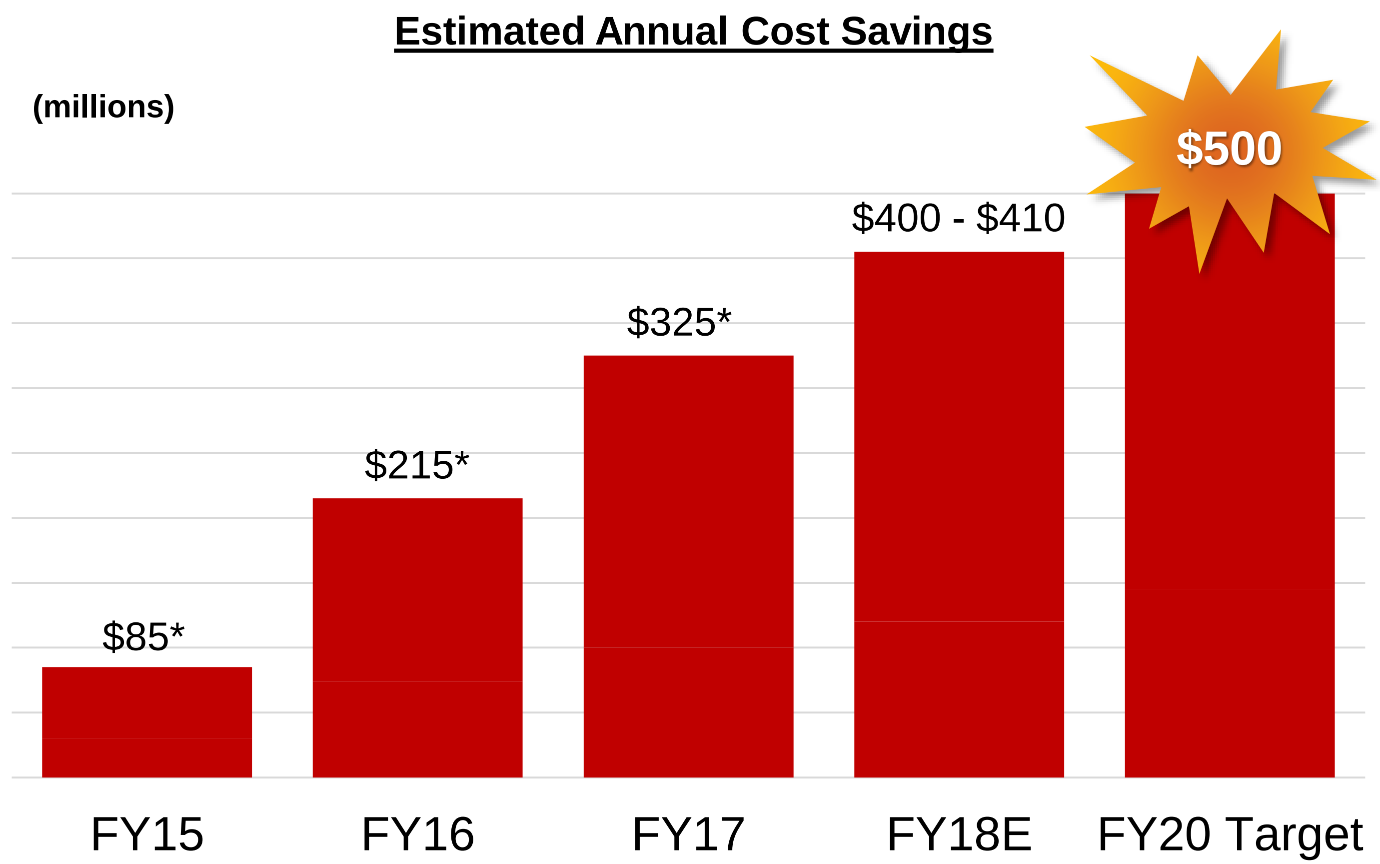
($ millions, except per share)

	Second Quarter	% Change
Net Sales	$2,180	-%
Organic Net Sales*		(2)%
Adjusted EBIT*	$402	(4)%
Adjusted EPS*	$1.00	10%

* See Non-GAAP reconciliation

Real food that matters for life's moments

Increased Cost Savings Target to $500 Million *(Pre- Snyder's-Lance Savings)*



* Actual cost savings

Segment Update

Americas Simple Meals and Beverages

Second Quarter	$ Millions	% Change
Net Sales & Organic Growth Rate*	$1,196	(4)%*
Operating Earnings	$282	(9)%

- Soup sales declined 7%
- Completed acquisition of *Pacific Foods*
- *V8* portfolio remained challenged

* See Non-GAAP reconciliation

Segment Update

Campbell Fresh

Second Quarter	$ Millions	% Change
Net Sales & Organic Growth Rate*	$257	(1)%*
Operating Earnings	($11)	n/m

- Performance below expectations
- Progress overcoming several operational challenges
- Experienced headwinds in super premium segment
- Higher carrot costs due to extremely low yields

* See Non-GAAP reconciliation

Multifaceted Headwinds in Super Premium Beverages

- Growing consumer concerns around sugar
- Increased consumer demand for functional benefits
- Several customers reset premium juice and reduced super-premium shelf space

Spring Innovation Designed to Address Sugar and Add Functional Benefits

- 19 new beverage items
- Bolthouse Farms B Line delivers functional benefits with lower sugar
  - 8 varieties
  - *B Strong* – Protein drink with 70% less sugar than other brands
  - *B Balanced* – Smoothies with 50% less sugar than other brands
- Bolthouse Farms *1915* protein drinks expand our presence in ultra-premium segment

Farms

- Sale of carrots and carrot products increased
- Ongoing impact of extremely low carrot yields due to weather impacted profit

Real food that matters for life's moments

Segment Update

Global Biscuits and Snacks

Second Quarter	$ Millions	% Change
Net Sales & Organic Growth Rate*	$726	3%*
Operating Earnings	$139	1%

- Continued consistent performance
- Sales gains driven by solid performance of *Pepperidge Farm*; *Goldfish* and cookies
- Strong sales of *Kelsen* in China

* See Non-GAAP reconciliation

Taking Actions to Improve Performance

- Progress with key customer on soup
  - Expect sales decline in soup to moderate in second half
- Robust beverage innovation in C-Fresh
- Continued momentum in Global Biscuits and Snacks
- Completed Pacific Foods acquisition
- Successfully executing cost savings program
- Investing to drive growth, including e-Commerce and long-term innovation

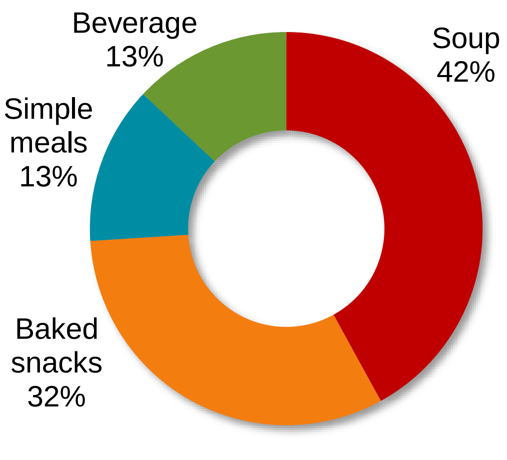
Transforming Campbell's Portfolio

Campbell's

Snyder's
Lance
Snacking is our passion

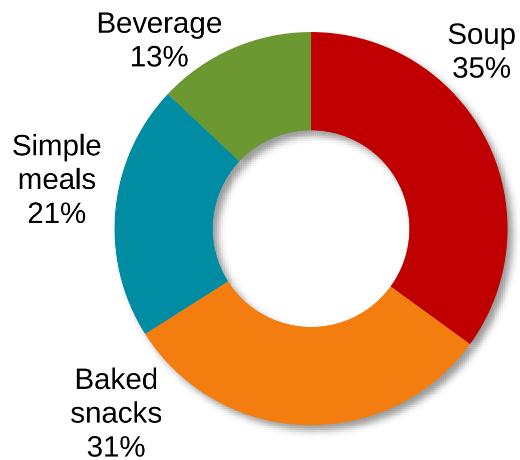
Transforming Campbell Toward Faster-Growing Snacking Category

FY2011 Reported



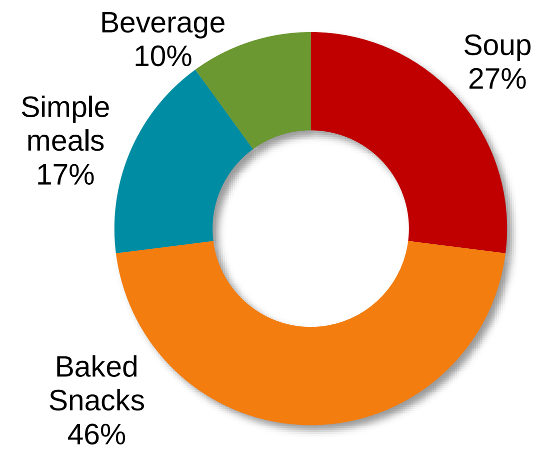
Total FY2011 net sales: $7.1bn

Pro Forma[1] FY2017



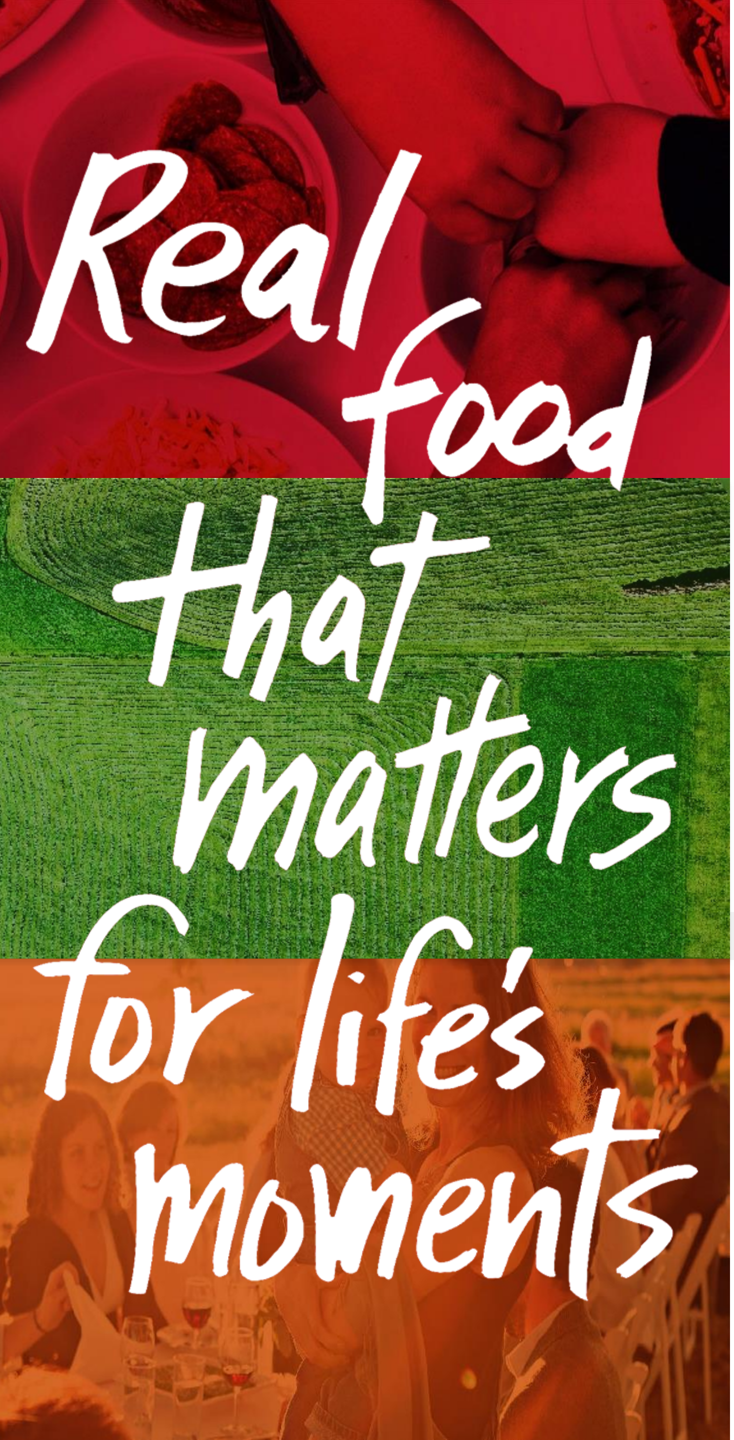
Pro Forma FY2017 net sales: $8.1bn

Pro Forma[1,2] FY2017



Pro Forma net sales: $10.3bn

1 Pro Forma FY2017 data based on FY2017 CPB net sales including fiscal year estimate of Pacific Foods
2 Snyder's-Lance net sales for the trailing 12 months ended July 1, 2017



CFO Perspective

Anthony DiSilvestro
Senior Vice President & Chief Financial Officer
Campbell Soup Company

Second-Quarter Fiscal 2018 Summary

- **Gross Margin Performance Below Expectations**
- **Increasing Cost Savings Target to $500 Million**
- **Revising 2018 Earnings Outlook**

Financial Summary

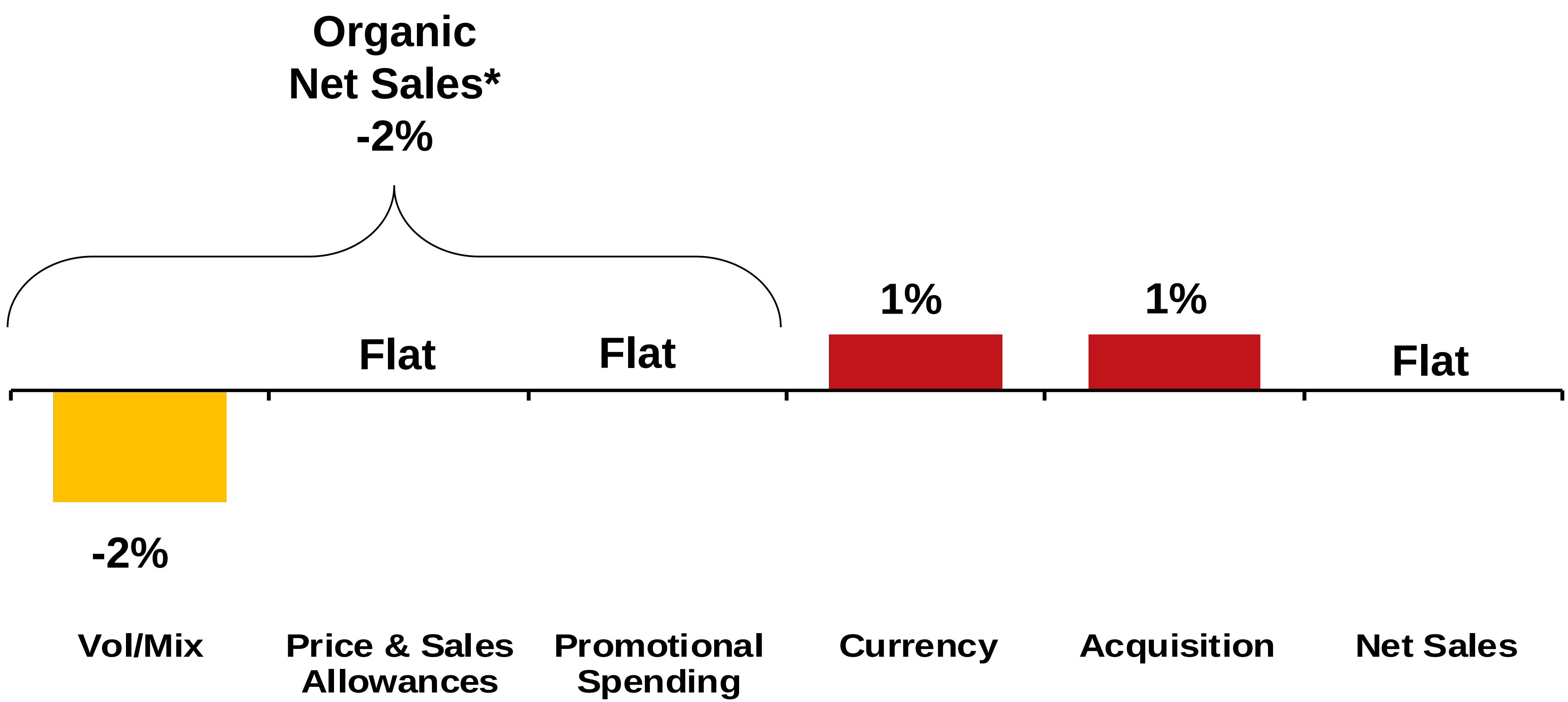
($ millions, except per share)

	Second Quarter	% Change	First Half	% Change
Net Sales	$2,180	-%	$4,341	(1)%
Organic Net Sales*		(2)%		(2)%
Adjusted EBIT*	$402	(4)%	$819	(10)%
Adjusted EPS*	$1.00	10%	$1.91	(1)%

* See Non-GAAP reconciliation

Real food that matters for life's moments

Second Quarter –
Components of Net Sales Change



* See Non-GAAP reconciliation

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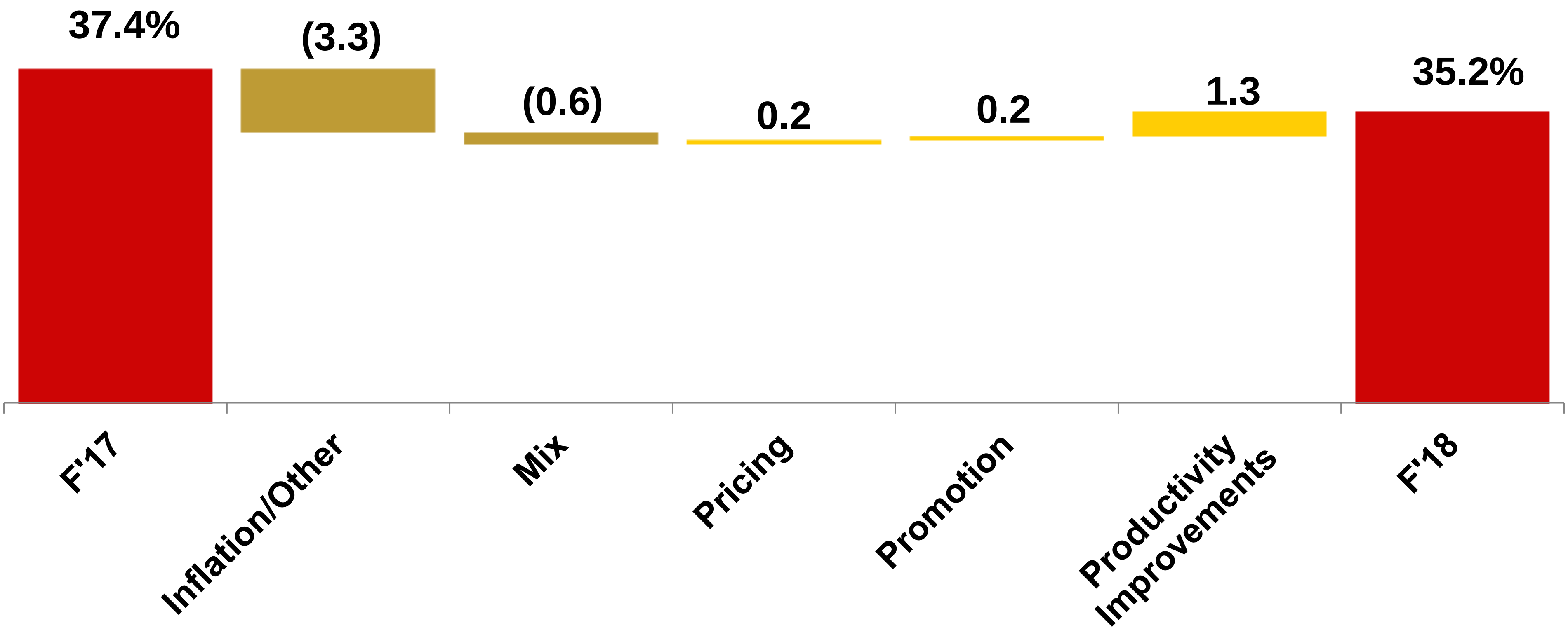
Second Quarter –
Adjusted Gross Margin Performance*

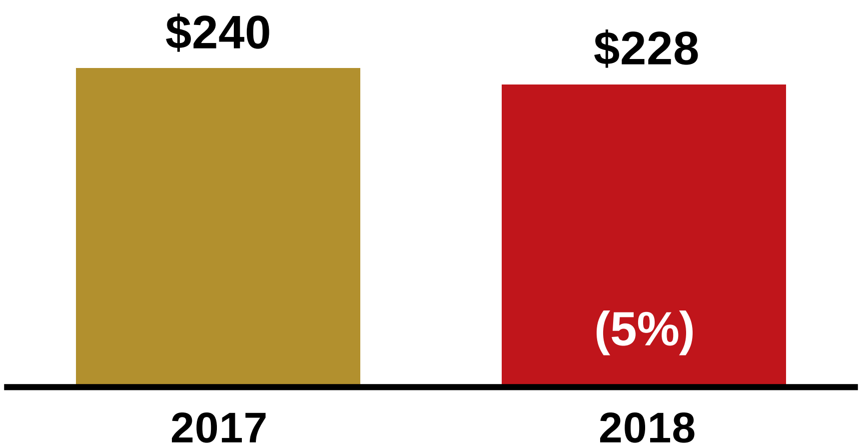


* See Non-GAAP reconciliation

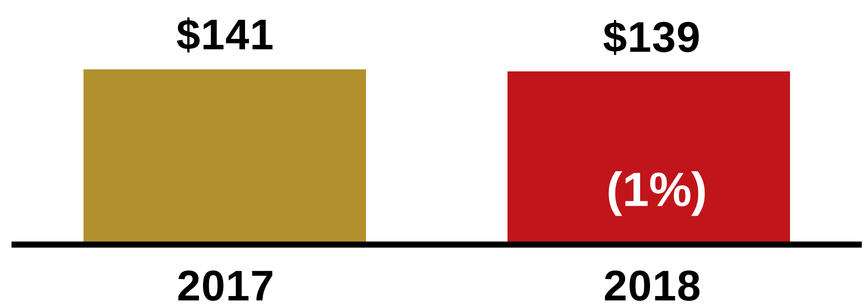
Second Quarter – Other Operating Items

($ millions)

Marketing & Selling Expenses



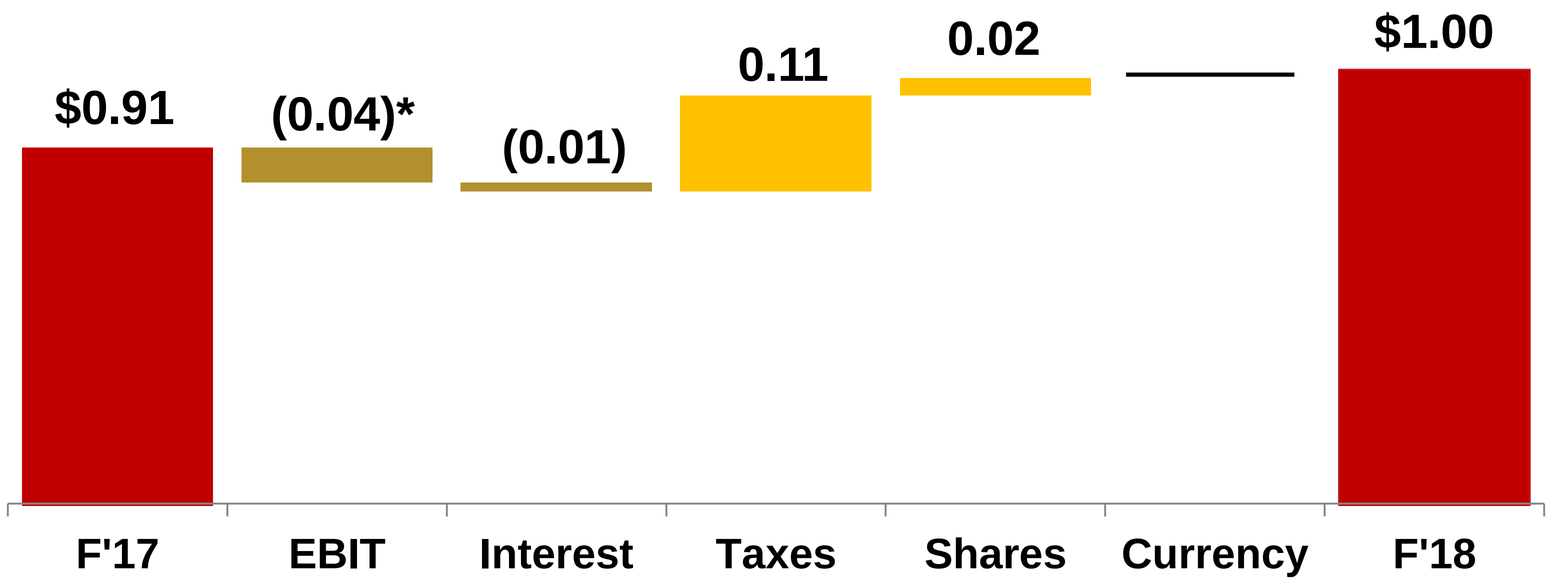
Adjusted Administrative Expenses*



* See Non-GAAP reconciliation

Real food that matters for life's moments

Second Quarter – Adjusted EPS Performance*

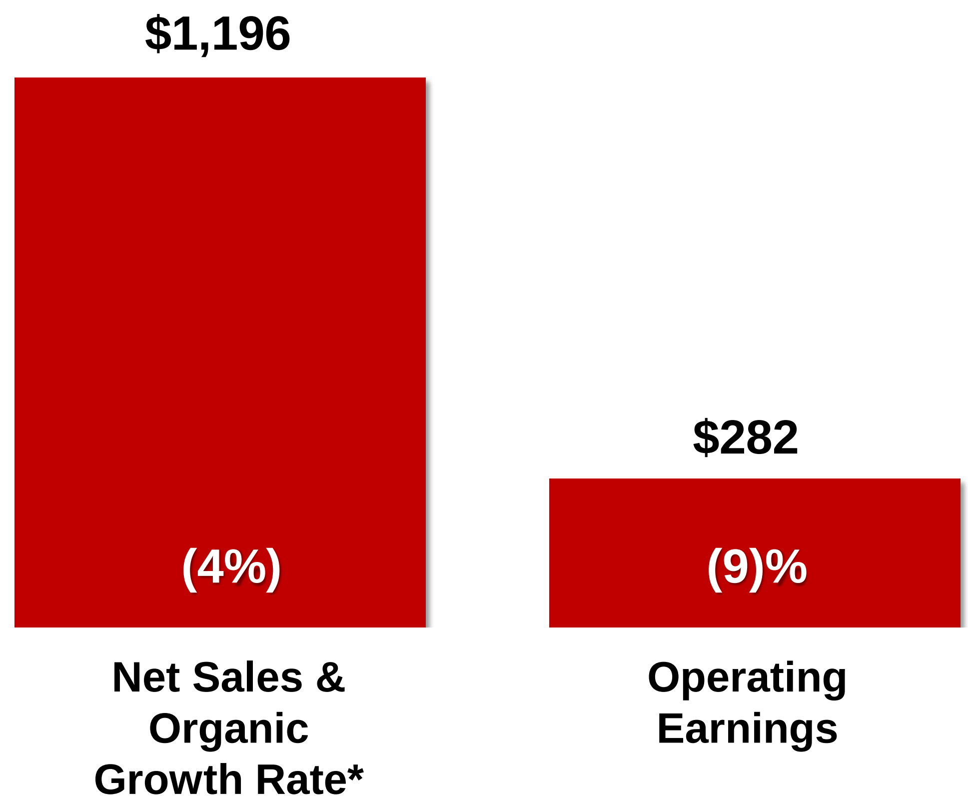


Numbers do not add across due to rounding

* See Non-GAAP reconciliation

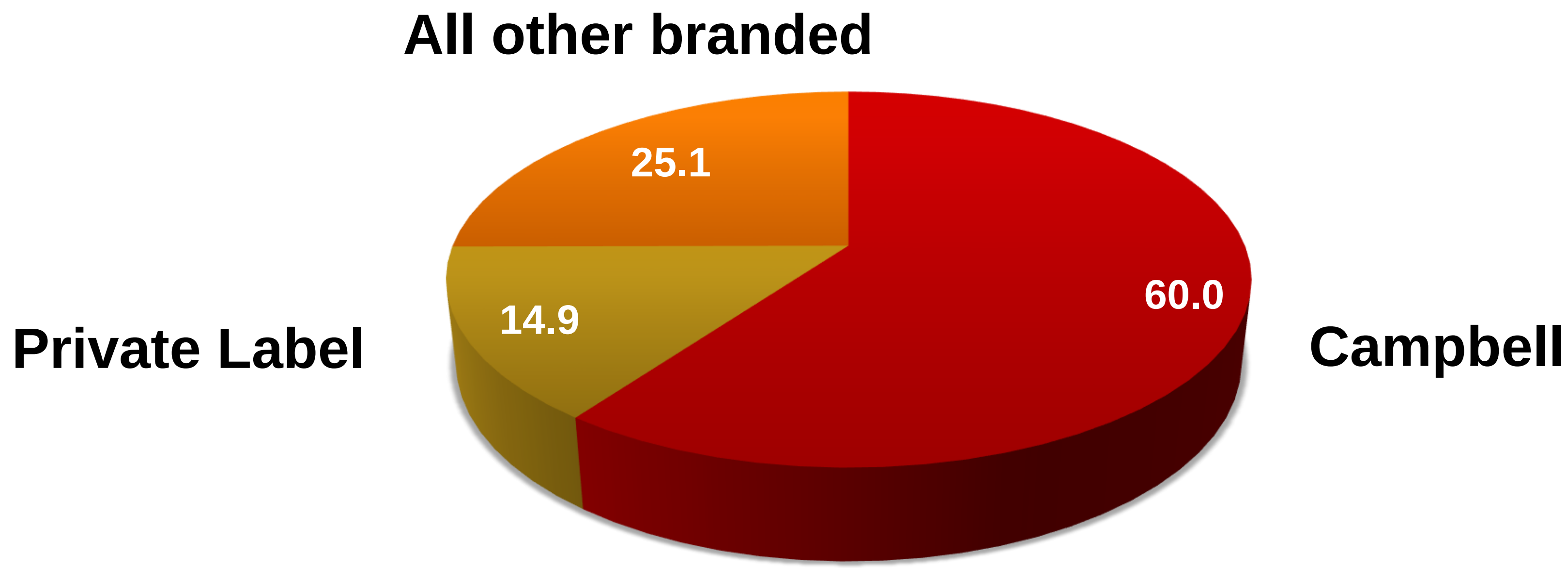
Second-Quarter Segment Results

($ millions)



* See Non-GAAP reconciliation

Retail Sales – U.S. Wet Soup Latest 52 Week Market Share and Category Performance



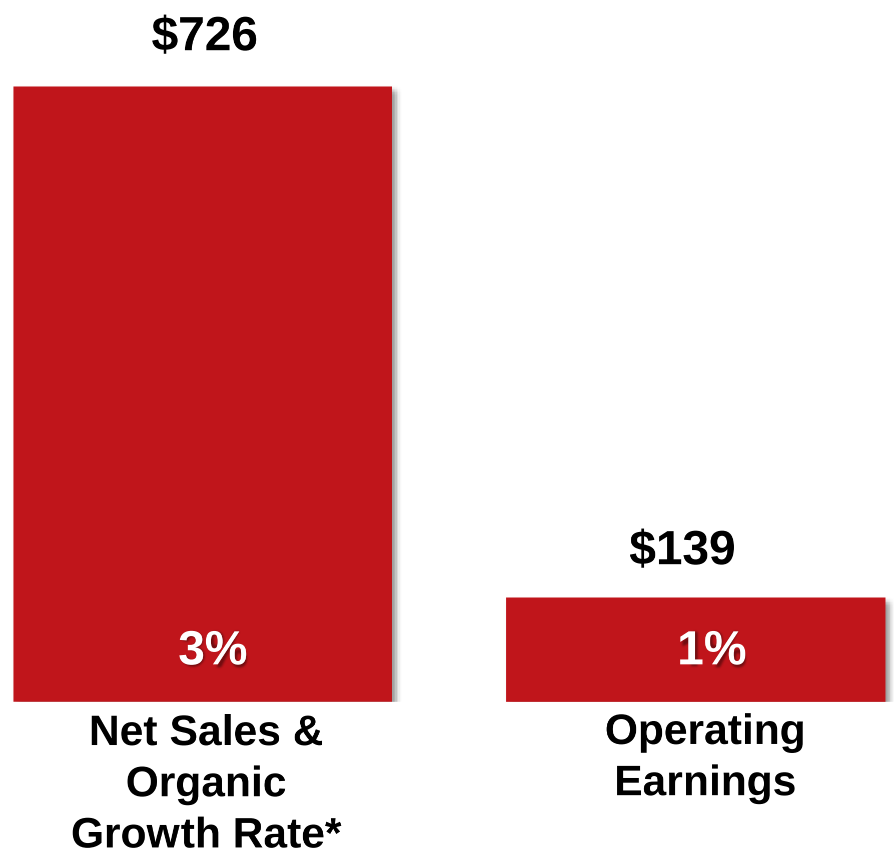
	Category	*Campbell*	*AO Branded*	*Private Label*
Dollar Share Change	**N/A**	**-1.2 ppts**	**-0.1 ppts**	**+1.3 ppts**
Dollar Sales Change	**+0.8%**	**-1.2%**	**+0.3%**	**+10.8%**

Campbell/PL figures include condensed and ready-to-serve soup and broth.
Campbell figures include *Pacific* soups and broth.
Source: IRI Total U.S. Multi-Outlet
For **52-week period ending Jan. 28, 2018**

Real food that matters for life's moments

Second-Quarter Segment Results

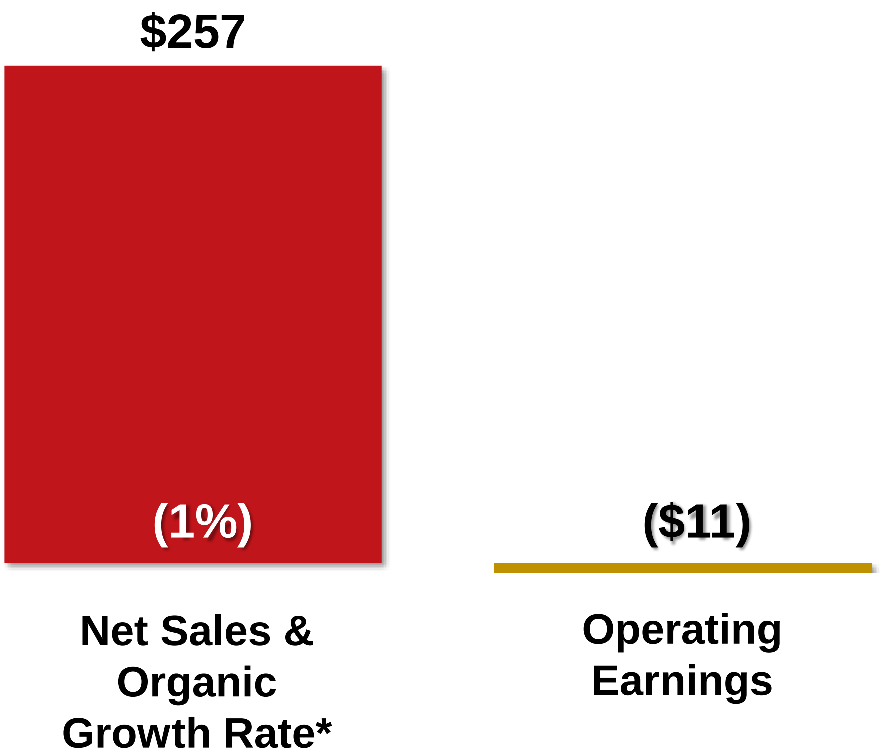
($ millions)



* See Non-GAAP reconciliation

Second-Quarter Segment Results

($ millions)



* See Non-GAAP reconciliation

Cash Flow and Balance Sheet Items

($ millions)

Year-To-Date	2017	2018
Cash Flow from Operations	$667	$660
Capital Expenditures	$119	$132
Dividends Paid	$207	$216
Share Repurchases	$234	$86
Ending Net Debt as of Q2*	$3,169	$3,710

* See Non-GAAP reconciliation

Fiscal 2018 Guidance

($ millions, except per share)

	2017 Results	Revised 2018 Guidance before Pacific Foods and Tax Reform	Pacific Foods Acquisition	U.S. Tax Reform	Revised 2018 Guidance
Sales	$7,890	-2% to 0%	+1 pt	-	-1% to 1%
Adjusted EBIT	$1,492*	-6% to -4%** (prev. -4% to -2%)	-1 pt	-	-7% to -5%**
Adjusted EPS	$3.04*	-5% to -3%** (prev. -3% to -1%)	-$0.05	+0.25	+2% to +4%** $3.10 to $3.17

* See Non-GAAP reconciliation

** A non-GAAP reconciliation is not provided for 2018 guidance since certain items are not estimable, such as pension and postretirement mark-to-market adjustments, and these items are not considered to reflect the company's ongoing business results.

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Fiscal 2018 Guidance

	Supporting Assumptions for Revised 2018 Guidance
COPS Inflation	~3%
COPS Productivity	~3%
Cost Savings Program	$75-85 million
Gross Margin Percentage	-1 pt
Interest Expense	$135-140 million
Tax Rate	~26%
Share Repurchases	$86 million, On Hold
Capital Expenditures	$425 million

Q & A

Denise Morrison
President and CEO

Anthony DiSilvestro
SVP and CFO

Ken Gosnell
VP-Finance
Strategy and IR

Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions)

Second Quarter					% Change	
2018	Net Sales, As Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	Net Sales, As Reported	Organic Net Sales
Americas Simple Meals and Beverages	$ 1,196	$ (6)	$ (28)	$ 1,162	(2) %	(4) %
Global Biscuits and Snacks	726	(10)	-	716	4 %	3 %
Campbell Fresh	257	-	-	257	(1) %	(1) %
Corporate	1	-	-	1	n/m	n/m
Total Net Sales	$ 2,180	$ (16)	$ (28)	$ 2,136	- %	(2) %
2017						
Americas Simple Meals and Beverages	$ 1,215					
Global Biscuits and Snacks	696					
Campbell Fresh	260					
Corporate	-					
Total Net Sales	$ 2,171					

n/m – not meaningful

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Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions)

First Half					% Change	
2018	Net Sales, As Reported	Impact of Currency	Impact of Acquisition	Organic Net Sales	Net Sales, As Reported	Organic Net Sales
Americas Simple Meals and Beverages	$ 2,414	$ (12)	$ (28)	$ 2,374	(3) %	(5) %
Global Biscuits and Snacks	1,435	(15)	-	1,420	4 %	2 %
Campbell Fresh	491	-	-	491	(1) %	(1) %
Corporate	1	-	-	1	n/m	n/m
Total Net Sales	$ 4,341	$ (27)	$ (28)	$ 4,286	(1) %	(2) %
2017						
Americas Simple Meals and Beverages	$ 2,493					
Global Biscuits and Snacks	1,386					
Campbell Fresh	494					
Corporate	-					
Total Net Sales	$ 4,373					

n/m – not meaningful

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Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions, except per share amounts)

Second Quarter

		EBIT	Net Earnings	Diluted EPS
2018 – As Reported		$ 243	$ 285	$ 0.95
Add:	Restructuring charges, implementation costs and other related costs	60	46	0.15
Add:	Acquisition transaction costs	24	19	0.06
Add:	Impairment charges	75	74	0.25
Deduct:	Tax reform	-	(124)	(0.41)
2018 – Adjusted		$ 402	$ 300	$ 1.00
2017 – As Reported		$ 205	$ 101	$ 0.33
Add:	Impairment charges	212	180	0.58
2017 – Adjusted		$ 417	$ 281	$ 0.91
% Change		(4) %	7 %	10 %

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Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions, except per share amounts)

First Half	EBIT	Net Earnings	Diluted EPS*
2018 – As Reported	$ 655	$ 560	$ 1.85
Deduct: Pension and postretirement benefit mark-to-market adjustments	(14)	(10)	(0.03)
Add: Restructuring charges, implementation costs and other related costs	79	58	0.19
Add: Acquisition transaction costs	24	19	0.06
Add: Impairment charges	75	74	0.25
Deduct: Tax reform	-	(124)	(0.41)
2018 – Adjusted	$ 819	$ 577	$ 1.91
2017 – As Reported	$ 662	$ 393	$ 1.27
Add: Pension and postretirement benefit mark-to-market adjustments	20	13	0.04
Add: Restructuring charges, implementation costs and other related costs	11	7	0.02
Add: Impairment charges	212	180	0.58
2017 – Adjusted	$ 905	$ 593	$ 1.92
% Change	(10) %	(3) %	(1) %

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

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Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions)

<u>Second Quarter</u>

		Gross Margin	GM %	Tax	Tax Rate
2018 – As Reported		$ 766	35.1%	$ (74)	(35.1) %
Add:	Restructuring charges, implementation costs and other related costs	1		14	
Add:	Acquisition transaction costs	-		5	
Add:	Impairment charges	-		1	
Add:	Tax reform	-		124	
2018 – Adjusted		$ 767	35.2%	$ 70	18.9 %
2017 – As Reported		$ 811	37.4%	$ 76	42.9%
Add:	Impairment charges	-		32	
2017 – Adjusted		$ 811	37.4%	$ 108	27.8%

Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions)

Second Quarter

		Administrative Expenses
2018 – As Reported		$ 165
	Deduct: Restructuring charges, implementation costs and other related costs	(26)
2018 – Adjusted		$ 139
2017 – As Reported		$ 141
% Change		(1) %

Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions, except per share amounts)

EPS Impact from Adjusted EBIT Excluding Currency

	Second Quarter
2018 – Adjusted EBIT	$ 402
Deduct: Impact of currency translation	(2)
2018 – Adjusted EBIT, Constant Currency	$ 400
2017 – Adjusted EBIT	$ 417
$ Change in Adjusted EBIT, Constant Currency	$ (17)
Add: Tax impact	5
Change in Net Earnings	$ (12)
Diluted EPS Impact	$ (0.04)

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Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions)

Net Debt

	January 29, 2017	January 28, 2018
Short-Term Borrowings	$ 1,185	$ 1,659
Long-Term Debt	2,293	2,247
Total Debt	$ 3,478	$ 3,906
Less: Cash and Cash Equivalents	(309)	(196)
Net Debt	$ 3,169	$ 3,710

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Reconciliation of GAAP and Non-GAAP Financial Measures

($ millions, except per share amounts)

Full Year

	Gross Margin	GM %	EBIT	Net Earnings	Diluted EPS
2017 – As Reported	$ 2,925	37.1%	$ 1,400	$ 887	$ 2.89
Deduct: Pension and postretirement benefit mark-to-market adjustments	-		(178)	(116)	(0.38)
Add: Restructuring charges, implementation costs and other related costs	4		58	37	0.12
Add: Impairment charges	-		212	180	0.59
Deduct: Sale of notes	-		-	(56)	(0.18)
2017 – Adjusted	$ 2,929	37.1%	$ 1,492	$ 932	$ 3.04

* Reflects the impact of the adoption of new accounting guidance on the presentation of net periodic pension cost and net periodic postretirement benefit cost in the first quarter of fiscal 2018.

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THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

CPB - Q2 2018 Campbell Soup Co Earnings Call

EVENT DATE/TIME: FEBRUARY 16, 2018 / 2:30PM GMT

OVERVIEW:

Co. reported 2Q18 as-reported net sales of $2.180b and adjusted EPS of $1. Expects 2018 sales to change by minus 1% to plus 1%.

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Denise Mullen Morrison *Campbell Soup Company - President, CEO & Director*

Ken Gosnell *Campbell Soup Company - VP of Finance Strategy & IR*

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Campbell Soup Second Quarter 2017 Earnings Conference Call. (Operator Instructions) And as a reminder, today's conference call is being recorded.

I'd now like to turn the conference over to Ken Gosnell, Vice President, Finance Strategy and Investor Relations. Please go ahead.

Ken Gosnell - *Campbell Soup Company - VP of Finance Strategy & IR*

Thank you, Candace. Good morning, everyone. Welcome to the second quarter earnings call for Campbell Soup's fiscal 2018. With me here in New Jersey are Denise Morrison, President and CEO; and Anthony DiSilvestro, CFO. As usual, we've created slides to accompany our earnings presentation. You will find the slides posted on our website this morning at investor.campbellsoupcompany.com. This call is open to the media, who'll participate in a listen-only mode.

Today, we will make forward-looking statements, which reflect our current expectations. These statements rely on assumptions and estimates, which could be inaccurate and are subject to risk. Please refer to Slide 2 or our SEC filings for a list of factors that could cause our actual results to vary materially from those anticipated in forward-looking statements. Because we use non-GAAP measures, we have provided a reconciliation of these measures to the most directly comparable GAAP measure, which is included in our appendix.

And one final item before we begin our discussion of the quarter. I'd like to cordially invite our interested shareholders, investors, members of the media and consumers to listen to and view our investor presentation at CAGNY, which will be video webcast live on Wednesday, February 21, at 11:00 a.m. Eastern from Boca Raton. A replay of the video and copies of the materials will also be available afterward on our website. If you are attending the event, there will be a Campbell-sponsored luncheon immediately after our presentation.

With that, let me turn it over to Denise.

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Thank you, Ken. Good morning, everyone, and welcome to our second quarter conference call. Today, we'll discuss our results in the quarter and our updated outlook for the remainder of the fiscal year. I'll also detail the actions we're taking to improve our execution and performance in the second half of this year while advancing the long-term transformation of Campbell in response to changing consumer and retailer dynamics.

This was a difficult quarter for the company. Our performance was below our expectations. Organic sales declined 2%, driven primarily by ongoing disappointing results in U.S. soup and Campbell Fresh. Adjusted EBIT decreased 4%. I'll provide a brief overview now and additional details when I share my perspective on our segment performance in a moment.

Soup sales declined 7% in the quarter, modestly below what we expected. The issue with the key customer, which we last discussed with you in November, continued to negatively impact our U.S. soup sales this quarter. I'm encouraged that we're engaging in ongoing discussions with this key customer and making progress.

The anticipated improvement in Campbell Fresh's performance did not materialize as we expected, with sales declining 1%. While we're making progress in addressing several execution issues, we face new challenges in the quarter with headwinds in the super-premium juice segment. Additionally, the carrot yield issue we discussed last quarter extended into the second quarter.

The decline in adjusted EBIT reflected the performance of U.S. soup, cost of carrot increases in C-Fresh and significantly higher transportation and logistics costs, which are impacting all of our U.S. businesses. While we initially expected transportation costs to moderate throughout the year, the challenges have proved more persistent than originally anticipated. And we now expect it to continue to impact the business for the remainder of the year.

This morning, we updated our fiscal 2018 guidance, reflecting our outlook for the remainder of the fiscal year, the completion of the Pacific Foods acquisition and the impact of the recently enacted tax reform legislation. We intend to use future proceeds from the lower tax rate to invest in innovation, particularly in health and well-being and snacking, and to accelerate our e-commerce activities. Anthony will take you through the details of our updated guidance in a few minutes.

Finally, I want to touch on the status of our multiyear cost-savings program. We continued to deliver meaningful savings, and I'm pleased to say we've identified additional opportunities that have enabled us to increase our savings target from $450 million to $500 million by the end of fiscal 2020.

Now let's talk about our performance across our divisions. Let's start with Americas Simple Meals and Beverages. Sales and operating earnings both declined in the quarter. The decline in the top line was driven primarily by the performance of U.S. soup and V8 beverages. U.S. soup sales declined 7%, an improvement from the first quarter of the fiscal year but still slightly below our expectations for this quarter. Nearly all of the decline was a result of the key customer issue referenced earlier. We've kept an open and positive dialogue with this customer and are making progress. I recognize that you likely have many questions about soup, but I know that you understand that we don't discuss details about specific customers. What I can tell you is that based on recent developments, we now expect sales declines in soup to moderate in the second half.

In the balance of the marketplace, we delivered better performance in soup as our program was well received and consumer takeaway was up slightly. In particular, the Well Yes! and Slow Kettle lines continued to perform well.

We're pleased to have completed the acquisition of Pacific Foods in the quarter, and we're moving quickly to integrate the finance, supply chain and quality functions. Pacific complements our portfolio by adding a differentiated brand with organic and functional attributes in soup, broth and plant-based beverages that appeal to consumers seeking health and well-being benefits.

Turning to beverages. Our V8 portfolio remained challenged, and sales of V8 declined in the quarter. The shelf-stable beverage category continues to face headwinds. Despite the overall sales decline, we continued to see positive consumption trends in V8 +Energy. We're focused on reinvigorating the brand with innovation that connects our vegetable nutrition equities with the functional benefits consumers are seeking, focusing on our profitable V8 Original and V8 +Energy lines.

Now let's turn to Campbell Fresh. In the quarter, sales declined 1%, and we recorded a loss of $11 million. This performance was below our expectations. As I mentioned at the outset, the C-Fresh team has made progress in overcoming several of its operational challenges, namely we've improved beverage and carrot quality, addressed capacity constraints in beverages, and returned the CPG business to competitive promotional levels. However, our progress was slowed in the quarter by new challenges in the super premium juice segment as we continued to experience higher carrot costs due to the yield issues we discussed last year.

Let's start with beverages. The headwinds in the super premium juice segment are multifaceted. We believe the primary drivers are concerns about sugar and consumers migrating to functional beverages that deliver benefits such as protein, gut health, energy and hydration. Several customers recently reset their premium juice category, reducing space in the super premium segment. Because of these resets and our previous supply constraints, Bolthouse Farms lost some shelf space, which hurt beverage sales in the quarter.

To address this, we're launching our most robust beverage innovation line in 2 years. Our upcoming beverage innovation suite is designed to address the sugar issue and evolve our beverage portfolio to be in step with consumer preferences. We believe it will begin to rejuvenate the super-premium segment by introducing functional benefits at an affordable price point as well as expand our footprint in the ultra-premium segment. We're launching 19 beverage SKUs this spring compared to just 3 a year ago. Notably, we just started shipping the new Bolthouse Farms B Line, which consists of 8 varieties: B Strong and B Balanced delivers great taste, functional benefits and reduced sugar. B Strong is a protein drink with 70% less sugar than other leading brands, and B Balanced smoothies contains 50% less sugar than other brands. The B Line has been well received by customers as it meets the consumer preferences for reduced sugar and functional benefits.

Additionally, we're building on the initial success of our alternative dairy drink, Bolthouse Farms Plant Protein Milk, by expanding our plant-based offerings in the ultra-premium segment with 3 new protein varieties of 1915 by Bolthouse Farms. We expect our spring beverage innovations will drive improved performance in the second half.

Now an update on farms. While sales of carrot and carrot ingredients increased 3% in the quarter, the yield issue we experienced earlier in the year extended into the second quarter. As we discussed in November, our carrot crops were negatively impacted by adverse weather, which resulted in extremely low yields and caused us to place customers on allocation. We came off allocation in December, as planned, but the lingering effects of this issue drove higher carrot costs and impacted profit in the second quarter.

In the back half, our plans call for improved performance in Campbell Fresh. In support of our beverage innovation, we'll launch new marketing and promotional campaigns to improve CPG performance. We also remain focused on executing our quality strategy in carrots and delivering supply-chain productivity improvements.

At the highest level, we know that consumer preferences for fresh and healthier food continues to be strong, and we remain confident in the growth potential of the packaged fresh category. We're focused on improving our execution and returning C-Fresh to profitable growth.

Finally, our Global Biscuits and Snacks division. This division continues to deliver consistent performance, especially Pepperidge Farm. In the quarter, sales growth was primarily driven by the continued solid performance of Pepperidge Farm and gains in Kelsen in China. In Pepperidge Farm, I'm pleased with the top line performance of snacks, where both crackers and cookies contributed to gains and grew share in the quarter. Our cracker portfolio outpaced the category behind continued strong performance from the Goldfish brand. And in our cookie portfolio, the Farmhouse line, which delivers great taste with simple, recognizable ingredients, continued to perform well.

Outside the U.S., Kelsen delivered solid sales performance in China. I'm encouraged with the progress we've made in becoming a more consumer-focused operation and improving our logistics, supply chain and the management of our expanded distribution network. This quarter, we had a strong sell-in for Chinese New Year, and our distributors delivered well-executed merchandising programs leading up to the holiday, which is being celebrated today. The division's operating earnings were impacted by rising inflation, particularly significantly higher prices for butter, which we're addressing through pricing actions and supply-chain productivity improvements.

Overall, I feel good about our performance in Global Biscuits and Snacks, and I'm confident that this team will continue to drive our core business while integrating Snyder’s-Lance into Campbell. We now expect to complete the Snyder’s-Lance transaction by the end of the first calendar quarter.

In closing, this was a difficult quarter, and I'm not satisfied with our performance. We're continuing to take actions to improve our execution and expect better results in the second half. We've made progress with our key customer around soup, and we now expect sales declines in soup to moderate in the second half. We have plans in place to combat the headwinds in the super-premium beverage category segment and expand our presence in the ultra-premium segment of the market. We expect our robust beverage innovation and marketing to lead to improved performance in the back half for Campbell Fresh. We're driving continued momentum in Global Biscuits and Snacks, with strong performance in Pepperidge Farm. We're moving quickly to integrate Pacific Foods into Campbell. We're successfully executing our cost-savings program and have identified new savings opportunities. And we're making the necessary investments to drive growth, including accelerating our e-commerce efforts with increased levels of activity and investing in long-term disruptive innovation.

Despite challenges in the quarter, we've made significant progress toward our long-term strategy to transform Campbell's portfolio in the faster-growing spaces of health and well-being and snacking. In particular, the pending Snyder’s-Lance acquisition will be the largest acquisition in our history. Snacking is a category we know extremely well, and the acquisition complements Pepperidge Farm, which has been one of our best long-term performing businesses. We're confident that the Snyder’s-Lance acquisition will deliver significant shareholder value.

Campbell will look altogether different once we complete this transaction. The addition of Snyder’s-Lance will have a transformational impact on Campbell, adding $2.2 billion in annual net sales. As a result, Snacking will represent approximately 46% of our total company net sales. We're acting with urgency to transform Campbell. I'm confident that the steps we're taking will gain traction and lead to improved performance.

I look forward to answering your questions in a few moments and to seeing many of you at CAGNY next week, where we will share additional information on our strategic transformation. But first, let me turn the call over to our Chief Financial Officer, Anthony DiSilvestro.

Anthony P. DiSilvestro - *Campbell Soup Company - Senior VP & CFO*

Thanks, Denise, and good morning. Before getting into the details, I wanted to give you my perspective on the quarter and revised 2018 guidance.

Our challenge in the quarter was our gross margin performance as the percentage declined by about 2 points compared to last year. Gross margin performance was pressured by cost inflation, primarily butter prices; as well as higher transportation and logistic costs, which did not moderate as expected; and higher carrot and manufacturing costs in Campbell Fresh. Reflecting this performance and lower expectations going forward for C-Fresh, we recorded a noncash impairment charge on the carrot and carrot-ingredient business.

On the positive side, we continue to make progress on our multiyear cost-savings program. We generated $20 million of savings in the quarter, bringing the program to-date total to $365 million. We now expect to deliver $75 million to $85 million in 2018. Based on our success to date and additional opportunities identified, we have increased our 2020 target to $500 million, a $50 million increase.

We are benefiting from the recently enacted U.S. tax reform legislation. The lower, ongoing tax rate is benefiting Q2 EPS by $0.12 and adding $0.25 to the full year adjusted EPS forecast as we lower our expected adjusted effective tax rate to approximately 26%. We are updating our full year guidance to reflect lower expectations for gross margin performance on the base business, the addition of Pacific Foods to the portfolio and the impact of U.S. tax reform. Now I'll review our results in more detail.

For the second quarter, net sales on an as-reported basis were comparable to the prior year at $2,180,000,000. Excluding a 1-point benefit from the acquisition of Pacific Foods and a 1-point benefit from currency translation, organic net sales declined 2%, driven primarily by lower volumes in Americas Simple Meals and Beverages. Adjusted EBIT in the quarter declined 4% to $402 million, reflecting a lower adjusted gross margin percentage, partly offset by an increase in adjusted other income and lower marketing and selling expenses. Reflecting a lower adjusted effective tax rate attributable to tax reform, adjusted EPS increased 10% or $0.09 to $1 per share. For the first half, as-reported net sales declined 1%, and organic net sales declined by 2% compared to the prior year. Adjusted EBIT decreased 10% to $819 million, and adjusted EPS was -- of $1.91 was down 1%.

Breaking down our sales performance for the quarter. Organic net sales declined 2% driven by lower volume, reflecting declines in Americas Simple Meals and Beverages, driven primarily by U.S. soup and V8 beverages. Overall, promotional spending rates were comparable to the prior year. There was a positive impact from currency translation of 1%, principally the Australian and Canadian dollars. There was also a 1% increase as a result of the recent Pacific Foods acquisition, which closed in December, bringing our as-reported sales to year-ago levels.

Our adjusted gross margin percentage decreased 220 basis points in the quarter. First, cost inflation and other factors had a negative impact of 330 basis points. The majority of this was cost inflation, which on a rate basis, increased about 3.5% reflecting higher prices on dairy, meat, steel cans and aluminum. The remainder was driven by higher transportation and logistics costs, costs associated with our Real Food initiatives, and higher carrot and manufacturing costs in Campbell Fresh. These negative drivers were probably offset by benefits from our cost-savings initiatives.

Mix had a negative impact of 60 basis points, primarily due to the impact of the Pacific Foods acquisition, including the purchase accounting impact and negative mix from the sales decline in U.S. soup. Pricing had a positive impact of 20 basis points, driven by pricing on our Kelsen business as we partly recover significant cost increases on butter. Promotional spending also had a positive impact of 20 basis points in the quarter, primarily reflecting reductions of inefficient promotional spending on the Arnott's business. Lastly, our supply chain productivity program, which is incremental to our cost-savings program, contributed 130 basis points of margin improvement. All in, our adjusted gross margin percentage decreased 220 basis points to 35.2%.

Marketing and selling expenses declined 5% in the quarter, reflecting lower advertising and consumer promotion expenses and the benefits from our cost-savings initiatives, partly offset by investments in e-commerce. The majority of the reduction in advertising and consumer promotion spending reflects a timing shift on Kelsen from the second quarter into the third quarter to support the later timing of the Chinese New Year. Adjusted administrative expenses decreased 1% to $139 million.

For additional perspective on our performance, this chart breaks down our adjusted EPS change between our operating performance and below-the-line items. Adjusted EPS increased $0.09, from $0.91 in the prior year quarter to $1 per share in the current quarter. On a currency-neutral basis, the decline in adjusted EBIT had a negative $0.04 impact on EPS, primarily driven by our gross margin performance, partly offset by an increase in adjusted other income and lower marketing and selling expenses. Net interest expense was up $4 million, a $0.01 negative impact to EPS, reflecting higher rate and an increase in the debt level associated with the acquisition of Pacific Foods.

Our adjusted EPS results are benefiting from the ongoing benefit of U.S. tax reform. Our adjusted effective tax rate in the quarter, including a year-to-date true-up, declined by about 9 percentage points to 18.9%. The lower adjusted tax rate in the quarter increased EPS by $0.11, including a $0.12 per share impact from U.S. tax reform. Benefiting from share repurchases, the lower share count added a $0.02 benefit to EPS. And lastly, although currency translation was slightly favorable, it had no impact on EPS, completing the bridge to $1 per share.

Now turning to our segment results. In Americas Simple Meals and Beverages, organic sales declined 4%, driven primarily by declines in U.S. soup and V8 beverages, partly offset by gains in our retail business in Canada. Excluding the benefit of the acquisition of Pacific Foods, sales of U.S. soup declined 7%, driven by declines in ready-to-serve and condensed soups. Broth sales were comparable to a year ago. As previously discussed, U.S. soup sales were negatively impacted by reduced support levels with a key customer. As Denise mentioned, we are making progress and expect improved sales trends in the back half.

Dollar consumption of soup in measured channels declined by 3%. The difference between consumer takeaway and our sales is primarily due to higher retail sale prices. Changes in retailer inventory levels did not meaningfully impact our soup sales performance in the quarter.

Segment operating earnings decreased 9% in the quarter to $282 million. The decrease was primarily driven by a lower gross margin percentage and lower sales volumes, partly offset by lower marketing and selling expenses. Segment gross margin performance was impacted by higher transportation and logistics cost as well as negative mix related to the acquisition of Pacific Foods and lower organic soup sales.

Here's a look at U.S. wet soup category performance and our share results as measured by IRI. For the 52-week period ending January 28, 2018, the category as a whole increased 80 basis points. Our sales in measured channels declined 1.2%. Including Pacific, on a pro forma basis, we had a 60% market share for the 52-week period, down 120 basis points from the year-ago period.

Private label grew share by 130 basis points, primarily reflecting gains in broth, finishing at 14.9%. All other branded players collectively had a share of 25.1%, decreasing 10 basis points.

In Global Biscuits and Snacks, organic sales increased 3%, driven by gains in Pepperidge Farms snack, reflecting continued momentum in Goldfish crackers and double-digit gains in cookies, and also from gains on Kelsen cookies in China in advance of the Chinese New Year. Excluding the favorable impact of currency translation, sales of Arnott's biscuits were comparable to the prior year.

Segment operating earnings increased 1% to $139 million. Excluding the favorable impact of currency translation, operating earnings were comparable to the prior year, with lower advertising and consumer promotion expenses offset by a lower gross margin percentage, reflecting higher levels of cost inflation, particularly on butter.

In the Campbell Fresh segment, organic sales declined 1% to $257 million, driven primarily by sales declines in Bolthouse Farms refrigerated beverages. Segment operating earnings in the quarter declined from a loss of $3 million to a loss of $11 million, reflecting a lower gross margin percentage driven by higher supply chain costs as well as higher carrot costs attributable to adverse weather earlier in the fiscal year. Within this segment, the performance of the carrot and carrot-ingredient business was below our expectations. We have lowered our future projections for the carrot business and in our reported results, recorded a noncash impairment charge to reduce the carrying value of goodwill.

Cash from operations declined slightly to $660 million compared to $667 million in 2017 as higher hedging-related payments were mostly offset by improved working capital performance. Capital expenditures were $132 million, $13 million higher than the prior year. We paid dividends totaling $216 million compared to $207 million in 2017, reflecting the 12% increase in the quarterly dividend rate announced in September of fiscal 2017. In aggregate, we repurchased $86 million of shares on a year-to-date basis, $75 million of which were under our strategic share repurchase program. The balance of repurchases were made to offset dilution from equity-based compensation. With the pending acquisition of Snyder's-Lance, we have now suspended our share repurchases. Net debt of $3.7 billion is up from $3.2 billion a year ago as the impact of the Pacific Foods acquisition debt was partly offset by positive cash flow on the base business.

Now I'll review our revised 2018 guidance. As shown, we have isolated changes in our base business from the impact of the Pacific Foods acquisition and tax reform. We now expect sales to change by minus 1% to plus 1%. This includes a 1-point benefit from the Pacific Foods acquisition that was completed in December 2017. The sales outlook on the base business remains unchanged from our previous guidance. Primarily due to lower expectations for gross margin performance, which I'll discuss in a moment, we now expect adjusted EBIT to decline by minus 7% to minus 5%, including a 1-point negative impact from Pacific Foods. As previously disclosed, we expect that the Pacific Foods acquisition will negatively impact EPS by $0.05 in fiscal 2018. We also expect the ongoing rate benefit of U.S. tax reform to have a positive impact on adjusted EPS of approximately $0.25 in fiscal 2018, reflecting an adjusted tax rate of approximately 26%. All in, we now expect adjusted EPS to increase by 2% to 4%.

As we'll discuss next week at CAGNY, we expect to utilize a portion, potentially a majority, of the tax reform benefit to accelerate our investments in the P&L in fiscal 2019. In our next earnings call, we will update our guidance to include the impact of the Snyder's-Lance acquisition on the balance of our fiscal year.

Given the changes to our outlook, I'll wrap up with a recap of the key assumptions. We've seen an uptick in cost inflation and now forecast an inflation rate of approximately 3%. In addition, our supply chain costs are being impacted by higher transportation and logistics costs and increased carrot and manufacturing costs in C-Fresh. We continue to expect ongoing supply-chain productivity gains, excluding the benefit of our cost-savings program of approximately 3% of cost of products sold. And against our cost-savings program, we now expect to deliver $75 million to $85 million of cost savings, most of which will impact COPS.

With higher-than-anticipated cost inflation and other supply-chain costs as well as our expectation for a more normal soup promotional spending in the back half and the acquisition of Pacific Foods, partly offset by increased cost savings, we expect our adjusted gross margins to decline about 1 percentage point.

Below the line, our interest expense is now expected to increase to a range of $135 million to $140 million, reflecting higher interest rates and increased debt to fund the acquisition of Pacific Foods. Reflecting the benefit of tax reform, we expect the adjusted effective tax rate to be approximately 26%. And because of the acquisition of Pacific Foods and the pending acquisition of Snyder's-Lance, share repurchases, after completing $86 million year-to-date, are now on hold. This guidance assumes that the impact of currency translation will be slightly positive. Lastly, we are forecasting capital expenditures of approximately $425 million, which is an increase from the previous outlook, reflecting recently initiated projects under our cost-savings program and spending for Pacific Foods.

That concludes my remarks. Now I'll turn it back to Ken for the Q&A.

Ken Gosnell - *Campbell Soup Company - VP of Finance Strategy & IR*

Thanks, Anthony. We will now start our Q&A session. (Operator Instructions). Okay, Candace.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question comes from Andrew -- I'm sorry. Our first question comes from Bryan Spillane of Bank of America.

Bryan Douglass Spillane - *BofA Merrill Lynch, Research Division - MD of Equity Research*

So I guess, bigger question. You've got the tax savings, which you're going to reinvest a portion of EBIT into 2019. While at the same time, there's -- you're going through some cost savings. Can you kind of talk about sort of the incremental need to invest now? How much of that is driven like the commodity inflation? How much of it is being driven by just how rapidly things are changing, I guess, in the retail environment? But it's a pretty material step-up in investment, and I'm trying to understand sort of what's changed to drive that investment. And maybe the second, if you could give a little bit of comment on expected return? At what time frame do we expect that, that incremental investment will begin to kind of result in an acceleration in sales and earnings?

Anthony P. DiSilvestro - *Campbell Soup Company - Senior VP & CFO*

Yes. So I'll take a crack at that. As we look at our business and we're right in the middle of our planning process now for next fiscal year, and I think we've mentioned before the areas that we need to reinvest in along the lines of building capability in digital and e-commerce, supporting our brands and launching new products, investing in longer-term innovation, things like Habit and some other ventures that we have under way, and as we go through that and see the tax reform coming, we really do see an opportunity to accelerate those investments and to position the company for long-term growth. We're still working through some of the details on that. And we'll have more to say, I think, when we get to our 2019 guidance. But we'll talk about this next week. We really see 2019 as a transition year for us. We need to do a couple of things. We need to stabilize U.S. soup. We need to turn around our Campbell Fresh business. We need to make these investments to drive long-term growth. We need to add Pacific Foods and integrate Snyder's-Lance into the portfolio. And I think as you look beyond 2019, our confidence level in achieving our long-term targets of 1% to 3% sales, 4% to 6% EBIT and 5% to 7% EPS are very high. And I think that's where you'll start to see those returns.

Operator

And our next question comes from Andrew Lazar of Barclays.

Andrew Lazar - *Barclays PLC, Research Division - MD and Senior Research Analyst*

Denise, I know you're clearly limited in what you can say on sort of the soup situation, as you mentioned. But maybe perhaps you can comment a little bit on sort of what is behind the expectation for a moderation in soup declines in the fiscal second half? I guess, what I'm getting at is you mentioned progress. And I'm wondering if it can be, I guess, beneficial to all parties. I think Anthony had said maybe a more normal promotional posture. So just trying to get a sense of what changes you can speak to, and if it can be sort of, let's call it, a mutual beneficial arrangement.

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Yes. Well, as you know, in the first half, and particularly in this quarter, we did have U.S. soup sales declines. And if you look at our consumption, it was minus 3%. Our sales were down 7%. The consumption in the rest of the market was positive. And so the rest of the market, the soup programs actually were very well received. As we go into the second half, given the positive conversations we've had, we expect a much more normal promotion schedule in the second half of the year and, therefore, our soup declines to moderate in the second half. And that's pretty much all I can say about it.

Operator

And our next question comes from David Driscoll of Citi Research.

David Christopher Driscoll - *Citigroup Inc, Research Division - MD and Senior Research Analyst*

I literally have probably 10 questions, but I'll keep to your rule and just ask one. Andrew got the soup one, which is a great one. But C-Fresh, is profit recovery tied to sales growth? And then just explaining that a little further, what I'm trying to get at is, shouldn't we see profit recovery from these depressed levels even if sales are constant? And then related to C-Fresh, but on the sales line specifically, what is the second half expectation? It sounds like you're telling us that there should be a sizable boost with all the new product activity. But I'd really like to calibrate expectations well. The segment's been hard for us to forecast.

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Yes, that's about 5 questions in 1, but let me take a crack at it. What we have going on in the second half of the year is we have much more robust innovation in beverages, coupled with our supply constraints behind us and a normal promotional schedule. It's the first time that we had all 3 legs of the stool going for us, and that's why we're optimistic that we can make significant gains in the beverage business in the back half of the year. And the rest of our CPG business in Campbell Fresh is positive growth. So getting beverages back to growth and continuing that momentum in the other parts of the business -- and that's the higher-margin part of the business, is an important idea. In carrots, carrots and carrot ingredients actually grew. However, because of the yield issue we had due to the adverse weather, it cost us more and, therefore, affected our profitability. Given that, we have very robust plans in the supply chain, and with improve productivity, to make margin improvements in this business. And we are very, very focused on executing those. So the growth of the top line in the CPG business, coupled with the improvement of margins from the supply chain and productivity programs, should give us a much more profitable growth algorithm on this business.

Anthony P. DiSilvestro - *Campbell Soup Company - Senior VP & CFO*

But just to add to that, the margin recovery is not sales dependent. And we would expect to see top line growth and positive EBIT in Campbell Fresh in the second half of the year.

Operator

And the next question comes from Ken Goldman of JPMorgan.

Kenneth B. Goldman - *JP Morgan Chase & Co, Research Division - Senior Analyst*

Denise, I'm just curious, now that there's been a write-down taken, what are the lessons that you've learned from the Bolthouse acquisition? And is there anything that do you can take, either positively or negatively, but hopefully constructively, and apply to the Snyder's-Lance deal that's obviously ahead? Or is it really just sort of a unique situation to Bolthouse, where things didn't go quite as well as you thought when you first bought the business? At least, that's how we look at it on the outside.

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Yes, and that's a very constructive question. And there have been lessons learned from the acquisitions, particularly that one. First of all, what we learned was that it's really an imperative to integrate supply train and quality earlier, in fact right out of the gate. Campbell's has a very high standard, as you know, and with what we went through in the Bolthouse Farms situation, we believe that, that's an imperative. And we are doing that with Pacific as we speak, and we will do that with Snyder's-Lance after we close. I think second of all, the carrot business was much more volatile than what we expected. This is fresh food, and there's no roof over the factory of a carrot field. And so we're getting much better at recognizing what are the early warnings in that business. And so -- but that proved to be more volatile. There won't be any necessarily lessons learned from that because the Snyder's-Lance acquisition and the Pacific acquisition are in categories that we have a lot more experience in. And then I think the third lesson is make sure you get the right people in the right place early, and so we're applying that philosophy going forward.

Kenneth B. Goldman - *JP Morgan Chase & Co, Research Division - Senior Analyst*

Okay, that's very helpful. Just a quick follow-up. Obviously, Snyder's-Lance has its own DSD. Pepperidge has its own DSD. You talked about integrating the supply chain right out of the gate. That doesn't require necessarily, how should I say this delicately, shutting down routes. That's not delicate, but I tried. I'm just trying to figure out because there's, yes, there's some speculation out there that you will have to shut down or consolidate some routes. And that, that could be a little bit of an impediment to some of the goals that you have in that integration.

Anthony P. DiSilvestro - *Campbell Soup Company - Senior VP & CFO*

Yes, I can take that one. I would say, we have no plans to integrate the actual DSD systems. These are independent distributors. So we'll leave that at that. I think where we really see significant opportunity is we have overlapping warehouse systems, we have overlapping depots. And even before you get to this DSD guide, there's significant opportunity to extract cost synergies, and that will be our focus in the near term.

Operator

And our next question comes from Rob Moskow of Crédit Suisse.

Robert Bain Moskow - *Crédit Suisse AG, Research Division - Research Analyst*

I wanted to ask a broader question about beverages in Campbell's, challenges and what you consider your competitive advantages in beverages. I mean, my perception is, a category like soup, the changes are more incremental and just relatively speaking. So Campbell can always compete. But beverages, I just find that this competitive environment is changing all the time. You mentioned today that retailers are resetting the shelves away from sugar-enhanced items in refrigerated. You've had continued challenges in V8. Can you just comment a little bit about what you see your competitive advantages are in beverage? And whether -- why does beverage belong with a food company and maybe not with another beverage company?

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Sure. I think it's really obvious when you look at consumer trends that there have been fundamental changes in consumers' preferences in the beverage category. Our competitive advantage in V8 is that we are vegetable based. And in our 100% Vegetable Juice and in our V8 +Energy, which is powered by green tea, we actually have performed pretty well. It's where we've had the combination of a fruit and vegetable, which is higher in sugar, that we've been affected. And in the super-premium segment of the fresh business, we have now realized there is the same shift going on. And that's why we've been very proactive in anticipating that shift and are able to launch a pretty extensive line of great tasting, reduced sugar, with functional benefit beverages. And we've got more in the pipeline where that came from. So I feel really good that we're on top of the consumer trends. It is happening not only in juice, but it's happening throughout beverage world. And the beverage business is profitable for us, and we consider it a good part of our portfolio.

Operator

And our next question comes from David Palmer of RBC Capital Markets.

David Sterling Palmer - *RBC Capital Markets, LLC, Research Division - MD of Food and Restaurants and Consumer Analysts*

Just wanted to ask a question on soup, and I want to get away from the one-customer thing. Sometimes I feel like that keeps us from talking about the brand and the category fundamentals. But if you just include all of your customers in this answer, are there opportunities for improvement in your perspective in your U.S. soup pricing and promotion strategy and, perhaps, things that you think about that will help the consistency of this business going forward, which will already be a smaller part of the business after Snyder’s-Lance?

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Yes. We spent a lot of time with our revenue management and working with our customers on the right pricing and promotion plans. In fact, we go into that, our joint business planning, now through June with our key customers to work through that. We have to pay attention to the marketplace changes, and this category is price elastic. So that's an important thing to pay attention to. And there are some different dynamics, depending upon whether you're working with condensed soup, RTS or broth. But all of that is taken into consideration as we plan our next season.

Operator

And our next question comes from Chris Growe of Stifel.

Christopher Robert Growe - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD and Analyst*

I just had a question for you in relation to cost inflation and how you're addressing that from this point forward, particularly around freight and, obviously, things like butter. You mentioned in some cases, some price increases, so let me be a little bit more surgical. So is it relying on cost savings and productivity? Or is it pricing and maybe perhaps lower promotional spending to accommodate cost inflation, is my question.

Anthony P. DiSilvestro - *Campbell Soup Company - Senior VP & CFO*

Yes. I would say we look at the latter. We look at it holistically. And I would say that over time, we expect our productivity improvement and price realization to more than offset cost inflation. Now, obviously, that can vary depending on the time period, and we're seeing some pretty high cost inflation right now. I mentioned 3.5% cost inflation rate in the quarter, significantly higher butter prices. And that's primarily hitting our Kelsen business, and the second quarter is their largest quarter of the year. So it is having a differential impact in the quarter. Kelsen has taken some pricing to recover part, but not all. And we'll look for productivity improvements to help there as well. On the transportation and logistics side, this is a volatile situation. Obviously, the rate increases are lasting longer than we expected. We don't know if this is a long-term phenomenon yet. But if it is, we would look to, over time, recover that through price realization as well. But we'll have to watch that one a bit closer.

Christopher Robert Growe - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD and Analyst*

Is this a year then, Anthony, where your pricing and your productivity combined -- maybe it's more in the short term, cannot overcome the cost inflation and that, therefore, is that part of what's the gross margin drag you estimate?

Anthony P. DiSilvestro - *Campbell Soup Company - Senior VP & CFO*

Yes. So we see about 1 point of gross margin decline now. And I would say probably about 60 basis points of that is the base business for the very reason you said, that we're not going to be able to cover cost inflation and these other supply-chain issues that we're experiencing, particularly around Campbell Fresh. And the other, say, 40 basis points is the Pacific Foods acquisition. We bought it in December, so we're -- it's kind of in off-season for them. And then when you add purchase accounting, so we've got this onetime step-up on inventory. We've got incremental depreciation and amortization that's making the Pacific Foods dilutive to gross margin in fiscal '18. But as we look ahead to 2019, we would expect Pacific to be modestly accretive at the EPS line. So we've got a couple of things this year that I would consider hopefully more onetime in nature.

Operator

And our next question comes from Jason English of Goldman Sachs.

Jason M. English - *Goldman Sachs Group Inc., Research Division - VP*

I apologize in advance but I want to come back to soup with 2 questions. First, I'm not sure what it means that the back half of the year will be kind of normal promotional environment, because you're kind of out of soup season. So there's not a whole lot of promotional environment in the back of the year. Is it fair to interpret that as meaning when you go into the front half of next year, it's going to look more normal?

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

There actually is quite a bit of promotional activity through the third quarter. I would say it starts to wane in the fourth quarter. And yes, we're anticipating that our promotional schedule will be more normal in the back half and in the first half of next year.

Jason M. English - *Goldman Sachs Group Inc., Research Division - VP*

That's helpful. And then my follow-on, the situation's really, really fascinating. At the core, it kind of looks like it's just been a big margin transfer, with you taking some pain in the form of volume deleverage and then taking some gain in the form of the price increases you mentioned at retail that aren't your own. Do you think that, that margin transfer is permanent? And what is the risk that other retailers look to push for similar margin transfer?

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

I mean, the only way I can answer that is that, again, we go through joint business planning with all of our customers, and we work through what our pricing and programs are going to be for the upcoming season. This is annual, in addition to shelving and merchandising, and that practice hasn't changed.

Operator

And our next question comes from John Baumgartner of Wells Fargo.

John Joseph Baumgartner - *Wells Fargo Securities, LLC, Research Division - VP and Senior Analyst*

Denise, just wanted to stick with soup and the investments there. I mean, there's been a lot of change in the simple meals category over the past few years, whether it's been improved ingredients in Frozen, traction from prepared, now there's meal delivery. So, I guess, in line of the increased competition or I guess even fragmentation now, is still reasonable to think that soup is kind of a mid-20% margin business going forward? I mean, why should we expect to see large reinvestments, whether it's directly into pricing or even in the integrated marketing spend, just given the evolution?

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Yes. I mean, there's no question about the fact that there's different kinds of competition that are coming into the marketplace. And we've anticipated that competition. I mean, Well Yes! is a perfect example of where we co-created a brand with the consumer that was -- who was desiring a great-tasting, clean-label, recognizable ingredients soup. And we were able to put that out in the market, and that brand has done very, very well. I can also go to Slow Kettle, which fulfills the need for a convenient, heartier, a little bit more premium dinner soup. And so I think that dynamic hasn't changed. If you listen to the consumer, there are still ways to satisfy that consumer as their preferences evolve in this category and do that at a good margin.

John Joseph Baumgartner - *Wells Fargo Securities, LLC, Research Division - VP and Senior Analyst*

So it sounds as though mix is a lever you can -- you feel you can pull going forward, though?

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Yes. Absolutely.

Operator

And our next question comes from Jonathan Feeney of Consumer Edge.

Jonathan Patrick Feeney - *Consumer Edge Research, LLC - Senior Analyst of Food & HPC and Managing Partner*

Look forward to seeing you in Florida. Is there anything to read into this -- closing the Snyder's-Lance deal on the next few weeks? I guess, your initial press release had said some time in calendar Q2. Is there anything to read into that? And related to that, Anthony, your comment, I think it to Ken's question, that there are no intentions to integrate the 2 independent business owner networks. I thought it was fascinating. And maybe if you could delve into a little bit more, to the extent you can, some of your follow-up commentary on the kinds of synergies and kinds of integration you're going to hope to achieve in that supply chain. You mentioned different warehouses and whatnot. I mean, if you're not putting those 2 things together, how exactly does putting those warehouse systems together work?

Anthony P. DiSilvestro - *Campbell Soup Company - Senior VP & CFO*

Sure. I guess, our expectations at the moment is that the Snyder's-Lance deal will close towards the end of the calendar first quarter. The only major hurdle left is shareholder approval of the Snyder's-Lance share owners. All the rest, all the more significant hurdles have been crossed. So hopefully that will happen at that time. And we'll talk more about this next week. But we continue to see significant cost-synergy opportunities between our Pepperidge Farm business and Snyder's-Lance, $170 million of cost synergies, and they run through a number of areas. So -- but just commenting on the distribution side, Pepperidge Farm has a national warehouse system and a national depot system, hundreds of depots throughout the country. Snyder's-Lance has exactly the same thing. And this is even before the product gets to the independent distributor. So we see significant cost-synergy opportunity in the distribution side of the business. We also see opportunity in procurement. We see supply chain opportunities. We see area -- opportunities in a number of other areas. So we remain highly confident that we can get to the synergy target that we've talked about with you before.

Operator

And our next question comes from Michael Lavery of Piper Jaffray.

Michael Scott Lavery - *Piper Jaffray Companies, Research Division - Principal & Senior Research Analyst*

Just back on soup. You talked about the strength that private labels had and its share gains. Can you talk about some of what's driving that? Is it primarily shelf space and distribution gains? Is it an innovation push from private label? Is it just pricing driven? What are some of the factors there?

Denise Mullen Morrison - *Campbell Soup Company - President, CEO & Director*

Yes. Well, the way we're looking at it is private label grew share slightly but -- in condensed and RTS, it grew share slightly, but it's still below average and relatively small. Where private label has been more impactful has been in the broth business. And what we have done is recognize that we have a differentiated product with Swanson, and we need to talk more about our product differentiation and continue to differentiate that product. In addition, the acquisition of Pacific Foods gives us a highly differentiated organic and functional broth product that we believe will set us up to satisfy different consumer needs.

Operator

And that concludes our question-and-answer session for today. I'd like to turn the conference back over to Mr. Gosnell for any closing remark.

Ken Gosnell - *Campbell Soup Company - VP of Finance Strategy & IR*

Thanks, Candace. Thank you for joining our second quarter earnings call and webcast. A full replay will be available about 2 hours after our call concludes by going online or calling 1 (404) 537-3406. The access code is 6692659. You have until March 2 at midnight, at which point we move our earnings call strictly to the website at investor.campbellsoupcompany.com, under News & Events.

If you have further questions, please call me at (856) 342-6081. If you're a reporter with questions, please call Tom Hushen at (856) 342-5227. Thanks, everyone.

Operator

Ladies and gentlemen, thank you for participating in today's conference. This does conclude the program. You may all disconnect. Everyone, have a great day.

Campbell's

Campbell to Acquire Snyder's-Lance

December 18, 2017

Real food that matters for life's moments

Forward-Looking Statements

The factors that could cause actual results to vary materially from those anticipated or expressed in any forward-looking statement include: changes in consumer demand for our products and favorable perception of our brands; the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; the impact of strong competitive responses to our efforts to leverage brand power with product innovation, promotional programs and new advertising; changing inventory management practices by certain of our key customers; a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of our key customers continue to increase their significance to our business; our ability to realize projected cost savings and benefits from efficiency and/or restructuring initiatives; our ability to manage changes to our organizational structure and/or business processes; product quality and safety issues, including recalls and product liabilities; the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes; the conditions to the completion of the Snyder's-Lance transaction, including obtaining Snyder's-Lance shareholder approval, may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected, on the anticipated schedule, or at all; long-term financing for the Snyder's-Lance transaction may not be available on favorable terms, or at all; closing of the Snyder's-Lance transaction may not occur or may be delayed, either as a result of litigation related to the transaction or otherwise; we may be unable to achieve the anticipated benefits of the Snyder's-Lance transaction; completing the Snyder's-Lance merger may distract our management from other important matters; disruptions to our supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; the uncertainties of litigation and regulatory actions against us; the possible disruption to the independent contractor distribution models used by certain of our businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification; the impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; impairment to goodwill or other intangible assets; our ability to protect our intellectual property rights; increased liabilities and costs related to our defined benefit pension plans; a material failure in or a breach of our information technology systems; our ability to attract and retain key talent; changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; unforeseen business disruptions in one or more of our markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters or other calamities; and other factors described in our most recent Form 10-K and subsequent Securities and Exchange Commission filings. We disclaim any obligation or intent to update these statements to reflect new information or future events.

Campbell's

Campbell to Acquire Snyder's-Lance

Today's Presenters

Denise Morrison
President & CEO
Campbell Soup Company

Anthony DiSilvestro
Senior Vice President & CFO
Campbell Soup Company

Brian Driscoll
President & CEO
Snyder's-Lance

Campbell to Acquire Snyder's-Lance

Campbell's

Snyder's Lance

Snacking is our passion

Combination of Campbell and Snyder's-Lance creates a snacking leader

Snyder's-Lance Acquisition Accelerates Campbell's Strategy

Real food that matters for life's moments

Core	Health & Well-Being	Distribution / New Models
• Increased focus on real food in snacking • Strengthening position in the macro snacking market	• Expand in Better-For-You snacks through Snyder's-Lance's growing assortment	• Greater exposure to faster-growing distribution channels, including convenience stores and natural channel

Transaction Overview

Summary

- Campbell agrees to acquire Snyder's-Lance for $50.00 per share in cash; represents an enterprise value of approximately $6 billion
- Snyder's-Lance reported net sales of approximately $2.2 billion and adjusted EBIT of approximately $193 million for the 12 months ended September 30, 2017

Synergies

- Significant value creation via continued margin improvement and additional cost synergies

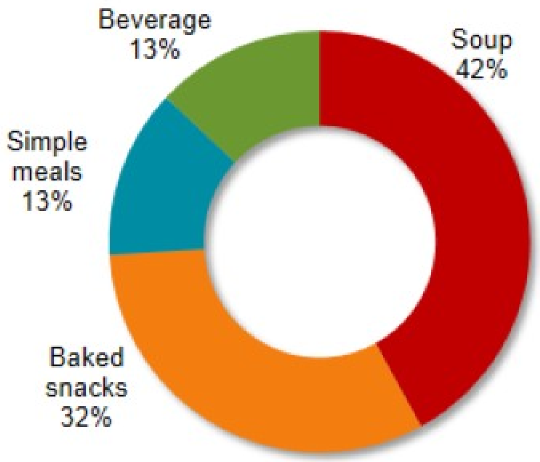
Closing

- Transaction expected to close by early 2nd quarter of calendar year 2018
- Subject to Snyder's-Lance shareholder vote and customary closing conditions, including regulatory approvals

Snyder's-Lance fits well with Campbell's strategy to expand into faster-growing snacking categories and strengthens Better-For-You snacking portfolio

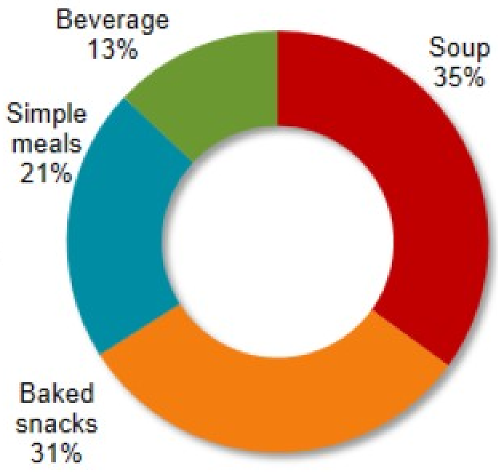
The Acquisition Shifts Campbell's Portfolio Toward Faster-Growing Snacking Category

FY2011 Reported



Total FY2011 net sales: $7.1bn

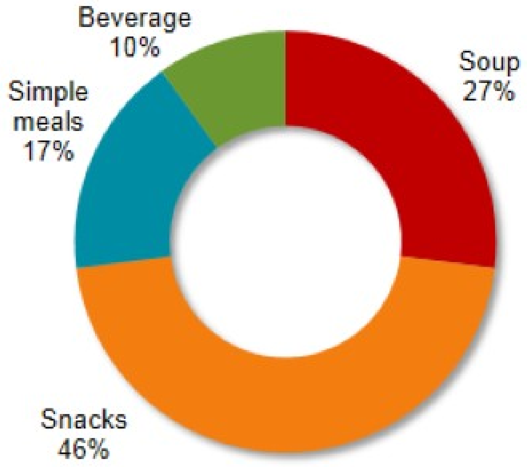
Pro Forma[1] FY2017



Pro Forma FY2017 net sales: $8.1bn

Snyder's Lance

Pro Forma[1,2] FY2017



Pro Forma net sales: $10.3bn

The Snyder's-Lance acquisition demonstrates our focus on expanding into faster-growing spaces

1 Pro Forma FY2017 data based on FY2017 CPB net sales including fiscal year estimate of Pacific Foods 2 Snyder's-Lance net sales for the trailing 12 months ended July 1, 2017

Transaction Has Highly Compelling Strategic Rationale

Campbell's

+

Snyder's Lance

Snacking is our passion

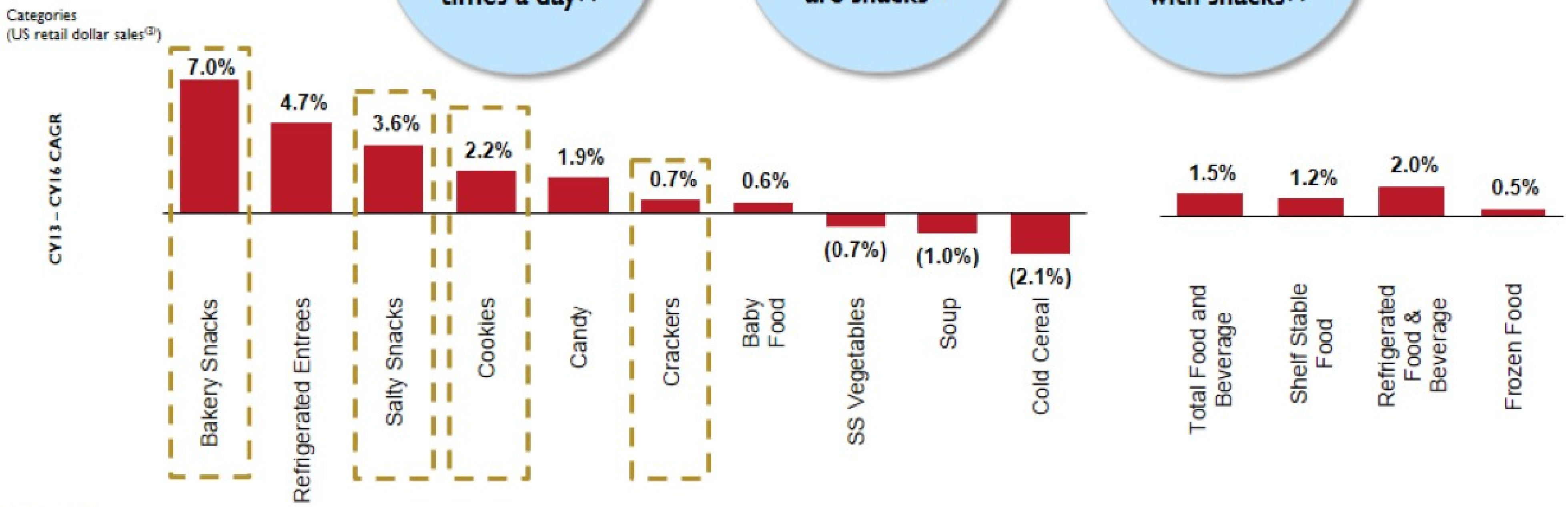
1. Strengthens CPB core and expands our macro snacking business, particularly in Better-For-You snacks
2. Complementary to existing Pepperidge Farm business
3. Results in a more diversified and balanced portfolio with leading differentiated brands
4. Advances access to faster-growing distribution channels
5. Significant value creation through synergies and operational excellence

Snacking is a Faster-Growing Consumer Space

90% of consumers snack multiple times a day[(1)]

>50% of all U.S. eating occasions are snacks[(1)]

Nearly Half of U.S. consumers replace meals with snacks[(2)]



Source: Euromonitor.
(1) Hartman Group, 2014
(2) Nielsen Scan Track Data, 2014
(3) Source: IRI, MULO, 3yr CAGR CY13 to CY16
(4) IRI Market Structure 2016 and Total US MULO

The U.S. Snack Market is $89 billion and growing faster than other grocery categories [(4)]

Snyder's-Lance's Branded Portfolio

Category	Brand	Market Size	Market Position
Pretzels	Snyder's of Hanover	$1.2bn	#1
Sandwich Crackers	Lance	$1.1bn	#1
Kettle Chips	Cape Cod, Kettle Brand	$1.0bn	#1
Deli	Snack Factory Pretzel Crisps	$0.6bn	#1
Organic/Natural Tortilla Chips	Late July Snacks	$0.2bn	#2
Microwave Popcorn	Pop Secret	$0.8bn	#2
Snack Nuts	Emerald	$4.6bn	#4

Source: IRI MULO L52W through September 3, 2017. Based on IRI's Snyder's-Lance custom definitions.

A Diversified Macro Snacking Platform

Sweet	Savory
Kjeldsens, Pepperidge Farm, Tim Tam, Milano, Royal Dansk, Arnott's	Snyder's of Hanover, Pepperidge Farm, Arnott's, Shapes, Late July Organic Snacks, Pop Secret, Cape Cod, Lance, Kettle Brand, Goldfish, Emerald

Fresh	Convenient Mini Meals
Bolthouse Farms, Garden Fresh Gourmet®	Campbell's®, Plum organics

Campbell to Acquire Snyder's-Lance

Brian Driscoll
President & CEO
Snyder's-Lance

Campbell's

Campbell to Acquire Snyder's-Lance

Anthony DiSilvestro
Senior Vice President & CFO
Campbell Soup Company

Compelling Transaction with Significant Value Creation

Transaction Metrics

- All cash purchase price of $50.00 per share
- Enterprise value of $6.1 billion
  - Represents Adjusted EBITDA multiple of 19.9x pre-synergies[1]
  - Represents Adjusted EBITDA multiple of 12.8x post-synergies[1]
- 27% premium to Snyder's-Lance's closing stock price on Dec. 13, 2017

Value Creation

- Achieve majority of Snyder's-Lance existing cost transformation program
- Additional $170 million of cost synergies by the end of FY2022
- Expected to be 5-7% accretive to FY2019 EPS[2] and 15–20% accretive by FY2021

1 Based on Snyder's-Lance CY2017E Adjusted EBITDA 2 Estimate, includes estimated impact of incremental depreciation and amortization

Compelling Transaction with Significant Value Creation (cont'd)

Capital Structure

- Committed bridge financing in place
- Financing expected through $6.2 billion of new debt
- Leverage of 4.8x[1] expected by FY2018, committed to deleveraged to 3x by FY2022
- Suspend share repurchases to maximize FCF for deleveraging
- Maintain current dividend policy
- Expect to maintain investment grade rating

Conditions / Timing

- Subject to Snyder's-Lance shareholder vote and customary closing conditions, including regulatory approvals
- Expected close by early 2nd quarter of calendar year 2018

Campbell's

1 Assumes debt of $10.2 billion and pro-forma projected FY2018 EBITDA assuming Pacific Foods and Snyder's-Lance were acquired as of 7/31/17, projected to 7/29/18.

Combination Will Yield Significant Cost Synergies and Potential Revenue Opportunities

Distribution	• Unlock warehouse and depot efficiencies
Manufacturing	• Optimize manufacturing and supply chain network
Procurement	• Leverage volume to create value – ingredient procurement • Scale benefit within packaging costs
Sales & marketing and administrative	• Optimize sales & marketing • Leverage shared services
Potential Revenue opportunities	• Distribution cross-sell opportunities • Capabilities in sales, marketing and innovation • Expand brands into a broader kids snacking platform • Accelerate e-commerce capabilities

$275-$325 million of expected one-time costs[1]

1 Includes transaction costs, integration costs and costs to achieve synergies and existing Snyder's-Lance cost transformation program (includes ~$50-$75 million capital)

The Acquisition of Snyder's-Lance is an Attractive Opportunity

Campbell's + Snyder's Lance
Snacking is our passion

1. Aligned with, and advances our strategy
2. Meaningfully shifts our portfolio to higher growth snacking categories
3. Significant cost synergy and potential revenue opportunity
4. Significant value creation

Questions & Answers

Campbell's

Snyder's Lance
Snacking is our passion

Press Releases

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APR 5, 2018 | **PRESS RELEASE**

CAMPBELL ANNOUNCES STRATEGIC REORGANIZATION

- **Luca Mignini Named Chief Operating Officer, Responsible for Core Soup, Simple Meals, Shelf-Stable Beverages, and Global Biscuits and Snacks Businesses**
- **Company Creates New Accelerator Unit to Drive Growth in Faster-growing Spaces, Including Campbell Fresh**
- **Ana Dominguez Named President of Campbell Fresh**
- **Emily Waldorf Promoted to Senior Vice President of Corporate Strategy**

CAMDEN, N.J., April 5, 2018 – Campbell Soup Company (NYSE:CPB) today announced a strategic reorganization that will better position the company to capitalize on the rapidly changing food industry landscape, while more closely aligning the business with the company's three growth strategies: optimize the value of the core; increase health and well-being food, beverages and snacks; and, accelerate distribution and new business models.

This new structure organizes Campbell's core business operations—including its important soup, simple meals and shelf-stable beverages portfolios and its powerful snacks portfolio—under the leadership of Luca Mignini as Chief Operating Officer (COO). Campbell will create a new Accelerator unit to continue to expand in faster-growing spaces and invest in high-growth areas. As part of the reorganization, Campbell Fresh will become part of the Accelerator unit to realize the growth potential of the packaged fresh category. The new unit will also be responsible for long-term innovation, small brand incubation, future consumer experiences, e-commerce and new distribution models.

Denise Morrison, Campbell's President and Chief Executive Officer said, "The transformative Snyder's-Lance acquisition served as a catalyst for us to re-examine how to best organize the company for increased emphasis on execution and profitable growth. This strategic reorganization—focused on our core, the integration of recent acquisitions, the Campbell Fresh turnaround and long-term growth—provides the right structure for us to optimize the value of our businesses today, while creating future-oriented capabilities. It will simplify our operations, improve our execution and enable us to allocate resources with a greater focus on profitable growth."

Chief Operating Officer Oversees Core Businesses

Luca Mignini, 55, Campbell's President, Global Biscuits and Snacks, will gain additional responsibilities and has been named COO. Mignini will continue to report to Morrison. He joined Campbell in 2013 as President, Campbell International. Previously, he spent more than two years as the CEO of the Findus Italy division of IGLO Group, Europe's largest frozen food business. Before that, Mignini worked at SC Johnson for more than 20 years.

Morrison said, "Since joining Campbell, Luca has proven himself a superb strategist and strong executor with a keen understanding of the critical details of all our businesses. He has led our best-performing division, Global Biscuits and Snacks, and helped engineer the acquisition of The Kelsen Group and more recently Snyder's-Lance. I am confident in Luca's ability to lead our core businesses, oversee the integration of Pacific Foods and Snyder's-Lance, and deliver improved execution and performance."

In addition to continuing to oversee the Global Biscuits and Snacks portfolio, including Arnott's, Kelsen, the recently created Campbell Snacks unit (the combined Pepperidge Farm and Snyder's-Lance brands) and the simple meals and shelf-stable beverages business in Asia Pacific and Australia, Mignini will now also lead the following businesses and functions:

- Campbell's Meals and Beverages, which includes the company's important S. soup, simple meals and shelf-stable beverages portfolio, as well as the Plum, Pacific Foods, North America Food Service, Canada and Latin America businesses;
- The company's U.S. Sales organization; and,
- The global product development group within Research and Development.

Mignini said, "Creating a single organization across Campbell's core businesses will make us more agile and lead to more effective portfolio management to ensure that resources are invested in the areas with the greatest growth potential. I am confident this simplified model will position these businesses for better performance going forward. My immediate focus is on maintaining momentum in our existing snacks portfolio, integrating Snyder's-Lance and Pacific Foods, and stabilizing the U.S. soup portfolio."

New Accelerator Unit Focused on Faster-growing Spaces and Future Growth

Campbell is creating a new unit focused on accelerating innovation, driving long-term growth and developing new business models that will shape the future of food. The Accelerator will consist of the Campbell Fresh business, the company's existing Digital and e-Commerce unit and a network of cross-functional teams that can be rapidly deployed against key growth priorities. It will include important capabilities and functions spanning strategy, innovation, consumer experience and new distribution models.

Morrison said, "Campbell's Accelerator unit is designed to drive growth and build critical capabilities with an agile and dynamic operating model that, over time, will expand to other parts of the company and become the way we work in the future."

The company has initiated an external search for a Chief Acceleration Officer (CAO), reporting to Morrison, to lead the new unit and to fast-track transformation and future growth opportunities. The Accelerator unit will include:

- Consumer Experience: responsible for identifying the foresights, insights, culinary and consumer trends across Campbell categories that will drive future growth and deliver modern marketing capabilities and services.
- Long-term Innovation: responsible for filling the innovation funnel by creating new categories, product platforms and business models. This group will also include Campbell's Science and Technology organization.
- Small Brand and Startup Incubation: responsible for leading the creation, incubation and development of small brands and startups, as well as the identification and cultivation of external partnerships.

Campbell's established Digital and e-Commerce unit will become part of the Accelerator. The team will continue to lead enterprise e-Commerce strategy and capabilities, scale digital marketing efforts and help to develop more agile and flexible distribution models.

Campbell Fresh will also become part of the Accelerator unit to maintain focus on turning the business around and to achieve growth rates consistent with the packaged fresh category. Campbell Fresh includes Bolthouse Farms portfolio of refrigerated beverages and salad dressings; Garden Fresh Gourmet salsa, hummus, dips and tortilla chips; the U.S. refrigerated soup business; and, fresh carrots and carrot ingredients. The Campbell Fresh team remains focused on returning its CPG business to profitable growth with an emphasis on innovating the Bolthouse Farms refrigerated beverage portfolio, while increasing health and well-being convenient meals and snacks.

Campbell named Ana Dominguez, 46, as President, Campbell Fresh. She will report to Morrison until a CAO is named. Dominguez joined Campbell in 2014 as President, Campbell Canada, from SC Johnson, where she worked since 1997 in marketing and management roles. Under Dominguez's leadership, the Canadian business has demonstrated strong growth and margin expansion in its key businesses. She succeeds Ed Carolan, who is leaving Campbell to pursue another opportunity.

Changes to Corporate Strategy, Global Research and Development and Integrated Global Services (IGS)

Emily Waldorf, 40, has been promoted to Senior Vice President, Corporate Strategy, and will continue to lead enterprise strategy development, planning and measurement. She will also lead strategy for the Accelerator unit. She will continue to report to Morrison. Waldorf joined Campbell in 2012 as Director, Corporate Development. She previously held Corporate Development roles at Discovery Communications and AT&T Corp., and served as a Special Advisor at the Federal Bureau of Investigation.

Carlos Barroso, Senior Vice President, Global Research and Development, will move to a strategic advisory role within the Campbell Snacks business. Bethmara Kessler, who previously served as Senior Vice President, Integrated Global Services, has left the company to pursue other opportunities. Senior Vice President and Chief Financial Officer, Anthony DiSilvestro will now oversee many of Campbell's Integrated Global Services, including Financial Planning and Analysis and Information Technology.

Campbell Leadership Team

With these changes, the Campbell Leadership Team reporting to Morrison now includes:

- Luca Mignini, Chief Operating Officer
- The open role of Chief Acceleration Officer
- Anthony DiSilvestro, Senior Vice President and Chief Financial Officer
- Bob Furbee, Senior Vice President, Global Supply Chain
- Adam Ciongoli, Senior Vice President and General Counsel
- Emily Waldorf, Senior Vice President, Corporate Strategy
- Bob Morrissey, Senior Vice President and Chief Human Resources Officer

About Campbell Soup Company

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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 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) changes in consumer demand for the company's products and favorable perception of the company's brands; (2) the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; (3) the impact of strong competitive responses to the company's efforts to leverage its brand power with product innovation, promotional programs and new advertising; (4) changing inventory management practices by certain of the company's key customers; (5) a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of the company's key customers continue to increase their significance to the company's business; (6) the company's ability to realize projected cost savings and benefits from its efficiency and/or restructuring initiatives; (7) the company's ability to manage changes to its organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; (8) product quality and safety issues, including recalls and product liabilities; (9) the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes, including with respect to the Snyder's-Lance acquisition; (10) disruptions to the company's supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; (11) the uncertainties of litigation and regulatory actions against the company; (12) the possible disruption to the independent contractor distribution models used by certain of the company's businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification; (13) the impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; (14) impairment to goodwill or other intangible assets; (15) the company's ability to protect its intellectual property rights; (16) increased liabilities and costs related to the company's defined benefit pension plans; (17) a material failure in or breach of the company's information technology systems; (18) the company's ability to attract and retain key talent; (19) changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; (20) unforeseen business disruptions in one or more of the company's markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters or other calamities; and (21) 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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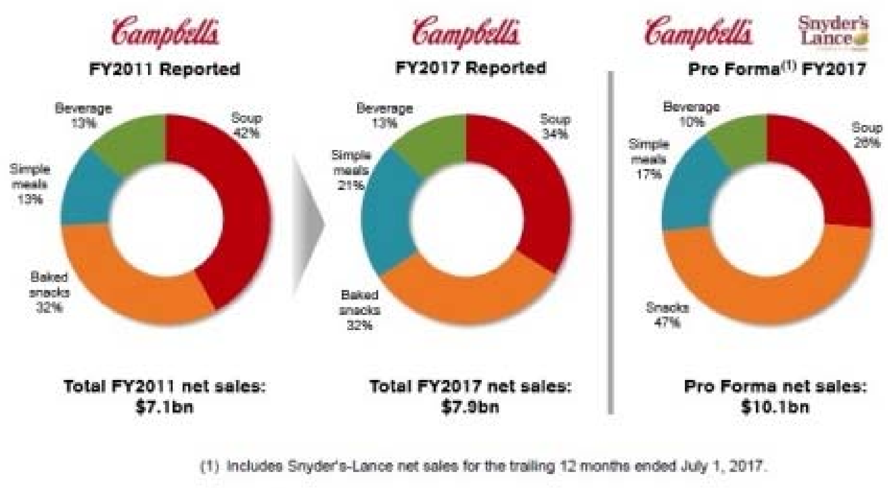
MAR 26, 2018 | **PRESS RELEASE**

CAMPBELL COMPLETES ACQUISITION OF SNYDER'S-LANCE

- **Campbell's baked snacks portfolio and Snyder's-Lance's complementary portfolio create diversified snacking leader**
- **Significant value creation expected through synergies and operational excellence**
- **Company forms new U.S. snacking unit: Campbell Snacks**
- **Campbell Snacks leadership team will be led by Carlos Abrams-Rivera, formerly President, Campbell's U.S. Biscuits and Snacks**

CAMDEN, N.J.–(BUSINESS WIRE)–Mar. 26, 2018–
Campbell Soup Company (NYSE:CPB) today announced it has completed the acquisition of Snyder's-Lance, Inc. for $50 per share in an all-cash transaction, which represents an enterprise value of approximately $6.1 billion.

This press release features multimedia. View the full release here: (https://www.businesswire.com/news/home/20180326005678/en/) https://www.businesswire.com/news/home/20180326005678/en/ (https://www.businesswire.com/news/home/20180326005678/en/)



A New Diversified Snacking Leader (Graphic: Business Wire)

"Snyder's-Lance represents a strategic and transformative acquisition for Campbell, creating a $10-billion company with nearly half of our annual net sales in the faster-growing snacks category," said Denise Morrison, Campbell's President and Chief Executive Officer. "The combination of Campbell and Snyder's-Lance creates a unique, diversified snacking portfolio of differentiated brands and a large variety of better-for-you snacks for consumers. I am excited about the combination and confident that it will create significant shareholder value through both revenue growth and cost synergies."

Snyder's-Lance Integration with Pepperidge Farm to Form Campbell Snacks

To unlock the power of the combined brand portfolio, and achieve both cost and potential revenue opportunities, Campbell is integrating the Pepperidge Farm and Snyder's-Lance portfolios to create a unified snacking organization in the U.S. called Campbell Snacks. The unit will be led by Carlos Abrams-Rivera, former President, U.S. Biscuits and Snacks, who will report to Luca Mignini, President, Global Biscuits and Snacks.

"We carefully selected leaders from Campbell and Snyder's-Lance to form the Campbell Snacks leadership team based on their expertise and understanding of how to leverage both businesses to support overall growth and profitability across the enterprise," said Abrams-Rivera. "The Campbell Snacks team will focus on optimizing the value of our U.S. snacks business to deepen our partnership with customers through the power of the combined portfolio."

The Campbell Snacks leadership team includes:

- Chris Foley, Senior Vice President/Chief Marketing Officer, Campbell Snacks, will lead efforts to drive innovation and brand building across the expanded snacks portfolio. Foley joined Campbell in 1999.
- To ensure end-to-end manufacturing excellence and a focus on value capture, Bill Livingstone, Vice President, Supply Chain, Snyder's-Lance, will oversee supply chain operations at Snyder's-Lance; and Paul Serra, Vice President, Supply Chain, Pepperidge Farm, will oversee supply chain operations at Pepperidge Farm. Livingstone previously was responsible for overall supply chain for U.S. Biscuits and Bakery for the past eight years. Serra served as general manager for Arnott's Malaysia & Singapore business.
- Cory Onell, has been appointed Vice President, Sales, Customer Development and DSD Operations for Campbell Snacks. He will oversee the Snyder's-Lance Customer and Category Sales organization along with the Direct Store Delivery (DSD) operations at Pepperidge Farm and Snyder's-Lance. Onell joined Pepperidge Farm in 2017 as Vice President, U.S. Sales and DSD Operations.
- George Vindiola, Vice President, Research and Development, Campbell Snacks, will oversee product development and innovation for the combined portfolio. Vindiola joined Pepperidge Farm in 2016, bringing more than 20 years of research and leadership experience from Frito-Lay and PepsiCo/Frito-Lay.
- Matt Wilken, Vice President, Strategy, Campbell Snacks, will accelerate business strategy across Campbell Snacks. Wilken has been with Snyder's-Lance for the last seven years in business strategy.

Additional leaders have been named to oversee finance, legal, information technology, human resources and communications.

Mignini said, "We have the insights and know-how in snacks to execute and grow in this space. I am very confident that Carlos and the expertise of the Campbell Snacks leadership team will continue to drive momentum in the businesses and achieve the cost synergies we have outlined. We are taking a disciplined approach to the integration of Snyder's-Lance to ensure its success."

The New Campbell

Campbell's diversified snacking portfolio enables the company to offer real food options to millions of families who enjoy a wide range of eating occasions throughout each day. The Campbell Snacks portfolio will feature Pepperidge Farm's iconic brands, including *Goldfish* and *Milano*, along with Snyder's-Lance's well-known brands, such as *Snyder's of Hanover*, *Lance*, *Kettle Brand*, *KETTLE* chips, *Cape Cod*, *Snack Factory Pretzel Crisps*, *Emerald* and *Late July*.

Campbell's global baked snacks product portfolio, including its Pepperidge Farm, Arnott's and Kelsen businesses, generated approximately $2.5 billion in net sales in fiscal year 2017. With the addition of Snyder's-Lance, snacking will now represent approximately 47 percent of Campbell's annual net sales (previously 32 percent). Campbell's soup portfolio will represent approximately 26 percent of the company's annual net sales.

Significant Value Creation Through Cost Synergies and Growth

Campbell expects to achieve approximately $170 million in cost synergies by end of fiscal 2022. Additionally, Campbell expects to achieve approximately $125 million of Snyder's-Lance's existing cost transformation program.

Based on the significance of the acquisition, Campbell has initiated a systematic approach that engages both companies to quickly share key learnings and best practices. Campbell will integrate key control functions, including supply chain and quality, and finance.

Snyder's-Lance reported $2.2 billion in net sales for the year ended Dec. 30, 2017.

Campbell will discuss the impact of Snyder's-Lance to its fiscal 2018 guidance when the company reports third-quarter earnings on May 18, 2018.

About Campbell Soup Company

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or follow company news on Twitter via @CampbellSoupCo (http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Ftwitter.com%2FCampbellSoupCo&esheet=51778831&newsitemid=20180326005678&lan=en-US&anchor=%40CampbellSoupCo&index=2&md5=4d5a15e41f09cfc14bee7cc5d2816f5e) .
To learn more about how we make our food and the choices behind the ingredients we use, visit www.whatsinmyfood.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.whatsinmyfood.com&esheet=51778831&newsitemid=20180326005678&lan=en-US&anchor=www.whatsinmyfood.com&index=3&md5=f5d14a12f08a4af1c004dc43e693d082) .

Forward-Looking Statements

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Source: Campbell Soup Company

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MAR 21, 2018 | **PRESS RELEASE**

CAMPBELL BOARD ELECTS MARIA TERESA HILADO AS DIRECTOR

CAMDEN, N.J.–(BUSINESS WIRE)–Mar. 21, 2018– **Campbell Soup Company (NYSE:CPB)** today announced that the company's Board of Directors has elected Maria Teresa (Tessa) Hilado as a member of the Board, effective today.

Hilado, 53, has more than 30 years of experience in finance and treasury with several leading multinational companies across a variety of industries. She recently retired from global pharmaceutical company Allergan plc after serving as Executive Vice President and Chief Financial Officer from Dec. 2014 to Feb. 2018. Previously, she served as Senior Vice President of Finance and Treasurer for PepsiCo, Inc. for five years. Earlier in her career, Hilado spent more than 17 years with General Motors Company in leadership roles of increasing responsibility, most notably Assistant Treasurer, and Chief Financial Officer, GMAC Commercial Finance LLC. She began her career with Far East Bank & Trust Co., in Manila, Philippines.

"We are excited to welcome Tessa to Campbell's Board of Directors," said Les Vinney, Chairman of the Board. "Tessa is a strategic leader with three decades of demonstrated financial expertise in leading roles at several large, global corporations. Her experience in the CPG and health and wellness industries will provide Campbell's Board with valuable insights. Tessa will be a welcomed addition to our Board."

Hilado is currently a member of the H.B. Fuller Company board of directors. She previously sat on the board of Bausch + Lomb. Hilado earned a Bachelor of Science degree from Ateneo de Manila University in the Philippines and a Masters in Business Administration from the University of Virginia's Darden Graduate School of Business.

With Hilado's election, Campbell's Board of Directors will consist of 13 members. Denise M. Morrison, President and Chief Executive Officer, is the only member of management who sits on the Board.

About Campbell Soup Company

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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.
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Source: Campbell Soup Company

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MAR 21, 2018 | **PRESS RELEASE**

CAMPBELL DECLARES QUARTERLY DIVIDEND

CAMDEN, N.J.–(BUSINESS WIRE)–Mar. 21, 2018–
The Board of Directors of **Campbell Soup Company (NYSE:CPB)** today declared a regular quarterly dividend on Campbell's capital stock of $0.35 per share. The quarterly dividend is payable April 30, 2018 to shareholders of record at the close of business April 11, 2018.

About Campbell Soup Company

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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.
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or follow company news on Twitter via @CampbellSoupCo (http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Ftwitter.com%2FCampbellSoupCo&esheet=51777289&newsitemid=20180321006230&lan=en-US&anchor=%40CampbellSoupCo&index=2&md5=e337682e7c21ef5c434c8261683ae054) .
To learn more about how we make our food and the choices behind the ingredients we use, visit www.whatsinmyfood.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.whatsinmyfood.com&esheet=51777289&newsitemid=20180321006230&lan=en-US&anchor=www.whatsinmyfood.com&index=3&md5=1bb00f5701196ffb8edc894f34c7676d) .

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Source: Campbell Soup Company

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MAR 13, 2018 | **PRESS RELEASE**

CAMPBELL APPOINTS PUBLICIS GROUPE AS AGENCY PARTNER

Data-Driven, Integrated Communications Model Positions Business for the Future

CAMDEN, N.J.–(BUSINESS WIRE)–Mar. 13, 2018–
Campbell Soup Company (NYSE:CPB) today announced the appointment of Publicis Groupe as the agency partner for its U.S. Retail, Canadian and Asia Pacific creative, digital, technology and consumer promotion business. Publicis will also assume media planning and buying for Campbell globally.

The appointment brings Campbell's roster of agencies for many of its iconic brands under one holding company, reflecting Campbell's ongoing efforts to modernize its marketing model and integrate communications across disciplines. Creative and digital work for Pepperidge Farm and Campbell Fresh brands is excluded from this appointment.

The Publicis Group is the third largest communications company in the world and leverages its unique assets in data, creativity, media and technology to deliver big ideas that will impact how Campbell's brands engage with consumers, providing truly integrated experiences. Publicis will build customized content and consumer materials that can be scaled for both Campbell's most iconic and emerging brands. This CPG-leading model will allow Campbell to capitalize on Publicis' entire suite of marketing services and provide more accountability and flexibility than traditional marketing models.

"Publicis will expand our marketing capabilities with a data-driven approach that will power creativity," said Yin Rani, Chief Consumer Experience Officer, Campbell U.S. Retail. "This new model will be powered by data, analytics and audience insights, providing creative solutions as we continue to connect with new generations of consumers."

Arthur Sadoun Chairman and CEO of Publicis Groupe said, "Campbell is on an ambitious transformation journey and at Publicis Groupe we're delighted to have the opportunity to partner with them to reinvent their marketing using our human hub model, putting the consumer at the core of everything we do together."

David McNeil, Vice President of Marketing, Campbell Arnott's Asia Pacific (APAC), said, "We're excited to partner with Publicis to help us take the next step toward building APAC's most innovative and truly integrated agency model. In today's fast paced, highly connected environment, having all our consumer conversations housed under one roof will ensure we receive seamless, integrated solutions that bring valuable, tangible commercial benefits to the organization."

Consolidating Campbell's agency roster will also ensure all areas of spend are maximized, allowing the company to be more competitive.

The scope of work includes strategy, creative, digital, media planning and buying across multiple regions, including the U.S.

Included in holding company scope:

- U.S. Retail Portfolio: *Campbell's* Soup, *Chunky* soup, *Well Yes!* soup, *V8* beverages, *Pace* salsa, *Prego* sauces, *Swanson* broth, *Spaghetti-O's* pasta
- Campbell Company of Canada
- Campbell Arnott's: Australia, New Zealand, Indonesia, Malaysia
- Pepperidge Farm – *media*
- Campbell Fresh – *media*

Out of scope:

- Pepperidge Farm – *creative and digital*
- Campbell Fresh – *creative and digital*
- Other brands and global businesses such as Latin America, Hong Kong and China may be addressed in future phases

The Mars Agency will continue to provide Campbell U.S. with shopper marketing support. Mars will be integrated into the agency network and have its scope expanded to include all key U.S. brands over the next several months.

Publicis Groupe was awarded the Campbell business following a three-month intensive Request for Proposal process. The transition to the new model will begin immediately.

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, Garden Fresh Gourmet* and *Pacific Foods*.
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 (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.campbellsoupcompany.com&esheet=51772852&newsitemid=20180313006527

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MAR 12, 2018 | **PRESS RELEASE**

4.4-MEGAWATT SOLAR ARRAY IS LIVE AT CAMPBELL'S WORLD HEADQUARTERS

Carport, Roof and Ground-Mount Arrays to Generate the Equivalent of 20 Percent of Campus's Electricity Demand

CAMDEN, N.J.–(BUSINESS WIRE)–Mar. 12, 2018–
Campbell Soup Company (NYSE:CPB), in partnership with BNB Renewable Energy Holdings (BNB), SunPower Corp. (NASDAQ:SPWR), and ORIX USA Corp. (TSE: 8591; NYSE: IX), announced today that the 4.4-megawatt (MW) solar power project at the company's World Headquarters is officially online.

Construction began on the Camden-based project in May 2017. The project joins four existing renewable energy projects at Campbell facilities in the U.S.: a 9.8 MW solar array in Napoleon, Ohio; a 1 MW solar array in Bloomfield, Conn.; and a 1.2 MW fuel cell and 1.4 MW fuel cell in Bloomfield, Conn. In total, these projects contribute more than 27,000 MWh of renewable energy to the grid annually.

"Campbell's renewable projects are delivering clean energy to the grid and demonstrating the viability of energy sources like solar. They contribute to our long-term sustainability strategy and deliver on our commitment to expand renewable energy," said Jim Prunesti, Vice President of Global Engineering for Campbell Soup.

The Camden project features rooftop, carport and ground-mount solar solutions, with 2.7MW arrays installed across Campbell's World Headquarters campus and an additional 1.7MW ground mount array on an adjacent 4.5-acre remediated brownfield that BNB purchased specifically for the project, making use of otherwise unusable land and increasing the capacity of the system. It is the largest solar array in the City of Camden.

The system will generate more than 5 million kilowatt hours of electricity per year, or the equivalent of approximately 20 percent of the annual electricity usage of Campbell's World Headquarters. Under the terms of a 20-year power purchase agreement (PPA), Campbell has agreed to purchase all electricity from the array at a predetermined rate. The fixed PPA rate, which is currently well below the cost of traditional electricity for Campbell, provides the company with significant savings on power as well as a long-term visibility for this portion of its electricity costs.

The project is jointly owned by BNB and ORIX USA, a diversified financial company with a strong commitment to renewables. BNB is managing the project under a 20-year management services agreement with the project company, BNB Camden Solar LLC. The debt is being financed through PSE&G's Solar Loan Program. The project will also feature five electric vehicle-charging stations, provided by PSE&G via its EV Workplace Charging Program, for use by Campbell employees.

View aerial footage of the Solar Arrays at Campbell's Camden Headquarters here (http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fyoutu.be%2FdTrjcpgsbn0&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=here&index=1&md5=9c1b48cfdc5e113dce5e97d72a4d1299) **.**

About Campbell Soup Company

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About BNB

Founded in 2004, BNB Renewable Energy Holdings has developed and constructed more than 600MW of wind and solar projects in North America in the last 10 years, having arranged equity and debt financings in excess of a billion dollars. With offices in New York, Pennsylvania, and

Texas, BNB has a three-year project pipeline in excess of 1,500MW in North and South America, comprising both distributed-generation and utility-scale renewable projects. For more information, visit www.bnbrenewables.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.bnbrenewables.com&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=www.bnbrenewables.com&index=5&md5=9b54f9f4923b1fe2dff970c4b0a62983) .

About SunPower

With more than 30 years of proven experience, SunPower is a global leader in solar innovation and sustainability. Our unique approach emphasizes the seamless integration of advanced SunPower technologies, delivering *The Power of One®* complete solar solutions and lasting customer value. SunPower provides outstanding service and impressive electricity cost savings for residential, commercial and power plant customers. At SunPower, we are passionately committed to changing the way our world is powered. And as we continue shaping the future of Smart Energy, we are guided by our legacy of innovation, optimism, perseverance and integrity. Headquartered in Silicon Valley, SunPower has dedicated, customer-focused employees in Africa, Asia, Australia, Europe, North America and South America. Since 2011, we've been majority-owned by Total, the fourth largest publicly-listed energy company in the world. For more information, visit www.sunpower.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.sunpower.com%2F&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=www.sunpower.com&index=6&md5=2dfdcf5e2e491d2d449f2a535f71f158) .

About ORIX USA Corporation

Since 1981, ORIX USA has provided innovative capital solutions that clients need to propel their business to the next level. Based in Dallas, ORIX USA has a team of more than 700 employees spanning nearly 20 offices across the U.S. and Brazil. ORIX USA and its family of companies offer investment capital and asset management services to clients in the corporate, real estate, municipal and energy sectors, while holding $6 billion of assets and managing an additional $29 billion, approximately. Its parent company, ORIX Corporation, is a Tokyo-based, publicly owned international financial services company with operations in 37 countries and regions worldwide. ORIX Corporation is listed on the Tokyo (8591) and New York Stock Exchanges (IX). For more information on ORIX USA, visit www.orix.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.orix.com&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=www.orix.com&index=7&md5=204833d49e56a9f4bb302ff20e1e8d46) .

About PSE&G

Public Service Electric and Gas Company (PSE&G) is New Jersey's oldest and largest regulated gas and electric delivery utility, serving nearly three-quarters of the state's population. PSE&G is the winner of the ReliabilityOne Award for superior electric system reliability. PSE&G is a subsidiary of Public Service Enterprise Group Incorporated (PSEG) (NYSE:PEG), a diversified energy company. For more information, visit www.pseg.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.pseg.com&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=www.pseg.com&index=8&md5=fc99d491107a280d6ea2da50d65ac51f) or visit PSEG on Facebook (http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fwww.facebook.com%2FPSEG&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=PSEG+on+Facebook&index=9&md5=9f44cc0399b48b78122f2e3b3ec7512f) ; PSEG on Twitter (http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Ftwitter.com%2FPSEGNews&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=PSEG+on+Twitter&index=10&md5=92f0f0339531a6ce39e4d184fc925f6a) ; PSEG on LinkedIn (http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fwww.linkedin.com%2Fcompany%2Fpseg&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=PSEG+on+LinkedIn&index=11&md5=96d9d321f45bd578e617da388e151498) ; or PSEG's blog, Energize! (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fenergizepseg.com%2F&esheet=51772044&newsitemid=20180312006166&lan=en-US&anchor=PSEG%27s+blog%2C+Energize%21&index=12&md5=538ae6cec28e14188356ec4996913fb5)

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FEB 28, 2018 | **PRESS RELEASE**

CAMPBELL RELEASES 2018 CORPORATE RESPONSIBILITY REPORT

Company Declares New Sustainability Goals

CAMDEN, N.J.–(BUSINESS WIRE)–Feb. 28, 2018–
Campbell Soup Company (NYSE:CPB) today released its 10th Corporate Responsibility report, detailing the company's fiscal year 2017 achievements and outlining new sustainability goals and strategies that further integrate accountability and transparency across the Campbell business.

"As a purpose-driven company committed to making real food accessible to more people, our sustainability strategy is focused on four areas – how Campbell's food is grown, sourced, produced and shared," said Dave Stangis, Vice President, Corporate Responsibility and Chief Sustainability Officer. "Our new areas of focus allow Campbell to leverage existing capabilities while exploring additional opportunities to accelerate our impact and drive value for Campbell's stakeholders."

New Sustainability Goals

1. Operations

- Reduce absolute greenhouse gas emissions in Campbell's operations by 25 percent by fiscal 2025;
- Reduce water use by 20 percent by fiscal 2025;
- Reduce waste to landfills by 25 percent by fiscal 2025; and,
- Cut food waste in half by fiscal 2030.

2. Responsible Sourcing

- Responsibly source 100 percent of priority raw materials and establish traceability to the country of origin by fiscal 2025;
- Source 100 percent U.S. chicken meat that complies with higher broiler chicken welfare standards by the end of 2024; and,
- Measurably advance Campbell's supplier diversity program by fiscal 2020.

3. Agriculture

Complementing Campbell's existing goals to conserve resources on farms, Campbell has committed to source 50 percent (by volume) of plant-based priority ingredients from suppliers engaged in an approved sustainable agriculture program by fiscal 2025.

Fiscal 2017 Sustainability Highlights

At Campbell's World Headquarters in Camden, N.J., Campbell installed a 4.4-Megawatt solar array, the city's largest, which will generate the equivalent of 20 percent of the campus' electricity demand.

In fiscal 2017, Campbell delivered more than 15 billion servings of vegetables globally. Campbell also donated more than $61 million worldwide in direct and in-kind giving and engaged employees in 12,200 volunteer hours.

To read the full report, visit Campbell's Corporate Responsibility website: www.campbellcsr.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.campbellcsr.com&esheet=51766412&newsitemid=20180228006534&lan=en-US&anchor=www.campbellcsr.com&index=1&md5=99a5cd61a82031e4f0f1bb7cf657cb48) .

About Campbell Soup Company

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FEB 21, 2018 | **PRESS RELEASE**

CAMPBELL TO PROVIDE UPDATE ON STRATEGY AND TRANSFORMATION AT CAGNY CONFERENCE

CEO, CFO To Share Overview of Industry Landscape, Updates on Acquisitions and Cost Savings Program

CAMDEN, N.J.–(BUSINESS WIRE)–Feb. 21, 2018–
Campbell Soup Company (NYSE:CPB) President and Chief Executive Officer Denise Morrison and Senior Vice President and Chief Financial Officer Anthony DiSilvestro will provide an overview of the company's strategy and progress on its transformation at 11 a.m. EST today at the Consumer Analyst Group of New York (CAGNY) Conference in Boca Raton, Florida. Campbell's presentation will be webcast live at investor.campbellsoupcompany.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Finvestor.campbellsoupcompany.com%2Fphoenix.zhtml%3Fc%3D88650%26p%3Dirol-irhome&esheet=51761694&newsitemid=20180221005200&lan=en-US&anchor=investor.campbellsoupcompany.com&index=1&md5=99d780f882a2c7e14fa69e94fb182030) .

Morrison will share her perspective on the consumer and retail environment and discuss the actions Campbell is taking to transform its portfolio. Since 2011, the company has repositioned itself to drive long-term, sustainable sales and earnings growth by:

- Leveraging strategic foresights to identify long-term growth platforms in the areas of future commerce, personalized nutrition and deliberate snacking;
- Transforming Campbell through external development, acquiring new businesses to expand in the faster-growing spaces of health and well-being and snacking;
- Implementing a successful cost savings program that has delivered $365 million in savings to date while investing a portion of these savings back in the business;
- Improving its cost structure and increasing supply chain productivity;
- Pursuing new models of innovation and dynamic partnerships to define the future of food, including forming a venture capital fund to invest in early stage companies at the intersection of food, health and technology; and,
- Accelerating digital marketing and e-commerce efforts by building an e-commerce unit in North America.

Morrison and DiSilvestro will provide updates on the recently completed Pacific Foods acquisition and the pending Snyder's-Lance, Inc. acquisition, which will be the largest in Campbell's history. With the completion of the Snyder's-Lance acquisition, Campbell will decisively and definitively shift its portfolio toward faster-growing categories, with snacking representing approximately 46 percent of the company's annual net sales.

"Since 2011, we have been taking steps to transform our portfolio in response to the seismic shifts that are driving monumental change across the food industry," said Morrison. "Guided by our Purpose, 'real food that matters for life's moments,' Campbell has undergone a remarkable transformation, evolving from a company that had been largely reliant on soup to a more diversified and dynamic company that anticipates changing consumer behaviors and adapts to the new consumer marketplace."

DiSilvestro will also provide an update on the company's multi-year cost savings program and related re-investments in the business, priorities for the uses of cash, and plans to achieve long-term growth targets.

Campbell recently raised its cost savings target from $450 million to $500 million, which it expects to achieve by the end of fiscal 2020.

The presentation will be archived on investor.campbellsoupcompany.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Finvestor.campbellsoupcompany.com%2Fphoenix.zhtml%3Fc%3D88650%26p%3Dirol-irhome&esheet=51761694&newsitemid=20180221005200&lan=en-US&anchor=investor.campbellsoupcompany.com&index=2&md5=055e30c8f67b94bcb2a7143b0b3d6b53) and available for replay later today.

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 Garden Fresh Gourmet* and *Pacific Foods*. 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 (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.campbellsoupcompany.com&esheet=51761694&newsitemid=20180221005200&lan=en-US&anchor=www.campbellsoupcompany.com&index=3&md5=43082194c160808641cc1b552aaa609f) or follow company news on Twitter via @CampbellSoupCo

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To learn more about how we make our food and the choices behind the ingredients we use, visit www.whatsinmyfood.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.whatsinmyfood.com&esheet=51761694&newsitemid=20180221005200&lan=en-US&anchor=www.whatsinmyfood.com&index=5&md5=2b7334926a46a2b776af8b257cbfdedf) .

Forward-Looking Statements

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FEB 16, 2018 | **PRESS RELEASE**

CAMPBELL REPORTS SECOND-QUARTER RESULTS

Campbell Reports Second-Quarter Results

- Net Sales Comparable to Prior Year, Organic Sales Decreased 2 Percent
- Earnings Before Interest and Taxes (EBIT) Increased 19 Percent; Adjusted EBIT Decreased 4 Percent
- Earnings Per Share (EPS) of $0.95; Adjusted EPS Increased 10 Percent to $1.00
- Campbell Increases Cost Savings Program Target from $450 Million to $500 Million by Fiscal 202
- Campbell Revises Fiscal 2018 Guidance

CAMDEN, N.J.–(BUSINESS WIRE)–Feb. 16, 2018– **Campbell Soup Company (NYSE:CPB)** today reported its second-quarter results for fiscal 2018.

	Three Months Ended			**Six Months Ended**		
($ in millions, except per share)						
	Jan. 28, 2018	**Jan. 29, 2017**	**% Change**	**Jan. 28, 2018**	**Jan. 29, 2017**	**% Chang**
Net Sales						
As Reported (GAAP)	**$2,180**	$2,171	-%	**$4,341**	$4,373	(1)%
Organic			(2)%			(2)%
Earnings Before Interest and Taxes						
As Reported (GAAP)	**$243**	$205	19%	**$655**	$662	(1)%
Adjusted	**$402**	$417	(4)%	**$819**	$905	(10)%
Diluted Earnings Per Share						
As Reported (GAAP)	**$0.95**	$0.33	n/m	**$1.85**	$1.27	46%
Adjusted	**$1.00**	$0.91	10%	**$1.91**	$1.92	(1)%

n/m – not meaningful
Note: A detailed reconciliation of the reported (GAAP) 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, "This was a disappointing quarter, driven by continued challenges in U.S. soup and Campbell Fresh. The decline in organic sales was largely due to the performance of Americas Simple Meals and Beverages, where U.S. soup sales decreased by 7 percent based on the key customer issue we discussed last quarter. We are making progress with this customer and expect sales declines in soup to moderate in the second half.

"Campbell Fresh did not meet expectations. Sales did not recover as anticipated due in part to headwinds in the super premium juice category. Looking ahead to the spring, we expect our beverage innovation plans to drive improved beverage performance in the second half. We are committed to returning this business to profitable growth.

"Bright spots in the quarter included the sales performance of Global Biscuits and Snacks, particularly Pepperidge Farm and Kelsen, as well as our multi-year cost savings initiative. We have identified additional savings opportunities and are increasing our savings target to $500 million by the end of fiscal 2020.

Morrison concluded, "Despite challenges, we have made significant progress toward our long-term strategy to transform Campbell's portfolio. In the quarter, we completed the acquisition of Pacific Foods to bolster our presence in the organic soup and broth market and announced plans to acquire Snyder's-Lance, which will greatly expand our snacking business. These acquisitions will provide Campbell with greater access to faster-growing categories and channels, and I am confident will help deliver improved performance."

Items Impacting Comparability

The table below presents a summary of items impacting comparability in each period. A detailed reconciliation of the reported (GAAP) financial information to the adjusted information is included at th end of this news release.

	Diluted Earnings Per Share			
	Three Months Ended		**Six Months Ended**	
	Jan. 28, 2018	**Jan. 29, 2017**	**Jan. 28, 2018**	**Jan. 29, 2017**
As Reported (GAAP)	**$0.95**	$0.33	**$1.85**	$1.27
Restructuring charges, implementation costs and other related costs associated with cost savings initiatives	**$0.15**	–	**$0.19**	$0.02
Transaction costs related to the pending acquisition of Snyder's-Lance, Inc.	**$0.06**	–	**$0.06**	–
Impairment charges related to the Campbell Fresh segment**	**$0.25**	$0.58	**$0.25**	$0.58
Pension and postretirement benefit mark-to-market adjustments	**–**	–	**($0.03)**	$0.04
Nonrecurring net tax benefit related to U.S. Tax Reform***	**($0.41)**	–	**($0.41)**	–
Adjusted	**$1.00**	$0.91	**$1.91**	$1.92*

* Numbers do not add due to rounding.
** The current quarter included a pre-tax non-cash impairment charge of $75 million to write-off the goodwill of the Bolthouse Farms carrot and carrot ingredients reporting unit.
*** Represents the earnings per share impact from a net tax benefit of $124 million resulting from the Tax Cuts and Jobs Act enacted in December 2017. This net tax benefit includes the estimated impact o the revaluation of U.S. net deferred tax liabilities based on the new lower corporate income tax rate, partly offset by the unfavorable impact of a repatriation tax.

Second-Quarter Results

Sales of $2.180 billion were comparable to the prior year as a 1-point benefit from the acquisition of Pacific Foods and a 1-point favorable impact of currency translation were offset by a 2-percent decline in organic sales driven primarily by lower volumes.

Gross margin decreased from 37.4 percent to 35.1 percent. Excluding items impacting comparability ir the current year, adjusted gross margin decreased 2.2 percentage points to 35.2 percent. The decreas in adjusted gross margin was driven primarily by cost inflation and higher supply chain costs, as well a unfavorable mix, partly offset by productivity improvements and the benefits from cost savings initiatives.

Marketing and selling expenses decreased 5 percent to $228 million primarily due to lower advertising and consumer promotion expenses, as well as the benefits from cost savings initiatives, partly offset b investments in e-commerce. Administrative expenses increased 17 percent to $165 million. Excluding items impacting comparability in the current year, adjusted administrative expenses decreased 1 percent.

Other expenses were $70 million in the current quarter as compared to $201 million in the prior-year quarter. Excluding items impacting comparability, adjusted other income increased from $11 million tc $29 million primarily due to gains on investments and higher pension and postretirement benefit income.

EBIT increased 19 percent to $243 million. Excluding items impacting comparability, adjusted EBIT decreased 4 percent to $402 million primarily reflecting a lower adjusted gross margin percentage, partly offset by an increase in adjusted other income and lower marketing and selling expenses.

Net interest expense increased 14 percent to $32 million reflecting higher average interest rates on th debt portfolio and higher levels of debt. The Tax Cuts and Jobs Act, enacted in December 2017, will have a favorable impact on both the reported and adjusted effective rates in fiscal 2018. In the curren year quarter, the tax rate decreased from 42.9 percent to a negative 35.1 percent reflecting the one-time favorable net tax benefit recorded as part of the Act. Excluding items impacting comparability, th adjusted tax rate decreased 8.9 percentage points from 27.8 percent to 18.9 percent primarily due to the ongoing benefit of the lower U.S. federal tax rate. Campbell now expects a full-year adjusted effective tax rate of approximately 26 percent.

EPS was $0.95 per share in the quarter compared to $0.33 per share in the prior year. Excluding item: impacting comparability, adjusted EPS increased 10 percent to $1.00 per share, primarily due to a low adjusted tax rate, partly offset by declines in adjusted EBIT.

First-Half Results

Sales decreased 1 percent to $4.341 billion driven by a 2-percent decline in organic sales, partly offset by a 1-point benefit from the acquisition of Pacific Foods and a 1-point favorable impact of currency translation. Declines in organic sales were driven primarily by lower volumes.

EBIT decreased 1 percent to $655 million. Excluding items impacting comparability, adjusted EBIT decreased 10 percent to $819 million reflecting a lower adjusted gross margin percentage, lower sales and higher adjusted administrative expenses, partly offset by lower marketing and selling expenses ar an increase in adjusted other income.

Net interest expense increased 11 percent to $62 million reflecting higher average interest rates on th debt portfolio. The tax rate decreased from 35.1 percent to 5.6 percent. Excluding items impacting comparability, the adjusted tax rate decreased 6.4 percentage points from 30.2 percent to 23.8 percer primarily due to the lower U.S. federal tax rate.

The company reported EPS of $1.85. Excluding items impacting comparability, adjusted EPS decreasec 1 percent to $1.91 per share, compared with $1.92 per share a year ago.

Cash flow from operations decreased to $660 million from $667 million a year ago, primarily due to higher net payments of hedging activities, partly offset by improvements in working capital.

Cost Savings Program

In the second quarter of fiscal 2018, Campbell achieved $20 million in savings under its multi-year cos savings program, bringing total program-to-date savings to $365 million. Based on the success of the program to date and the identification of additional savings opportunities, Campbell has increased the annualized savings target from $450 million to $500 million by the end of fiscal 2020.

Fiscal 2018 Guidance

Based on the company's current outlook for fiscal 2018, including the impact of the Pacific Foods acquisition and the Tax Cuts and Jobs Act, Campbell has revised its fiscal 2018 guidance. As shown in the table below, sales are now expected to change by -1 to +1 percent, adjusted EBIT to decline by -7 to -5 percent, and adjusted EPS to increase by +2 to +4 percent, or $3.10 to $3.17 per share. This guidance assumes the impact from currency translation will be nominal.

($ in millions, except per share)

	2017 Results	Revised 2018 Guidance Before Pacific Foods and Tax Reform	Pacific Foods Acquisition	U.S. Tax Reform	Revised 2018 Guidance
Net Sales	$7,890	-2 to 0%	+1 pt	–	-1 to +1%
Adjusted EBIT	$1,492*	-6 to -4% (Previously -4 to -2%)	-1 pt	–	-7 to -5%
Adjusted EPS	$3.04*	-5 to -3% (Previously -3 to -1%)	-$0.05	+$0.25	+2 to +4% $3.10 to $3.1

* Adjusted – refer to the detailed reconciliation of the reported (GAAP) financial information to the adjusted financial information at the end of this news release.
Note: A non-GAAP reconciliation is not provided for 2018 guidance since certain items are not estimab such as pension and postretirement mark-to-market adjustments, and these items are not considered reflect the company's ongoing operating results.

Segment Operating Review

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

Three Months Ended Jan. 28, 2018

($ in millions)

	Americas Simple Meals and Beverages	Global Biscuits and Snacks	Campbell Fresh	Total
Net Sales, as Reported	$1,196	$726	$257	$2,180*
Volume and Mix	(4)%	-%	-%	(2)%
Price and Sales Allowances	-%	2%	-%	-%
Promotional Spending	-%	1%	(1)%	-%
Organic Net Sales	(4)%	3%	(1)%	(2)%
Currency	-%	1%	-%	1%
Acquisition	2%	-%	-%	1%
% Change vs. Prior Year	(2)%	4%	(1)%	-%
Segment Operating Earnings	$282	$139	$(11)	
% Change vs. Prior Year	(9)%	1%	n/m	

n/m – not meaningful
* Includes Corporate
Note: A detailed reconciliation of the reported (GAAP) net sales to organic net sales is included at the end of this news release.

Six Months Ended Jan. 28, 2018

($ in millions)

	Americas Simple Meals and Beverages	Global Biscuits and Snacks	Campbell Fresh	Total
Net Sales, as Reported	$2,414	$1,435	$491	$4,341**
Volume and Mix	(5)%	1%	(1)%	(2)%
Price and Sales Allowances	-%	1%	-%	-%
Promotional Spending	-%	-%	-%	-%
Organic Net Sales	(5)%	2%	(1)%	(2)%
Currency	-%	1%	-%	1%
Acquisition	1%	-%	-%	1%
% Change vs. Prior Year	(3)%*	4%*	(1)%	(1)%*
Segment Operating Earnings	$610	$259	$(17)	
% Change vs. Prior Year	(12)%	3%	n/m	

n/m – not meaningful
* Numbers do not add due to rounding.
** Includes Corporate
Note: A detailed reconciliation of the reported (GAAP) net sales to organic net sales is included at the end of this news release.

Americas Simple Meals and Beverages

Sales in the quarter decreased 2 percent to $1.196 billion. Organic sales decreased 4 percent driven primarily by declines in U.S. soup and *V8* Beverages, partly offset by gains in the retail business in Canada. Excluding the benefit from the acquisition of Pacific Foods, sales of U.S. soup decreased 7 percent driven by declines in ready-to-serve and condensed soups, while sales of broth were comparable to the prior year. The sales decline in U.S. soup was primarily the result of the previously disclosed key customer issue.

Segment operating earnings decreased 9 percent to $282 million driven primarily by a lower gross margin percentage and lower sales volume, partly offset by lower marketing and selling expenses.

Global Biscuits and Snacks

Sales in the quarter increased 4 percent to $726 million. Excluding the favorable impact of currency translation, organic sales increased 3 percent driven primarily by gains in Pepperidge Farm snacks, reflecting growth in *Goldfish* crackers and in cookies, as well as gains of Kelsen cookies in China. Excluding the favorable impact of currency translation, sales of Arnott's biscuits were comparable to th prior year.

Segment operating earnings increased 1 percent to $139 million. Excluding the favorable impact of currency translation, operating earnings were comparable to the prior year with lower advertising and consumer promotion expenses offset by a lower gross margin percentage.

Campbell Fresh

Sales in the quarter decreased 1 percent to $257 million driven primarily by sales declines in *Bolthouse Farms* refrigerated beverages.

Segment operating earnings declined from a loss of $3 million to a loss of $11 million, reflecting a low gross margin percentage driven primarily by an increase in supply chain costs as well as higher carrot costs.

Corporate

Corporate in the second quarter of fiscal 2018 included charges related to cost savings initiatives of $2 million, transaction costs of $24 million related to the pending acquisition of Snyder's-Lance and a non cash impairment charge of $75 million related to the Bolthouse Farms carrot and carrot ingredients reporting unit. Corporate in the second quarter of fiscal 2017 included non-cash impairment charges of $212 million related to the Campbell Fresh segment. The remaining decrease in expenses primarily reflects gains on investments and higher pension and postretirement income.

Reportable Segments

Campbell Soup Company earnings results are reported for the following segments:

Americas Simple Meals and Beverages includes the retail and food service businesses in the U.S. and Canada. The segment includes the following products: *Campbell's* condensed and ready-to-serve soups; *Swanson* broth and stocks; *Pacific* soups, broth, stocks, non-dairy beverages and simple meals; *Prego* pasta sauces; *Pace* Mexican sauces; *Campbell's* gravies, pasta, beans and dinner sauces; *Swanson* canned poultry; *Plum* food and snacks; *V8* juices and beverages; and *Campbell's* tomato juice.

Global Biscuits and Snacks includes *Pepperidge Farm* cookies, crackers, bakery and frozen products in U.S. retail; Arnott's biscuits in Australia and Asia Pacific; and Kelsen cookies globally. The segment also includes the simple meals and shelf-stable beverages business in Australia, Latin America and Asi Pacific.

Campbell Fresh includes *Bolthouse Farms* fresh carrots, carrot ingredients, refrigerated beverages ar refrigerated salad dressings; *Garden Fresh Gourmet* salsa, hummus, dips and tortilla chips; and the U. refrigerated soup business.

Conference Call

Campbell will host a conference call to discuss these results today at 9:30 a.m. Eastern Time. To join, dial +1 (703) 639-1316. The access code is 6692659. 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 (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Finvestor.campbellsoupcompany.com%2Fphoenix.zhtml%3Fc%3D88650%26p%3Dirol-irhome&esheet=51759881&newsitemid=20180216005134&lan=en-US&anchor=investor.campbellsoupcompany.com&index=1&md5=f4fe623afc3f643dcc778d1afdb34504 A recording of the call will also be available until midnight on Mar. 2, 2018, at +1 (404) 537-3406. The access code for the replay is 6692659.

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 food For generations, people have trusted Campbell to provide authentic, flavorful and readily available foo and beverages that connect them to each other, to warm memories and to what's important today. Le by our iconic *Campbell's* brand, our portfolio includes *Pepperidge Farm, Bolthouse Farms, Arnott's, V8, Swanson, Pace, Prego, Plum, Royal Dansk, Kjeldsens Garden Fresh Gourmet* and *Pacific Foods*. 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 anc the Dow Jones Sustainability Indexes. For more information, visit www.campbellsoupcompany.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.campbellsoupcompany.com&esheet=51759881&newsitemid=20180216005134&lan=en-US&anchor=www.campbellsoupcompany.com&index=2&md5=aed95c43e1ac7c9d5357d8bb781b9746 or follow company news on Twitter via @CampbellSoupCo (http://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Ftwitter.com%2FCampbellSoupCo&esheet=51759881&newsitemid=20180216005134&lan=en-US&anchor=%40CampbellSoupCo&index=3&md5=619b2832011e91ff78598ae1d779c523) . To learn more about hov we make our food and the choices behind the ingredients we use, visit www.whatsinmyfood.com (http://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.whatsinmyfood.com&esheet=51759881&newsitemid=20180216005134&lan=en-US&anchor=www.whatsinmyfood.com&index=4&md5=bf1ecba302862e0fe41a18ddbd62b6db) .

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CAMPBELL SOUP COMPANY

CONSOLIDATED STATEMENTS OF EARNINGS (unaudited)

(millions, except per share amounts)

	Three Months Ended	
	January 28, 2018	January 29, 2017
Net sales	**$ 2,180**	$ 2,171
Costs and expenses		
Cost of products sold	**1,414**	1,360
Marketing and selling expenses	**228**	240
Administrative expenses	**165**	141
Research and development expenses	**27**	25

Other expenses / (income)	**70**	201
Restructuring charges	**33**	(1
Total costs and expenses	**1,937**	1,966
Earnings before interest and taxes	**243**	205
Interest, net	**32**	28
Earnings before taxes	**211**	177
Taxes on earnings	**(74)**	76
Net earnings	**285**	101
Net loss attributable to noncontrolling interests	**—**	—
Net earnings attributable to Campbell Soup Company	**$ 285**	$ 101
Per share – basic		
Net earnings attributable to Campbell Soup Company	**$ .95**	$ .33
Dividends	**$ .35**	$ .35
Weighted average shares outstanding – basic	**301**	306
Per share – assuming dilution		
Net earnings attributable to Campbell Soup Company	**$ .95**	$ .33
Weighted average shares outstanding – assuming dilution	**301**	309

The company adopted new accounting guidance on the presentation of net periodic pension cost and n
periodic postretirement benefit cost in the first quarter of fiscal 2018. Certain amounts in the prior yea
were reclassified to conform to the current-year presentation.

CAMPBELL SOUP COMPANY

CONSOLIDATED STATEMENTS OF EARNINGS (unaudited)

(millions, except per share amounts)

	Six Months Ended	
	January 28, 2018	January 29, 2017
Net sales	**$ 4,341**	$ 4,373
Costs and expenses		
Cost of products sold	**2,792**	2,711
Marketing and selling expenses	**447**	470
Administrative expenses	**314**	266
Research and development expenses	**57**	52
Other expenses / (income)	**41**	212
Restructuring charges	**35**	—
Total costs and expenses	**3,686**	3,711
Earnings before interest and taxes	**655**	662
Interest, net	**62**	56
Earnings before taxes	**593**	606
Taxes on earnings	**33**	213
Net earnings	**560**	393
Net loss attributable to noncontrolling interests	**—**	—
Net earnings attributable to Campbell Soup Company	**$ 560**	$ 393
Per share – basic		
Net earnings attributable to Campbell Soup Company	**$ 1.86**	$ 1.28
Dividends	**$ .70**	$ .70
Weighted average shares outstanding – basic	**301**	307
Per share – assuming dilution		
Net earnings attributable to Campbell Soup Company	**$ 1.85**	$ 1.27
Weighted average shares outstanding – assuming dilution	**302**	309

The company adopted new accounting guidance on the presentation of net periodic pension cost and n
periodic postretirement benefit cost in the first quarter of fiscal 2018. Certain amounts in the prior yea
were reclassified to conform to the current-year presentation.

CAMPBELL SOUP COMPANY

CONSOLIDATED SUPPLEMENTAL SCHEDULE OF SALES AND EARNINGS (unaudited)

(millions, except per share amounts)

	Three Months Ended		
	January 28, 2018	January 29, 2017	Perce Chang
Sales			
Contributions:			
Americas Simple Meals and Beverages	**$ 1,196**	$ 1,215	(2)%
Global Biscuits and Snacks	**726**	696	4%
Campbell Fresh	**257**	260	(1)%
Corporate	**1**	—	n/m
Total sales	**$ 2,180**	$ 2,171	—%
Earnings			
Contributions:			
Americas Simple Meals and Beverages	**$ 282**	$ 311	(9)%
Global Biscuits and Snacks	**139**	137	1%
Campbell Fresh	**(11)**	(3)	n/m
Total operating earnings	**410**	445	(8)%
Corporate	**(134)**	(241)	
Restructuring charges	**(33)**	1	
Earnings before interest and taxes	**243**	205	19%
Interest, net	**32**	28	
Taxes on earnings	**(74)**	76	
Net earnings	**285**	101	n/m
Net loss attributable to noncontrolling interests	**—**	—	
Net earnings attributable to Campbell Soup Company	**$ 285**	$ 101	n/m
Per share – assuming dilution			
Net earnings attributable to Campbell Soup Company	**$ .95**	$ .33	n/m

n/m – not meaningful
Beginning in fiscal 2018, the business in Latin America is managed as part of the Global Biscuits and Snacks segment. Prior to fiscal 2018, the business in Latin America was managed as part of the Americas Simple Meals and Beverages segment. Segment results have been adjusted retrospectively t reflect this change.

CAMPBELL SOUP COMPANY

CONSOLIDATED SUPPLEMENTAL SCHEDULE OF SALES AND EARNINGS (unaudited)

(millions, except per share amounts)

	Six Months Ended		
	January 28, 2018	January 29, 2017	Perce Chang
Sales			
Contributions:			
Americas Simple Meals and Beverages	**$ 2,414**	$ 2,493	(3)%
Global Biscuits and Snacks	**1,435**	1,386	4%
Campbell Fresh	**491**	494	(1)%
Corporate	**1**	—	n/m
Total sales	**$ 4,341**	$ 4,373	(1)%
Earnings			

Contributions:			
Americas Simple Meals and Beverages	**$ 610**	$ 691	(12)%
Global Biscuits and Snacks	**259**	252	3%
Campbell Fresh	**(17)**	(2)	n/m
Total operating earnings	**852**	941	(9)%
Corporate	**(162)**	(279)	
Restructuring charges	**(35)**	—	
Earnings before interest and taxes	**655**	662	(1)%
Interest, net	**62**	56	
Taxes on earnings	**33**	213	
Net earnings	**560**	393	42%
Net loss attributable to noncontrolling interests	**—**	—	
Net earnings attributable to Campbell Soup Company	**$ 560**	$ 393	42%
Per share – assuming dilution			
Net earnings attributable to Campbell Soup Company	**$ 1.85**	$ 1.27	46%

n/m – not meaningful

Beginning in fiscal 2018, the business in Latin America is managed as part of the Global Biscuits and Snacks segment. Prior to fiscal 2018, the business in Latin America was managed as part of the Americas Simple Meals and Beverages segment. Segment results have been adjusted retrospectively t reflect this change.

CAMPBELL SOUP COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(millions)

	January 28, 2018	January 29, 2017
Current assets	**$ 1,928**	$ 1,896
Plant assets, net	**2,518**	2,375
Intangible assets, net	**3,744**	3,179
Other assets	**146**	120
Total assets	**$ 8,336**	$ 7,570
Current liabilities	**$ 3,012**	$ 2,436
Long-term debt	**2,247**	2,293
Other liabilities	**1,128**	1,362
Total equity	**1,949**	1,479
Total liabilities and equity	**$ 8,336**	$ 7,570
Total debt	**$ 3,906**	$ 3,478
Cash and cash equivalents	**$ 196**	$ 309

CAMPBELL SOUP COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(millions)

	Six Months Ended	
	January 28, 2018	January 29, 20
Cash flows from operating activities:		
Net earnings	**$ 560**	$ 393
Adjustments to reconcile net earnings to operating cash flow		
Impairment charges	**75**	212
Restructuring charges	**35**	—
Stock-based compensation	**32**	32
Noncurrent income taxes	**52**	—
Pension and postretirement benefit income	**(32)**	(23
Depreciation and amortization	**161**	154
Deferred income taxes	**(106)**	—
Other, net	**18**	6

Changes in working capital		
Accounts receivable	**(113)**	(95
Inventories	**84**	117
Prepaid assets	**(25)**	(9
Accounts payable and accrued liabilities	**(10)**	(100
Net receipts from (payments of) hedging activities	**(31)**	1
Other	**(40)**	(21
Net cash provided by operating activities	**660**	667
Cash flows from investing activities:		
Purchases of plant assets	**(132)**	(119
Business acquired, net of cash acquired	**(682)**	—
Other, net	**(11)**	(13
Net cash used in investing activities	**(825)**	(132
Cash flows from financing activities:		
Net short-term borrowings	**379**	2
Long-term repayments	**(16)**	(61
Dividends paid	**(216)**	(207
Treasury stock purchases	**(86)**	(234
Treasury stock issuances	**—**	2
Payments related to tax withholding for stock-based compensation	**(23)**	(20
Net cash provided by (used in) financing activities	**38**	(518
Effect of exchange rate changes on cash	**4**	(4
Net change in cash and cash equivalents	**(123)**	13
Cash and cash equivalents — beginning of period	**319**	296
Cash and cash equivalents — end of period	**$ 196**	$ 309

Reconciliation of GAAP to Non-GAAP Financial Measures

Second Quarter Ended January 28, 2018

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 o performance not defined by accounting principles generally accepted in the United States and should b 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 compariso of the company's historical operating results and trends in its underlying operating results, and provide 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 believe 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

	January 28, 2018				**January 29, 2017**	**% Change**	
(millions)	**Net Sales, as Reported**	**Impact of Currency**	**Impact of Acquisition**	**Organic Net Sales**	**Net Sales, as Reported**	**Net Sales, as Reported**	**Organi Net Sales**
Americas Simple Meals and Beverages	**$ 1,196**	**$ (6)**	**$ (28)**	**$ 1,162**	$ 1,215	(2)%	(4)%
Global Biscuits and Snacks	**726**	**(10)**	**—**	**716**	696	4%	3%
Campbell Fresh	**257**	**—**	**—**	**257**	260	(1)%	(1)%

Corporate	**1**	**—**	**—**	**1**	—	n/m	n/m
Total Net Sales	**$ 2,180**	**$ (16)**	**$ (28)**	**$ 2,136**	$ 2,171	—%	(2)%

Six Months Ended

(millions)	January 28, 2018				January 29, 2017	% Change	
	Net Sales, as Reported	**Impact of Currency**	**Impact of Acquisition**	**Organic Net Sales**	**Net Sales, as Reported**	**Net Sales, as Reported**	**Organi Net Sales**
Americas Simple Meals and Beverages	**$ 2,414**	**$ (12)**	**$ (28)**	**$ 2,374**	$ 2,493	(3)%	(5)%
Global Biscuits and Snacks	**1,435**	**(15)**	**—**	**1,420**	1,386	4%	2%
Campbell Fresh	**491**	**—**	**—**	**491**	494	(1)%	(1)%
Corporate	**1**	**—**	**—**	**1**	—	n/m	n/m
Total Net Sales	**$ 4,341**	**$ (27)**	**$ (28)**	**$ 4,286**	$ 4,373	(1)%	(2)%

n/m – not meaningful

Items Impacting Earnings

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

The following items impacted earnings:

(1) In the six-month period of fiscal 2018, the company incurred gains of $14 million in Other expenses (income) ($10 million after tax, or $.03 per share) associated with mark-to-market adjustments fo defined benefit pension and postretirement plans. In the first quarter of fiscal 2017, the company incurred losses of $20 million in Other expenses / (income) ($13 million after tax, or $.04 per share associated with mark-to-market adjustments for defined benefit pension and postretirement plans. For the year ended July 30, 2017, the company incurred gains of $178 million in Other expenses / (income) ($116 million after tax, or $.38 per share) associated with mark-to-market adjustments fo defined benefit pension and postretirement plans.

(2) In fiscal 2015, the company implemented a new enterprise design and initiatives to reduce costs ar to streamline its organizational structure. In fiscal 2017, the company expanded these cost savings initiatives by further optimizing its supply chain network, primarily in North America, continuing to evolve its operating model to drive efficiencies, and more fully integrating its recent acquisitions. In January 2018, as part of the expanded initiatives, the company authorized additional costs to improve the operational efficiency of its thermal supply chain network in North America by closing i manufacturing facility in Toronto, Ontario, and to optimize its information technology infrastructure by migrating certain applications to the latest cloud technology platform.
In the second quarter of fiscal 2018, the company recorded Restructuring charges of $33 million an implementation costs and other related costs of $26 million in Administrative expenses and $1 milli in Cost of products sold (aggregate impact of $46 million after tax, or $.15 per share) related to these initiatives. In the six-month period of fiscal 2018, the company recorded Restructuring charg of $35 million and implementation costs and other related costs of $38 million in Administrative expenses and $6 million in Cost of products sold (aggregate impact of $58 million after tax, or $.19 per share) related to these initiatives. In the six-month period of fiscal 2017, the company recordec implementation costs and other related costs of $11 million in Administrative expenses ($7 million after tax, or $.02 per share) related to these initiatives. For the year ended July 30, 2017, the company recorded Restructuring charges of $18 million and implementation costs and other relatec costs of $36 million in Administrative expenses and $4 million in Cost of products sold (aggregate impact of $37 million after tax, or $.12 per share) related to these initiatives.

(3) In the second quarter of fiscal 2018, the company announced its intent to acquire Snyder’s-Lance, Inc. The company incurred transaction costs of $24 million in Other expenses / (income) ($19 millic

after tax, or $.06 per share) associated with the acquisition, which the company expects to close in the third quarter of fiscal 2018.

(4) In the second quarter of fiscal 2018, the company recorded a tax benefit of $124 million in Taxes o earnings ($.41 per share) related to the enactment of the Tax Cuts and Jobs Act that was signed in law in December 2017.

(5) In the second quarter of fiscal 2018, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit as operatir performance was below expectations. Based on recent performance, the company revised its outloc for future earnings and cash flows. The company recorded a non-cash impairment charge of $75 million in Other expenses / (income) ($74 million after tax, or $.25 per share).

In the second quarter of fiscal 2017, the company performed an interim impairment assessment on the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and the Garden Fresh Gourmet reporting unit as operating performance was well below expectations and a new leadership team of the Campbell Fresh division initiated a strategic review which led to a revise outlook for future sales, earnings, and cash flow. The company recorded a non-cash impairment charge of $147 million ($139 million after tax, or $.45 per share) related to the intangible assets of the Bolthouse Farms carrot and carrot ingredients reporting unit and a non-cash impairment charge of $65 million ($41 million after tax, or $.13 per share) related to the intangible assets of the Garde Fresh Gourmet reporting unit (aggregate pre-tax impact of $212 million, $180 million after tax, or $.58 per share). For the year ended July 30, 2017, the aggregate impact was $.59 per share. The charges were included in Other expenses / (income).

(6) For the year ended July 30, 2017, the company recorded a tax benefit of $52 million in Taxes on earnings primarily related to the sale of intercompany notes receivable to a financial institution, which resulted in the recognition of foreign exchange losses on the notes for tax purposes. In addition, the company recorded a $6 million reduction to interest expense ($4 million after tax) related to premiums and fees received on the sale of the notes. The aggregate impact was $56 million after tax, or $.18 per share.

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

	Three Months Ended January 28, 2018			**January 29, 2017**			
(millions, except per share amounts)	**As reported**	**Adjustments (a)**	**Adjusted**	**As reported**	**Adjustments (a)**	**Adjusted**	**Adjust Percen Change**
Gross margin	**$766**	**$ 1**	**$767**	$ 811	$ —	$ 811	(5)%
Gross margin percentage	**35.1 %**		**35.2 %**	37.4 %		37.4 %	
Administrative expenses	**$165**	**$ (26)**	**$139**	$ 141	$ —	$ 141	
Other expenses / (income)	**$70**	**$ (99)**	**$(29)**	$ 201	$ (212)	$ (11)	
Restructuring charges	**$33**	**$ (33)**	**$—**	$ (1)	$ —	$ (1)	
Earnings before interest and taxes	**$243**	**$ 159**	**$402**	$ 205	$ 212	$ 417	(4)%
Interest, net	**32**	**—**	**32**	28	—	28	
Earnings before taxes	**$211**	**$ 159**	**$370**	$ 177	$ 212	$ 389	
Taxes	**(74)**	**144**	**70**	76	32	108	
Effective income tax rate	**(35.1)%**		**18.9 %**	42.9 %		27.8 %	
Net earnings attributable to Campbell Soup Company	**$285**	**$ 15**	**$300**	$ 101	$ 180	$ 281	7%
Diluted net earnings per share attributable to Campbell Soup Company	**$.95**	**$ .05**	**$1.00**	$ .33	$ .58	$ .91	10%

(a) See following table for additional information.

(millions, except per share amounts)	Three Months Ended January 28, 2018 Restructuring charges, implementation costs and other related costs (2)	Transaction costs (3)	Tax reform (4)	Impairment charges (5)	Adjustments	January 29 2017 Impairmen charges (5)
Gross margin	$ 1	$ —	$—	$ —	$ 1	$ —
Administrative expenses	(26)	—	—	—	(26)	—
Other expenses / (income)	—	(24)	—	(75)	(99)	(212
Restructuring charges	(33)	—	—	—	(33)	—
Earnings before interest and taxes	$ 60	$ 24	$—	$ 75	$ 159	$ 212
Interest, net	—	—	—	—	—	—
Earnings before taxes	$ 60	$ 24	$—	$ 75	$ 159	$ 212
Taxes	14	5	124	1	144	32
Net earnings attributable to Campbell Soup Company	$ 46	$ 19	$(124)	$ 74	$ 15	$ 180
Diluted net earnings per share attributable to Campbell Soup Company	$ .15	$ .06	$(.41)	$ .25	$ .05	$ .58

(millions, except per share amounts)	Six Months Ended January 28, 2018 As reported	Adjustments (a)	Adjusted	January 29, 2017 As reported	Adjustments (a)	Adjusted	Adjust Percen Change
Gross margin	$1,549	$ 6	$1,555	$1,662	$ —	$1,662	(6)%
Gross margin percentage	35.7 %		35.8 %	38.0 %		38.0 %	
Administrative expenses	$314	$ (38)	$276	$266	$ (11)	$255	
Other expenses / (income)	$41	$ (85)	$(44)	$212	$ (232)	$(20)	
Restructuring charges	$35	$ (35)	$—	$—	$ —	$—	
Earnings before interest and taxes	$655	$ 164	$819	$662	$ 243	$905	(10)%
Interest, net	62	—	62	56	—	56	
Earnings before taxes	$593	$ 164	$757	$606	$ 243	$849	
Taxes	33	147	180	213	43	256	
Effective income tax rate	5.6 %		23.8 %	35.1 %		30.2 %	
Net earnings attributable to Campbell Soup Company	$560	$ 17	$577	$393	$ 200	$593	(3)%
Diluted net earnings per share attributable to Campbell Soup Company	$1.85	$ .06	$1.91	$1.27	$ .65	$1.92	(1)%

(a)See following tables for additional information.

Six Months Ended
January 28, 2018

Adjustmen

(millions, except per share amounts)	**Mark-to-market (1)**	**Restructuring charges, implementation costs and other related costs (2)**	**Transaction costs (3)**	**Tax reform (4)**	**Impairment charges (5)**	
Gross margin	**$—**	**$ 6**	**$ —**	**$—**	**$ —**	**$ 6**
Administrative expenses	**—**	**(38)**	**—**	**—**	**—**	**(38**
Other expenses / (income)	**14**	**—**	**(24)**	**—**	**(75)**	**(85**
Restructuring charges	**—**	**(35)**	**—**	**—**	**—**	**(35**
Earnings before interest and taxes	**$(14)**	**$ 79**	**$ 24**	**$—**	**$ 75**	**$ 164**
Interest, net	**—**	**—**	**—**	**—**	**—**	**—**
Earnings before taxes	**$(14)**	**$ 79**	**$ 24**	**$—**	**$ 75**	**$ 164**
Taxes	**(4)**	**21**	**5**	**124**	**1**	**147**
Net earnings attributable to Campbell Soup Company	**$(10)**	**$ 58**	**$ 19**	**$(124)**	**$ 74**	**$ 17**
Diluted net earnings per share attributable to Campbell Soup Company	**$(.03)**	**$ .19**	**$ .06**	**$(.41)**	**$ .25**	**$ .06**

	Six Months Ended January 29, 2017			
(millions, except per share amounts)	**Mark-to-market (1)**	**Restructuring charges, implementation costs and other related costs (2)**	**Impairment charges (5)**	**Adjustmen**
Gross margin	$ —	$ —	$ —	$ —
Administrative expenses	—	(11)	—	(11
Other expenses / (income)	(20)	—	(212)	(232
Earnings before interest and taxes	$ 20	$ 11	$ 212	$ 243
Interest, net	—	—	—	—
Earnings before taxes	$ 20	$ 11	$ 212	$ 243
Taxes	7	4	32	43
Net earnings attributable to Campbell Soup Company	$ 13	$ 7	$ 180	$ 200
Diluted net earnings per share attributable to Campbell Soup Company*	$ .04	$ .02	$ .58	$ .65

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

(millions, except per share amounts)	**Year Endec July 30, 2017**
Gross margin, as recast*	**$ 2,925**
Add: Restructuring charges, implementation costs and other related costs (2)	**4**
Adjusted Gross margin	**$ 2,929**
Adjusted Gross margin percentage	**37.1**
Earnings before interest and taxes, as reported	**$ 1,400**
Deduct: Total pension and postretirement benefit mark-to-market adjustments (1)	**(178)**
Add: Restructuring charges, implementation costs and other related costs (2)	**58**
Add: Impairment charges (5)	**212**
Adjusted Earnings before interest and taxes	**$ 1,492**

Interest, net, as reported	**$ 107**
Add: Sale of notes (6)	**6**
Adjusted Interest, net	**$ 113**
Adjusted Earnings before taxes	**$ 1,379**
Taxes on earnings, as reported	**$ 406**
Deduct: Tax expense from total pension and postretirement benefit mark-to-market adjustments (1)	**(62**)
Add: Tax benefit from restructuring charges, implementation costs and other related costs (2)	**21**
Add: Tax benefit from impairment charges (5)	**32**
Add: Tax benefit from sale of notes (6)	**50**
Adjusted Taxes on earnings	**$ 447**
Adjusted effective income tax rate	**32.4** ς
Net earnings attributable to Campbell Soup Company, as reported	**$ 887**
Deduct: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	**(116**)
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	**37**
Add: Net adjustment from impairment charges (5)	**180**
Deduct: Net adjustment from sale of notes (6)	**(56**)
Adjusted Net earnings attributable to Campbell Soup Company	**$ 932**
Diluted net earnings per share attributable to Campbell Soup Company, as reported	**$ 2.89**
Deduct: Net adjustment from total pension and postretirement benefit mark-to-market adjustments (1)	**(.38**)
Add: Net adjustment from restructuring charges, implementation costs and other related costs (2)	**.12**
Add: Net adjustment from impairment charges (5)	**.59**
Deduct: Net adjustment from sale of notes (6)	**(.18**)
Adjusted Diluted net earnings per share attributable to Campbell Soup Company	**$ 3.04**

*Reflects the impact of the adoption of new accounting guidance on the presentation of net periodic pension cost and net periodic postretirement benefit cost in the first quarter of fiscal 2018.

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Source: Campbell Soup Company

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Campbell Soup Company names Mississauga as site for new headquarters

The Canadian Press
139 words
20 April 2018
02:31
The Canadian Press
CPR
English

MISSISSAUGA, Ont. — **Campbell** Soup Company says its new Canadian headquarters will open in Mississauga, Ont.

It will be located in the Airport Corporate Centre region, which is a 15-minute minute drive from its soon-to-be-closed Etobicoke manufacturing plant.

The company decided to shutter the 87-year-old plant in January and cut 380 jobs, citing complications with retrofitting such an old building as the reason for the closure.

Campbell says it chose Mississauga for its new headquarters because of its proximity to its Etobicoke facility and because of the area's demographics.

The headquarters will house 160 employees, all from its current team.

The move from Etobicoke will happen in stages, but the company hopes the headquarters will be operational by the first quarter of 2019.

Document CPR0000020180419ee4j00ij1

News
Campbell Soup changes execs in reorganization

By Jim Walsh   Cherry Hill Courier-Post
417 words
7 April 2018

Courier-Post
CPST
1; Daily
A2
English

CAMDEN – **Campbell** Soup Co. announced a "strategic reorganization" Thursday, including a new president for its troubled **Campbell** Fresh unit.

The international food firm also named a new No. 2 executive and created an "accelerator" unit to put an "increased emphasis on execution and profitable growth," said Denise Morrison, **Campbell**'s president and CEO.

She said the recent acquisition of Snyder's-Lance Inc., which bolstered Campbell's snack business, was a "catalyst" for the makeover.

The changes also come at a time of sizable losses for Campbell Fresh and weak sales for soup, and as the Camden-based company positions itself as a larger force in the growing snack business.

As part of the reorganization, Campbell said Luca Mignini will become the firm's chief operating officer.

Mignini, who will continue to oversee Campbell's global snack business, will gain responsibility for "core" soup products, as well as "simple meals" products like Prego spaghetti sauce and shelf-stable beverages like V8 juice.

Mark Alexander, the former president of Campbell's Simple Meals and Beverages unit, left the firm last month.

Under Alexander, the unit's operating earnings fell by 9 percent in the last quarter, pushed down in part by a 7 percent decline in soup sales.

Campbell's snack business, in contrast, had increases of 4 percent for sales and 1 percent for operating earnings in the quarter that ended Jan. 28.

With the recent acquisition, snacks will make up about 47 percent of Campbell's annual net sales, compared to about 26 percent from soup.

In another top-level change, Ana Dominguez, who formerly oversaw Canadian operations, has taken the top job at Campbell Fresh.

She replaces Ed Carolan, who had led the struggling unit since an earlier shake-up in November 2016.

Carolan "is leaving Campbell to pursue another opportunity," the company said.

Campbell Fresh lost $11 million in the latest quarter while sales dropped 1 percent.

It markets Bolthouse Farms refrigerated beverages, Garden Fresh Gourmet salsa and fresh carrots, among other products.

Campbell Fresh will become part of an "accelerator" unit intended to target expansion areas and to invest in high-growth areas.

Campbell said it is seeking an executive to lead that unit.

Jim Walsh: @jimwalsh_cp; 856-486-2646; jwalsh@gannettnj.com

The executive who oversees Campbell Soup's snack business, including Goldfish crackers, was named the firm's chief operating officer Thursday. | Courier-Post file photo

Document CPST000020180407ee470002w

US Campbell Soup wraps up Snyder's-Lance takeover

166 words
27 March 2018
20:35
SeeNews Deals
SEDEL
English

March 27 (SeeNews) – US food products maker **Campbell** Soup Co (NYSE:CPB) on Monday announced it has completed the takeover of domestic snacks maker Snyder's-Lance in an all-cash deal valued at about USD 6.1 billion (EUR 4.92bn), including debt.

Following the completion of the deal, Snyder's-Lance was delisted from the stock market and will be integrated into **Campbell**'s unit Pepperidge Farm to create a unified snacking organisation called **Campbell** Snacks.

Campbell Soup agreed the deal in the middle of December. Under the terms, investors in the maker ofSnyder's pretzels were entitled to receive USD 50 per share in cash.

The acquisition of Snyder's-Lance represented a strategic and transformative step for Campbell, creating a USD-10-billion company with nearly half of its annual net sales in the faster-growing snacks category, Campbell's CEO Denise Morrison noted in the statement released on Monday.

(USD 1.0 = EUR 0.806)

Document SEDEL00020180327ee3r001jl

Campbell announces new corporate structure; COO

Gill Hyslop
349 words
9 April 2018
WRBM Global Food
GFOOD
English

Campbell Soup Company has announced several strategic moves to better position itself in a 'rapidly changing food industry landscape' and focus on 'profitable growth.'

It announced the promotion of Luca Mignini (55), previously president of Global Biscuits and Snacks to chief operating officer to oversee **Campbell**'s core businesses, including the newly created \b Campbell\b0 Snacks division.

Mignini's responsibilities will also include the soup, simple meals and shelf-stable beverages portfolios; North America Food Service; the Canada and Latin America businesses; the company's US sales organization; and the global product development group within research and development.

"The transformative Snyder's-Lance acquisition served as a catalyst for us to re-examine how to best organize the company for increased emphasis on execution and profitable growth," said Denise Morrison, CEO of Campbell, in a statement.

In January, the company signalled a strategic shift into the fast-growing $89bn snacking category with the acquisition of Snyder's-Lance for $4.87bn, its largest acquisition ever.

Accelerating the demand for fresh

To further capitalize on consumers' demand for fresher, healthier meals and snacks, Campbell also announced the creation of an “accelerator” unit.

The unit will be responsible for long-term innovation, small brand incubation, future consumer experiences, e-commerce and new distribution models in high-growth areas.

Campbell Fresh – the company’s packaged fresh unit – will become part of the accelerator unit.

“This strategic reorganization provides the right structure for us to optimize the value of our businesses today, while creating future-oriented capabilities. It will simplify our operations, improve our execution and enable us to allocate resources with a greater focus on profitable growth,” said Morrison.

Mignini joined Campbell in 2013 as international president, before becoming president of Global Biscuits and Snacks. Previously, he was CEO of the Findus Italy division of Iglo Group, Europe's largest frozen food business, and was with SC Johnson for more than 20 years.

Campbell said it has begun an external search for a chief acceleration officer to lead the unit.

Document GFOOD00020180409ee4900005o

Publicis Groupe Wins $390 Million Campbell Soup Advertising, Media Assignment

425 words
14 March 2018
19:36
MediaPost.com
MPC
English

Campbell Soup Co. has consolidated most of its advertising, media and marketing assignments with Publicis Groupe after a review that began last year.

In addition to global media-planning and buying duties, the Groupe will service the soup and packaged foods giant's U.S. retail, Canadian and Asia Pacific creative, digital, technology and consumer promotion efforts. The remit also includes strategy across multiple regions including the U.S.

The company had previously worked with MEC on media and BBDO on creative.

Campbell's reported advertising and consumer promotion expense of $389 million for 2017 in its latest annual report, down from $397 million in 2016.

The appointment brings Campbell's roster of agencies for many of its iconic brands under one holding company, reflecting the company's ongoing efforts to modernize its marketing model and integrate communications across disciplines.

Creative and digital work for Pepperidge Farm and Campbell Fresh brands is excluded from this appointment. Other brands and global businesses such as Latin America, Hong Kong and China are also not part of the remit for now but may be addressed in future phases, the client said.

Shopper marketing specialist The Mars Agency, which is not part of Publicis Groupe, will continue to provide Campbell U.S. with shopper marketing support. Mars will be integrated into the agency network and have its scope expanded, per the client.

In a statement, Campbell's said that Publicis Groupe was expected to "deliver big ideas that will impact how Campbell's brands engage with consumers, providing truly integrated experiences." The holding company is also tasked with creating "customized content and consumer materials that can be scaled for both Campbell's most iconic and emerging brands. This CPG-leading model will allow Campbell to capitalize on Publicis' entire suite of marketing services and provide more accountability and flexibility than traditional marketing models."

Yin Rani, Chief Consumer Experience Officer, Campbell U.S. Retail, stated, "This new model will be powered by data, analytics and audience insights, providing creative solutions as we continue to connect with new generations of consumers."

Arthur Sadoun Chairman and CEO of Publicis Groupe added, "Campbell is on an ambitious transformation journey and at Publicis Groupe we're delighted to have the opportunity to partner with them to reinvent their marketing using our human hub model, putting the consumer at the core of everything we do together."

In addition to its flagship brand and extensions, Campbell brands include Prego, Bolthouse Farms, Spaghettios, V8, Swanson and others.

Document MPC0000020180314ee3e0008k

BRIEF- Campbell Soup Co Files For 7-Part Notes Offering, Size Not Disclosed

49 words
12 March 2018
18:12
Reuters News
LBA
English

March 12 (Reuters) - **Campbell** Soup Co:

* **CAMPBELL** SOUP CO FILES FOR 7-PART NOTES OFFERING, SIZE NOT DISCLOSED - SEC FILING
Source text: (http://bit.ly/2ImC4lF) Further company coverage:

Released: 2018-3-12T13:42:07.000Z

Document LBA0000020180312ee3c00iv2

Moody's Downgrades Campbell Soup To Baa2 On Pending Snyder's-Lance Deal; Stable Outlook

66 words
10 March 2018
00:03
Dow Jones Institutional News
DJDN
English

The following is a press release from Moody's:

Moody's Downgrades **Campbell** Soup To Baa2 On Pending Snyder's-Lance Deal; Stable Outlook

http://www.moodys.com/page/viewresearchdoc.aspx?docid=PR_380547&WT.mc_id=AMRG93X0pvbmVzX05ld3NSb29tX1NCX1JhdGluZyBOZXdzX0FsbF9Fbmc=20180309_PR_380547

(END) Dow Jones Newswires

March 09, 2018 13:33 ET (18:33 GMT)

Document DJDN000020180309ee3900384

News
Campbell Soup Co. completes drawn out acquisition of Pacific Foods.

Andy Coyne
383 words
2 March 2018
Just-Food
JUFOO
English

US food giant **Campbell** Soup Co. has completed the acquisition of natural produce business Pacific Foods which had been threatened by a lawsuit.

Campbell said in a statement yesterday (12 December) that the US$700m deal hasnow gone through.

The acquisition was first announced back in July and seen as an attempt by Campbell -most often associated with ambient food brands -to increase its exposure to faster growing health and well-being categories in the US.

Oregon-based Pacific Foods makes natural and organic broths, soups, plant-based beverages and meals.

But in September the deal came under threat when it emerged there was pending legal action against Pacific Foods.

The estate of co-founder Edward Lynch filed a lawsuit against Pacific Foods, certain directors and others, seeking more than $250m in damages.

At the time Campbell - not named in the lawsuit - said the action created an impediment to the deal closing.

But now, five months after the deal was announced, the issue has been resolved and the deal has completed.

Denise Morrison, Campbell's president and chief executive officer, said, "Pacific Foods is an excellent strategic fit with Campbell's health and well-being portfolio with its strong position in the faster-growing natural and organic category.

"We are thrilled to add such a powerful and respected organic brand to our company and intend to leverage our expertise and resources to build on Pacific's track record of sales growth."

Pacific Foods will be part of Campbell's Americas Simple Meals and Beverages division, which includes Campbell's soup, simple meals and shelf-stable beverage units in the US and Canada.

Joe Folds has been named as vice president and general manager, Pacific Foods. Folds has extensive, global experience leading businesses and brands for Campbell since joining the company in 1997.

Campbell said it plans to invest in the business to drive growth and expects to expand distribution, boost marketing support for brand building, and invest in R&D and the supply chain.

It expects that Pacific Foods will contribute approximately $100m in net sales in fiscal 2018.

This article was originally published on just-food.com on 13 December 2017. For authoritative and timely food business information visit http://www.just-food.com.

Document JUFOO00020180302ee320002y

11:55 EDT Campbell expects $170M in cost synergies from Snyder's-Lance deal by...

195 words
21 February 2018
Theflyonthewall.com
FLYWAL
English

11:55 EDT **Campbell** expects $170M in cost synergies from Snyder's-Lance deal by FY22CFO Anthony DiSilvestro says **Campbell** expects to use U.S. tax reform to invest in business. Says targeting performance consistent with categories and margin expansion for Americas Simple Meals and Beverages division. Says will invest to grow in developed markets, expand internationally and drive synergies and improve margins for Global Biscuits and Snacks division. Says focused on accelerating CPG sales growth and expanding into new categories for **Campbell** Fresh. Says will accelerate investments in increasing marketing support behind key brands, funding "real food" investments, expanding geographically, making investment in long-term innovation and building capabilities in digital and e-commerce as result of tax reform. Expects Pacific Foods acquisition to be slightly accretive to earnings in FY19. Says expects Snyder's-Lance (LNCE) acquisition to achieve $170M of cost synergies by FY22.

Says expects transaction to modestly accretive to earnings in FY19. Says will continue to target competitive dividend payout ratio. Says confidence in achieving long-term growth targets has increased. Says 2019 will be a transition year.

Document FLYWAL0020180221ee2l00af1

RTTN
Campbell Soup Increases Annualized Savings Target; Updates 2018 Outlook

editorial@rttnews.com (RTT Staff Writer)
333 words
16 February 2018
RTT News
RTTNEW
English

Campbell Soup Co. (CPB) said it has increased the annualized savings target from $450 million to $500 million by the end of fiscal 2020. It revised Fiscal 2018 guidance, based on the company's current outlook, including the impact of the Pacific Foods acquisition and the Tax Cuts and Jobs Act.Denise Morrison, **Campbell**'s President and Chief Executive Officer, said, "Looking ahead to the spring, we expect our beverage innovation plans to drive improved beverage performance in the second half. We are committed to returning this business to profitable growth. ...We have identified additional savings opportunities and are increasing our savings target to $500 million by the end of fiscal 2020."In the second quarter of fiscal 2018, **Campbell** achieved $20 million in savings under its multi-year cost savings program, bringing total program-to-date savings to $365 million.

It has increased the annualized savings target from $450 million to $500 million by the end of fiscal 2020.Campbell has revised its fiscal 2018 guidance. sales are now expected to change by -1 to +1 percent, adjusted EBIT to decline by -7 to -5 percent, and adjusted earniungs per share to increase by +2 to +4 percent, or $3.10 to $3.17 per share. The guidance assumes the impact from currency translation will be nominal. Analysts polled by Thomson Reuters expect the company to report earnings of $2.97 per share for fiscal year 2018. Analysts' estimates typically exclude special items.Campbell Soup said in November 2017 it expected adjusted earnings before interest and taxes or adjusted EBIT for fiscal 2018 to change by negative 4 to negative 2 percent, and adjusted earnings per share to change by negative 3 to negative 1 percent, or $2.95 to $3.02 per share. The company had affirmed its outlook for full-year sales to change by negative 2 percent to flat.

Document RTTNEW0020180221ee2g000ks

Campbell Soup sales fall, dispute with Walmart continues

Anthony Noto
358 words
16 February 2018
New York Business Journal Online
NYCBJO

English

Net sales weren't hot at **Campbell** Soup during the second quarter of the company's fiscal year, and Walmart Inc. might be to blame.

The Camden, New Jersey-based snack and food manufacturer cited a 2 percent drop in organic net sales as retail giant Walmart — a key customer in North America — placed fewer orders for the renown canned soups that the company distributes.

The two companies are reportedly in a dispute over pricing and shelf space promotion.

The Walmart factor dates back to November and caused Campbell shares to plunge more than 7 percent after the food giant said that soup sales in the U.S. fell 9 percent from a year ago.

Today, Campbell shares also fell 1.5 percent, to $46.25, in mid-morning trading. By 12:26 PM, the company was trading at $46 per share. At the time, Walmart was trading at $104.15 per share.

The news comes as 148-year-old Campbell Soup hustles to keep up with market trends, which lean toward healthy foods, and adapt to the snack category. Recall the company's recent purchase of Charlotte-based Snyder's-Lance in a $50-a-share, all-cash deal. That has been an area of growth for food brands, as Americans are more frequently eating on the go but also looking for more health-conscious options.

Still, there were a few silver linings to Campbell's recent report (h/t Reuters). Net sales beat estimates marginally, helped by a rise in demand for its Pepperidge Farm subsidiary. Also for the quarter, the company posted a profit of $285 million, or 95 cents a share, compared to $101 million, or 33 cents a share, a year before. When adjusted for the impact of the recent overhaul of the tax code and impairment charges, the company brought in $1 a share in adjusted profit, above the 82 cents a share expected by analysts.

Document NYCBJO0020180216ee2g0005n

Campbell ’s CEO Denise Morrison brings big ideas to Big Food

Bill Giebler
1,423 words
15 February 2018
New Hope
NTBSJL
New Hope
English

You’ve probably heard of \b Campbell\b0 Soup Company. While not the oldest food giant in America (General Mills and Procter & Gamble have it beat there) and not the largest (running roughly an eighth of both PepsiCo and P&G’s revenues), it’s certainly among the most iconic.

Still, the position the company takes today is with feet in the present and eyes on the future. Easier said than done in a business climate of quarterly returns and short-term thinking.

Staying relevant in the fast-changing food and beverage world requires creative strategy. There’s no room for status quo—especially when this company’s status is part of the ‘Big Food’ establishment that consumers seek to escape by purchasing natural, organic, craft and artisanal foods.

Campbell isn’t the only large company looking at upstart organic companies for acquisition. They all are. What might set Campbell apart is the way it’s allowing the new wave of food values to infuse even its legacy brands—and do so true in a manner true to the founding values of the company—bringing authenticity to the company overall.

This agility and focus on core values point to great leadership, which points to President and CEO Denise Morrison, recipient of this year's NBJ Management Achievement award.

"I have nothing but positive things to say about Denise," says John Foraker. The former Annie's president understands the Big Food world from his three years with General Mills. "Denise is a courageous CEO who I really admire. I know many of my peers do as well. She has been a real leader navigating Campbell's through the choppy waters of rapidly changing consumer food values here in the U.S."

Morrison became CEO of Campbell in 2011—after eight years with the company and 30 years in the industry with Kraft, Nabisco, Nestlé, Pepsi and Procter & Gamble—making her mark in an industry where the C-suites are still dominated by men.

In just a few years, we've seen a conventional legacy company become fresh and relevant.

Part of our decision to recognize Morrison is that the choice honors the profound impact the natural products industry has had on the food and beverage world. Without the seeds planted by the pioneering brands of our industry, and the disruptive new brands that carry the torch, the inspiring, wellness-focused maps and charts by which Morrison navigates would not exist.

Listening to consumers

"Denise is a courageous visionary leader at this time of massive change in the world of food and beverage," says Neil Grimmer. Grimmer's fresh organic baby food company Plum Organics was acquired by Campbell in 2013, a key move toward more wholesome foods.

Morrison's ability to navigate this massive change comes largely from her ability to pay attention, says Grimmer. "The consumer comes first in every decision you make," Grimmer says, calling that a value he shares with Morrison. "And while it sounds intuitive that any business leader would make that a core priority of their decision making, oftentimes that's not part of the calculus."

Morrison points to the company's purpose statement, "Real food that matters for life's moments." The statement, developed in 2014 under her leadership, is rooted, Morrison says, "in our belief in the power of food to connect people. So, we listen closely and carefully to them."

Listening to customers, to a large degree, means listening to millennials. "Every year we talk to thousands of consumers. It's part of our company's DNA," she says.

Morrison started a mentoring program for the next generation of female leaders and entrepreneurs. Even here, she finds consumer wisdom. "While we're together, it's a chance for me to get to know our millennial consumers."

"The first thing she said to me was radically different than any conversation I'd had with any multinational food CEO," Grimmer recalls of his first meeting with Morrison, as the company considered acquiring Plum. "She said to me, 'my grandkids are Plum babies, they're not Gerber babies.'" That "lens of personal experience" in acquisition shows a consumer view, says Grimmer. "But it's more than that. She has a deep, passionate engagement with the work she does, the food she serves, and ultimately the people she's in service to."

GMO, GMA

Listening to consumers has the company making bold departures from traditional thinking among big food companies. This is evident, says Foraker, in the "very courageous" steps Morrison took to re-position the Campbell's portfolio through key acquisitions and in policy positions like supporting on-pack GMO labeling and Campbell's departure from the Grocery Manufacturing Association. It's telling that the company joined the Plant Based Foods Association (PBFA), recipient of this year's NBJ Efforts on Behalf of the Industry Award. PBFA Executive Director Michele Simon said the move "shows that the company realizes that there's a consumer shift going on and that they want to keep up."

About GMO labeling, Simon says that Campbell was among the many companies resisting that transparency but was early to realize that position was no longer tenable. "So, I'd say that being one of the first to break out of that losing position was a positive sign."

Eyes on the future

In 2016, Campbell's leadership team employed "dynamic foresight," to look beyond a typical five-year horizon, says Morrison. The goal was developing strategies to navigate the interplay "of real food, health and well-being, and technology."

Multiple lenses were employed, including market, consumer and technology trends, alongside cultural and ethnographic data. Campbell called on futurists, academics, chefs, designers, nutritionists and anthropologists. Morrison likens this kind of foresight to an advanced radar system, calling it "a systematic approach to understanding and anticipating how changes taking place today will present disruptions and opportunities for our business tomorrow."

"Foresight is a mindset," Morrison continues. "It's a journey, but it's also an outcome."

Again, Grimmer is both witness to and evidence of this. "Denise has been very focused on looking at the intersection of food, health and technology as part of her strategic compass," he says. His latest venture, NBJ Innovation Award-winning personalized nutrition pioneer Habit, has received substantial investment from Campbell.

In 2016, Campbell formalized its investment strategy by creating Acre Venture Partners. The fund has invested in Farmer's Business Network and Back to the Roots, among other startups. Campbell provides these companies with financial support, creative encouragement and strategical counseling.

Yet, Morrison sees all this futurism and investment as consistent with what Campbell has done since day one. Founder Dr. John Dorrance, she says, sought to satisfy three objectives: using ingredients they would serve at home in an appealing combination at affordable prices.

The company still assesses strategy on variations of these principles, Morrison says. "We believe we have a duty to address this in a way that benefits society by continuing to improve the quality of our products and make healthier, nutritious food more accessible and affordable to more people."

Blessed that Campbell's name and logo are among the best known in the world, Morrison also sees a potential curse. "It's only a curse if we take it as permission to stand still and accept the status quo," she says. "It's actually a blessing if we take it as a challenge to reinvent what the company stands for and forge ahead to keep our iconic status with a new generation of consumers. That's why we're focused on defining the future of real food."

"Most notably," Morrison says, "we've invested $50 million to make our food more real. This mindset has led us to add positive nutrients to our products, such as vegetables and whole grains, to remove artificial flavors and colors, and BPA from our can liners."

Being real and being big can coexist, Morrison believes. "Our goal is to be the leading health and well-being company," Morrison says. Such an ambitious goal will require a balance of internal innovation and strategic, economically-sound acquisitions. The company, and its dynamic leader, are poised to do it.

"We are inspired by our heritage, clear-eyed about the present and focused on defining the future of real food," Morrison says.

This article is from the February issue of Nutrition Business Journal. Download the full issue with all of the 2017 NBJ Award winners for free here.

Document NTBSJL0020180215ee2f0008e

News
Campbell Soup factory in Toronto to close

Brennan Doherty
438 words
24 January 2018
The Toronto Star
TOR

English

Campbell Soup will close its factory in Toronto within the next 18 months and shift production to the U.S., a move that will leave 380 workers here without a job.

The factory, on Birmingham St. in Etobicoke, first opened in 1931. It is to close in several stages, according to a statement Wednesday from **Campbell**'s.

Ana Dominguez, president of Campbell's operations in Canada, said the decision to close the Toronto plant is partially based on the company's over-production of soup.

“Simply put, we are in a situation where we can produce a lot more soup than we can sell,” she said in an interview.

The Toronto plant is also the smallest and oldest of Campbell's plants in Canada, Dominguez said. A statement from the company about the closure stated that it “cannot be retrofit in a way that is competitively viable.”

The decision comes as sales of Campbell Soup plummet due to what the company claims is a shift in the public's tastes. Last year, Campbell's CEO Denise Morrison told the Associated Press that people have increasingly chosen fresh produce over canned soup.

But Dominguez said Campbell's is also trying to diversify the companies it holds, and cited the recent purchase of Pacific Foods last December — a major organic food company — as an example.

“It's about adapting our business to respond to what consumers are looking for,” she said.

The company statement said the shutdown comes as part of a multi-year plan to cut costs, which it says has been accomplished to the tune of about $345 million.

Three U.S. factories — in Maxton, N.C.; Napoleon, Ohio; and Paris, Texas — will be taking up the slack after Toronto's factory closes.

Campbell's said it would offer laid-off Toronto employees job counselling, referral services and other supports. Nonetheless, Dominguez acknowledged that announcing the layoffs was hard.

“It's been a tough day for us. We just gave some very tough news to very great people here at the company,” she said.

In the meantime, Campbell's said it will be moving its Canadian headquarters — and about 200 jobs — to a new, unspecified location in the GTA over the next several months. The company also said it would be opening a “food innovation centre.”

Dominguez insisted that the company will continue to have a strong presence in Canada.

About 18,500 people work for Campbell's worldwide.

Campbell Soup announced the closure of its Toronto plant Wednesday and it promised to relocate its Canadian headquarters to the GTA.

Document TOR0000020180129ee1o000ul

Campbell Soup to relocate Canadian HQ & close Toronto plant, impacting nearly 400 jobs

Kenneth Hilario
805 words
25 January 2018
Philadelphia Business Journal Online
PHIBJO
English

Campbell Soup Co. is making significant moves in Canada — the soup giant will close its manufacturing facility in Toronto, impacting nearly 400 jobs, and it will relocate its Canadian headquarters.

The Camden, N.J., company announced it would close its manufacturing facility in Toronto to improve the operational facility of its North American thermal supply chain network.

There are nearly 600 workers in Toronto, including Campbell's Canadian headquarters, commercial operations and manufacturing functions. About 380 manufacturing and related jobs will be impacted.

Campbell Canada President Ana Dominguez informed employees.

"Despite this decision, Canada is important to Campbell," Dominguez said. "We are remaining in Canada and will continue to make important contributions to the food industry in this country."

"We're pleased with the sales gains of our simple meal products, driven by Prego, as well as sales growth in Canada in Foodservice," CEO Denise Morrison said in November 2017 during the company's first-quarter earnings call.

Morrison at the time said she was not satisfied with the first-quarter results but added "Simple Meals, Canada and Foodservice performed well and the Campbell Fresh turnaround is progressing."

Campbell in the coming months will relocate its Canadian headquarters and bring nearly 200 of the remaining roles. Site selection is underway in the Greater Toronto area, which will feature a new Food Innovation Center.

Campbell will provide severance packages to the affected employees and provide career counseling with employment advisors who will assist with job searches, resume writing and interview preparation.

Campbell will host job fairs and provide on-site financial planning workshops, among others, to assist employees with the transition.

The company does not disclose details, such as revenue, for any particular plant.

Campbell will operate the Toronto facility for up to 18 months, closing it in phases. Production will transition to three U.S. facilities in Maxton, N.J., Napoleon, Ohio, and Paris, Texas.

Outside of the United States, the company also has manufacturing facilities in Australia, Denmark, Indonesia and Malaysia. There are U.S. facilities in California, Florida, Wisconsin and Washington state, among others.

"This transition will create minimal jobs within the U.S. Our plan is to utilize existing crews and structure to manage the additional volume," spokesman Thomas Hushen told the Philadelphia Business Journal.

Campbell, to optimize its IT infrastructure, will also move certain applications to a cloud platform, enhancing the integration of applications and network service, according to a document filed with the Securities and Exchange Commission.

Campbell on Jan. 18 authorized pre-tax costs totaling $125 million to $140 million associated with the closing of the Toronto facility and optimizing IT infrastructure, according to the SEC filing.

The company expects those pre-tax costs or the additional expenses to consist of $30 million in severance pay and benefits; $65 million in accelerated depreciation of property, plant and equipment; and between $30 million and $45 million in implementation costs and other related costs, according to the filing.

Campbell will close the Toronto facility to improve operational efficiency in its North American thermal supply chain network.

Significant productivity improvements and volume declines of canned soup in North American, among other factors, resulted in excess capacity in the thermal supply chain network, according to company officials.

Campbell's U.S. sales in the first quarter of the current fiscal year were down 9 percent from a year ago.

Soup sales were hit the hardest compared to other categories because of competition, lack of product innovation and warmer winters.

"We are operating in an increasingly challenging environment as our industry’s consumer and retail landscapes continue to change dramatically," Mark Alexander, president of Campbell's Americans Simple Meals and Beverages division, said in a statement.

"This decision in no way reflects on the talent or dedication of our team at our Toronto facility, and we are committed to assisting them through this difficult transition," Alexander said.

The company announced in December 2017 it would acquire North Carolina snack companySnyder's-Lance for nearly $5 billion, resulting in snacks making up 46 percent of Campbell's annual net sales.

Closing the Toronto manufacturing facility is part of a cost-savings initiative announced back in 2015 that at the time officials said would save the company up to $325 million through fiscal 2018.

Officials have since increased that amount twice, in February 2016 and 2017; it's now up to $450 million in expected annual on-going cost savings by 2020.

The company has saved $345 million, CFO Anthony P. DiSilvestro said in November 2017 during the company's first-quarter earnings call.

Document PHIBJO0020180125ee1p0002t

Earning Estimates

Date

CPB-USA
Campbell Soup Company
Consumer Non-Durables

Target Currency: Local

Reported Currency	**USD**
Price	**41.27**
Market Val	**12407.17**

FACTSET CONSENSUS

SALES

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	8774.46	10317.87	10700.89	11309.67	12402.33
FACTSET Consensus (Median)	8690.33	10274.00	10340.80	10931.00	11153.00

EBITDA

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	1857.03	2121.26	2202.30	2058.00	2093.00
FACTSET Consensus (Median)	1853.00	2125.83	2249.00	2058.00	2093.00

EBIT

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	1484.55	1660.32	1700.36	1501.00	1494.00
FACTSET Consensus (Median)	1479.79	1663.61	1703.50	1501.00	1494.00

NET INCOME

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	943.82	974.74	1000.82	970.50	965.00
FACTSET Consensus (Median)	937.00	978.41	990.70	970.50	965.00

EPS

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	3.11	3.22	3.40	3.40	3.48
FACTSET Consensus (Median)	3.11	3.21	3.40	3.40	3.48

CAPEX

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	412.03	416.63	384.85	398.00	409.00
FACTSET Consensus (Median)	422.09	430.50	368.00	398.00	409.00

DIVIDEND PER SHARE

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	1.45	1.53	1.53	#VALUE!	#VALUE!
FACTSET Consensus (Median)	1.42	1.49	1.51	#VALUE!	#VALUE!

NAVPS

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	-	-	-	-	-
FACTSET Consensus (Median)	-	-	-	-	-

BOOK VALUE PER SHARE

	07/2018	07/2019	07/2020	07/2021	07/2022
FACTSET Consensus (Mean)	5.60	7.30	8.80	-	-
FACTSET Consensus (Median)	6.83	8.43	10.20	-	-

Equity Research Reports

BARCLAYS

Equity Research
Consumer | U.S. Food
5 April 2018

Campbell Soup

Management Meeting Tidbits

Over the last two days, we had the opportunity to host members of CPB's senior management team for investor meetings. Attending from the company were CFO Anthony DiSilvestro and VP, Finance Strategy and Investor Relations Ken Gosnell. Below is a summary of the key points, which include LNCE integration, soup stability in FY19 and potential for incremental pricing.

Nine days in but so far so good... Although it has only been nine days since LNCE was officially acquired, in our view, CPB remains confident in the performance of the business, its ability to smoothly integrate this asset, and its synergy/cost savings target. That is, there have been no surprises with respect to fundamentals, CPB has a dedicated integration team in place for the next 24 months and the company has combed "line by line" through LNCE's cost savings program.

More Optimistic on a Stable FY19 in U.S. Soup (but don't call it a rebound...) It appears that CPB and a key retailer have reached more of a middle ground for F2H18 (with both parties having learned from the experience), which is resulting in a normalized level of merchandising activity. While CPB is just now entering joint business planning sessions with respect to FY19, we believe the company is somewhat more optimistic in a return to a normal cadence of soup promotional activity but would expect more stability in US Soup rather than a significant rebound -- as some above the line trade spend associated with a return to merchandising activity could mute volume gains, in our view.

Safety in Numbers? We believe CPB sees the next six to twelve months as a critical "test" with respect to ability of the industry to take inflation-based pricing in what is now a more competitive environment. That is, we could see a wave of pricing actions from multiple players, which could lead to safety in numbers, so to speak. Notably, we believe CPB may well be getting to the point where it would need to take a look at incremental pricing to avoid margin degradation.

CPB: Quarterly and Annual EPS (USD)

	2017	2018			2019			Change y/y	
FY Jul	Actual	Old	New	Cons	Old	New	Cons	2018	2019
Q1	1.00A	0.92A	0.92A	0.92A	N/A	N/A	1.02E	-8%	N/A
Q2	0.91A	1.00A	1.00A	1.00A	N/A	N/A	0.95E	10%	N/A
Q3	0.59A	0.61E	0.60E	0.62E	N/A	N/A	0.67E	2%	N/A
Q4	0.52A	0.57E	0.53E	0.59E	N/A	N/A	0.64E	2%	N/A
Year	3.04A	3.10E	3.05E	3.15E	3.33E	3.23E	3.28E	0.33%	6%
P/E	14.2		14.2			13.4			

Source: Barclays Research.
Consensus numbers are from Thomson Reuters

Stock Rating	UNDERWEIGHT
	Unchanged
Industry View	NEUTRAL
	Unchanged
Price Target	USD 47.00
	Unchanged

Price (04-Apr-2018)	USD 43.23
Potential Upside/Downside	+8.7%
Tickers	CPB

Market Cap (USD mn)	12996
Shares Outstanding (mn)	300.63
Free Float (%)	58.07
52 Wk Avg Daily Volume (mn)	2.4
52 Wk Avg Daily Value (USD mn)	116.49
Dividend Yield (%)	3.3
Return on Equity TTM (%)	54.51
Current BVPS (USD)	6.45

Source: Thomson Reuters

Price Performance	Exchange-NYSE
52 Week range	USD 59.14-40.99

Link to Barclays Live for interactive charting

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U.S. Food — **Industry View: NEUTRAL**

Campbell Soup (CPB)

Stock Rating: UNDERWEIGHT

Income statement ($mn)	2017A	2018E	2019E	2020E	CAGR
Revenue	7,890	8,711	10,421	10,706	10.7%
EBITDA (adj)	1,808	1,839	2,115	2,291	8.2%
EBIT (adj)	1,490	1,460	1,688	1,852	7.5%
Pre-tax income (adj)	1,377	1,238	1,277	1,446	1.6%
Net income (adj)	932	917	958	1,085	5.2%
EPS (adj) ($)	3.04	3.05	3.23	3.69	6.8%
Diluted shares (mn)	310	301	297	294	-1.8%
DPS ($)	1.40	1.40	1.47	1.54	3.3%

Margin and return data					Average
Gross margin (%)	37.1	35.7	36.0	36.5	36.3
EBITDA (adj) margin (%)	22.9	21.1	20.3	21.4	21.4
EBIT (adj) margin (%)	18.9	16.8	16.2	17.3	17.3
Pre-tax (adj) margin (%)	N/A	N/A	N/A	N/A	N/A
Net (adj) margin (%)	11.8	10.5	9.2	10.1	10.4
ROIC (%)	20.9	21.1	22.0	21.9	21.5
ROA (%)	12.0	11.4	10.8	11.2	11.4
ROE (%)	58.7	49.7	43.2	39.8	47.8

Balance sheet and cash flow ($mn)					CAGR
Cash and equivalents	319	176	-290	-72	N/A
Total assets	7,726	8,378	9,289	10,013	9.0%
Short and long-term debt	3,536	3,502	3,468	3,434	-1.0%
Total liabilities	6,081	6,330	6,902	6,953	4.6%
Net debt/(funds)	3,217	3,326	3,758	3,506	2.9%
Shareholders' equity	1,645	2,048	2,387	3,061	23.0%
Change in working capital	-53	-130	-208	-179	N/A
Cash flow from operations	1,291	1,203	977	1,693	9.4%
Capital expenditure	-338	-425	-508	-522	N/A
Free cash flow	953	778	468	1,170	7.1%

Valuation and leverage metrics					Average
P/E (adj) (x)	14.2	14.2	13.4	11.7	13.4
EV/sales (x)	2.1	1.9	1.6	1.5	1.8
EV/EBITDA (adj) (x)	9.0	8.9	7.9	7.2	8.2
Equity FCF yield (%)	4.0	2.7	0.3	5.6	3.2
P/BV (x)	8.1	6.4	5.4	4.1	6.0
Dividend yield (%)	3.2	3.2	3.4	3.6	3.4
Total debt/capital (%)	68.2	63.1	59.2	52.9	60.9
Net debt/EBITDA (adj) (x)	5.7	1.8	1.8	1.5	2.7

Selected operating metrics					Average
Organic sales growth (%)	-2.0	-1.1	1.1	2.7	0.2
Volume growth (%)	-1.0	-1.2	1.6	2.3	0.4
Price growth (%)	-1.0	0.1	-0.5	0.5	-0.2

Price (04-Apr-2018)	USD 43.23
Price Target	USD 47.00

Why Underweight? While we applaud CPB's more realistic portfolio view and more aggressive costs savings programs, we remain on the sidelines due to an already full valuation.

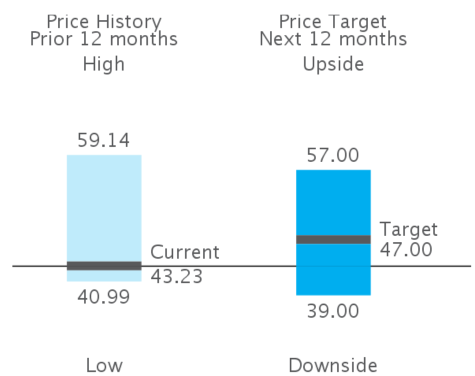
Upside case USD 57.00

If CPB is effective in reversing some of the top-line softness in its business, and sees further cost savings in the near-term, we see the potential for upside CY18 EPS of $3.40. A 16.8x P/E multiple nets a value of $57 per share.

Downside case USD 39.00

If CPB is unsuccessful in stimulating its growth in its business and is forced to further increase its level of reinvestment, we see the potential for a downside case CY18 EPS result of $3.00. Assuming a 13.0x P/E multiple nets a value of $39 per share.

Upside/Downside scenarios



Source: Company data, Barclays Research
Note: FY End Jul

What to do with the stock

We are adjusting our EPS estimates to now account for the recently closed LNCE transaction, along with some changes to our underlying assumptions. Specifically, we are lowering our underlying FY19 EPS from $3.33 to $3.18, which reflects some changes to our tax rate and interest rate forecasts, in addition to a modest adjustment to our underlying EBIT growth estimate, as we now look for +0.5% YOY EBIT growth (vs. +2.2% YOY previously).

Separately, as a result of the LNCE acquisition closing on 03/26/18, we now look for FY18 EPS of $3.05 (vs. $3.10 previously). This dilution is primarily related to the incremental deal interest expense and some amortization step-up, as we believe synergies are not likely to start to significantly manifest until FY19. With regards to FY19 EPS, we would note that CPB's guidance calls for "modest" accretion. As such, we forecast +$0.05 FY19 EPS accretion (~2%), which leads to our all-in EPS of $3.23 -- or +6% YOY growth (off our lower FY18 base).

We are maintaining our $47 price target, which is now predicated on a 14.9x P/E multiple on our updated CY18 EPS estimate of $3.16 (vs. a 14.5x P/E multiple on our previous CY18 EPS estimate of $3.24) – a -6% discount to the group.

In sum, we continue to see FY19 as a year of transition in which there are many moving pieces to manage, including the complex integration of the recently closed LNCE deal, stabilizing its core soup franchise (following what we hope to be an anomalous soup season at its largest customer), working through an increasingly inflationary environment (which we think could require additional pricing actions) and returning its C-Fresh division to profitability.

Nine days in but so far so good…

Although it has only been nine days since LNCE was officially acquired, in our view, CPB remains confident in the performance of the business, its ability to smoothly integrate this asset, and its synergy/cost savings target.

With respect to the performance of the business, we believe there was some investor concern following LNCE's recent F4Q17 results. Specifically, LNCE reported FY17 EBITDA and EPS below its guidance range ($293mm in EBITDA vs. guidance of $305-$320mm and $1.08 in EPS vs. guidance of $1.12-$1.17). With this in mind, we would note that it does not seem that there have been any surprises with respect to fundamentals. That is, though CPB did lower its deal accretion at CAGNY – from +5-7% accretion for FY19 EPS and +15-20% accretion by FY21 (an implied +$0.45-$0.60, by our estimate) to "modestly accretive" to FY19 EPS and +$0.40-$0.55 EPS accretion by FY21 – this change was all due to higher interest rates.

On the integration front, following a number of deals in which CPB has had some difficulties and needed to climb a steep learning curve, so to speak, we would highlight that the LNCE asset differs in a key way. Specifically, given CPB already has a snacks business and experience running DSD systems, LNCE is a much more similar business to CPB, whereas the prior acquisitions required knowledge of a new process, temperature state, and distribution method. That said, CPB plans to have a 30-40 person cross-functional integration team solely focused on LNCE for approximately 24 months, which will be separate from the day to day operations team.

Importantly, the economics of this deal are predicated on CPB's ability to extract cost savings/synergies (as opposed to incremental revenue opportunities -- though we believe CPB does see some potential synergies on this front, as we discuss below). Recall that when the deal was first announced, CPB forecasted ~+$170mm in cost synergies and also expected to realize ~+$125mm of the +$175mm cost savings program that LNCE proposed for its own business. Against this backdrop, we would note that CPB has had a strong track record driving costs out of its own business, with the company continuing to target +$500mm in cost savings by FY20 -- almost double its original estimate. Meanwhile, with respect to underwriting cost savings targeted by the legacy LNCE management team (as a result of its own restructuring), we would note that a decent portion of these planned actions have already been taken. Further, we believe that as CPB combed through LNCE's proposed cost savings program (which we believe was well over +$200mm internally vs. the publicly stated +$175mm) "line by line", it gave credit for areas that were high confidence and similar to its own cost program (such as organizational structure changes, ZBB, and procurement work), and no credit in more difficult areas (such as DSD efficiency measures or trade spend optimization).

Notably, though CPB plans to maintain three separate and distinct DSD systems, we believe all three systems can be run on one back-end organizational structure, with the savings from distribution still likely significant as a result of warehouse and depot consolidation.

With respect to potential revenue synergies, we believe CPB sees three key buckets driving Global Biscuits and Snacking segment growth above the corporate-wide +1-3% YOY long term top-line growth algorithm. First, there are likely distribution white space opportunities given CPB over-indexes to the FDM channel and LNCE over-indexes to the convenience store and natural food channels. Second, there are likely innovation opportunities for which LNCE's manufacturing capability could provide the unlock, such as Goldfish sandwich crackers. And, third, there are certain brands in the LNCE portfolio, such as Late July, that could potentially be extended into multiple, complementary categories (i.e. biscuits), where CPB already has quite a bit of experience.

All said, we would note that even when fully crediting the +$295mm in costs savings/synergies, LNCE's margins would still be below CPB's Pepperidge's U.S. margins, which we believe provides management with some level of comfort in the achievability of its plan.

More optimistic on an FY19 U.S. soup rebound (but don't call it a rebound...)

Recall that on its F4Q17 conference call, CPB indicated that it did not anticipate its U.S. Soup business to grow in the FY18 soup season given it was unable to come to a promotional agreement with a key customer – which, to us, was an unprecedented expectation ahead of CPB's key soup season. Since then, as anticipated, CPB's FY18 has been pressured, as higher shelf prices and little merchandising activity have contributed to a -9% YOY and -7% YOY decline in soup sales in F1Q18 and F2Q18, respectively.

In our view, part of the impetus for this situation could well have been the progress of said retailer's private label broth – a category that can be tougher to differentiate and where branded / private label price gaps matter most. As such, we believe this outcome has been a bit of a wakeup call for CPB and would expect some further branded innovation (with both Swanson and its recently acquired Pacific brand) and narrower price gaps in broth.

That said, we believe that this key customer did lose sales and share in the soup category compared to other retailers as a result of its private label push. As such, it seems to us that this has helped the two parties to reach more of a middle ground, so to speak, which is resulting in a more normal cadence of merchandising activity in CPB's F2H18 (even though it is occurring out of the key selling season for soup). The key question, however, is what this process could ultimately look like for CPB's FY19. We believe CPB will be in its joint business planning process over the next month or so, and while visibility is still somewhat limited, we would not be surprised to see a return to a more normal cadence of soup promotional activity moving forward – a prospect for which we believe management is increasingly optimistic. Importantly, we don't see this as driving a huge rebound in soup sales, as CPB could see a healthy rise in YOY volume (given the easier YAG comps), that is somewhat muted by above the line trade spend associated with the return to a more normal (by historic standards) level of promotional activity. As such, at this stage, we believe a more stable YOY trend in U.S. soup for FY19 (admittedly off a lower base) would be a more likely, and still more positive, scenario.

Safety in numbers?

Against a backdrop of rising inflation, due to both commodity inputs and a spike in freight and transportation costs (the latter of which we believe is not expected to abate in the near-term), we believe the broader investment community remains concerned over whether the packaged food group can use pricing as one lever to combat inflation (as it has done successfully in the past). We would note that many packaged food manufacturers have forecasted inflation in a +MSD YOY range, which is still far below the double-digit levels seen in 2008 and 2011, to which the industry was able to follow with pricing. To be sure, we understand that pricing in earlier timeframes may have been "easier", as volume trends were not as anemic as today and retailers were under less pressure from online players and hard discounter, but, in our view, pricing has never been "easy" (and needs to be justified and taken in conjunction with aggressive cost work and margin enhancing innovation). With this in mind, we believe CPB sees the next six to twelve months as a critical time with respect to ability of the industry to take pricing. That is, if inflation costs warrant it, then we could likely see a wave of pricing actions from multiple industry players, which could lead to safety in numbers, so to speak.

Notably, we believe that if CPB's inflation level lands in the +2-3% YOY range, the company could well manage through this with little to no pricing, as it generally drives incremental productivity around ~+3% of COPS each year. However, we believe the company is seeing inflation in meat and dairy (butter, for example, which is a key input in the Kelsen business, has doubled in price), in addition to steel and aluminium -- and could well be getting to the point where it will likely need to take a look at incremental pricing in order to avoid margin degradation. On this, we would not be surprised if the company opts to pull other price levers, such as price pack architecture. For example, CPB now has the ability to adjust the height of its cans, as it did with the recently launched Well Yes! product.

Meanwhile, we would note that there still remains some uncertainty around the potential impact from steel and aluminium tariffs -- with the former potentially more impactful to CPB. Specifically, we believe CPB buys ~$300mm worth of steel cans, with one half of this cost bucket related to tin plate (i.e. the input to the cans) and one half related to conversion costs. Of the ~$150mm that is tin plate, we believe one half is sourced in the U.S., with the other half largely sourced from Canada. Though Canada is likely exempt from tariffs, importantly, what is less well known is what domestic (and Canadian) producers ultimately do with their pricing given the likely higher prices of imported steel. That is, to the extent that a tariff raises the price of imported steel, we believe it is possible the entire market resets to this higher price, thereby rendering CPB's domestic and Canadian sourcing a moot distinction. As such, we believe this topic remains a watch-out for CPB.

A fresh start for C-Fresh...

Notably, it seems to us that CPB continues to find that the majority of the significant supply chain issues on carrots and the CPG business are in the past. That is, service levels are now back to the high 90%s (vs. below 70% level at one point) for the carrot business, while new capacity is up and running for the beverage business.

That said, we believe CPB continues to see a shift from super-premium (i.e. products akin to CPB's 100% fruit juice smoothie) to ultra-premium drinks (i.e. products akin to CPB's 1915 line) in the premium juice category. As such, in keeping with consumer preferences, the company is migrating its product offering to address this shift, with the introduction of its "B" line (juice smoothies with less sugar) and expanded offering within its 1915 line (i.e. plant based protein and probiotics) -- SKUs which just launched at the end of February.

Importantly, though CPB management still sees a 10% EBIT margin for its C-Fresh business as a reasonable target, we believe this expected over time. FY18 is really the first year CPB is taking its successful productivity process to the C-Fresh division, where it expects to drive about +4% of COPS in incremental productivity this year and plans for +3-4% in FY19. Plus, CPB looks to do a better job on price realization in carrots, a category that has not seen any pricing for the past 10-15 years, despite higher costs for land, water, among others. As such, we believe the goal in the near term is just to return this business to a reliable profit contributor.

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Primary Stocks (Ticker, Date, Price)

Campbell Soup (CPB, 04-Apr-2018, USD 43.23), Underweight/Neutral, A/CD/CE/D/J/K/L/M

Prices are sourced from Thomson Reuters as of the last available closing price in the relevant trading market, unless another time and source is indicated.

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U.S. Food

B&G Foods (BGS)	Blue Buffalo Pet Products Inc. (BUFF)	Campbell Soup (CPB)
Conagra Brands (CAG)	General Mills (GIS)	Hain Celestial (HAIN)
Kellogg Co. (K)	Lamb Weston Holdings, Inc. (LWWI)	McCormick & Co. (MKC)
Mondelez International (MDLZ)	Pinnacle Foods., Inc. (PF)	Post Holdings, Inc. (POST)
The Hershey Company (HSY)	The J.M. Smucker Company (SJM)	The Kraft Heinz Company (KHC)
TreeHouse Foods (THS)		

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IMPORTANT DISCLOSURES CONTINUED

Campbell Soup (CPB / CPB)	Stock Rating	Industry View
USD 43.23 (04-Apr-2018)	**UNDERWEIGHT**	**NEUTRAL**

Rating and Price Target Chart - USD (as of 04-Apr-2018)

Source: IDC, Barclays Research

Currency=USD

Publication Date	Closing Price	Rating	Adjusted Price Target
22-Nov-2017	46.77		47.00
01-Sep-2017	45.40		50.00
21-Jul-2017	52.00		55.00
17-Feb-2017	58.48		59.00
23-Nov-2016	56.82		60.00
02-Sep-2016	57.73		58.00
21-Jul-2016	63.34		61.00
26-Feb-2016	61.98		58.00
15-Jan-2016	52.99	Underweight	50.00
25-Nov-2015	52.52		49.00
10-Apr-2015	45.82		45.00

On 05-Apr-2015, prior to any intra-day change that may have been published, the rating for this security was Equal Weight, and the adjusted price target was 41.00.

Source: Thomson Reuters, Barclays Research

Historical stock prices and price targets may have been adjusted for stock splits and dividends.

Link to Barclays Live for interactive charting

A: Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of Campbell Soup in the previous 12 months.

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M: Campbell Soup is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

Valuation Methodology: Our $47 price target represents an 14.9x P/E multiple on our CY18 EPS estimate of $3.16.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Key risk factors include consumer acceptance of new products (premium and low-sodium soups) & existing products, unusually warm weather, competitive pricing environment, raw material cost inflation (e.g. corrugated packaging, fuel and others), continuity of management, effectiveness of marketing & advertising, foreign currency translation, ongoing retailer consolidation, geo-political & economic stability, and labor negotiations.

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Campbell Soup Company

Updating estimates for LNCE transaction

Reiterate Rating: NEUTRAL | PO: 46.00 USD | Price: 42.69 USD

Equity | 27 March 2018

CPB purchase of LNCE

On Monday, March 25th, CPB closed on its acquisition of Snyder's-Lance (LNCE). CPB paid $50 per share for LNCE for a transaction value of $6.1bn and 19.9x trailing EV/EBITDA. LNCE is a transformational deal as it alters CPB's sales mix to skew more to snacks (~46% on a pro-forma basis) and less reliant on soup (27% of newco sales mix). Acquiring LNCE is consistent with management's strategy to use strategic M&A to expand into faster growing areas within packaged foods (e.g. snacking, health & wellness, emerging markets). LNCE should take pressure to grow off of the Simple Meals and C-Fresh businesses. We see upside potential if CPB can leverage its consumer insights and broader distribution reach to drive incremental sales growth across the entire portfolio and drive cost savings to the bottom line. Key risks related to the transaction in our view are 1) elevated debt levels (4.8x EV/EBITDA), 2) A complex integration which includes both an integration within LNCE as well as LNCE with CPB, 3) Relatively high gross synergy/cost savings targets ($295m), and 4) An extremely competitive snacking environment.

Updating our estimates for the transaction

We update our model to incorporate LNCE. Our FY18E EPS estimate of $3.10 is unchanged while our FY19E increases from $3.20 to $3.26 (at CAGNY management indicated the deal would be modestly accretive in FY19). Our FY20E EPS increases from $3.34 to $3.48. Key assumptions in our model are 1) interest rate of 3.8%, 2) net synergies of 25%, and 3) underlying LNCE sales growth of 1%-2%.

Reiterate Neutral rating/ reduce PO from $50 to $46

We are lowering our PO from $50 to $46 and our target multiple from 16x to 14x FY19E EPS. The lower multiple reflects the recent de-rating of food industry valuations (currently trading at 14.8x CY19) and assumes a 5% discount to the peer group. In our view the discount is warranted as CPB will have limited financial flexibility in the near term as it de-levers post transaction. We will need to see evidence of a successful integration of LNCE, which could be a potential driver of upside over time.

Estimates (Jul)

(US$)	2016A	2017A	2018E	2019E	2020E
EPS	2.94	3.04	3.10	3.26	3.48
GAAP EPS	1.81	2.91	3.04	3.26	3.48
EPS Change (YoY)	10.9%	3.4%	2.0%	5.2%	6.7%
Consensus EPS (Bloomberg)			3.14	3.25	3.39
DPS	1.34	1.39	1.50	1.61	1.73

Valuation (Jul)

	2016A	2017A	2018E	2019E	2020E
P/E	14.5x	14.0x	13.8x	13.1x	12.3x
GAAP P/E	23.6x	14.7x	14.0x	13.1x	12.3x
Dividend Yield	3.1%	3.3%	3.5%	3.8%	4.1%
EV / EBITDA*	10.1x	9.9x	10.1x	8.5x	8.3x
Free Cash Flow Yield*	8.4%	7.2%	5.7%	6.7%	8.9%

* For full definitions of *iQmethod* SM measures, see page 9.

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Timestamp: 27 March 2018 09:22PM EDT

Key Changes

(US$)	Previous	Current
Price Obj.	50.00	46.00
2018E Rev (m)	7,896.4	8,608.0
2019E Rev (m)	8,073.4	10,452.1
2020E Rev (m)	8,174.0	10,576.5
2019E EPS	3.20	3.26
2020E EPS	3.34	3.48

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Stock Data

Price	42.69 USD
Price Objective	46.00 USD
Date Established	27-Mar-2018
Investment Opinion	B-2-7
52-Week Range	40.99 USD - 59.14 USD
Mrkt Val (mn) / Shares Out (mn)	13,319 USD / 312.0
Average Daily Value (mn)	156.03 USD
BofAML Ticker / Exchange	CPB / NYS
Bloomberg / Reuters	CPB US / CPB.N
ROE (2018E)	49.8%
Net Dbt to Eqty (Jul-2017A)	195.6%

iQprofile SM Campbell Soup Company

*iQ*method SM – Bus Performance*					
(US$ Millions)	**2016A**	**2017A**	**2018E**	**2019E**	**2020E**
Return on Capital Employed	14.8%	15.7%	16.2%	12.4%	9.9%
Return on Equity	62.8%	58.6%	49.8%	41.8%	36.8%
Operating Margin	18.4%	18.9%	17.1%	15.9%	16.4%
Free Cash Flow	1,122	953	753	894	1,181

*iQ*method SM – Quality of Earnings*					
(US$ Millions)	**2016A**	**2017A**	**2018E**	**2019E**	**2020E**
Cash Realization Ratio	1.6x	1.4x	1.3x	1.5x	1.6x
Asset Replacement Ratio	1.1x	1.1x	1.5x	1.2x	1.2x
Tax Rate	32.6%	32.4%	25.8%	24.0%	24.0%
Net Debt-to-Equity Ratio	211.2%	195.6%	176.5%	370.8%	291.4%
Interest Cover	13.2x	13.2x	7.0x	4.5x	4.9x

Income Statement Data (Jul)					
(US$ Millions)	**2016A**	**2017A**	**2018E**	**2019E**	**2020E**
Sales	7,961	7,890	8,608	10,452	10,576
% Change	-1.5%	-0.9%	9.1%	21.4%	1.2%
Gross Profit	2,928	2,929	3,078	3,684	3,770
% Change	2.4%	0%	5.1%	19.7%	2.3%
EBITDA	1,775	1,808	1,780	2,113	2,176
% Change	9.8%	1.9%	-1.6%	18.7%	3.0%
Net Interest & Other Income	(111)	(113)	(211)	(371)	(355)
Net Income (Adjusted)	**914**	**932**	**934**	**982**	**1,046**
% Change	**10.3%**	**1.9%**	**0.2%**	**5.2%**	**6.5%**

Free Cash Flow Data (Jul)					
(US$ Millions)	**2016A**	**2017A**	**2018E**	**2019E**	**2020E**
Net Income from Cont Operations (GAAP)	563	888	934	982	1,046
Depreciation & Amortization	308	318	310	449	444
Change in Working Capital	79	(1)	(2)	(6)	228
Deferred Taxation Charge	(30)	93	(130)	0	0
Other Adjustments, Net	543	(7)	95	4	4
Capital Expenditure	(341)	(338)	(455)	(536)	(542)
Free Cash Flow	**1,122**	**953**	**753**	**894**	**1,181**
% Change	**39.9%**	**-15.1%**	**-21.0%**	**18.7%**	**32.1%**

Balance Sheet Data (Jul)					
(US$ Millions)	**2016A**	**2017A**	**2018E**	**2019E**	**2020E**
Cash & Equivalents	296	319	172	95	69
Trade Receivables	626	605	801	808	744
Other Current Assets	986	976	1,296	1,317	1,167
Property, Plant & Equipment	2,407	2,454	2,691	2,778	2,876
Other Non-Current Assets	3,522	3,372	3,890	10,090	10,090
Total Assets	**7,837**	**7,726**	**8,851**	**15,088**	**14,946**
Short-Term Debt	1,219	1,037	1,659	1,359	759
Other Current Liabilities	1,336	1,358	1,757	1,778	1,793
Long-Term Debt	2,314	2,499	2,231	8,331	8,331
Other Non-Current Liabilities	1,435	1,187	1,096	1,032	968
Total Liabilities	**6,304**	**6,081**	**6,743**	**12,500**	**11,851**
Total Equity	**1,533**	**1,645**	**2,107**	**2,588**	**3,095**
Total Equity & Liabilities	**7,837**	**7,726**	**8,851**	**15,088**	**14,946**

* For full definitions of *iQmethod* SM measures, see page 9.

Company Sector

Food Processors

Company Description

Campbell Soup is a leading global processor and marketer of soup, other simple meals, baked goods and healthy beverages. Its portfolio of well-known brands includes Campbell Soup, Pepperidge Farm, V8, Prego, and Arnotts. Ouside of the U.S. Campbell has established positions in developed markets such as France, Germany, Canada and Australia, and is currently investing to build businesses in Russia and China.

Investment Rationale

Inconsistent performance in U.S. soup, as well as the uncertainty of long-term sustainability, keeps us somewhat cautious.

Stock Data

Average Daily Volume	3,654,930

Quarterly Earnings Estimates

	2017	2018
Q1	1.00A	0.92A
Q2	0.91A	1.00E
Q3	0.59A	0.62E
Q4	0.52A	0.57E

Bank of America Merrill Lynch

Pivoting to snacks

Since taking on the role in 2012, President and CEO Denise Morrison has led CPB strategy to proactively address the evolving landscape for packaged food to adjust to consumer preferences for healthy food, convenience, value and shopping in different channels. The dual mandate for the company has been to strengthen its core and invest in growth areas. Consistent with that, and prior to the planned LNCE acquisition, CPB made ~$2bn in acquisitions while reducing costs and making necessary investments to stabilize and or grow key businesses. In 2017, the strategy was refined to reflect the more rapid changes in the consumer and retail landscape. Important changes are as follows:

- Set a goal to be the leading health and wellbeing food company. This in our view reflects a view that the company will look to accelerate product reformulations, inform its investment and M&A decisions and look to lead as channels and categories blur. It also will influence the company to increase efforts at the leading edges of wellness with investments like Habit.
- Adjusted their framework such that four strategic imperatives, snacking, real food, fresh/well-being and digital/ecommerce are incorporated enterprise wide into all three business units.
- The lens through which the company has looked as snacking has widened to incorporate non-traditional snack foods that are now eaten during snacking occasions. This is consistent with our view that a change in eating patterns combined with demand for healthier food has created a void that can be filled with more nutrient dense items. CPB plans to generate $200m of sales over the next three years with snacking positioned items.
- Diversify the portfolio in fresh foods and health and well-being. CPB currently has $1bn of revenues from fresh products and is a top ten player in organics. The C-Fresh division is being retooled to improve execution and become a more effective platform for growth. The company will also launch new products with Plum, Bolthouse, Garden Fresh and it also acquired Pacific Foods.

Focus on snacking fits the strategy

In our view the planned acquisition of LNCE fits in with CPB strategy for several reasons. 1) CPB has made ~$2.0bn of acquisitions since 2012 with a heavy focus on fresh and health and wellness. While these acquisitions have helped boost CPB exposure to health and wellness, they are not contributing as much to earnings and cash flow. 2) Changing eating patterns in the US (meals to snacks) is accelerating, LNCE provides more meaningful exposure across more categories and channels 3) If successful, more growth from a larger snack business will take pressure off the core which has been more volatile recently 4) In our view, CPB lacks the scale to make a meaningful run at emerging markets acquisitions. So a move to US snacking provides exposure to good industry profit pools in a segment where CPB has some existing scale.

Updated model/ LNCE assumption

We updated our model to incorporate the LNCE acquisition into our forecasts. Our FY18E EPS is unchanged at $3.10 (CPB will operate LNCE for 4 months in FY18). Our FY19E EPS increases from $3.20 to $3.26 and FY20E EPS from $3.34 to $3.48. Key assumptions in our forecasts are:

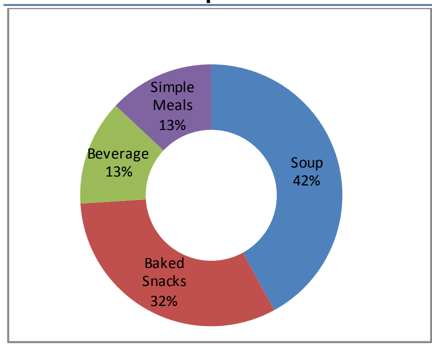
1) We assume LNCE revenue growth of 1%-2% in the integration period
2) $295m of gross cost savings ($170 synergies and $125 of “in-flight” cost saves). We assume savings are split evenly over four years (through FY22) and that 25% are re-absorbed by revenue facing spend and inflation.
3) LNCE contributes an incremental $233m of operating income in FY19

4) We assume a 3.8% interest rate on new debt of $6.1bn which results in year one interest expense of $371m

LNCE portfolio

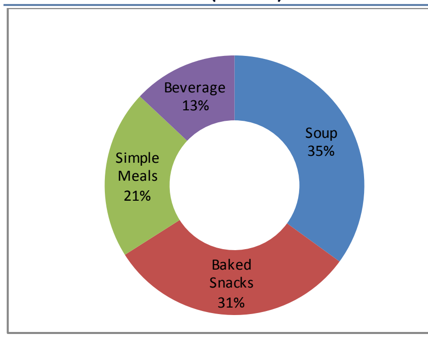
LNCE is a pure play snacking company and maintained the number 1 and number 2 position in seven of its eight core brands. Despite its focus on “premium differentiated category segments” LNCE struggled to grow strong margins as well as move its topline growth below the line to EPS. LNCE ranked 15th out its peer set of 17 with operating margins of 8.8% vs. average peers margins of 16%.

Chart 1: CPB FY11 Reported



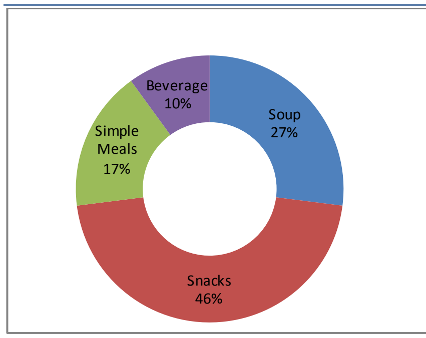
Source: CPB company report

Chart 2: CPB PF FY17 (Pacific)



Source: CPB company report

Chart 3: CPB/LNCE FY17



Source: CPB company report

Table 1: LNCE category portfolio

Category	Brand	Market Position	Market share
Pretzels	Snyder's	#1	41%
Sandwich Crackers	Lance	#1	47%
Kettle Chips	Cape Cod, Kettle Brand	#1	44%
Deli	Pretzel Chips	#1	30%
Microwave Popcorn	Pop Secret	#2	27%
Organic/Natural Tortilla Chips	Late July Snacks	#2	16%
Snack Nuts	Emerald	#4	4%

Source: LNCE investor dat presentation

Transformational Plan

Prior to the CPB deal, LNCE management set forth a transformational plan to reach 14% adjusted operating profit margin by 2020. We expect CPB to pick up elements of this plan as part of the integration. The plan consists of 1) reduce direct spending and accelerating ZBB to improve indirect costs 2) reduce manufacturing and distribution network complexity while driving productivity 3) reduce business complexity with SKU reduction 4) improving trade spend productivity 5) increase investment in core branded portfolio via working/non-working ratios and 6) improve the performance of existing IBOs and DSD network.

SG&A Expense Efficiency

Zero-based budgeting primarily refers to non-head counts indirect spend. LNCE utilizes ZBB to eliminate expenses and implement technology that will drive efficiency with a baseline of $260mn. Approximately 60% of the categories are above the median in terms of benchmark performance.

Table 2: Launched ZBB to drive OI savings

Indirect spends vs. Benchmarks	Savings
Travel	30-60%
IT	25-40%
Telecom	50-60%
People HR	25-40%

Table 2: Launched ZBB to drive OI savings

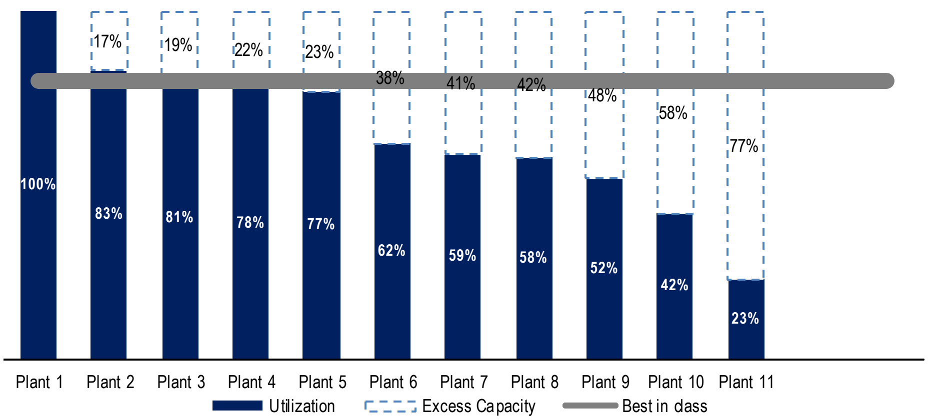
Indirect spends vs. Benchmarks	Savings
Prof Services	25-40%
Facilities/Maint.	15-20%
Office Supplies	50-60%
Real Estate	10-20%
Utilities	5-20%
Other	5-15%
Subtotal	20-30%

Source: LNCE investor day presentation

Manufacturing and Supply Chain

Seven out of 8 of LNCE's 11 plants are operating at utilization rates below 80%, which is considered best in class. Driving this rate is limited automation; LNCE cannot run the lines at full speed because they use manual labor to pack cases. Additionally, LNCE has plants and locations that are not the primary source of demand; thus, do not have enough demand to fill the plants. LNCE is looking to address and improve their footprint and improve efficiency in plants.

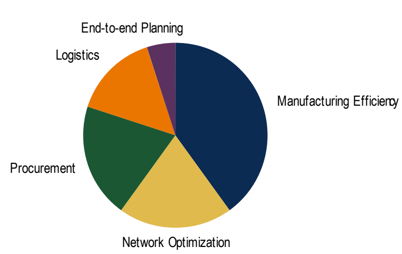
Chart 4: 2016 Utilization Rates by Facility



Source: LNCE investor day presentation

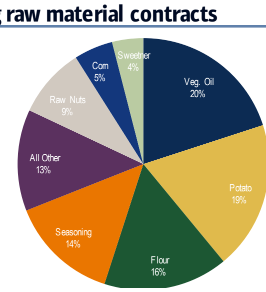
LNCE management saw an opportunity to achieve $75mn in cost savings within the supply chain with focus on manufacturing efficiency, procurement, network optimization, logistics and better end-to-end planning. The goal is to increase technology and the automation, leverage purchasing power, increase utilization of assets and improve the distribution efficiencies across the network.

Chart 5: Supply chain- unlocking $75mn



Source: LNCE investor day presentation

Chart 6: Consolidating raw material contracts

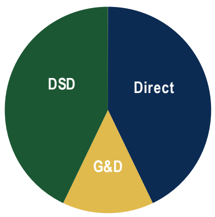


Source: LNCE investor day presentation

Route to Market

LNCE distributes its products in the US using Direct Store Delivery (DSD) network, which consists of 3,200 routes that are primarily run and operated by Independent Business Owners (IBO). In addition, LNCE ships directly to third party distributors in places where the DSD network doesn't run. When LNCE uses direct distribution they are either using freight carriers or their own transportation fleet. In Europe, primarily sell through sales personnel directly to grocery, co-op and impulse store chains. In FY17 approx. 53% of revenue was generated by products distributed through DSD and 45% of revenue through direct distribution.

Chart 7: Go to market approach



Source: LNCE investor day presentation

Exhibit 1: CPB income statement

Income Statement ($ in millions, expect per share data)	F2016	Oct-16 1Q17	Jan-17 2Q17	Apr-17 3Q17	Jul-17 4Q17	F2017	Oct-17 1Q18	Jan-18 2Q18	Apr-18 3Q18E	Jul-18 4Q18E	F2018E	Oct-18 1Q19E	Jan-19 2Q19E	Apr-19 3Q19E	Jul-19 4Q19E	F2019E	F2020E
Sales	$7,961.0	$2,202	$2,171	$1,853	$1,664	$7,890	$2,161	$2,179	$2,064	$2,204	$8,608	$2,782	$2,789	$2,659	$2,222	$10,452	$10,576
Cost Of Goods	$5,033.0	$1,351	$1,360	$1,188	$1,062	$4,961	$1,373	$1,412	$1,334	$1,411	$5,530	$1,782	$1,821	$1,731	$1,434	$6,768	$6,806
As % Sales	63.2%	61.4%	62.6%	64.1%	63.8%	62.9%	63.5%	64.8%	64.6%	64.0%	64.2%	64.0%	65.3%	65.1%	64.5%	64.8%	64.4%
Gross Profit	**$2,928.0**	**$851.0**	**$811.0**	**$665.0**	**$602.0**	**$2,929.0**	**$788.0**	**$767.0**	**$730.4**	**$792.9**	**$3,078.2**	**$1,000.7**	**$967.4**	**$927.6**	**$788.4**	**$3,684.1**	**$3,770.3**
Gross Margin	36.8%	38.6%	37.4%	35.9%	36.2%	37.1%	36.5%	35.2%	35.4%	36.0%	35.8%	36.0%	34.7%	34.9%	35.5%	35.2%	35.6%
Marketing & Selling	$852.0	$230	$240	$212	$173	$855	$219	$210	$230	$223	$881	$296	$283	$310	$235	$1,124	$1,137
As % Sales	10.7%	10.4%	11.1%	11.4%	10.4%	10.8%	10.1%	9.6%	11.1%	10.1%	10.2%	10.6%	10.1%	11.6%	10.6%	10.7%	10.7%
Administrative Exp.	$528.0	$117	$141	$135	$124	$517	$137	$139	$169	$207	$652	$184	$205	$240	$179	$808	$812
As % Sales	6.6%	5.3%	6.5%	7.3%	7.5%	6.6%	6.3%	6.4%	8.2%	9.4%	7.6%	6.6%	7.3%	9.0%	8.1%	7.7%	7.7%
R&D And Other	$81.0	$18	$14	$13	$23	$68	$15	$16	$14	$30	$76	$19	$20	$19	$31	$89	$90
As % Sales	1.0%	0.8%	0.6%	0.7%	1.4%	0.9%	0.7%	0.7%	0.7%	1.4%	0.9%	0.7%	0.7%	0.7%	1.4%	0.9%	0.9%
Operating Income	**$1,467.0**	**$486**	**$417**	**$305**	**$282**	**$1,490**	**$417**	**$402**	**$317**	**$333**	**$1,469**	**$502**	**$460**	**$359**	**$343**	**$1,664**	**$1,732**
Operating Margin	18.4%	22.1%	19.2%	16.5%	16.9%	18.9%	19.3%	18.4%	15.4%	15.1%	17.1%	18.0%	16.5%	13.5%	15.4%	15.9%	16.4%
Interest Expense	$111.0	$28	$28	$28	$29	$113	$30	$32	$57	$93	$211	$93	$93	$93	$93	$371	$355
Interest Income	$0.0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Pretax Income	**$1,356.0**	**$458**	**$389**	**$277**	**$253**	**$1,377**	**$387**	**$370**	**$261**	**$240**	**$1,258**	**$409**	**$367**	**$266**	**$250**	**$1,293**	**$1,377**
Pretax Margin	17.0%	20.8%	17.9%	14.9%	15.2%	17.5%	17.9%	17.0%	12.6%	10.9%	14.6%	14.7%	13.2%	10.0%	11.3%	12.4%	13.0%
Income Taxes	$442.0	$147	$108	$97	$94	$446	$109	$70	$76	$70	$324	$98	$88	$64	$60	$310	$330
Tax Rate	32.6%	32.1%	27.8%	35.0%	37.2%	32.4%	28.2%	18.9%	29.0%	29.0%	25.8%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Net Income - Continuing Ex Items	**$914.0**	**$311**	**$281**	**$180**	**$159**	**$931**	**$278**	**$300**	**$185**	**$170**	**$934**	**$311**	**$279**	**$203**	**$190**	**$982**	**$1,046**
Noncontrolling interest	$0.0	$0	$0	$0	$0	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Discontinued Operations (adjusted)	$0.0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net income - Total Ex Items	$914.0	$311	$281	$180	$159	$932	$278	$300	$185	$170	$934	$311	$279	$203	$190	$982	$1,046
Non-recurring items (after-tax)	($351.0)	($18)	($180)	$0	$159	($39)	($4)	($15)	$0	$0	($19)	$0	$0	$0	$0	$0	$0
Net Income - GAAP	$563.0	$293	$101	$180	$318	$893	$274	$285	$185	$170	$915	$311	$279	$203	$190	$982	$1,046
Net Margin	7.1%	13.3%	4.7%	9.7%	19.1%	11.3%	12.7%	13.1%	9.0%	7.7%	10.6%	11.2%	10.0%	7.6%	8.6%	9.4%	9.9%
Net income allocated to participated preferred	$0.0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EPS - continuing OPS	**$2.94**	**$1.00**	**$0.91**	**$0.59**	**$0.52**	**$3.04**	**$0.92**	**$1.00**	**$0.62**	**$0.57**	**$3.10**	**$1.03**	**$0.93**	**$0.67**	**$0.63**	**$3.26**	**$3.48**
EPS - Total Ex Items (incl.disc)	$2.94	$1.00	$0.91	$0.59	$0.52	$3.04	$0.92	$1.00	$0.62	$0.57	$3.10	$1.03	$0.93	$0.67	$0.63	$3.26	$3.48
EPS - GAAP	$1.81	$0.95	$0.33	$0.59	$1.04	$2.91	$0.91	$0.95	$0.62	$0.57	$3.04	$1.03	$0.93	$0.67	$0.63	$3.26	$3.48
Dividend Per Share	$1.34	$0.34	$0.34	$0.36	$0.36	$1.39	$0.36	$0.36	$0.39	$0.39	$1.50	$0.39	$0.39	$0.42	$0.42	$1.61	$1.73
Shares Outstanding	311.0	310.0	309.0	306.0	305.0	307.0	302.0	301.0	301.0	301.0	301.3	301.0	301.0	301.0	301.0	301.0	301.0
Year-Over-Year Growth	**F2016**	**1Q17**	**2Q17**	**3Q17**	**4Q17**	**F2017**	**1Q18**	**2Q18**	**3Q18E**	**4Q18E**	**F2018E**	**1Q19E**	**2Q19E**	**3Q19E**	**4Q19E**	**F2019E**	**F2020E**
Sales	(1.5%)	(0.0%)	(1.4%)	(0.9%)	(1.4%)	(0.9%)	(1.9%)	0.4%	11.4%	32.4%	9.1%	28.8%	28.0%	28.8%	0.8%	21.4%	1.2%
Operating Income	11.6%	1.5%	(1.4%)	(2.2%)	11.5%	1.6%	(14.2%)	(3.6%)	4.1%	18.0%	(1.4%)	20.3%	14.3%	13.2%	3.1%	13.2%	4.1%
Interest expense	5.7%	0.0%	3.7%	0.0%	3.6%	1.8%	7.1%	14.3%	102.1%	219.8%	87.0%	209.2%	189.8%	63.9%	0.0%	75.6%	(4.3%)
Pretax Income	12.2%	1.6%	(1.8%)	(2.5%)	12.4%	1.5%	(15.5%)	(4.9%)	(5.8%)	(5.1%)	(8.6%)	5.7%	(0.9%)	2.2%	4.2%	2.8%	6.5%
Net Income	10.3%	4.7%	3.7%	(11.3%)	11.2%	1.9%	(10.6%)	6.8%	2.9%	7.2%	0.3%	11.8%	(7.1%)	9.4%	11.6%	5.2%	6.5%
EPS - Continuing Ex Items	11.0%	5.4%	4.8%	(9.7%)	13.4%	3.3%	(8.2%)	9.5%	4.4%	8.7%	2.1%	12.2%	(7.1%)	9.4%	11.6%	5.3%	6.5%
Shares Outstanding	(0.6%)	(0.6%)	(1.0%)	(1.6%)	(1.9%)	(1.3%)	(2.6%)	(2.6%)	(1.6%)	(1.3%)	(1.9%)	(0.3%)	0.0%	0.0%	0.0%	(0.1%)	0.0%
Dividends Per share	5.5%					3.8%					7.5%					7.5%	7.5%
Margin Analysis																	
Gross margin	36.8%	38.6%	37.4%	35.9%	36.2%	37.1%	36.5%	35.2%	35.4%	36.0%	35.8%	36.0%	34.7%	34.9%	35.5%	35.2%	35.6%
bp change	*139 bp*	*120 bp*	*33 bp*	*-85 bp*	*55 bp*	*34 bp*	*-218 bp*	*-216 bp*	*-50 bp*	*-20 bp*	*-136 bp*	*-50 bp*	*-50 bp*	*-50 bp*	*-50 bp*	*-51 bp*	*40 bp*
Operating profit margin	18.4%	22.1%	19.2%	16.5%	16.9%	18.9%	19.3%	18.4%	15.4%	15.1%	17.1%	18.0%	16.5%	13.5%	15.4%	15.9%	16.4%
bp change	*217 bp*	*33 bp*	*-1 bp*	*-22 bp*	*195 bp*	*46 bp*	*-277 bp*	*-76 bp*	*-108 bp*	*-184 bp*	*-182 bp*	*-127 bp*	*-196 bp*	*-187 bp*	*33 bp*	*-115 bp*	*45 bp*
EBITDA margin																	
bp change																	
Credit Analysis																	
Operating profit / interest expense	13.2x	17.4x	14.9x	10.9x	9.7x	13.2x	13.9x	12.6x	5.6x	3.6x	7.0x	5.4x	5.0x	3.9x	3.7x	4.5x	4.9x
EBITDA	$1,775.0					$1,808.0					$1,779.7					$2,113.1	$2,175.7
Net debt / Ebitda	1.8x					1.8x					2.1x					4.5x	4.1x

Source: BofA Merrill Lynch Global Research

Price objective basis & risk

Campbell Soup Company (CPB)

Our $46 price objective is based on a 14x multiple on our F19E EPS, a slight discount to peers (avg of 14.8x), given the company's lower than industry sales growth.

Downside risks to Campbell achieving our price objective are a weak soup category, trade down to private label, increased price competition, higher-than-expected commodity cost inflation, higher-than-expected advertising and promotional spending, or a more negative than expected macro economic environment. Better-than-expected trend in the soup category, trade down, price competition, commodity costs, advertising and promotional spending, or macroeconomic factors could drive upside to our price objective.

Analyst Certification

I, Bryan D. Spillane, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Food, Beverage & Tobacco Coverage Cluster

Investment rating	Company	BofA Merrill Lynch ticker	Bloomberg symbol	Analyst
BUY				
	Altria Group	MO	MO US	Lisa K. Lewandowski
	Coca-Cola European Partners plc	CCE	CCE US	Bryan D. Spillane
	Conagra Brands, Inc.	CAG	CAG US	Bryan D. Spillane
	Constellation Brands	STZ	STZ US	Bryan D. Spillane
	Kraft Heinz Company	KHC	KHC US	Bryan D. Spillane
	Lamb Weston Holdings Inc	LW	LW US	Bryan D. Spillane
	Molson Coors Brewing Company	TAP	TAP US	Bryan D. Spillane
	Mondelez International	MDLZ	MDLZ US	Bryan D. Spillane
	PepsiCo	PEP	PEP US	Bryan D. Spillane
	Pinnacle Foods Inc.	PF	PF US	Bryan D. Spillane
	The Coca Cola Company	KO	KO US	Bryan D. Spillane
NEUTRAL				
	Campbell Soup Company	CPB	CPB US	Bryan D. Spillane
	Philip Morris International	PM	PM US	Lisa K. Lewandowski
	TreeHouse Foods, Inc.	THS	THS US	Bryan D. Spillane
UNDERPERFORM				
	Brown-Forman Corporation	BFB	BF/B US	Bryan D. Spillane
	Kellogg	K	K US	Bryan D. Spillane
	The Hershey Company	HSY	HSY US	Bryan D. Spillane
RSTR				
	Dr Pepper Snapple Group	DPS	DPS US	Bryan D. Spillane
	General Mills	GIS	GIS US	Bryan D. Spillane

*iQ*method SM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) * (1 - Tax Rate) + Goodwill Amortization	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5-Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings		
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt, Less Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit		
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap. = Current Share Price * Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price * Current Shares + Minority Equity + Net Debt + Other LT Liabilities	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

iQmethod SM is the set of BofA Merrill Lynch standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

iQdatabase ® is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Merrill Lynch.

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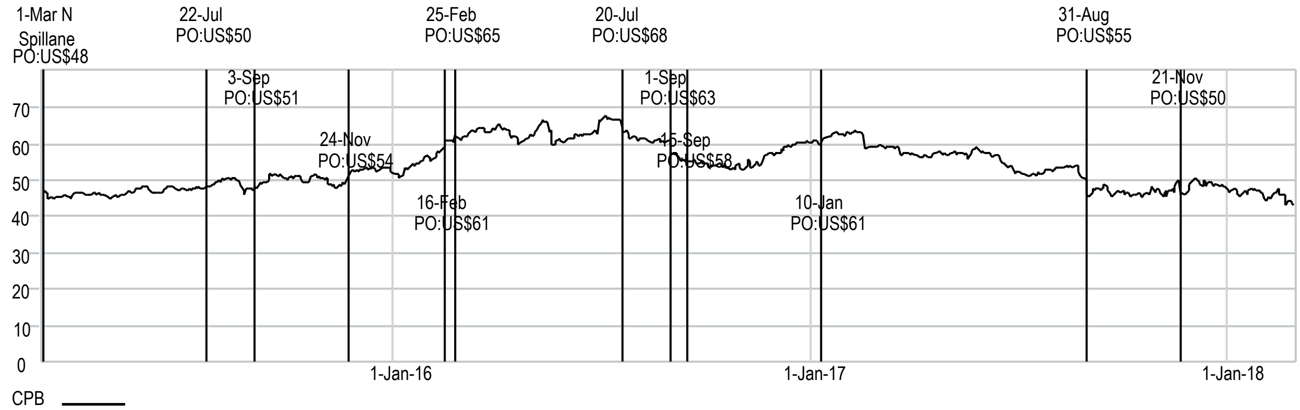
Disclosures

Important Disclosures

CPB Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of February 28, 2018 or such later date as indicated.

Equity Investment Rating Distribution: Food Group (as of 31 Dec 2017)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	33	61.11%	Buy	20	60.61%
Hold	11	20.37%	Hold	7	63.64%
Sell	10	18.52%	Sell	5	50.00%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2017)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	1561	52.31%	Buy	975	62.46%
Hold	646	21.65%	Hold	406	62.85%
Sell	777	26.04%	Sell	372	47.88%

* Issuers that were investment banking clients of BofA Merrill Lynch or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. *VOLATILITY RISK RATINGS*, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. *INVESTMENT RATINGS* reflect the analyst's assessment of a stock's: (i) absolute total return potential and (ii) attractiveness for investment relative to other stocks within its *Coverage Cluster* (defined below). There are three investment ratings: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where BofA Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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March 14, 2018 | Equity Research

Campbell Soup Company

CPB: Investor Meeting Takeaways

Feeling Better About LNCE Diligence; Visibility Still Shaky

Market Perform/$44

Food
Market Weight

Company Note

- **CPB Investor Meetings Conveyed Accountability & Optimism.** We hosted investor meetings and came away pleased with the company's high degree of accountability pertaining to operational missteps in soup and C-Fresh. Further, confidence for a better H2 FY18 is grounded in CPB's visibility into improved soup merchandising at Walmart and the contribution from qualified beverages co-packers. We also came away with a greater sense that sufficient diligence was conducted pertaining to the proposed LNCE acquisition and CPB's LT +1-3% revenue growth target remains supported by Simple Meals/Beverages (flat), C-Fresh (+HSD), and snacks (+2.5-3% and in line with the category). Still, while investors are accepting of soup's limited growth and CPB's need to tilt the portfolio towards snacking, execution risk is very much at the forefront of investors' minds; we see it continuing to limit multiple expansion for the foreseeable future.
- **C-Fresh Still a 10% EBIT Margin Business; Lessons Learned.** CPB has no plans to exit the C-Fresh business and while greater scale could improve operations, CPB needs to first stabilize the assets already in-house. Looking back to the acquisition of *Bolthouse*, CPB overlooked the need to immediately address supply chain quality and engineering. In lieu of in-house category expertise, CPB leaned on the perspectives of consultants and left too much of the acquired business to operate on a standalone basis.
- **LNCE to Benefit from First-Hand Expertise.** In contrast to C-Fresh, CPB is much more confident in the integration of LNCE given a high degree of snacking expertise already in-house. The transition should benefit from a large integration team and is expected to be a much more formalized process driven by specialized work streams. Warehouses/distribution/plant capacity are expected to combine for 50% of total cost synergies and a reduction of the restructuring savings inherited from LNCE (now $125MM vs. $175MM originally) reflects the shift of some activities to CPB's synergy buckets; efforts were made to eliminate the double-counting of projected benefits. In addition, CPB already has good visibility into which of LNCE's brands need to be de-emphasized and doesn't expect that LNCE's top line will slow from a +3-4% rate.
- **Soup: H2 Recovery Expected but Visibility Limited for 2018.** Retail takeaway data indicates that thus far, Walmart's merchandising changes for the 2017/18 soup season pressured category sales within its outlets and CPB expects larger display space during H2 FY18. Following that, it is premature to call for a rebound during the 2018/19 soup season and for now, the opportunities appear limited to raise list prices. Last, *Well Yes* is running at $80MM annualized at wholesale and calculations are underway as to the degree of its incrementality.

$ EPS	2017A	2018E Curr.	2018E Prior	2019E Curr.	2019E Prior
Q1 (Oct.)	1.00	0.92 A	NC	1.04	NC
Q2 (Jan.)	0.91	1.00 A	NC	0.98	NC
Q3 (Apr.)	0.59	0.60	NC	0.65	NC
Q4 (July)	0.52	0.59	NC	0.64	NC
FY	3.04	3.11	NC	3.31	NC
CY	3.00	3.21		3.37	
FY P/EPS	14.5x	14.1x		13.3x	
Rev.(MM)	7,890	7,965		8,106	

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters
NA = Not Available, NC = No Change, NE = No Estimate, NM = Not Meaningful
V = Volatile, = Company is on the Priority Stock List
One-time income and expenses excluded from EPS.

Ticker	**CPB**
Price Target/Prior:	**$44/NC**
Price (03/13/2018)	**$43.94**
52-Week Range:	$41-60
Shares Outstanding: (MM)	301.0
Market Cap.: (MM)	$13,225.9
S&P 500:	2,765.31
Avg. Daily Vol.:	3,633,670
Dividend/Yield:	$1.40/3.2%
LT Debt: (MM)	$2,247.0
LT Debt/Total Cap.:	54.0%
ROE:	59.0%
3-5 Yr. Est. Growth Rate:	5.0%
CY 2018 Est. P/EPS-to-Growth:	2.7x
Last Reporting Date:	02/16/2018 Before Open

NC = No Change
Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters

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Other Takeaways:

- **Pricing: The Timing is Not Ideal** Sentiment was such that it is currently difficult to pass through freight and commodity inflation and as an alternative, weight-outs and trade spend adjustments may prove more impactful levers. Over the longer term, however, rising wage pressures suggest that price increases may prove easier to execute. While it may be attributable to category mix, we sense that CPB is more cautious on near-term pricing power compared to the sentiment expressed by numerous Food peers at CAGNY.

- **Cost Inflation: Steel Tariffs Unlikely to Prove a Material Headwind** Annual spending on cans is $300MM and equivalent to 6% of COGS (5% of COGS pro forma for LNCE). Of this, approximately 50% is conversion costs and of the raw spend of $150MM, half is sourced domestically. Net, the financial impact of any tariff-related cost inflation may prove less than some investors expect and it should prove manageable overall. That said, the company lacks visibility as to when freight inflation will moderate.

- **Innovation: Expectations are Being Right-Sized to Match Resources** CPB's traditional target for innovation contribution was that new products launched on a rolling three-year basis would account for 10% to 15% of annual revenue. CPB has walked back from that approach given that the model does not have sufficient bandwith to support sizeable innovation programming (both in terms of marketing dollars and sales resources). Instead of scattering resources and sales capabilities as was done in previous years, CPB has moved to the "fewer/bigger" platform approach that's increasingly popular around the industry. Still, examples exist where efforts have fallen short and it includes *V8*, where a move into shakes and bars in an appeal to younger consumers failed to resonate.

- **Cost Savings: Adspend Optimization is in the Later Innings** Over the past five years, CPB's annual advertising spending has declined by a cumulative -18% (-$88MM). Much of this savings has been driven by reductions in non-working and agency fees (contracts have been renegotiated) and the company has also re-used some spots produced in Canada at lower costs. In sum, CPB's share of voice is similar to what it was before the expense reductions and at this point, such efficiencies have entered the later innings. CPB's aggregate adspend budget is now skewed 35% to digital mediums (*Swanson* is heavy into digital with *Chunky* much less so) and while CPB is outsourcing some of the creative duties, it is amassing data capabilities internally. As for R&D spending, it has declined by a cumulative -23% over the past four years (or -$30MM) but much of the decline is attributed to a shift in focus to "fewer/bigger" projects. In the future, R&D spending is not expected to be a headwind or a tailwind to results.

- **Soup: Better H2 Expected but Visibility Still Limited** The dislocation to CPB's FY18 soup sales, stemming from merchandising changes at a "large retailer" (Walmart), sank the year's growth potential. One potential driver of the merchandising shift may have been the success of private label broth which led to a further emphasis on store brands, while more merchandising from GIS at *Progresso* added to ready-to-serve competition for the full season. Still, retail takeaway numbers thus far suggest that the merchandising approach pressured category sales within Walmart outlets. During H2 FY18, CPB expects to benefit from increased Walmart display space but after that, visibility appears to erode. Although there are no signs yet that other retailers will adopt Walmart's 2017/18 soup season approach, the degree to which Walmart's category profitability increased is unclear. As such, it's premature to speak to next season with any degree of confidence. Elsewhere, the early 2017 launch of *Well Yes* has generated $80MM of annualized (wholesale) sales and CPB is still awaiting numbers on its degree of incrementality.

- **Pacific Synergies are Numerous** Following the closing of the Pacific Foods acquisition on 12/12/17, anticipated synergies include improving ingredients sourcing and supply chain efficiency. The brand continues to grow +MSD and although it is well distributed on the coasts, opportunities exist to build distribution across the interior of the country. CPB also intends to maintain premium pricing.

What to Do with the Stock? CPB trades at 10.9x our CY18E EBITDA (pro forma for LNCE) and a 12% discount relative to the U.S. Food peer median. Although it's wider than the five-year average discount (6%), we regard current valuation as appropriately discounting the disappointing execution over the past 18 months and the added complexity of now having to integrate LNCE. In addition, with CPB's pro forma leverage moving near 5x, we see the stock as also prone to being associated with high-yield names that have recently succumbed to concerns about a rising yield environment (POST, BGS, etc.).

As FY19 is already being depicted as a "transition year" by management, we don't anticipate much underlying growth. Further, as projected FY19 LNCE EPS accretion has been largely diluted by higher borrowing costs, the upside to EPS potential appears even more limited. In our view, profit recovery at C-Fresh may prove the largest determinant of yr/yr net EBIT growth but it's also an element with significant variability. Net, considering the potential pressure points from trade promotion and cost inflation, we're watching gross margin performance as an indicator of underlying fundamentals. We remain on the sidelines absent improved execution and maintain our Market Perform rating.

Exhibit 1. Campbell Soup Company Income Statement

Pension Accounting Restatement

($ millions, except per share da (FYE Jul)	OCT 1Q17	JAN 2Q17	APR 3Q17	JUL 4Q17	2017	OCT 1Q18	JAN 2Q18	APR 3Q18E	JUL 4Q18E	2018E	OCT 1Q19E	JAN 2Q19E	APR 3Q19E	JUL 4Q19E	2019E
Sales	**$2,202.0**	**$2,171.0**	**$1,853.0**	**$1,664.0**	**$7,890.0**	**$2,161.0**	**$2,180.0**	**$1,896.3**	**$1,728.1**	**$7,965.4**	**$2,274.4**	**$2,225.1**	**$1,894.0**	**$1,712.4**	**$8,105.9**
Cost Of Goods	$1,351.0	$1,360.0	$1,188.0	$1,062.0	$4,961.0	$1,373.0	$1,413.0	$1,207.9	$1,092.2	$5,086.1	$1,428.0	$1,425.6	$1,200.8	$1,075.4	$5,129.7
As % of Sales	61.4%	62.6%	64.1%	63.8%	62.9%	63.5%	64.8%	63.7%	63.2%	63.9%	62.8%	64.1%	63.4%	62.8%	63.3%
Gross Profit	$851.0	$811.0	$665.0	$602.0	$2,929.0	$788.0	$767.0	$688.3	$636.0	$2,879.3	$846.4	$799.6	$693.2	$637.0	$2,976.2
Gross Margin %	38.6%	37.4%	35.9%	36.2%	37.1%	36.5%	35.2%	36.3%	36.8%	36.1%	37.2%	35.9%	36.6%	37.2%	36.7%
YoY (bp)	120	70	(85)	55	34	(218)	(217)	41	62	(98)	75	75	30	40	57
Marketing & Selling	$230.0	$240.0	$212.0	$173.0	$855.0	$219.0	$228.0	$223.8	$190.1	$860.9	$227.4	$240.3	$227.3	$188.4	$883.4
As % Sales	10.4%	11.1%	11.4%	10.4%	10.8%	10.1%	10.5%	11.8%	11.0%	10.8%	10.0%	10.8%	12.0%	11.0%	10.9%
YoY (bp)	105	70	(32)	(128)	13	(31)	(60)	36	60	(3)	(13)	34	20	-	9
Administrative Exp.	$117.0	$141.0	$135.0	$124.0	$517.0	$137.0	$139.0	$145.2	$124.0	$545.2	$137.9	$104.8	$142.0	$125.5	$510.2
As % Sales	5.3%	6.5%	7.3%	7.5%	6.6%	6.3%	6.4%	7.7%	7.2%	6.8%	6.1%	4.7%	7.5%	7.3%	6.3%
YoY (bp)	(22)	(0)	17	(25)	(8)	103	(12)	37	(28)	29	(27)	(167)	(16)	15	(55)
R&D	$27.0	$25.0	$28.0	$31.0	$111.0	$30.0	$27.0	$28.7	$32.2	$117.8	$31.6	$27.6	$28.6	$31.9	$119.7
As % Sales	1.2%	1.2%	1.5%	1.9%	1.4%	1.4%	1.2%	1.5%	1.9%	1.5%	1.4%	1.2%	1.5%	1.9%	1.5%
YoY (bp)	14	2	1	20	9	16	9	-	-	7	-	-	-	-	(0)
Other expense (income)	($9.0)	($12.0)	($15.0)	($8.0)	($44.0)	($15.0)	($29.0)	$0.0	$0.0	($44.0)	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income	**$486.0**	**$417.0**	**$305.0**	**$282.0**	**$1,492.0**	**$417.0**	**$402.0**	**$290.7**	**$289.7**	**$1,399.4**	**$449.5**	**$426.9**	**$295.3**	**$291.2**	**$1,462.9**
Operating Margin	22.1%	19.2%	16.5%	16.9%	18.9%	19.3%	18.4%	15.3%	16.8%	17.6%	19.8%	19.2%	15.6%	17.0%	18.0%
YoY (bp)	33	(1)	(22)	195	48	(277)	(77)	(113)	(18)	(134)	46	75	26	25	48
Interest Expense, Net	$28.0	$28.0	$28.0	$29.0	$113.0	$30.0	$32.0	$38.1	$38.1	$138.2	$38.1	$38.1	$38.1	$38.1	$152.3
Pretax Income	$458.0	$389.0	$277.0	$253.0	$1,379.0	$387.0	$370.0	$252.6	$251.6	$1,261.2	$411.4	$388.8	$257.2	$253.2	$1,310.6
Pretax Margin	20.8%	17.9%	14.9%	15.2%	17.5%	17.9%	17.0%	13.3%	14.6%	15.8%	18.1%	17.5%	13.6%	14.8%	16.2%
Income Taxes	$147.0	$108.0	$97.0	$94.0	$446.0	$109.0	$70.0	$73.3	$73.0	$325.2	$98.7	$93.3	$61.7	$60.8	$314.5
Tax Rate	32.1%	27.8%	35.0%	37.2%	32.3%	28.2%	18.9%	29.0%	29.0%	25.8%	24.0%	24.0%	24.0%	24.0%	24.0%
YoY (bp)	(205)	(380)	650	71	(25)	(393)	(884)	(602)	(815)	(656)	(417)	508	(500)	(500)	(179)
Net Income - Continuing Ex Items	$311.0	$281.0	$180.0	$159.0	$933.0	$278.0	$300.0	$179.4	$178.6	$936.0	$312.6	$295.5	$195.5	$192.4	$996.1
Net loss attrib to noncontrolling inter	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net earnings attributable to CPB	$311.0	$281.0	$180.0	$159.0	$931.0	$278.0	$300.0	$179.4	$178.6	$936.0	$312.6	$295.5	$195.5	$192.4	$996.1
Non-recurring items (after-tax)	($19.0)	($180.0)	($4.0)	$159.0	($44.0)	($3.0)	($15.0)	$0.0	$0.0	($18.0)	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income - GAAP	$292.0	$101.0	$176.0	$318.0	$887.0	$275.0	$285.0	$179.4	$178.6	$918.0	$312.6	$295.5	$195.5	$192.4	$996.1
Net allocated to participating securiti	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net income to common - GAAP	$292.0	$101.0	$176.0	$318.0	$887.0	$275.0	$285.0	$179.4	$178.6	$918.0	$312.6	$295.5	$195.5	$192.4	$996.1
EPS - Adj	**$1.00**	**$0.91**	**$0.59**	**$0.52**	**$3.04**	**$0.92**	**$1.00**	**$0.60**	**$0.59**	**$3.11**	**$1.04**	**$0.98**	**$0.65**	**$0.64**	**$3.31**
EPS - GAAP	$0.94	$0.33	$0.58	$1.04	$2.89	$0.91	$0.95	$0.60	$0.59	$3.05	$1.04	$0.98	$0.65	$0.64	$3.31
Shares Outstanding	310	309	306	305	307	302	301	301	301	301	301	301	301	301	301
% Chg Y/Y															
Sales	(0.0%)	(1.4%)	(0.9%)	(1.4%)	(0.9%)	(1.9%)	0.4%	2.3%	3.9%	1.0%	5.2%	2.1%	(0.1%)	(0.9%)	1.8%
Operating Income	1.5%	(1.4%)	(2.2%)	11.5%	1.7%	(14.2%)	(3.6%)	(4.7%)	2.7%	(6.2%)	7.8%	6.2%	1.6%	0.5%	4.5%
Pretax Income	1.6%	(1.8%)	(2.5%)	12.4%	1.7%	(15.5%)	(4.9%)	(8.8%)	(0.6%)	(8.5%)	6.3%	5.1%	1.8%	0.6%	3.9%
Net Income - Continuing Ex Items	4.7%	3.7%	(11.3%)	11.2%	2.1%	(10.6%)	6.8%	(0.4%)	12.3%	0.3%	12.5%	(1.5%)	9.0%	7.7%	6.4%
EPS - Continuing Ex Items	5.4%	4.7%	(9.9%)	13.0%	3.5%	(8.2%)	9.6%	1.3%	13.8%	2.2%	12.8%	(1.5%)	9.0%	7.7%	6.5%
Shares Outstanding	(0.6%)	(1.0%)	(1.6%)	(1.6%)	(1.4%)	(2.6%)	(2.6%)	(1.6%)	(1.3%)	(1.9%)	(0.3%)	0.0%	0.0%	0.0%	(0.1%)
EBITDA	563	494	385	366	1,808	499	481	371	375	1,726	536	508	375	376	1,794

Note: all data in $MM, except per share amounts
Source: Company reports, Wells Fargo Securities, LLC estimates

Price Target

Price Target: $44 from NC

Our 12-month price target of $44 is based on 10.5x our CY18E EBITDA (pro forma for Pacific); a 15% discount vs. the U.S. Food peer median. Risks to our view include U.S. soup consumption and below trend C-Fresh growth.

Investment Thesis

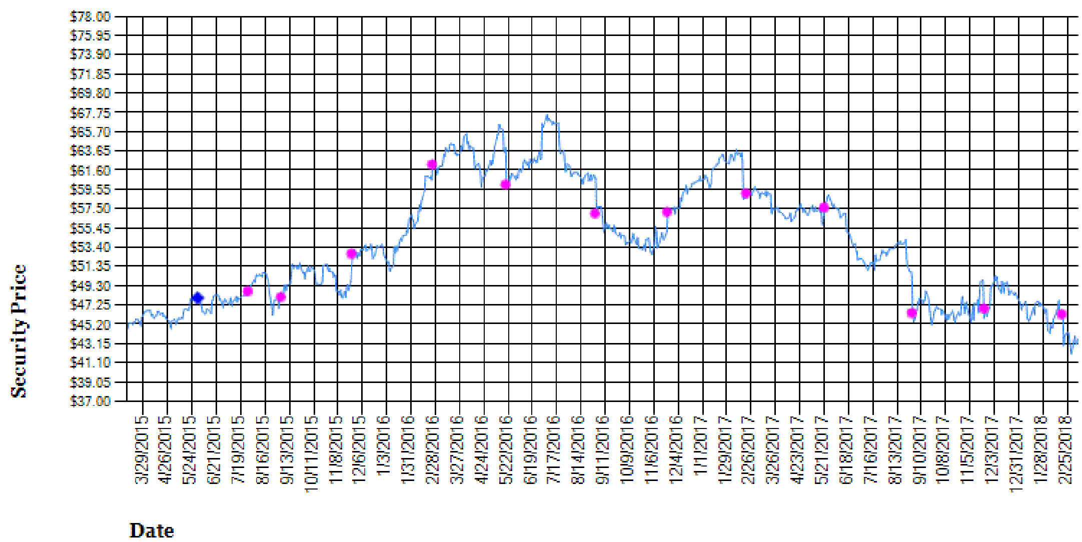
Campbell's resource allocation towards faster growth areas (global snacking and U.S. fresh foods) is augmented by $500MM of savings over FY16-FY20E. Although such attributes should provide a floor for valuation, continued revenue weakness limits operating leverage and upside potential, in our view.

Company Description

The Campbell Soup Company (CPB) is a leading global manufacturer of soup, sauces, beverages, and baked snacks with FY17 sales of $7.9B. Its portfolio of recognized brands includes Campbell's, Chunky, V8, Prego, Pepperidge Farm, and Arnott's. Campbell holds the leading position in the U.S. soup market in both condensed and ready-to-serve (RTS) soups.

Required Disclosures

Campbell Soup Company (CPB) 3-yr. Price Performance



Date	Published Price ($)	Rating Code	Price Target	Val. Rng. Low	Val. Rng. High	Close Price ($)
6/2/2015	48.32	2	NE	44.00	46.00	47.67
7/28/2015	48.28	2	NE	47.00	49.00	48.55
9/4/2015	48.53	2	NE	48.00	50.00	47.94
11/25/2015	52.52	2	NE	55.00	56.00	52.52
2/26/2016	62.62	2	NE	64.00	65.00	61.98
5/20/2016	59.90	2	NE	61.00	62.00	59.90
9/1/2016	56.91	2	NE	59.00	60.00	56.91
11/22/2016	57.02	2	NE	61.00	62.00	57.02
2/21/2017	58.48	2	NE	62.00	63.00	58.95
5/22/2017	55.78	2	58	NE	NE	57.49
8/31/2017	46.20	2	50	NE	NE	46.20
11/22/2017	45.84	2	48	NE	NE	46.77
2/20/2018	46.17	2	44	NE	NE	46.08

Source: Wells Fargo Securities, LLC estimates and Reuters data

Symbol Key
- ▼ Rating Downgrade
- ▲ Rating Upgrade
- ● Price Target/Val Range Change
- ◆ Initiation, Resumption, Drop or Suspend
- ■ Analyst Change
- ☐ Split Adjustment

Rating Code Key

1	Outperform/Buy	SR	Suspended
2	Market Perform/Hold	NR	Not Rated
3	Underperform/Sell	NE	No Estimate

Additional Information Available Upon Request

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CPB: Risks to our view include U.S. soup consumption and below trend C-Fresh growth.

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2=Market Perform: The stock appears appropriately valued, and we believe the stock's total return will be in line with the market over the next 12 months. HOLD
3=Underperform: The stock appears overvalued, and we believe the stock's total return will be below the market over the next 12 months. SELL

SECTOR RATING
O=Overweight: Industry expected to outperform the relevant broad market benchmark over the next 12 months.
M=Market Weight: Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.
U=Underweight: Industry expected to underperform the relevant broad market benchmark over the next 12 months.

VOLATILITY RATING
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Campbell Soup Co. (CPB) — Underweight

Downgrade to Underweight; Multiple Expansion Unlikely, Execution Risk Remains

CONCLUSION

We expect 1.0-1.5% F19E EPS growth, as higher interest rates and lower than expected Snyder-Lance operating contribution (per 4Q17 results and recent scanner data) weigh on our forecast. Snyder's Lance 4Q17 sales fell, and its ~1.7% full year 2017 organic sales growth suggests our mid single digit outlook was too optimistic. Venture capital investments have also proven larger than expected ($325M) without yet bearing fruit. Our model is pro-forma for the deal; we lower our F18E EPS from $3.16 to $3.10 and our F19E EPS from $3.45 to $3.14. We lower our target from $53 to $45 and lower our rating to Underweight.

- **Snyder's Lance 4Q17 sales fall; financing still not in place.** Snyder's Lance (which Campbell is acquiring) reported 4Q17 sales down 0.8%, below its +1.7% 2017 full year pace (ex-1Q17 acquisition lift). Updating our (pro-forma) estimates for 2% organic growth (was mid single digits) trims $0.09 from F19 EPS. Our estimates still may be optimistic; early 1Q18 retail sales (per IRI) are still modestly down, sales from partner brands & other (20% of Snyder Lance's total) fell 8% in 4Q17, and greater Frito-Lay competition in pretzels and potato chips is a risk. Rising rates trim $0.16 from F19E EPS, though deal financing is still not finalized. Lower estimated margins trim another $0.06 from F19 EPS.

- **Checking in on Acre: $325M spent, but no clear wins yet.** We do not have visibility on performance of most of Acre's investments (Campbell's venture capital fund), but its most visible investment, $70M in Juicero, shut down in September 2017 after consumers realized they could squeeze its pre-packaged juice bags without its $400 juice pressing machine. It has invested $195M in Farmers Business Network, which may prove to be a promising venture but which appears to be outside its core of packaged food.

- **Reminder, independent DSD operators limit savings opportunity.** It is tempting to look for synergies from combining overlapping DSD routes, but Campbell does not own its DSD network and would need to buy out these ~3,000 (for each company) routes to integrate them (or to switch those products to warehouse delivery). These routes vary in price based on sales volume, but we estimate Snyder's-Lance's routes typically cost $150-250K and $200-450K for Campbell's snacks routes. We estimate a cost of $750-850M is needed to eliminate overlapping routes, which likely maintains status quo.

- **Farming volatility is a challenge, but margin gains depend on C-Fresh**. As input cost inflation accelerates and cost savings momentum slows, more of our attention shifts to C-Fresh to find a driver for margin upside. C-Fresh margins have fallen by an average of 240bps every year since Campbell bought the business, and declined by another 300bps already in F1Q18. We currently model a 670bps lift by the end of F19, driving a $0.15 total company lift, but if this proves optimistic,total company margins could decline.

RISKS TO ACHIEVEMENT OF PT & RECOMMENDATION

Rising input costs and shifting consumer preferences may pose a risk to profits.

COMPANY DESCRIPTION

Campbell's Soup markets packaged food under brands like Campbell's, Goldfish and V8.

PRICE: US$43.05

Price as of the close February 28, 2018.

TARGET: US$45.00

~14x CY19E EPS of $3.22, in-line with its current multiple on our CY18E EPS. We expect CPB to experience 0-1% 3-year average organic sales declines and 2-3% annual EPS growth.

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Changes	Previous	Current
Rating	Neutral	Underweight
Price Tgt	US$53.00	US$45.00
FY18E Rev (mil)	US$8,530.5	US$8,516.0
FY19E Rev (mil)	US$10,340.8	US$10,199.1
FY18E EPS	US$3.16	US$3.10
FY19E EPS	US$3.45	US$3.14

52-Week High / Low	US$59.94 / US$42.82
Shares Out (mil)	307.0
Market Cap. (mil)	13,216
Total Assets ($mil)	7,570
Avg Daily Vol (000)	2,794
Div (ann)	US$1.52
Yield	3.53%
Fiscal Year End	Jul

Price Performance - 1 Year

Source: Bloomberg

YEAR	REVENUE (US$ m)								EARNINGS PER SHARE (US$)							
	Oct	Jan	Apr	Jul	FY	CY	FY RM	CY RM	Oct	Jan	Apr	Jul	FY	CY	FY P/E	CY P/E
2017A	2,202.0	2,171.0	1,853.0	1,664.0	7,890.0	—	1.7x	NA	1.00	0.91	0.59	0.52	3.03	3.00	14.2x	14.4x
2018E	2,161.0A	2,180.0A	1,880.8	2,294.2	8,516.0	—	1.6x	NA	0.92A	1.00A	0.62	0.56	3.10	3.09	13.9x	13.9x
2019E	2,776.6	2,704.2	2,415.3	2,303.0	10,199.1	—	1.3x	NA	0.98	0.89	0.64	0.63	3.14	3.22	13.7x	13.4x

Exhibit 1

Estimated Snyder's Lance revenue breakdown

	2016	1Q17	2Q17	3Q17	4Q17	2017
Core branded revenue	$ 1,486.7	$ 380.8	$ 420.5	$ 407.8	$ 404.7	$ 1,613.8
Allied brands	$ 148.9	$ 39.2	$ 43.3	$ 39.6	$ 40.5	$ 162.7
Branded revenue	**$ 1,635.6**	**$ 420.0**	**$ 463.9**	**$ 447.4**	**$ 445.2**	**$ 1,776.4**
Branded as a % of total	77.5%	79.0%	80.0%	79.3%	80.7%	79.8%
Partner brand	$ 304.9	$ 72.9	$ 75.4	$ 74.0	$ 69.2	$ 291.5
Other	$ 168.7	$ 38.5	$ 40.3	$ 42.8	$ 37.2	$ 158.9
Partner/other subtotal	**$ 473.6**	**$ 111.5**	**$ 115.7**	**$ 116.8**	**$ 106.4**	**$ 450.4**
Growth		-8.5%	-2.7%	-0.2%	-8.1%	-4.9%

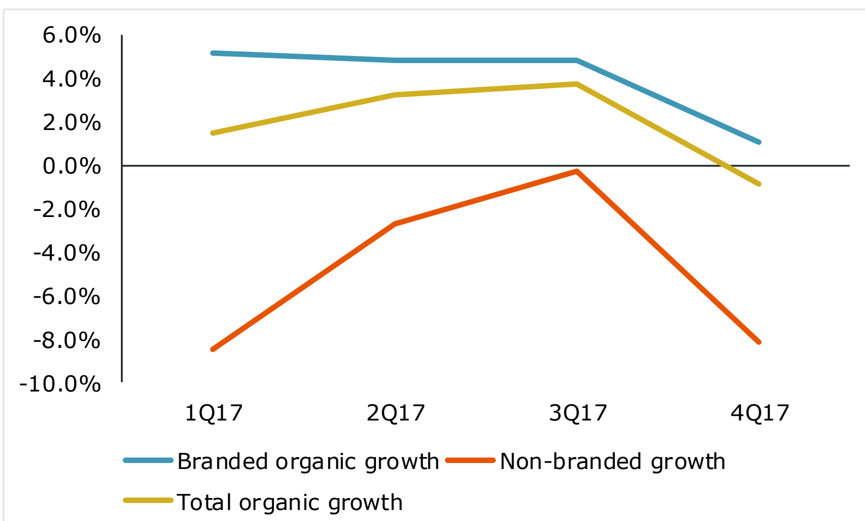
Note: Some splits are estimated. Source: Company reports, Piper Jaffray & Co

Snyder's Lance tail revenues are a drag

Snyder's Lance revenues are made up of branded and non-branded products, with core brands (e.g., Snyder's, Kettle, Cape Cod, Snack Factory, Pop Secret, Emerald and Late July) and allied brands (Tom's, Archway, Krunchers!, Jays, Stella D'Oro, and others) comprising 80% of sales. Partner branded products and 'other' sales are roughly 20% of revenues and declined 5% in 2017.

Exhibit 2

Snyder's Lance branded vs. non-branded growth comparison



Source: Piper Jaffray & Co

Venture capital efforts are broader, more costly than expected

When Campbell announced its foray into venture capital with its Acre Venture Partners fund two years ago, it cited an investment of $125M. That has since grown to what appears to be just over $325M spread over nine ventures ranging from a small indoor garden kit seller (Back to the Roots) to Farmers Business Network, an online agricultural community with a membership model that gives better pricing transparency for farmers for items like insecticides, herbicides, fungicides, fertilizer and seed. While this venture seems intriguing, it does seem to drift away from Campbell's packaged food core. For context, its $325M total invested is comparable to its average quarterly cash flow in F17, or about 65% of its $500M multi-year cost savings target.

Dissecting C-Fresh margins adds visibility; highlights risks from carrots

We expect C-Fresh segment margins to recover from unfavorable carrot harvests and the costs from its voluntary recall of Bolthouse Farms' Protein Plus, though we expect it to take time. We break down revenue and margin splits to show a runway to improvement, but mid-single digit margins may not come until after F19E (suggesting management's 10% margin goal for the segment may take many years). We estimate revenue and margin splits for Farms (carrots) and CPG (Bolthouse Farms, Garden Fresh Gourmet) to identify different impacts from each business. Upside in C-Fresh matters, but it still carries execution risks, given volatility in this business; margins have fallen by nearly -15pp (-1,500bps) from 1Q13 to 2Q18, or about -300bps/year.

Exhibit 3

Estimated C-Fresh revenue breakdown

	F16	1Q17	2Q17	3Q17	4Q17	F17	1Q18	2Q18	3Q18E	4Q18E	F18E	F19E
Farms sales	$497	$116	$125	$115	$113	$468	$111	$128	$119	$113	$471	$474
sales growth (%)	*-10.0%*	*-4.5%*	*-12.0%*	*-9.5%*	*5.0%*	*-5.9%*	*-4.0%*	*3.0%*	*3.5%*	*0.0%*	*0.7%*	*0.7%*
CPG sales	$521	$118	$135	$133	$112	$499	$123	$129	$136	$122	$510	$520
sales growth (%)	*23.1%*	*-7.9%*	*-3.6%*	*-2.4%*	*-2.8%*	*-4.2%*	*4.0%*	*-5.1%*	*1.8%*	*8.8%*	*2.0%*	*2.0%*
Bolthouse (+Other)	$421	$92	$109	$107	$86	$394	$95	$101	$108	$95	$399	$405
sales growth		*-11.0%*	*-5.5%*	*-4.0%*	*-5.0%*	*-6.3%*	*3.0%*	*-7.5%*	*1.0%*	*10.0%*	*1.1%*	*1.6%*
Garden Fresh	$100	$26	$26	$26	$26	$105	$28	$28	$28	$28	$111	$115
sales growth		*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*7.5%*	*5.0%*	*5.0%*	*5.0%*	*5.6%*	*3.5%*
Total C-Fresh sales	**$1,018**	**$234**	**$260**	**$248**	**$225**	**$967**	**$234**	**$257**	**$254**	**$235**	**$980**	**$994**
sales growth (%)	*5.2%*	*-6.2%*	*-7.8%*	*-5.8%*	*0.9%*	*-5.0%*	*0.0%*	*-1.2%*	*2.6%*	*4.4%*	*1.4%*	*1.4%*

Source: Company, Piper Jaffray & Co

Our expected margin recovery depends in part on improving sales (in all sub-segments), lowering costs and improving efficiency. While Garden Fresh Gourmet has not had the margin pressure the other two businesses have had, we do expect it to achieve some modest margin improvement.

Exhibit 4

Estimated C-Fresh operating income, margin breakdown

	F16	1Q17	2Q17	3Q17	4Q17	F17	1Q18	2Q18	3Q18E	4Q18E	F18E	F19E
Farms EBIT	-$4	-$5	-$10	-$6	-$9	-$30	-$9	-$16	-$7	-$5	-$37	-$12
Farms margin (%)	-0.8%	-4.5%	-8.0%	-5.5%	-8.0%	-6.5%	-8.5%	-12.5%	-5.5%	-4.0%	-7.8%	-2.5%
margin change (bps)		*-590 bps*	*-1000 bps*	*-200 bps*	*-400 bps*	*-567 bps*	*-400 bps*	*-450 bps*	*0 bps*	*400 bps*	*-123 bps*	*526 bps*
CPG EBIT	$64	$6	$7	$7	$1	$21	$3	$5	$7	$7	$22	$37
Bolthouse (+Other) EBIT	$57	$4	$5	$5	-$1	$14	$1	$3	$5	$5	$14	$28
Garden Fresh EBIT	$8	$2	$2	$2	$2	$7	$2	$2	$2	$2	$7	$9
CPG margin (%)	12.3%	5.2%	5.0%	5.4%	0.9%	4.2%	2.6%	3.9%	5.0%	5.5%	4.3%	7.0%
margin change (bps)		*-752 bps*	*-795 bps*	*-737 bps*	*-977 bps*	*-811 bps*	*-252 bps*	*-104 bps*	*-39 bps*	*458 bps*	*7 bps*	*275 bps*
Total C-Fresh EBIT	**$60**	**$1**	**-$3**	**$1**	**-$8**	**-$9**	**-$6**	**-$11**	**$0**	**$2**	**-$15**	**$25**
Total C-Fresh margin (%)	**5.9%**	**0.4%**	**-1.2%**	**0.4%**	**-3.6%**	**-1.0%**	**-2.6%**	**-4.3%**	**0.1%**	**0.9%**	**-1.5%**	**2.5%**
margin change (bps)	*-41 bps*	*-682 bps*	*-868 bps*	*-458 bps*	*-716 bps*	*-687 bps*	*-303 bps*	*-303 bps*	*-25 bps*	*449 bps*	*-52 bps*	*398 bps*
	F16	1Q17	2Q17	3Q17	4Q17	F17	1Q18	2Q18	3Q18E	4Q18E	F18E	F19E

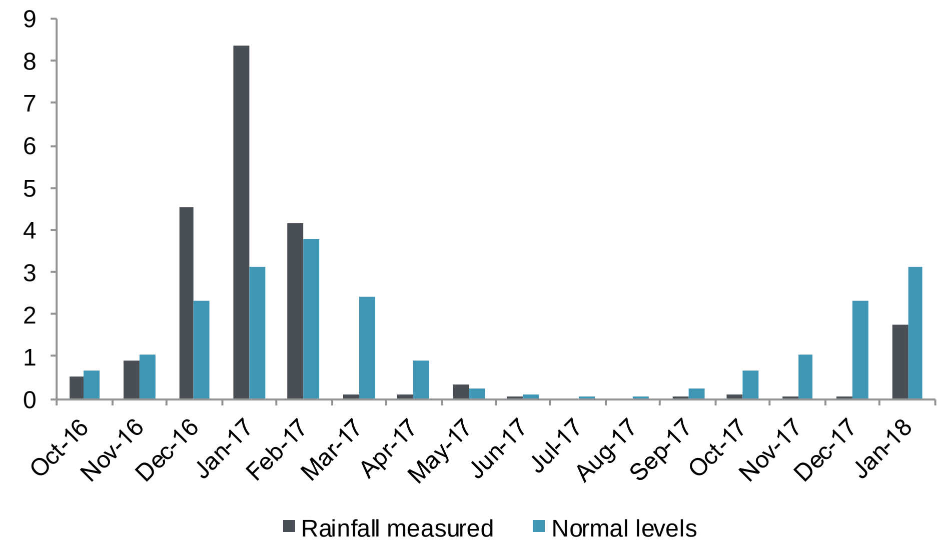
Source: Company, Piper Jaffray & Co

Weather may continue to put pressure on C-fresh segment

Campbell had carrot product shortages earlier in 2017 from excessive rain in Los Angeles County (near large carrot growing areas), and heat and rain were cited as issues since then, driving more F1Q18 headwinds. Campbell's had similar weather-related headwinds in F2H16. While we do not yet have any indications of crop issues from weather, rainfall in Southern California (a large carrot growing area) is currently only at about 25% or normal levels for the last 4-5 months, and almost all of that rain came last week (chart, following page).

Exhibit 5

Inches of rainfall in Los Angeles County, close to significant carrot growing areas
Measured rainfall is below normal levels since May 2017

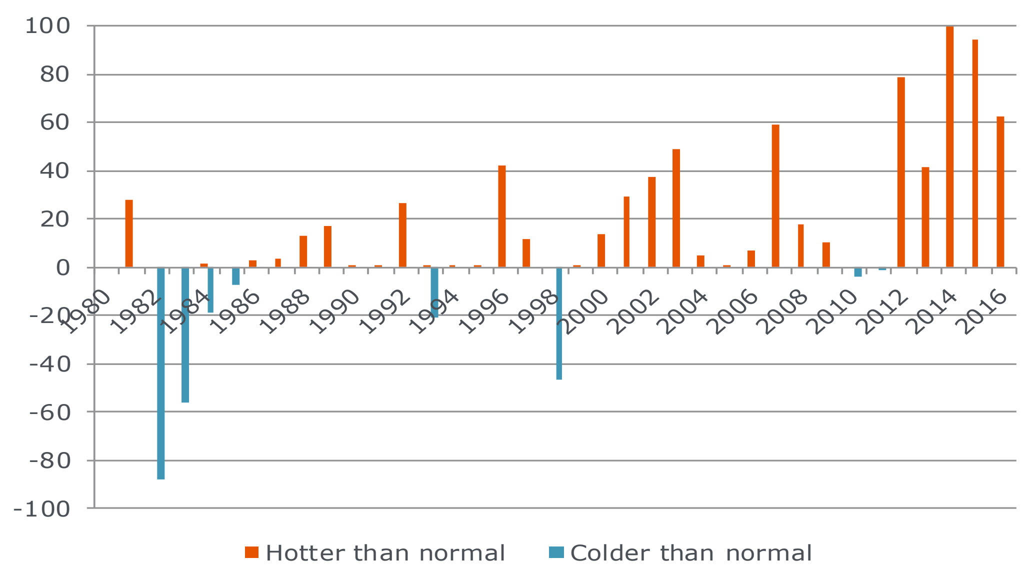


Source: LA Almanac, National Weather Service, Piper Jaffray & Co

While we do not know if volatile weather will continue, we do note that weather in the US West (including California) has continued to trend hotter than historical norms, and by a roughly greater degree each year, which could pose risks if heat is one of the factors that hurt its carrot yields in F1Q18, as the company has indicated. We are not seeing a current weather impact yet, but it could be a future risk and we will continue to monitor trends.

Exhibit 6

Hot and cold deviations from norms for the US West (including California)



Source: NOAA National Center for Environmental Information, Piper Jaffray & Co

Price target decreased to $45, rating lowered to Underweight

Our $45 target price now applies a ~14x multiple to our CY2019E EPS of $3.22. We expect CPB to deliver 0-1% three-year average sales declines and 2-3% three-year average EPS growth in CY17-19E. Our prior $53 target price applied a ~15x multiple to our previous CY2019E EPS of $3.53. As we now expect slower sales and earnings growth and have concerns about execution risk with the Snyder's Lance acquisition, we are using a slightly lower multiple and have lowered our rating accordingly to Underweight from Neutral.

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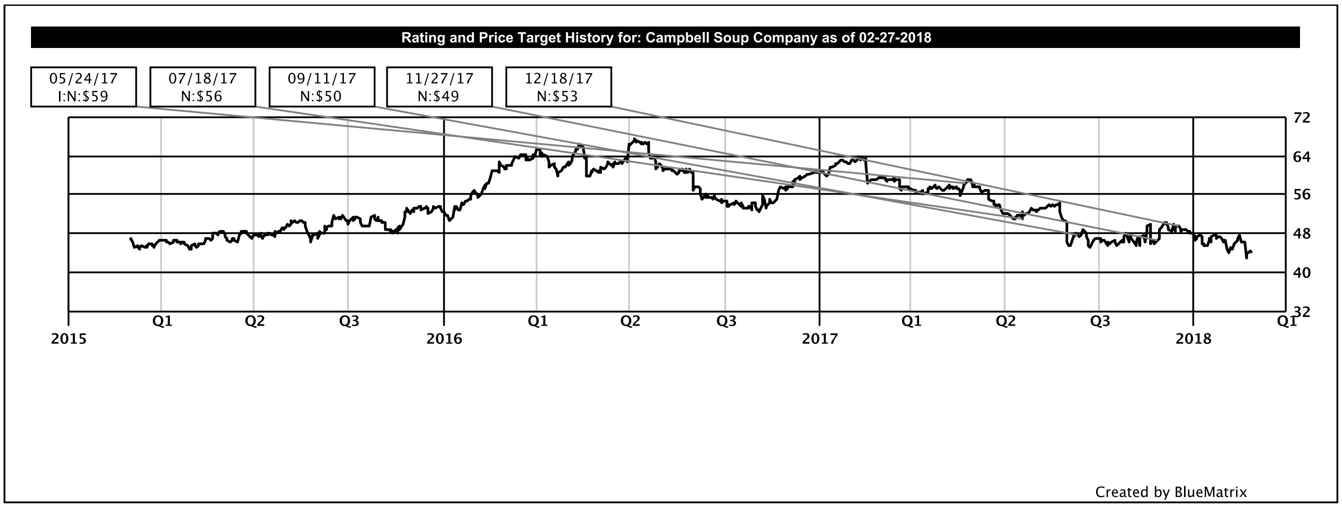
($mn - FYE Jul)	OCT 1Q17	JAN 2Q17	APR 3Q17	JUL 4Q17	2017	OCT 1Q18	JAN 2Q18	APR 3Q18E	JUL 4Q18E	2018E	OCT 1Q19E	JAN 2Q19E	APR 3Q19E	JUL 4Q19E	2019E
INCOME STATEMENT															
Net Sales	**$2,202.0**	**$2,171.0**	**$1,853.0**	**$1,664.0**	**$7,890.0**	**$2,161.0**	**$2,180.0**	**$1,880.8**	**$2,294.2**	**$8,516.0**	**$2,776.6**	**$2,704.2**	**$2,415.3**	**$2,303.0**	**$10,199.1**
Sales growth	0.0%	-1.4%	-0.9%	-1.4%	-0.9%	-1.9%	0.4%	1.5%	37.9%	7.9%	28.5%	24.0%	28.4%	0.4%	19.8%
Cost Of Goods	$1,341.0	$1,346.0	$1,175.0	$1,050.0	$4,912.0	$1,373.0	$1,413.0	$1,187.3	$1,458.3	$5,431.6	$1,800.7	$1,793.1	$1,547.5	$1,451.0	$6,592.3
As % Sales	60.9%	62.0%	63.4%	63.1%	62.3%	63.5%	64.8%	63.1%	63.6%	63.8%	64.9%	66.3%	64.1%	63.0%	64.6%
Gross profit	$861.0	$825.0	$678.0	$614.0	$2,978.0	$788.0	$767.0	$693.5	$835.9	$3,084.3	$976.0	$911.0	$867.8	$852.1	$3,606.8
Gross margin	39.1%	38.0%	36.6%	36.9%	37.7%	36.5%	35.2%	36.9%	36.4%	36.2%	35.1%	33.7%	35.9%	37.0%	35.4%
Selling, General & Administrative	$375.0	$408.0	$373.0	$332.0	$1,488.0	$371.0	$365.0	$395.0	$489.7	$1,620.6	$476.7	$452.8	$507.2	$491.6	$1,928.2
As % Sales	17.0%	18.8%	20.1%	20.0%	18.9%	17.2%	16.7%	35.1%	21.3%	19.0%	36.3%	33.7%	35.1%	21.3%	18.9%
Operating Income	$486.0	$417.0	$305.0	$282.0	$1,490.0	$417.0	$402.0	$298.5	$346.2	$1,463.7	$499.3	$458.3	$360.6	$360.5	$1,678.6
EBIT Growth	1.5%	-1.4%	-2.2%	11.5%	1.6%	-14.2%	-3.6%	-2.1%	22.8%	-1.8%	19.7%	14.0%	20.8%	4.1%	14.7%
EBIT Margin	22.1%	19.2%	16.5%	16.9%	18.9%	19.3%	18.4%	15.9%	15.1%	17.2%	18.0%	16.9%	14.9%	15.7%	16.5%
Interest Expense, Net	$28.0	$28.0	$28.0	$29.0	$113.0	$30.0	$32.0	$35.2	$105.7	$202.9	$105.4	$101.8	$105.0	$105.7	$417.9
Pretax Income	$458.0	$389.0	$277.0	$253.0	$1,377.0	$387.0	$370.0	$263.3	$240.5	$1,260.8	$393.8	$356.5	$255.6	$254.8	$1,260.7
Income Taxes	$147.0	$108.0	$97.0	$94.0	$446.0	$109.0	$70.0	$76.4	$70.9	$326.3	$98.5	$89.1	$63.9	$63.7	$315.2
Tax Rate	32.1%	27.8%	35.0%	37.2%	32.4%	28.2%	18.9%	29.0%	29.5%	25.9%	25.0%	25.0%	25.0%	25.0%	25.0%
Net Income	$311.0	$281.0	$180.0	$159.0	$931.0	$278.0	$300.0	$186.9	$169.6	$934.5	$295.4	$267.4	$191.7	$191.1	$945.6
Net income attrib. to the noncontrolling interest	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income to Campbell shareholders	$311.0	$281.0	$180.0	$159.0	$931.0	$278.0	$300.0	$186.9	$169.6	$934.5	$295.4	$267.4	$191.7	$191.1	$945.6
EPS - Total (ex-items)	**$1.00**	**$0.91**	**$0.59**	**$0.52**	**$3.03**	**$0.92**	**$1.00**	**$0.62**	**$0.56**	**$3.10**	**$0.98**	**$0.89**	**$0.64**	**$0.63**	**$3.14**
EPS growth	**5.4%**	**4.7%**	**-9.9%**	**13.0%**	**3.2%**	**-8.2%**	**9.6%**	**5.6%**	**8.1%**	**2.3%**	**6.6%**	**-10.9%**	**2.6%**	**12.7%**	**1.3%**
Calendar EPS		**$3.01**	***Calendar 2016***				**$3.00**	***Calendar 2017***				**$3.09**	***Calendar 2018***		
Calendar EPS growth		3.3%					-0.5%					3.1%			
Dividend Per Share	$0.35	$0.35	$0.35	$0.35	$1.40	$0.35	$0.35	$0.35	$0.35	$1.40	$0.36	$0.36	$0.36	$0.36	$1.44
Dividend growth	12.2%	12.2%	12.2%	12.2%	12.2%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Shares Outstanding	**310.0**	**309.0**	**306.0**	**305.0**	**307.0**	**302.0**	**301.0**	**301.0**	**301.0**	**301.3**	**301.0**	**301.0**	**301.0**	**301.0**	**301.0**

IMPORTANT RESEARCH DISCLOSURES



Notes: The boxes on the Rating and Price Target History chart above indicate the date of the fundamental Equity Research Note, the rating and the price target. Each box represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first Note written during the past three years.

Legend:
I: Initiating Coverage
R: Resuming Coverage
T: Transferring Coverage
D: Discontinuing Coverage
S: Suspending Coverage
OW: Overweight
N: Neutral
UW: Underweight
NA: Not Available
UR: Under Review

Distribution of Ratings/IB Services
Piper Jaffray

			IB Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY [OW]	**391**	**57.93**	**105**	**26.85**
HOLD [N]	**264**	**39.11**	**25**	**9.47**
SELL [UW]	**20**	**2.96**	**0**	**0.00**

Note: Distribution of Ratings/IB Services shows the number of companies currently covered by fundamental equity research in each rating category from which Piper Jaffray and its affiliates received compensation for investment banking services within the past 12 months. FINRA rules require disclosure of which ratings most closely correspond with "buy," "hold," and "sell" recommendations. Piper Jaffray ratings are not the equivalent of buy, hold or sell, but instead represent recommended relative weightings. Nevertheless, Overweight corresponds most closely with buy, Neutral with hold and Underweight with sell. See Stock Rating definitions below.

Analyst Certification — Michael S. Lavery, Sr. Research Analyst

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Sector: Food Producers

February 22, 2018

Campbell Soup Company

Spending to stabilize; Sector Perform

Our view: During its CAGNY presentation yesterday, Campbell's was optimistic it can fix the two primary contributors to Friday's disappointing fiscal 2Q results: 1) declining shipments of soup to Walmart and 2) a slower-than-anticipated recovery in Bolthouse beverages. However, we continue to remain cautious until we see more meaningful signs of improvement (sales -4% and -5% in latest 12 weeks). As a result of F2Q pressures, we lower our price target and profit outlook but increase our EPS to reflect corporate tax reform benefits. That said, we look forward to hosting Campbell at the RBC Consumer Conference in May. There we hope to learn how its recent Snyder's-Lance acquisition and ongoing growth in Pepperidge Farms may offset some of our base business concerns.

Key points:

Lowering profit outlook and target to reflect disappointing fiscal 2Q results. Accounting for a new 26% tax rate in FY18, we increase our FY18 and FY19 EPS from $2.94 and $3.27 to $3.11 (+3% YOY; guidance $3.10-$3.17) and $3.35 (+8% YOY). That said, we lower our FY18 EBIT growth forecast by ~3pp (from +4% to +1% YOY), primarily to reflect F2Q's additional soup declines at Walmart and a sluggish recovery in Bolthouse beverages. In addition, we expect the company to reinvest the majority if not all of its FY19 carry-over tax savings to help stabilize these businesses. We are lowering our PT to $51 (from $55) which equates to 14.5x our CY19 EPS of $3.52, or a 7.5% FCF yield (versus 6.5% Big Food peer average). *Given likely deal closure in March, our model includes the Snyder's-Lance acquisition.*

Can the company manage the complexity of its biggest acquisition—and prove that it has learned lessons from previous M&A? Campbell has had a mixed track record with past acquisitions. However, the company hopes to ensure a smooth integration using a mixture of increased internal integration know-how, confidence gained from a successfully executed $375M productivity program and help from outside consultants. Given the company's risk aversion—partially caused by previous M&A—we believe there is higher risk of a slow and expensive integration than serious operational hiccups. On Day 1, Campbell's distribution across its Pepperidge Farm and Snyder's-Lance businesses will indeed be complex. Pepperidge Farm has two distribution systems—one for baking and one for cookies/crackers. Snyder's-Lance itself has a hybrid system of distribution with approximately 55% of sales through DSD and 45% through warehouse. Our guess is that—over the long term—there could be cost and execution upside from either a consolidation of distribution and/or migration of certain brands to warehouse distribution.

See page 2 for further commentary and analysis.

Sector Perform

NYSE: CPB; USD 42.90

Price Target USD 51.00 ↓ 55.00

WHAT'S INSIDE	
☐ Rating/Risk Change	☑ Price Target Change
☐ In-Depth Report	☑ Est. Change
☐ Preview	☑ News Analysis

Scenario Analysis*

Downside Scenario	Current Price	Price Target	Upside Scenario
35.00	42.90	51.00	65.00
↓ 15%		↑ 22%	↑ 55%

*Implied Total Returns

Key Statistics

Shares O/S (MM):	317.0	Market Cap (MM):	13,599
Dividend:	1.40	Yield:	3.3%
BVPS:	NA	Avg. Daily Volume:	2,745,071

RBC Estimates

FY Jul	2017A	2018E	2019E	2020E
Revenue	7,890.0	8,989.0	10,409.0	10,601.0
Prev.		9,031.0	10,504.0	10,697.0
EPS, Ops Diluted	3.03	3.11	3.35	3.69
Prev.		2.94	3.27	3.57
P/E	14.2x	13.8x	12.8x	11.6x

Revenue	Q1	Q2	Q3	Q4
2017	2,202.0A	2,171.0A	1,853.0A	1,664.0A
2018	2,161.0A	2,179.0A	2,363.0E	2,286.0E
Prev.		2,199.0E	2,377.0E	2,294.0E
2019	2,830.0E	2,807.0E	2,451.0E	2,321.0E
Prev.	2,844.0E	2,842.0E	2,477.0E	2,340.0E
EPS, Ops Diluted				
2017	1.00A	0.91A	0.59A	0.52A
2018	0.92A	1.00A	0.57E	0.62E
Prev.		0.84E	0.59E	0.59E
2019	1.04E	0.98E	0.64E	0.69E
Prev.		0.94E		0.64E

All values in USD unless otherwise noted.

Campbell Soup trades at a discount to peers and its historical valuation averages, which reflects low relative EPS growth in recent years. EPS growth has been 5% CAGR over the last three years vs. 10% for the large cap average. Headwinds to EPS have included poor profit contribution and volatility from acquired assets (e.g.. Bolthouse, Plum), and declining canned soup and V8 beverage volume. On the heels of the announced acquisition of Snyder's-Lance, we see Campbell as a difficult call based on several key unknowns. These include: 1) a potential stabilization or rebound in soup based on promotion activity at a “key retailer” and 2) the stabilization of struggling Bolthouse beverages and carrot businesses which have been slow to recover from respective recalls and poor weather.

Will Campbell return to promotion prominence? Most recently, Campbell’s sales and earnings have been hindered by retail customer-specific issues in soup (e.g. Walmart decision to push private label rather than Campbell’s branded broth and soup). Heading into fiscal 2H18, Campbell believes it will have more “normal” levels of promotion activity. However, visibility into fiscal 2019 soup promotions is still low with pricing and promotion activity discussions just beginning with key retailers. Should Campbell return to old levels of promotion activity—which we will be able to see in Nielsen scanner data—we will still need to wait to see how much this activity costs (since we cannot see net wholesale pricing). Given Walmart’s recent poor quarterly result we wonder if the retailer may temper its private-label heavy approach.

Can Pepperidge Farm continue its market share grab? Pepperidge Farm has been a long-term outperformer within the Campbell portfolio and within the cookie and snacking (e.g. Goldfish) segment. However, recent trends have been particularly impressive—likely helped by three factors 1) Kellogg’s shift from DSD to warehouse distribution (and the resulting disruption and share loss), 2) Mondelez’ execution issues that began with a malware issue and transitioned to fulfillment and service issues, and 3) Pepperidge Farm’s big hit innovation—Farmhouse Thin & Crispy cookies. It is not hard to imagine Pepperidge Farm sales trends slowing against such a solid year, particularly as Campbell’s snack business undergoes a significant integration.

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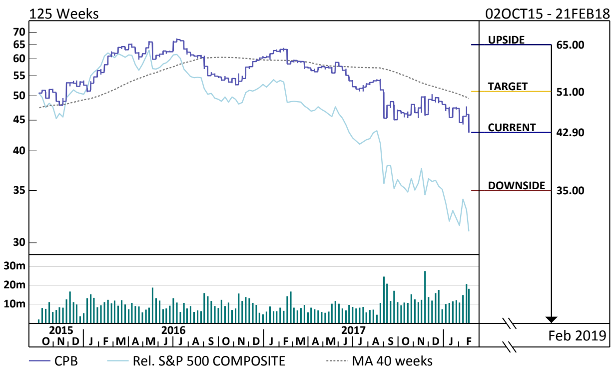
Target/Upside/Downside Scenarios

Exhibit 1: Campbell Soup Company



Source: Bloomberg and RBC Capital Markets estimates for Upside/Downside/Target

Target price/base case

Our valuation for Campbell is based on a price-to-earnings comparable analysis. Our price target of $51, represents a multiple of 14.5x estimated CY19 EPS of $3.52. We believe a ~3 turn discount to peers is warranted given the company's forecasted 3-year EPS growth CAGR of 4%-5% (vs. Big Food average of 9–10%) on an organic (ex-M&A) basis, coupled with heightened execution risk associated with its recent Snyder's-Lance acquisition.

Upside scenario

In our upside case, we assume a rebound in the C-Fresh segment as well as drive stronger growth in its Global Biscuits and Snacks. We also assume some operating margin improvement. Our upside scenario valuation is $65.

Downside scenario

Our downside case assumes that Campbell experiences continued declines in soup sales in its Americas segment, as well as slower-than-expected growth in its Bolthouse and Food Service businesses. We also assume some operating margin declines. Our downside scenario valuation is $35.

Investment summary

Soup turnaround needed to achieve long-term growth targets: Campbell believes it has a line of sight to achieving long-term EPS growth of 5–7%. However, we believe that long-term growth will ultimately depend on stabilization of the company's core soup business. While Campbell has the potential to bolster growth through its Bolthouse and other fresh businesses, it is also dealing with a declining core RTS soup business that is contributing to volume and gross margin pressure. We will be watching soup trends closely in FY18.

Negative mix shift a potential offset to cost-reduction plans? Campbell plans to use some of its $300M cost savings by fiscal 2018 to fund a number of growth initiatives outside of core high-margin soup. These include: 1) innovation within Campbell's Fresh division (14 new Bolthouse SKUs launching this year); 2) geographic expansion in China and other emerging markets; and 3) investing in disruptive tech-centric food start-ups through a limited partnership in its $125M Acre Venture Partners fund. While increased cost savings are encouraging, we still worry about the long-term growth outlook for US canned soup. In our view, Campbell's investments in fresh/perimeter are certainly on-trend, but the company still seems to be looking for the investment or initiative that can stabilize its highest-margin category.

Are packaged food companies past the sweet spot of the food deflation cycle? We will be watching to see how the inflation cycle impacts earnings and sales trends, but increasingly it looks like the major packaged food companies are past the most favorable stages of the cycle. Over the last two years, large cap food companies have averaged 5pp upside to consensus EPS—during a period of diminishing food and energy inflation. Campbell seemed to call the current part of the cycle the worst of all worlds—one with: 1) accelerating deflation in many fresh food categories weighing on packaged food category demand and pricing power; and 2) diminishing relief from its own input costs (e.g., steel cans). This environment may mean diminishing EPS upside for the sector outside of M&A and restructuring benefits. However, we wonder whether a return to modest food inflation in calendar 1H18 may also help bolster food volume trends against easy comparisons.

Risks to our investment thesis include but are not limited to: 1) volume trends for the overall packaged food industry; 2) promotional activity; and 3) international profitability.

Valuation

Our valuation for Campbell is based on a price-to-earnings comparable analysis. Our price target of $51, which we believe supports our Sector Perform rating, represents a multiple of 14.5x estimated CY19 EPS of $3.52. We believe a ~3 turn discount to peers is warranted given the company's forecasted 3-year EPS growth CAGR of 4%-5% (vs. Big Food average of 9–10%) on an organic (ex-M&A) basis, coupled with heightened execution risk associated with its recent Snyder's-Lance acquisition.

Risks to rating and price target

Volume trends for the packaged food industry. Volume trends for large packaged food companies have declined, presumably as consumers seek out food from alternative channels and from the “perimeter of the grocery store” (i.e., fresh produce and meats, dairy). Campbell, like other large packaged food companies, has high exposure to “center-of-the-store” categories, and the company’s net sales may be affected if overall trends worsen.

Promotional activity. As packaged food trends decline, Campbell and competitors may promote excessively and irrationally in an attempt to keep or gain market share in various categories, thus negatively affecting earnings growth.

International profitability. As Campbell grows increasingly reliant on international markets, macro trends can negatively affect the demand for packaged food items abroad.

Company description

Campbell Soup is engaged in manufacturing and marketing of convenience food products including soup and sauces, baked snacks, and healthy beverages through its subsidiaries. It operates through five segments: US Simple Meals (36% of revenue), Global Baking and Snacking (28%), International Simple Meals and Beverages (11%), U.S. Beverages (9%), and Bolthouse and Foodservice (16%). The company’s brands include Campbell’s, Swanson, V8, and Pepperidge Farm. In its latest fiscal year, Campbell generated approximately $8B in revenue.

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Campbell Soup Company	$0.82	$0.74	$0.69	$0.48	**$2.73**	$0.82	$0.74	$0.69	$0.48	**$2.73**	$0.82	$0.74	$0.69	$0.48	**$2.73**	**$2.73**
Income Statement	$1.00	$0.91	$0.59	$0.52	**$3.03**	$0.92	$1.00	$0.57	$0.62	**$3.11**	$1.04	$0.98	$0.64	$0.69	**$3.35**	**$3.69**
David S. Palmer	$1.00	$0.91	$0.59	$0.52	**$3.02**	$0.92	$1.00	$0.57	$0.62	**$3.11**	$1.04	$0.98	$0.64	$0.69	**$3.35**	**$3.69**

	Options Adjusted					Options Adjusted					Options Adjusted					
CPB	2017				Full Year	2018E				Full Year	2019E				Full Year	Full Year
(in millions, except per share data)	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18E	4Q18E	2018E	1Q19E	2Q19E	3Q19E	4Q19E	2019E	2020E
	Oct-16	Jan-17	Apr-17	Jul-17	July-17	Oct-17	Jan-18	Apr-18E	Jul-18E	July-18E	Oct-18E	Jan-19E	Apr-19E	Jul-19E	July-19E	July-20E
Sales																
Americas Simple Meals and Beverages	1,297	1,231	982	815	**4,325**	1,218	1,196	980	823	**4,218**	1,288	1,234	980	823	**4,326**	**4,363**
Global Biscuits and Snacks	671	680	623	624	**2,598**	709	726	644	644	**2,723**	722	744	656	657	**2,779**	**2,835**
Campbell Fresh	234	260	248	225	**967**	234	257	250	227	**969**	239	262	255	232	**988**	**1,018**
Snyder's-Lance	589	556	532	580	**2,257**	564	550	543	592	**2,249**	581	567	559	609	**2,316**	**2,386**
Total Sales	**2,202**	**2,171**	**1,853**	**1,664**	**7,890**	**2,161**	**2,179**	**2,363**	**2,286**	**8,989**	**2,830**	**2,807**	**2,451**	**2,321**	**10,409**	**10,601**
Y/Y Change	0.0%	-1.4%	-0.9%	-1.4%	-0.9%	-1.9%	0.4%	27.5%	37.4%	13.9%	31.0%	28.8%	3.7%	1.5%	15.8%	1.8%
Operating Contribution																
Americas Simple Meals and Beverages	383	313	226	198	**1,120**	328	282	212	189	**1,011**	344	288	212	189	**1,033**	**1,055**
Global Biscuits and Snacks	112	135	98	109	**454**	120	139	101	112	**473**	124	144	105	116	**488**	**506**
Campbell Fresh	1	(3)	1	(8)	**(9)**	(6)	(11)	1	1	**(15)**	(1)	(6)	2	2	**(3)**	**12**
Snyder's-Lance	55	56	28	52	**191**	61	58	39	65	**223**	69	66	46	73	**253**	**321**
TOTAL Operating Contribution	**496**	**445**	**325**	**299**	**1,565**	**442**	**410**	**350**	**367**	**1,569**	**535**	**492**	**365**	**379**	**1,771**	**1,893**
Corporate Expense	(10)	(28)	(20)	(17)	(75)	(25)	(8)	(20)	(17)	(70)	(27)	(10)	(22)	(19)	(78)	(78)
Operating Profit	**486**	**417**	**305**	**282**	**1,490**	**417**	**402**	**330**	**350**	**1,499**	**508**	**482**	**343**	**360**	**1,693**	**1,815**
Y/Y Change	1.5%	-1.4%	-2.2%	11.5%	1.6%	-14.2%	-3.6%	8.2%	24.2%	0.6%	21.7%	19.8%	4.0%	2.9%	12.9%	7.2%
Margin	22.1%	19.2%	16.5%	16.9%	18.9%	19.3%	18.4%	14.0%	15.3%	16.7%	17.9%	17.2%	14.0%	15.5%	16.3%	17.1%
Margin Chng Y/Y	33 bp	-1 bp	-22 bp	195 bp	46 bp	-277 bp	-76 bp	-249 bp	-163 bp	-220 bp	-136 bp	-130 bp	4 bp	21 bp	-42 bp	86 bp
Income Statement																
Total Sales	$2,202	$2,171	$1,853	$1,664	$7,890	$2,161	$2,179	$2,363	$2,286	$8,989	$2,830	$2,807	$2,451	$2,321	$10,409	$10,601
Cost of Goods Sold	1,341	1,346	1,175	1,118	4,980	1,373	1,412	1,534	1,559	5,877	1,791	1,812	1,585	1,577	6,765	6,863
Gross Profit	**861**	**825**	**678**	**546**	**2,910**	**788**	**767**	**829**	**727**	**3,111**	**1,039**	**995**	**866**	**744**	**3,645**	**3,738**
Margin	39.1%	38.0%	36.6%	32.8%	36.9%	36.5%	35.2%	35.1%	31.8%	34.6%	36.7%	35.4%	35.3%	32.1%	35.0%	35.3%
Margin Change	124 bp	70 bp	-42 bp	-329 bp	-25 bp	-264 bp	-280 bp	-150 bp	-100 bp	-227 bp	25 bp	25 bp	25 bp	25 bp	40 bp	25 bp
Y/Y Change	3.2%	0.5%	-2.0%	-10.3%	-1.6%	-8.5%	-7.0%	22.3%	33.2%	6.9%	31.9%	29.8%	4.5%	2.3%	17.1%	2.6%
Marketing & Selling	228	237	209	143	817	219	228	286	198	931	338	300	306	206	1,149	1,122
General & Administrative	115	139	140	86	480	137	165	175	115	592	175	185	178	113	651	647
Research & Development	26	25	27	20	98	30	27	34	38	129	33	29	35	39	137	139
Other Expense	6	7	4	26	43	-15	103	4	26	118	-15	0	4	26	15	15
Operating Profit	**486**	**417**	**305**	**282**	**1,490**	**417**	**402**	**330**	**350**	**1,499**	**508**	**482**	**343**	**360**	**1,693**	**1,815**
Y/Y Change	1%	-1%	-2%	11%	1.6%	-14%	-4%	8%	24%	1%	22%	20%	4%	3%	13%	7%
Interest Expense (Net)	28	28	28	29	113	30	32	85	84	231	83	82	82	81	328	314
avg interest rate (net debt)	3.4%	3.5%	3.6%	3.6%	3.5%	3.6%	3.8%	3.5%	3.4%	3.6%	3.4%	3.6%	3.6%	3.5%	3.5%	3.6%
Pretax Income	458	389	277	253	1,377	387	370	245	266	1,268	424	399	262	280	1,365	1,502
Income Taxes	147	108	97	94	446	109	70	72	78	330	110	104	68	73	355	390
Tax Rate	32.1%	27.8%	35.0%	37.2%	32.4%	28.2%	18.9%	29.5%	29.5%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Non-Controlling Interest																
Net Income, Ops.	**311**	**281**	**180**	**159**	**931**	**278**	**300**	**173**	**188**	**938**	**314**	**295**	**194**	**207**	**1,010**	**1,111**
Y/Y Change	5%	4%	-11%	11%	1.8%	-11%	7%	-4%	18%	0.8%	13%	-2%	12%	10%	7.7%	10.0%
Net income incluing discontinued ops																
EPS-Basic	$1.01	$0.92	$0.59	$0.52	$3.04	$0.92	$1.00	$0.57	$0.62	$3.12	$1.04	$0.98	$0.64	$0.69	$3.36	$3.69
EPS-Diluted	**$1.00**	**$0.91**	**$0.59**	**$0.52**	**$3.03**	**$0.92**	**$1.00**	**$0.57**	**$0.62**	**$3.11**	**$1.04**	**$0.98**	**$0.64**	**$0.69**	**$3.35**	**$3.69**
Y/Y Change	5.4%	4.6%	-9.9%	12.9%	3.1%	-8.3%	9.5%	-2.6%	19.4%	2.8%	13.2%	-1.6%	12.2%	10.4%	7.7%	10.0%
# of Shares-Basic	308	306	304	303	305	301	301	301	301	301	301	301	301	301	301	301
# of Shares-Diluted	310	309	306	305	308	302	302	302	302	302	302	302	302	302	302	302
	-0.6%	-1.0%	-1.6%	-1.6%	-1.2%	-2.6%	-2.4%	-1.5%	-1.1%	-1.9%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend Per Share	$0.39	$0.42	$0.42	$0.42	$1.67	$0.35	$0.35	$0.35	$0.35	$1.40	$0.35	$0.35	$0.35	$0.35	$1.40	$1.40

Source: RBC Capital Markets estimates; company filings

Required disclosures

Conflicts disclosures

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Ratings

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Distribution of ratings
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As of 31-Dec-2017

			Investment Banking Serv./Past 12 Mos.	
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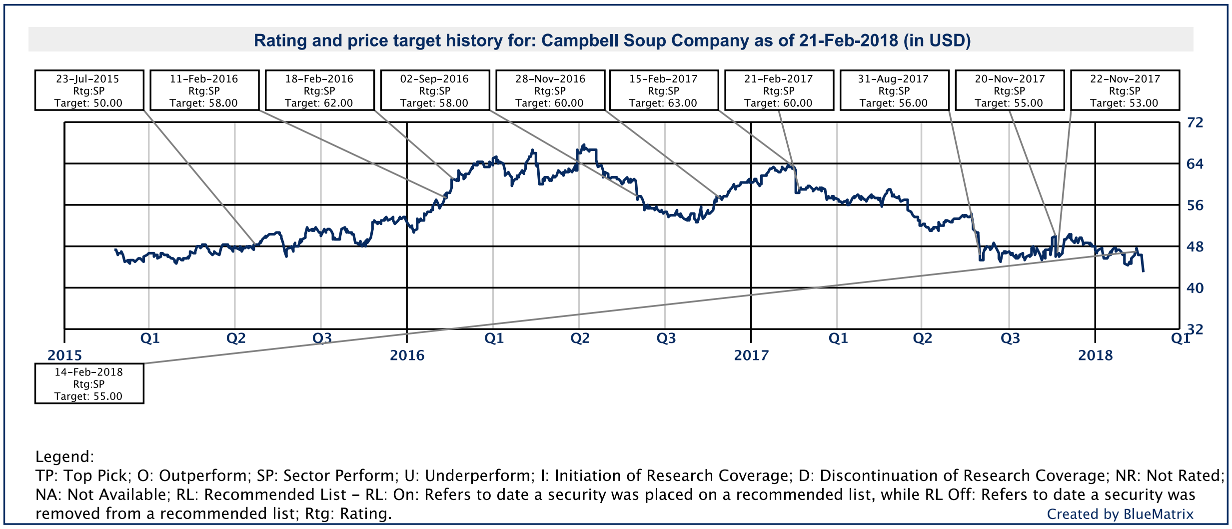
HOLD [Sector Perform]	683	41.24	155	22.69
SELL [Underperform]	105	6.34	8	7.62



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Campbell Soup Company

Valuation

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Campbell Soup Co

Reinvestment Year Extends into Fiscal 2019

Equities

Americas
Food Products

12-month rating	**Sell**
12m price target	**US$41.00**
Price	**US$46.17**

RIC: CPB.N **BBG:** CPB US

Trading data and key metrics

52-wk range	US$59.83-44.22
Market cap.	US$14.3bn
Shares o/s	310m (COM)
Free float	61%
Avg. daily volume ('000)	682
Avg. daily value (m)	US$32.5
Common s/h equity (07/18E)	US$2.14bn
P/BV (07/18E)	6.5x
Net debt / EBITDA (07/18E)	2.0x

EPS (UBS, diluted) (US$)

	07/18E			
	From	To	% ch	Cons.
Q1	0.92	0.92	0	0.92
Q2	0.77	1.01	30	1.00
Q3E	0.66	0.63	-4	0.64
Q4E	0.62	0.59	-5	0.59
07/18E	2.98	3.13	5	3.02
07/19E	3.06	3.22	5	3.14
07/20E	3.15	3.26	3	3.31

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Fiscal 2019 reinvestment tone offsets a few positive considerations

Heading into F2Q earnings, Campbell stock sentiment had started to lift as investors suspected CPB would repair its soup trade agreements with a major retailer and flow-through FY19 US tax savings. On its F2Q call Campbell confirmed improved relations w/its largest retailer and raised its cost plan by $50m to $500m. But these positive considerations were overshadowed when Campbell referred to FY19 as a reinvestment year and said it would reinvest the majority of FY19 tax savings (~30c to EPS). At CAGNY we expect more companies will echo Campbell and Kraft-Heinz's reinvestment plans. Following F2Q's weaker EBITDA results and outlook for a lower tax rate, our FY18 EPS forecasts revise higher to $3.13 from $2.98 based on -1.2% organic sales.

Campbell foreshadows FY19 as a another reinvestment year

Between remaining zero based budgeting savings (~$135m) and US tax reform ($90m), Campbell has a large pool of reinvestment dollars to repair its US soup business and C-Fresh business. Given these resources, we find it increasingly probable Campbell can regain lost distribution at Walmart during FY19's soup season, which detracted 1.1pp from sales and ~10c from this year's earnings power. In reviewing F2Q Nielsen data, soup consumption trends in the grocery channel (-1.6%) exceeded the mass channel trends (-23% YOY)—suggesting there is just cause for both Campbell & Walmart to renegotiate trade terms in FY19. Campbell will also use funds to increase C-Fresh beverage distribution and increase Pacific Foods brand awareness/HH penetration.

General sentiment remains bearish, but the bull case could gain a bit of steam

Campbell trades at 15x stand-alone FY18 EPS, or ~11.5x pro-forma EBITDA incl. Snyder's Lance. From here the bull case focuses on: 1) potential for a relative valuation reversal; 2) washed-out baseline EPS estimates; and 3) portfolio evolution potential from Snyder's-Lance and the transaction's associated EPS accretion. Conversely, 'bears' argue Campbell is still over-earning in its core soup business and point to a complicated integration challenge for Snyder's-Lance. For us to grow more constructive, we await details for its reinvestment plan and updated guidance post the legal close of LNCE.

Valuation: Maintain $41 price target.

Our $41 price target is based on a fwd P/E, EV/EBITDA, and DCF methodology.

Highlights (US$m)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
Revenues	8,082	7,961	7,890	7,915	8,117	8,207	8,323	8,456
EBIT (UBS)	1,316	1,467	1,490	1,416	1,453	1,470	1,491	1,523
Net earnings (UBS)	830	914	931	950	978	991	1,007	1,030
EPS (UBS, diluted) (US$)	2.65	2.94	3.05	3.13	3.22	3.26	3.34	3.45
DPS (US$)	1.25	1.25	1.40	1.40	1.40	1.40	1.47	1.54
Net (debt) / cash	(3,842)	(3,145)	(3,217)	(3,443)	(2,835)	(2,211)	(1,776)	(1,344)
Profitability/valuation	**07/15**	**07/16**	**07/17**	**07/18E**	**07/19E**	**07/20E**	**07/21E**	**07/22E**
EBIT margin %	16.3	18.4	18.9	17.9	17.9	17.9	17.9	18.0
ROIC (EBIT) %	24.8	29.6	31.2	27.1	26.0	26.3	26.6	27.2
EV/EBITDA (core) x	11.1	11.9	11.6	10.1	9.7	9.3	9.2	8.5
P/E (UBS, diluted) x	17.1	19.3	18.8	14.7	14.3	14.2	13.8	13.4
Equity FCF (UBS) yield %	6.3	8.0	5.3	6.1	6.8	6.9	7.1	7.2
Net dividend yield %	2.7	2.2	2.4	3.0	3.0	3.0	3.2	3.3

Source: Company accounts, Thomson Reuters, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$46.17 on 16 Feb 2018 19:34 EST

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Campbell's Income Statement

Figure 1: CPB Income Statement (UBS estimates)

Campbell Soup Co.	Full Year	Full Year	Full Year	Full Year	2017				Full Year	2018				Full Year	Full Year
	2013	2014	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18E	4Q18E	2018E	2019E
	Jul-13	Jul-14	Jul-15	Jul-16	Oct-16	Jan-17	Apr-17	Jul-17	Jul-17	Oct-17	Jan-18	Apr-18	Jul-18	Jul-18	Jul-19
Income Statement.															
Net Sales	$8,052	$8,268	$8,082	$7,961	$2,202	$2,171	$1,853	$1,664	$7,890	$2,161	$2,180	$1,884	$1,690	$7,915	$8,117
YOY%	5.8%	2.7%	(2.2%)	(1.5%)	(0.0%)	(1.4%)	(0.9%)	(1.4%)	(0.9%)	(1.9%)	0.4%	1.7%	1.6%	0.3%	2.6%
YOY% (ex-FX)	6.2%	4.2%	(0.2%)	0.5%	(0.7%)	(1.9%)	(0.9%)	(1.5%)	(1.2%)	(2.2%)	0.1%	1.7%	1.6%	0.1%	2.6%
adj. Cost of Goods Sold	5,049	5,295	5,222	5,005	1,351	1,360	1,175	1,050	4,936	1,373	1,413	1,189	1,055	5,030	5,142
adj. Gross Profit	$3,003	$2,973	$2,860	$2,956	$851	$811	$678	$614	$2,954	$788	$767	$695	$635	$2,885	$2,975
YOY$		($30)	($113)	$96	$17	($10)	($14)	$5	($2)	($63)	($44)	$17	$21	($69)	$90
Gross Margin	37.3%	36.0%	35.4%	37.1%	38.6%	37.4%	36.6%	36.9%	37.4%	36.5%	35.2%	36.9%	37.6%	36.4%	36.7%
YOY Chg.	(164) bps	(134) bps	(57) bps	174 bps	79 bps	5 bps	(42) bps	80 bps	31 bps	(218) bps	(217) bps	30 bps	70 bps	(99) bps	21 bps
Operating Expenses adj.	$1,771	$1,646	$1,544	$1,489	$365	$394	$373	$332	$1,464	$371	$362	$389	$347	$1,469	$1,522
YOY$	$31	($126)	($101)	($55)	$10	($4)	($7)	($24)	($25)	$6	($32)	$16	$15	$5	$53
Op. expense ratio	22.0%	19.9%	19.1%	18.7%	16.6%	18.1%	20.1%	20.0%	18.6%	17.2%	16.6%	20.6%	20.5%	18.6%	18.7%
YOY bp change	(86) bps	(209) bps	(79) bps	(40) bps	46 bps	5 bps	(19) bps	(115) bps	(15) bps	59 bps	(154) bps	51 bps	55 bps	(0) bps	19 bps
Operating Income adj.	$1,232	$1,328	$1,316	$1,467	$486	$417	$305	$282	$1,490	$417	$402	$306	$289	$1,416	$1,453
YOY$		$96	($12)	$151	$7	($6)	($7)	$29	$23	($69)	($15)	$1	$7	($74)	$37
YOY %	0.7%	7.8%	(0.9%)	11.5%	1.5%	(1.3%)	(2.2%)	11.5%	1.6%	(14.2%)	(3.6%)	0.4%	2.5%	(5.0%)	2.6%
operating margin	15.3%	16.1%	16.3%	18.4%	22.1%	19.2%	16.5%	16.9%	18.9%	19.3%	18.4%	16.2%	17.1%	17.9%	17.9%
bps change	(78) bps	76 bps	22 bps	214 bps	33 bps	1 bps	(22) bps	195 bps	46 bps	(277) bps	(77) bps	(21) bps	15 bps	(99) bps	1 bps
Interest Expense	125	117	105	111	28	28	28	29	113	30	32	36	37	135	149
blended borrowing rate	2.8%	2.8%	2.7%	2.9%	3.3%	3.1%	3.2%	3.4%	3.2%	3.4%	3.7%	3.8%	3.9%	3.6%	3.9%
Earnings Before Taxes (EBT)	$1,107	$1,211	$1,211	$1,356	$458	$389	$277	$253	$1,377	$387	$370	$270	$252	$1,281	$1,305
Income Taxes	330	389	380	441	147	108	97	94	446	109	70	78	73	330	326
Tax Rate	30%	32%	31%	33%	32%	28%	35%	37%	32.4%	28%	19%	29%	29%	25.8%	25%
Net Income Attrib to NCI	(9)	(6)	0	0	0	0	0	0	0	0	0	0	0	0	0
adj, Net Income	$786	$828	$830	$914	$311	$281	$180	$159	$931	$278	$300	$192	$179	$950	$978
YOY$	$7	$42	$3	$84	$14	$10	($23)	$16	$17	($33)	$19	$12	$20	$19	$28
YOY %	0.9%	5.3%	0.3%	10.1%	4.5%	3.8%	(11.4%)	11.2%	1.8%	(10.6%)	6.8%	6.5%	12.4%	2.1%	3.0%
adjusted EPS	$2.48	$2.62	$2.65	$2.94	$1.00	$0.91	$0.59	$0.52	$3.05	$0.92	$1.00	$0.63	$0.59	$3.13	$3.22
YOY %	1.5%	5.6%	1.1%	11.0%	5.2%	4.5%	(9.9%)	13.4%	3.8%	(8.2%)	9.6%	7.5%	13.0%	2.7%	2.8%
Calendar EPS	$2.51	$2.60	$2.98	$3.03					$3.03					$3.13	$3.24
YOY%	2.8%	3.5%	14.4%	1.6%					0.0%					3.3%	3.7%
Diluted Shares Outstanding	317.0	316.0	313.5	311.0	310.0	309.0	306.0	305.0	305.0	302.0	301.0	303.2	303.3	303.3	303.7
YOY % change in shares	(0.6%)	(0.3%)	(0.8%)	(0.8%)	(0.6%)	(0.7%)	(1.6%)	(1.9%)	(1.9%)	(2.6%)	(2.6%)	(0.9%)	(0.6%)	(0.6%)	0.1%
Dividend Declared (Per Sh.)	$1.16	$1.25	$1.25	$1.25	$0.35	$0.35	$0.35	$0.35	$1.40	$0.35	$0.35	$0.35	$0.35	$1.40	$1.40
YOY %	0.0%	7.6%	(0.2%)	0.2%	12.2%	12.2%	12.2%	12.2%	12.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Payout ratio	46%	47%	47%	42%	35%	38%	59%	67%	46%	38%	35%	55%	59%	44%	43%
Revenue Algorithm															
YOY% components															
+ Volume/Mix	1.0%	0.0%	0.0%	(1.4%)	(0.9%)	(1.0%)	0.1%	(1.8%)	(0.9%)	(2.3%)	(2.2%)	(1.0%)	(0.3%)	(1.5%)	1.1%
+ Price & Sales Allowances	2.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.3%	0.0%	0.3%	0.0%
+ Promotional Spending	(1.0%)	(2.0%)	0.0%	(0.3%)	(0.2%)	(0.9%)	(1.4%)	0.3%	(0.6%)	0.1%	0.3%	(0.1%)	0.2%	0.1%	(0.1%)
= Organic Growth	2.0%	(1.0%)	1.0%	(0.5%)	(1.1%)	(1.9%)	(1.3%)	(1.5%)	(1.2%)	(2.2%)	(1.2%)	(0.8%)	(0.1%)	(1.2%)	1.0%
+ Acquisitions & Other	10.0%	3.6%	0.2%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	2.5%	1.7%	1.3%	1.6%
+ FX	(0.5%)	(1.5%)	(2.0%)	(2.0%)	0.7%	0.5%	0.0%	0.1%	0.3%	0.3%	0.3%	0.0%	0.0%	0.2%	0.0%
+ Calendar/Other	0.0%	0.0%	(2.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
= YOY% reported sales growth	5.8%	2.7%	(2.2%)	(1.5%)	(0.0%)	(1.4%)	(0.9%)	(1.4%)	(0.9%)	(1.9%)	0.4%	1.7%	1.6%	0.3%	2.6%
Gross Margin															
adj Gross Margin	37.3%	36.0%	35.4%	37.1%	38.6%	37.4%	36.6%	36.9%	37.4%	36.5%	35.2%	36.9%	37.6%	36.4%	36.7%
YOY bps	(164) bps	(134) bps	(57) bps	174 bps	79 bps	5 bps	(42) bps	80 bps	31 bps	(218) bps	(217) bps	30 bps	70 bps	(99) bps	21 bps
Gross Margin drivers:					1.36%										
Productivity improvements	160 bps	200 bps	160 bps		170 bps	180 bps	190 bps	180 bps	180 bps	130 bps	130 bps	300 bps	330 bps	223 bps	
Net pricing	80 bps	70 bps	50 bps		20 bps	10 bps	20 bps	10 bps	15 bps	(20) bps	20 bps	0 bps	0 bps	0 bps	
Promotions	(70) bps	(110) bps	(30) bps		(20) bps	(60) bps	(80) bps	0 bps	(40) bps	10 bps	20 bps	0 bps	0 bps	8 bps	
Mix	0 bps	(40) bps	(30) bps		20 bps	20 bps	0 bps	0 bps	10 bps	(80) bps	(60) bps	(20) bps	(20) bps	(45) bps	
Acquisitions	(170) bps	(60) bps	30 bps		0 bps	0 bps	0 bps	0 bps	0 bps	0 bps	0 bps	0 bps	0 bps	0 bps	
Other										(90) bps	0 bps	0 bps	0 bps	(23) bps	
Inflation/other	(190) bps	(260) bps	(250) bps		(70) bps	(80) bps	(170) bps	(110) bps	(108) bps	(160) bps	(330) bps	(250) bps	(250) bps	(248) bps	
Inflation rate					+1.5%	+1.0%	+2.0%	+2.0%	1.6%	+2.5%	+3.5%	+3.0%	+3.0%	+3%	
										(210) bps	(220) bps	30 bps	60 bps		
SG&A Build			$85m	$215m	$250m	$270m	$285m	$325m	$325m	$345m	$365m	$385m	$405m	$405m	$460m
Zero-based budgeting savings			$85m	$130m	$35m	$20m	$15m	$40m	$110m	$20m	$20m	$20m	$20m	$80m	$55m
			1.1%	1.6%					1.4%					1.0%	0.7%
Operating Expense	$1,832	$1,646	$1,544	$1,489	$365	$394	$373	$332	$1,464	$371	$362	$389	$347	$1,469	$1,522
YOY $	$80	($187)	($101)	($55)	$10	($4)	($7)	($24)	($25)	$6	($32)	$16	$15	$5	$53
YOY%	4.6%	(10.2%)	(6.1%)	(3.6%)	2.8%	(1.1%)	(1.8%)	(6.7%)	(1.7%)	1.6%	(8.1%)	4.3%	4.4%	0.3%	3.6%
% of revenues	22.8%	19.9%	19.1%	18.7%	16.6%	18.1%	20.1%	20.0%	18.6%	17.2%	16.6%	20.6%	20.5%	18.6%	18.7%
Margin Chg. YOY	(26) bp	(285) bp	(79) bp	(40) bp	46 bp	5 bp	(19) bp	(115) bp	(15) bp	59 bp	(154) bp	51 bp	55 bp	(0) bp	19 bp
Marketing & Selling Expenses	$947	$921	$863	$847	$230	$240	$209	$172	$851	$219	$228	$217	$181	$845	$858
YOY $	($58)	($26)	($58)	($16)	$24	$14	($10)	($24)	$4	($11)	($12)	$8	$9	($6)	$13
YOY%	(5.8%)	(2.7%)	(6.3%)	(1.9%)	11.7%	6.4%	(4.6%)	(12.2%)	0.5%	(4.8%)	(5.0%)	4.0%	5.0%	(0.7%)	1.5%
% of revenues	11.8%	11.1%	10.7%	10.6%	10.4%	11.1%	11.3%	10.3%	10.8%	10.1%	10.5%	11.5%	10.7%	10.7%	10.6%
Margin Chg. YOY	(144) bp	(62) bp	(46) bp	(4) bp	109 bp	80 bp	(43) bp	(128) bp	15 bp	(31) bp	(60) bp	26 bp	35 bp	(11) bp	(11) bp
Administrative Expenses	$677	$557	$552	$526	$117	$141	$133	$121	$512	$137	$139	$134	$125	$535	$540
YOY $	$73	($120)	($5)	($26)	($3)	($5)	$1	($7)	($14)	$20	($2)	$1	$4	$23	$5
YOY%	12.1%	(17.7%)	(0.9%)	(4.7%)	(2.5%)	(3.3%)	0.8%	(5.5%)	(2.6%)	17.1%	(1.4%)	1.0%	3.0%	4.5%	1.0%
% of revenues	8.4%	6.7%	6.8%	6.6%	5.3%	6.5%	7.2%	7.3%	6.5%	6.3%	6.4%	7.1%	7.4%	6.8%	6.7%
Margin Chg. YOY	47 bp	(167) bp	9 bp	(23) bp	(13) bp	(13) bp	12 bp	(32) bp	(12) bp	103 bp	(12) bp	(5) bp	10 bp	27 bp	(10) bp
Research & Development Expenses	$128	$117	$107	$102	$27	$24	$27	$31	$109	$30	$24	$27	$31	$113	$114
YOY $	$6	($11)	($10)	($5)	$3	$1	$0	$3	$7	$3	$0	$0	$0	$4	$1
YOY%	4.9%	(8.6%)	(8.5%)	(4.7%)	12.5%	4.3%	0.0%	10.7%	6.9%	11.1%	0.0%	1.0%	1.0%	3.3%	1.0%
% of revenues	1.6%	1.4%	1.3%	1.3%	1.2%	1.1%	1.5%	1.9%	1.4%	1.4%	1.1%	1.4%	1.9%	1.4%	1.4%
Margin Chg. YOY	(1) bp	(17) bp	(9) bp	(4) bp	14 bp	6 bp	1 bp	20 bp	10 bp	16 bp	(0) bp	(1) bp	(1) bp	4 bp	(2) bp
Other Expenses	$80	$51	$22	$15	($9)	($11)	$4	$8	($8)	($15)	($29)	$10	$10	($24)	$10
YOY $	$59	($30)	($28)	($7)	($14)	($15)	$2	$4	($23)	($6)	($18)	$6	$2	($16)	$34
YOY%	281.0%	(36.9%)	(55.6%)	(33.0%)	(280.0%)	(375.0%)	100.0%	100.0%	(153.3%)	66.7%	163.6%	150.0%	25.0%	200.0%	(141.7%)
% of revenues	1.0%	0.6%	0.3%	0.2%	(0.4%)	(0.5%)	0.2%	0.5%	(0.1%)	(0.7%)	(1.3%)	0.5%	0.6%	(0.3%)	0.1%
Margin Chg. YOY	72 bp	(38) bp	(33) bp	(9) bp	(64) bp	(69) bp	11 bp	24 bp	(29) bp	(29) bp	(82) bp	31 bp	11 bp	(20) bp	43 bp
EBITDA build															
Depreciation & Amortization	$407	$305	$303	$308	$77	$77	$80	$84	$318	$82	$79	$83	$85	$329	$347
YOY$	$145	($102)	($2)	$5	$3	($1)	$4	$4	$10	$5	$2	$3	$1	$11	$18
YOY%	55.3%	(25.1%)	(0.7%)	1.7%	4.1%	(1.3%)	5.3%	5.0%	3.2%	6.5%	2.6%	3.5%	1.3%	3.4%	5.4%
as a % of revenue	5.1%	3.7%	3.7%	3.9%	3.5%	3.5%	4.3%	5.0%	4.0%	3.8%	3.6%	4.4%	5.0%	4.2%	4.3%
Depreciation (TTM)	$407	$305	$303	$308	$311	$310	$314	$318	$318	$323	$325	$328	$329	$329	$347
net PP&E	2,260	2,318	2,347	2,407	2,380	2,375	2,372	2,454	2,454	2,417	2,518	2,586	2,640	2,640	2,649
average depreciable life (years)	5.6	7.6	7.7	7.8	7.7	7.7	7.6	7.7	7.7	7.5	7.7	7.6	7.6	7.6	7.6
EBITDA calc:															
adj EBIT	$1,232	$1,328	$1,316	$1,467	$486	$417	$305	$282	$1,490	$417	$402	$306	$289	$1,416	$1,453
+ depreciation & amortization	407	305	303	308	77	77	80	84	318	82	79	83	85	329	347
adj EBITDA			$1,619	$1,775	$563	$494	$385	$366	$1,808	$499	$481	$389	$374	$1,743	$1,800
+ stock based compensation			57	57	13	18	15	11	57	13	18	16	16	63	64
EBITDA(s)	$1,639	$1,633	$1,676	$1,832	$576	$512	$400	$377	$1,865	$512	$499	$405	$390	$1,806	$1,864
YOY%	10.3%	(0.4%)	2.6%	9.3%	1.8%	(1.3%)	(0.7%)	9.6%	1.8%	(11.1%)	(2.5%)	1.3%	3.4%	(3.2%)	3.2%
margin rate	20.4%	19.7%	20.7%	23.0%	26.2%	23.6%	21.6%	22.7%	23.6%	23.7%	22.9%	21.5%	23.1%	22.8%	23.0%
EBITDA(s), trailing 4-qtrs	$1,639	$1,633	$1,676	$1,832	$1,842	$1,835	$1,832	$1,865	$1,865	$1,801	$1,788	$1,793	$1,806	$1,806	$1,864
net debt/EBITDA	2.5x	2.3x	2.3x	1.7x	1.8x	1.7x	1.7x	1.7x	1.7x	1.8x	2.0x	1.9x	1.9x	1.9x	1.5x

Source: Company financials, UBS estimates

Campbell Soup Co (CPB.N)

Income statement (US$m)	**07/15**	**07/16**	**07/17**	**07/18E**	*% ch*	**07/19E**	*% ch*	**07/20E**	**07/21E**	**07/22E**
Revenues	**8,082**	**7,961**	**7,890**	**7,915**	*0.3*	**8,117**	*2.6*	**8,207**	**8,323**	**8,456**
Gross profit	2,860	2,956	2,954	2,885	*-2.3*	2,975	*3.1*	3,017	3,063	3,121
EBITDA (UBS)	**1,619**	**1,775**	**1,808**	**1,745**	*-3.5*	**1,800**	*3.2*	**1,817**	**1,837**	**1,867**
Depreciation & amortisation	(303)	(308)	(318)	(329)	*3.4*	(347)	*5.4*	(347)	(346)	(344)
EBIT (UBS)	**1,316**	**1,467**	**1,490**	**1,416**	*-5.0*	**1,453**	*2.6*	**1,470**	**1,491**	**1,523**
Associates & investment income	0	0	0	0	-	0	-	0	0	0
Other non-operating income	0	0	0	0	-	0	-	0	0	0
Net interest	(105)	(111)	(113)	(135)	*-19.9*	(149)	*-9.9*	(149)	(149)	(149)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Profit before tax	**1,211**	**1,356**	**1,377**	**1,281**	*-7.0*	**1,305**	*1.9*	**1,321**	**1,342**	**1,374**
Tax	(380)	(441)	(446)	(330)	*25.9*	(326)	*1.3*	(330)	(336)	(343)
Profit after tax	**830**	**914**	**931**	**950**	*2.1*	**978**	*3.0*	**991**	**1,007**	**1,030**
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	0	0	0	0	-	0	-	0	0	0
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	**830**	**914**	**931**	**950**	*2.1*	**978**	*3.0*	**991**	**1,007**	**1,030**
Net earnings (UBS)	**830**	**914**	**931**	**950**	*2.1*	**978**	*3.0*	**991**	**1,007**	**1,030**
Tax rate (%)	31.4	32.6	32.4	25.8	*-20.4*	25.0	*-3.1*	25.0	25.0	25.0

Per share (US$)	**07/15**	**07/16**	**07/17**	**07/18E**	*% ch*	**07/19E**	*% ch*	**07/20E**	**07/21E**	**07/22E**
EPS (UBS, diluted)	2.65	2.94	3.05	3.13	*2.7*	3.22	*2.8*	3.26	3.34	3.45
EPS (local GAAP, diluted)	2.65	2.94	3.05	3.13	*2.7*	3.22	*2.8*	3.26	3.34	3.45
EPS (UBS, basic)	2.66	2.96	3.07	3.15	*2.7*	3.24	*2.8*	3.28	3.36	3.49
Net DPS (US$)	1.25	1.25	1.40	1.40	*0.0*	1.40	*0.0*	1.40	1.47	1.54
Cash EPS (UBS, diluted)[1]	3.61	3.93	4.10	4.22	*3.0*	4.36	*3.5*	4.40	4.49	4.61
Book value per share	4.41	4.95	5.31	7.10	*33.7*	9.14	*28.8*	11.22	12.77	14.41
Average shares (diluted)	313.50	311.00	305.00	303.30	*-0.6*	303.70	*0.1*	304.10	301.17	298.36

Balance sheet (US$m)	**07/15**	**07/16**	**07/17**	**07/18E**	*% ch*	**07/19E**	*% ch*	**07/20E**	**07/21E**	**07/22E**
Cash and equivalents	253	296	319	375	*17.6*	983	*161.9*	1,607	2,042	2,474
Other current assets	1,839	1,612	1,581	1,597	*1.0*	1,602	*0.3*	1,621	1,645	1,672
Total current assets	**2,092**	**1,908**	**1,900**	**1,972**	*3.8*	**2,584**	*31.1*	**3,228**	**3,687**	**4,146**
Net tangible fixed assets	2,347	2,407	2,454	2,640	*7.6*	2,649	*0.3*	2,646	2,631	2,624
Net intangible fixed assets	3,549	3,415	3,233	3,744	*15.8*	3,744	*0.0*	3,744	3,744	3,744
Investments / other assets	101	107	139	146	*5.0*	146	*0.0*	146	146	146
Total assets	**8,089**	**7,837**	**7,726**	**8,502**	*10.0*	**9,124**	*7.3*	**9,764**	**10,208**	**10,660**
Trade payables & other ST liabilities	1,263	1,428	1,358	1,417	*4.3*	1,419	*0.2*	1,428	1,442	1,459
Short term debt	1,543	1,300	1,037	1,571	*51.49*	1,571	*0.00*	1,571	1,571	1,571
Total current liabilities	**2,806**	**2,728**	**2,395**	**2,988**	*24.7*	**2,990**	*0.1*	**2,999**	**3,013**	**3,030**
Long term debt	2,552	2,141	2,499	2,247	*-10.1*	2,247	*0.0*	2,247	2,247	2,247
Other long term liabilities	1,355	1,435	1,187	1,128	*-5.0*	1,128	*0.0*	1,128	1,128	1,128
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	**6,713**	**6,304**	**6,081**	**6,363**	*4.6*	**6,365**	*0.0*	**6,374**	**6,388**	**6,405**
Common s/h equity	1,376	1,533	1,645	2,139	*30.1*	2,759	*28.9*	3,390	3,819	4,255
Minority interests	0	0	0	0	-	0	-	0	0	0
Total liabilities & equity	**8,089**	**7,837**	**7,726**	**8,502**	*10.0*	**9,124**	*7.3*	**9,764**	**10,208**	**10,660**

Cash flow (US$m)	**07/15**	**07/16**	**07/17**	**07/18E**	*% ch*	**07/19E**	*% ch*	**07/20E**	**07/21E**	**07/22E**
Net income (before pref divs)	830	914	931	950	*2.1*	978	*3.0*	991	1,007	1,030
Depreciation & amortisation	303	308	318	329	*3.4*	347	*5.4*	347	346	344
Net change in working capital	(32)	63	(57)	(15)	*73.6*	(3)	*81.4*	(11)	(9)	(11)
Other operating	163	465	83	33	*-60.2*	0	-	0	0	0
Operating cash flow	**1,264**	**1,750**	**1,275**	**1,297**	*1.7*	**1,322**	*1.9*	**1,327**	**1,344**	**1,364**
Tangible capital expenditure	(365)	(336)	(338)	(422)	*-24.9*	(356)	*15.7*	(343)	(332)	(337)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) / disposals	(232)	0	0	(682)	-	0	-	0	0	0
Other investing	(6)	(18)	(30)	(11)	-	0	-	0	0	0
Investing cash flow	**(603)**	**(354)**	**(368)**	**(1,115)**	*-203.0*	**(356)**	*68.1*	**(343)**	**(332)**	**(337)**
Equity dividends paid	(394)	(390)	(420)	(427)	*-1.6*	(422)	*1.1*	(423)	(441)	(459)
Share issues / (buybacks)	(235)	(141)	(435)	(86)	*80.2*	0	-	0	(200)	(200)
Other financing	12	7	(22)	(23)	*-4.55*	0	-	0	0	0
Change in debt & pref shares	91	(547)	(34)	363	-	0	-	0	0	0
Financing cash flow	**(526)**	**(1,071)**	**(911)**	**(173)**	*81.0*	**(422)**	*-144.2*	**(423)**	**(641)**	**(659)**
Cash flow inc/(dec) in cash	**135**	**325**	**(4)**	**9**	-	**544**	*NM*	**561**	**371**	**368**
FX / non cash items	(114)	(282)	27	47	*74.1*	63	*34.0*	63	64	64
Balance sheet inc/(dec) in cash	**21**	**43**	**23**	**56**	*144.0*	**607**	*NM*	**625**	**435**	**432**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1]Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Campbell Soup Co (CPB.N)

Valuation (x)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
P/E (local GAAP, diluted)	17.1	19.3	18.8	14.7	14.3	14.2	13.8	13.4
P/E (UBS, diluted)	17.1	19.3	18.8	14.7	14.3	14.2	13.8	13.4
P/CEPS	12.5	14.4	13.9	10.9	10.5	10.4	10.2	9.9
Equity FCF (UBS) yield %	6.3	8.0	5.3	6.1	6.8	6.9	7.1	7.2
Net dividend yield (%)	2.7	2.2	2.4	3.0	3.0	3.0	3.2	3.3
P/BV x	10.3	11.5	10.8	6.5	5.0	4.1	3.6	3.2
EV/revenues (core)	2.2	2.7	2.7	2.2	2.1	2.1	2.0	1.9
EV/EBITDA (core)	11.1	11.9	11.6	10.1	9.7	9.3	9.2	8.5
EV/EBIT (core)	13.7	14.4	14.1	12.5	12.0	11.4	11.3	10.4
EV/OpFCF (core)	14.3	13.8	14.4	13.0	11.8	11.2	11.0	10.2
EV/op. invested capital	3.4	4.3	4.4	3.4	3.1	3.0	3.0	2.8

Enterprise value (US$m)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
Market cap.	14,197	17,618	17,774	14,303	14,303	14,303	14,303	14,303
Net debt (cash)	3,813	3,494	3,181	3,330	3,139	2,523	2,523	1,560
Buy out of minorities	0	0	0	0	0	0	0	0
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**18,010**	**21,112**	**20,955**	**17,632**	**17,442**	**16,826**	**16,826**	**15,863**
Non core assets	0	0	0	0	0	0	0	0
Core enterprise value	**18,010**	**21,112**	**20,955**	**17,632**	**17,442**	**16,826**	**16,826**	**15,863**

Growth (%)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
Revenue	-2.2	-1.5	-0.9	0.3	2.6	1.1	1.4	1.6
EBITDA (UBS)	-0.9	9.6	1.9	-3.5	3.2	0.9	1.1	1.6
EBIT (UBS)	-0.9	11.5	1.6	-5.0	2.6	1.1	1.4	2.1
EPS (UBS, diluted)	1.9	11.0	3.8	2.7	2.8	1.1	2.6	3.3
Net DPS	-0.2	0.2	12.2	0.0	0.0	0.0	5.0	5.0

Margins & Profitability (%)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
Gross profit margin	35.4	37.1	37.4	36.4	36.7	36.8	36.8	36.9
EBITDA margin	20.0	22.3	22.9	22.0	22.2	22.1	22.1	22.1
EBIT margin	16.3	18.4	18.9	17.9	17.9	17.9	17.9	18.0
Net earnings (UBS) margin	10.3	11.5	11.8	12.0	12.1	12.1	12.1	12.2
ROIC (EBIT)	24.8	29.6	31.2	27.1	26.0	26.3	26.6	27.2
ROIC post tax	17.0	20.0	21.1	20.1	19.5	19.7	20.0	20.4
ROE (UBS)	55.7	62.9	58.6	50.2	40.0	32.2	27.9	25.5

Capital structure & Coverage (x)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
Net debt / EBITDA	2.4	1.8	1.8	2.0	1.6	1.2	1.0	0.7
Net debt / total equity %	279.2	205.2	195.6	160.9	102.8	65.2	46.5	31.6
Net debt / (net debt + total equity) %	73.6	67.2	66.2	61.7	50.7	39.5	31.7	24.0
Net debt/EV %	21.3	14.9	15.4	19.5	16.3	13.1	10.6	8.5
Capex / depreciation %	120.5	109.1	106.3	128.4	102.6	98.9	95.8	97.8
Capex / revenue %	4.5	4.2	4.3	5.3	4.4	4.2	4.0	4.0
EBIT / net interest	12.5	13.2	13.2	10.5	9.8	9.9	10.0	10.2
Dividend cover (UBS)	2.1	2.4	2.2	2.3	2.3	2.3	2.3	2.3
Div. payout ratio (UBS) %	46.8	42.2	45.6	44.4	43.2	42.7	43.7	44.3

Revenues by division (US$m)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
Others	8,082	7,961	7,890	7,915	8,117	8,207	8,323	8,456
Total	**8,082**	**7,961**	**7,890**	**7,915**	**8,117**	**8,207**	**8,323**	**8,456**

EBIT (UBS) by division (US$m)	07/15	07/16	07/17	07/18E	07/19E	07/20E	07/21E	07/22E
Others	1,316	1,467	1,490	1,416	1,453	1,470	1,491	1,523
Total	**1,316**	**1,467**	**1,490**	**1,416**	**1,453**	**1,470**	**1,491**	**1,523**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Forecast returns

Forecast price appreciation	-11.2%
Forecast dividend yield	3.0%
Forecast stock return	-8.2%
Market return assumption	7.2%
Forecast excess return	-15.4%

Valuation Method and Risk Statement

Our price target is based on a balanced P/E, EV/EBITDA, DCF methodology.

Campbell has significant revenue concentration in the soup and snacking categories. Soup and snacking are processed simple meal food offerings - a negative perception change in the nutritional value of Campbell products could adversely impact future sales trends.

LNCE: Our price target reflects the acquisition price offered by Campbell and values LNCE at ~18x NTM EBITDA

Required Disclosures

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12-Month Rating	Definition	Coverage[1]	IB Services[2]
Buy	FSR is > 6% above the MRA.	46%	27%
Neutral	FSR is between -6% and 6% of the MRA.	39%	24%
Sell	FSR is > 6% below the MRA.	16%	13%
Short-Term Rating	**Definition**	**Coverage[3]**	**IB Services[4]**
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 31 December 2017.
1:Percentage of companies under coverage globally within the 12-month rating category.
2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.
3:Percentage of companies under coverage globally within the Short-Term rating category.
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UBS Securities LLC: Steven Strycula; Zachary Ringer.

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Company Name	Reuters	12-month rating	Short-term rating	Price	Price date
Campbell Soup Co[16]	CPB.N	Sell	N/A	US$46.17	16 Feb 2018
Snyder's-Lance Inc[16]	LNCE.O	Neutral	N/A	US$49.95	16 Feb 2018

Source: UBS. All prices as of local market close.
Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date
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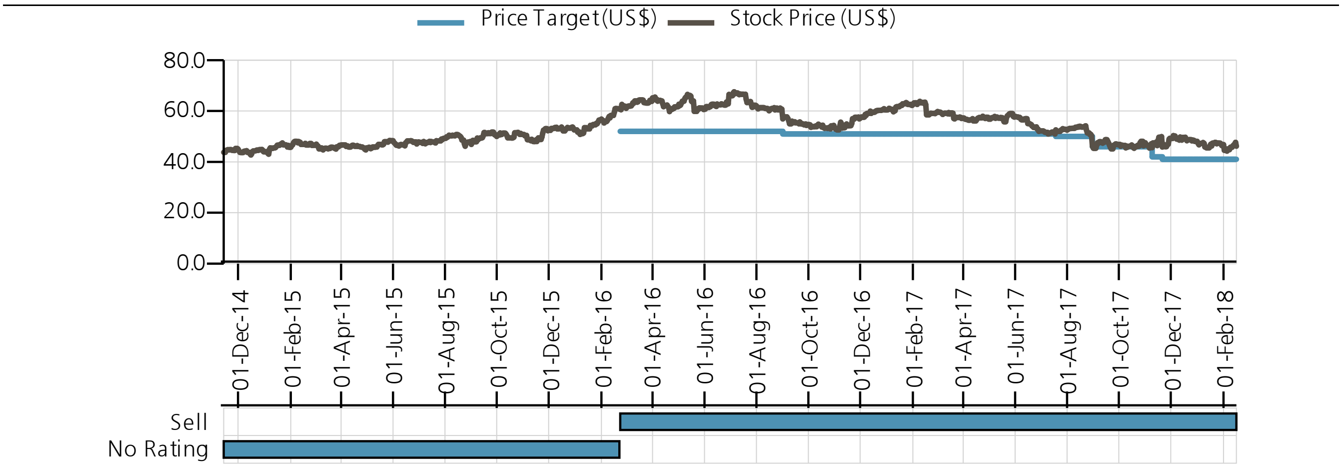
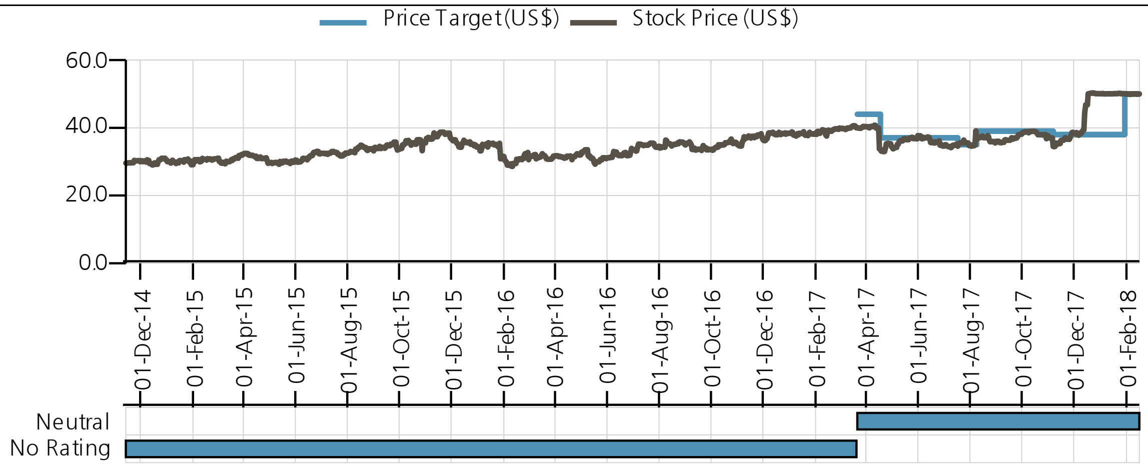
Campbell Soup Co (US$)



Date	Stock Price (US$)	Price Target (US$)	Rating
2014-11-14	43.75	-	No Rating
2016-02-23	60.9	52.0	Sell
2016-09-01	56.91	51.0	Sell
2017-07-19	52.57	50.0	Sell
2017-08-31	46.2	46.0	Sell
2017-11-09	45.64	42.0	Sell
2017-11-21	45.84	41.0	Sell

Source: UBS; as of 16 Feb 2018

Snyder's-Lance Inc (US$)



Date	Stock Price (US$)	Price Target (US$)	Rating
2014-11-14	29.58	-	No Rating
2017-03-22	40.02	44.0	Neutral
2017-04-18	33.71	37.0	Neutral
2017-07-18	34.59	35.0	Neutral
2017-08-09	37.44	39.0	Neutral
2017-11-07	34.52	38.0	Neutral
2018-01-30	50.05	50.0	Neutral

Source: UBS; as of 16 Feb 2018

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Food Manufacturers
North America │ United States

Campbell Soup Co (CPB)

Campbell 2Q Has Op. Issues; But Big News Is Progress on Soup

- Estimate Change
- Target Price Change

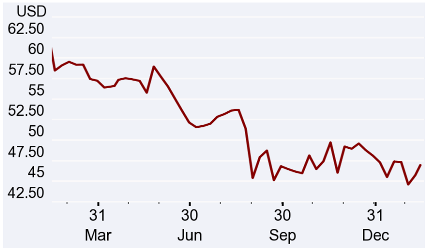
- **CPB F2Q18 Has Op. Challenges, But Big News Is Progress on Soup** – CPB exceeded expectations in F2Q18, but all due to lower tax as the quarter produced weaker operations (soup, C-Fresh) relative to guidance and our expectations. Still, in our opinion this shouldn't overshadow the big news that following two poor quarters driven by issues with a major retail customer, Campbell indicated on its earnings call that it "is making progress with this customer" (we believe it's Walmart). In F18, the loss of soup promotions at Walmart is weighing on results, but has the potential to turn into FY19 earnings tailwinds, once normal promo activity is restored and the current soup season is lapped. Further, with the near-term launch of a big wave of new products from Bolthouse Farms (part of C-Fresh), we see a near-term catalyst that can ignite growth at this important but struggling division. Net, we believe early signs of a positive turn at CPB should become visible and expect F3Q18 to show progress for both soup and Bolthouse. Reiterate Buy.
- **F2Q18 Results –** Campbell's F2Q18 adjusted EPS of $1.00 beat consensus of $0.82 (Citi @ $0.82) and compared to year-ago EPS of $0.91. Revenue was relatively flattish (acquisitions and FX gains were offset by a -2% organic decline) at $2.180B and compared to consensus revs of $2.163B (Citi @ $2.157B); thus, a +0.8% beat vs. consensus. Gross and op. margins were 35.2% (down -220bps Y/Y) and 18.4% (down -90bps Y/Y). GM missed our forecast of 37.0% (-180 bps), although op margins topped our 18.0% forecast by +40 bps. Thus, op income represented a positive +$14M (+3c/sh) variance vs. our estimates. This was bolstered by a +15c/sh benefit from below the operating line items relative to our forecast, due largely to a lower-than-forecasted tax rate (18.9%A vs. 30.7%E).
- **EPS Revisions –** Our FY18E EPS est increases to $3.15 (+10c) due to tax benefits. FY18 est is lowered to $3.40 (-6c) but still well ahead of FY19 consensus estimates of $3.13, which should migrate higher. Our target price is reduced to $56 (down $1) though we continue to see good upside in CPB shares at current prices.
- **Conclusion** – CPB will be reinvesting for growth in FY19, prompting us to up our FY19 reinvestment forecast further. However, even with -25c/sh (~$100M) of incremental FY19 investments, CPB should still grow EPS by +8% due to a lower tax rate, LANCE cost synergies, C-Fresh improvement, and Global Snacks growth.

EPS (US$)	Q1	Q2	Q3	Q4	FY	FC Cons
2017A	1.00A	0.91A	0.59A	0.52A	3.04A	3.04A
2018E	**0.92A**	**1.00A**	**0.62E**	**0.60E**	**3.15E**	**2.97E**
Previous	0.92A	0.82E	0.68E	0.63E	3.05E	na
2019E	**na**	**na**	**na**	**na**	**3.40E**	**3.13E**
Previous	na	na	na	na	3.46E	na
2020E	**na**	**na**	**na**	**na**	**3.80E**	**3.30E**
Previous	na	na	na	na	3.88E	na

Source: Company Reports and dataCentral, Citi Research. FC Cons: First Call Consensus.

Buy	1
Price (16 Feb 18 16:00)	US$46.17
Target price	US$56.00
from US$57.00	
Expected share price return	21.3%
Expected dividend yield	3.5%
Expected total return	**24.8%**
Market Cap	US$13,879M

Price Performance
(RIC: CPB.N, BB: CPB US)



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CPB.N: Fiscal year end 31-Jul | **Price: US$46.17; TP: US$56.00; Market Cap: US$13,879m; Recomm: Buy**

Profit & Loss (US$m)	2016	2017	2018E	2019E	2020E
Sales revenue	7,961	7,890	8,620	10,342	10,530
Cost of sales	-5,033	-4,961	-5,527	-6,691	-6,770
Gross profit	2,928	2,929	3,092	3,651	3,760
Gross Margin (%)	36.8	37.1	35.9	35.3	35.7
EBITDA (Adj)	**1,775**	**1,810**	**1,810**	**2,152**	**2,290**
EBITDA Margin (Adj) (%)	22.3	22.9	21.0	20.8	21.7
Depreciation	-308	-318	-319	-479	-479
Amortisation	0	0	0	0	0
EBIT (Adj)	**1,467**	**1,492**	**1,491**	**1,673**	**1,811**
EBIT Margin (Adj) (%)	18.4	18.9	17.3	16.2	17.2
Net interest	-111	-113	-210	-344	-324
Associates	0	0	0	0	0
Non-Op/Except/Other Adj	0	0	0	0	0
Pre-tax profit	**1,356**	**1,379**	**1,281**	**1,329**	**1,486**
Tax	-442	-446	-334	-306	-342
Extraord./Min.Int./Pref.div.	0	0	0	0	0
Reported net profit	**914**	**933**	**947**	**1,023**	**1,144**
Net Margin (%)	11.5	11.8	11.0	9.9	10.9
Core NPAT	914	933	947	1,023	1,144
Per share data	**2016**	**2017**	**2018E**	**2019E**	**2020E**
Reported EPS ($)	2.94	3.04	3.15	3.40	3.80
Core EPS ($)	2.94	3.04	3.15	3.40	3.80
DPS ($)	1.25	1.40	1.50	1.60	1.79
CFPS ($)	5.83	4.35	3.87	5.28	5.17
FCFPS ($)	4.74	3.25	2.37	3.73	3.60
BVPS ($)	4.96	5.39	6.53	7.94	9.63
Wtd avg ord shares (m)	309	305	301	300	300
Wtd avg diluted shares (m)	311	307	301	301	301
Growth rates	**2016**	**2017**	**2018E**	**2019E**	**2020E**
Sales revenue (%)	-1.5	-0.9	9.2	20.0	1.8
EBIT (Adj) (%)	11.6	1.7	0.0	12.2	8.2
Core NPAT (%)	10.3	2.0	1.6	8.0	11.8
Core EPS (%)	11.0	3.4	3.5	8.1	11.8
Balance Sheet (US$m)	**2016**	**2017**	**2018E**	**2019E**	**2020E**
Cash & cash equiv.	296	319	476	518	564
Accounts receivables	637	605	638	765	779
Inventory	959	902	984	1,192	1,206
Net fixed & other tangibles	2,514	2,593	4,544	4,342	4,337
Goodwill & intangibles	3,415	3,233	8,296	8,121	8,121
Financial & other assets	16	74	81	82	83
Total assets	**7,837**	**7,726**	**15,018**	**15,019**	**15,089**
Accounts payable	610	666	727	880	890
Short-term debt	1,219	1,037	1,292	992	1,692
Long-term debt	2,314	2,499	8,974	8,674	7,474
Provisions & other liab	2,161	1,879	2,061	2,091	2,145
Total liabilities	**6,304**	**6,081**	**13,054**	**12,637**	**12,201**
Shareholders' equity	1,533	1,645	1,965	2,382	2,888
Minority interests	0	0	0	0	0
Total equity	**1,533**	**1,645**	**1,965**	**2,382**	**2,888**
Net debt (Adj)	**3,237**	**3,217**	**9,790**	**9,148**	**8,602**
Net debt to equity (Adj) (%)	211.2	195.6	498.3	384.1	297.8

Valuation ratios	2016	2017	2018E	2019E	2020E
PE (x)	15.7	15.2	14.7	13.6	12.1
PB (x)	9.3	8.6	7.1	5.8	4.8
EV/EBITDA (x)	9.8	9.5	11.3	10.8	9.9
FCF yield (%)	10.3	7.0	5.1	8.1	7.8
Dividend yield (%)	2.7	3.0	3.2	3.5	3.9
Payout ratio (%)	42	46	48	47	47
ROE (%)	62.8	58.7	52.5	47.1	43.4
Cashflow (US$m)	**2016**	**2017**	**2018E**	**2019E**	**2020E**
EBITDA	1,775	1,810	1,810	2,152	2,290
Working capital	79	-1	2	5	14
Other	-40	-472	-647	-570	-746
Operating cashflow	**1,814**	**1,337**	**1,165**	**1,588**	**1,557**
Capex	-341	-338	-452	-465	-474
Net acq/disposals	5	0	-6,750	0	0
Other	-18	-30	0	0	0
Investing cashflow	**-354**	**-368**	**-7,202**	**-465**	**-474**
Dividends paid	-390	-420	-451	-481	-538
Financing cashflow	**-1,071**	**-911**	**6,193**	**-1,081**	**-1,038**
Net change in cash	**394**	**69**	**157**	**42**	**46**
Free cashflow to s/holders	**1,473**	**999**	**714**	**1,123**	**1,084**

For definitions of the items in this table, please click here.

Powered by: dataCentral

Campbell F2Q18 Earnings Review

- **Citi's take** — CPB produced above-consensus F2Q EPS of $1.00 (+18c) and increased its FY18 guidance to a new range of $3.10 - $3.17, largely on US tax reform benefits (consensus FY18 estimates @ $2.97). This more than offset weak core operations, which prompted CPB to reduce its full-year EBIT growth expectation by -3 points, with FY18 operating profits now expected to decline by -7% to -5%.

- **Key takeaway** — While F2Q operations were disappointing, the weakness is not a total surprise, as Campbell's US soup business continues to suffer from lost promotional activity this soup season at Walmart, which cannot be remedied until next soup season, when we believe there remains a strong possibility for recovery given our analysis of the situation. Indeed, Campbell indicated in its press release that "[it was] making progress with this customer and expects sales declines in soup to moderate in the second half." We think this supports our view and is very encouraging for the future.

- **Cost-savings target upgraded** — CPB continues to do a good job on cost controls, and has increased its cost-savings program by $50M to $500M in cumulative savings through FY20, which along with tax-reform benefits should provide CPB with good flexibility to grow earnings over the coming years, while reinvesting back into the business.

- **F2Q18 results** — Campbell's F2Q18 adjusted EPS of $1.00 beat consensus of $0.82 (Citi @ $0.82) and compared to year-ago EPS of $0.91. Revenue was relatively flattish (acquisitions and FX gains were offset by a -2% organic decline) at $2.180B and compared to consensus revs of $2.163B (Citi @ $2.157B); thus, a +0.8% beat vs. consensus. Gross and op. margins were 35.2% (down -220bps Y/Y) and 18.4% (down -90bps Y/Y). GM missed our forecast of 37.0% (-180 bps), although op margins of topped our 18.0% forecast by +40 bps. Thus, op income represented a positive +$14M (+3c/sh) variance vs. our estimates. This was bolstered by a +15c/sh benefit from below the operating line items relative to our forecast, due largely to a lower-than-forecasted tax rate (18.9%A vs. 30.7%E). **See Comparison Below.**

- **FY18 guidance** — **Reported Sales:** -1% to +1% (+1 pt from previous guidance due to Pacific Foods acquisition) // **EBIT:** -7% to -5% (previously -4% to -2%) // **EPS:** +2% to +4% or $3.10-$3.17 (up from $2.95-$3.01) // **Tax Rate:** 26% (previously 32%) // **Interest Expense:** $135M-$140M (previously $120M - $130M) // **Capex:** $425M (previously $400M).

- **Implications** — We expect near-term weakness in the stock given CPB's FY18 operating profit reductions. Nonetheless, we continue to see good opportunity for a recovery in the firm's US soup business in FY19.

Figure 1. CPB F2Q18 Comparison Table

(figures in Millions of Dollars)	2Q18E	2Q18A	Diff.	% Diff.	2Q17A	2Q18A	Diff.	% Diff.
Americas Simple Meals and Beverages	1,188.3	1,196.0	7.7	0.6%	1,215.0	1,196.0	(19.0)	-1.6%
Global Biscuits and Snacks	709.9	726.0	16.1	2.3%	696.0	726.0	30.0	4.3%
Campbell Fresh	258.7	258.0	(0.7)	-0.3%	260.0	258.0	(2.0)	-0.8%
Total Sales	**2,156.9**	**2,180.0**	**23.1**	**1.1%**	**2,171.0**	**2,180.0**	**9.0**	**0.4%**
Year-Over-Year Growth in Net Sales	*-0.6%*	*0.4%*			*-1.4%*	*0.4%*	*1.8%*	
Cost of sales	**1,358.6**	**1,413.0**	**54.4**	**4.0%**	**1,360.0**	**1,413.0**	**53.0**	**3.9%**
COGS as % of Sales	63.0%	64.8%			62.6%	64.8%	2.2%	
GP as % of Sales	37.0%	35.2%			37.4%	35.2%	-2.2%	
Gross Profit	**798.4**	**767.0**	**(31.4)**	**-3.9%**	**811.0**	**767.0**	**(44.0)**	**-5.4%**
Selling, marketing, and administrative	409.8	365.0	(44.8)	-10.9%	392.0	365.0	(27.0)	-6.9%
Marketing & Selling Expenses	255.2	228.0	(27.2)	-10.7%	240.0	228.0	(12.0)	-5.0%
Administrative Expenses	139.4	139.0	(0.4)	-0.3%	138.0	139.0	1.0	0.7%
R&D	25.3	27.0	1.8	6.9%	25.0	27.0	2.0	8.0%
Other	(10.0)	(29.0)	(19.0)	190.0%	(11.0)	(29.0)	(18.0)	163.6%
Operating income (EBIT)	**388.5**	**402.0**	**13.5**	**3.5%**	**419.0**	**402.0**	**(17.0)**	**-4.1%**
Op Margin	18.0%	18.4%			19.3%	18.4%		
Year-Over-Year Growth in Op Profit	-7.3%	-4.1%			-0.9%	-4.1%		
Americas Simple Meals and Beverages	279.5	282.0	2.5	0.9%	311.0	282.0	(29.0)	-9.3%
Global Biscuits and Snacks	138.0	139.0	1.0	0.7%	137.0	139.0	2.0	1.5%
Campbell Fresh	(3.0)	(11.0)	(8.0)	269.1%	(3.0)	(11.0)	(8.0)	266.7%
Corporate & Eliminations	(26.0)	(8.0)	18.0	-69.2%	(26.0)	(8.0)	18.0	-69.2%
Total Operating Income	**388.5**	**402.0**	**13.5**	**3.5%**	**419.0**	**402.0**	**(17.0)**	**-4.1%**
Net Interest Expense (income)	34.7	32.0	(2.7)	-7.7%	28.0	32.0	4.0	14.3%
Earnings Before Taxes	**353.9**	**370.0**	**16.1**	4.6%	**391.0**	**370.0**	**(21.0)**	-5.4%
Income Tax expense (benefit)	108.5	70.0	(38.5)	-35.5%	108.4	70.0	(38.4)	-35.4%
Less: Non Controlling Interest	0.0	0.0	0.0	NM	0.0	0.0	0.0	NM
Net Income	**245.4**	**300.0**	**54.6**	22.3%	**282.6**	**300.0**	**17.4**	6.2%
Earnings per Share - diluted	**0.82**	**1.00**	**0.18**		**0.91**	**1.00**	**0.08**	
EPS change (year-over-year)	-10.9%	9.0%			5.3%	9.0%		
AVE Shares out - diluted	301.0	301.0	0.0		309.0	301.0	(8.0)	
AVE Shares out - basic	300.0	301.0	1.0		306.0	301.0	(5.0)	
Dividends	0.35	0.35	0.00		0.35	0.35	0.00	

	2Q18E	2Q18A		2Q17A	2Q18A	
Gross Margin	37.0%	35.2%	-1.8%	37.4%	35.2%	-2.2%
Operating Margin (Total)	18.0%	18.4%	0.4%	19.3%	18.4%	-0.9%
Basis point growth --GP Marg.	**-34**	**-217**	**-183**	**33**	**-217**	**-250**
Basis point growth-- Op. Marg.	**-129**	**-86**	**43**	**8**	**-86**	**-94**
Op. Margin - Americas Simple Meals and Beverages	23.5%	23.6%	5.44	25.6%	23.6%	(202)
Op. Margin - Global Biscuits and Snacks	19.4%	19.1%	(29.17)	19.7%	19.1%	(54)
Op. Margin - Campbell Fresh	-1.2%	-4.3%	(311.17)	-1.2%	-4.3%	(311)
SMA Margin	19.0%	16.7%	(226)	18.1%	16.7%	(131)
Tax Rate	30.7%	18.9%	(1,175)	27.7%	18.9%	(880)
NI Margin	11.4%	13.8%	239	13.0%	13.8%	74

Source: Citi Research

Campbell Soup Co

Company description

Campbell Soup Co (CPB), with global headquarters in Camden, New Jersey, is a global manufacturer and marketer of branded food products. Soup comprises approximately 35 of the company's global sales, with the remainder primarily split among biscuits, sauces, and beverages. Campbell Soup operates in three business segments, including Americas Simple Meals and Beverages; Global Biscuits and Snacks; and Campbell Fresh.

Investment strategy

We apply a Buy rating to the shares of Campbell, which we believe are undervalued at current prices. We believe that the firm’s US soup and C-Fresh businesses are currently near a bottom, and should see strong recoveries over the coming years. Furthermore, we believe Campbell is presented with significant cost savings opportunities from its Snyder Lance acquisition, which should support long-term earnings growth. Thus, we believe the company is taking the proper steps towards getting things back on track, including undertaking a significant cost savings program, which is fueling reinvestment.

Valuation

Our target price for Campbell is $56, based on a 16.0x-16.5x forward P/E multiple range on our F2019 earnings estimate of $3.40. Our target multiple compares to Campbell's 15-year historical forward P/E multiple range of 11x-24x, with a median multiple of 16.5x. We believe our choice of multiple is appropriate as following the past few years of disappointing growth, Campbell is gearing up for solid EPS improvement over the coming years.

Risks

In general, we think the significant risks for Campbell that could make it difficult for the stock to reach our target price are as follows:

Soup sales remain under pressure: We expect Campbell’s soup sales to stabilize in FY19 following a difficult FY18, when the firm lost all important soup promotions at Walmart during the soup season. Our numbers could be at risk if promotional activity is not regained, and Campbell’s soup sales continue to face significant declines.

FX rates are unfavorably: If the US dollar strengthens, Campbell's sales and earnings would be adversely impacted given its international exposure.

Our organic revenue assumptions prove too aggressive: Given declining center of store volume trends across US packaged food, Campbell’s organic revenues may underperform relative to our forecast.

Expected Cost Savings Come in Lower Than Expected: Campbell has a significant cost savings pipeline over the next several years from ongoing savings programs for the legacy CPB operations, as well as substantial savings targets from acquisitions. Our estimates could come under pressure if CPB is unable to realize the bulk of these savings opportunities.

Appendix A-1

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The research analysts primarily responsible for the preparation and content of this research report are either (i) designated by "AC" in the author block or (ii) listed in bold alongside content which is attributable to that analyst. If multiple AC analysts are designated in the author block, each analyst is certifying with respect to the entire research report other than (a) content attributable to another AC certifying analyst listed in bold alongside the content and (b) views expressed solely with respect to a specific issuer which are attributable to another AC certifying analyst identified in the price charts or rating history tables for that issuer shown below. Each of these analysts certify, with respect to the sections of the report for which they are responsible: (1) that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc. and its affiliates; and (2) no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in this report.

IMPORTANT DISCLOSURES

Campbell Soup Co (CPB)

Ratings and Target Price History
Fundamental Research

Analyst: David Driscoll, CFA

	Date	Rating	Target Price	Closing Price
1	22-May-15 14:21:00	3	*45.00	47.91
2	03-Sep-15 19:35:46	*2	*50.00	48.53
3	24-Nov-15 20:10:23	2	*55.00	51.33
4	17-Feb-16 00:16:12	2	*60.00	60.90
5	25-Feb-16 16:21:12	2	*65.00	62.62
6	22-May-16 18:27:49	2	*67.00	59.90
7	01-Sep-16 20:20:01	2	*63.00	56.91
8	19-May-17 15:16:29	2	*62.00	55.78
9	31-Aug-17 21:30:26	2	*51.00	46.20
10	21-Nov-17 18:07:17	2	*50.00	45.84
11	19-Dec-17 08:34:11	2	*54.00	48.78
12	15-Jan-18 23:02:02	*1	*57.00	45.51

*Indicates Change

Rating/target price changes above reflect Eastern Time

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	12 Month Rating			*Catalyst Watch*		
Data current as of 31 Dec 2017	**Buy**	**Hold**	**Sell**	**Buy**	**Hold**	**Sell**
Citi Research Global Fundamental Coverage	49%	38%	13%	3%	96%	1%
% of companies in each rating category that are investment banking clients	64%	65%	56%	66%	64%	61%

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Campbell Soup Co.

Reducing Estimates and Price Target; Limited EPS Growth + Deal Integration Risk + Levered Balance Sheet = Risk

Neutral

CPB, CPB US

Price: $46.08 (intraday - 02:15 PM)

▼ **Price Target: $48.00**
Previous: $50.00

Food Producers and Retailers

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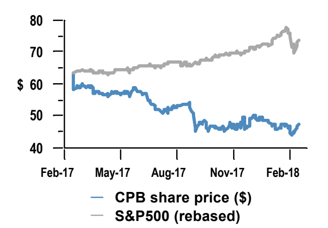
Following this morning's earnings (see our initial take here), the CPB stock was -3.4% at the time of writing (SPX +0.2%). We are increasing our EPS estimates to reflect the benefits of tax reform but lowering our EBIT estimates to reflect continued struggles of the C-Fresh business and escalating freight costs. Campbell continues to navigate a challenging environment, with some of the issues arguably self-induced (share losses in certain categories) and other less so (i.e. commodity inflation, carrot yields). We do not see enough downside risk to estimates or multiples to warrant a more pessimistic rating; however, we remain concerned that at the same time the company is fighting to turn around its largest business (soup), it is about to integrate the biggest acquisition in company history (LNCE), which is also somewhat of a turnaround story.

- **On the call, management outlined a variety of ways that it might alleviate these issues; however, it also characterized fiscal 2019 (July 2019 end) as a "transition year."** So it seems likely to us that a lot of the current earnings overhangs will persist into next year. We appreciate that on a P/E basis Campbell is the cheapest packaged food company in our coverage (trading at <14x our FY19E EPS vs. peer average of 17x), but we think it prudent to remain Neutral on the stock until we see more tangible signs of progress on its various initiatives (e.g. integrating two acquisitions and trying to reverse top line struggles in multiple segments).

- **The hits keep on coming in C-Fresh.** Over the past couple of years, the C-Fresh segment has faced carrot quality issues and production constraints. Management had expected to be well past these issues by now, but they linger. And now another issue has emerged: retail customers cutting the shelf space allocated to prepared smoothies in favor of lower sugar drinks (e.g. kombucha and iced coffee). Campbell plans to combat these losses with innovation and announced plans to launch 19 new SKUs this spring (versus three last year), including lower sugar smoothies and juices, and plant-based beverages. But it is unclear how effective these efforts might be, and the marketing and slotting fees associated with their introduction could weigh a bit on earnings in the near term.

Price Performance



	YTD	1m	3m	12m
Abs	-0.9%	2.7%	2.8%	-24.8%
Rel	-3.1%	4.3%	-3.7%	-41.1%

Campbell Soup Company (CPB;CPB US)

FYE Jul	2016A	2017A	2018E (Prev)	2018E (Curr)	2019E (Prev)	2019E (Curr)	2020E (Prev)	2020E (Curr)
EPS (Operating) ($)								
Q1 (Oct)	0.95	1.00	0.92A	0.92A	0.93	1.02	0.98	1.08
Q2 (Jan)	0.87	0.91	0.82A	1.00A	0.89	0.98	0.94	1.03
Q3 (Apr)	0.65	0.59	0.62	0.65	0.66	0.71	0.71	0.77
Q4 (Jul)	0.46	0.52	0.56	0.60	0.61	0.67	0.67	0.73
FY	2.94	3.03	2.92	3.17	3.09	3.37	3.30	3.60
Bloomberg EPS FY ($)	2.97	3.05	-	3.14	-	3.44	-	3.39

Source: Company data, Bloomberg, J.P. Morgan estimates.

Company Data	
Price ($)	46.08
Date Of Price	16-Feb-18
52-week Range ($)	63.87-43.50
Market Cap ($ mn)	13,870.08
Fiscal Year End	Jul
Shares O/S (mn)	301
Price Target ($)	48.00
Price Target End Date	31-Dec-18

See page 7 for analyst certification and important disclosures.

- **Some reasons for optimism in soup.** Management indicated that its lost soup promotions would return to its large customer (i.e. Walmart) in 2H18. We are not confident that these promotions have already debuted in stores (based on Nielsen data and our own in-store observations); however, their return could bring a meaningful tailwind, especially in 1H19. But what is the cost of getting these promos back? When CEO Denise Morrison first announced the losses, she explained that CPB was "unable to reach an agreement" but declined to go into further details. We would not be surprised if CPB's new agreement is a bit less attractive to margins that the prior one (albeit still preferable to losing the promotions outright).

- **We continue to see LNCE as the primary source of CPB's intermediate-term earnings growth, but this deal is fraught with risk, in our opinion.** We model EPS growth for CPB of 6-7% each year in FY19 and FY20; in both years, the primary contributor to EPS growth is Snyder's-Lance. As noted in our initial analysis of the deal (link), a risk is that management will drop one of the balls it is juggling, including a) integrating LNCE, b) running three distinct DSD networks (Pepperidge bread, Pepperidge biscuits, LNCE), c) integrating the recently-purchased Pacific business, d) trying to turn around the long-suffering carrot business, e) regaining share in refrigerated beverages, and f) trying to turn around a soup business that lost significant promotional space with one of its largest customers. We have faith in CEO Denise Morrison and team, but we think it makes sense to assume that some of these initiatives have hiccups along the way.

- **Might CPB more formally talk down FY19 at CAGNY?** On the call, CFO Anthony DiSilvestro said, "When we talk about this the next week [at CAGNY], we really see 2019 as a transition year for us… We need to stabilize U.S. Soup. We need to turn around our Campbell Fresh business. We need to make these investments to drive long-term growth. We need to add Pacific Foods and integrate Snyder's-Lance into the portfolio." In our experience, a "transition year" often means a year with limited earnings growth – and CPB's outlook will not include the acquisition of Snyder's-Lance until it closes. Note that our model *does* include the deal.

- **Updating estimates.** Primarily to reflect tax reform, FY18E goes to $3.17 from $2.92, FY19E to $3.37 from $3.09, and FY20E to $3.60 from $3.30.

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Investment Thesis, Valuation and Risks

Campbell Soup Co. *(Neutral; Price Target: $48.00)*

Investment Thesis

We have a Neutral rating on CPB. We think it is prudent to assume that for many food companies, including CPB, EPS will continue to come in lower than guidance. If CPB gets its big soup promo back in FY19, then down the road the stock may be more interesting from the long side. Buying LNCE will help, we think, but the execution risk is high.

Valuation

Based on our valuation analysis below, which uses P/E and EV/EBITDA multiples close to today's level (which we think are reasonable within the context of the group) and accounting for the potential LNCE deal, we see fair value of $48. Thus, our December 2018 price target goes to $48 from $50.

CPB Valuation and December 2018 Price Target

$ in MM except per share

	Fundamental			Special Situation		
CY19E	**Upside**	**Base Case**	**Downside**	**M&A (Seller)**	**M&A (Buyer)**	**Activism**
Sales	10,577	10,291	10,011		10,816	9,736
Operating Income	1,992	1,732	1,635		1,848	1,833
Net Interest Expense	314	323	326		366	448
Pretax Earnings	1,678	1,409	1,309		1,482	1,385
Taxes	436	366	340		384	360
Net Income	1,242	1,043	968		1,098	1,025
Shares Outstanding	301	301	301		301	247
EPS	4.13	3.46	3.22		3.65	4.16
D&A	476	476	476		506	476
EBITDA	2,468	2,208	2,111		2,354	2,309
Metrics						
Sales CAGR: CY16 to CY19E	10.0%	9.0%	8.0%		10.9%	7.0%
Operating Margin	18.8%	16.8%	16.3%		17.1%	18.8%
Tax Rate	26.0%	26.0%	26.0%		25.9%	26.0%
Net Debt to EBITDA	3.6x	4.2x	4.4x		4.5x	5.1x
P/E Multiple						
Assumed Multiple	16.5x	15.5x	14.5x		15.5x	16.5x
* CY19E EPS	4.13	3.46	3.22		3.65	4.16
= Fair Value: P/E Multiple	68.07	53.70	46.65		56.55	68.58
EV/EBITDA Multiple						
Assumed Multiple	10.0x	9.5x	9.0x		9.5x	10.0x
* CY19E EBITDA	2,468	2,208	2,111		2,354	2,309
= CY19E Enterprise Value	24,676	20,975	18,996		22,363	23,091
- CY19E Net Debt	8,997	9,256	9,353		10,494	11,756
New Debt						2,500
= Fair Equity Value	15,679	11,719	9,642		11,869	11,334
÷ CY19E Shares Outstanding	301	301	301		301	247
= Fair Value: EV/EBITDA Multiple	52.09	38.93	32.03		39.43	45.95
Average of P/E and EV/EBITDA Multiples						
Fair Value	**60.08**	**46.32**	**39.34**	**57.53**	**47.99**	**57.26**
Current Price	46.02	46.02	46.02	46.02	46.02	46.02
Potential Upside	30.6%	0.7%	-14.5%	25.0%	4.3%	24.4%
Scenario Likelihood % (JPMe)						
	25%	38%	35%	2%	0%	0%
Fair Value (Based on CY19E)						
Fair Value = $48						
Implied Stock Upside = 4%						
Dividend Yield thru Dec-18 = 3%						
Expected TSR = 7%						

Source: Bloomberg and J.P. Morgan estimates.

Risks to Rating and Price Target

Upside: 1) The LNCE deal may be more accretive than we expect; 2) Lost soup promos may be restored; 3) Commodity prices could turn favorable.

Downside: 1) The loss of the soup promo may hurt more than expected; 2) The LNCE deal may be less accretive than we expect; 3) Commodity costs may turn more unfavorable.

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Campbell Soup Co.: Summary of Financials

Income Statement - Annual	FY16A	FY17A	FY18E	FY19E	FY20E
Revenue	**7,961**	**7,890**	**8,679**	**10,274**	**10,319**
COGS	(5,033)	(4,961)	(5,639)	(6,673)	(6,668)
Gross profit	**2,928**	**2,929**	**3,039**	**3,601**	**3,651**
SG&A	(1,485)	(1,483)	(1,625)	(1,938)	(1,912)
Adj. EBITDA	**1,775**	**1,808**	**1,853**	**2,182**	**2,249**
D&A	(308)	(318)	(375)	(479)	(471)
Adj. EBIT	**1,467**	**1,490**	**1,478**	**1,703**	**1,778**
Net Interest	(111)	(113)	(196)	(330)	(313)
Adj. PBT	**1,356**	**1,377**	**1,282**	**1,373**	**1,466**
Tax	(442)	(446)	(326)	(357)	(381)
Minority Interest	0	0	0	0	0
Adj. Net Income	**914**	**931**	**956**	**1,016**	**1,085**
Reported EPS	2.94	3.03	3.17	3.37	3.60
Adj. EPS	**2.94**	**3.03**	**3.17**	**3.37**	**3.60**
DPS	**-**	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-	-
Shares outstanding	311	308	301	301	301

Income Statement - Quarterly	1Q18A	2Q18A	3Q18E	4Q18E
Revenue	**2,161A**	**2,180A**	**2,086**	**2,251**
COGS	(1,373)A	(1,413)A	(1,386)	(1,467)
Gross profit	**788A**	**767A**	**700**	**784**
SG&A	(386)A	(394)A	(388)	(458)
Adj. EBITDA	**499A**	**481A**	**416**	**457**
D&A	(82)A	(79)A	(93)	(121)
Adj. EBIT	**417A**	**402A**	**322**	**336**
Net Interest	(30)A	(32)A	(49)	(85)
Adj. PBT	**387A**	**370A**	**273**	**252**
Tax	(109)A	(70)A	(77)	(70)
Minority Interest	0A	0A	0	0
Adj. Net Income	**278A**	**300A**	**197**	**181**
Reported EPS	0.92A	1.00A	0.65	0.60
Adj. EPS	**0.92A**	**1.00A**	**0.65**	**0.60**
DPS	**-**	**-**	**-**	**-**
Payout ratio	-	-	-	-
Shares outstanding	302A	301A	301	301

Balance Sheet & Cash Flow Statement	FY16A	FY17A	FY18E	FY19E	FY20E
Cash and cash equivalents	296	319	297	163	94
Accounts receivable	626	605	819	826	830
Inventories	940	902	1,246	1,244	1,242
Other current assets	46	74	130	130	130
Current assets	**1,908**	**1,900**	**2,492**	**2,364**	**2,296**
PP&E	2,407	2,454	3,118	3,118	3,118
LT investments	-	-	-	-	-
Other non current assets	3,522	3,372	8,440	8,440	8,440
Total assets	**7,837**	**7,726**	**14,050**	**13,922**	**13,854**
Short term borrowings	1,219	1,037	1,633	1,533	1,433
Payables	610	666	920	919	917
Other short term liabilities	726	692	758	758	758
Current liabilities	**2,555**	**2,395**	**3,311**	**3,210**	**3,108**
Long-term debt	2,314	2,499	8,675	8,175	7,675
Other long term liabilities	1,435	1,187	1,568	1,568	1,568
Total liabilities	**6,304**	**6,081**	**13,555**	**12,953**	**12,351**
Shareholders' equity	1,525	1,637	495	969	1,503
Minority interests	8	8	0	0	0
Total liabilities & equity	**7,837**	**7,726**	**14,050**	**13,922**	**13,854**
BVPS	**4.90**	**5.32**	**1.64**	**3.22**	**4.99**
y/y Growth	*11.0%*	*8.7%*	*(69.1%)*	*95.7%*	*55.2%*
Net debt/(cash)	3,237	3,217	10,011	9,545	9,015
Cash flow from operating activities	**1,463**	**1,291**	**1,354**	**1,348**	**1,412**
o/w Depreciation & amortization	308	318	375	479	471
o/w Changes in working capital	79	(1)	83	(7)	(4)
Cash flow from investing activities	**(354)**	**(368)**	**(5,947)**	**(460)**	**(460)**
o/w Capital expenditure	(341)	(338)	(422)	(460)	(460)
as % of sales	*4.3%*	*4.3%*	*4.9%*	*4.5%*	*4.5%*
Cash flow from financing activities	**(1,071)**	**(911)**	**4,567**	**(1,021)**	**(1,021)**
o/w Dividends paid	(390)	(420)	(427)	(421)	(421)
o/w Net debt issued/(repaid)	(547)	(34)	6,453	(600)	(600)
Net change in cash	**38**	**(78)**	**(92)**	**(734)**	**(670)**
Adj. Free cash flow to firm	**1,202**	**1,029**	**1,078**	**1,132**	**1,183**
y/y Growth	*35.2%*	*(14.3%)*	*4.8%*	*5.0%*	*4.5%*

Ratio Analysis	FY16A	FY17A	FY18E	FY19E	FY20E
Gross margin	36.8%	37.1%	35.0%	35.1%	35.4%
EBITDA margin	22.3%	22.9%	21.3%	21.2%	21.8%
EBIT margin	18.4%	18.9%	17.0%	16.6%	17.2%
Net profit margin	11.5%	11.8%	11.0%	9.9%	10.5%
ROE	62.9%	58.9%	89.7%	138.8%	87.8%
ROA	11.5%	12.0%	8.8%	7.3%	7.8%
ROCE	18.8%	19.7%	13.8%	11.7%	12.4%
SG&A/Sales	18.7%	18.8%	18.7%	18.9%	18.5%
Net debt/equity	211.2%	195.6%	2021.5%	985.5%	599.9%
P/E (x)	15.7	15.2	14.5	13.7	12.8
P/BV (x)	9.4	8.7	28.0	14.3	9.2
EV/EBITDA (x)	9.9	9.7	13.2	11.0	10.4
Dividend Yield	-	-	-	-	-
Sales/Assets (x)	1.0	1.0	0.8	0.7	0.7
Interest cover (x)	16.0	16.0	9.4	6.6	7.2
Operating leverage	(766.4%)	(175.8%)	(8.1%)	82.8%	1011.7%
Revenue y/y Growth	(1.5%)	(0.9%)	10.0%	18.4%	0.4%
EBITDA y/y Growth	9.6%	1.9%	2.5%	17.8%	3.1%
Tax rate	32.6%	32.4%	25.4%	26.0%	26.0%
Adj. Net Income y/y Growth	10.0%	1.8%	2.7%	6.3%	6.8%
EPS y/y Growth	10.6%	3.1%	4.8%	6.4%	6.8%
DPS y/y Growth	-	-	-	-	-

Source: Company reports and J.P. Morgan estimates.
Note: $ in millions (except per-share data).Fiscal year ends Jul. o/w - out of which

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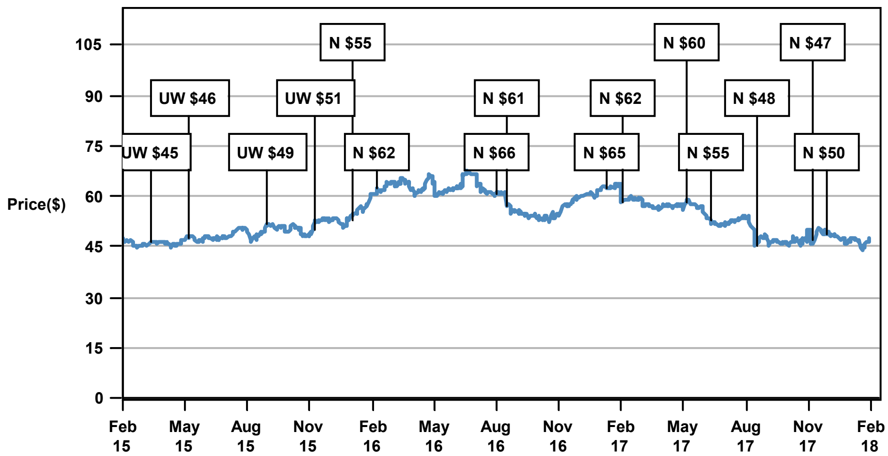
Campbell Soup Co. (CPB, CPB US) Price Chart



Date	Rating	Share Price ($)	Price Target ($)
31-Mar-15	UW	46.55	45.00
26-May-15	UW	47.74	46.00
16-Sep-15	UW	51.56	49.00
24-Nov-15	UW	49.79	51.00
19-Jan-16	N	52.99	55.00
25-Feb-16	N	62.62	62.00
17-Aug-16	N	60.43	66.00
01-Sep-16	N	56.91	61.00
27-Jan-17	N	62.58	65.00
17-Feb-17	N	58.48	62.00
23-May-17	N	58.12	60.00
27-Jun-17	N	52.88	55.00
01-Sep-17	N	45.40	48.00
22-Nov-17	N	46.77	47.00
14-Dec-17	N	48.56	50.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
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*Percentage of investment banking clients in each rating category.
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UPDATE

February 16, 2018 09:24 PM GMT

Campbell Soup Co

Low Visibility Toward Another Back Half Weighted Year; UW

Stock Rating	Industry View	Price Target
Underweight	In-Line	$46.00

CPB's results were pressured by the same headwinds that have weighed on results in recent years. We remain UW given a combination of more significant reinvestment needs, a sluggish top-line outlook, and aggressive guidance assumptions.

Q2 weakness driven by the same headwinds that have plagued results in recent years: CPB reported Q2 EPS of $1.00, which was above MS/consensus of $0.82/0.81, but would have fallen in-line absent a $0.19 tailwind from lower taxes. Organic sales were down -2%, which was below MS/consensus of -1.2%/-1% due to a combination of an ongoing customer dispute in US Soup, distribution losses in Beverages, and a slower than expected recovery in Fresh. Gross margin was particularly weak, coming in at 35.2% or down 280 bps YoY (MS/consensus 36.5%/37.4%), a reflection of pressures from cost inflation, higher transportation/logistics, lower carrot yields, and negative mix from Pacific Foods. Lower SG&A expenses offset the GM shortfall, driven by a 5% drop in marketing & selling expenses and $18 Mn increase in other income.

Aggressive reinvestment offsets benefits from tax reform and incremental cost savings: While CEO Denise Morrison had previously alluded to plans for tax reform reinvestment during a recent interview, we were surprised management clarified its expectation to "use a portion or majority of tax reform benefits to accelerate investments during F2019." The company also plans to reinvest a portion of its cost savings, which are now targeted at $500 Mn by F2020, or an incremental $175 over the next three fiscal years. Combining the two brings CPB's total reinvestment potential to $250-300 Mn, which the company plans to focus on a combination of health and well-being, snacking, and e-commerce.

Guidance implies second half recovery, although we are skeptical it will come to fruition. Remain UW: The midpoint of CPB's guidance implies gross margins will recover from down 220 bps in 1H to up 50 bps in 2H, while operating profits will recover from -9% in 1H to flat in 2H. The company highlighted a moderation in US soup declines on lower promotions (although commentary was vague), more robust beverage innovation (19 SKUs vs. 2 SKUs last year), and resolved supply chain issues in Fresh. Given the implied sequential recovery and CPB's track record, we remain skeptical these targets are achievable, and remain comfortable with our UW rating despite a more pronounced discount to US Food. We lower our PT from $49 to $46, which remains based on 9.5x C2019 EV/EBITDA, or a 15-

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Campbell Soup Co (CPB.N, CPB US)

Food / United States of America

Stock Rating	**Underweight**
Industry View	**In-Line**
Price target	**$46.00**
Shr price, close (Feb 15, 2018)	$47.70
Mkt cap, curr (mm)	$14,341
52-Week Range	$63.84-43.50

Fiscal Year Ending	07/17	07/18e	07/19e	07/20e
EPS ($)**	3.05	3.11	3.22	3.36
Prior EPS ($)**	-	2.94	3.08	3.22
P/E	**17.3**	**15.3**	**14.8**	**14.2**
Div yld (%)	2.6	2.9	3.1	3.2
Consensus EPS ($)§	**3.05**	**2.97**	**3.13**	**3.30**
ModelWare EPS ($)	**3.05**	**3.11**	**3.22**	**3.36**
Prior ModelWare EPS ($)	**-**	**2.94**	**3.08**	**3.22**

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Thomson Reuters Estimates
e = Morgan Stanley Research estimates

QUARTERLY EPS ($)

Quarter	2017	2018e Prior	2018e Current	2019e Prior	2019e Current
Q1	1.00	-	0.92a	0.92	0.99
Q2	0.91	-	1.00a	0.87	0.94
Q3	0.59	0.63	0.61	0.66	0.66
Q4	0.52	0.58	0.58	0.62	0.63

e = Morgan Stanley Research estimates, a = Actual Company reported data

20% discount to center of store (consistent with historical average discount).

Risk-Reward: Campbell Soup (CPB, Underweight, Price Target $46)

Risk-Reward: Secular Challenges + Low Visibility on Turnaround

Source: Thomson Reuters, Morgan Stanley Research

Price Target **$46**

Our PT is based on 9.5x F2019e Pro Forma EV/EBITDA, discounting the resulting $53/share price back 2.5 years at an 8% cost of equity.

Bull **$56**

11x Bull Case Pro Forma C2019e EV/EBITDA (resulting per share value discounted back 2.5 yrs)

LDD F19 EPS Growth. Soup innovation proves to be sustainable driving LSD-MSD organic sales growth. LNCE acquisition combined with corporate tax reform add another 500 bps to EPS growth, which combines with favorable input costs. Competitive intensity in both Beverages and Foodservice moderates and cost inflation is negligible. Fundamental and acquisition driven upside drives re-rating of valuation to in line with large-cap peers.

Base **$46**

9.5x Pro Forma Base Case F2019e EV/EBITDA (resulting per share value discounted back 2.5 yrs)

MSD F19 EPS Growth. Flat to negative declines in organic sales result from continued to struggle to grow in US beverages and US Soup. However, contributions from Pacific Foods and Snyder's-Lance acquisitions provide a moderate offset. Organic sales growth promotional issues in Soup that drive Simple Meals and Beverages lower (-1.0%), while execution issues at Campbell Fresh (+2.0%) hold down segment growth.

Bear **$33**

8.5x Bear Case C2019e P/E

MSD F18 EPS Declines. Expectations for stabilizing soup performance prove to be unsustainable and consolidation speculation within the group moderates. Execution issues at Campbell Fresh continue, pressuring both organic sales and margins. The retailer environment continues to deteriorate, forcing CPB to price more aggressively in Soup. Increased promotional intensity and cost inflation drive significant margin pressure.

Investment Thesis

- **Disadvantaged business mix:** CPB has the weakest long-term retail sales growth prospects (~2.5%, ex-Bolthouse) in our coverage and is overly exposed to both developed markets (90%+ of sales) and low-growth categories such as Soup.
- **Recovery of soup strength remains a question mark:** Soup results remain dependent on weather patterns, as underlying volume trends remain negative.
- **Emerging risks in other businesses:** Beverages and Foodservice weakness remains a concern, as a turnaround in the near-term appears unlikely.
- **Valuation discount warranted:** We believe CPB should trade at a 10-15% discount to the large-cap average as a result of its disadvantaged business mix and resulting topline growth struggles.

Key Value Drivers

- Relative exposure to emerging markets
- Successful innovation and sales trends in US Simple Meals
- Ongoing productivity efforts

Potential Catalysts

- Near-term: Stronger than expected Soup season, tax reform, LNCE acquisition, improvement in beverages & Australia; emerging markets M&A.

Risks to Achieving Price Target

- Upside: Better growth outlook, Soup consumption and share gains, acquisitions, moderation in input costs, cost savings.
- Downside: Weakness in US soup and beverage, USD strength (vs. AUD); weather during soup season, lack of geographic expansion, input cost inflation.

Financials

Exhibit 1: CPB Income Statement

FY End July 31, ($millions, except per share data)	2015	2016	2017	2018E	2019E	2020E	2021E
Net sales	**8,082**	**7,961**	**7,890**	**7,895**	**8,006**	**8,029**	**8,052**
Cost of products sold	5,222	5,005	4,936	5,058	5,129	5,143	5,158
Gross profit	**2,860**	**2,956**	**2,954**	**2,838**	**2,878**	**2,885**	**2,894**
Gross Profit Margin	*35.4%*	*37.1%*	*37.4%*	*35.9%*	*35.9%*	*35.9%*	*35.9%*
Total costs and expenses	1,544	1,489	1,464	1,431	1,424	1,405	1,396
SG&A % of sales	*19.1%*	*18.7%*	*18.6%*	*18.1%*	*17.8%*	*17.5%*	*17.3%*
Operating income	**1,316**	**1,467**	**1,490**	**1,407**	**1,454**	**1,480**	**1,498**
Operating Income Margin	*16.3%*	*18.4%*	*18.9%*	*17.8%*	*18.2%*	*18.4%*	*18.6%*
Interest, net	105	111	113	138	147	147	147
Earnings before taxes	**1,211**	**1,356**	**1,377**	**1,269**	**1,307**	**1,333**	**1,351**
Taxes on earnings	380	442	446	330	340	347	351
Income tax rate	*31.4%*	*32.6%*	*32.4%*	*26.0%*	*26.0%*	*26.0%*	*26.0%*
Continuing net earnings	**831**	**914**	**931**	**939**	**967**	**987**	**999**
EPS, Diluted	**$2.65**	**$2.94**	**$3.03**	**$3.11**	**$3.22**	**$3.36**	**$3.49**
Weighted average shares outstanding - basic	312.0	309.0	305.0	301.0	298.6	291.3	284.2
Weighted average shares outstanding - dilution	313.0	311.0	307.0	302.1	300.6	293.3	286.2
F/X Impact on EPS	($0.06)	($0.07)	$0.01	$0.00	$0.00	$0.00	$0.00
Dividends per Share	$1.25	$1.25	$1.36	$1.40	$1.48	$1.55	$1.61
Common dividends	389.38	385.63	415.41	421.46	441.91	450.83	456.63
EBITDA	1,619	1,775	1,808	1,729	1,778	1,806	1,825
% Growth							
Net Sales	(2.2%)	(1.5%)	(0.9%)	0.1%	1.4%	0.3%	0.3%
COGS	(1.4%)	(4.2%)	(1.4%)	2.5%	1.4%	0.3%	0.3%
Gross Profit	(3.8%)	3.4%	(0.1%)	(3.9%)	1.4%	0.3%	0.3%
SG&A	(4.0%)	(3.6%)	(1.7%)	(2.2%)	(0.5%)	(1.3%)	(0.6%)
Operating Income	(3.5%)	11.5%	1.6%	(5.6%)	3.4%	1.8%	1.2%
Net Income	(2.5%)	10.0%	1.8%	0.9%	3.0%	2.0%	1.3%
Diluted EPS	(1.5%)	10.7%	3.2%	2.5%	3.5%	4.6%	3.8%
Constant Currency EPS	0.7%	13.3%	2.8%	2.4%	3.5%	4.6%	3.8%
Divisional OI							
Americas Simple Meals and Beverages	(8.0%)	12.8%	4.8%	(9.4%)	(1.0%)	(1.0%)	(1.0%)
Global Biscuits and Snacks	4.6%	10.2%	7.6%	3.3%	3.5%	3.4%	3.4%
Campbell Fresh	(10.3%)	(1.6%)	(115.0%)	53.7%	(246.1%)	98.6%	25.8%
Total	(3.5%)	11.5%	1.6%	(5.6%)	3.4%	1.8%	1.2%

Source: Company data, Morgan Stanley Research

Exhibit 2: CPB Balance Sheet

($millions, except per share data)	2015	2016	2017	2018E	2019E	2020E	2021E
ASSETS							
Current Assets:							
Cash and cash equivalents	253	296	319	557	592	583	577
Accounts receivable	647	626	605	604	611	611	612
Inventories	995	940	902	922	932	932	935
Prepaid expenses and other assets	198	46	74	74	74	74	74
Total current assets	2,093	1,908	1,900	2,157	2,209	2,200	2,199
Gross PP&E	5,513	5,764	6,043	6,468	6,788	7,109	7,431
Accumulated depreciation	3,166	3,357	3,589	3,892	4,197	4,503	4,812
PP&E, net	2,347	2,407	2,454	2,576	2,591	2,606	2,620
Goodwill	2,344	2,263	2,115	2,115	2,115	2,115	2,115
Non-amortizable intangible assets	1,205	1,152	1,118	1,099	1,080	1,061	1,042
Goodwill & intangibles, net	3,549	3,415	3,233	3,214	3,195	3,176	3,157
Other assets	88	107	139	820	801	782	763
Total assets	**8,077**	**7,837**	**7,726**	**8,767**	**8,796**	**8,764**	**8,738**
LIABILITIES AND SHAREOWNERS' EQUITY							
Current Liabilities:							
Notes payable	1,543	1,219	1,037	937	937	937	937
Accounts payable	544	610	666	681	688	688	690
Accrued liabilities	589	604	561	561	561	561	561
Accrued income taxes	29	22	20	20	20	20	20
Dividend payable and other	101	100	111	111	111	111	111
Total current liabilities	2,806	2,555	2,395	2,310	2,317	2,317	2,319
Long term debt	2,539	2,314	2,499	3,199	3,199	3,199	3,199
Deferred income taxes	505	396	490	490	490	490	490
Non-pension post retirement	-	-	-	-	-	-	-
Other noncurrent liabs.	850	1,039	697	697	697	697	697
Total liabilities	6,700	6,304	6,081	6,696	6,703	6,703	6,705
Common stock	12	12	12	12	12	12	12
Retained earnings	1,754	1,927	2,385	2,901	3,423	3,956	4,495
Treasury stock	(556)	(664)	(1,066)	(1,156)	(1,656)	(2,221)	(2,788)
Additional paid-in capital	339	354	359	359	359	359	359
Translation and other	(168)	(104)	(53)	(53)	(53)	(53)	(53)
Total shareholders' equity	1,381	1,525	1,637	2,063	2,085	2,053	2,025
Noncontrolling interest	(4)	8	8	8	8	8	8
Total liabilities & equity	**8,077**	**7,837**	**7,726**	**8,767**	**8,796**	**8,764**	**8,738**

Source: Company data, Morgan Stanley Research

Exhibit 3: CPB Cash Flow Statement

($millions, except per share data)	2015	2016	2017	2018E	2019E	2020E	2021E
Cash flows from operating activities:							
Net earnings	831	914	931	939	967	987	999
Bridge to reported net earnings	(140)	(351)	(44)	-	-	-	-
Net earnings - reported	691	563	887	939	967	987	999
Non-cash charges to net earnings							
Change in accounting method	-	-	-	-	-	-	-
Restructuring/impairment charge	108	172	230	-	-	-	-
Depreciation	286	288	299	303	305	307	308
Amortization	17	20	19	19	19	19	19
Deferred taxes	(49)	(30)	93	-	-	-	-
Changes in working capital							
Decrease (increase) accounts receivable	12	24	28	1	(7)	0	(2)
Decrease (increase) in inventories	(14)	59	46	(20)	(10)	0	(3)
Increase (decrease) current assets & liabilities	40	24	(75)	15	8	(0)	2
Net change in working capital	38	107	(1)	(4)	(10)	0	(3)
Other	115	371	(236)	-	-	-	-
Net cash provided by operating activities	**1,206**	**1,491**	**1,291**	**1,257**	**1,281**	**1,312**	**1,324**
Cash flows from investing activities:							
Capital expenditures	(380)	(341)	(338)	(425)	(320)	(321)	(322)
Proceeds from divestitures	15	5	-	-	-	-	-
Acquisitions	(232)	-	-	(700)	-	-	-
Long-term investments	-	-	-	-	-	-	-
Other, net	(6)	(18)	(30)	19	19	19	19
Net cash provided by investing activities	**(603)**	**(354)**	**(368)**	**(1,106)**	**(301)**	**(302)**	**(303)**
Cash flows from financing activities:							
Long-term borrowings (repayments)	300	215	211	700	-	-	-
Net repayments of short-term borrowings	(209)	(762)	(245)	(100)	-	-	-
Other financing, net	-	-	-	-	-	-	-
Dividends	(394)	(390)	(420)	(423)	(445)	(454)	(460)
Share repurchases	(244)	(143)	(437)	(90)	(500)	(565)	(567)
Treasury stock issuances	9	2	2	-	-	-	-
Other	(12)	(21)	(22)	-	-	-	-
Net cash used in financing activities	**(550)**	**(1,099)**	**(911)**	**87**	**(945)**	**(1,019)**	**(1,027)**
Effect of exchange rate changes on cash	(32)	5	11	-	-	-	-
Net change in cash and cash equivalents	21	43	23	238	35	(9)	(6)
Cash and equivalents continuing - beginning	**232**	**253**	**296**	**319**	**557**	**592**	**583**
Cash and equivalents discontinued - beginning	-	-	-	-	-	-	-
Cash and equivalents discontinued - ending	-	-	-	-	-	-	-
Cash and equivalents continuing - ending	**253**	**296**	**319**	**557**	**592**	**583**	**577**

Source: Company data, Morgan Stanley Research

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Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following company: **Campbell Soup Co**, ConAgra Brands, Dean Foods Co, General Mills Inc, Hershey Co, Hostess Brands Inc, J. M. Smucker Co, Kellogg Co., Kraft Heinz Co, Lamb Weston, Mondelez International Inc, Pinnacle Foods Inc.

Within the last 12 months, Morgan Stanley has either provided or is providing non-investment banking, securities-related services to and/or in the past has entered into an agreement to provide services or has a client relationship with the following company: **Campbell Soup Co**, ConAgra Brands, Dean Foods Co, General Mills Inc, J. M. Smucker Co, Kellogg Co., Kraft Heinz Co, Mondelez International Inc, Pinnacle Foods Inc.

Morgan Stanley & Co. LLC makes a market in the securities of **Campbell Soup Co**, ConAgra Brands, Dean Foods Co, General Mills Inc, Hershey Co, Hostess Brands Inc, J. M. Smucker Co, Kellogg Co., Kraft Heinz Co, Mondelez International Inc, Pinnacle Foods Inc.

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Global Stock Ratings Distribution

(as of January 31, 2018)

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm.

For disclosure purposes only (in accordance with NASD and NYSE requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

STOCK RATING CATEGORY	COVERAGE UNIVERSE COUNT	COVERAGE UNIVERSE % OF TOTAL	INVESTMENT BANKING CLIENTS (IBC) COUNT	IBC % OF TOTAL IBC	IBC % OF RATING CATEGORY	OTHER MATERIAL INVESTMENT SERVICES CLIENTS (MISC) COUNT	MISC % OF TOTAL OTHER MISC
Overweight/Buy	**1173**	**37%**	**318**	**41%**	**27%**	**571**	**39%**
Equal-weight/Hold	**1390**	**44%**	**359**	**47%**	**26%**	**653**	**45%**
Not-Rated/Hold	**53**	**2%**	**5**	**1%**	**9%**	**8**	**1%**
Underweight/Sell	**564**	**18%**	**90**	**12%**	**16%**	**219**	**15%**
TOTAL	**3,180**		**772**			**1451**	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

Analyst Stock Ratings

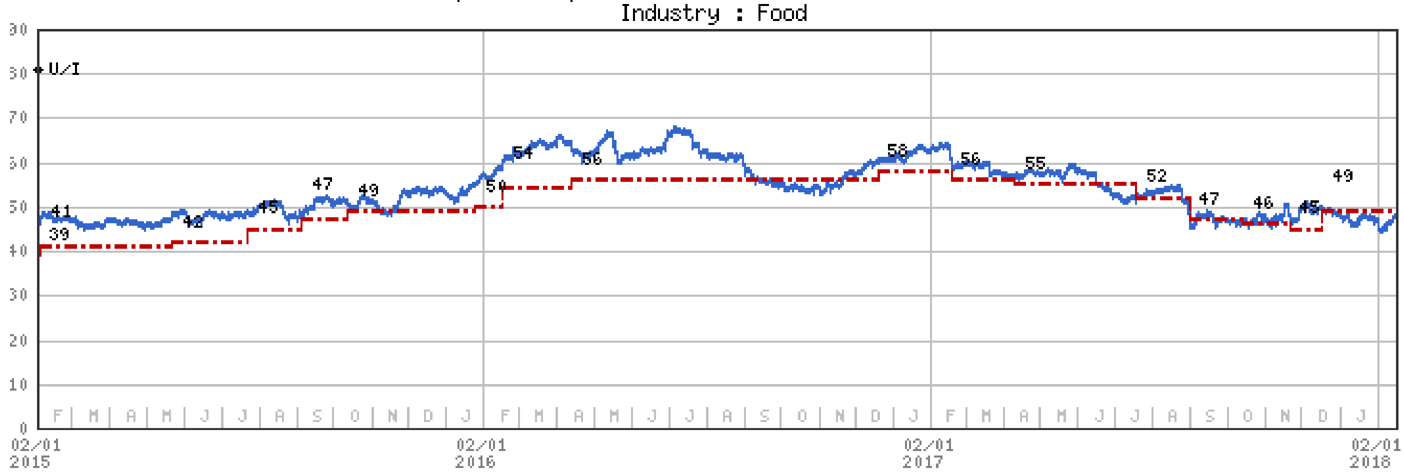
Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.
Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.
Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)

Campbell Soup Co (CPB.N) - As of 2/15/18 in USD
Industry : Food



Stock Rating History: 2/1/15 : U/I

Price Target History: 5/20/14 : 39; 2/3/15 : 41; 5/22/15 : 42; 7/22/15 : 45; 9/4/15 : 47; 10/12/15 : 49; 1/25/16 : 50; 2/16/16 : 54; 4/13/16 : 56; 12/19/16 : 58; 2/17/17 : 56; 4/10/17 : 55; 7/18/17 : 52; 8/31/17 : 47; 10/13/17 : 46; 11/21/17 : 45; 12/18/17 : 49

Source: Morgan Stanley Research   Date Format : MM/DD/YY   Price Target --   No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) ---   Stock Price (Covered by Current Analyst) ---
Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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INDUSTRY COVERAGE: Food

COMPANY (TICKER)	RATING (AS OF)	PRICE* (02/15/2018)
Matthew Grainger		
Campbell Soup Co (CPB.N)	U (02/13/2012)	$47.70
ConAgra Brands (CAG.N)	O (07/02/2015)	$36.36
Dean Foods Co (DF.N)	E (01/17/2018)	$9.80
General Mills Inc (GIS.N)	E (09/02/2015)	$56.89
Hershey Co (HSY.N)	U (01/10/2018)	$100.79
Hostess Brands Inc (TWNK.O)	E (09/25/2017)	$12.96
J. M. Smucker Co (SJM.N)	U (04/10/2017)	$122.65
Kellogg Co. (K.N)	E (12/08/2015)	$69.82
Kraft Heinz Co (KHC.O)	O (02/19/2017)	$72.71
Lamb Weston (LW.N)	E (11/10/2016)	$55.40
Mondelez International Inc (MDLZ.O)	O (02/13/2012)	$44.08
Pinnacle Foods Inc (PF.N)	O (04/10/2017)	$58.42

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.

M&A History

Campbell Soup Company

Thomson Reuters Deals

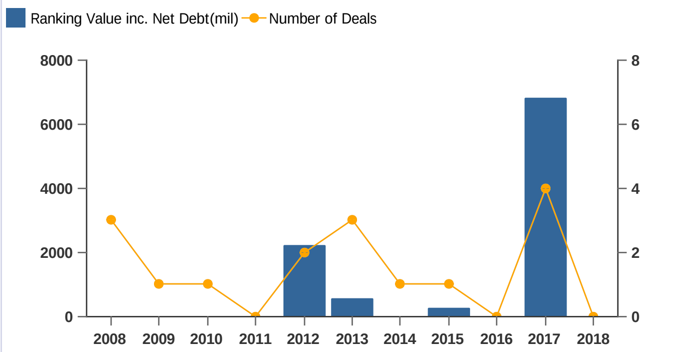
Note: Deal List is limited to 1000 deals.
Date: 04/20/18 22:13 GMT

Product	Time Period		Currency	Deals Included
M&A	From: 2008	To: 2018	USD	League Table Eligible

Deal Summary

Year	Ranking Value inc. Net Debt(mil)	Number of Deals
2008	-	3
2009	-	1
2010	-	1
2011	-	0
2012	2,186.59	2
2013	540.98	3
2014	-	1
2015	231.00	1
2016	-	0
2017	6,795.33	4
2018	-	0
Total	**9,753.90**	**16**

Filter: M&A, 2008 to 2018, USD, League Table Eligible

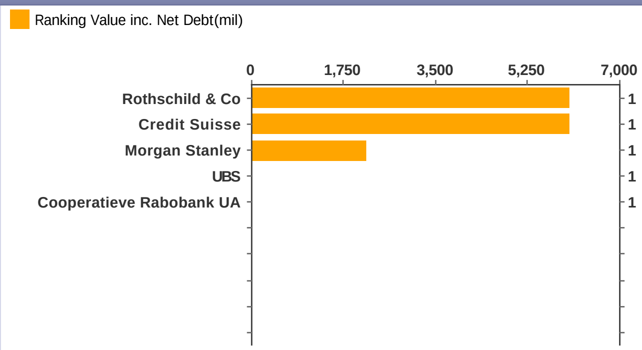


Filter: M&A, 2008 to 2018, USD, League Table Eligible

Banking Relationships

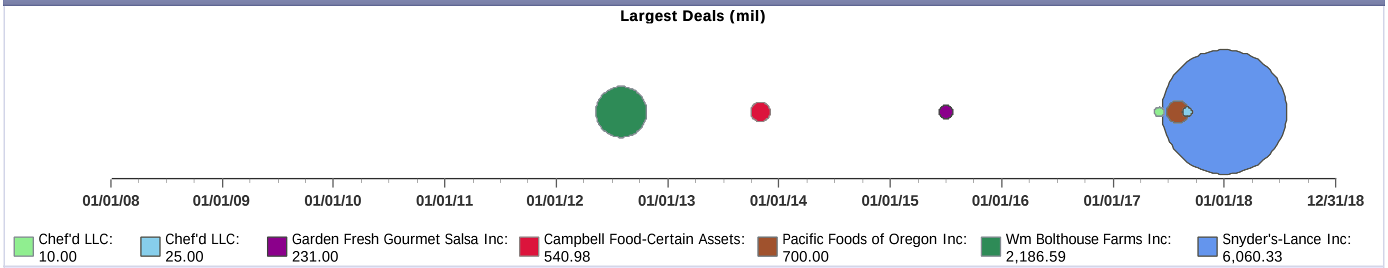
Rank	Financial Advisors	Ranking Value inc. Net Debt(mil)	Number of Deals
1	Rothschild & Co	6,060.33	1
1	Credit Suisse	6,060.33	1
2	Morgan Stanley	2,186.59	1
3	UBS	-	1
3	Cooperatieve Rabobank UA	-	1
Total		**9,753.90**	**16**

Filter: M&A, 2008 to 2018, USD, League Table Eligible



Filter: M&A, 2008 to 2018, USD, League Table Eligible
Note: Number of deals is shown on right axis.

Largest Deals



Filter: M&A, 2008 to 2018, USD, League Table Eligible
Note: Includes the top 10 deals with values based on the filter criteria.

Deal Statistics

Deal Sizes(mil)	
Largest Deal	6,060.33
Smallest Deal	10.00
Average Deal	1,393.41
Median Deal	540.98

	Top Countries	By Value	By #
1	United States	94%	69%
2	Belgium	6%	13%
3	Denmark	0%	6%

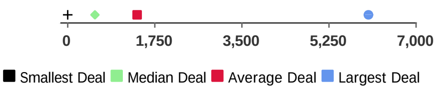
	Top Industries	By Value	By #
1	Non-Cyclical Consumer Goods & Services	100%	88%
2	Cyclical Consumer Goods & Services	0%	13%

Filter: M&A, 2008 to 2018, USD, League Table Eligible
Note: Analysis is based on the target and excludes unknown and zero value deal sizes.

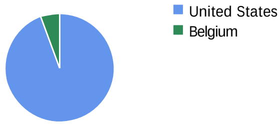
Source: Thomson Reuters
Note: Data is continuously updated and is therefore subject to change.

Campbell Soup Company

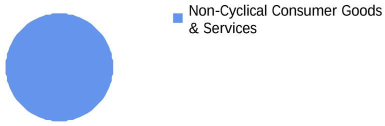
Deal Sizes(mil)



Top Countries



Top Industries



Filter: M&A, 2008 to 2018, USD, League Table Eligible

Note: Analysis is based on the target and excludes unknown and zero value deal sizes. Pie charts are based on value.

Source: Thomson Reuters

Note: Data is continuously updated and is therefore subject to change.

THOMSON REUTERS

Campbell Soup Company

Deal List

Items - 16

Rank Date	Target Name	Acquiror Name	Ranking Value inc. Net Debt(mil)	Target Advisors	Acquiror Advisors
12/18/17	Snyder's-Lance Inc	Campbell Soup Co	6,060.33	Deutsche Bank (Advisory); Goldman Sachs & Co (Advisory, Fairness Opinion); Morgan Stanley (Advisory)	Credit Suisse Group (Advisory); Rothschild & Co (Advisory)
07/09/12	Wm Bolthouse Farms Inc	Campbell Soup Co	2,186.59	Morgan Stanley (Advisory)	Credit Suisse Group (Advisory); Goldman Sachs & Co (Advisory)
07/06/17	Pacific Foods of Oregon Inc	Campbell Soup Co	700.00	-	-
10/01/13	Campbell Food-Certain Assets	CVC Capital Partners Ltd	540.98	Barclays PLC (Advisory); Ernst & Young LLP (Advisory); ING Bank NV (London) (Advisory); Leopold Capital Partners Ltd (Advisory)	-
06/09/15	Garden Fresh Gourmet Salsa Inc	Campbell Soup Co	231.00	-	-
08/14/17	Chef'd LLC	Investor Group	25.00	-	-
05/24/17	Chef'd LLC	Campbell Soup Co	10.00	DA Davidson & Co Inc (Advisory)	-
04/28/08	Campbell Soup-Au Snack Foods	Investor Group	-	-	UBS Investment Bank (Advisory)
07/01/08	Country Gourmet Foods LLC-Wolf	Campbell Soup Co	-	-	-
07/31/08	Campbell Soup-Gen Condimentair	Lesieur SAS	-	BNP Paribas SA (Advisory)	-
04/02/09	Ecce Panis	Campbell Soup Co	-	Lincoln International (Advisory)	-
06/25/10	Campbell Soup-Pasta Plant	Philadelphia Macaroni Co	-	-	-
09/20/12	Campbell Soup-Tomato & Pepper	Vilmorin & Cie SA	-	-	-
05/23/13	Plum Inc	Campbell Soup Co	-	-	Houlihan Lokey (Advisory)
06/17/13	Kelsen Group A/S	Campbell Soup Co	-	FIH Partners AS (Advisory)	-
06/30/14	Morubel NV(Campbell Soup Co)	Bencis Capital Partners BV	-	-	Cooperatieve Rabobank UA (Advisory)

Filter: M&A, 2008 to 2018, USD, League Table Eligible

Note: Default sort is based on rank value.

Source: Thomson Reuters
Note: Data is continuously updated and is therefore subject to change.

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Campbell to Acquire Snyder's-Lance, Inc. to Expand in Faster-Growing Snacking Category

- **Campbell to acquire Snyder's-Lance for $50.00 per share in an all-cash transaction**
- **Combination of Campbell's baked snacks portfolio and Snyder's-Lance's complementary portfolio creates a snacking platform with approximately $4.7 billion net sales on a pro forma basis**
- **Campbell's annual net sales expected to exceed $10 billion**
- **Expects approximately $170 million in cost synergies by end of fiscal 2022; additionally, expects to achieve a majority of Snyder's-Lance's existing cost transformation program**
- **Acquisition expected to be accretive to Campbell's Earnings Per Share (EPS) in fiscal 2019**
- **Investor conference call today at 10:30 a.m. EST**

CAMDEN, N.J. & CHARLOTTE, N.C.--(BUSINESS WIRE)--Dec. 18, 2017-- **Campbell Soup Company (NYSE: CPB)** and **Snyder's-Lance (NASDAQ: LNCE)** today announced that the companies have entered into an agreement for Campbell to acquire Snyder's-Lance for $50.00 per share in an all-cash transaction. The purchase price represents a premium of approximately 27 percent to Snyder's-Lance's closing stock price on Dec. 13, 2017, the last trading day prior to media reports regarding a potential transaction. The acquisition, which has been approved by the Boards of Directors of both companies, will enable Campbell to expand its portfolio of leading snacking brands.

This press release features multimedia. View the full release here: http://www.businesswire.com/news/home/20171218005483/en/

Snyder's-Lance is a leading snacking company that manufactures and markets snack food throughout the United States. The company's portfolio includes well-known brands such as *Snyder's of Hanover*, *Lance*, *Kettle Brand*, *KETTLE* chips, *Cape Cod, Snack Factory Pretzel Crisps*, *Pop Secret, Emerald* and *Late July*. Snyder's-Lance has leading market positions in its core categories including pretzels, sandwich crackers, kettle chips, deli snacks and organic and natural tortilla chips.[1]

Acquisition and Snyder's-Lance Highlights:

- Combines the strengths of both organizations to drive sales growth and expand Campbell's footprint in the $89 billion U.S. snacking market, which had a three-year compound annual growth rate (CAGR) of nearly 3 percent[2]
- Snyder's-Lance reported $2.2 billion in net sales for the trailing 12 months ended Sept. 30, 2017
- From calendar 2012-2016, Snyder's-Lance net sales grew at an 11.5 percent CAGR; organic net sales outpaced category growth with a 4 percent CAGR

The acquisition of Snyder's-Lance will accelerate Campbell's access to faster-growing distribution channels including the convenience and natural channels.

Strengthening Campbell's Portfolio in Faster-Growing Categories

Denise Morrison, Campbell's President and Chief Executive Officer, said, "The acquisition of Snyder's-Lance will accelerate Campbell's strategy and is in line with our Purpose, 'real food that matters for life's moments.' It will provide our consumers with an even greater variety of better-for-you snacks. The combination of Snyder's-Lance brands with Pepperidge Farm, Arnott's and Kelsen will create a diversified snacking leader, drive sales growth and create value for shareholders. This acquisition will dramatically transform Campbell, shifting our center of gravity and further diversifying our portfolio into the faster-growing snacking category. We look forward to welcoming Snyder's-Lance's employees and their trusted family of leading brands to our company."

Campbell's baked snacks product portfolio generated approximately $2.5 billion in net sales in fiscal 2017. With the addition of Snyder's-Lance's complementary portfolio, snacking would represent approximately 46 percent of Campbell's annual net sales (previously 31 percent) on a pro forma basis. Campbell's soup portfolio, including the recent acquisition of Pacific Foods, would represent approximately 27 percent of the company's annual net sales.

Brian J. Driscoll, President and Chief Executive Officer of Snyder's-Lance, said, "Following a thorough review process of strategic options, we believe this transaction maximizes value for our shareholders through an immediate and certain cash premium. The transaction also unlocks the value of our portfolio, reflecting the progress we have made planning and executing our transformation. We are excited to join Campbell and to continue to provide great products to our consumers with an uncompromising focus on ingredients, quality and taste."

Creating a Snacking Leader

Snyder's-Lance will become part of Campbell's Global Biscuits and Snacks division, which includes the company's Pepperidge Farm, Arnott's and Kelsen businesses, and the simple meals and shelf-stable beverages business in Australia, Asia Pacific and Latin America. The division is led by Luca Mignini, President. The division will combine Snyder's-Lance's portfolio with Campbell's iconic snacking brands including *Goldfish* crackers, *Tim Tam* biscuits, *Milano* cookies and *Kjeldsens* butter cookies.

Mignini said, "Campbell's expertise in brand-building, R&D, and supply chain and operations, coupled with Snyder's-Lance's well-known portfolio, distribution system and history of strong sales growth, will allow us to create a differentiated, branded snacking business with greater scale. The combined portfolio will be even more relevant to consumers who are increasingly seeking better-for-you snacks."

Headquartered in Charlotte, N.C., Snyder's-Lance has approximately 6,000 employees and operates 13 manufacturing centers throughout the United States and United Kingdom.

Approvals and Financing

Campbell plans to finance the acquisition through $6.2 billion of debt comprising a combination of long-term and short-term debt. Pro forma leverage is expected to be 4.8x at closing, and the company is committed to deleveraging to approximately 3x by fiscal 2022. Campbell will suspend share repurchases to maximize free cash flow for the purposes of paying down debt. Campbell also expects to maintain its current dividend policy.

The closing of the transaction is subject to the approval of Snyder's-Lance shareholders, as well as customary regulatory approvals and other closing conditions. Certain members of the Warehime family, who collectively own 13.2 percent of Snyder's-Lance's outstanding common stock, have agreed to vote their shares in support of the transaction. Closing is expected by early second quarter of calendar 2018. Campbell expects the acquisition to be accretive to adjusted EPS in fiscal 2019, excluding integration costs and costs to achieve synergies.

Credit Suisse acted as lead financial adviser to Campbell in this transaction. Rothschild also acted as a financial adviser to Campbell. Weil, Gotshal & Manges LLP acted as Campbell's legal counsel. Goldman Sachs & Co. LLC acted as lead financial adviser to Snyder's-Lance. Deutsche Bank has also acted as long-time financial adviser to Snyder's-Lance. Jenner & Block LLP acted as legal counsel to Snyder's-Lance.

Reshaping Campbell's Portfolio

This is Campbell's sixth acquisition in five years. The company acquired Bolthouse Farms in August 2012, organic baby food company Plum in June 2013, biscuit company Kelsen in August 2013, fresh salsa and hummus maker Garden Fresh Gourmet in June 2015, and organic broth and soup producer Pacific Foods in December 2017.

Investor Call Details

Campbell will host a conference call to discuss the acquisition announcement today at 10:30 a.m. EST. To join in the U.S., dial (833) 659-8619. To join outside of the U.S., dial +1 (703) 639-1316. The access code is 8969888. 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.

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*, *Garden Fresh Gourmet* and *Pacific Foods*. 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. To learn more about how we make our food and the choices behind the ingredients we use, visit www.whatsinmyfood.com.

About Snyder's-Lance

Snyder's-Lance, Inc., headquartered in Charlotte, NC, manufactures and markets snack foods throughout the United States and internationally. Snyder's-Lance's products include pretzels, sandwich crackers, pretzel crackers, potato chips, cookies, tortilla chips, restaurant style crackers, popcorn, nuts and other snacks. Products are sold under the Snyder's of Hanover®, Lance®, Kettle Brand®, KETTLE® Chips, Cape Cod®, Snack Factory® Pretzel Crisps®, Pop Secret®, Emerald®, Late July®, Krunchers! ®, Tom's®, Archway®, Jays®, Stella D'oro®, Eatsmart Snacks™, O-Ke-Doke®, Metcalfe's skinny®, and other brand names along with a number of third party brands. Products are distributed nationally through grocery and mass merchandisers, convenience stores, club stores, food service outlets and other channels. For more information, visit the company's corporate web site: www.snyderslance.com.

Important Information For Snyder's-Lance, Inc.'s Investors And Shareholders

This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. This communication relates to a proposed acquisition of Snyder's-Lance, Inc. by Campbell Soup Company. In connection with this transaction, Snyder's-Lance will file relevant materials with the Securities and Exchange Commission (the "***SEC***"). INVESTORS AND SECURITY HOLDERS OF SNYDER'S-LANCE ARE URGED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Any definitive proxy statement(s) (when available) will be mailed to shareholders of Snyder's-Lance. Investors and security holders will be able to obtain free copies of these documents (when available) and other documents filed with the SEC by Snyder's-Lance through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by Snyder's-Lance will be available free of charge on Snyder's-Lance's internet website at http://ir.snyderslance.com/sec.cfm or by contacting the Snyder's-Lance's Investor Relations Department by email at kpowers@snyderslance.com or by phone at 704-557-8279.

Participants In The Solicitation

Snyder's-Lance, its directors and certain of its executive officers may be considered participants in the solicitation of proxies from Snyder's-Lance's shareholders in connection with the proposed transaction. Information about the directors and executive officers of Snyder's-Lance is set forth in its Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the SEC on February 28, 2017, its proxy statement for its 2017 annual meeting of shareholders, which was filed with the SEC on March 27, 2017, its Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, which was filed with the SEC on November 9, 2017, and in other documents filed with the SEC by Snyder's-Lance and its officers and directors.

These documents can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials in connection with the transaction to be filed with the SEC when they become available.

Snyder's-Lance, Inc. Forward-Looking Statements

Certain statements in this communication regarding the proposed acquisition of Snyder's-Lance by Campbell Soup Company, including any statements regarding the expected timetable for completing the proposed transaction, benefits of the proposed transaction, future opportunities, future financial performance and any other statements regarding future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts are "forward-looking" statements made within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "aim," "anticipate," "believe," "could," "ensure," "estimate," "expect," "forecasts," "if," "intend," "likely" "may," "might," "outlook," "plan," "positioned," "potential," "predict," "probable," "project," "should," "strategy," "will," "would," and similar expressions, and the negative thereof, are intended to identify forward-looking statements.

All forward-looking information are subject to numerous risks and uncertainties, many of which are beyond the control of Snyder's-Lance, that could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: failure to obtain the required vote of Snyder's-Lance's shareholders; the timing to consummate the proposed transaction; the risk that a condition to closing of the proposed transaction may not be satisfied or that the closing of the proposed transaction might otherwise not occur; the risk that a regulatory approval that may be required for the proposed transaction is not obtained or is obtained subject to conditions that are not anticipated; the diversion of management time on transaction-related issues; difficulties with the successful integration and realization of the anticipated benefits or synergies from the proposed transaction; and risk that the transaction and its announcement could have an adverse effect on Snyder's-Lance's ability to retain customers and retain and hire key personnel. Additional information concerning these and other risk factors can be found in Snyder's-Lance's filings with the SEC and available through the SEC's Electronic Data Gathering and Analysis Retrieval system at http://www.sec.gov, including their most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The foregoing list of important factors is not exclusive. Snyder's-Lance's forward-looking statements are based on assumptions that it believes to be reasonable but that may not prove to be accurate. Snyder's-Lance assumes no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, except as may be required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Campbell Soup Company 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 those regarding the acquisition of Snyder's-Lance, Inc., 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) changes in consumer demand for the company's products and favorable perception of the company's brands; (2) the risks associated with trade and consumer acceptance of product improvements, shelving initiatives, new products and pricing and promotional strategies; (3) the impact of strong competitive responses to the company's efforts to leverage its brand power with product innovation, promotional programs and new advertising; (4) changing inventory management practices by certain of the company's key customers; (5) a changing customer landscape, with value and e-commerce retailers expanding their market presence, while certain of the company's key customers continue to increase their significance to the company's business; (6) the company's ability to realize projected cost savings and benefits from its efficiency and/or restructuring initiatives; (7) the company's ability to manage changes to its organizational structure and/or business processes, including selling, distribution, manufacturing and information management systems or processes; (8) product quality and safety issues, including recalls and product liabilities; (9) the ability to complete and to realize the projected benefits of acquisitions, divestitures and other business portfolio changes; (10) the conditions to the completion of the Snyder's-Lance transaction, including obtaining Snyder's-Lance shareholder approval, may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected, on the anticipated schedule, or at all; (11) long-term financing for the Snyder's-Lance transaction may not be available on favorable terms, or at all; (12) closing of the Snyder's-Lance transaction may not occur or may be delayed, either as a result of litigation related to the transaction or otherwise; (13) the company may be unable to achieve the anticipated benefits of the Snyder's-Lance transaction; (14) completing the Snyder's-Lance merger may distract the company's management from other important matters; (15) disruptions to the company's supply chain, including fluctuations in the supply of and inflation in energy and raw and packaging materials cost; (16) the uncertainties of litigation and regulatory actions against the company; (17) the possible disruption to the independent contractor distribution models used by certain of the company's businesses, including as a result of litigation or regulatory actions affecting their independent contractor classification;

(18) the impact of non-U.S. operations, including trade restrictions, public corruption and compliance with foreign laws and regulations; (19) impairment to goodwill or other intangible assets; (20) the company's ability to protect its intellectual property rights; (21) increased liabilities and costs related to the company's defined benefit pension plans; (22) a material failure in or breach of the company's information technology systems; (23) the company's ability to attract and retain key talent; (24) changes in currency exchange rates, tax rates, interest rates, debt and equity markets, inflation rates, economic conditions, law, regulation and other external factors; (25) unforeseen business disruptions in one or more of the company's markets due to political instability, civil disobedience, terrorism, armed hostilities, extreme weather conditions, natural disasters or other calamities; and (26) 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.

[1] IRI MULO through Sept. 3, 2017, for the last 52 weeks

[2] IRI Market Structure 2016 and Total US MULO

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http://www.businesswire.com/news/home/20171218005483/en/

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Snyder's-Lance, Inc. Reports Fourth Quarter and Full-Year 2017 Results

Fourth Quarter 2017 Highlights

- **Total net revenue from continuing operations decreased 0.8%; core branded growth of 1.1%**
- **GAAP earnings per share of $1.92 from continuing operations**
- **EPS from continuing operations excluding special items* increased 22.2% to $0.33**
- **GAAP net income from continuing operations of $188.8 million**
- **Net income from continuing operations excluding special items* increased 23.8% to $32.7 million**
- **Adjusted EBITDA* increased 1.8% to $78.5 million**

Full-Year 2017 Highlights

- **Total net revenue from continuing operations increased 5.6%; core branded growth of 9.1%**
- **GAAP net income per share of $1.50 from continuing operations**
- **EPS from continuing operations excluding special items* decreased 2.7% to $1.08**
- **GAAP net income from continuing operations of $146.6 million**
- **Net income from continuing operations excluding special items* increased 1.9% to $105.5 million**
- **Adjusted EBITDA* increased 3.2% to $293.3 million**

*Descriptions of measures excluding special items are provided in “Use and Definition of Non-GAAP Measures” and reconciliations are provided in the tables at the end of this release.

Charlotte, NC, - February 28, 2018 - Snyder's-Lance, Inc. (Nasdaq-GS: LNCE) today reported financial results for the fourth quarter and full-year ended December 30, 2017.

Recent Merger Announcement

On December 18, 2017, Snyder's-Lance and Campbell Soup Company announced a definitive merger agreement under which Campbell Soup Company will acquire Snyder's-Lance for $50 per share in an all-cash transaction valued at approximately $6.0 billion, including Snyder's-Lance's net debt. As such, the Company will not be providing its outlook for fiscal 2018 or longer-term targets and will not be holding a conference call to discuss the Company's financial results for the fourth quarter and fiscal year ended December 30, 2017. Completion of the transaction is subject to approval by the Company's shareholders and other customary closing conditions. The parties expect to close the transaction late in the first quarter of 2018.

Summary of Financial Results

Fourth Quarter and Full-Year 2017 Financial Summary*						
(in thousands, except for earnings per share amounts)	**Q4 2017**	**Q4 2016**	**Change**	**FY17**	**FY16**	**Change**
Total Net Revenue from Continuing Operations	$551,557	$556,163	-0.8%	$2,226,837	$2,109,227	5.6%
Core Brand Net Revenue	404,688	400,321	1.1%	1,613,682	1,478,601	9.1%
Operating Profit from Continuing Operations	45,990	44,317	3.8%	38,514	104,649	-63.1%
% of net revenue	*8.3%*	*8.0%*		*1.7%*	*5.0%*	
Operating Profit from Continuing Operations, Excluding Special Items	54,760	52,148	5.0%	195,654	189,490	3.3%
% of net revenue	*9.9%*	*9.4%*		*8.8%*	*9.0%*	
GAAP EPS from Continuing Operations	$1.92	$0.19	910.5%	$1.50	$0.45	233.3%
EPS from Continuing Operations, Excluding Special Items	$0.33	$0.27	22.2%	$1.08	$1.11	-2.7%
Adjusted EBITDA from Continuing Operations	78,474	77,110	1.8%	293,258	284,110	3.2%
% of net revenue	*14.2%*	*13.9%*		*13.2%*	*13.5%*	

*Descriptions of measures excluding special items are provided in "Use and Definition of Non-GAAP Measures," and reconciliations are provided in the tables at the end of this release.

Fourth Quarter 2017 Results

Fourth Quarter Net Revenue by Product Category			
(in thousands)	**Q4 2017 Net Revenue**	**Q4 2016 Net Revenue(1)**	**Change**
Core Brands(2)	**$ 404,688**	$ 400,321	1.1%
Allied Brands(3)	**41,097**	42,686	-3.7%
Branded	**445,785**	443,007	0.6%
Partner Brand	**69,255**	70,829	-2.2%
Other	**36,517**	42,327	-13.7%
Total	**$ 551,557**	$ 556,163	**-0.8%**

(1) Includes net revenue results from continuing operations only.
(2) The Company's Core Brands include: Snyder's of Hanover®, Lance®, Kettle Brand®, KETTLE® Chips, Cape Cod®, Snack Factory® Pretzel Crisps®, Pop Secret®, Emerald® and Late July®.
(3) The Company's Allied Brands include: Krunchers!®, Tom's®, Archway®, Jays®, Stella D'oro®, Eatsmart Snacks™, O-Ke-Doke® and Metcalfe's skinny®

Total net revenue in the fourth quarter of 2017 was $551.6 million, a decrease of 0.8% compared to $556.2 million from continuing operations in the fourth quarter of 2016. Branded net revenue increased 0.6% as a result of a 1.1% increase in the Company's Core Brands partially offset by a 3.7% decrease in Allied Brands. The Core Brand net revenue increase was led by growth in Late July®, Cape Cod®, KETTLE® Chips, Lance®, Snyder's of Hanover®, and Snack Factory® Pretzel Crisps®, partially offset by a decline in Pop Secret®, Emerald®, and Kettle Brand®. In addition, during the fourth quarter of 2017, net revenue from the Partner Brand category decreased 2.2% while net revenue from the Other category declined 13.7%, each compared to the fourth quarter of 2016.

GAAP operating income in the fourth quarter of 2017 was $46.0 million, as compared to GAAP operating income of $44.3 million from continuing operations in the fourth quarter of 2016. Operating income from continuing operations and excluding special items affecting comparability, in the fourth quarter of 2017 was $54.8 million, or 9.9% as a percentage of net revenue, as compared to $52.1 million from continuing operations, or 9.4% as a percentage of net revenue, in the fourth quarter of 2016. The operating margin expansion was the result of lower general and administrative expenses, and supply chain productivity and cost initiatives. These were partially offset by higher promotional trade spend, higher service and distribution costs primarily related to trucking capacity, as well as continued higher than normal manufacturing costs due to the ramping up of Emerald® production capacity in Charlotte, NC that was previously located in the Stockton, CA manufacturing facility.

Net interest expense in the fourth quarter of 2017 was $10.2 million compared to $9.3 million in the fourth quarter of 2016. Excluding special items, the effective income tax rate from continuing operations was 26.5% in the fourth quarter of 2017 as compared to 37.8% in the fourth quarter of 2016. The decrease in the effective income tax rate, excluding special items, was primarily due to the impact of adopting new accounting guidance, which resulted in excess tax benefits for certain share-based payments, which were previously included in equity.

GAAP net income attributable to Snyder's-Lance from continuing operations in the fourth quarter of 2017 was $188.8 million, or $1.92 per diluted share, as compared to net income of $18.7 million, or $0.19 per diluted share, in the fourth quarter of 2016. The significant increase in GAAP net income was primarily due to a non-recurring, non-cash gain of $162.4 million as the result of the impact of the Income Tax Reform Act enacted in December 2017 (the "Tax Act"). Net income attributable to Snyder's-Lance from continuing operations, excluding special items, for the fourth quarter of 2017, was $32.7 million, as compared to $26.4 million, in the fourth quarter of 2016. Earnings per diluted share from continuing operations, excluding special items, was $0.33 in the fourth quarter of 2017 compared to $0.27, in the fourth quarter of 2016.

Adjusted EBITDA from continuing operations in the fourth quarter of 2017 was $78.5 million, or 14.2% of net revenue, as compared to adjusted EBITDA from continuing operations of $77.1 million, or 13.9% of net revenue, in the fourth quarter of 2016. Adjusted EBITDA is a non-GAAP measure defined herein under "Use and Definition of Non-GAAP Measures," and is reconciled to net income in the tables that accompany this release.

Full-Year 2017 Results

Full-Year Net Revenue by Product Category					
(in thousands)		**2017 Net Revenue**		**2016 Net Revenue(1)**	**Change**
Core Brands(2)	**$**	**1,613,682**	$	1,478,601	9.1%
Allied Brands(3)		**163,393**		159,695	2.3%
Branded		**1,777,075**		1,638,296	8.5%
Partner Brand		**291,580**		300,436	-2.9%
Other		**158,182**		170,495	-7.2%
Total	**$**	**2,226,837**	$	2,109,227	**5.6%**

(1) Includes net revenue results from continuing operations only.
(2) The Company's Core Brands include: Snyder's of Hanover®, Lance®, Kettle Brand®, KETTLE® Chips, Cape Cod®, Snack Factory® Pretzel Crisps®, Pop Secret®, Emerald® and Late July®.
(3) The Company's Allied Brands include: Krunchers!®, Tom's®, Archway®, Jays®, Stella D'oro®, Eatsmart Snacks™, O-Ke-Doke® and Metcalfe's skinny®

Total net revenue for the full-year 2017 was 2,226.8 million, an increase of 5.6% compared to $2,109.2 million from continuing operations in 2016. Branded net revenue increased 8.5% as a result of a 2.3% increase in the Company's Allied Brands revenue and a 9.1% increase in Core Brands revenue. In addition, during the full-year 2017, net revenue from the Partner Brand category decreased 2.9% while net revenue from the Other category declined 7.2%, each compared to the full-year of 2016.

GAAP operating income from continuing operations for the full-year 2017 was $38.5 million, as compared to GAAP operating income of $104.6 million from continuing operations in 2016. GAAP operating income was negatively impacted by $157.1 million in pre-tax expenses which affected comparability. These expenses were primarily related to $104.7 million in non-cash impairment charges reflecting the write-downs of the Company's European reporting unit goodwill, and the Company's KETTLE® Chips trademark in the United Kingdom and Pop Secret® trademark. Operating income from continuing operations and excluding special items affecting comparability, for the full-year 2017 was $195.7 million, or 8.8% as a percentage of net revenue, as compared to $189.5 million from continuing operations, or 9.0% as a percentage of net revenue, in 2016.

Net interest expense for the full-year 2017 was $38.8 million compared to $32.6 million in 2016. Excluding special items, the effective income tax rate from continuing operations was 32.5% in 2017 as compared to 34.1% in 2016.

GAAP net income attributable to Snyder's-Lance from continuing operations for the full-year 2017 was $146.6 million, or $1.50 per diluted share, as compared to net income of $42.0 million, or $0.45 per diluted share, in 2016. The significant increase in GAAP net income was primarily due to a nonrecurring, non-cash gain of $162.4 million as the result of the impact of the Tax Act. Net income attributable to Snyder's-Lance from continuing operations, excluding special items, for the full-year 2017, was $105.5 million, as compared to $103.5 million, in 2016. Earnings per diluted share from continuing operations, excluding special items, was $1.08 for the full-year 2017 compared to $1.11, in 2016.

Adjusted EBITDA from continuing operations for the full-year 2017 was $293.3 million, or 13.2% of net revenue, as compared to adjusted EBITDA from continuing operations of $284.1 million, or 13.5% of net revenue, in 2016. Adjusted EBITDA is a non-GAAP measure defined herein under "Use and Definition of Non-GAAP Measures," and is reconciled to net income in the tables that accompany this release.

About Snyder's-Lance, Inc.

Snyder's-Lance, Inc., headquartered in Charlotte, NC, manufactures and markets snack foods throughout the United States and internationally. Snyder's-Lance's products include pretzels, sandwich crackers, pretzel crackers, potato chips, cookies, tortilla chips, restaurant style crackers, popcorn, nuts and other snacks. Products are sold under the Snyder's of Hanover®, Lance®, Kettle Brand®, KETTLE® Chips, Cape Cod®, Snack Factory® Pretzel Crisps®, Pop Secret®, Emerald®, Late July®, Krunchers! ®, Tom's®, Archway®, Jays®, Stella D'oro®, Eatsmart Snacks™, O-Ke-Doke®, Metcalfe's skinny®, and other brand names along with a number of third-party brands. Products are distributed nationally through grocery and mass merchandisers, convenience stores, club stores, food service outlets and other channels. For more information, visit the Company's corporate web site: www.snyderslance.com.
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Use and Definition of Non-GAAP Measures

Snyder's-Lance's management uses non-GAAP financial measures to evaluate our operating performance and to facilitate a comparison of the Company's operating performance on a consistent basis and to provide measures that, when viewed in combination with its results prepared in accordance with GAAP, allow for a more complete understanding of factors and trends affecting the Company's business than GAAP measures alone. The non-GAAP measures and related comparisons should be considered in addition to, not as a substitute for, our GAAP disclosure, as well as other measures of financial performance reported in accordance with GAAP, and may not be comparable to similarly titled measures used by other companies. Our management believes these non-GAAP measures are useful for providing increased transparency and assisting investors in understanding our ongoing operating performance.

Operating Income and Gross Profit, Excluding Special Items

Operating income and gross profit, excluding special items, are provided because Snyder's-Lance believes it is useful information for understanding our results by improving the comparability of our results. Additionally, operating income and gross profit, excluding special items, provide transparent and useful information to management, investors, analysts and other parties in evaluating and assessing the Company's primary operating results after removing the impact of unusual, non-operational or restructuring or transaction related activities that affect comparability. Operating income and gross profit, excluding special items, are two measures management uses for planning and budgeting, monitoring and evaluating financial and operating results, and in the analysis of ongoing operating trends.

Net Income, Earnings per Share and Effective Income Tax Rate, Excluding Special Items

Net income, earnings per share, and the effective income tax rate, excluding special items, are metrics provided to present the reader with the after-tax impact of operating income, excluding special items, in order to improve the comparability and understanding of the related GAAP measures. Net income, earnings per share, and the effective income tax rate, excluding special items, provide transparent and useful information to management, investors, analysts and other parties in evaluating and assessing our primary operating results after removing the impact of unusual, non-operational or restructuring or transaction related activities that affect comparability. Net income, earnings per share, and the effective income tax rate, excluding special items, are measures management uses for planning and budgeting, monitoring and evaluating financial and operating results.

Adjusted EBITDA

Snyder's-Lance defines adjusted EBITDA as earnings before interest expense, income taxes, depreciation and amortization ("EBITDA"), further adjusted to exclude restructuring or transaction related expenses, and other non-cash or non-operating items as well as any other unusual items that impact the comparability of our financial information.

Management uses adjusted EBITDA as a key metric in the evaluation of underlying Company performance, in making financial, operating and planning decisions. The Company believes this measure is useful to investors because it increases transparency and assists investors in understanding the underlying performance of the Company and in the analysis of ongoing operating trends. Additionally, Snyder's-Lance believes adjusted EBITDA is frequently used by analysts, investors and other interested parties in their evaluation of companies, many of which present an adjusted EBITDA measure when reporting their results. The Company has historically reported adjusted EBITDA to analysts and investors and believes that its continued inclusion provides consistency in financial reporting and enables analysts and investors to perform meaningful comparisons of past, present and future operating results.
Adjusted EBITDA should not be considered as an alternative to net income, determined in accordance with GAAP, as an indicator of the Company's operating performance, as an indicator of cash flows, or as a measure of liquidity. While EBITDA and adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, they are not necessarily

comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation.

Cautionary Information about Forward Looking Statements

In this press release, we make statements which may be forward-looking within the meaning of applicable securities laws, which represent our current judgment about possible future events. The statements include projections regarding future revenues, earnings and other results. In making these statements we rely on current expectations, assumptions and analyses based on our experience and perception of historical trends, current conditions and expected future developments as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any events or financial results, and our actual results may differ materially due to a variety of important factors, both positive and negative. These factors include among others: changes in general economic conditions; price or availability of raw materials, packaging, energy and labor; food industry competition; changes in top customer relationships; consolidation of the retail environment; decision by British voters to exit the European Union; failure to realize anticipated benefits of acquisitions and divestitures; loss of key personnel; failure to execute strategic initiatives; safety and quality of food products; adulterated or misbranded products; disruption of our supply chain or information technology systems; improper use or misuse of social media; ability to anticipate changes in consumer preferences and trends; distribution through independent operators; protection of trademarks and intellectual property; impairment in the carrying value of goodwill or other intangible assets; new regulations or legislation; interest and foreign currency exchange rate volatility; concentration of capital stock ownership; increasing legal complexity and potential litigation; the inability to successfully execute international expansion strategies; additional risks from foreign operations; our substantial debt; and the restrictions and limitations on our business operations in the agreements and instruments governing our debt.

In addition, this press release contains certain statements with respect to a transaction involving the Company and Campbell Soup Company that are also forward-looking within the meaning of applicable securities laws. Certain risks and uncertainties related to the transaction include, but are not limited to: failure to obtain the required vote of the Company's shareholders; the timing to consummate the proposed transaction; the risk that a condition to closing of the proposed transaction may not be satisfied or that the closing of the proposed transaction might otherwise not occur; the diversion of management time on transaction-related issues; and risk that the transaction and its announcement could have an adverse effect on the Company's ability to retain customers and retain and hire key personnel.

Additional information concerning these and other risk factors can be found in the Company's filings with the SEC and available through the SEC's Electronic Data Gathering and Analysis Retrieval system at http://www.sec.gov, including the Company's most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and the Definitive Proxy Statement. The foregoing list of important factors is not exclusive. The Company's forward-looking statements are based on assumptions that the Company believes to be reasonable but that may not prove to be accurate. The Company assumes no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, except as may be required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

ADDITIONAL INFORMATION

This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. This communication relates to a proposed acquisition of Snyder's-Lance, Inc. (the "***Company***") by Campbell Soup Company. In connection with this transaction, the Company has filed a definitive proxy statement (the "***Definitive Proxy Statement***") with the Securities and Exchange Commission (the "***SEC***") on February 20, 2018, and has filed other relevant materials regarding the proposed transaction with the SEC. INVESTORS AND SECURITY HOLDERS OF THE COMPANY ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

The Company first mailed the Definitive Proxy Statement to shareholders of the Company on February 20, 2018. Investors and security holders may obtain free copies of the Definitive Proxy Statement and other documents filed with the SEC by the Company through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by the Company are available free of charge on the Company's internet website at http://ir.snyderslance.com/sec.cfm or by contacting the Company's Investor Relations Department by email at kpowers@snyderslance.com or by phone at 704-557-8279.

PARTICIPANTS IN THE SOLICITATION

The Company, its directors and certain of its executive officers may be considered participants in the solicitation of proxies from the Company's shareholders in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of proxies in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in the Definitive Proxy Statement and other relevant materials filed with the SEC. Information about the directors and executive officers of the Company is set forth in its Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the SEC on February 28, 2017, its proxy statement for its 2017 annual meeting of shareholders, which was filed with the SEC on March 27, 2017, its Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, which was filed with the SEC on November 9, 2017, and in other documents filed with the SEC by the Company and its officers and directors.

These documents can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the Definitive Proxy Statement and other relevant materials in connection with the transaction filed with the SEC.

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(Tables to Follow)

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Consolidated Statements of Income (Unaudited)

	Quarter Ended		Year Ended	
(in thousands, except per share data)	**December 30, 2017**	**December 31, 2016**	**December 30, 2017**	**December 31, 2016**
Net revenue	**$ 551,557**	$ 556,163	**$ 2,226,837**	$ 2,109,227
Cost of sales	**352,630**	346,115	**1,426,666**	1,345,437
Gross profit	**198,927**	210,048	**800,171**	763,790
Selling, general and administrative expenses	**150,352**	159,301	**643,865**	593,957
Transaction and integration related expenses	**1,141**	3,693	**3,002**	66,272
Impairment charges	**1,633**	3,096	**114,783**	4,466
Other operating (income)/expense, net	**(189)**	(359)	**7**	(5,554)
Operating income	**45,990**	44,317	**38,514**	104,649
Other (income)/expense, net	**(53)**	414	**(1,514)**	164
Income before interest and income taxes	**46,043**	43,903	**40,028**	104,485
Loss on early extinguishment of debt	**—**	—	**—**	4,749
Interest expense, net	**10,178**	9,308	**38,765**	32,613
Income before income taxes	**35,865**	34,595	**1,263**	67,123
Income tax (benefit)/expense	**(153,033)**	15,890	**(146,144)**	25,320
Income from continuing operations	**188,898**	18,705	**147,407**	41,803
Income/(loss) from discontinued operations, net of income taxes	**804**	(27,426)	**1,936**	(27,100)
Net income/(loss)	**189,702**	(8,721)	**149,343**	14,703
Net income/(loss) attributable to non-controlling interests	**79**	(41)	**851**	(182)
Net income/(loss) attributable to Snyder's-Lance, Inc.	**$ 189,623**	$ (8,680)	**$ 148,492**	$ 14,885
Amounts attributable to Snyder's-Lance, Inc.:				
Continuing operations	**$ 188,819**	$ 18,746	**$ 146,556**	$ 41,985
Discontinued operations	**804**	(27,426)	**1,936**	(27,100)
Net income/(loss) attributable to Snyder's-Lance, Inc.	**$ 189,623**	$ (8,680)	**$ 148,492**	$ 14,885
Basic earnings per share:				
Continuing operations	**$ 1.94**	$ 0.19	**$ 1.51**	$ 0.46
Discontinued operations	**0.01**	(0.28)	**0.02**	(0.29)
Total basic earnings/(loss) per share	**$ 1.95**	$ (0.09)	**$ 1.53**	$ 0.17
Diluted earnings per share:				
Continuing operations	**$ 1.92**	$ 0.19	**$ 1.50**	$ 0.45
Discontinued operations	**0.01**	(0.28)	**0.02**	(0.29)
Total diluted earnings/(loss) per share	**$ 1.93**	$ (0.09)	**$ 1.52**	$ 0.16
Dividends declared per common share	**$ 0.16**	$ 0.16	**$ 0.64**	$ 0.64

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)
As of December 30, 2017 and December 31, 2016

(in thousands, except share data)	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 18,703**	$ 35,409
Restricted cash	**446**	714
Accounts receivable, net of allowances of $2,567 and $1,290, respectively	**219,267**	210,723
Receivable from sale of Diamond of California	**—**	118,577
Inventories, net	**189,889**	173,456
Prepaid income taxes and income taxes receivable	**5,899**	5,744
Assets held for sale	**18,945**	19,568
Prepaid expenses and other current assets	**30,242**	27,666
Total current assets	**483,391**	591,857
Noncurrent assets:		
Fixed assets, net	**492,437**	501,884
Goodwill	**1,282,372**	1,318,362
Other intangible assets, net	**1,301,228**	1,373,800
Other noncurrent assets	**58,909**	48,173
Total assets	**$ 3,618,337**	$ 3,834,076
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	**$ 49,000**	$ 49,000
Accounts payable	**111,971**	99,249
Accrued compensation	**31,568**	44,901
Accrued casualty insurance claims	**3,571**	4,266
Accrued marketing, selling and promotional costs	**57,774**	50,179
Other payables and accrued liabilities	**45,797**	47,958
Total current liabilities	**299,681**	295,553
Noncurrent liabilities:		
Long-term debt, net	**1,025,533**	1,245,959
Deferred income taxes, net	**234,878**	378,236
Accrued casualty insurance claims	**14,831**	13,049
Other noncurrent liabilities	**21,125**	25,609
Total liabilities	**1,596,048**	1,958,406
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.83 1/3 par value. 110,000,000 shares authorized; 97,857,940 and 96,242,784 shares outstanding, respectively	**81,545**	80,199
Preferred stock, $1.00 par value. 5,000,000 shares authorized; no shares outstanding	**—**	—
Additional paid-in capital	**1,636,500**	1,598,678
Retained earnings	**282,259**	195,733
Accumulated other comprehensive income/(loss)	**2,097**	(17,977)
Total Snyder's-Lance, Inc. stockholders' equity	**2,002,401**	1,856,633
Non-controlling interests	**19,888**	19,037
Total stockholders' equity	**2,022,289**	1,875,670
Total liabilities and stockholders' equity	**$ 3,618,337**	$ 3,834,076

SNYDER'S-LANCE, INC., AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 30, 2017 and December 31, 2016

(in thousands)	2017	2016
Operating activities:		
Net income	**$ 149,343**	$ 14,703
Adjustments to reconcile net income to cash from operating activities:		
Depreciation and amortization	**96,911**	99,251
Stock-based compensation expense	**13,890**	26,648
Loss on sale of fixed assets, net	**1,437**	141
(Gain)/loss on disposal of Diamond of California	**(3,069)**	32,645
Gain on sale of route businesses	**(2,255)**	(1,341)
Loss on early extinguishment of debt	**—**	4,749
Impairment charges	**114,783**	4,466
Deferred income taxes	**(153,963)**	24,811
Provision for doubtful accounts	**1,733**	472
Changes in operating assets and liabilities, excluding business acquisitions, and foreign currency translation adjustments:		
Accounts receivable	**(6,487)**	(34,047)
Inventory	**(15,663)**	2,036
Other current assets	**(941)**	2,861
Accounts payable	**9,629**	21,762
Payable to growers	**—**	41,948
Other accrued liabilities	**(7,378)**	18,312
Other noncurrent assets	**(3,596)**	6,531
Other noncurrent liabilities	**2,485**	1,421
Net cash provided by operating activities	**196,859**	267,369
Investing activities:		
Purchases of fixed assets	**(69,429)**	(73,261)
Purchases of route businesses	**(53,907)**	(42,206)
Purchases of equity method investments	**(1,500)**	—
Proceeds from sale of fixed assets and insurance recoveries	**544**	1,409
Proceeds from sale of route businesses	**56,584**	39,619
Proceeds from sale of investments	**1,090**	—
Proceeds from sale of discontinued operations	**119,658**	—
Business acquisitions, net of cash acquired	**(2,563)**	(1,042,674)
Net cash provided by/(used in) investing activities	**50,477**	(1,117,113)
Financing activities:		
Dividends paid to stockholders and non-controlling interests	**(61,966)**	(57,584)
Debt issuance costs	**(2,441)**	(6,047)
Issuances of common stock	**27,970**	10,096
Excess tax benefits from stock-based compensation	**—**	910
Share repurchases, including shares surrendered for tax withholding	**(2,692)**	(10,330)
Payments on capital leases	**(4,817)**	(2,412)
Repayments of long-term debt	**(49,000)**	(444,795)
Proceeds from issuance of long-term debt	**—**	1,130,000
Repayments of revolving credit facility	**(365,500)**	(120,000)
Proceeds from revolving credit facility	**193,500**	347,000
Net cash (used in)/provided by financing activities	**(264,946)**	846,838
Effect of exchange rate changes on cash	**636**	(1,042)
Net decrease	**(16,974)**	(3,948)
Cash, cash equivalents and restricted cash at beginning of fiscal year	**36,123**	40,071
Cash, cash equivalents and restricted cash at end of fiscal year	**$ 19,149**	$ 36,123

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures (Unaudited)
Gross profit, excluding special items

	Quarter Ended		Year Ended	
(in thousands)	**December 30, 2017**	**December 31, 2016**	**December 30, 2017**	**December 31, 2016**
Net revenue	**$ 551,557**	$ 556,163	**$ 2,226,837**	$ 2,109,227
Cost of sales	**352,630**	346,115	**1,426,666**	1,345,437
Gross profit from continuing operations	**198,927**	210,048	**800,171**	763,790
As a % of net revenue	***36.1%***	*37.8%*	***35.9%***	*36.2%*
Transaction and integration related expenses (1)	**—**	66	**237**	12,069
Emerald move and required packaging changes (2)	**—**	499	**6,704**	499
Transformation initiative (3)	**3,654**	—	**7,403**	—
Other (4)	**—**	187	**(105)**	1,090
Gross profit from continuing operations, excluding special items	**202,581**	210,800	**814,410**	777,448
As a % of net revenue	***36.7%***	*37.9%*	***36.6%***	*36.9%*

(1) Transaction and integration related expenses primarily consist of severance and relocation benefits for Diamond Foods personnel and the inventory step-up for the additional cost of sales as a result of stepping up Diamond Food's inventory to fair value at the acquisition date.
(2) Expenses primarily associated with the relocation of Emerald production from Stockton, CA to Charlotte, NC, including packaging write-offs due to required packaging changes as a result of the transaction.
(3) Transformation initiative costs primarily consist of write off of certain materials and packaging associated with our elimination of certain SKU items, expenses associated with the closure of our Perry, FL manufacturing facility as well as severance benefits related to our performance transformation plan.
(4) Other items primarily consist of an inventory step-up related to the Metcalfe transaction, other Metcalfe-related integration expenses and non-Diamond related severance and retention benefits.

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures (Unaudited)
Operating income, excluding special items

	Quarter Ended		Year Ended	
(in thousands)	**December 30, 2017**	**December 31, 2016**	**December 30, 2017**	**December 31, 2016**
Operating income from continuing operations	**45,990**	44,317	**38,514**	104,649
As a % of net revenue	***8.3%***	*8.0%*	***1.7%***	*5.0%*
Transaction and integration related expenses (1)(2)	**1,141**	3,758	**3,239**	78,341
Emerald move and required packaging changes (3)	**27**	3,304	**9,144**	3,869
Transformation initiative (4)	**5,819**	—	**37,967**	—
Impairment charges (5)	**—**	—	**104,720**	863
Other (6) (7)	**1,783**	769	**2,070**	1,768
Operating income from continuing operations, excluding special items	**$ 54,760**	$ 52,148	**$ 195,654**	$ 189,490
As a % of net revenue	***9.9%***	*9.4%*	***8.8%***	*9.0%*

(1) For 2017, transaction and integration related expenses primarily consist of idle facility lease costs and severance for Diamond Foods personnel.
(2) For 2016, transaction and integration related expenses primarily consist of professional fees, accelerated stock-based compensation, relocation, severance, and retention costs associated with the acquisition of Diamond Foods and the inventory step-up for the additional cost of sales as a result of stepping up Diamond Food's inventory to fair value at the acquisition date.
(3) Expenses associated primarily with the relocation of Emerald production from Stockton, CA to Charlotte, NC, including the packaging write-offs due to required packaging changes as a result of the transaction.
(4) Transformation initiative costs primarily consist of write off of certain materials and packaging associated with our elimination of certain SKU items, expenses associated with the closure of our Perry, FL manufacturing facility as well as severance benefits and professional fees related to our performance transformation plan.
(5) For 2017, impairment charges recorded for certain trademarks and our European reporting unit goodwill. For 2016, impairment changes recorded for certain unused fixed assets.
(6) For 2017, other items primarily relate to expenses incurred in relation to the pending acquisition of the Company by Campbell Soup Company, partially offset by reductions of accruals associated with certain litigation.
(7) For 2016, other items primarily consist of Metcalfe's transaction-related expenses, including severance benefits, as well as an inventory step-up related to this acquisition, partially offset by proceeds from a business interruption claim.

SNYDER’S-LANCE, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures (Unaudited)
Earnings per diluted share, excluding special items

	Quarter Ended		Year Ended	
	December 30, 2017	**December 31, 2016**	**December 30, 2017**	**December 31, 2016**
Earnings per diluted share from continuing operations	**$ 1.92**	$ 0.19	**$ 1.50**	$ 0.45
Transaction and integration related expenses (1)(2)	**0.01**	0.03	**0.02**	0.56
Emerald move and required packaging changes (3)	**—**	0.03	**0.06**	0.03
Transformation initiative (4)	**0.04**	—	**0.28**	—
Loss on debt prepayment (5)	**—**	—	**—**	0.03
Impairment charges (6)	**—**	—	**0.87**	0.01
Income tax reform (7)	**(1.66)**	—	**(1.67)**	—
Other (8) (9)	**0.02**	0.02	**0.02**	0.03
Earnings per diluted share from continuing operations, excluding special items	**$ 0.33**	$ 0.27	**$ 1.08**	$ 1.11

(1) For 2017, transaction and integration related expenses primarily consist of idle facility lease costs and severance for Diamond Foods personnel.
(2) For 2016, transaction and integration related expenses primarily consist of professional fees, accelerated stock-based compensation, relocation, severance, and retention costs associated with the acquisition of Diamond Foods and the inventory step-up for the additional cost of sales as a result of stepping up Diamond Food's inventory to fair value at the acquisition date.
(3) Expenses primarily associated with the relocation of Emerald production from Stockton, CA to Charlotte, NC, including the packaging write-offs due to required packaging changes as a result of the transaction.
(4) Transformation initiative costs primarily consist of write off of certain materials and packaging associated with our elimination of certain SKU items, expenses associated with the closure of our Perry, FL manufacturing facility as well as severance benefits and professional fees related to our performance transformation plan.
(5) Loss on early extinguishment of debt as a result of the early repayment of our private placement loan due to the financing obtained for the acquisition of Diamond Foods.
(6) For 2017, impairment charges recorded for certain trademarks and our European reporting unit goodwill. For 2016, impairment changes recorded for certain unused fixed assets.
(7) The enactment of the Tax Act in December 2017, which included numerous changes to many aspects of U.S. corporate income taxation by, among other things, lowering the corporate income tax rate from 35% to 21%, implementing a territorial tax system and imposing a one-time transition tax on deemed repatriated earning of foreign subsidiaries, resulted in a tax benefit.
(8) For 2017, other items primarily relate to expenses incurred in relation to the pending acquisition of the Company by Campbell Soup Company partially offset by reductions of accruals associated with certain litigation.
(9) For 2016, other items primarily consist of Metcalfe's transaction-related expenses, including severance benefits, as well as an inventory step-up related to this acquisition, partially offset by proceeds from a business interruption claim.

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures (Unaudited)
EBITDA and Adjusted EBITDA

	Quarter Ended		Year Ended	
	December 30, 2017	**December 31, 2016**	**December 30, 2017**	**December 31, 2016**
Income from continuing operations	**$ 188,898**	$ 18,705	**$ 147,407**	$ 41,803
Income tax (benefit)/expense	**(153,033)**	15,890	**(146,144)**	25,320
Interest expense, net	**10,178**	9,308	**38,765**	32,613
Loss on early extinguishment of debt	**—**	—	**—**	4,749
Depreciation	**16,870**	17,713	**69,465**	70,075
Amortization	**6,791**	7,663	**27,446**	24,709
EBITDA from continuing operations	**$ 69,704**	$ 69,279	**$ 136,939**	$ 199,269
As a % of net revenue	***12.6%***	*12.5%*	***6.1%***	*9.4%*
Transaction and integration related expenses (1)(2)	**1,141**	3,758	**3,239**	78,341
Emerald move and required packaging changes (3)	**27**	3,304	**9,144**	3,869
Transformation initiative (4)	**5,819**	—	**37,967**	—
Impairment charges (5)	**—**	—	**104,720**	863
Other (6) (7)	**1,783**	769	**1,249**	1,768
Adjusted EBITDA from continuing operations	**$ 78,474**	$ 77,110	**$ 293,258**	$ 284,110
As a % of net revenue	***14.2%***	*13.9%*	***13.2%***	*13.5%*

(1) For 2017, transaction and integration related expenses primarily consist of idle facility lease costs and severance for Diamond Foods personnel.
(2) For 2016, transaction and integration related expenses primarily consist of professional fees, accelerated stock-based compensation, relocation, severance, and retention costs associated with the acquisition of Diamond Foods and the inventory step-up for the additional cost of sales as a result of stepping up of inventory to fair value at the acquisition date.
(3) Expenses primarily associated with the relocation of Emerald production from Stockton, CA to Charlotte, NC, including the packaging write-offs due to required packaging changes as a result of the transaction.
(4) Transformation initiative costs primarily consist of write off of certain materials and packaging associated with our elimination of certain SKU items, expenses associated with the closure of our Perry, FL manufacturing facility as well as severance benefits and professional fees related to our performance transformation plan.
(5) For 2017, impairment charges recorded for certain trademarks and our European reporting unit goodwill. For 2016, impairment changes recorded for certain unused fixed assets.
(6) For 2017, other items primarily relate to expenses incurred in relation to the pending acquisition of the Company by Campbell Soup Company and reductions of accruals associated with certain litigation.
(7) For 2016, other items primarily consist of Metcalfe's transaction-related expenses, including severance benefits, as well as an inventory step-up related to this acquisition, partially offset by proceeds from a business interruption claim.

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures (Unaudited)
Net income attributable to Snyder's-Lance, Inc., excluding special items

	Quarter Ended		Year Ended	
	December 30, 2017	**December 31, 2016**	**December 30, 2017**	**December 31, 2016**
Net income attributable to Snyder's-Lance, Inc. from continuing operations	**$ 188,819**	$ 18,746	**$ 146,556**	$ 41,985
Transaction and integration related expenses, net of tax (1) (2)	**730**	3,039	**2,049**	52,403
Emerald move and required packaging changes, net of tax (3)	**18**	2,671	**5,898**	3,111
Transformation initiative, net of tax (4)	**3,809**	—	**27,123**	—
Impairment charges, net of tax (5)	**(265)**	—	**84,591**	589
Loss on debt extinguishment, net of tax (6)	**—**	—	**—**	3,042
Income tax reform (7)	**(162,384)**	—	**(162,384)**	—
Other, net of tax (8) (9)	**2,009**	1,986	**1,673**	2,391
Net income attributable to Snyder's-Lance, Inc. from continuing operations, excluding special items	**$ 32,736**	$ 26,442	**$ 105,506**	$ 103,521

(1) For 2017, transaction and integration related expenses consist of idle facility lease costs and severance for Diamond Foods personnel.
(2) For 2016, transaction and integration related expenses primarily consist of professional fees, accelerated stock-based compensation, relocation, severance, and retention costs associated with the acquisition of Diamond Foods and the inventory step-up for the additional cost of sales as a result of stepping up inventory to fair value at the acquisition date.
(3) Expenses associated with the relocation of Emerald production from Stockton, CA to Charlotte, NC, including the packaging write-offs due to required packaging changes as a result of the transaction.
(4) Transformation initiative costs primarily consist of write off of certain materials and packaging associated with our elimination of certain SKU items, expenses associated with the closure of our Perry, FL manufacturing facility as well as severance benefits and professional fees related to our performance transformation plan.
(5) For 2017, impairment charges recorded for certain trademarks and our European reporting unit goodwill. For 2016, impairment changes recorded for certain unused fixed assets.
(6) Loss on early extinguishment of debt as a result of the early repayment of our private placement loan due to the financing obtained for the acquisition of Diamond Foods.
(7) The enactment of the Tax Act in December 2017, which included numerous changes to many aspects of U.S. corporate income taxation by, among other things, lowering the corporate income tax rate from 35% to 21%, implementing a territorial tax system and imposing a one-time transition tax on deemed repatriated earning of foreign subsidiaries, resulted in a tax benefit in 2017.
(8) For 2017, other items primarily relate to expenses incurred in relation to the pending acquisition of the Company by Campbell Soup Company partially offset by reductions of accruals associated with certain litigation.
(9) For 2016, other items primarily consist of Metcalfe's transaction-related expenses, including severance benefits, as well as an inventory step-up related to this acquisition, partially offset by proceeds from a business interruption claim.

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures (Unaudited)
Adjusted effective income tax rate

Quarter ended December 30, 2017	**Income from Continuing Operations**		
(in thousands)	**GAAP Income**	**Adjustments**	**Adjusted Income**
Income before income taxes	**$ 35,865**	**$ 8,770**	**$ 44,635**
Income tax (benefit)/expense	**(153,033)**	**164,853**	**11,820**
Net income	**188,898**	**(156,083)**	**32,815**
Net income attributable to non-controlling interests	**79**	**—**	**79**
Net income attributable to Snyder's-Lance, Inc. from continuing operations	**$ 188,819**	**$ (156,083)**	**$ 32,736**
Effective income tax rate (1)	**N/M**		**26.5 %**

Quarter ended December 31, 2016	**Income from Continuing Operations**		
(in thousands)	**GAAP Income**	**Adjustments**	**Adjusted Income**
Income before income taxes	$ 34,595	$ 7,831	42,426
Income tax expense	15,890	135	16,025
Net income	18,705	7,696	26,401
Net loss attributable to non-controlling interests	(41)	—	(41)
Net income attributable to Snyder's-Lance, Inc. from continuing operations	$ 18,746	$ 7,696	$ 26,442
Effective income tax rate (2)	45.9%		37.8%

(1) The tax rate on adjusted income varies from the tax rate on GAAP income primarily due to the enactment of the Tax Act in December 2017, which included numerous changes to many aspects of U.S. corporate income taxation by, among other things, lowering the corporate income tax rate from 35% to 21%, implementing a territorial tax system and imposing a one-time transition tax on deemed repatriated earning of foreign subsidiaries and to a lesser extent the favorable impact of tax benefits on share-based tax payments, which previously had been included in equity.

(2) The tax rate on adjusted income varies from the tax rate on GAAP income for the fourth quarter of 2016 primarily due to the $1.4 million of discrete tax expense associate with our tax restructuring in the quarter, as well as non-deductible transaction related costs related to the acquisition of Diamond Foods.

SNYDER'S-LANCE, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures (Unaudited)
Adjusted effective income tax rate

Year ended December 30, 2017	**Income from Continuing Operations**		
(in thousands)	**GAAP Income**	**Adjustments**	**Adjusted Income**
Income before income taxes	**$ 1,263**	**$ 156,319**	**$ 157,582**
Income tax (benefit)/expense	**(146,144)**	**197,369**	**51,225**
Net income	**147,407**	**(41,050)**	**106,357**
Net income attributable to non-controlling interests	**851**	**—**	**851**
Net income attributable to Snyder's-Lance, Inc. from continuing operations	**$ 146,556**	**$ (41,050)**	**$ 105,506**
Effective income tax rate (1)	**N/M**		**32.5 %**

Year ended December 31, 2016	Income from Continuing Operations		
(in thousands)	**GAAP Income**	**Adjustments**	**Adjusted Income**
Income before income taxes	$ 67,123	$ 89,590	$ 156,713
Income tax expense	25,320	28,054	53,374
Net income	41,803	61,536	103,339
Net loss attributable to non-controlling interests	(182)	—	(182)
Net income attributable to Snyder's-Lance, Inc. from continuing operations	$ 41,985	$ 61,536	$ 103,521
Effective income tax rate (2)	37.7%		34.1%

(1) The tax rate on adjusted income varies from the tax rate on GAAP income primarily due to the enactment of the Tax Act in December 2017, which included numerous changes to many aspects of U.S. corporate income taxation by, among other things, lowering the corporate income tax rate from 35% to 21%, implementing a territorial tax system and imposing a one-time transition tax on deemed repatriated earning of foreign subsidiaries and to a lesser extent the favorable impact of tax benefits on share-based tax payments, which previously had been included in equity.
(2) The tax rate on adjusted income varies from the tax rate on GAAP income primarily due to non-deductible transaction costs related to the acquisition of Diamond Foods.

COMPANY NOTE

Rating | Target Change

USA | Consumer | Food Products

February 6, 2018

Jefferies

EQUITY RESEARCH AMERICAS

Snyder's-Lance, Inc. (LNCE)

Downgrading to Hold In Light Of Buyout

HOLD
(from BUY)
Price target $50.00
(from $44.00)
Price $49.85^

Key Takeaway

We are increasing our PT to $50 (in line with current price) but downgrading to Hold in light of LNCE's pending acquisition by CPB. We believe the chance of a higher, alternative bid emerging is fairly remote given the transaction's rich valuation (~21x TTM EBITDA) and don't foresee any significant regulatory obstacles that could potentially derail the deal. We expect the deal to close in early CY 2Q18 as anticipated by mgmt.

Rich/full deal valuation reduces the likelihood of an alternative bid. We estimate food industry transactions have averaged EV/TTM EBITDA multiples of ~12.0x between 2010 and 2017 (although valuations have gradually increased in recent years and were significantly higher in 2017; see Chart 1). As such, at ~21x TTM EBITDA pre-synergies (~13.2x post-synergies), CPB's valuation for LNCE represents a significant premium relative to historical industry comps, which reduces the likelihood of a higher, alternative bid.

Stock should trade in line with its $50 transaction price until completion of the deal. LNCE has traded in line with CPB's $50/share offer price since the transaction was announced on December 18, 2017 and we would expect the stock to continue to trade within that very tight range until the transaction is officially completed, hence our Hold rating. We don't foresee any meaningful regulatory obstacles that could potentially derail the deal and expect the transaction to close in early CY 2Q18 as anticipated by management.

Valuation/Risks

The stock currently trades in line with CPB's $50/shr offer price, which implies a PE multiple of 38.7x our NTM EPS estimate. We don't expect any material deviations from the aforementioned deal price (either up or down) before the deal officially closes, hence we have increased our PT to $50 (up from $44 prior to the announcement), but we are downgrading to a Hold rating.

Risks include: 1) potential execution missteps related to DMND integration; and 2) competitive nature of Potato Chips category.

Financial Summary

Net Debt (MM):	$1,096.0

Market Data

52 Week Range:	$50.67 - $31.03
Total Entprs. Value (MM):	$5,911.5
Market Cap. (MM):	$4,815.5
Shares Out. (MM):	96.6
Float (MM):	70.0
Avg. Daily Vol.:	1,156,583

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USD	Prev.	2016A	Prev.	2017E	Prev.	2018E	Prev.	2019E
Rev. (MM)	--	2,188.0	--	2,238.0	--	2,274.0	--	2,319.0
Cons. EPS	--	--	--	1.14	--	1.30	--	1.57
EPS								
Mar	--	0.26	--	0.13A	--	0.19	--	0.27
Jun	--	0.28	--	0.27A	--	0.31	--	0.40
Sep	--	0.30	--	0.33A	--	0.37	--	0.47
Dec	--	0.27	--	0.42	--	0.44	--	0.54
FY Dec	--	1.11	--	1.15	--	1.31	--	1.68
FY P/E		44.9x		43.3x		38.1x		29.7x

Price Performance

^Prior trading day's closing price unless otherwise noted.

Snyder's-Lance, Inc.

Hold: $50 Price Target

THE LONG VIEW

Scenarios

Base Case

- Organic growth of 2% for acquired brands and 1% for legacy portfolio driven by improved volumes and price/mix, owing to effective brand reinvestments
- ~200 bps of y/y EBIT margin expansion driven by cost cutting initiatives and improved price/mix
- FY19 EBIT margin of 12.4% (representing an improvement of ~280 bps relative to our FY17 estimated EBIT margin of 9.6%)
- Price Target: $50 (in line with CPB's offer of $50/share – we expect the deal to be successfully completed in early CY 2Q18)

Upside Scenario

- Organic growth of 3% for acquired brands and 3% for legacy portfolio driven by improved volumes and price/mix, owing to effective brand reinvestments
- ~300 bps of y/y EBIT margin expansion driven by cost cutting initiatives and improved price/mix
- FY19 EBIT margin of 13.4% (representing an improvement of ~380 bps relative to our FY17 estimated EBIT margin of 9.6%)
- Price Target: $50 (in line with CPB's offer of $50/share – we expect the deal to be successfully completed in early CY 2Q18)

Downside Scenario

- Organic growth of -1% for acquired brands and 0% for legacy portfolio owing to marginal impact from brand reinvestments and increased category competition
- ~50 bps of y/y EBIT margin expansion owing to lower-than-expected cost-savings delivery and higher-than-expected marketing spend
- FY19 EBIT margin of 10.9% (representing an improvement of ~130 bps relative to our FY17 estimated EBIT margin of 9.6%)
- Price Target: $40 implying P/E of 24.3x our FY19 downside EPS of $1.65 (assumes acquisition by CPB fails to close)

Investment Thesis / Where We Differ

- Given the premium multiple CPB has offered to pay for LNCE (~21x EV/EBITDA), we believe the chance of a higher, alternative bid is fairly remote
- We do not foresee any meaningful regulatory obstacles that could potentially derail the deal and therefore expect it to close in early CY 2Q18 as anticipated by management
- Stock should continue to trade in line with the $50/share transaction price until the deal is completed – we do not expect any material deviations (up or down) from the aforementioned deal price

Catalysts

- Quarterly earnings including updates on the company's cost savings program
- Monthly POS data tracking trends in the Salty Snacks category
- Movement in commodities prices, particularly sugar, wheat, vegetable oils, natural gas and diesel

Long Term Analysis

Long Term Financial Model Drivers

LT Earnings CAGR	**11-13%**
Organic Revenue Growth	2-3%
Operating Margin	14%

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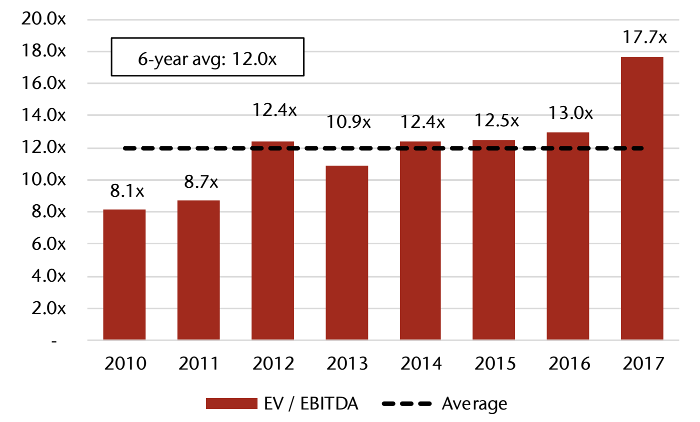
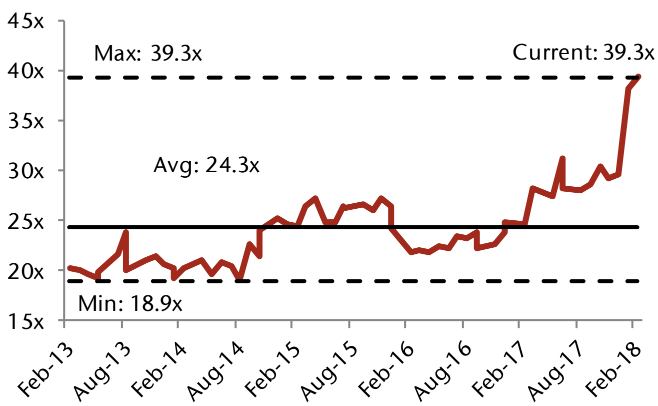
Chart 1: Food & Beverage Average Transactions Multiples (EV/EBITDA) – 2010-2017



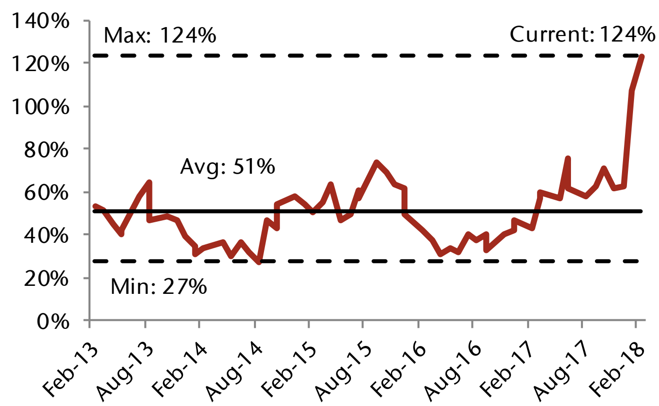
Source: Capital IQ, Jefferies estimates

Chart 2: Historical P/E



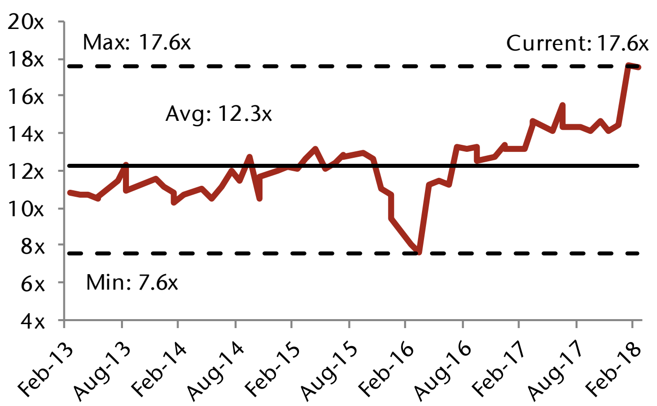
Source: FactSet

Chart 3: P/E Premium/Discount Relative to S&P 500



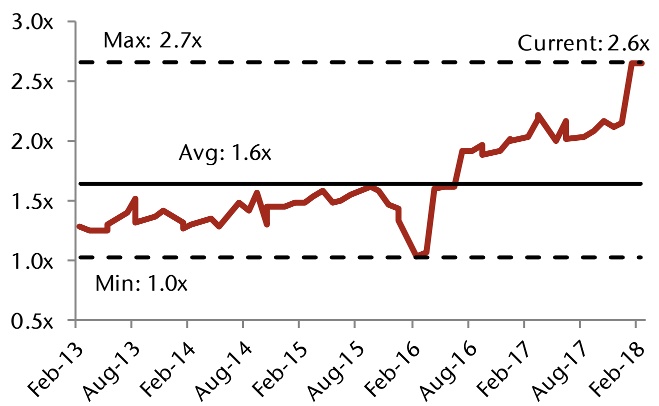
Source: FactSet

Chart 4: Historical EV/EBITDA



Source: FactSet

Chart 5: Historical EV/Sales



Source: FactSet

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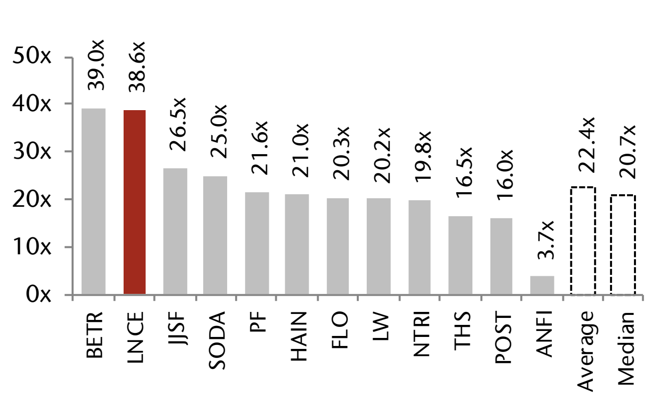
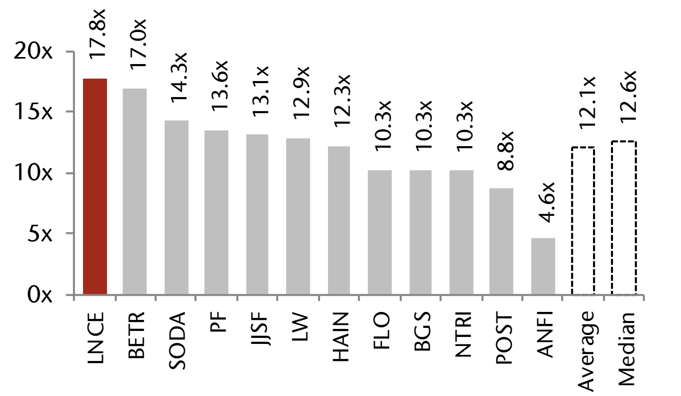
Chart 6: NTM P/E vs. Peers



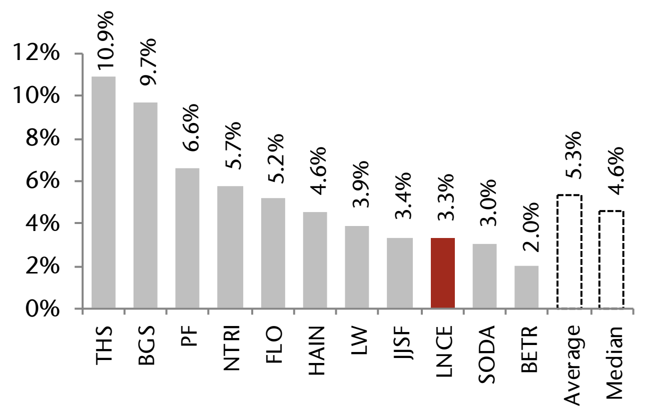
Source: FactSet, Jefferies estimates

Chart 7: EV/EBITDA vs. Peers



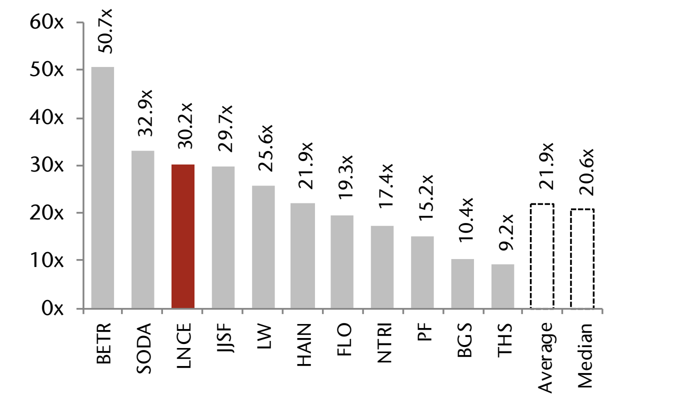
Source: FactSet, Jefferies estimates

Chart 8: Free Cash Flow Yield vs. Peers



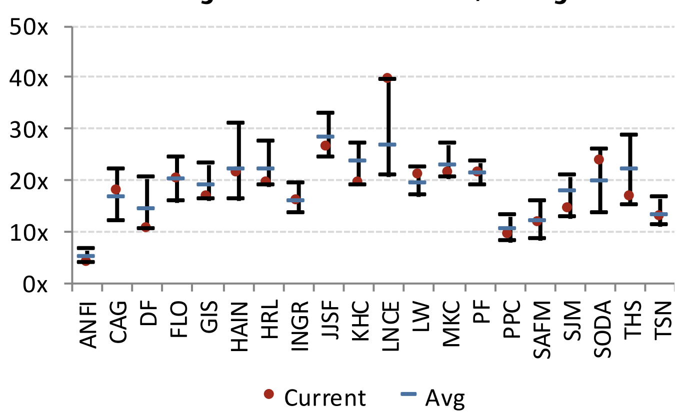
Source: FactSet, Jefferies estimates

Chart 9: Free Cash Flow Multiple vs. Peers



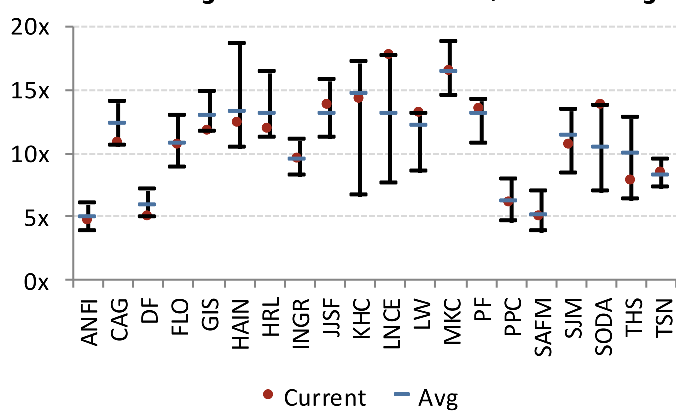
Source: FactSet, Jefferies estimates

Chart 10: Coverage Universe Historical P/E Range



Source: FactSet

Chart 11: Coverage Universe Historical EV/EBITDA Range



Source: FactSet

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Chart 12: LNCE – Financial Summary

Financial Summary	FY13	FY14	FY15	1Q16	2Q16	3Q16	4Q16	FY16	1Q17	2Q17	3Q17	4Q17E	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E
($ in millions)	Dec-13	Dec-14	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22
Total Revenues	**1,505**	**1,621**	**1,656**	**448**	**561**	**546**	**556**	**2,188**	**532**	**580**	**564**	**563**	**2,238**	**2,274**	**2,319**	**2,385**	**2,453**	**2,524**
% change	11%	8%	2%	11%	30%	31%	37%	32%	19%	3%	3%	1%	2.3%	1.6%	2.0%	2.8%	2.9%	2.9%
Cost of Sales	1,160	1,136	1,077	291	350	346	346	1,332	346	363	355	347	1,411	1,412	1,408	1,430	1,463	1,497
Adjusted Gross Profit	**601**	**609**	**579**	**157**	**212**	**200**	**210**	**856**	**186**	**217**	**209**	**215**	**827**	**862**	**911**	**955**	**990**	**1,026**
SG&A	469	484	460	121	161	149	157	663	158	164	149	142	613	626	624	615	629	647
Adjusted EBIT	**132**	**126**	**120**	**36**	**50**	**51**	**53**	**193**	**28**	**52**	**61**	**73**	**214**	**236**	**287**	**339**	**361**	**379**
% change	21%	-5%	-5%	86%	55%	74%	37%	61%	-22%	4%	19%	38%	11%	10%	22%	18%	6%	5%
Net Interest Expense	14	13	11	9	9	9	9	37	9	9	10	10	38	40	37	31	24	17
Adjusted EBITDA	192	191	190	56	76	75	77	284	53	77	85	97	312	335	388	443	468	489
Adjusted Net Income	82	77	72	21	27	30	26	104	13	27	33	40	113	125	160	197	216	232
Adjusted EPS	**$0.85**	**$0.92**	**$1.01**	**$0.26**	**$0.28**	**$0.30**	**$0.27**	**$1.11**	**$0.13**	**$0.27**	**$0.33**	**$0.42**	**$1.15**	**$1.31**	**$1.68**	**$2.06**	**$2.26**	**$2.43**
% change	20%	8%	10%	53%	3%	16%	-14%	10%	-50%	-2%	10%	55%	4%	14%	28%	23%	9%	8%
Operating cash flow	140.7	13.0	146.2	16.7	52.5	84.9	107.2	261.2	30.6	56.4	47.2	38.4	172.7	234.4	270.9	307.6	328.3	347.4
Capex	74.6	72.1	51.5	12.0	25.3	18.5	17.4	73.3	11.5	23.2	20.1	24.8	79.6	80.9	82.5	84.9	87.3	89.8
Free cash flow	66.2	(59.0)	94.7	4.7	27.1	66.4	89.7	187.9	19.1	33.2	27.2	13.7	93.1	153.5	188.3	222.7	241.0	257.6
Net debt	483.3	410.6	348.3	1,363.7	1,353.7	1,324.1	1,258.8	1,258.8	1,132.6	1,114.9	1,096.0	1,097.4	1,097.4	1,004.5	876.9	714.9	534.5	337.7
Equity	918.7	1,067.4	1,088.3	1,869.2	1,857.4	1,868.9	1,856.6	1,856.6	1,863.6	1,863.8	1,810.3	1,839.4	1,839.4	1,919.6	2,034.5	2,186.6	2,357.0	2,543.8
# of diluted shares	70.2	70.9	71.1	80.0	96.7	95.9	98.4	93.3	96.7	97.7	96.6	95.5	98.2	95.5	95.5	95.5	95.5	95.5
Gross Margin (adjusted)	39.9%	37.6%	35.0%	35.1%	37.7%	36.7%	37.8%	36.9%	34.9%	37.4%	37.1%	38.3%	37.0%	37.9%	39.3%	40.0%	40.4%	40.7%
SG&A/sales	31.1%	29.8%	27.8%	27.0%	28.7%	27.3%	28.3%	30.3%	29.7%	28.4%	26.4%	25.3%	27.4%	27.5%	26.9%	25.8%	25.6%	25.6%
EBIT Margin (adjusted)	8.8%	7.8%	7.2%	8.1%	8.9%	9.4%	9.5%	8.8%	5.3%	9.0%	10.7%	13.0%	9.6%	10.4%	12.4%	14.2%	14.7%	15.0%
EBITDA Margin (adjusted)	12.8%	11.8%	11.5%	12.6%	13.5%	13.7%	13.9%	13.0%	9.9%	13.2%	15.1%	17.3%	13.9%	14.7%	16.7%	18.6%	19.1%	19.4%
FCF Margin	4.4%	-3.6%	5.7%	1.1%	4.8%	12.2%	16.1%	8.6%	3.6%	5.7%	4.8%	2.4%	4.2%	6.8%	8.1%	9.3%	9.8%	10.2%
Tax rate	36.8%	32.0%	33.9%	31.6%	35.2%	31.6%	37.8%	33.3%	31.6%	36.2%	35.4%	37.0%	35.6%	36.0%	36.0%	36.0%	36.0%	36.0%
Net debt/TTM EBITDA	2.5x	2.4x	1.8x	6.5x	5.8x	5.0x	4.4x	4.4x	4.0x	4.0x	3.8x	3.5x	3.5x	3.0x	2.3x	1.6x	1.1x	0.7x
Net debt/cap	34%	27%	24%	42%	42%	41%	40%	40%	38%	37%	37%	37%	37%	33%	28%	21%	15%	9%
ROIC	5.6%	5.0%	4.9%	3.7%	4.0%	3.9%	4.0%	5.0%	2.3%	4.2%	5.0%	6.1%	4.1%	4.9%	6.0%	7.1%	7.6%	8.0%

Source: Jefferies estimates, company data

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Company Description

Snyder's-Lance, Inc. manufactures, distributes, markets, and sells snack food products in the U.S. Its products include pretzels, sandwich crackers, kettle cooked chips, pretzel crackers, cookies, potato chips, tortilla chips, nuts, restaurant style crackers, and other salty snacks. The company sells its products under the Snyder's of Hanover, Lance, Cape Cod, Snack Factory Pretzel Crisps, Late July, Tom's, Archway, Jays, Stella D'oro, EatSmart, Krunchers and O-Ke-Doke brands. It also purchases cakes under its brands; and sells partner brand products. Snyder's-Lance, Inc. sells its products through direct-store-delivery network, distributors, and direct sales to grocery/mass merchandisers, club stores, discount stores, convenience stores, and food service establishments, as well as various other retailers, such as drug stores, schools, military, government and recreational facilities, offices, and other independent retailers. Snyder's-Lance was founded on December 6, 2010 and is headquartered in Charlotte, NC.

Analyst Certification:

I, Akshay Jagdale, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

Recommendation Published	, 06:47 ET. February 6, 2018
Recommendation Distributed	, 06:47 ET. February 6, 2018

Company Specific Disclosures

For Important Disclosure information on companies recommended in this report, please visit our website at https://javatar.bluematrix.com/sellside/Disclosures.action or call 212.284.2300.

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Buy - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

Hold - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below $10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below $10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below $10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

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CS - Coverage Suspended. Jefferies has suspended coverage of this company.

NC - Not covered. Jefferies does not cover this company.

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Monitor - Describes securities whose company fundamentals and financials are being monitored, and for which no financial projections or opinions on the investment merits of the company are provided.

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Risks which may impede the achievement of our Price Target

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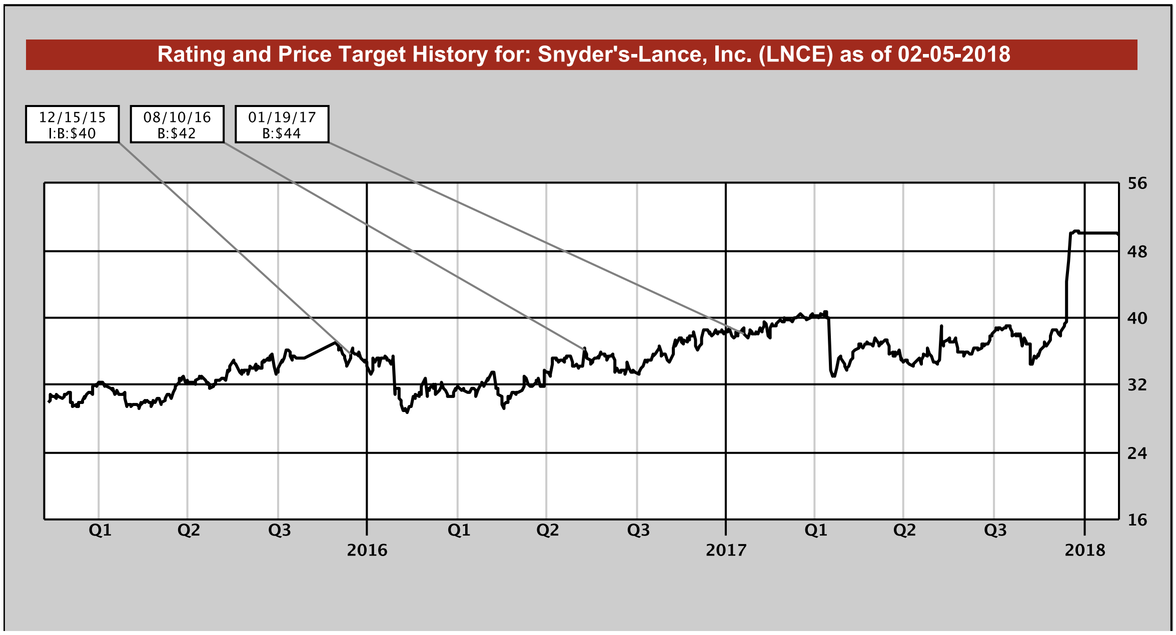
Other Companies Mentioned in This Report

- Amira Nature Foods Ltd. (ANFI: $3.90, BUY)
- Conagra Brands, Inc. (CAG: $35.65, BUY)
- Dean Foods Company (DF: $9.34, BUY)
- Flowers Foods, Inc. (FLO: $18.59, HOLD)
- General Mills, Inc. (GIS: $54.01, HOLD)
- Hain Celestial (HAIN: $35.90, BUY)
- Hormel Foods Corporation (HRL: $32.49, HOLD)
- Ingredion Incorporated (INGR: $130.10, BUY)
- J &J Snack Foods Corp. (JJSF: $133.24, HOLD)
- Lamb Weston Holdings, Inc. (LW: $56.34, BUY)
- McCormick & Company, Inc. (MKC: $101.53, BUY)
- Pilgrim's Pride Corporation (PPC: $26.05, HOLD)
- Pinnacle Foods, Inc. (PF: $58.14, BUY)
- Sanderson Farms, Inc. (SAFM: $125.50, UNDERPERFORM)
- Snyder's-Lance, Inc. (LNCE: $49.85, HOLD)
- SodaStream International Ltd. (SODA: $76.25, HOLD)
- The J. M. Smucker Company (SJM: $116.63, BUY)
- The Kraft Heinz Company (KHC: $74.26, BUY)
- TreeHouse Foods, Inc. (THS: $43.25, BUY)
- Tyson Foods, Inc. (TSN: $73.23, BUY)



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Notes: Each box in the Rating and Price Target History chart above represents actions over the past three years in which an analyst initiated on a company, made a change to a rating or price target of a company or discontinued coverage of a company.

Legend:

I: Initiating Coverage

D: Dropped Coverage

B: Buy

H: Hold

UP: Underperform

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Distribution of Ratings

			IB Serv./Past 12 Mos.		JIL Mkt Serv./Past 12 Mos.	
Rating	Count	Percent	Count	Percent	Count	Percent
BUY	1101	53.09%	338	30.70%	67	6.09%
HOLD	829	39.97%	165	19.90%	23	2.77%
UNDERPERFORM	144	6.94%	19	13.19%	3	2.08%

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