

Campbell Soup 2Q Profit Falls, Revenue Rises

CAMDEN, N.J. (AP) — Campbell Soup Co. said its net income fell by 7 percent in the latest quarter, as the world's biggest soup maker incurred costs for the closure of a plant in Mexico and other restructuring measures.

On an adjusted basis, however, the company posted a profit and revenue growth in its fiscal second quarter that were better than Wall Street analysts expected.

Campbell, based in Camden, N.J., has struggled in recent years amid tough competition and declining consumption of canned soups. It's been working to revitalize its main business with new flavors and packaging designed to appeal to younger people. For example, instead of the company's iconic cans, the newest soups come in plastic pouches that can be torn open and microwaved.

Sales in the company's U.S. soup division rose 1 percent, while sales of sauces such as Prego pasta sauce were unchanged. Together, that division's sales rose 1 percent to \$833 million. The company's ready-to-serve soup sales grew 8 percent, helped by Campbell's Chunky canned soups and new products. But the microwavable soups declined.

Sales in the company's global snacks division, which includes Pepperidge Farm cookies, rose 7 percent to \$561 million.

The acquisition of Bolthouse Farms added \$195 million in sales.

Campbell's backed its previous forecast for the full fiscal year ending in July, which is in line with analysts' current predictions.

For the quarter ended Jan. 27, Campbell Soup's earnings came to \$190 million, or 60 cents per share, down from \$205 million, or 64 cents per share, in the same quarter last year. Excluding costs of shutting down the Mexico plant and laying off its 260 workers, as well as ongoing restructuring in the U.S., profit came to 70 cents per share.

Revenue rose 10 percent to \$2.33 billion, with a big boost coming from its August acquisition of premium juice maker Bolthouse Farms.

Analysts on average predicted a profit of 66 cents per share on \$2.32 billion in revenue, according to FactSet.

Shares of Campbell rose 53 cents to \$39.25 in morning trading.

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