Creating and Developing foods for the demanding consumers

Chor-San Khoo, PhD

Campbell Soup Company

Go Global: Food Processing and Safety

Honolulu, Hawaii

February 26-27,08

Wellness is a Big Growth Market Globally

Estimated as over $200+ billion global market, and growing double digits.

Wellness is a mega trend, growing globally.

In the next 10 years we will expect revolutionary changes in the way wellness foods are developed, marketed, sold, communicated, regulated and reimbursed!

This is because…….

Trends are converging creating mega trends!

Science environment

- Rising medical cost
- Advances in medical research & diagnoses
  - Human genome/ gene therapy
  - Chronic disease etiology
  - Molecular mechanism/gene therapy
  - Genomic research and markers in plants research
  - Food pathogens
  - Food technologies & safety
  - Global warming
  - Conflicting health policies

Regulatory environment

- Increasing federal and states regulations
- Food safety and security
- Law suits
- Environmental pollutions

Consumer environment

- **Women in the workforce**
- **Sedentary lifestyle**
- **Western dietary eat-style**
- **Food price value & performance**
- **Time pressures and stress**
- **Convenience and portability**
- **Changing ethnicity**
- **Bolder food experience and flavor**
- **Instant news flash, information overload**
- **Global travel..global flavor experiences &expectations**
- **Concerns about food safety**
- **Law suits**
- **Global warming, energy and water concerns**
- **Health problems-obesity, diabetes**
- **Aging of the population……….>**

Campbell's

Four Macro Trends Driving Consumers Wellness Choice Today

Macro Trends

- Aging population
- Obesity & its Consequences
- Nutritional individualization

Nutrition and Health

- Overweight
- Concerned about Wellbeing
- Weary

QUALITY

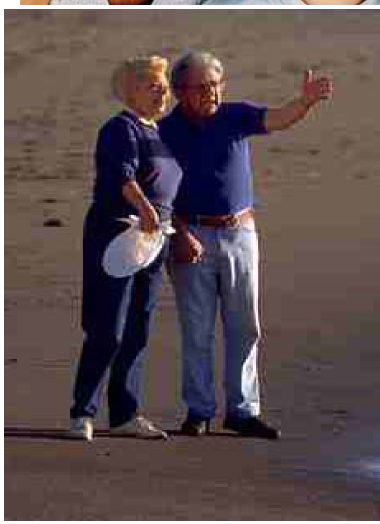
- Rising expectations
- Taste exploration
- Food as a way to indulge
- Want higher quality experiences

CONVENIENCE

- Time-challenged lifestyles
- Limited cooking skills
- Snacking & grazing as meals

Source: CSC Custom Research

What is driving Wellness? Aging Population



We're getting older

- Living longer than ever before
- Concern about quality of life years
- Focus on positive nutrition & prevention

Global phenomenon

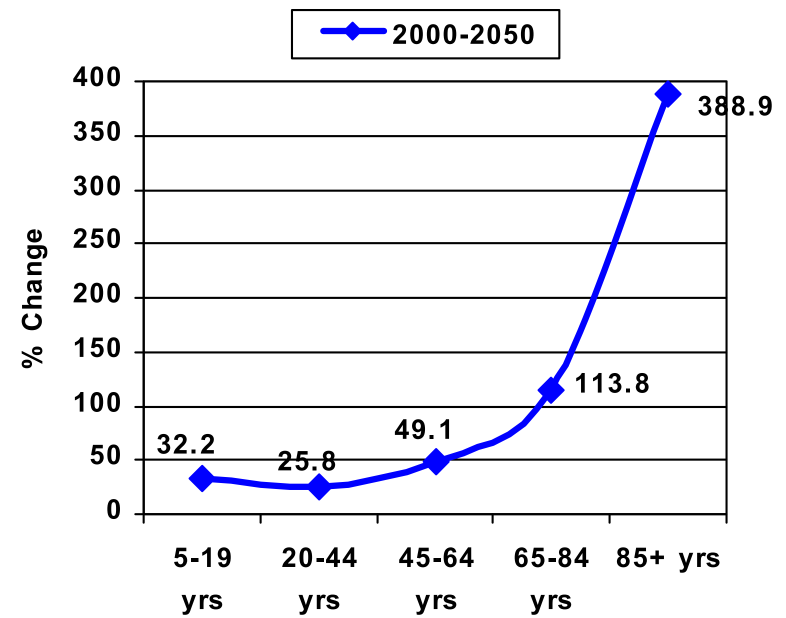
Aware that what we eat, drink, do, today may have impact later on in life

Our Planet Is Aging !

65+ Population Growth Globally

2002	440M	7.0%
2020	744M	9.5%
2050	1500M	16.5%

Projected % Change in US Population



U.S. Census Bureau, 2004

We are Staying Older Longer

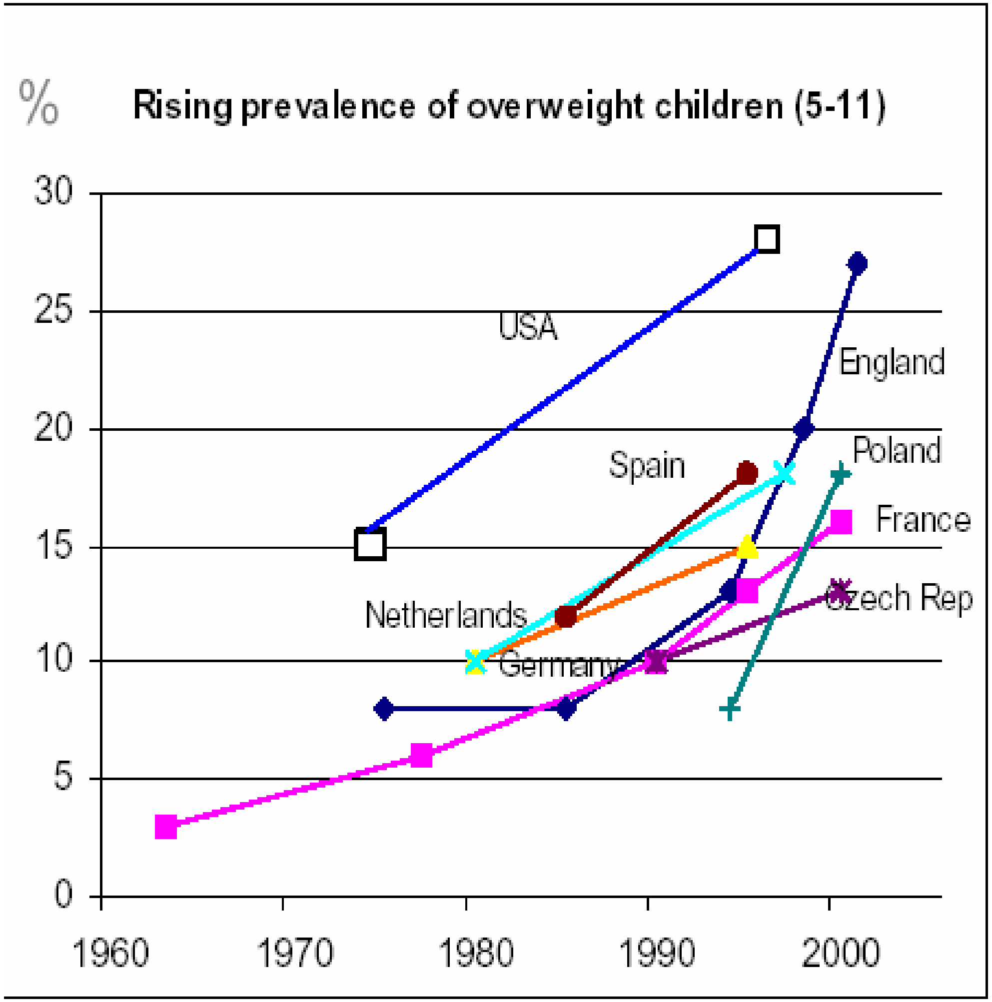
Childhood 0-17	Early Adulthood 18-34	Middle Adulthood 35-49	***Later Adulthood 50+***
17 yrs	16 yrs	14 yrs	**35 yrs**

Consumer Trends

We're getting fatter

Obesity - An Emerging Global Pandemic, over 1 billion overweight and obese =underweight.

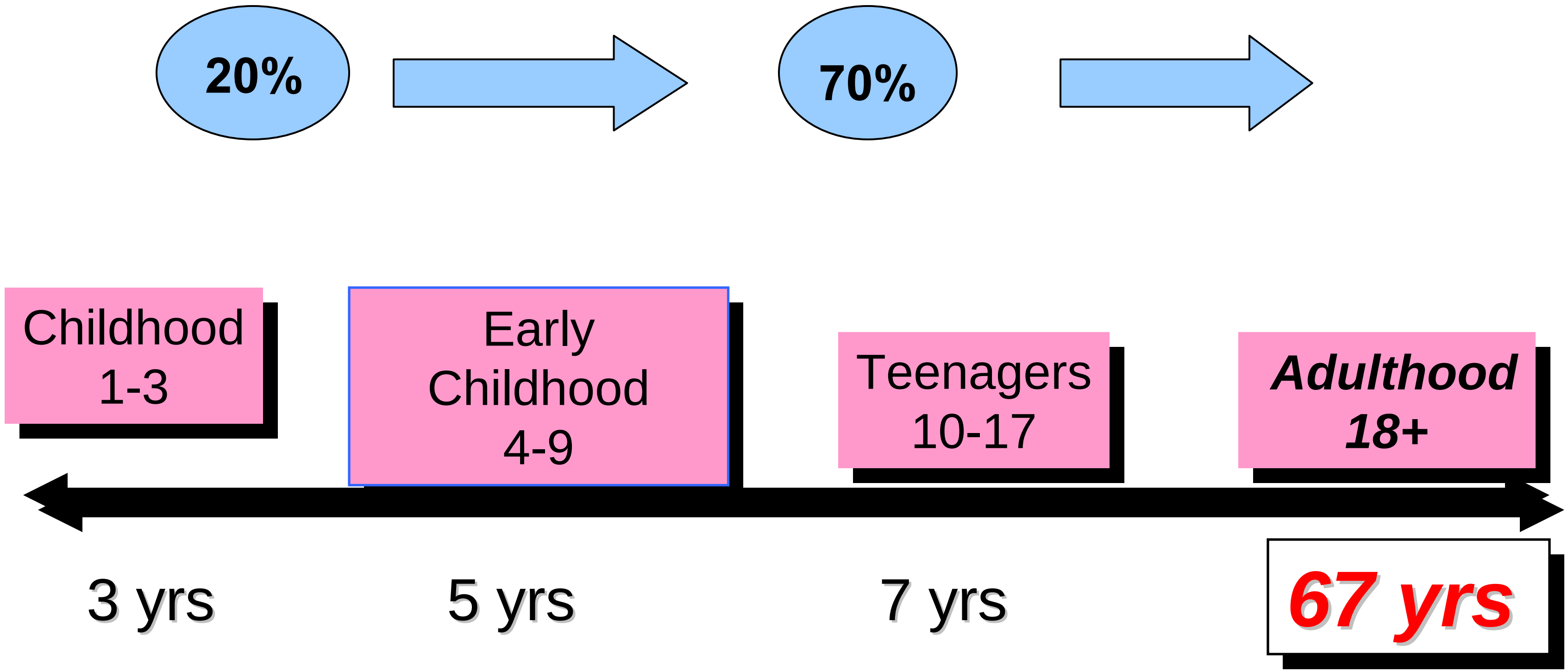
Childhood overweight & obesity is growing (155 million)



- ✓ Developing Countries
  - – Highest rate: Middle East, N. Africa, Latin America
- ✓ U.S. 31% → 50% by 2010: 10% Infants & Toddlers
- ✓ Europe: 1 in 5 children
- ✓ Japan: obese kids tripled last 10 years to 10%
- ✓ Thailand 16% 6-12 years
- ✓ China 5-10% Youth; 1 in 10 preschoolers
- ✓ Mexico > US in 2007

EU Platform on Diet Physical Activity & Health 2005
Children, Adolescents & Obesity, World Heart Fed. 2005

Children are Getting Heavier Younger, and Staying Heavier Longer in Their Life Span!



Consequence of Obesity in Children is Quite Broad

Physical Health	Social Health	Emotional Health
• Type 2 Diabetes • Glucose Intolerance and insulin resistance • High Blood Pressure • Abnormal blood cholesterol • Metabolic syndrome • Asthma • Fatty liver disease • Gallstones • Sleep Apnea • Menstrual Problems • Muscle and joint problems • Balance difficulties	• Stigma • Negative stereotyping • Discrimination • Teasing and bullying • Social marginalization • Lower academic achievement	• Poor body image • Depression • Low self esteem

Source: Shaping America's Youth Memphis Town Hall Meeting Participant Guide, Sept. 2005

Obesity is the Cross Point of Multiple Diseases

- Diabetes Type 2
- Obesity
- Cancer
- Coronary heart disease
- High Blood Pressure

We are a Planet in Crisis

We are getting older...

We are staying older longer …
We are getting less active…
We are getting fatter...
We are getting more health problems...

……………… This is a growing global phenomenon

Our Children are getting less active

They are getting bigger...
They are getting heavier earlier…
They are staying heavier longer …
They are getting more health problems...
They may not live as long as their parents……

……………… This is a growing global phenomenon

Interest in Selecting Nutrition/Healthy Foods is Global Behavior

Select foods for healthful reasons	**USA (69%)**	**W. Europe (49%)**	**Australia (73%)**	**India (84%)**	**Latin America (63%)**	**China (78%)**
Always	10%	**13%**	23%	**62%**	35%	23%
Usually	59%	**36%**	51%	**22%**	28%	55%
Sometimes	25%	32%	23%	14%	20%	20%
Rarely/Never	6%	**19%**	3%	1%	16%	2%

Campbell's

Top Global Health Concerns

Heart Disease & Cancer Top Concerns Hypertension, Tiredness, Diabetes, Alzheimer's.

Extremely/very concerned about

North America	South America	North Europe	South Europe	China/India	Eastern Europe
Heart disease, 57%	Heart disease, 68%	Cancer, 47%	Cancer, 53%	Heart disease, 52%	Tiredness, 22%
Dental cavities, 57%	Cancer, 68%	Heart disease, 38%	Heart disease, 45%	Hypertension, 50%	Heart disease, 20%
Anemia, 57%	Hypertension, 60%	Eye health, 34%	Alzheimer's, 37%	Cancer, 49%	Eye health, 19%
Cancer, 55%	Diabetes, 58%	Tiredness, 32%	Hypertension, 36%	Food allergies, 49%	Gastrointestinal problems, 19%
Tiredness, 49%	High cholesterol, 57%	Alzheimer's, 31%	Tiredness, 35%	Diabetes, 45%	Hypertension, 17%

HealthFocus International, 2006

Articulating concerns into Benefits of Food Products

Extremely/very interested in food/drink with the following benefit:	North America*	South America	North Europe		South Europe	China/ India	India	
	2005	2005	2000	2005	2005	2005	2000	2005
Healthy heart and circulatory system	84% 1	71% 2	44% 1	41% 1	50% 1	77%	39%	82%
Healthy and strong bones	82% 2	72% 1	40% 3	38% 2	48% 2	86% 2	44% 2	87% 5
Healthy and flexible joints	75%	72% 1	40% 3	38% 2	48% 3	82% 4	38%	85%
A fit, active body	72%	62%	43% 2	37% 4	39%	85% 3	44% 2	88% 3
Healthier hair, skin and teeth	78% 5	68% 5	38% 5	33%	46% 5	81% 5	52% 1	88% 3
Healthy cholesterol levels	79% 4	66%	34%	33%	46% 5	70%	32%	73%
Improved memory	72%	59%	35%	36% 5	40%	80%	43% 4	82%
Improved physical energy	73%	64%	NA	33%	37%	81% 5	NA	87% 5
Improved alertness and concentration	68%	56%	32%	31%	37%	77%	31%	81%

Sloan Trends, Inc

Consumer definition of wellness is changing. Wellness means different thing to different consumers. Seek holistic definition ,not disease reduction alone

- Nourishing the mind, body and spirit
- Its tied to daily health, physical activity, vitality and nutrition
- It extends to personal relationship, spiritual life
- Its about Balance, Moderation and Feeling in control
- Its about living longer and better !

Linda Gilbert, 2005

Campbell's

Consumer Wellness Goals are Changing

- Celebration of life
- Self-esteem
- Balance
- Peace of mind
- Happiness
- Energy and vitality
- **Control**

HealthFocus, 2005

Benefit equation changing.
Consumers are individualizing needs.

Health Focus identify 7 universal benefits.

- **Wellness**
  - **Prevention**
    - Health management
    - Reduced risk or impact
  - **Performance**
    - Health enhancement
    - Accomplishment -sleep
  - **BALANCE**
    - Nourishing the mind, body and spirit
    - Holistic health
  - **Nurturing**
    - Growth and development
    - Quality of life
  - **Cosmetics**
    - Weight control, appearance
    - Self esteem
  - **Pleasure**
    - Feeling good
    - Enjoyment
  - **Natural**
    - Purity
    - Simplicity

HealthFocus® 2006, 15 countries

Campbell's story: Reformulating for Growth.

Journey into Wellness

our
mission

Together we will
build the world's most
extraordinary food company
by nourishing people's lives
everywhere, every day

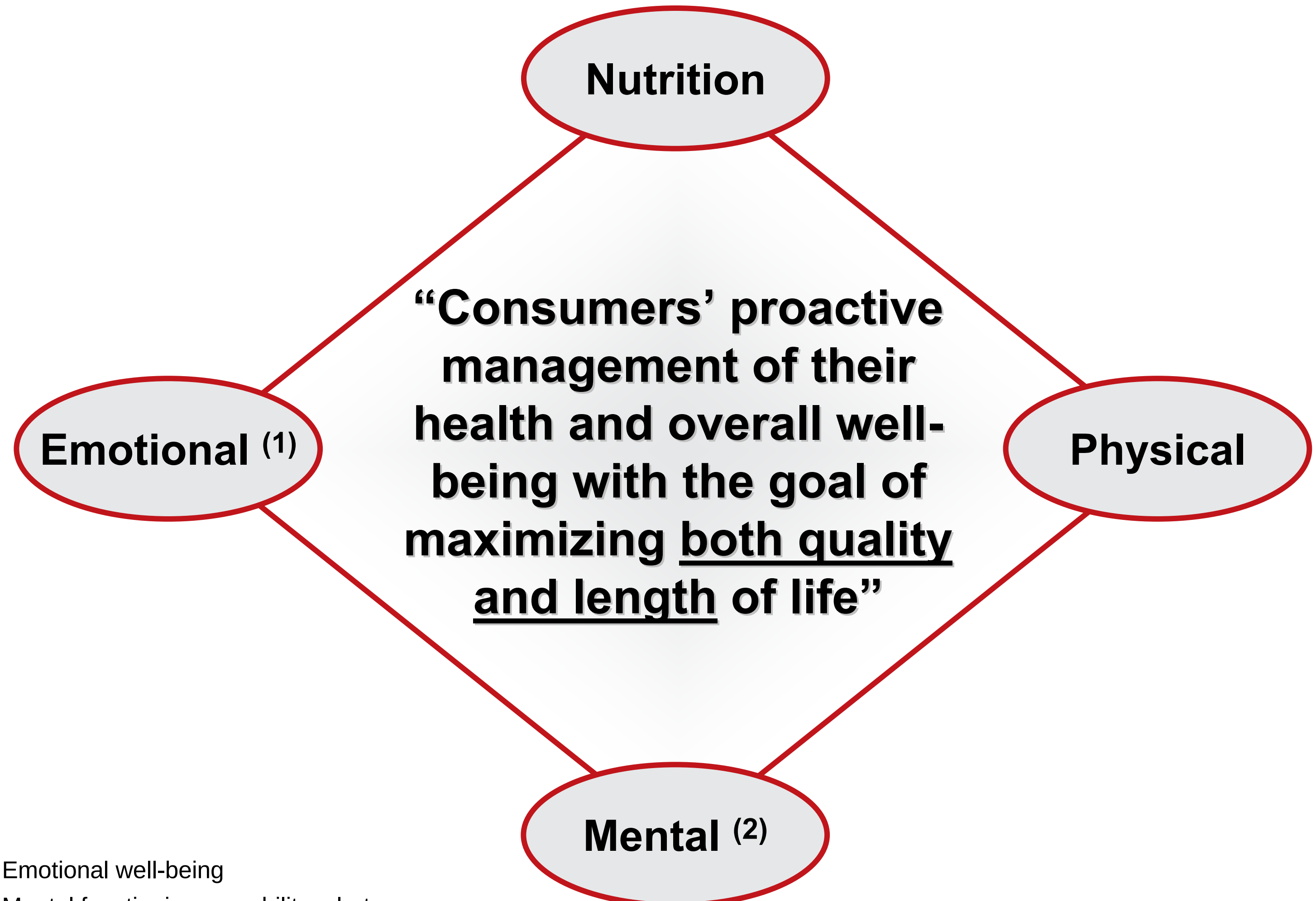
our mission

Together we will build the world's most extraordinary food company by nourishing people's lives everywhere, every day

our strategies

1. Expand our icon brands within simple meals and baked snacks
2. Trade consumers up to higher levels of satisfaction centering on convenience, wellness, and quality
3. Make our products more broadly available in existing and new markets
4. Increase margins by improving price realization and company-wide productivity
5. Improve overall organizational diversity, engagement, excellence, and agility

Wellness: Our working definition



(1) Emotional well-being

(2) Mental functioning, capability, alertness

Critical "Must Do" to Drive Growth in Wellness

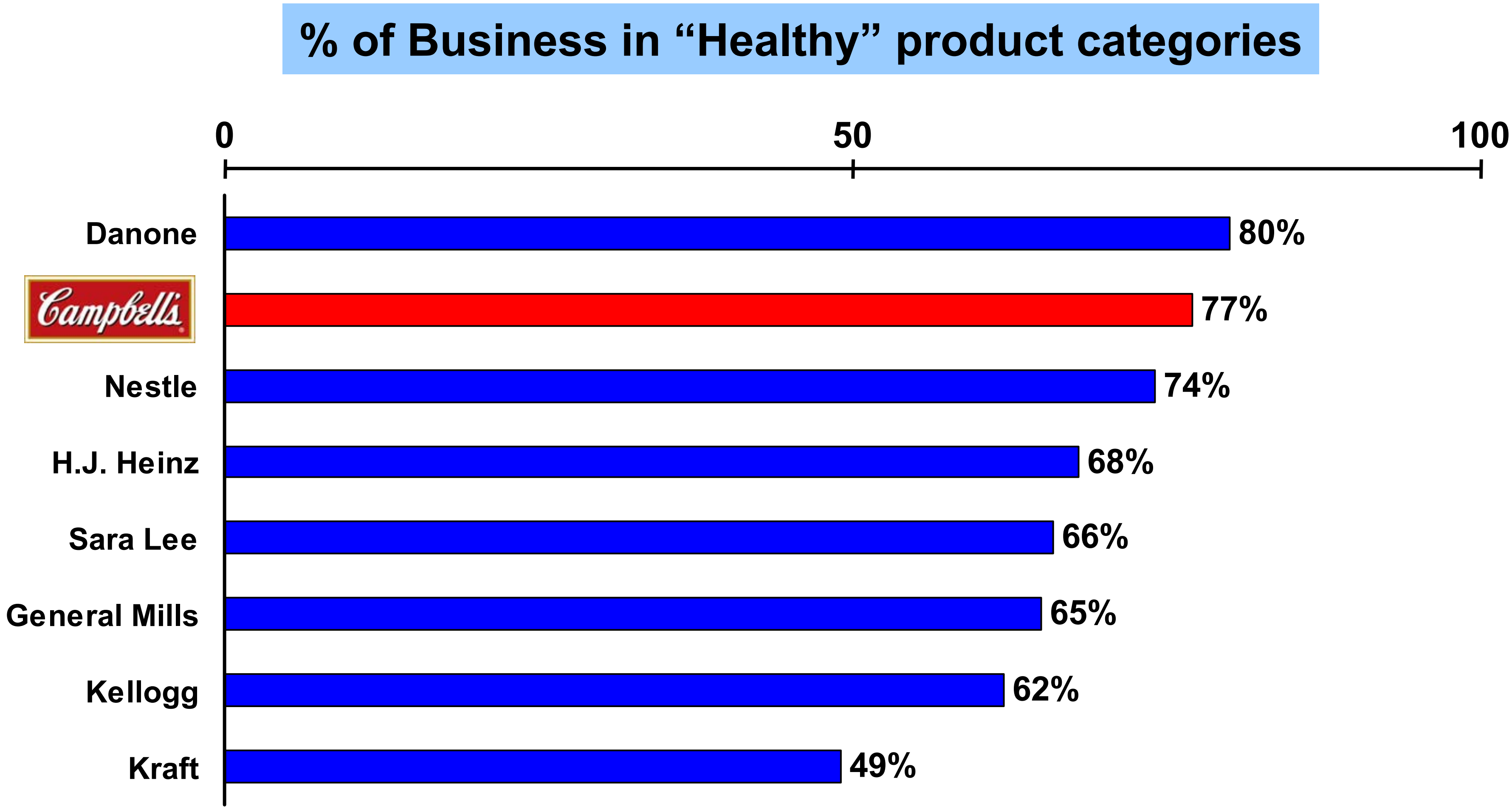
- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- Build intrinsic nutritional value--Add positives and Reduce negatives
- Support Science and research on taste mechanism and health benefits.
- Use National public health guidelines as yardstick to measure progress success
- Centralize and synchronize messaging and communication to consumers, professionals and customers
- Alliance with influencers
- Innovate at Point of sale to make purchase easy

Critical "Must Do" to Drive Growth in Wellness

- *We measure our product portfolio against global competitors*

We were encourage by how wall street sees our potential

Wall Street has Commented Favorably on the Overall Strength of Our Portfolio vs. Competitors



Source: J.P. Morgan European Equity Research 04/16/03

Critical "Must Do" to Drive Growth in Wellness

- We measure our product portfolio against global competitors
- ***Listening & evaluating carefully what consumers say and want---cut through the clutters and assess real market value!***

Identify Consumer Wants and Don’ts

What Consumers want <u>More</u> Of:

- **Fresh foods**
- **Vegetables and Fruits**
- **Whole Grains and Fiber**
- **Water**
- **Olive oil and Nuts**
- **Fish and Poultry**
- **Broccoli, Tomatoes, Oranges**
- **Spinach, Dark Leafy Greens**
- **Omega 3**
- **Calcium**
- **Vitamins C and E**

Health Focus 2006; Sloan trends 2006; NPD 2006

Identify Consumer Wants and Don'ts

What US Consumers want <u>More</u> Of:

- Fresh foods
- Vegetables and Fruits
- Whole Grains and Fiber
- Water
- Olive oil and Nuts
- Fish and Poultry
- Broccoli, Tomatoes, Oranges
- Spinach, Dark Leafy Greens
- Omega 3
- Calcium
- Vitamins C and E
- Portion control/portability
- Natural and simple label

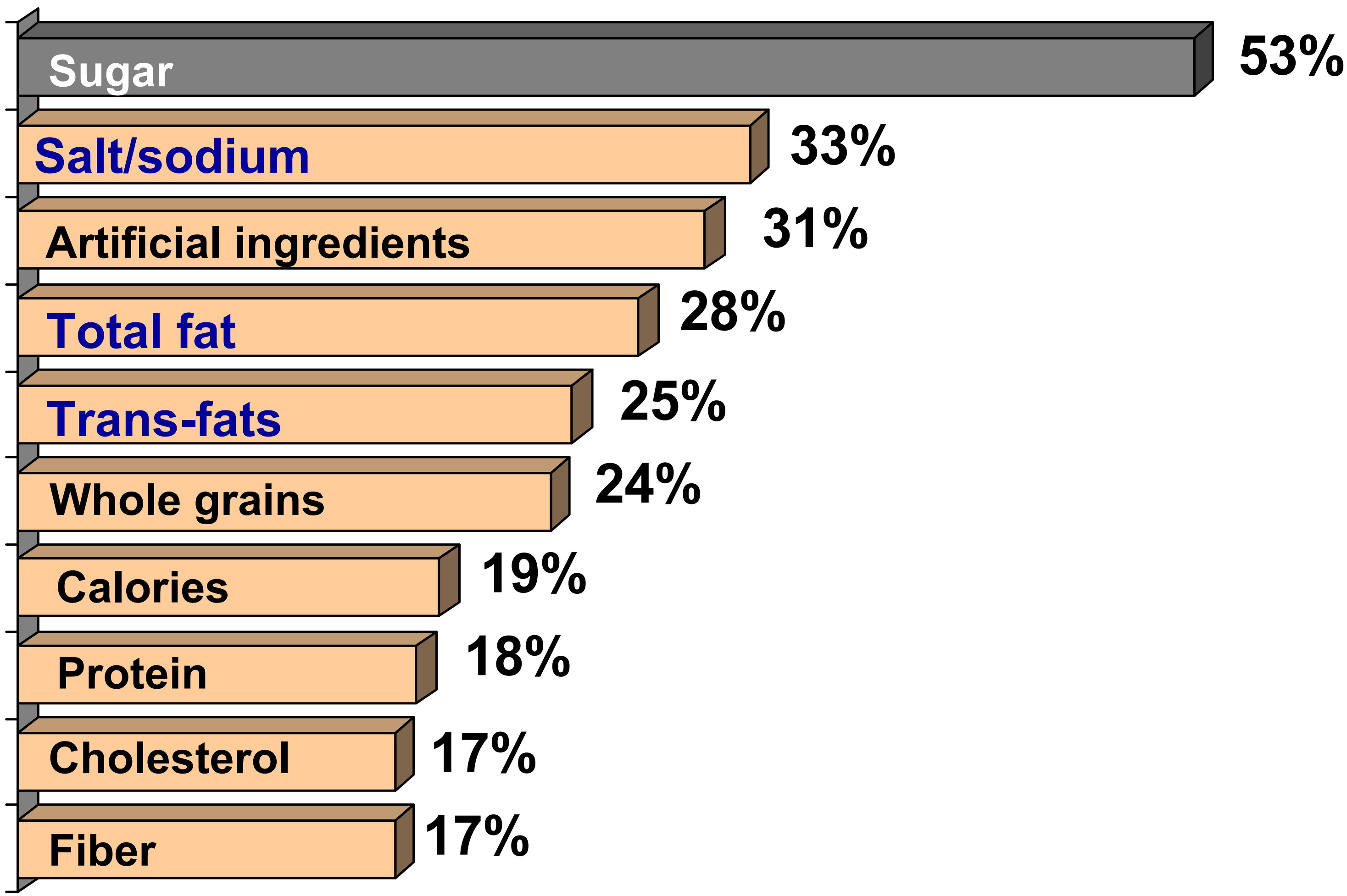
What US Consumers want <u>Less</u> of:

- Foods containing additives and preservatives
- Sugar
- Salt and sodium
- Highly processed foods
- Saturated fats, Trans fats
- Artificial ingredients
- Fat
- Processed ingredients
- Environmental pollutants

Health Focus 2006; Sloan trends 2006; NPD 2006

Ingredients Parents Are Monitoring In Their Child's Diet in US

(Q.1 - % U.S parents who are currently monitoring the following ingredients in their child's diet)



Source: Kids Omnibus, 2006

Common Global Dietary "Do-Nots"

Sugar, salt/sodium, processed foods, and sweet and salty snacks top the list of foods shoppers in Western Europe are actively decreasing their use of.

Western Europe	France	Germany	Netherlands	UK
Sugar, 34%	Sugar, 32%	Sweet snacks, 29%	Sugar, 38%	Salt/Sodium, 40%
Salty snacks, 30%	Processed foods, 25%	Sugar, 29%	Sweet snacks, 34%	Sugar, 38%
Sweet snacks, 29%	Sweet snacks, 24%	Salty snacks, 27%	Salty snacks, 31%	Salty snacks, 37%
Salt/sodium, 26%	Salty snacks, 24%	Processed foods, 22%	Salt/Sodium, 22%	Processed foods, 33%
Processed foods, 24%	Salt/Sodium, 23%	Beef, 22%	Butter, 20%	Sweet snacks, 32%

Decreased in use over the past two years:

Campbell's

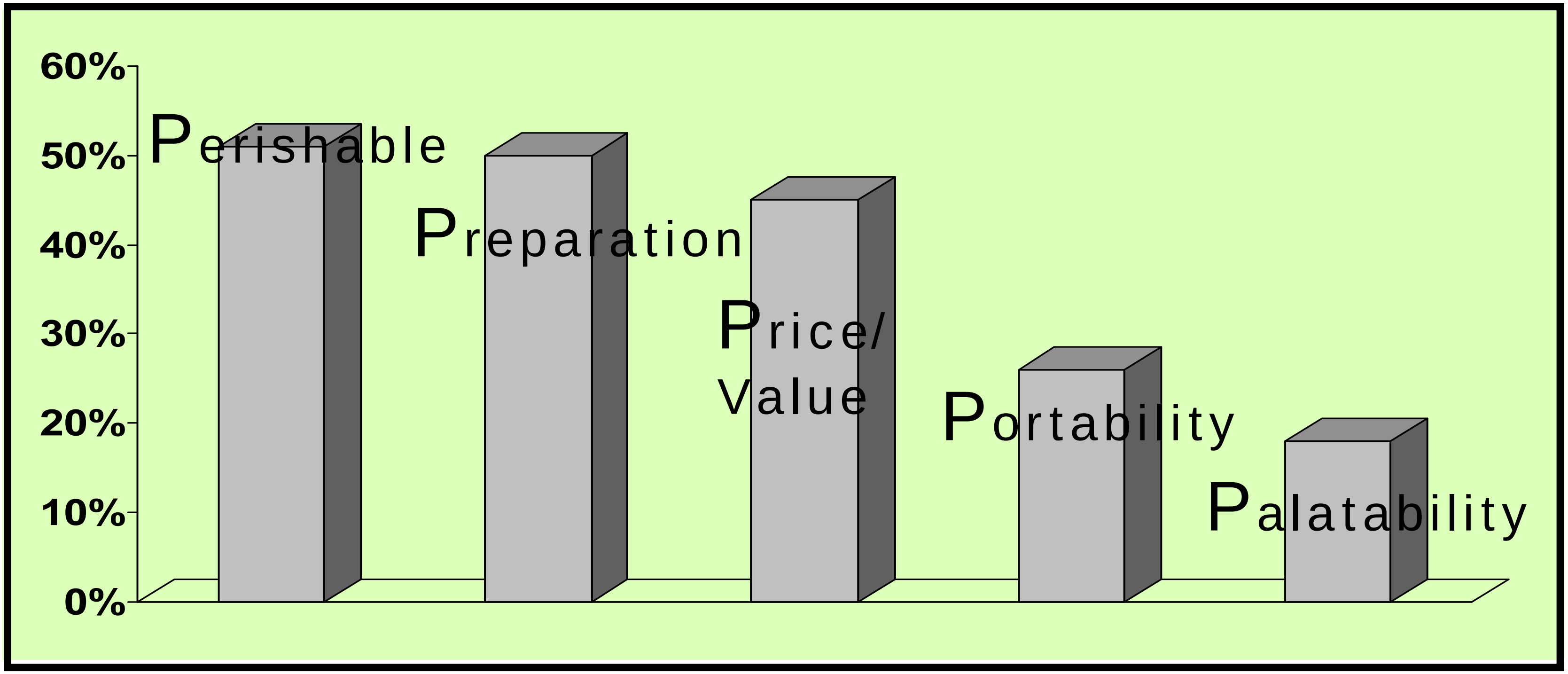
Translate consumers likes and dislikes in context and business opportunities

- **Want more vegetables, but not getting it. Why?**

- **Barriers to increasing vegetable intakes.**

  The 5 Ps, the size of the gap, the opportunity!

Barriers To Increased Vegetable Consumption

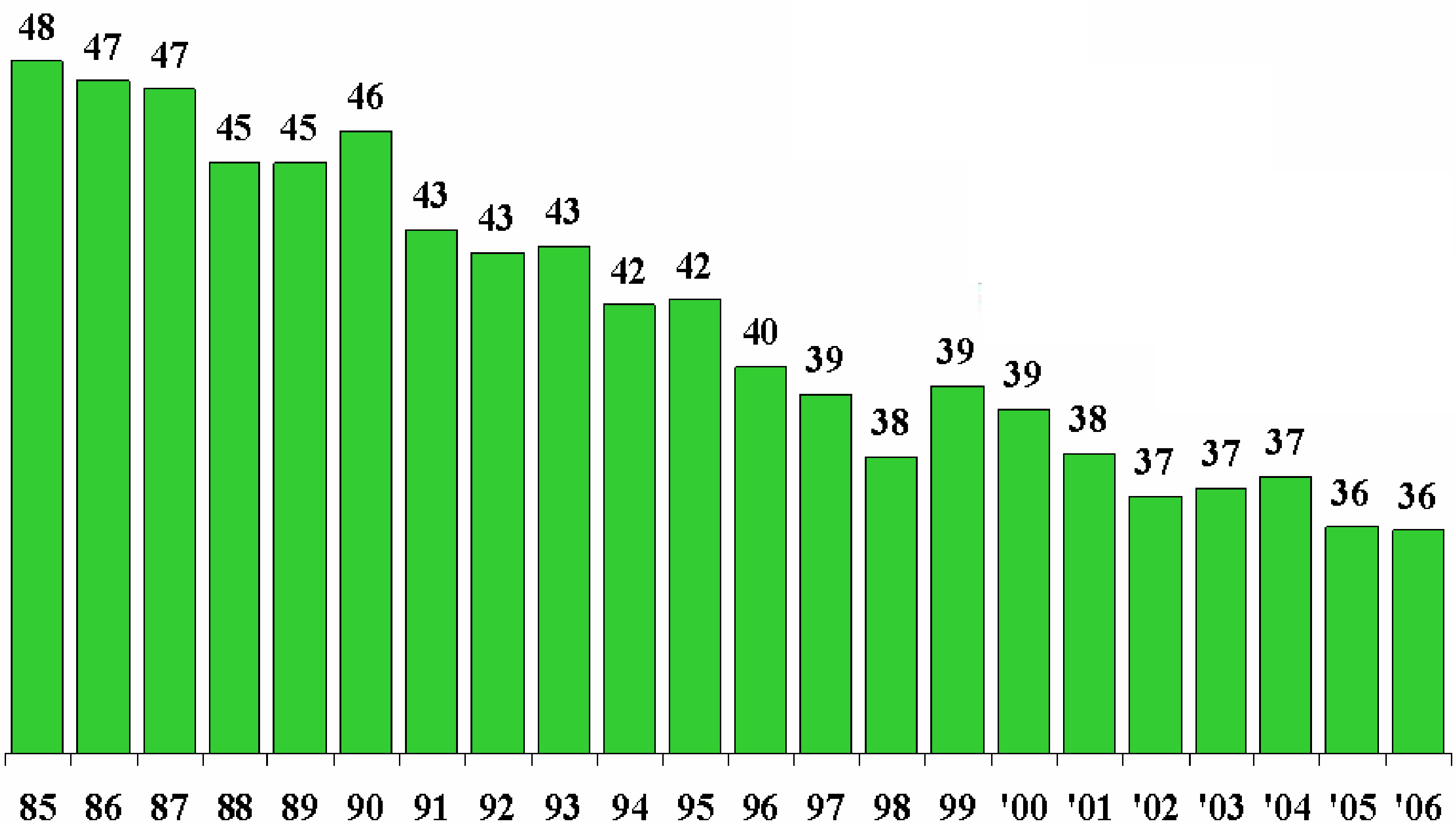


Consumers also report conflicting and unclear health messages as a barrier

Sources: State of the Plate, NPD. AC Nielsen, BASES Inc.2004; Shopping for Health, Rodale, FMI, Princeton Survey Res Assoc, 2005; Ganz K et al. JADA1998; 98;1118-26; Drewnowski A. Annual Rev Nutr 1997; 17:237-253; Dibsdall et al. Publ Health Nutr. 2003;6:159-68, Darmon N. et al, "Nutrient Density Standard for Vegetables and Fruits: Nutrients per Calorie and Nutrients per Unit Cost. JADA 2005;105;1881-87

Despite Benefits, We're Not Getting Vegetables

Percent of In-Home Dinner Meals Including Vegetables



Source: The NPD Group's National Eating Trends® Service

Source: Produce for Better Health/CDC NPD-Net Database 2004; Casagrande SS et al. Have Americans increased their fruit and vegetable intake? The trends between 1988 and 2002. Am J Prev Med 2007;257-63

Recommended Vegetable Intake		Average Daily Vegetable Consumption		Short-Fall In Vegetable Consumption
	−		=	
2.9 Cups/Day		1.6 Cups/Day		1.3 Cups/Day

An Annual Gap Of 142 Billion Cups -Or- 285 Billion Servings Of Vegetables

Source: NHANES (1999-2002)
Overall average adult men and women 19 years+

Translate consumers likes and dislikes in context and business opportunities

- Want more vegetables, but not getting it. Why?

- Barriers to increasing vegetable intakes.

  The 5 Ps, the gap, the opportunity!

- Concerns about sugar, salt, calories

Medical science linking these to diseases and health. These drive consumer benefit expectations

Target Today's Health Concerns

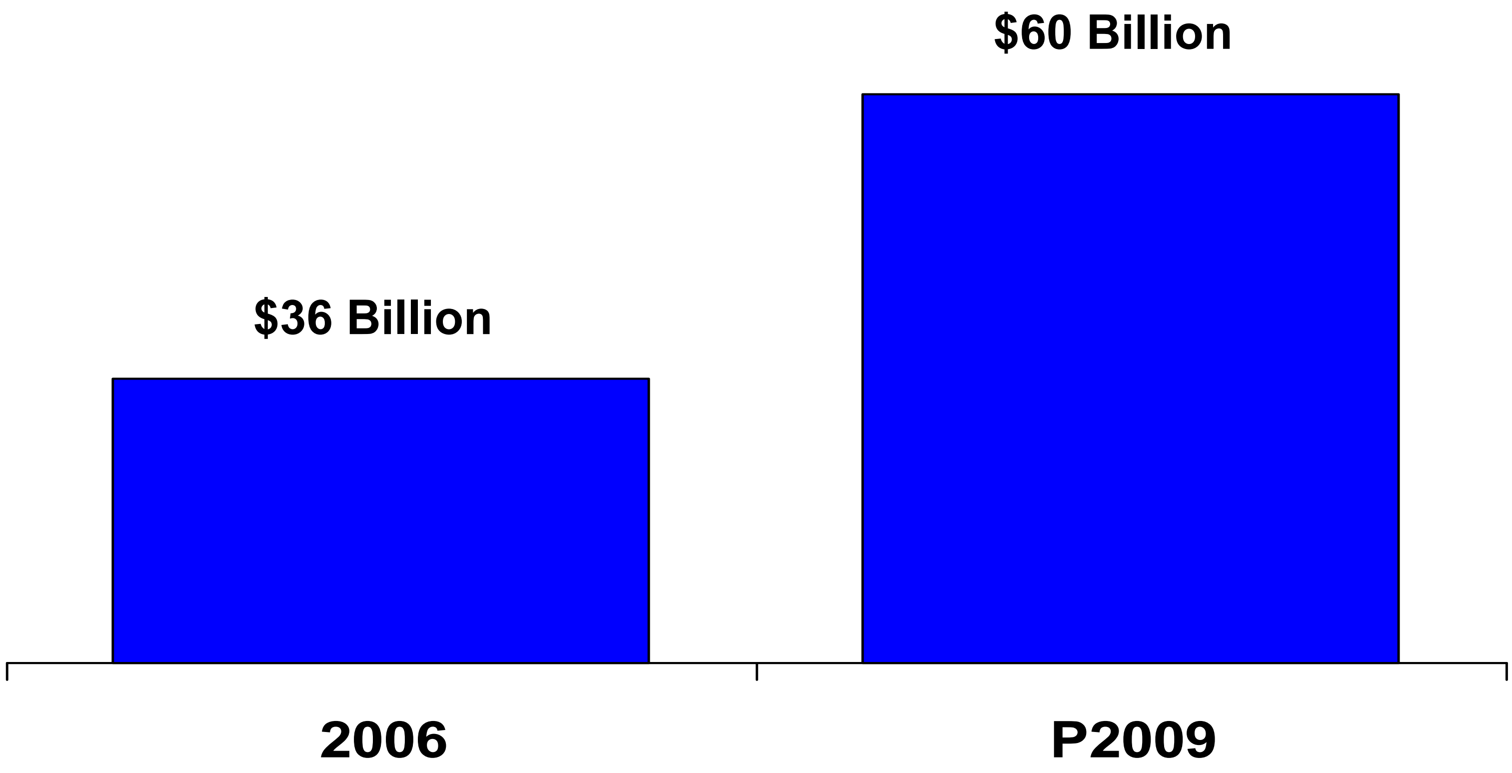
Extremely / Very Concerned	2002	2004	2006	Chg '04	
Heart Disease	58%	55%	58%	+	3 pts
Cancer	58%	53%	57%	+	4 pts
Tiredness / lack of energy	50%	47%	50%	+	3 pts
Eye Health	47%	44%	48%	+	4 pts
Stress	44%	45%	47%	+	3 pts
High Cholesterol	41%	42%	46%	+	5 pts
Arthritis	46%	41%	47%	+	6 pts
Hypertension/high blood pressure	40%	40%	45%	+	5 pts
Lack of mental sharpness/focus	41%	37%	43%	+	5 pts
Diabetes	37%	36%	43%	+	5 pts
Depression	37%	32%	40%	+	8 pts

Sloan Trends, Inc

Source: HealthFocus International, 2007

Searching For Quick Solutions In ‘Functional’ Foods

Functional Foods & Beverages*



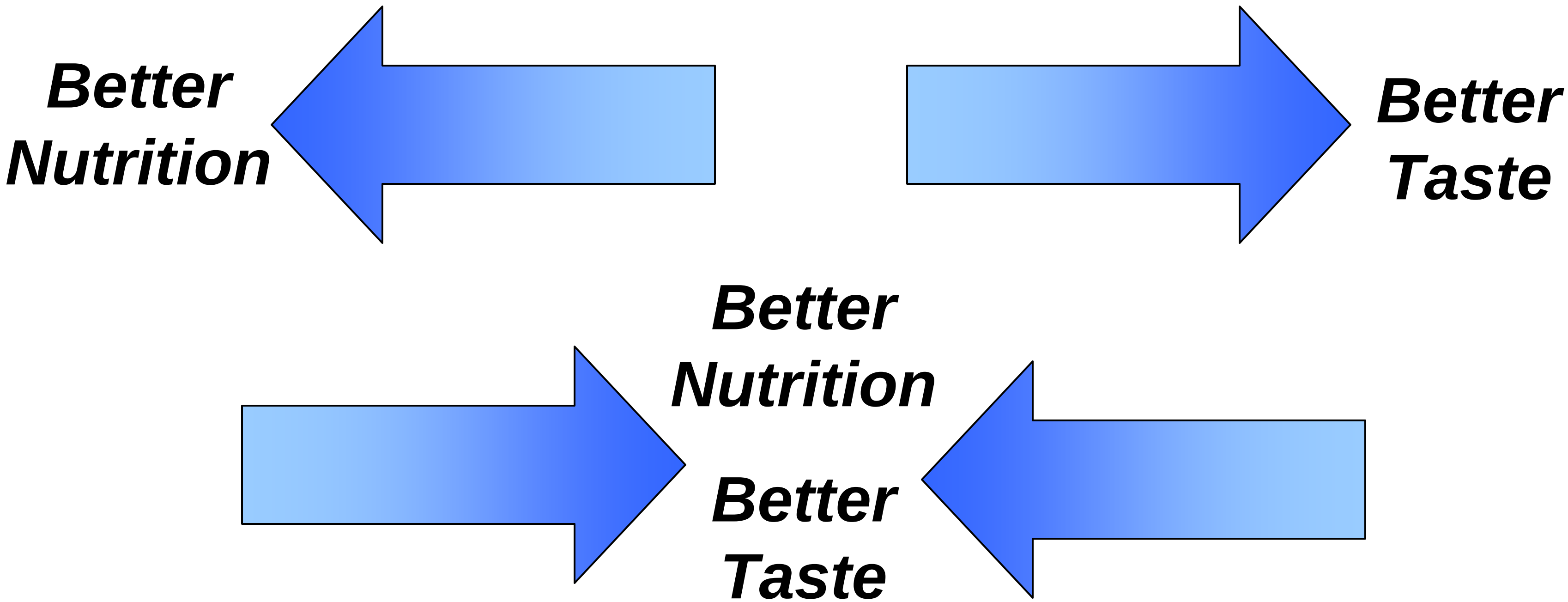
* Defined As: Offering Health & Disease Prevention Beyond Basic Nutrition

Source: IRI Times & Trends, 2007

Critical "Must Do" to Drive Growth in Wellness

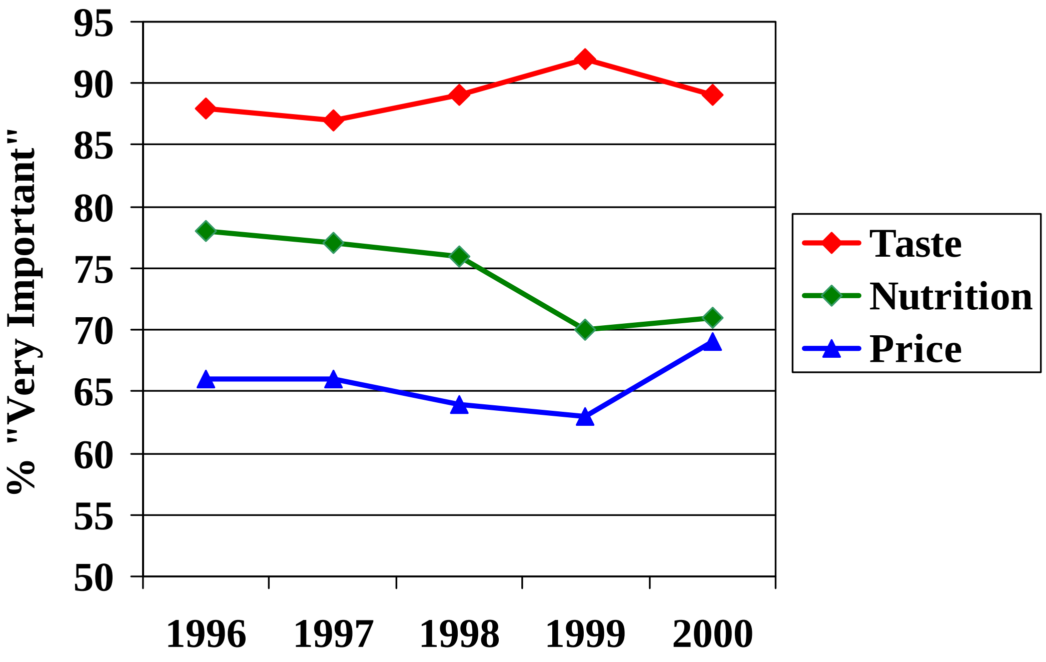
- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- ***Use Technology and product design to drive formulation without compromising taste or quality***

A New Paradigm is Unfolding – Its no longer a tradeoff between nutrition and taste



Great taste is imperative for survival in the U.S. marketplace

Importance of factors in food selection by grocery store shoppers



Source: Consumer Attitudes in the Supermarket, FMI (2000)

Top Brand Influences

Taste trails price in Europe

France	Germany	Netherlands	UK
Price, 52%	**Price, 53%**	**Price, 41%**	**Price, 35%**
Grown without pesticides, 45%	**Has better taste, 41%**	**Has better taste, 33%**	**Has better taste, 29%**
Has better taste, 38%	Grown without pesticides, 41%	Lower in fat, 24%	Grown without pesticides, 26%
Contains only natural ingredients, 32%	No preservatives, 38%	Lower calories, 24%	**Lower in salt/sodium, 25%**
No preservatives, 31%	Higher in fiber, 29%	Higher in fiber, 22%	Contains only natural ingredients, 24%

Extremely/very important influence to try a new brand of product:

HealthFocus® 2005

Campbell's

A New Paradigm is Unfolding – Its no longer a tradeoff between nutrition and taste

Better Nutrition

Better Taste

Better Nutrition

Better Taste

Holistic Product Design

Adding Positives

Remove Negative

Convenience

Price

Critical “Must Do” to Drive Growth in Wellness

- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- **Build intrinsic product nutritional value--Add positives and Reduce negatives**

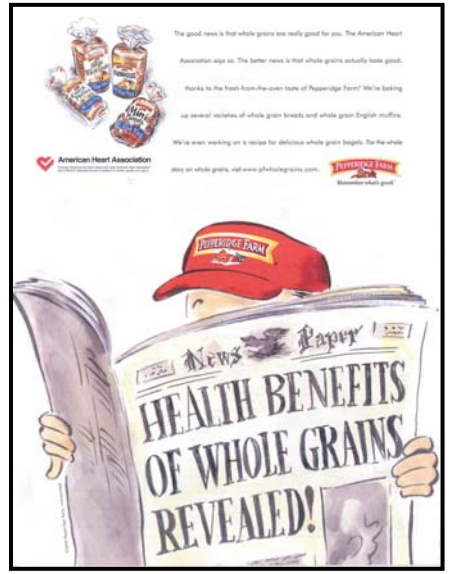
Adding Positive Nutrition: Whole Grain Goodness

Products

- Pepperidge Farm launched 36 delicious whole grain breads in retails and schools
- Whole grain bagels, English muffins, croutons and Goldfish®

Communication

- Whole grain options are identified on packages, in
- Whole grain website communicates whole grain benefits, suggestions on how to identify whole grains and includes recipes.
- Link to USDA MyPyramid.com



Adding Positive Nutrition : Vegetable Goodness

- **Over 120 Retails and 63 in Food service with ½-1 serving**
- **Build awareness on sources of vegetables and nutritional in retail and Food Service**
  - Soups (68)*
    - V8 and tomato juice (12)**
    - Prego pasta sauce (28)
    - Pace refried beans (3)
    - Campbell beans (2) and canned pasta (13)
- **AFH soups & entrée**
  - Soups (47) ***
    - Entrees (16)

* 5 w/sodium $\le$480 mg,

** 6 w/sodium $\le$480 mg

***1 w/sodium $\le$480 mg


Communication to Help Consumers Increase Vegetable Intake

- Label
- Advertising
- Website
- Brochures

Enhance Nutritional Profile with Fruit & Vegetable Goodness for those who do not like vegetable taste!

- **Initiative: Add fruit option to V8 beverage line.**
  - In 2005 we introduce V8Fusion™ -- 100% juice
  - 1 serving of vegetables and serving of fruit.
  - Naturally sweet

Reduce Negative without Trade-off in Taste: Trans Fat

- **Initiative: Reduce or eliminate trans fat where feasible.**
- Progress to date:
  - ~99% soups trans fat free
  - 100% Goldfish crackers trans fat free
  - 100% Pepperidge Farm breads trans fat free
  - 100& Pepperidge Farm distinctive crackers trans fat free

Reduce Negative without Tradeoff in Taste: Sugar

- **Initiative: Offer reduced and no sugar added beverages.**
  - Sugar content of all V8 Splash® beverage was **reduced by 30%**
  - Diet V8 Splash® is offered in 3 flavors
  - V8.Fusion^{tm} is 100% juice , **naturally sweet with vegetable and fruit serving**

Sugar-Free Godiva Chocolate

Reduce Negatives without Tradeoff in Taste: Salt

- Sodium is the #1 Achilles heel in soups.
- Tremendous consumers and technological hurdles to make great tasting soup
- Consumers will not compromise on taste

.

The Consumer – Challenges/Opportunities

- –Consumers equate sodium to salt
- –Consumers believe lower sodium products have inferior taste.[1]
- –Consumers want reduced sodium products to taste as good as current products.[2]
- –Generally won't accept compromise on taste for health benefit.
- –If expectations are not met, purchase interest drops when the products are tested on blind basis.[3]
- –Consumers have no context for sodium levels (i.e.: still think 140 mg is high – triple digit).
- –Many salt sparing tools are unfamiliar to consumers e.g sodium guanylate

Campbell's

Reduce Negatives without Tradeoff in Taste: Salt

- #1 Achilles heel
- Campbell has a long history of researching to incrementally reduce salt in its products.
- We have been gradually reducing salt level (silent reduction) in our products.
- Our efforts date back 40 years . . .

History of Campbell's Salt Reduction Efforts

1950/1960	•Search for salt substitute and flavor boosters
1970's	•Introduced Low Sodium condensed soups
1980's	•Silent Incremental reduction in soups 5-20% •Launch RTS Low Sodium soups •Intro savory flavor Ingredients •First to voluntarily label for sodium (1981) •Launch Special Request™ soups (30% Reduction) •Re-Launch as Healthy Request soups (50% Reduction) post NLEA •Initiated research at seven universities on understanding salt taste mechanism and perception
1990's	•Patent issued for non-sodium salt taste enhancers •Intelligent Quisine™ (IQ) test marketed (1996) with AHA and A. Diabetes A. partnerships
2001	•Major support on cutting edge molecular research – sodium channel/ receptors research at multiple research institutions
2004	•V8® frozen soups introduced in food service
2006-	•Major breakthrough leveraging lower sodium, natural sea salt combined with product design expertise into condensed and RTS soups. •Launch lower sodium sea salt soups with 25 % to 45 % reduction Sodium Reductions expanded to V8® beverages

Campbell's

Salt (Sodium) Reduction: Technological Challenges are numerous

- In humans, the liking for salt is strong, being both an inborn and acquired behavior
- The mechanism for salty taste in humans is not as well understood unlike sweet. Bulk of research in rodents.
- In food products, sodium chloride may play multiple and simultaneous key functions: taste, texture, preservation, nutrition, bitter blocking
- Sodium chloride has the most intense and cleanest salt taste and is the most economical of the salts
- Potassium, calcium, and other divalent salts are less than 10% the salty intensity of sodium chloride
- Sodium reduction in products requires a case by case effort because of the multi-faceted role of sodium in salty, bitter, umami and sweet taste
- Not all sodium salts are created equal on its effect on BP

Beauchamp, 1986, 1994, Harris and Booth, 1987, James, 2000; Mattes, 1991, 1997

Our Sodium Reduction Initiative is multi-approach

Multi-Pronged Approach

- **Product Design**
  - Holistic Product Design
  - Flavor Technology
  - Nutrition
  - Manufacturing Control
  - Consumer insights and validation
- **Research and Technology**:
  - improve technologies on salt sparing ingredients
  - leadership in supporting and advocating for more basic research on understanding taste mechanism
- **Integrated Marketing /sale**:
- -Focus integrated message of TASTE and Benefits in lower sodium options
- - point of sale massive build
  - IQ Maximizer shelving to display Low and Healthy Request Soup options
- **Communication**:

  -Promote responsible nutrition; help to educate professionals, consumers, customers.
  - Education message integrated with marketing program.
  - Promote National Dietary Guidelines goals.

Introducing 31 Great Tasting Better For You Soups

Providing Options:

- **Sodium Reduced**
- **Sodium & Fat Reduced Options**

25% Less Sodium

3 R&W Icons

All 12 kid condensed soups

All Healthy Request® Soup Reformulated

Plus one new variety

Healthy Request® Brand Beyond condensed into RTS…

3 New Campbell's Select™ Healthy Request®

4 New Campbell's Chunky™ Healthy Request®

Winning on taste is the key to reduction.

- 80% of Consumers who tried these soups rated the taste "As Good or Better than the Original"[1]
- Made with natural lower sodium sea salt
- All ages

Reformulated ALL varieties of kid condensed soups - now with 25% less sodium

Introducing Healthy Request® Homestyle Chicken Noodle & Reformulated Healthy Request®

Better For You soups that Taste Great!

Key Benefits:

- Campbell's great taste
- Lower Sodium Natural Sea Salt for great taste & New Approaches to Product Design
- 45% Less Sodium
- 98% Fat Free

Reformulated Healthy Request® Condensed Soups using lower sodium natural sea salt

Campbell's

New Campbell's Chunky™ Healthy Request®

It Fills You Up Right!®

Loaded with lean beef or white meat chicken, vegetables, & pasta

Key Benefits:

- **Soup That Eats Like a Meal®**
- **Made with Lower Sodium Natural Sea Salt for great taste**
- **Up to 45% Less Sodium**
- **98% Fat Free**
- **Specifically meets the needs of the those looking for a hearty & healthy soup**

Introducing Campbell's Select™ Healthy Request®

"Why Settle When You Can Select?"

Delectable, Chef Inspired Soups

Key Benefits:

- Irresistible Taste experience
- Lower Sodium Natural Sea Salt for great taste & New Approaches to Product Design
- 98% Fat Free
- Up to 45% Less Sodium

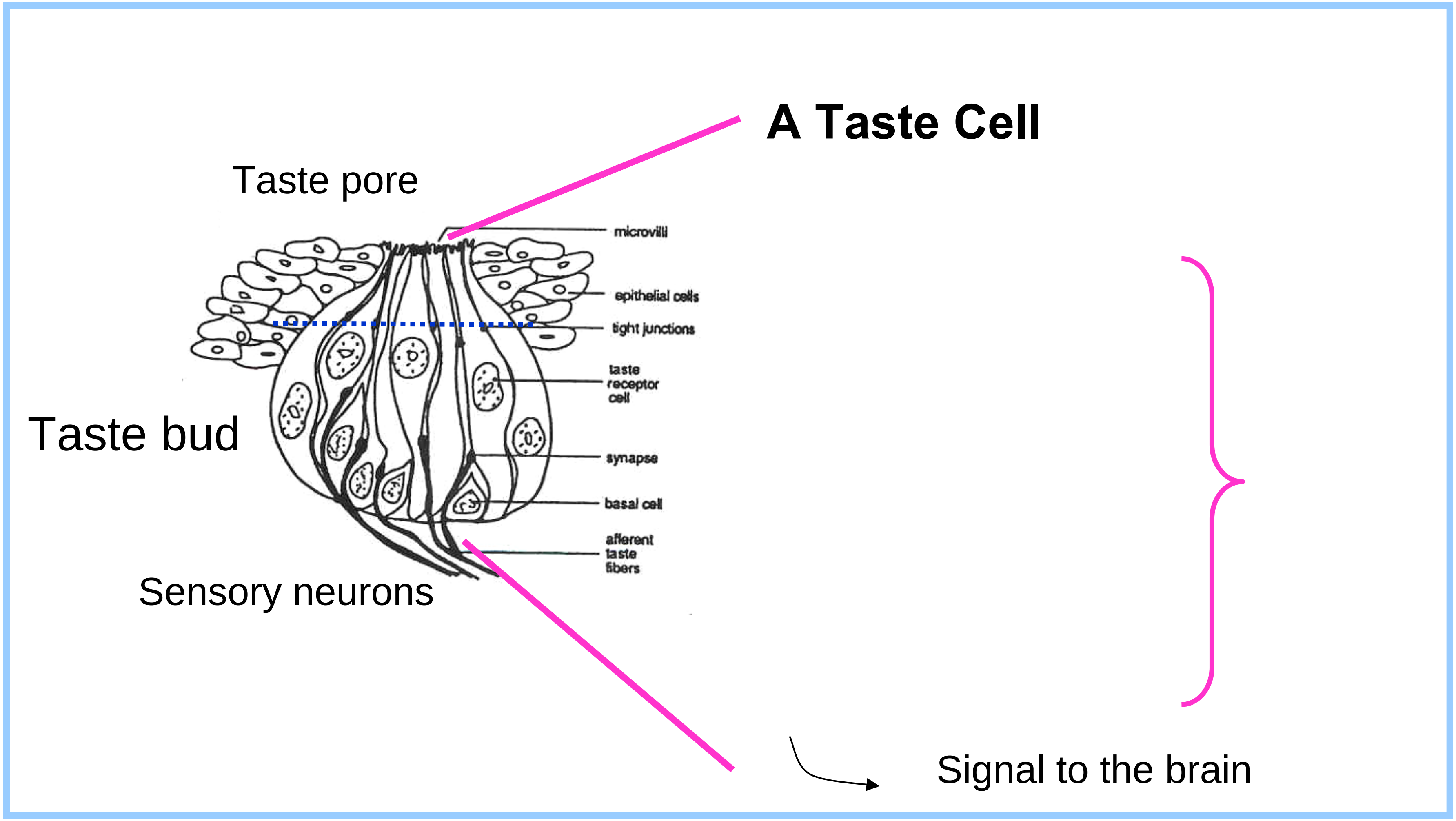
Campbell's

Critical "Must Do" to Drive Growth in Wellness

- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- Add positives and Reduce negatives
- **Support research on taste mechanism and health benefits.**

Campbell's

Understanding Taste Mechanism begins with understanding taste cells and how they behave at molecular level and interact with the brain. From then can we selectively find the right salt enhancers.



Campbell's

History of Campbell's Salt Reduction Efforts

1950/1960	•Search for salt substitute and flavor boosters
1970's	•Introduced Low Sodium condensed soups
1980's	•Silent Incremental reduction in soups 5-20% •Launch RTS Low Sodium soups •Intro savory flavor Ingredients •First to voluntarily label for sodium (1981) •Launch Special Request™ soups (30% Reduction) •Re-Launch as Healthy Request soups (50% Reduction) post NLEA •Initiated research at seven universities on understanding salt taste mechanism and perception
1990's	•Patent issued for non-sodium salt taste enhancers •Intelligent Quisine™ (IQ) test marketed (1996) with AHA and A. Diabetes A. partnerships
2001	•Major support on cutting edge molecular research – sodium channel/ receptors research at multiple research institutions
2004	•V8® frozen soups introduced in food service
2006-	•Major breakthrough leveraging lower sodium, natural sea salt combined with product design expertise into condensed and RTS soups. •Launch lower sodium sea salt soups with 25 % to 45 % reduction Sodium Reductions expanded to V8® beverages

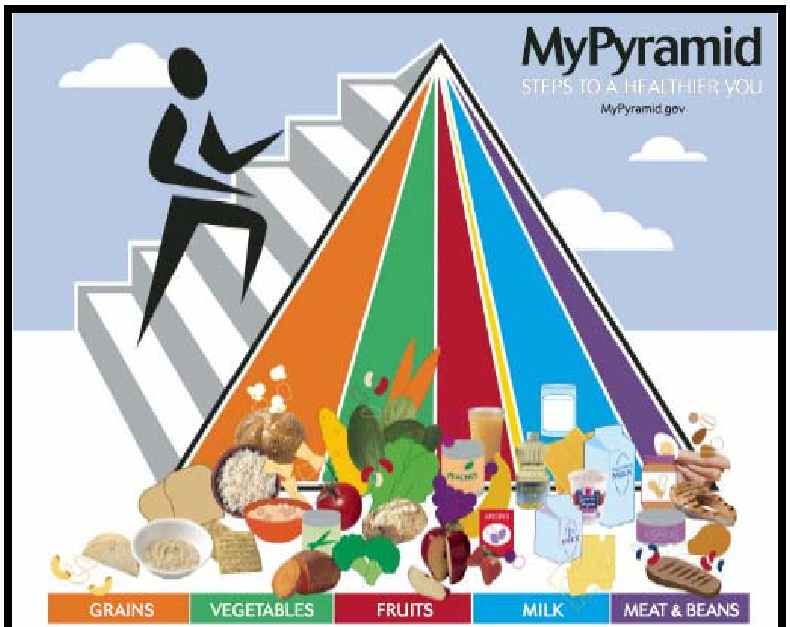
Campbell's

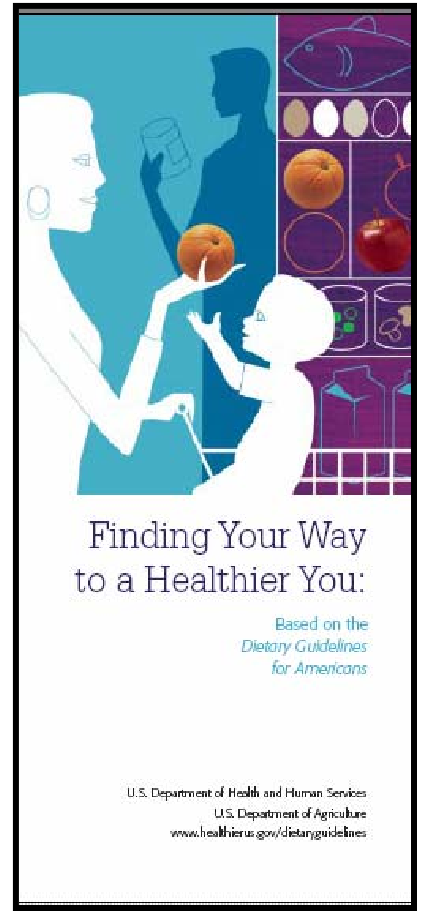
Critical “Must Do” to Drive Growth in Wellness

- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- Add positives and Reduce negatives
- Support Science and research on taste mechanism and health benefits.
- **Use National public health guidelines as yardstick to measure progress success**

We Gauge our Product Portfolio Against the US Dietary Guidelines for Americans and MyPyramid.

- 2005 Dietary Guidelines for Americans
- Released January 2005
- USDA MyPyramid announced April 2005





2005 Dietary Guidelines

Increase Positives

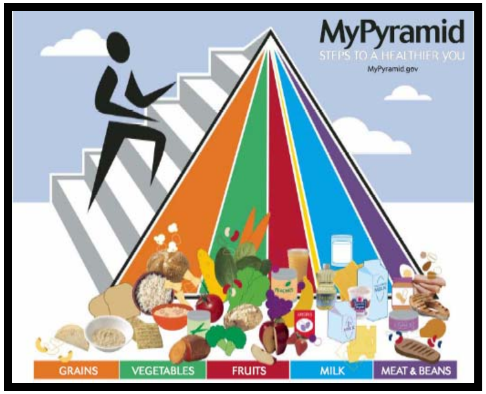
- **Make at least half of total grains eaten whole grains.**
- **Eat recommended amounts of vegetables and choose a variety of vegetables each day. (**
- **Eat recommended amounts of fruit, and choose a variety of fruits each day.**

Reduce negatives

- **Consume 3 cups of fat-free or low-fat milk or equivalent daily.**
- **Choose low-fat or lean meats and poultry.**
- **Choose most fats from sources of mufas and pufas.**
- **Choose and prepare foods with little added sugars.**
- **Choose and prepare foods with little salt.**

Educate and communicate

- **Balance calorie intake with calories expended.**
- **Engage in regular physical activity.**



2005 Dietary Guidelines Key Concepts: Campbell's progress

Increase Positives

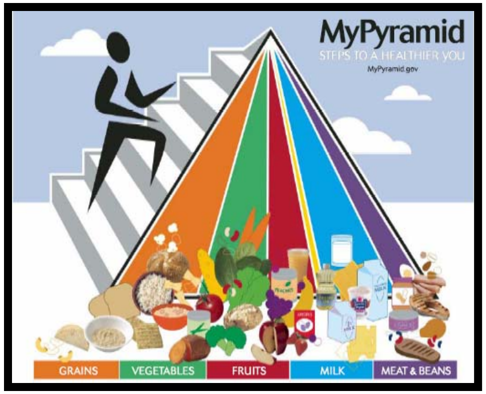
- Make at least half of total grains eaten whole grains.
- Eat recommended amounts of vegetables and choose a variety of vegetables each day. (
- Eat recommended amounts of fruit, and choose a variety of fruits each day.

Reduce negatives

- Consume 3 cups of fat-free or low-fat milk or equivalent daily.
- Choose low-fat or lean meats and poultry.
- Choose most fats from sources of mufas and pufas.
- Choose and prepare foods with little added sugars.
- Choose and prepare foods with little salt.

Educate and communicate

- Balance calorie intake with calories expended.
- Engage in regular physical activity.



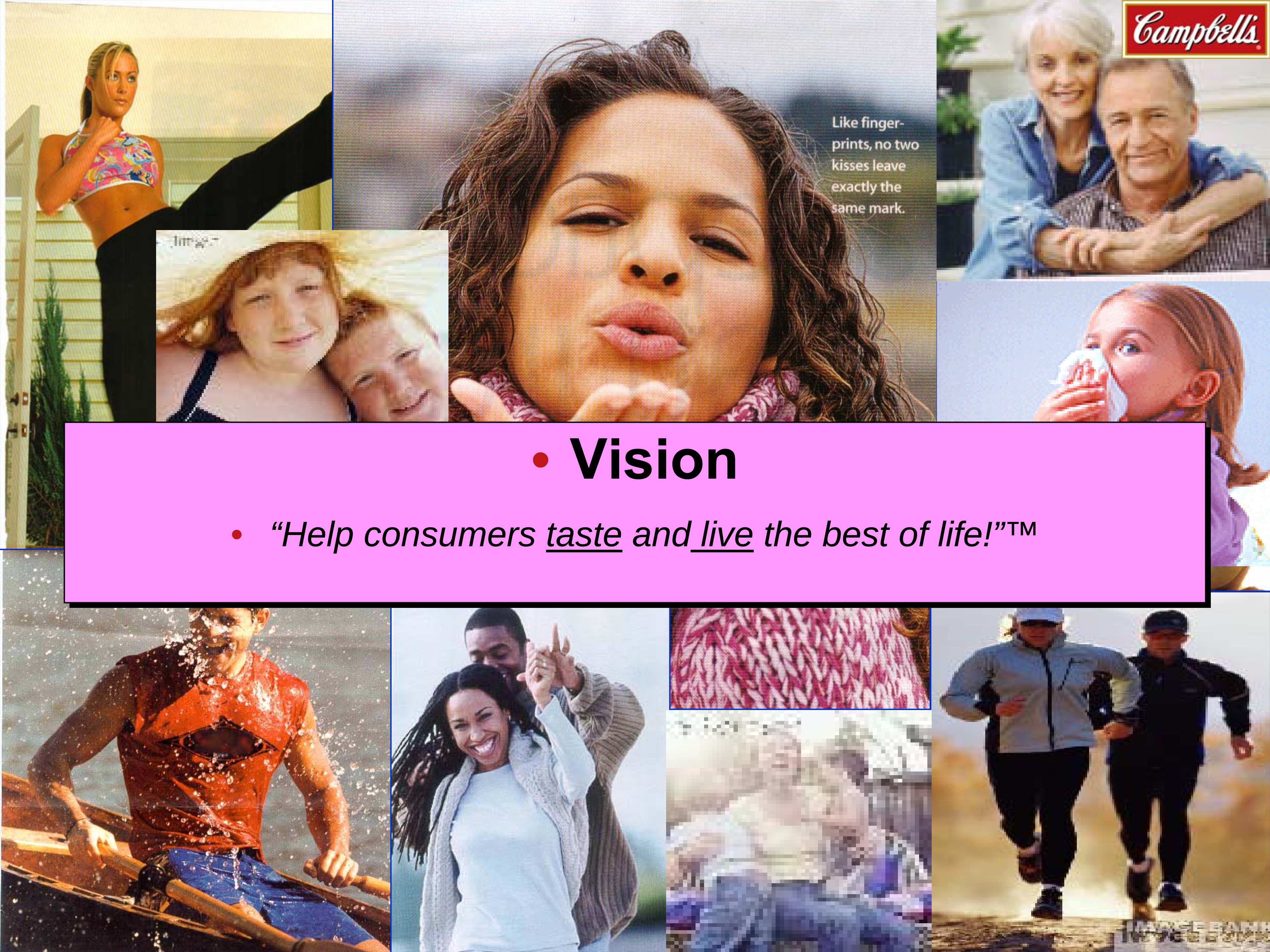
Campbell's

Critical "Must Do" to Drive Growth in Wellness

- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- Add positives and Reduce negatives
- Support Science and research on taste mechanism and health benefits.
- Use National public health guidelines as yardstick to measure progress success
- **Centralize and synchronize messaging and communication to consumers, professionals and customers**

Communication

In 2004, we launched the Campbell's Center for Nutrition and Wellness (CCNW) to communicate wellness food solutions



• Vision

- *"Help consumers taste and live the best of life!"*™

Communication

Alliances with influencers are critical to the sustained success of this market

- Health associations (AHA, ADA,AAP,AAFP etc) alliances are important for credibility and for target positioning
- Association logos, government approved statement are easy for consumers to retrofit into daily lifestyle
- Work with consumer activists to find common consumer causes.

AHA Certification and Partnership

Go Red for women
love your heart
American Heart Association

American Heart Association
Products displaying the heart-check mark meet American Heart Association food criteria for saturated fat and cholesterol for healthy people over age 2.

- **About 50 products in with AHA Heart Check mark**
- **Major sponsor of "Go Red For Women", a premier American Heart Association campaign**
- **Primary benefit message Heart Disease #1 killer of Women**
- **Shared AHA goal--Reduce by 25% by 2010.**

Campbell Received Significant Press on its Lower Sodium Initiative, Over 100 Million Impressions and Building

Media from across the U.S. and Canada covered Campbell's sodium reduction announcement

Critical "Must Do" to Drive Growth in Wellness

- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- Add positives and Reduce negatives
- Support Science and research on taste mechanism and health benefits.
- Use National public health guidelines as yardstick to measure progress success
- Centralize and synchronize messaging and communication to consumers, professionals and customers
- **Innovate at Point of sale to make purchase easy**

Strong grounds for optimism about growth prospects for Campbell's lower sodium soups

8. Benefit from roll out of iQ Shelf Maximizer
   - Growth potential is clear
     - Cups and bowls in 2000 stores
     - RTS in 1,000 stores
     - Condensed soup in nearly **16,000** stores

Determined to expand presence comparable to the levels we have achieved in condensed soup

Our Wellness Journey is Continuing

- Our wellness efforts continue to evolve. Today our wellness product sale exceed 600 million
- .We gauge our nutrition improvement progress against a tough yardsticks--the Dietary Guidelines--as the basis for healthier lifestyle.
- Our strategies are multi-prong. We continue to invest in research and technologies to drive competitive insulation and differentiations
- We invest in basic research, and forge strategic partnership with influencers
- We have POS innovation
- We follow the Golden rules for product success defined by the consumers – Taste, Convenience, Quality, Value and Trusted Brand
- We have global wellness strategy but local execution

Keys to Success in wellness growth

- Remember Taste Is King… and Pleasure Is Queen
- Give Reinforcement/Credit for what consumers are already doing right.
- Identify and Remove the Barriers to healthy choices
- Be a Solution Developer more than a Product Developer
- Be a designer and not a developer
- Keep it Simple and Make it Familiar
- Make it “Right for me” and “Right for my family”
- Deliver Positive Nutrition with little or no downsides
- Leverage the power of your brand
- Make it affordable,
- Make it easy to find in the store

HealthFocus® 2005,Campbell;s,Sloan Trend

Conclusion

- Wellness is top of mind with consumers and Campbell's. It represents our fastest growth area.
- The challenge is delivering against consumers expectations for taste + multiple wellness benefits. Holistic design and communications.
- Campbell's technical ,marketing, sales expertise has begin the journey to 'crack' the code
- Campbell's is positioned to better meet consumer's health needs today and into the future
- On road to fulfill our corporate mission.

our
mission

Together we will
build the world's most
extraordinary food company
by nourishing people's lives
everywhere, every day