

**Sysco Corporation and its Consolidated Subsidiaries**  
**Non-GAAP Reconciliation (Unaudited)**  
**Impact of Certain Items**

(In Thousands, Except for Share and Per Share Data)

Sysco's results of operations are impacted by certain items which include charges from restructuring our executive retirement plans, multiemployer pension charges, severance charges, US Foods merger and integration planning costs, an FY13 acquisition-related charge, change in estimate of self-insurance, charges from a contingency accrual, charges from facility closures and amortization of US Foods financing costs (collectively referred to as "Certain Items"). Management believes that adjusting its operating expenses, operating income, interest expense, net earnings and diluted earnings per share to remove these Certain Items provides an important perspective with respect to our results and provides meaningful supplemental information to both management and investors that removes these items which are difficult to predict and are often unanticipated, and which, as a result are difficult to include in analyst's financial models and our investors' expectations with any degree of specificity. Sysco believes the adjusted totals facilitate comparison on a year-over-year basis.

The company uses these non-GAAP measures when evaluating its financial results as well as for internal planning and forecasting purposes. These financial measures should not be used as a substitute in assessing the company's results of operations for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. As a result, in the tables that follow, each period presented is adjusted to remove the Certain Items noted above.

	<b>13-Week Period Ended June 28, 2014</b>	<b>13-Week Period Ended June 29, 2013</b>	<b>13-Week Period Change in Dollars</b>	<b>13-Week Period % Change</b>
<b>Operating expenses (GAAP)</b>	\$ 1,731,334	\$ 1,612,377	\$ 118,957	7.4 %
Impact of restructuring executive retirement plans	(1,006)	(3,382)	2,376	-70.3
Impact of MEPP charges	-	1,325	(1,325)	NM
Impact of severance charges	(2,093)	(7,866)	5,773	-73.4
Impact of US Foods merger and integration planning costs	(53,803)	-	(53,803)	NM
Impact of FY13 acquisition-related charge	-	(5,998)	5,998	NM
Impact of facility closure charges	(945)	(671)	(274)	40.8
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 1,673,487	\$ 1,595,785	\$ 77,702	4.9 %
<b>Operating Income (GAAP)</b>	\$ 424,522	\$ 459,843	\$ (35,321)	-7.7 %
Impact of restructuring executive retirement plans	1,006	3,382	(2,376)	-70.3
Impact of MEPP charges	-	(1,325)	1,325	NM
Impact of severance charges	2,093	7,866	(5,773)	-73.4
Impact of US Foods merger and integration planning costs	53,803	-	53,803	NM
Impact of FY13 acquisition-related charge	-	5,998	(5,998)	NM
Impact of facility closure charges	945	671	274	40.8
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 482,369	\$ 476,435	\$ 5,934	1.2 %
<b>Interest Expense (GAAP)</b>	\$ 31,205	\$ 31,170	\$ 35	0.1 %
Impact of US Foods financing costs	(3,698)	-	(3,698)	NM
<b>Interest Expense (GAAP)</b>	\$ 27,507	\$ 31,170	\$ (3,663)	-11.8 %
<b>Net earnings (GAAP)</b>	\$ 254,171	\$ 283,043	\$ (28,872)	-10.2 %
Impact of restructuring executive retirement plans (net of tax)	638	2,183	(1,545)	-70.8
Impact of MEPP charges (net of tax)	-	(855)	855	NM
Impact of severance charges (net of tax)	1,328	5,078	(3,750)	-73.8
Impact of US Foods merger and integration planning costs (net of tax)	34,142	-	34,142	NM
Impact of FY13 acquisition-related charge (no tax impact)	-	5,998	(5,998)	NM
Impact of facility closure charges (net of tax)	600	433	167	38.6
Impact of US Foods financing costs (net of tax)	2,347	-	2,347	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$ 293,226	\$ 295,880	\$ (2,654)	-0.9 %
<b>Diluted earnings per share (GAAP)</b>	\$ 0.43	\$ 0.47	\$ (0.04)	-8.5 %
Impact of restructuring executive retirement plans	-	-	-	NM
Impact of MEPP charges	-	-	-	NM
Impact of severance charges	-	0.01	(0.01)	NM
Impact of US Foods merger and integration planning costs	0.06	-	0.06	NM
Impact of FY13 acquisition-related charge	-	0.01	(0.01)	NM
Impact of facility closure charges	-	-	-	NM
Impact of US Foods financing costs	-	-	-	NM
<b>Diluted EPS adjusted for certain items (Non-GAAP) (2)</b>	\$ 0.50	\$ 0.50	\$ -	0.0 %

Diluted shares outstanding

591,361,869

597,536,893

<sup>(1)</sup> Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, US Foods merger and integration planning costs, an FY13 acquisition-related charge, charges from facility closures and amortization of US Foods financing costs was \$22,490 and \$9,754 for the 13-week periods ended June 28, 2014 and June 29, 2013, respectively. Amounts are calculated by multiplying the operating income impact of each item by each quarter's effective tax rate with the exception of the FY13 acquisition-related charge which had no tax impact.

<sup>(2)</sup> Individual components of diluted earnings per share may not add to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings for certain items and adjusted net earnings - underlying business, both divided by diluted shares outstanding.

NM represents that the percentage change is not meaningful

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**Sysco Corporation and its Consolidated Subsidiaries**  
**Non-GAAP Reconciliation (Unaudited)**  
**Impact of Certain Items**

(In Thousands, Except for Share and Per Share Data)

	<b>52-Week Period Ended June 28, 2014</b>	<b>52-Week Period Ended June 29, 2013</b>	<b>52-Week Period Change in Dollars</b>	<b>52-Week Period % Change</b>
<b>Operating expenses (GAAP)</b>	\$ 6,593,913	\$ 6,338,129	\$ 255,784	4.0 %
Impact of restructuring executive retirement plans	(3,329)	(20,990)	17,661	-84.1
Impact of MEPP charges	(1,451)	(41,876)	40,425	-96.5
Impact of severance charges	(7,202)	(23,206)	16,004	-69.0
Impact of US Foods merger and integration planning costs	(90,571)	-	(90,571)	NM
Impact of FY13 acquisition-related charge	-	(5,998)	5,998	NM
Impact of change in estimate of self insurance	(23,841)	-	(23,841)	NM
Impact of contingency accrual	(20,000)	-	(20,000)	NM
Impact of facility closure charges	(3,443)	(2,645)	(798)	30.2
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 6,444,076	\$ 6,243,414	\$ 200,662	3.2 %
<b>Operating Income (GAAP)</b>	\$ 1,587,122	\$ 1,658,478	\$ (71,356)	-4.3 %
Impact of restructuring executive retirement plans	3,329	20,990	(17,661)	-84.1
Impact of MEPP charges	1,451	41,876	(40,425)	-96.5
Impact of severance charges	7,202	23,206	(16,004)	-69.0
Impact of US Foods merger and integration planning costs	90,571	-	90,571	NM
Impact of FY13 acquisition-related charge	-	5,998	(5,998)	NM
Impact of change in estimate of self insurance	23,841	-	23,841	NM
Impact of contingency accrual	20,000	-	20,000	NM
Impact of facility closure charges	3,443	2,645	798	30.2
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 1,736,959	\$ 1,753,193	\$ (16,234)	-0.9 %
<b>Interest Expense (GAAP)</b>	\$ 123,741	\$ 128,495	\$ (4,754)	-3.7 %
Impact of US Foods financing costs	(6,790)	-	(6,790)	NM
<b>Interest Expense (GAAP)</b>	\$ 116,951	\$ 128,495	\$ (11,544)	-9.0 %
<b>Net earnings (GAAP)</b>	\$ 931,533	\$ 992,427	\$ (60,894)	-6.1 %
Impact of restructuring executive retirement plans (net of tax)	2,102	13,461	(11,359)	-84.4
Impact of MEPP charges (net of tax)	916	26,855	(25,939)	-96.6
Impact of severance charges (net of tax)	4,546	14,882	(10,336)	-69.5
Impact of US Foods merger and integration planning costs (net of tax)	57,176	-	57,176	NM
Impact of FY13 acquisition-related charge (no tax impact)	-	5,998	(5,998)	NM
Impact of change in estimate of self insurance (net of tax)	15,050	-	15,050	NM
Impact of contingency accrual (net of applicable tax)	18,156	-	18,156	NM
Impact of facility closure charges (net of tax)	2,173	1,696	477	28.1
Impact of US Foods financing costs (net of tax)	4,286	-	4,286	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$ 1,035,938	\$ 1,055,319	\$ (19,381)	-1.8 %
<b>Diluted earnings per share (GAAP)</b>	\$ 1.58	\$ 1.67	\$ (0.09)	-5.4 %
Impact of restructuring executive retirement plans	-	0.02	(0.02)	NM
Impact of MEPP charges	-	0.05	(0.05)	NM
Impact of severance charges	0.01	0.03	(0.02)	-66.7
Impact of US Foods merger and integration planning costs	0.10	-	0.10	NM
Impact of FY13 acquisition-related charge	-	0.01	(0.01)	NM
Impact of change in estimate of self insurance	0.03	-	0.03	NM
Impact of contingency accrual	0.03	-	0.03	NM
Impact of facility closure charges	-	-	-	NM
Impact of US Foods financing costs	0.01	-	0.01	NM
<b>Diluted EPS adjusted for certain items (Non-GAAP) (2)</b>	\$ 1.76	\$ 1.78	\$ (0.02)	-1.1 %
Diluted shares outstanding	590,216,220	592,675,110		

(1) Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, US Foods merger and integration planning costs, an FY13 acquisition-related charge, change in estimate of self insurance, charges from a contingency accrual, charges from facility closures and amortization of US Foods financing costs was \$67,221 and \$37,818 for the 52-week periods ended June 28, 2014 and June 29, 2013, respectively. Amounts are calculated by multiplying the operating income impact of each item by each 52-week period's effective tax rate with the exception of the charges from the accrual a potential settlement related to remote storage units, which has a non-deductible portion, and the FY13 acquisition-related charge, which has no tax impact.

(2) Individual components of diluted earnings per share may not add to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings for certain items and adjusted net earnings - underlying business, both divided by diluted shares outstanding.

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**Sysco Corporation and its Consolidated Subsidiaries**  
**Non-GAAP Reconciliation (Unaudited)**  
**Free Cash Flow and Adjusted Free Cash Flow**

(In Thousands)

Free cash flow represents net cash provided from operating activities less purchases of plant and equipment and includes proceeds from sales of plant and equipment. Adjusted free cash flow adjusts out the cash impact of our Certain Items representing primarily payments for US Foods merger and integration planning costs and payments for multiemployer pension plan withdrawals. Sysco considers free cash flow and adjusted free cash flow to be liquidity measures that provide useful information to management and investors about the amount of cash generated by the business after the purchases and sales of buildings, fleet, equipment and technology, which may potentially be used to pay for, among other things, strategic uses of cash including dividend payments, share repurchases and acquisitions. Adjusted free cash flow further provides the amount of cash generated excluding larger payments sometimes incurred with our Certain Items. We do not mean to imply that free cash flow and adjusted free cash flow are necessarily available for discretionary expenditures, however, as it may be necessary that we use it to make mandatory debt service or other payments. Free cash flow and adjusted free cash flow should not be used as a substitute in assessing the company's liquidity for the periods presented. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. In the table that follows, free cash flow and adjusted free cash flow for each period presented are reconciled to net cash provided by operating activities.

	<b>52-Week Period Ended June 28, 2014</b>	<b>52-Week Period Ended June 29, 2013</b>	<b>52-Week Period Change in Dollars</b>	<b>52-Week Period % Change</b>
<b>Net cash provided by operating activities (GAAP)</b>	\$ 1,492,815	\$ 1,511,594	\$ (18,779)	-1.2 %
Additions to plant and equipment	(523,206)	(511,862)	(11,344)	-2.2
Proceeds from sales of plant and equipment	25,790	15,527	10,263	66.1
<b>Free Cash Flow (Non-GAAP)</b>	\$ 995,399	\$ 1,015,259	\$ (19,860)	-2.0 %
Adjustments	84,210	34,445	49,765	144.5
<b>Adjusted Free Cash Flow (Non-GAAP)</b>	\$ 1,079,609	\$ 1,049,704	\$ 29,905	2.8 %

Adjustments represent the cash impact of Certain Items with the exception of amortization of US Foods financing costs which does not impact either Non-GAAP measure. Adjustments for fiscal 2014 include \$48.0 million related to US Foods merger and integration planning costs, \$25.8 million related to the multiemployer pension withdrawals and \$10.4 million for all remaining applicable Certain Items. Adjustments for fiscal 2013 include \$20.4 million related to multiemployer pension, \$6.3 million related to severance and \$7.7 million for all remaining applicable Certain Items. These amounts will differ from the earnings impact of Certain Items as the timing of payments for these items may occur in a different period from the period the Certain Item charges were taken in the Statement of Consolidated Results of Operations.

**Sysco Corporation and its Consolidated Subsidiaries**  
**Non-GAAP Reconciliation (Unaudited)**  
**Cost per Case**

Sysco measures its expense performance on a cost per case basis. This metric is calculated by taking the total operating expense of our North American Broadline companies, divided by the number of cases sold. Adjusted cost per case is calculated similarly, however the operating expense component excludes charges from executive retirement plans restructuring, multiemployer pension plans and severance which are the Certain Items applicable to these companies, divided by the number of cases sold. Our corporate expenses are not included in the cost per cases metrics because the metric is a measure of efficiency in our operations. We seek to grow our sales and either minimize or reduce our costs on a per case basis. Our North American Broadline companies represent approximately 80% of our of total sales and 93% of our total operating income prior to corporate expenses. Sysco considers adjusted cost per case to be a measure that provides useful information to management and investors about Sysco's expense management. An analysis of any non-GAAP based financial measure should be used in conjunction with results presented in accordance with a GAAP based measure. In the table that follows, the change in adjusted cost per case is reconciled to cost per case for fiscal 2014 as compared to fiscal 2013.

<b>Decrease in cost per case</b>	\$	0.10
Impact of Certain Items		<u>(0.04)</u>
<b>Decrease in adjusted cost per case (Non-GAAP basis)</b>	\$	0.06

The impact of Certain Items excludes charges from executive retirement plans restructuring, multiemployer pension plans and severance. Of these items, the majority relates to multiemployer pension plans in the amount of \$0.04 per case attributable to charges taken in fiscal 2013 that did not recur at the same magnitude in fiscal 2014.

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