

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

(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, change in estimate of self-insurance, charges from a contingency accrual, charges from facility closures and amortization of US Foods financing costs. 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.

| | 13-Week Period Ended Mar. 29, 2014 | 13-Week Period Ended Mar. 30, 2013 | 13-Week Period Change in Dollars | 13-Week Period % Change |
|---|---|---|---|--|
| Operating expenses (GAAP) | \$ 1,662,116 | \$ 1,605,280 | \$ 56,836 | 3.5 % |
| Impact of restructuring executive retirement plans | (773) | (5,444) | 4,671 | -85.8 |
| Impact of MEPP charges | - | (40,744) | 40,744 | -100.0 |
| Impact of severance charges | (1,512) | (3,595) | 2,083 | -57.9 |
| Impact of US Foods merger and integration planning costs | (32,416) | - | (32,416) | NM |
| Impact of contingency accrual | (20,000) | - | (20,000) | NM |
| Impact of facility closure charges | (1,022) | (285) | (737) | 258.6 |
| Operating expenses adjusted for certain items (Non-GAAP) | \$ 1,606,393 | \$ 1,555,212 | \$ 51,181 | 3.3 % |
| Operating Income (GAAP) | \$ 332,625 | \$ 337,202 | \$ (4,577) | -1.4 % |
| Impact of restructuring executive retirement plans | 773 | 5,444 | (4,671) | -85.8 |
| Impact of MEPP charges | - | 40,744 | (40,744) | -100.0 |
| Impact of severance charges | 1,512 | 3,595 | (2,083) | -57.9 |
| Impact of US Foods merger and integration planning costs | 32,416 | - | 32,416 | NM |
| Impact of contingency accrual | 20,000 | - | 20,000 | NM |
| Impact of facility closure charges | 1,022 | 285 | 737 | 258.6 |
| Operating income adjusted for certain items (Non-GAAP) | \$ 388,348 | \$ 387,270 | \$ 1,078 | 0.3 % |
| Interest Expense (GAAP) | \$ 32,224 | \$ 34,215 | \$ (1,991) | -5.8 % |
| Impact of US Foods financing costs | (2,925) | - | (2,925) | NM |
| Interest Expense (GAAP) | \$ 29,299 | \$ 34,215 | \$ (4,916) | -14.4 % |
| Net earnings (GAAP) | \$ 180,937 | \$ 201,417 | \$ (20,480) | -10.2 % |
| Impact of restructuring executive retirement plans (net of tax) | 471 | 3,579 | (3,108) | -86.8 |
| Impact of MEPP charges (net of tax) | - | 26,784 | (26,784) | -100.0 |
| Impact of severance charges (net of tax) | 922 | 2,363 | (1,441) | -61.0 |
| Impact of US Foods merger and integration planning costs (net of tax) | 19,769 | - | 19,769 | NM |
| Impact of contingency accrual (net of tax) | 18,049 | - | 18,049 | NM |
| Impact of facility closure charges (net of tax) | 623 | 187 | 436 | 233.2 |
| Impact of US Foods financing costs (net of tax) | 1,784 | - | 1,784 | NM |
| Net earnings adjusted for certain items (Non-GAAP) (1) | \$ 222,555 | \$ 234,330 | \$ (11,775) | -5.0 % |
| Diluted earnings per share (GAAP) | \$ 0.31 | \$ 0.34 | \$ (0.03) | -8.8 % |
| Impact of restructuring executive retirement plans | - | 0.01 | (0.01) | -100.0 |
| Impact of MEPP charges | - | 0.05 | (0.05) | -100.0 |
| Impact of US Foods merger and integration planning costs | 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 | - | - | - | NM |
| Diluted EPS adjusted for certain items (Non-GAAP) (2) | \$ 0.38 | \$ 0.40 | \$ (0.02) | -5.0 % |
| Diluted shares outstanding | 590,470,283 | 592,903,799 | | |

(1) Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, US Foods merger and integration planning costs, charges from a contingency accrual, charges from facility closures and amortization of US Foods financing costs was \$32,029 and \$17,155 for the 13-week periods ended March 29, 2014 and March 30, 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 impact of the charges from a contingency accrual, which has an estimated non-deductible portion.

⁽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.

NM represents that the percentage change is not meaningful

- more -

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Certain Items and Underlying Business
(In Thousands, Except for Share and Per Share Data)

| | 39-Week Period Ended Mar. 29, 2014 | 39-Week Period Ended Mar. 30, 2013 | 39-Week Period Change in Dollars | 39-Week Period % Change |
|---|---|---|---|--|
| Operating expenses (GAAP) | \$ 4,862,579 | \$ 4,725,752 | \$ 136,827 | 2.9 % |
| Impact of restructuring executive retirement plans | (2,323) | (17,608) | 15,285 | -86.8 |
| Impact of MEPP charge | (1,451) | (43,201) | 41,750 | -96.6 |
| Impact of severance charges | (5,109) | (15,341) | 10,232 | -66.7 |
| Impact of US Foods merger and integration planning costs | (36,769) | - | (36,769) | 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 | (2,497) | (1,974) | (523) | 26.5 |
| Operating expenses adjusted for certain items (Non-GAAP) | \$ 4,770,589 | \$ 4,647,628 | \$ 122,961 | 2.6 % |
| Operating Income (GAAP) | \$ 1,162,600 | \$ 1,198,635 | \$ (36,035) | -3.0 % |
| Impact of restructuring executive retirement plans | 2,323 | 17,608 | (15,285) | -86.8 |
| Impact of MEPP charge | 1,451 | 43,201 | (41,750) | -96.6 |
| Impact of severance charges | 5,109 | 15,341 | (10,232) | -66.7 |
| Impact of US Foods merger and integration planning costs | 36,769 | - | 36,769 | 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 | 2,497 | 1,974 | 523 | 26.5 |
| Operating income adjusted for certain items (Non-GAAP) | \$ 1,254,590 | \$ 1,276,759 | \$ (22,169) | -1.7 % |
| Interest Expense (GAAP) | \$ 92,536 | \$ 97,325 | \$ (4,789) | -4.9 % |
| Impact of US Foods financing costs | (3,093) | - | (3,093) | NM |
| Interest Expense (GAAP) | \$ 89,443 | \$ 97,325 | \$ (7,882) | -8.1 % |
| Net earnings (GAAP) | \$ 677,362 | \$ 709,384 | \$ (32,022) | -4.5 % |
| Impact of restructuring executive retirement plans (net of tax) | 1,464 | 11,264 | (9,800) | -87.0 |
| Impact of MEPP charge (net of tax) | 914 | 27,635 | (26,721) | -96.7 |
| Impact of severance charges (net of tax) | 3,219 | 9,813 | (6,594) | -67.2 |
| Impact of US Foods merger and integration planning costs (net of tax) | 23,166 | - | 23,166 | NM |
| Impact of change in estimate of self insurance (net of tax) | 15,021 | - | 15,021 | NM |
| Impact of contingency accrual (net of tax) | 18,150 | - | 18,150 | NM |
| Impact of facility closure charges (net of tax) | 1,573 | 1,263 | 310 | 24.5 |
| Impact of US Foods financing costs (net of tax) | 1,949 | - | 1,949 | NM |
| Net earnings adjusted for certain items (Non-GAAP) (1) | \$ 742,818 | \$ 759,359 | \$ (16,541) | -2.2 % |
| Diluted earnings per share (GAAP) | \$ 1.15 | \$ 1.20 | \$ (0.05) | -4.2 % |
| Impact of restructuring executive retirement plans | - | 0.02 | (0.02) | -100.0 |
| Impact of MEPP charge | - | 0.05 | (0.05) | -100.0 |
| Impact of severance charges | 0.01 | 0.02 | (0.01) | -50.0 |
| Impact of US Foods merger and integration planning costs | 0.04 | - | 0.04 | 0.0 |
| 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 | - | - | - | NM |
| Diluted EPS adjusted for certain items (Non-GAAP) (2) | \$ 1.26 | \$ 1.28 | \$ (0.02) | -1.6 % |
| Diluted shares outstanding | 589,834,321 | 591,054,506 | | |

(1) Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, US Foods merger costs, change in estimate of self insurance, charges from a contingency accrual, charges from facility closures and amortization of US Foods financing costs was \$44,627 and \$28,149 for the 39-week periods ended March 29, 2014 and March 30, 2013, respectively. Amounts are calculated by multiplying the operating income impact of each item by each 39-week period's effective tax rate with the exception of the impact of the charges from a contingency accrual, which has an estimated non-deductible portion.

(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.

NM represents that the percentage change is not meaningful

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)

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. Sysco considers free cash flow to be a liquidity measure that provides 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. We do not mean to imply that free cash flow is 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 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 for each period presented is reconciled to net cash provided by operating activities.

| | 39-Week Period Ended Mar. 29, 2014 | 39-Week Period Ended Mar. 30, 2013 | 39-Week Period Change in Dollars | 39-Week Period % Change |
|---|---|---|---|--|
| Net cash provided by operating activities (GAAP) | \$ 848,064 | \$ 759,408 | \$ 88,656 | 11.7 % |
| Additions to plant and equipment | (387,451) | (373,048) | (14,403) | -3.9 |
| Proceeds from sales of plant and equipment | 23,695 | 12,115 | 11,580 | 95.6 |
| Free Cash Flow (Non-GAAP) | <u>\$ 484,308</u> | <u>\$ 398,475</u> | <u>\$ 85,833</u> | <u>21.5 %</u> |

Operating Expense per Case

Sysco measures its expense performance on a cost per case basis to adjust for the impact of changes in case volume in our business. This metric reflects total operating expense for our Broadline companies, excluding charges related to multiemployer pension plan withdrawals and severance charges, divided by the number of cases sold during the period.