

**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 multiemployer withdrawal charges (MEPP), severance charges, US Foods merger and integration planning costs, charges from facility closures and US Foods related financing costs. Additional items in FY14 include a change in estimate of self-insurance and charges from a contingency accrual. These FY15 and FY14 items are 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 charges provides an important perspective of underlying business trends and results and provides meaningful supplemental information to both management and investors that is indicative of the performance of the company's underlying operations and facilitates comparisons 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 for GAAP measures 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 Mar. 28, 2015</b>	<b>13-Week Period Ended Mar. 29, 2014</b>	<b>13-Week Period Change in Dollars</b>	<b>13-Week Period % Change</b>
<b>Operating expenses (GAAP)</b>	\$ 1,730,190	\$ 1,662,116	\$ 68,074	4.1 %
Impact of MEPP charge	-	-	-	NM
Impact of severance charges	(365)	(1,512)	1,147	-75.9
Impact of US Foods merger and integration planning costs	(49,609)	(32,416)	(17,193)	53.0
Impact of change in estimate of self insurance	-	-	-	NM
Impact of contingency accrual	-	(20,000)	20,000	-100.0
Impact of facility closure charges	-	(1,022)	1,022	-100.0
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<u>\$ 1,680,216</u>	<u>\$ 1,607,166</u>	<u>\$ 73,050</u>	<u>4.5 %</u>
<b>Operating Income (GAAP)</b>	\$ 327,308	\$ 332,625	\$ (5,317)	-1.6 %
Impact of MEPP charge	-	-	-	NM
Impact of severance charge	365	1,512	(1,147)	-75.9
Impact of US Foods merger and integration planning costs	49,609	32,416	17,193	53.0
Impact of change in estimate of self insurance	-	-	-	NM
Impact of contingency accrual	-	20,000	(20,000)	-100.0
Impact of facility closure charges	-	1,022	(1,022)	-100.0
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<u>\$ 377,282</u>	<u>\$ 387,575</u>	<u>\$ (10,293)</u>	<u>-2.7 %</u>
<b>Interest Expense (GAAP)</b>	\$ 69,550	\$ 32,224	\$ 37,326	115.8 %
Impact of US Foods financing costs	(41,331)	(2,925)	(38,406)	1,313.0
<b>Adjusted Interest Expense (Non-GAAP)</b>	<u>\$ 28,219</u>	<u>\$ 29,299</u>	<u>\$ (1,080)</u>	<u>-3.7 %</u>
<b>Net earnings (GAAP) (1)</b>	\$ 176,955	\$ 180,937	\$ (3,982)	-2.2 %
Impact of MEPP charge (net of tax)	-	-	-	NM
Impact of severance charge (net of tax)	243	922	(679)	-73.6
Impact of US Foods merger and integration planning costs (net of tax)	32,960	19,769	13,191	66.7
Impact of change in estimate of self insurance (net of tax)	-	-	-	NM
Impact of contingency accrual (net of applicable tax)	-	18,049	(18,049)	-100.0
Impact of facility closure charges (net of tax)	-	623	(623)	-100.0
Impact of US Foods Financing Costs (net of tax)	27,460	1,784	25,676	NM
<b>Net earnings adjusted for certain items (Non-GAAP) (1)</b>	<u>\$ 237,618</u>	<u>\$ 222,084</u>	<u>\$ 15,534</u>	<u>7.0 %</u>
<b>Diluted earnings per share (GAAP) (1)</b>	\$ 0.30	\$ 0.31	\$ (0.01)	-3.2 %
Impact of MEPP charge	-	-	-	NM
Impact of severance charge	-	-	-	NM
Impact of US Foods merger and integration planning costs	0.06	0.03	0.03	100.0
Impact of change in estimate of self insurance	-	-	-	NM
Impact of contingency accrual	-	0.03	(0.03)	-100.0
Impact of facility closure charges	-	-	-	NM
Impact of US Foods Financing Costs	0.05	-	0.05	NM
<b>Diluted EPS adjusted for certain items (Non-GAAP) (1) (2)</b>	<u>\$ 0.40</u>	<u>\$ 0.38</u>	<u>\$ 0.02</u>	<u>5.3 %</u>
Diluted shares outstanding	598,921,070	590,470,283		

(1) The net earnings and diluted earnings per share impacts are shown net of tax. Tax impact of adjustments for Certain Items was \$30,642 and \$21,816 for the 13-week periods ended March 28, 2015 and March 29, 2014, 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 charged from a contingency accrual in fiscal 2014, which had 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 divided by diluted shares outstanding.

NM represents that the percentage change is not meaningful

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

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

	<b>39-Week Period Ended Mar. 28, 2015</b>	<b>39-Week Period Ended Mar. 29, 2014</b>	<b>39-Week Period Change in Dollars</b>	<b>39-Week Period % Change</b>
<b>Operating expenses (GAAP)</b>	\$ 5,222,985	\$ 4,862,579	\$ 360,406	7.4 %
Impact of MEPP charge	-	(1,451)	1,451	-100.0
Impact of severance charge	(3,907)	(5,109)	1,202	-23.5
Impact of US Foods merger and integration planning costs	(168,109)	(36,769)	(131,340)	357.2
Impact of change in estimate of self insurance	-	(23,841)	23,841	-100.0
Impact of contingency accrual	-	(20,000)	20,000	-100.0
Impact of facility closure charges	(2,203)	(2,497)	294	-11.8
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 5,048,766	\$ 4,772,912	\$ 275,854	5.8 %
<b>Operating Income (GAAP)</b>	\$ 1,108,367	\$ 1,162,600	\$ (54,233)	-4.7 %
Impact of MEPP charge	-	1,451	(1,451)	-100.0
Impact of severance charge	3,907	5,109	(1,202)	-23.5
Impact of US Foods merger and integration planning costs	168,109	36,769	131,340	357.2
Impact of change in estimate of self insurance	-	23,841	(23,841)	-100.0
Impact of contingency accrual	-	20,000	(20,000)	-100.0
Impact of facility closure charges	2,203	2,497	(294)	-11.8
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 1,282,586	\$ 1,252,267	\$ 30,319	2.4 %
<b>Interest Expense (GAAP)</b>	\$ 177,526	\$ 92,536	\$ 84,990	91.8 %
Impact of US Foods financing costs	(97,091)	(3,093)	(93,998)	3,039.1
<b>Adjusted Interest Expense (Non-GAAP)</b>	\$ 80,435	\$ 89,443	\$ (9,008)	-10.1 %
<b>Net earnings (GAAP) (1)</b>	\$ 613,747	\$ 677,362	\$ (63,615)	-9.4 %
Impact of MEPP charge (net of tax)	-	914	(914)	-100.0
Impact of severance charge (net of tax)	2,552	3,219	(667)	-20.7
Impact of US Foods merger and integration planning costs (net of tax)	109,826	23,166	86,660	374.1
Impact of change in estimate of self insurance (net of tax)	-	15,021	(15,021)	-100.0
Impact of contingency accrual (net of applicable tax)	-	18,150	(18,150)	-100.0
Impact of facility closure charges (net of tax)	1,439	1,573	(134)	-8.5
Impact of US Foods Financing Costs (net of tax)	63,430	1,949	61,481	3,154.5
<b>Net earnings adjusted for certain items (Non-GAAP) (1)</b>	\$ 790,994	\$ 741,354	\$ 49,640	6.7 %
<b>Diluted earnings per share (GAAP) (1)</b>	\$ 1.03	\$ 1.15	\$ (0.12)	-10.4 %
Impact of MEPP charge	-	-	-	NM
Impact of severance charge	-	0.01	(0.01)	NM
Impact of US Foods merger and integration planning costs	0.18	0.04	0.14	350.0
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	0.11	-	0.11	NM
<b>Diluted EPS adjusted for certain items (Non-GAAP)(1)(2)</b>	\$ 1.33	\$ 1.26	\$ 0.07	5.6 %
Diluted shares outstanding	596,047,008	589,834,321		

(1) The net earnings and diluted earnings per share impacts are shown net of tax. Tax impact of adjustments for Certain Items was \$94,063 and \$33,628 for the 39-week periods ended March 28, 2015 and March 29, 2014, respectively. Amounts are calculated by multiplying the operating income impact of each item by each period's effective tax rate with the exception of the impact of the charge from a contingency accrual in fiscal 2014, which had 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 divided by diluted shares outstanding.

NM represents that the percentage change is not meaningful

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

(In Thousands)

Sysco's results of operations are impacted by Certain Items as noted in previous non-GAAP reconciliations. Our operating expenses are also impacted by the level of our management incentive accruals year over year. In the second quarter of fiscal 2014, we reduced certain management incentive accruals based on our performance versus our objectives at that time. In the third quarter of fiscal 2015, these same incentives are generally accrued at higher amounts as our fiscal 2015 financial performance is trending more favorably relative to the applicable management incentive targets as compared to fiscal 2014. Management believes that adjusting its operating expenses to remove these increases, as well as our 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 for GAAP measures 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 Certain Items and the impact of the increase in management incentive accruals.

	<b>13-Week Period Ended Mar. 28, 2015</b>	<b>13-Week Period Ended Mar. 29, 2014</b>	<b>Increase in Dollars</b>	<b>13-Week Period % Change</b>
<b>Third quarter FY15 compared to third Quarter FY14</b>				
<b>Increase in operating expenses (GAAP)</b>	\$ 1,730,190	\$ 1,662,116	\$ 68,074	4.1 %
Decrease in Certain Items in operating expense	(49,974)	(54,950)	4,976	-9.1
<b>Increase in operating expenses adjusted for certain items (Non-GAAP)</b>	1,680,216	1,607,166	73,050	4.5 %
Impact of management incentive accruals	(31,617)	(19,692)	(11,925)	60.6
<b>Increase in operating expenses adjusted for certain items and incentive accruals (Non-GAAP)</b>	\$ 1,648,599	\$ 1,587,474	\$ 61,125	3.9 %

**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 a payment for a contingency accrual that arose in fiscal 2014. It also adjusts for a contribution to our retirement plan, which creates a year over year variance from timing. We made a \$50 million contribution to our qualified pension plan in the first 39 weeks of fiscal 2015, while there was no contribution to this plan in the first 39 weeks of fiscal 2014 due to its funding in the fourth quarter of fiscal 2013. 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 and timing of pension contributions. However, free cash flow may not be available for discretionary expenditures, 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>39-Week Period Ended Mar. 28, 2015</b>	<b>39-Week Period Ended Mar. 29, 2014</b>	<b>39-Week Period Change in Dollars</b>	<b>39-Week Period % Change</b>
<b>Net cash provided by operating activities (GAAP)</b>	\$ 860,499	\$ 848,064	\$ 12,435	1.5 %
Additions to plant and equipment	(437,286)	(387,451)	(49,835)	-12.9
Proceeds from sales of plant and equipment	15,404	23,695	(8,291)	-35.0
<b>Free Cash Flow (Non-GAAP)</b>	\$ 438,617	\$ 484,308	\$ (45,691)	-9.4 %
Cash impact of Certain Items	128,069	46,409	81,660	-176.0
Timing impact of pension contribution	50,000	-	50,000	
<b>Adjusted Free Cash Flow (Non-GAAP)</b>	\$ 616,686	\$ 530,717	\$ 85,969	16.2 %

Adjustments represent the cash impact of Certain Items, with the exception of US Foods financing costs, which does not impact either Non-GAAP measure since these costs did not require cash payment in either period. Adjustments for the first 39 weeks of fiscal 2015 include \$107.0 million related to US Foods merger and integration planning costs, \$17.2 million related to the payment of a contingency accrual that arose in the last 39 weeks of fiscal 2014 that was considered a Certain Item in fiscal 2014 and \$3.8 million for all remaining applicable Certain Items. Adjustments for the first 39 weeks of fiscal 2014 include \$25.6 million related to a payment for a withdrawal from a multiemployer plan, \$17.3 million related to US Foods merger and integration planning costs and \$3.4 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 recognized in the Statement of Consolidated Results of Operations.

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

Cost per case is an important metric management uses to measure our expense performance. 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 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 total sales and 80% of our total operating expenses prior to corporate expenses. Our cost per case is also impacted by foreign exchange rates. The U.S. dollar strengthening in fiscal 2015, has the impact of lowering our cost per case results, making improvements look more extensive than actual results would suggest prior to translating Canadian cost per case results. 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 financial measure should be used in conjunction with results presented in accordance with GAAP. In the table that follows, the change in adjusted cost per case is reconciled to cost per case for the third quarter of fiscal 2015 as compared to the third quarter of fiscal 2014.

	<b>13-Week Period Change</b>
<b>Increase in cost per case</b>	\$ 0.02
Impact of Certain Items <sup>(1)</sup>	0.01
<b>Increase in adjusted cost per case (Non-GAAP basis)</b>	\$ 0.03
Impact of foreign exchange rates	0.06
<b>Increase in adjusted cost per case (Non-GAAP basis)</b>	\$ 0.09

(1) The impact of Certain Items excludes severance charges that were applicable in both periods.

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