

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

Sysco's results of operations are impacted by restructuring costs consisting of (1) expenses associated with our revised business technology strategy announced in fiscal 2016, as a result of which we recorded accelerated depreciation on our existing system and incurred costs to convert to a modernized version of our established platform, (2) professional fees related to our three-year strategic plan, (3) restructuring expenses within our Brakes Group operations, and (4) severance charges related to restructuring. Our results of operations are also impacted by the following acquisition-related items: (1) intangible amortization expense (2) transaction costs and (3) integration costs. All acquisition-related costs in fiscal 2017 that have been excluded relate to the Brakes acquisition. Fiscal 2016 acquisition-related costs, however, include (i) Brakes related acquisition costs, (ii) termination costs in connection with the merger that had been proposed with US Foods, Inc. (US Foods) and (iii) financing costs related to the senior notes that were issued in fiscal 2015 to fund the proposed US Foods merger. These senior notes were redeemed in the first quarter of fiscal 2016, triggering a redemption loss of \$86.5 million, and we incurred interest on these notes through the redemption date. The Brakes acquisition also resulted in non-recurring tax expense in fiscal 2017, primarily from non-deductible transaction costs. These fiscal 2017 and fiscal 2016 items are collectively referred to as "Certain Items."

Management believes that adjusting its operating expenses, operating income, operating margin as a percentage of sales, interest expense, net earnings and diluted earnings per share to remove these Certain Items provides an important perspective with respect to our underlying business trends and results and provides meaningful supplemental information to both management and investors that (1) is indicative of the performance of the company's underlying operations and facilitates comparisons on a year-over-year basis and (2) removes those items that are difficult to predict and are often unanticipated, and which as a result, are difficult to include in analysts' financial models and our investors' expectations with any degree of specificity.

Although Sysco has a history of growth through acquisitions, the Brakes Group is significantly larger than the companies historically acquired by Sysco, with a proportionately greater impact on Sysco's consolidated financial statements. Accordingly, Sysco is excluding from its non-GAAP financial measures for the relevant period solely those acquisition costs specific to the Brakes acquisition. We believe this approach significantly enhances the comparability of Sysco's results for the third quarter and first 39 weeks of fiscal 2017 to the same periods in fiscal 2016. Also, given the significance of the Brakes acquisition, management believes that presenting Sysco's financial measures, excluding the Brakes Group operating results (including for this purpose Brakes financing costs, which are not included in the Brakes Group GAAP operating results and are also not Certain Items), enhances comparability of the period over period financial performance of Sysco's legacy business and allows investors to more effectively measure Sysco's progress against the financial goals under Sysco's three year strategic plan.

Set forth below is a reconciliation of sales, operating expenses, operating income, interest expense, net earnings and diluted earnings per share to adjusted results for these measures for the periods presented. Individual components of diluted earnings per share may not add to the total presented due to rounding. Adjusted diluted earnings per share is calculated using adjusted net earnings divided by diluted shares outstanding. present gross profit growth in relation to operating expense growth. Adjusted results reflect Certain Items discussed above as well as those

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

	13-Week Period Ended Apr. 1, 2017	13-Week Period Ended Mar 26, 2016	13-Week Period Change in Dollars	13-Week Period %/bps Change
<b>Sales</b>	\$ 13,524,172	\$ 12,002,791	\$ 1,521,381	12.7%
Impact of Brakes	(1,239,721)	-	(1,239,721)	NM
<b>Sales excluding the impact of Brakes (Non-GAAP)</b>	\$ 12,284,451	\$ 12,002,791	\$ 281,660	2.3%
<b>Gross profit</b>	\$ 2,534,135	\$ 2,142,825	\$ 391,310	18.3%
Impact of Brakes	(298,947)	-	(298,947)	NM
<b>Gross profit excluding the impact of Brakes (Non-GAAP)</b>	\$ 2,235,188	\$ 2,142,825	\$ 92,363	4.3%
<b>Gross margin</b>	18.74%	17.85%		89 bps
Impact of Brakes	0.54%	0.00%		54 bps
<b>Gross margin excluding the impact of Brakes (Non-GAAP)</b>	18.20%	17.85%		34 bps
<b>Operating expenses (GAAP)</b>	\$ 2,098,173	\$ 1,765,207	\$ 332,966	18.9%
Impact of restructuring costs (1)	(40,064)	(59,443)	19,380	-32.6%
Impact of acquisition-related costs (2)	(24,273)	(586)	(23,686)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 2,033,836	\$ 1,705,178	\$ 328,658	19.3%
Impact of Brakes	(317,770)	-	(317,770)	NM
Impact of Brakes restructuring costs (3)	4,813	-	4,813	NM
Impact of Brakes acquisition-related costs (2)	17,048	-	17,048	NM
<b>Operating expenses adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$ 1,737,926	\$ 1,705,178	\$ 32,748	1.9%
<b>Operating income (GAAP)</b>	\$ 435,962	\$ 377,618	\$ 58,344	15.5%
Impact of restructuring costs (1)	40,064	59,443	(19,380)	-32.6%
Impact of acquisition-related costs (2)	24,273	586	23,686	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 500,299	\$ 437,647	\$ 62,652	14.3%
Impact of Brakes	18,823	-	18,823	NM
Impact of Brakes restructuring costs (3)	(4,813)	-	(4,813)	NM
Impact of Brakes acquisition-related costs (2)	(17,048)	-	(17,048)	NM
<b>Operating income adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$ 497,262	\$ 437,647	\$ 59,615	13.6%
<b>Operating margin (GAAP)</b>	3.22%	3.15%		8 bps
<b>Operating margin excluding Certain Items (Non-GAAP)</b>	3.70%	3.65%		5 bps
<b>Operating margin excluding Certain Items and Brakes (Non-GAAP)</b>	4.05%	3.65%		40 bps
<b>Interest expense (GAAP)</b>	\$ 81,004	\$ 57,699	\$ 23,305	40.4%
Impact of acquisition financing costs	-	(10,495)	10,495	NM
<b>Interest expense adjusted for certain items (Non-GAAP)</b>	\$ 81,004	\$ 47,204	\$ 33,800	71.6%

<b>Net earnings (GAAP)</b>	\$	238,278	\$	217,136	\$	21,142	9.7%
Impact of restructuring cost (1)		40,064		59,443		(19,379)	-32.6%
Impact of acquisition-related costs (2)		24,273		586		23,687	NM
Impact of acquisition financing costs		-		10,495		(10,495)	NM
Tax impact of restructuring cost (5)		(17,524)		(22,172)		4,648	-21.0%
Tax impact of acquisition-related costs (5)		(9,229)		(218)		(9,011)	NM
Tax impact of acquisition financing costs (5)		-		(3,914)		3,914	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$	275,862	\$	261,356	\$	14,506	5.6%
Impact of Brakes		(3,020)		-		(3,020)	NM
Impact of Brakes restructuring costs (3)		(3,125)		-		(3,125)	NM
Impact of Brakes acquisition-related costs (2)		(11,065)		-		(11,065)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		20,937		-		20,937	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(9,733)		-		(9,733)	NM
<b>Net earnings adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$	269,856	\$	261,356	\$	8,500	3.3%
<b>Diluted earnings per share (GAAP)</b>	\$	0.44	\$	0.38	\$	0.06	15.8%
Impact of restructuring costs (1)		0.07		0.11		(0.04)	-36.4%
Impact of acquisition-related costs (2)		0.04		-		0.04	NM
Impact of acquisition financing costs		-		0.02		(0.02)	NM
Tax impact of restructuring cost (5)		(0.03)		(0.04)		0.01	-22.8%
Tax impact of acquisition-related costs (5)		(0.02)		-		(0.02)	NM
Tax impact of acquisition financing costs (5)		-		(0.01)		0.01	NM
<b>Diluted EPS adjusted for certain items(Non-GAAP) (4)</b>	\$	0.51	\$	0.46	\$	0.05	10.9%
Impact of Brakes		0.01		-		0.01	NM
Impact of Brakes restructuring costs (3)		(0.01)		-		(0.01)	NM
Impact of Brakes acquisition-related costs (2)		(0.02)		-		(0.02)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		0.04		-		0.04	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(0.02)		-		(0.02)	NM
<b>Diluted EPS adjusted for certain items and excluding the impact of Brakes (Non-GAAP) (4)</b>	\$	0.50	\$	0.46	\$	0.04	8.7%
Impact related to Brakes	\$	0.01					
Diluted shares outstanding		544,068,915		570,814,798			

(1) Includes \$28 million in accelerated depreciation associated with our revised business technology strategy and \$12 million related to severance charges, professional fees on 3-year financial objectives, restructuring expenses within our Brakes operations and costs to convert to legacy systems in conjunction with our revised business technology strategy.

(2) Fiscal 2017 includes \$19 million related to intangible amortization expense from the Brakes acquisition, which is included in the results of Brakes and \$6 million in transaction costs. Fiscal 2016 includes US Foods merger termination costs.

(3) Includes Brakes Acquisition restructuring charges.

(4) 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 divided by diluted shares outstanding.

(5) The tax impact of adjustments for Certain Items are calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred.

(6) Sysco Corporation issued debt to fund the Acquisition. The interest expense arising from the debt issued is attributed to the incremental impact of Brakes operating results, even though it is not a direct obligation of the Brakes Group and is not considered a Certain Item.

NM represents that the percentage change is not meaningful.

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

	<u>39-Week Period Ended Apr. 1, 2017</u>	<u>39-Week Period Ended Mar 26, 2016</u>	<u>39-Week Period Change in Dollars</u>	<u>39-Week Period %/bps Change</u>
<b>Sales</b>	\$ 40,950,094	\$ 36,719,028	\$ 4,231,066	11.5%
Impact of Brakes	(3,852,145)	-	(3,852,145)	NM
<b>Sales excluding the impact of Brakes (Non-GAAP)</b>	\$ 37,097,949	\$ 36,719,028	\$ 378,921	1.0%
<b>Gross profit</b>	\$ 7,797,917	\$ 6,537,634	\$ 1,260,283	19.3%
Impact of Brakes	(995,132)	-	(995,132)	NM
<b>Gross profit excluding the impact of Brakes (Non-GAAP)</b>	\$ 6,802,785	\$ 6,537,634	\$ 265,151	4.1%
<b>Gross margin</b>	19.04%	17.80%		124 bps
Impact of Brakes	0.71%	0.00%		71 bps
<b>Gross margin excluding the impact of Brakes (Non-GAAP)</b>	18.34%	17.80%		53 bps
<b>Operating expenses (GAAP)</b>	\$ 6,302,705	\$ 5,233,959	\$ 1,068,746	20.4%
Impact of restructuring costs (1)	(118,438)	(66,913)	(51,524)	77.0%
Impact of acquisition-related costs (2)	(71,352)	(10,402)	(60,950)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 6,112,915	\$ 5,156,644	\$ 956,271	18.5%
Impact of Brakes	(949,926)	-	(949,926)	NM
Impact of Brakes restructuring costs (3)	9,794	-	9,794	NM
Impact of Brakes acquisition-related costs (2)	56,838	-	56,838	NM
<b>Operating expenses adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$ 5,229,621	\$ 5,156,644	\$ 72,976	1.4%
Gross profit excluding the impact of Brakes (Non-GAAP)	\$ 6,802,785	\$ 6,537,634	\$ 265,151	4.1%
Operating expenses adjusted for certain items and excluding the impact of Brakes (Non-GAAP)	5,229,621	5,156,644	72,976	1.4%
<b>Gap between gross profit growth and expense dollar growth excluding the impact of Brakes (Non-GAAP)</b>				2.6%
<b>Operating income (GAAP)</b>	\$ 1,495,212	\$ 1,303,675	\$ 191,537	14.7%
Impact of restructuring costs (1)	118,438	66,913	51,524	77.0%
Impact of acquisition-related costs (2)	71,352	10,402	60,950	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 1,685,002	\$ 1,380,990	\$ 304,012	22.0%
Impact of Brakes	(45,206)	-	(45,206)	NM
Impact of Brakes restructuring costs (3)	(9,794)	-	(9,794)	NM
Impact of Brakes acquisition-related costs (2)	(56,838)	-	(56,838)	NM
<b>Operating income adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$ 1,573,164	\$ 1,380,990	\$ 192,174	13.9%
<b>Operating margin (GAAP)</b>	3.65%	3.55%		10 bps
<b>Operating margin excluding Certain Items (Non-GAAP)</b>	4.11%	3.76%		35 bps
<b>Operating margin excluding Certain Items and Brakes (Non-GAAP)</b>	4.24%	3.76%		48 bps
<b>Interest expense (GAAP)</b>	\$ 226,858	\$ 231,841	\$ (4,983)	-2.1%
Impact of acquisition financing costs	-	(105,330)	105,330	NM
<b>Interest expense adjusted for certain items (Non-GAAP)</b>	\$ 226,858	\$ 126,511	\$ 100,347	79.3%

<b>Net earnings (GAAP)</b>	\$	837,332	\$	733,955	\$	103,377	14.1%
Impact of restructuring cost (1)		118,438		66,913		51,525	77.0%
Impact of acquisition-related costs (2)		71,352		10,402		60,950	NM
Impact of acquisition financing costs		-		105,330		(105,330)	NM
Tax impact of restructuring cost (5)		(36,840)		(24,958)		(11,882)	47.6%
Tax impact of acquisition-related costs (5)		(19,515)		(3,880)		(15,635)	NM
Tax impact of acquisition financing costs (5)		-		(39,288)		39,288	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$	970,767	\$	848,474	\$	122,293	14.4%
Impact of Brakes		(53,747)		-		(53,747)	NM
Impact of Brakes restructuring costs (3)		(7,220)		-		(7,220)	NM
Impact of Brakes acquisition-related costs (2)		(41,901)		-		(41,901)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		60,618		-		60,618	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(24,732)		-		(24,732)	NM
<b>Net earnings adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$	903,785	\$	848,474	\$	55,311	6.5%
<b>Diluted earnings per share (GAAP)</b>	\$	1.52	\$	1.26	\$	0.26	20.6%
Impact of restructuring costs (1)		0.21		0.11		0.10	90.9%
Impact of acquisition-related costs (2)		0.13		0.02		0.11	NM
Impact of acquisition financing costs		-		0.18		(0.18)	NM
Tax impact of restructuring cost (5)		(0.07)		(0.04)		(0.03)	75.0%
Tax impact of acquisition-related costs (5)		(0.04)		(0.01)		(0.03)	NM
Tax impact of acquisition financing costs (5)		-		(0.07)		0.07	NM
<b>Diluted EPS adjusted for certain items(Non-GAAP) (4)</b>	\$	1.76	\$	1.46	\$	0.30	20.5%
Impact of Brakes		(0.10)		-		(0.10)	NM
Impact of Brakes restructuring costs (3)		(0.01)		-		(0.01)	NM
Impact of Brakes acquisition-related costs (2)		(0.08)		-		(0.08)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		0.11		-		0.11	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(0.04)		-		(0.04)	NM
<b>Diluted EPS adjusted for certain items and excluding the impact of Brakes (Non-GAAP) (4)</b>	\$	1.64	\$	1.46	\$	0.18	12.2%

Diluted shares outstanding

551,797,431

580,980,865

<sup>(1)</sup> Includes \$56 million in accelerated depreciation associated with our revised business technology strategy and \$22 million related to severance charges, professional fees on 3-year financial objectives, restructuring expenses within our Brakes operations and costs to convert to legacy systems in conjunction with our revised business technology strategy.

<sup>(2)</sup> Fiscal 2017 includes \$38 million related to intangible amortization expense from the Brakes acquisition, which is included in the results of Brakes and \$9 million in transaction costs. Fiscal 2016 includes US Foods merger termination costs.

<sup>(3)</sup> Includes Brakes Acquisition restructuring charges.

<sup>(4)</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 divided by diluted shares outstanding.

<sup>(5)</sup> The tax impact of adjustments for Certain Items are calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred. The adjustments also include \$7 million in non-deductible transaction costs and \$4 million in other one-time costs related to the Brakes acquisition.

<sup>(6)</sup> Sysco Corporation issued debt to fund the Acquisition. The interest expense arising from the debt issued is attributed to the incremental impact of Brakes operating results, even though it is not a direct obligation of the Brakes Group and is not considered a Certain Item.

NM represents that the percentage change is not meaningful.

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

Cost per case is an important metric management used to measure our expense performance. This metric is calculated by taking the total operating expense of our U.S. Broadline companies, divided by the number of cases sold. Adjusted cost per case is calculated similarly; however, the operating expense component excludes charges from 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 U.S. Broadline operations represent approximately 92% of the U.S. Foodservice Operations segment's sales and nearly 85% of its operating expenses. Our cost per case is also impacted by lower fuel prices year over year and is significantly lowering our 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 second quarter of fiscal 2017 as compared to the second quarter of fiscal 2016.

	<b>13-Week Period Change</b>
<b>(Decrease) increase in cost per case</b>	\$ (0.019)
Impact of Certain Items <sup>(1)</sup>	(0.003)
<b>(Decrease) increase in adjusted cost per case (Non-GAAP basis)</b>	\$ (0.016)
Impact of fuel prices	(0.003)
<b>(Decrease) increase in adjusted cost per case (Non-GAAP basis)</b>	\$ (0.013)

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

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

	13-Week Period Ended		13-Week Period Change in Dollars	13-Week Period %/bps Change
	Apr. 1, 2017	Mar. 26, 2016		
<b>U.S. Foodservice Operations</b>				
Sales (GAAP)	\$ 9,233,048	\$ 9,037,417	\$ 195,630	2.2%
Gross Profit (GAAP)	1,836,226	1,765,279	70,947	4.0%
Gross Margin (GAAP)	19.89%	19.53%		35 bps
<b>Operating expenses (GAAP)</b>	\$ 1,147,016	\$ 1,121,953	\$ 25,063	2.2%
Impact of restructuring costs	-	(742)	742	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 1,147,016	\$ 1,121,211	\$ 25,805	2.3%
<b>Operating income (GAAP)</b>	\$ 689,210	\$ 643,326	\$ 45,884	7.1%
<b>Operating income margin (GAAP)</b>	7.46%	7.12%		35 bps
Impact of restructuring costs	-	742	(742)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 689,210	\$ 644,068	\$ 45,142	7.0%
<b>Operating income margin adjusted for certain items (Non-GAAP)</b>	7.46%	7.13%		34 bps
<b>International Foodservice Operations</b>				
Sales (GAAP)	\$ 2,528,485	\$ 1,251,815	\$ 1,276,671	NM
Gross Profit (GAAP)	516,748	210,682	306,066	NM
Gross Margin (GAAP)	20.44%	16.83%		361 bps
<b>Operating expenses (GAAP)</b>	\$ 500,672	\$ 177,661	\$ 323,011	NM
Impact of restructuring costs (1)	(6,779)	(308)	(6,470)	NM
Impact of acquisition-related costs (2)	(17,048)	-	(17,048)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 476,845	\$ 177,353	\$ 299,492	NM
<b>Operating income (GAAP)</b>	\$ 16,076	\$ 33,021	\$ (16,945)	-51%
Impact of restructuring costs (1)	6,779	308	6,470	NM
Impact of acquisition-related costs (2)	17,048	-	17,048	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 39,904	\$ 33,329	\$ 6,575	20%
<b>SYGMA</b>				
Sales (GAAP)	\$ 1,535,550	\$ 1,497,365	\$ 38,185	2.6%
Gross Profit (GAAP)	119,481	114,657	4,824	4.2%
Gross Margin (GAAP)	7.78%	7.66%		12 bps
<b>Operating expenses (GAAP)</b>	\$ 112,137	\$ 105,313	\$ 6,824	6.5%
Impact of restructuring costs	-	(20)	20	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 112,137	\$ 105,293	\$ 6,844	6.5%
<b>Operating income (GAAP)</b>	\$ 7,344	\$ 9,344	\$ (2,000)	-21.4%
Impact of restructuring costs	-	20	(20)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 7,344	\$ 9,364	\$ (2,020)	-21.6%

**Other**

Sales (GAAP)	\$	227,089	\$	216,194	\$	10,895	5.0%
Gross Profit (GAAP)		60,096		56,242		3,854	6.9%
Gross Margin (GAAP)		26.46%		26.01%			45 bps
<b>Operating expenses (GAAP)</b>	\$	54,018	\$	49,626	\$	4,392	8.9%
Impact of restructuring costs		-		(52)		52	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$	54,018	\$	49,574	\$	4,444	9.0%
<b>Operating income (GAAP)</b>	\$	6,078	\$	6,616	\$	(538)	-8.1%
Impact of restructuring costs		-		52		(52)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$	6,078	\$	6,668	\$	(590)	-8.8%

**Corporate**

Gross Profit (GAAP)	\$	1,584	\$	(4,035)	\$	5,619	NM
<b>Operating expenses (GAAP)</b>	\$	284,330	\$	310,654	\$	(26,324)	-8.5%
Impact of restructuring costs (3)		(33,286)		(58,320)		25,035	-43%
Impact of acquisition-related costs (4)		(7,224)		(586)		(6,638)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$	243,820	\$	251,747	\$	(7,927)	-3.1%
<b>Operating income (GAAP)</b>	\$	(282,746)	\$	(314,689)	\$	31,943	-10.2%
Impact of restructuring costs (3)		33,286		58,320		(25,035)	-43%
Impact of acquisition-related costs (4)		7,224		586		6,638	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$	(242,236)	\$	(255,782)	\$	13,546	-5.3%

**Total Sysco**

Sales (GAAP)	\$	13,524,172	\$	12,002,791	\$	1,521,381	12.7%
Gross Profit (GAAP)		2,534,135		2,142,825		391,310	18.3%
Gross Margin (GAAP)		18.74%		17.85%			89 bps
<b>Operating expenses (GAAP)</b>	\$	2,098,173	\$	1,765,207	\$	332,966	18.9%
Impact of restructuring costs (1) (3)		(40,064)		(59,443)		19,379	-33%
Impact of acquisition-related costs (2) (4)		(24,273)		(586)		(23,686)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$	2,033,836	\$	1,705,177	\$	328,659	19.3%
<b>Operating income (GAAP)</b>	\$	435,962	\$	377,618	\$	58,344	15.5%
Impact of restructuring costs (1) (3)		40,064		59,443		(19,379)	-33%
Impact of acquisition-related costs (2) (4)		24,273		586		23,686	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$	500,299	\$	437,647	\$	62,652	14.3%

(1) Fiscal 2017 includes Brakes Acquisition-related restructuring charges and other severance charges.

(2) Fiscal 2017 Includes \$19 million for the 13 weeks related to intangible amortization expense from the Brakes acquisition, which is included in the results of the Brakes Group.

(3) Fiscal 2017 includes \$28 million for the 13 weeks period in accelerated depreciation associated with our revised business technology strategy. Also includes \$5 million for the 13 weeks period related to professional fees on 3-year financial objectives and costs to convert to legacy systems in conjunction with our revised business technology strategy.

(4) Fiscal 2017 Includes \$7 million for the 13 period related to transaction costs from the Brakes acquisition. Fiscal 2016 includes US Foods merger termination costs.

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

	39-Week Period Ended		39-Week Period Change in Dollars	39-Week Period %/bps Change
	Apr. 1, 2017	Mar. 26, 2016		
<b>U.S. Foodservice Operations</b>				
Sales (GAAP)	\$ 27,799,728	\$ 27,580,667	\$ 219,061	0.8%
Gross Profit (GAAP)	5,572,364	5,359,023	213,341	4.0%
Gross Margin (GAAP)	20.04%	19.43%		61 bps
<b>Operating expenses (GAAP)</b>	<b>\$ 3,456,602</b>	<b>\$ 3,403,812</b>	<b>\$ 52,790</b>	<b>1.6%</b>
Impact of restructuring costs	(470)	(2,176)	1,706	-78.4%
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<b>\$ 3,456,132</b>	<b>\$ 3,401,636</b>	<b>\$ 54,496</b>	<b>1.6%</b>
<b>Operating income (GAAP)</b>	<b>\$ 2,115,762</b>	<b>\$ 1,955,211</b>	<b>\$ 160,551</b>	<b>8.2%</b>
Impact of restructuring costs	470	2,176	(1,706)	-78.4%
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<b>\$ 2,116,232</b>	<b>\$ 1,957,387</b>	<b>\$ 158,845</b>	<b>8.1%</b>
<b>International Foodservice Operations</b>				
Sales (GAAP)	\$ 7,882,796	\$ 3,922,848	\$ 3,959,948	NM
Gross Profit (GAAP)	1,691,368	677,342	1,014,026	NM
Gross Margin (GAAP)	21.46%	17.27%		419 bps
<b>Operating expenses (GAAP)</b>	<b>\$ 1,511,044</b>	<b>\$ 550,189</b>	<b>\$ 960,855</b>	<b>NM</b>
Impact of restructuring costs (1)	(17,049)	(2,137)	(14,911)	NM
Impact of acquisition-related costs (2)	(56,838)	-	(56,838)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<b>\$ 1,437,157</b>	<b>\$ 548,052</b>	<b>\$ 889,106</b>	<b>NM</b>
<b>Operating income (GAAP)</b>	<b>\$ 180,324</b>	<b>\$ 127,153</b>	<b>\$ 53,171</b>	<b>41.8%</b>
Impact of restructuring costs (1)	17,049	2,137	14,911	NM
Impact of acquisition-related costs (2)	56,838	-	56,838	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<b>\$ 254,211</b>	<b>\$ 129,290</b>	<b>\$ 124,920</b>	<b>96.6%</b>
<b>SYGMA</b>				
Sales (GAAP)	\$ 4,560,424	\$ 4,450,106	\$ 110,319	2.5%
Gross Profit (GAAP)	347,888	336,767	11,121	3.3%
Gross Margin (GAAP)	7.63%	7.57%		6 bps
<b>Operating expenses (GAAP)</b>	<b>\$ 332,481</b>	<b>\$ 316,641</b>	<b>\$ 15,840</b>	<b>5.0%</b>
Impact of restructuring costs	-	(102)	102	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<b>\$ 332,481</b>	<b>\$ 316,539</b>	<b>\$ 15,942</b>	<b>5.0%</b>
<b>Operating income (GAAP)</b>	<b>\$ 15,407</b>	<b>\$ 20,126</b>	<b>\$ (4,719)</b>	<b>-23.4%</b>
Impact of restructuring costs	-	102	(102)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<b>\$ 15,407</b>	<b>\$ 20,228</b>	<b>\$ (4,821)</b>	<b>-23.8%</b>

## Other

Sales (GAAP)	\$	707,146	\$	765,407	\$	(58,261)	-7.6%
Gross Profit (GAAP)		188,475		171,494		16,981	9.9%
Gross Margin (GAAP)		26.65%		22.41%			425 bps
<b>Operating expenses (GAAP)</b>	\$	170,602	\$	147,728	\$	22,874	15.5%
Impact of restructuring costs		-		(115)		115	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$	170,602	\$	147,613	\$	22,989	15.6%
<b>Operating income (GAAP)</b>	\$	17,873	\$	23,766	\$	(5,893)	-24.8%
Impact of restructuring costs		-		115		(115)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$	17,873	\$	23,881	\$	(6,008)	-25.2%

## Corporate

Gross Profit (GAAP)	\$	(2,178)	\$	(6,992)	\$	4,814	-68.9%
<b>Operating expenses (GAAP)</b>	\$	831,976	\$	815,589	\$	16,387	2.0%
Impact of restructuring costs (3)		(100,919)		(62,383)		(38,536)	61.8%
Impact of acquisition-related costs (4)		(14,514)		(10,402)		(4,112)	39.5%
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$	716,543	\$	742,804	\$	(26,261)	-3.5%
<b>Operating income (GAAP)</b>	\$	(834,154)	\$	(822,581)	\$	(11,573)	1.4%
Impact of restructuring costs (3)		100,919		62,383		38,536	61.8%
Impact of acquisition-related costs (4)		14,514		10,402		4,112	39.5%
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$	(718,721)	\$	(749,796)	\$	31,075	-4.1%

## Total Sysco

Sales (GAAP)	\$	40,950,094	\$	36,719,028	\$	4,231,067	11.5%
Gross Profit (GAAP)		7,797,917		6,537,634		1,260,283	19.3%
Gross Margin (GAAP)		19.04%		17.80%			124 bps
<b>Operating expenses (GAAP)</b>	\$	6,302,705	\$	5,233,959	\$	1,068,746	20.4%
Impact of restructuring costs (1) (3)		(118,438)		(66,913)		(51,524)	77.0%
Impact of acquisition-related costs (2) (4)		(71,352)		(10,402)		(60,950)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$	6,112,915	\$	5,156,644	\$	956,271	18.5%
<b>Operating income (GAAP)</b>	\$	1,495,212	\$	1,303,675	\$	191,537	14.7%
Impact of restructuring costs (1) (3)		118,438		66,913		51,524	77.0%
Impact of acquisition-related costs (2) (4)		71,352		10,402		60,950	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$	1,685,002	\$	1,380,990	\$	304,012	22.0%

(1) Fiscal 2017 includes Brakes acquisition-related restructuring charges and other severance charges related to restructuring.

(2) Fiscal 2017 Includes \$57 million for 39 weeks related to intangible amortization expense from the Brakes acquisition, which is included in the results of the Brakes Group.

(3) Fiscal 2017 \$84 million for the 39 weeks in accelerated depreciation associated with our revised business technology strategy. Also includes \$18 million for the 39 weeks period related to professional fees on 3-year financial objectives and costs to convert to legacy systems in conjunction with our revised business technology strategy.

(4) Fiscal 2017 Includes \$15 million for the 39 weeks periods, related to transaction costs from the Brakes acquisition. Fiscal 2016 includes US Foods merger termination costs.

**Sysco Corporation and its Consolidated Subsidiaries**  
**Non-GAAP Reconciliation (Unaudited)**  
**Total Sysco Operating Leverage (excluding Brakes)**

(In Thousands)

	<b>13-Week Period Ended Apr. 1, 2017</b>	<b>13-Week Period Ended Mar. 26, 2016</b>	<b>13-Week Period Change in Dollars</b>	<b>13-Week Period % Change</b>
<b>Gross profit</b>	\$ 2,534,135	\$ 2,142,825	\$ 391,310	18.3%
Impact of Brakes	(298,947)	-	(298,947)	NM
<b>Gross profit excluding the impact of Brakes (Non-GAAP)</b>	<u>\$ 2,235,188</u>	<u>\$ 2,142,825</u>	<u>\$ 92,363</u>	<u>4.3%</u>
<b>Operating expenses (GAAP)</b>	\$ 2,098,173	\$ 1,765,207	\$ 332,966	18.9%
Impact of certain items (1)	(64,336)	(60,030)	(4,306)	NM
Impact of Brakes (2)	(295,909)	-	(295,909)	NM
<b>Operating expenses adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	<u>\$ 1,737,928</u>	<u>\$ 1,705,177</u>	<u>\$ 32,751</u>	<u>1.9%</u>

<sup>(1)</sup> Includes accelerated depreciation associated with our revised business technology, severance charges, professional fees on the 3-year financial objectives, restructuring expenses within our Brakes operations and system conversion costs in conjunction with our revised business technology strategy. Fiscal 2016 includes US Foods merger termination costs.

<sup>(2)</sup> Includes the impact of Brakes and the related intangible amortization and transaction costs.

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

	<b>13-Week Period Ended Apr. 1, 2017</b>	<b>13-Week Period Ended Mar 26, 2016</b>
<b>Operating income (GAAP)</b>	\$ 435,962	\$ 377,618
Impact of restructuring costs (1)	40,064	59,443
Impact of acquisition-related costs (2)	24,273	586
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<u>\$ 500,299</u>	<u>\$ 437,647</u>
<b>Interest expense (GAAP)</b>	\$ 81,004	\$ 57,699
Impact of acquisition financing costs	-	(10,495)
<b>Interest expense adjusted for certain items (Non-GAAP)</b>	<u>\$ 81,004</u>	<u>\$ 47,204</u>
<b>Other expense (income), net (GAAP)</b>	\$ (4,815)	\$ (6,952)
<b>Earnings before income taxes (GAAP)</b>	\$ 359,773	\$ 326,871
<b>Earnings before income taxes adjusted for certain items (Non-GAAP)</b>	\$ 424,110	\$ 397,395
<b>Income taxes (GAAP)</b>	\$ 121,495	\$ 109,735
<b>Effective tax rate (GAAP)</b>	33.8%	33.6%
Tax impact of restructuring cost (3)	17,524	22,172
Tax impact of acquisition-related costs (3)	9,229	218
Tax impact of acquisition financing costs (3)	-	3,914
<b>Income taxes adjusted for certain items (Non-GAAP)</b>	<u>\$ 148,248</u>	<u>\$ 136,039</u>
<b>Effective tax rate adjusted for certain items (Non-GAAP)</b>	35.0%	34.2%

<sup>(1)</sup> Includes \$28 million in accelerated depreciation associated with our revised business technology strategy and \$12 million related to severance charges, professional fees on 3-year financial objectives, restructuring expenses within our Brakes operations and costs to convert to legacy systems in conjunction with our revised business technology strategy.

<sup>(2)</sup> Fiscal 2017 includes \$19 million related to intangible amortization expense from the Brakes acquisition, which is included in the results of Brakes and \$6 million in transaction costs. Fiscal 2016 includes US Foods merger termination costs.

<sup>(3)</sup> The tax impact of adjustments for Certain Items are calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction where the Certain Item was incurred.

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**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. 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 should not be used as a substitute for the most comparable GAAP measure 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.

	<b>39-Week Period Ended Apr 1, 2017</b>	<b>39-Week Period Ended Mar 26, 2016</b>	<b>39-Week Period Change in Dollars</b>	<b>39-Week Period % Change</b>
<b>Net cash provided by operating activities (GAAP)</b>	\$ 1,024,775	\$ 988,981	\$ 35,794	3.6 %
Additions to plant and equipment	(413,776)	(360,883)	(52,893)	-14.7
Proceeds from sales of plant and equipment	19,091	12,623	6,468	51.2
<b>Free Cash Flow (Non-GAAP)</b>	<b>\$ 630,090</b>	<b>\$ 640,721</b>	<b>\$ (10,631)</b>	<b>-1.7 %</b>