



Sysco 2Q15 Earnings Results

February 2, 2015

Forward-Looking Statements

Forward-Looking Statements

Statements made in this press release or in our earnings call for the second quarter of fiscal 2015 that look forward in time or that express management's beliefs, expectations or hopes are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. These statements include our plans and expectations related to and the benefits and expected timing of our business transformation initiatives, expectations and efforts regarding management of operating expenses, our plans and expectations related to and the benefits of the proposed merger with US Foods, and our plans and expectations related to acquisitions. These statements also include expectations regarding our sales growth, operating expense growth and operating performance results, trends in our locally-managed business and overall sales mix, market conditions and trends, growth opportunities, inflation, fuel expense, interest expense, our expense management and cost per case performance, share repurchases, business transformation costs and expenses, investments in technology resources, free cash flow and capital expenditures. The success of our business transformation initiatives and expectations regarding our operating performance are subject to the general risks associated with our business, including the risks of interruption of supplies due to lack of long-term contracts, severe weather, crop conditions, work stoppages, intense competition, technology disruptions, dependence on large regional and national customers, inflation risks, the impact of fuel prices, adverse publicity, and labor issues. Risks and uncertainties also include risks impacting the economy generally, including the risks that the current general economic conditions will deteriorate, or consumer confidence in the economy may not increase and decreases in consumer spending, particularly on food-away-from-home, may not reverse. Market conditions may not improve as anticipated. If sales from our locally managed customers do not grow at the same rate as sales from regional and national customers, our gross margins may continue to decline. Our ability to meet our long-term strategic objectives to grow the profitability of our business depends largely on the success of our Business Transformation Project. There are various risks related to the project, including the risk that the project and its various components may not provide the expected benefits in our anticipated time frame, if at all, and may prove costlier than expected; the risk that the actual costs of the ERP system may be greater or less than currently expected because we have encountered, and may continue to encounter, the need for changes in design or revisions of the project calendar and budget, including the incurrence of expenses at an earlier or later time than currently anticipated; the risk that our business and results of operations may be adversely affected if we experience delays in deployment, operating problems, cost overages or limitations on the extent of the business transformation during the ERP implementation process; and the risk of adverse effects to our business, results of operations and liquidity if the ERP system, and the associated process changes, do not prove to be cost effective or do not result in the cost savings and other benefits at the levels that we anticipate. Planned deployments in the coming quarters are dependent upon the success of the ERP system and the updates at the current locations. We may experience delays, cost overages or operating problems when we deploy the system to additional locations. Our plans related to and the timing of the implementation of the ERP system, as well as the cost transformation and category management initiatives, are subject to change at any time based on management's subjective evaluation of our overall business needs. We may fail to realize anticipated benefits, particularly expected cost savings, from our cost transformation initiative. If we are unable to realize the anticipated benefits from our cost cutting efforts, we could become cost disadvantaged in the marketplace, and our competitiveness and our profitability could decrease. We may also fail to realize the full anticipated benefits of our category management initiative, and may be unable to successfully execute the initiative in our anticipated timeline. Capital expenditures may vary from those projected based on changes in business plans and other factors, including risks related to the implementation of our business transformation initiatives and our regional distribution centers, the timing and successful completions of acquisitions, construction schedules and the possibility that other cash requirements could result in delays or cancellations of capital spending. Periods of high inflation, either overall or in certain product categories, can have a negative impact on us and our customers, as high food costs can reduce consumer spending in the food-away-from-home market, and may negatively impact our sales, gross profit, operating income and earnings. Expanding into international markets presents unique challenges and risks, including compliance with local laws, regulations and customs and the impact of local political and economic conditions, and such expansion efforts may not be successful. Any business that we acquire may not perform as expected, and we may not realize the anticipated benefits of our acquisitions. The consummation of the merger with US Foods is subject to regulatory approval and the satisfaction of certain conditions, and we cannot predict whether the necessary conditions will be satisfied or waived and the requisite regulatory approvals received. We also may be subject to potential antitrust or similar lawsuits at the federal or state level. Sysco and US Foods may be required to take certain actions to obtain regulatory approval for the merger, including the divestiture of assets, which could negatively impact the projected benefits of the merger. Termination of the merger agreement with US Foods could require Sysco to make a termination payment of \$300 million, which could adversely impact Sysco's stock price, liquidity and financial condition. As a result of uncertainties surrounding the proposed merger, prospective suppliers and customers may delay or decline to enter into agreements with us, and we may also lose current suppliers and customers, and fail to retain key employees. The pending merger and our current pre-merger integration planning efforts may divert our management's attention from day-to-day business operations and the execution of our business transformation initiatives, which could result in performance shortfalls. Integration of the businesses of Sysco and US Foods may be more difficult, costly or time consuming than expected, and the merger may not result in any or all of the anticipated benefits, including cost synergies. We may fail to retain some of US Foods' vendors and customers after the proposed merger. In relation to the merger, we have issued additional debt and our level of indebtedness and the terms of our indebtedness could adversely affect our business and liquidity position. For a discussion of additional factors impacting Sysco's business, see the Company's Annual Report on Form 10-K for the year ended June 28, 2014, as filed with the Securities and Exchange Commission, and the Company's subsequent filings with the SEC. Sysco does not undertake to update its forward-looking statements.

Additional Information for USF Stockholders

In connection with the proposed transaction, Sysco filed with the Securities and Exchange Commission ("SEC"), and the SEC declared effective on August 8, 2014, a Registration Statement on Form S-4 that includes a consent solicitation statement of USF that also constitutes a prospectus of Sysco. STOCKHOLDERS OF USF ARE URGED TO READ THE CONSENT SOLICITATION STATEMENT/PROSPECTUS CONTAINED IN THE REGISTRATION STATEMENT AND OTHER RELEVANT MATERIALS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY, BECAUSE THESE MATERIALS CONTAIN IMPORTANT INFORMATION. The consent solicitation statement/prospectus, Registration Statement and other relevant materials, including any documents incorporated by reference therein, may be obtained free of charge at the SEC's website at www.sec.gov or for free from Sysco at www.sysco.com/investors or by emailing investor_relations@corp.sysco.com. You may also read and copy any reports, statements and other information filed by Sysco with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for further information on its public reference room.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

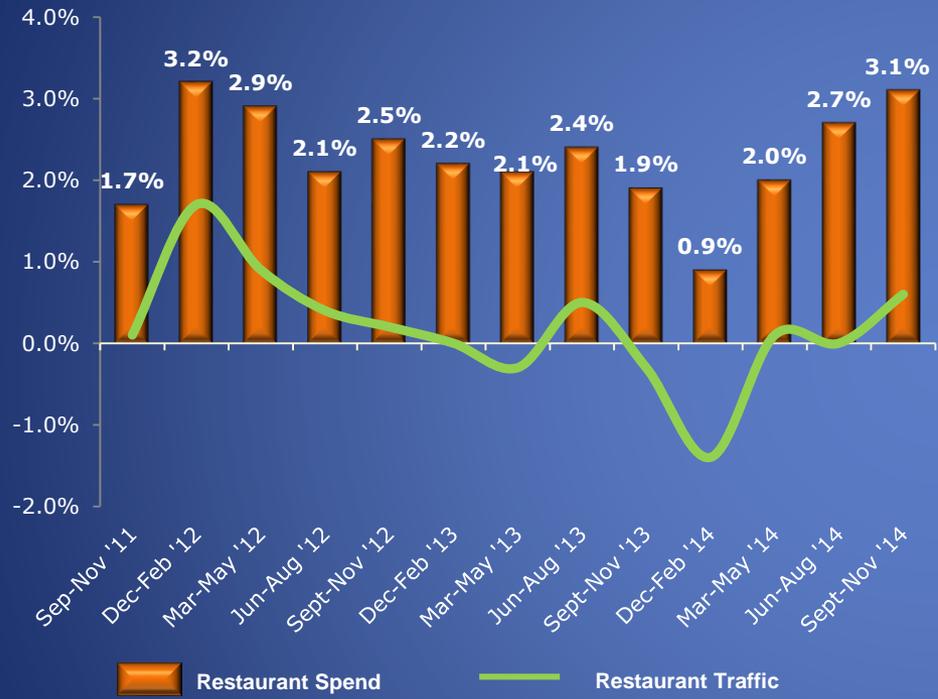
2Q15 Highlights

	Adjusted ¹		Reported	
\$M, except per share data	2Q15	YOY % Change	2Q15	YOY % Change
Sales	\$12,087	7.6%	\$12,087	7.6%
Gross Profit	\$2,085	6.1%	\$2,085	6.1%
Operating Expenses	\$1,689	6.8%	\$1,770	9.7%
Operating Income	\$396	3.1%	\$315	(10.3%)
Net Earnings	\$245	5.5%	\$158	(25.1%)
Diluted EPS	\$0.41	5.1%	\$0.27	(25.0%)

¹ See Non-GAAP reconciliations at the end of this presentation.

Restaurant Spend and Traffic Increase

Restaurant Spend/Traffic (1)
% Change vs. Year Ago



U.S. Retail Data(2)
% Change vs. Year Ago



NPD reported positive casual dining traffic for the first time since 2008

1) Source: NPD Crest
2) Source: U.S. Dept. of Commerce

Business Transformation Progress

Technology

- ❑ Continued focus on merger integration planning
- ❑ SAP focus is now on support functions/SBS including Finance, Accounting and HR

Lower Product Costs

- ❑ All categories to be launched into the market by the end of FY15
- ❑ Total annual spend in scope of \$15B
- ❑ Year-over-year benefits begin to moderate in 4Q15

Lower Cost Structure

- ❑ Continued identification and application of best practices
- ❑ Implementing tools to manage labor and expenses more effectively

We continue to expect to exceed our goal of \$550-650 million in annual benefits in FY15

US Foods Merger Update

- ❑ Definitive agreement to sell 11 US Foods facilities to Performance Food Group, contingent on consummation of the proposed merger
- ❑ We believe this divestiture package fully addresses FTC concerns
- ❑ At this time, the FTC has not agreed to this solution
 - Sysco will now present its position, including this proposed remedy, to the five FTC commissioners and seek to obtain their approval

Key Takeaways

- ❑ Encouraged by solid performance in 2Q15 and progress in implementing portfolio of business transformation initiatives
- ❑ Business environment remains extremely competitive
- ❑ We have many opportunities to enhance customer experience, strengthen operating performance and increase profitability

	Adjusted ¹		Reported	
\$M, except per share data	1H FY15	YOY % Change	1H FY15	YOY % Change
Sales	\$24,532	6.9%	\$24,532	6.9%
Gross Profit	\$4,274	6.0%	\$4,274	6.0%
Operating Expenses	\$3,369	6.4%	\$3,493	9.1%
Operating Income	\$905	4.7%	\$781	(5.9%)
Net Earnings	\$554	6.8%	\$437	(12.0%)
Diluted EPS	\$0.93	5.7%	\$0.73	(13.1%)

¹ See Non-GAAP reconciliations at the end of this presentation.

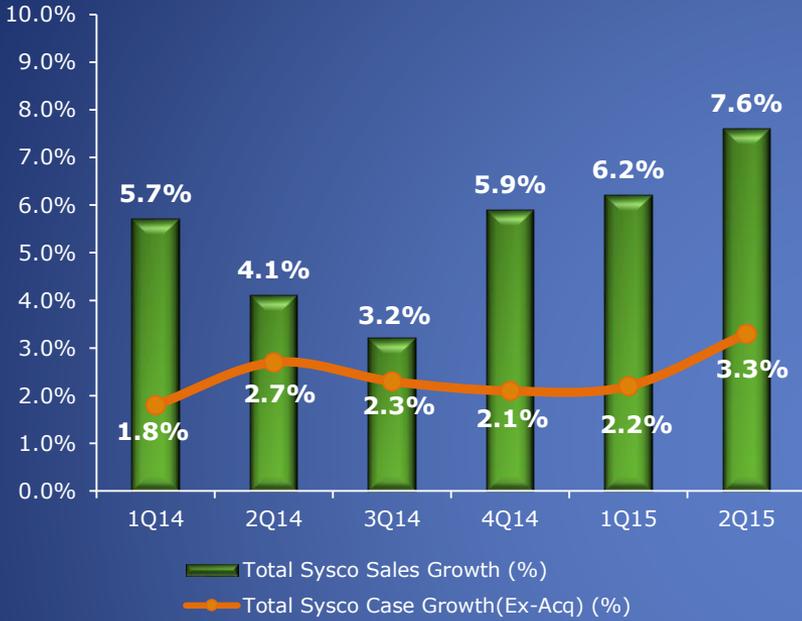
2Q15 Financial Highlights

	Adjusted ¹		Reported	
\$M except per share data	2Q15	YOY % Change	2Q15	YOY % Change
Sales	\$12,087	7.6%	\$12,087	7.6%
Gross Profit	\$2,085	6.1%	\$2,085	6.1%
Operating Expenses	\$1,689	6.8%	\$1,770	9.7%
Operating Income	\$396	3.1%	\$315	(10.3%)
Net Earnings	\$245	5.5%	\$158	(25.1%)
Diluted EPS	\$0.41	5.1%	\$0.27	(25.0%)

¹ See Non-GAAP reconciliations at the end of this presentation.

Inflation Contributed Significantly to Sales Growth

Sales and Case Growth



Sysco's Estimated Product Cost Inflation



- ❑ Sales growth (+7.6%) was driven by double digit inflation in meat & dairy categories
- ❑ Case growth for 2Q15 was 3.6%
- ❑ Case growth trend in Broadline corporate-managed business was encouraging (particularly within restaurant and travel and leisure segments); locally-managed Broadline business remained relatively steady

(1) Includes Broadline and SYGMA

Improving Gross Profit Performance Trend

YOY % Change in Gross Profit \$ and Gross Margin (Bps)



- Gross profit increased 6.1% to \$ 12.1 billion
- Gross margin declined 23 bps to 17.25%

Category Management benefited gross profit performance

2Q15 Operating Expenses

- ❑ Reported operating expense +9.7%
- ❑ Adjusted¹ operating expense +6.8% (+4.2% excl. incentive accrual adj.)
- ❑ Cost per case² increased \$0.08/case



¹ See Non-GAAP reconciliations at the end of this presentation
² North America Broadline

Cash Flow

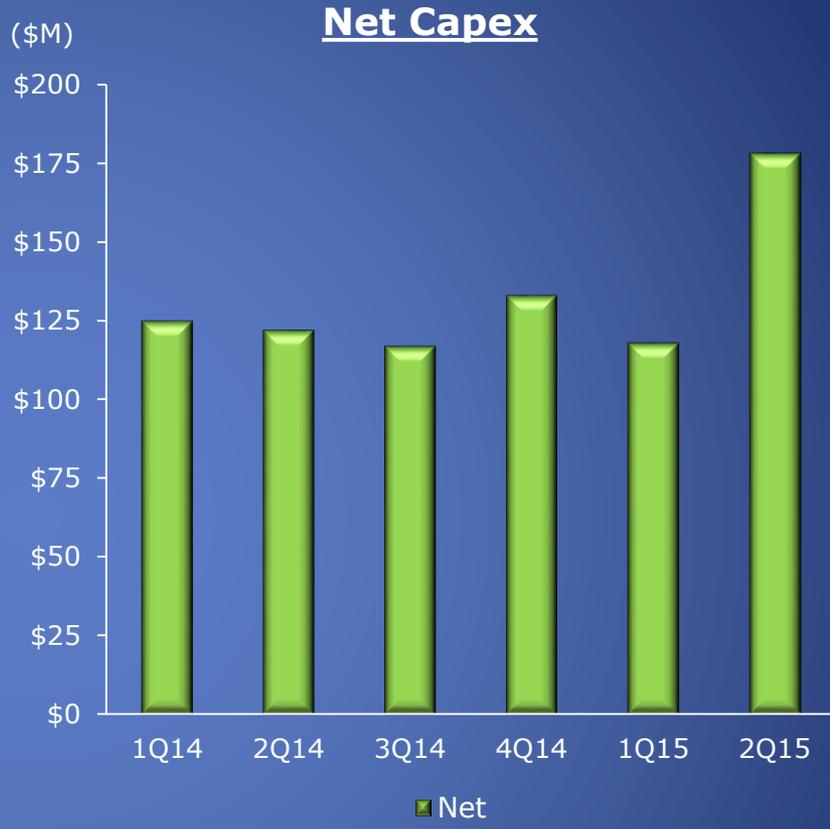
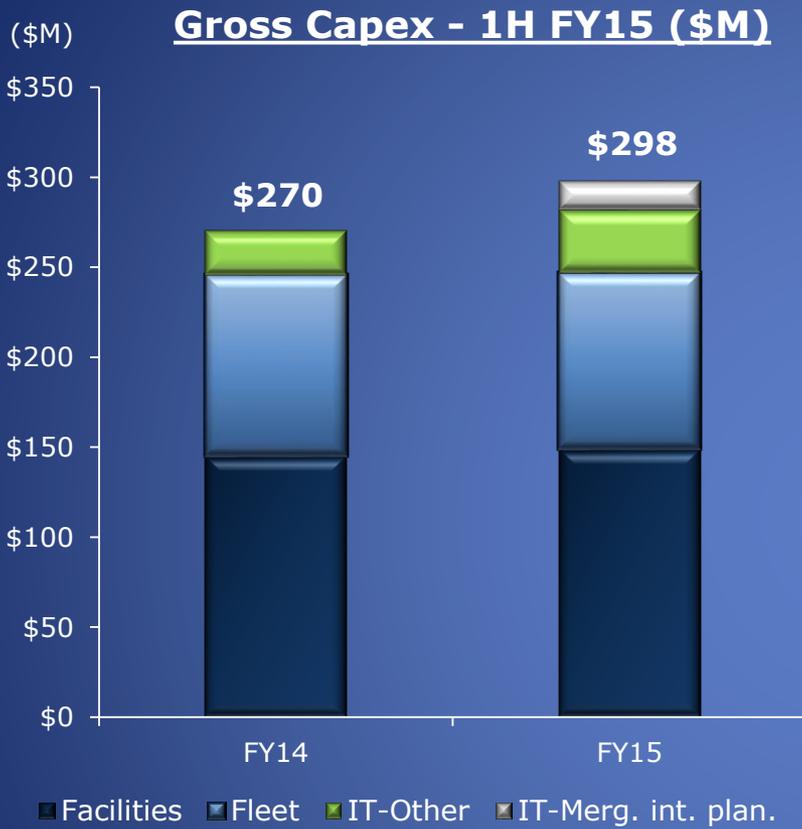
(\$M)	1H FY15	1H FY14	% Chg
Cash Flow from Operations	\$452	\$458	(1%)
Capital Expenditures, net¹	(\$296)	(\$247)	20%
Free Cash Flow²	\$157	\$211	(26)%
Adjusted Free Cash Flow³	\$324	\$217	50%
Dividends Paid	\$341	\$328	4%

1) Capital expenditures are net of proceeds from sales of plant and equipment

2) Free cash flow may not foot due to rounding; see non-GAAP reconciliations

3) Adjusted for merger and integration-related spending and timing of pension contributions; see non-GAAP reconciliations

Strategic Investments in Capital Expenditures



- ❑ Increase in capital spend during 2Q15 driven by timing of fleet purchases and IT-related spend
- ❑ IT capital spending for merger integration planning in 1H FY15 totaled \$16 million

US Foods Merger Update

- ❑ Announced definitive agreement to sell to Performance Food Group 11 US Foods operating locations representing \$4.6 billion in annual sales
 - Sysco would receive \$850 million in cash in return from PFG

- ❑ Integration planning work has enabled us to refine and enhance confidence in our synergy estimates, and gross synergies are substantially higher than originally estimated
 - Even after divestitures, net annualized operating synergies are estimated to be at least \$600 million after four years
 - Interest savings will total approximately \$115 million annually
 - Cash tax savings from the realization of acquired NOLs are expected to total approximately \$150 million (in first year following close)

- ❑ Merger costs estimated to be incurred over four years
 - Incremental expenses -- approximately \$700-800 million
 - Incremental capital spend -- approximately \$300-400 million
 - Actual gross costs to integrate will be higher than incremental costs, with a portion funded from current run rate operating expense and capital

Good things
come from
Sysco®

Non-GAAP Reconciliations

Non-GAAP Reconciliations

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, US Foods related financing costs and a change in estimate of self-insurance specific to fiscal 2014, (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 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.

Non-GAAP Reconciliations

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 Dec. 27, 2014	13-Week Period Ended Dec. 28, 2013	13-Week Period Change in Dollars	13-Week Period % Change
Operating expenses (GAAP)	\$ 1,769,690	\$ 1,613,174	\$ 156,516	9.7%
Impact of MEPP charge	-	(1,451)	1,451	-100.0
Impact of severance charges	(1,738)	(2,014)	276	-13.7
Impact of US Foods merger and integration planning costs	(78,019)	(4,352)	(73,667)	1,692.7
Impact of change in estimate of self insurance	-	(23,841)	23,841	-100.0
Impact of facility closure charges	(1,052)	(736)	(316)	42.9
Operating expenses adjusted for certain items (Non-GAAP)	\$ 1,688,881	\$ 1,580,780	\$ 108,101	6.8%
Operating Income (GAAP)	\$ 315,446	\$ 351,777	\$ (36,331)	-10.3%
Impact of MEPP charge	-	1,451	(1,451)	-100.0
Impact of severance charge	1,738	2,014	(276)	-13.7
Impact of US Foods merger and integration planning costs	78,019	4,352	73,667	1,692.7
Impact of change in estimate of self insurance	-	23,841	(23,841)	-100.0
Impact of facility closure charges	1,052	736	316	42.9
Operating income adjusted for certain items (Non-GAAP)	\$ 396,255	\$ 384,171	\$ 12,084	3.1%
Interest Expense (GAAP)	\$ 77,042	\$ 29,784	\$ 47,258	158.7%
Impact of US Foods financing costs	(52,057)	-	(52,057)	NM
Adjusted Interest Expense (Non-GAAP)	\$ 24,985	\$ 29,784	\$ (4,799)	-16.1%
Net earnings (GAAP) (1)	\$ 157,979	\$ 210,835	\$ (52,856)	-25.1%
Impact of MEPP charge	-	938	(938)	-100.0
Impact of severance charge	1,133	1,302	(169)	-13.0
Impact of US Foods merger and integration planning costs	50,876	2,813	48,063	1,708.6
Impact of change in estimate of self insurance	-	15,408	(15,408)	-100.0
Impact of facility closure charges	686	476	210	44.1
Impact of US Foods financing costs	33,946	-	33,946	NM
Net earnings adjusted for certain items (Non-GAAP) (1)	\$ 244,620	\$ 231,772	\$ 12,848	5.5%
Diluted earnings per share (GAAP) (1)	\$ 0.27	\$ 0.36	\$ (0.09)	-25.0%
Impact of MEPP charge	-	-	-	NM
Impact of severance charge	-	-	-	NM
Impact of US Foods merger and integration planning costs	0.09	-	0.09	NM
Impact of change in estimate of self insurance	-	0.03	(0.03)	-100.0
Impact of facility closure charges	-	-	-	NM
Impact of US Foods financing costs	0.06	-	0.06	NM
Diluted EPS adjusted for certain items (Non-GAAP) (1) (2)	\$ 0.41	\$ 0.39	\$ 0.02	5.1%
Diluted shares outstanding	595,911,680	587,926,287		

(1) The net earnings and diluted earnings per share impacts are shown net of tax. Tax impact of adjustments for Certain Items was \$46,224 and \$11,457 for the 13-week periods ended December 27, 2014 and December 28, 2013, respectively. Amounts are calculated by multiplying the operating income impact of each item by each quarter's effective tax rate.

(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

Non-GAAP Reconciliations

Sysco Corporation and its Consolidated Subsidiaries

Non-GAAP Reconciliation (Unaudited)

Impact of Certain Items

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

	26-Week Period Ended Dec. 27, 2014	26-Week Period Ended Dec. 28, 2013	26-Week Period Change in Dollars	26-Week Period % Change
Operating expenses (GAAP)	\$ 3,492,795	\$ 3,200,463	\$ 292,332	9.1 %
Impact of MEPP charge	-	(1,451)	1,451	-100.0
Impact of severance charges	(3,542)	(3,596)	54	-1.5
Impact of US Foods merger and integration planning costs	(118,499)	(4,352)	(114,147)	2,622.9
Impact of change in estimate of self insurance	-	(23,841)	23,841	-100.0
Impact of facility closure charges	(2,203)	(1,475)	(728)	49.4
Operating expenses adjusted for certain items (Non-GAAP)	\$ 3,368,551	\$ 3,165,748	\$ 202,803	6.4 %
Operating Income (GAAP)	\$ 781,059	\$ 829,975	\$ (48,916)	-5.9 %
Impact of MEPP charge	-	1,451	(1,451)	-100.0
Impact of severance charge	3,542	3,596	(54)	-1.5
Impact of US Foods merger and integration planning costs	118,499	4,352	114,147	2,622.9
Impact of change in estimate of self insurance	-	23,841	(23,841)	-100.0
Impact of facility closure charges	2,203	1,475	728	49.4
Operating income adjusted for certain items (Non-GAAP)	\$ 905,303	\$ 864,690	\$ 40,613	4.7 %
Interest Expense (GAAP)	\$ 107,976	\$ 60,312	\$ 47,664	79.0 %
Impact of US Foods financing costs	(55,761)	-	(55,761)	NM
Adjusted Interest Expense (Non-GAAP)	\$ 52,215	\$ 60,312	\$ (8,097)	-13.4 %
Net earnings (GAAP)(1)	\$ 436,792	\$ 496,425	\$ (59,633)	-12.0 %
Impact of MEPP charge	-	924	(924)	-100.0
Impact of severance charge	2,299	2,292	7	0.3
Impact of US Foods merger and integration planning costs	76,901	2,775	74,126	2,671.2
Impact of change in estimate of self insurance	-	15,203	(15,203)	-100.0
Impact of facility closure charges	1,430	941	489	52.0
Impact of US Foods financing costs	36,187	-	36,187	NM
Net earnings adjusted for certain items (Non-GAAP) (1)	\$ 553,609	\$ 518,560	\$ 35,049	6.8 %
Diluted earnings per share (GAAP) (1)	\$ 0.73	\$ 0.84	\$ (0.11)	-13.1 %
Impact of MEPP charge	-	-	-	NM
Impact of severance charge	-	-	-	NM
Impact of US Foods merger and integration planning costs	0.13	-	0.13	NM
Impact of change in estimate of self insurance	-	0.03	(0.03)	NM
Impact of facility closure charges	-	-	-	NM
Impact of US Foods financing costs	0.06	-	0.06	NM
Diluted EPS adjusted for certain items (Non-GAAP)(1)(2)	\$ 0.93	\$ 0.88	\$ 0.05	5.7 %
Diluted shares outstanding	594,610,315	589,516,342		

(1) The net earnings and diluted earnings per share impacts are shown net of tax. Tax impact of adjustments for Certain Items was \$63,189 and \$12,576 for the 26-week periods ended December 27, 2014 and December 28, 2013, respectively. Amounts are calculated by multiplying the operating income impact of each item by each quarter's effective tax rate.

(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 -

Non-GAAP Reconciliations

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 reduce certain management incentive accruals based on our performance versus our objectives at that time. In the second quarter of fiscal 2015, these same incentives are generally accrued at higher amounts, reflecting the impact of our recent performance. 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.

	Increase in Dollars	13-Week Period % Change
Second quarter FY15 compared to Second Quarter FY14		
Increase in operating expenses (GAAP)	\$ 156,516	9.7%
Increase in Certain Items in operating expense	(48,415)	149.5
Operating expenses adjusted for certain items (Non-GAAP)	108,101	6.8%
Impact of management incentive accruals	(41,335)	429.9
Operating expenses adjusted for certain items (Non-GAAP)	\$ 66,766	4.2%

Non-GAAP Reconciliations

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 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 since a contribution was made in the first 26 weeks of fiscal 2015 and there was no comparable contribution in the first 26 weeks of fiscal 2014. 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. 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.

	26-Week Period Ended Dec. 27, 2014	26-Week Period Ended Dec. 28, 2013	26-Week Period Change in Dollars	26-Week Period % Change
Net cash provided by operating activities (GAAP)	\$ 452,438	\$ 458,164	\$ (5,726)	-1.2%
Additions to plant and equipment	(298,068)	(270,432)	(27,636)	-10.2
Proceeds from sales of plant and equipment	2,130	23,480	(21,350)	-90.9
Free Cash Flow (Non-GAAP)	\$ 156,500	\$ 211,212	\$ (54,712)	-25.9%
Cash impact of certain items	117,668	5,505	112,163	-2,037.5
Timing impact of pension contribution	50,000	-	50,000	
Adjusted Free Cash Flow (Non-GAAP)	\$ 324,168	\$ 216,717	\$ 107,451	49.6%

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 26 weeks of fiscal 2015 include \$81.2 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 26 weeks of fiscal 2014 that was considered a Certain Item in fiscal 2014 and \$3.3 million for all remaining applicable Certain Items. None of the adjustments for the first 26 weeks of fiscal 2014 were individually significant. 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.