


Sysco 1Q13 Earnings Results

November 5, 2012

Good things come from Sysco

Forward-Looking Statements

Statements made in this press release or in our earnings call for the first quarter of fiscal 2013 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. The success of our business transformation initiatives is subject to the general risks associated with our business, including the risk of interruption of supplies due to lack of long-term contracts, severe weather, work stoppages or otherwise, inflation risks, the impact of fuel prices, and labor issues. Additionally, certain agricultural areas of the United States experienced severe drought in the summer of 2012, and we may experience increased input costs for a large portion of the products we sell for up to a one year period as a result. Risks and uncertainties also include risks impacting the economy generally, including the risk that the current economic downturn will continue, or that consumer confidence in the economy may not increase and decreases in consumer spending, particularly on food prepared outside the home, may not reverse. Also, there are risks related to our Business Transformation Project, including that the expected costs of our Business Transformation Project in fiscal 2013 may be greater or less than currently expected because we may 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 operating problems, scheduling delays, cost overages or limitations on the extent of the business transformation during the ERP implementation and deployment process; and the risk of adverse effects if the ERP system, and the associated process changes, do not prove to be cost effective or result in the cost savings and other benefits that we anticipate. In fiscal 2011 and fiscal 2012, we took additional time to test and improve the underlying ERP system prior to larger scale development, and these actions caused a delay in the project; we may experience further delays and/or cost overages as we deploy the system on a larger scale. Planned conversions in the coming quarters and the potential acceleration of the rate of conversions is dependent upon the success of current conversions and plans are subject to change at any time based on management's subjective evaluation of our overall business needs. Other aspects of our business transformation initiatives, including our category management initiative and our cost transformation initiative, may fail to provide the expected benefits in a timely fashion, if at all. 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 Project 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. Current projections regarding industry growth may change and growth in the industry is subject to factors beyond our control. Our expectations regarding sales from acquisitions and the timing of acquisitions and related benefits may not occur as expected, if at all. Acquisitions may not close, or may be delayed, because of factors beyond our control, including the need for regulatory approvals. We may not be successful in completing potential acquisitions that are currently in the pipeline and, as such, may not realize the expected benefits from these potential acquisitions. Fuel expense may vary from projections based on fluctuations in fuel costs, which are impacted by general economic conditions beyond our control. In the past, increased fuel prices have significantly increased our costs and reduced consumers' demand for meals served away from home. 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 30, 2012, 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.

Bill DeLaney

President & CEO

1Q13 Highlights

	Adjusted Results[1]		Reported	
$ Millions, except share data	1Q13	YOY % Change	1Q13	YOY % Change
Sales	**$11,087**	**4.7%**	**$11,087**	**4.7%**
Gross Profit	**$2,004**	**2.9%**	**$2,004**	**2.9%**
Operating Expenses	**$1,441**	**3.2%**	**$1,525**	**6.0%**
Operating Income	**$563**	**2.0%**	**$479**	**(6.0%)**
Net Earnings	**$340**	**3.2%**	**$287**	**(5.3%)**
Diluted EPS	**$0.58**	**3.6%**	**$0.49**	**(3.9%)**

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

Good things come from Sysco

Business Transformation Update

- East Texas conversion successful
- Significant milestone reached with North Texas and West Texas conversions in late October
  - First simultaneous conversion of multiple operating companies
  - First conversion of a very large operating company (North Texas)
- Continuing to utilize a market-based deployment approach
  - Next planned conversions in Texas and Louisiana
- SBS is functioning well
- Making progress in initiatives to reduce cost structure and lower product costs
  - Maintenance and CRM on track to be installed throughout U.S. Broadline by Dec. 31
- Exploring opportunities to accelerate pace in FY14

Key Takeaways

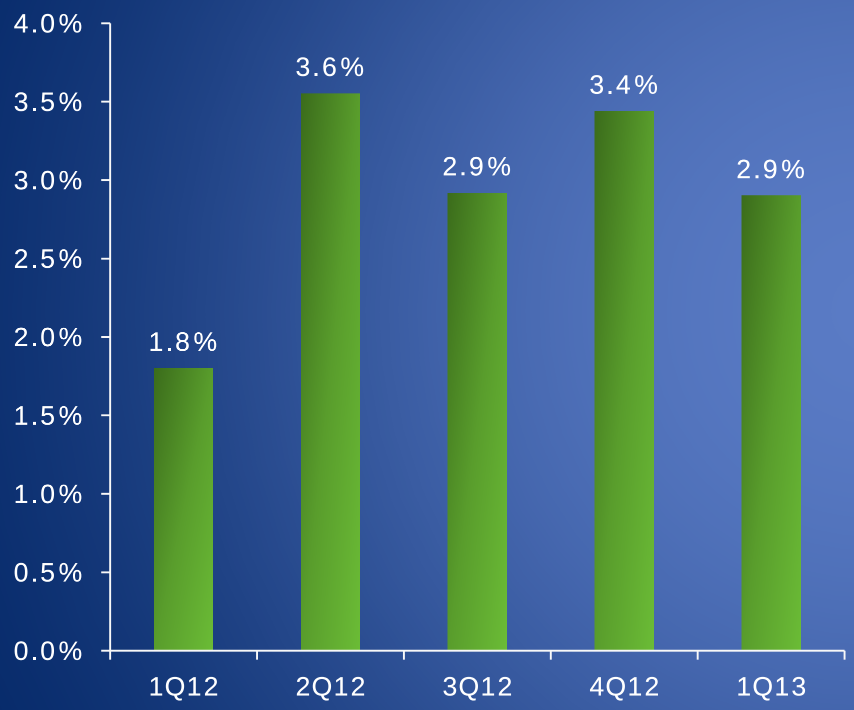
- Returning value to our shareholders remains a priority
- Speed and execution in fiscal 2013 will be key as we continue to develop and implement key initiatives to support our Business Transformation
- Investments we are making in our business will improve our financial results over time and enhance our leadership position

Chris Kreidler

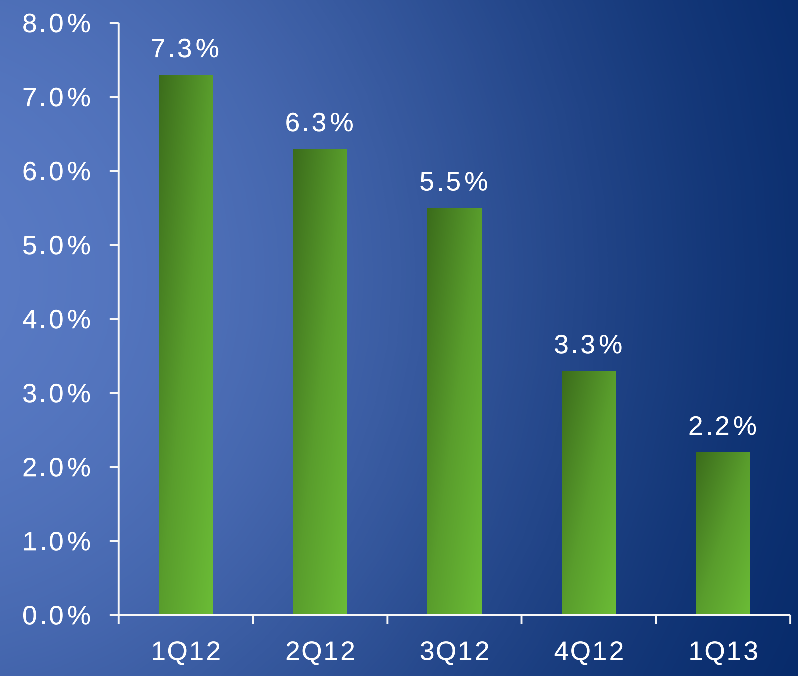
EVP & CFO

Case Growth and Inflation Drive Sales Growth

Case Growth[1]



Inflation

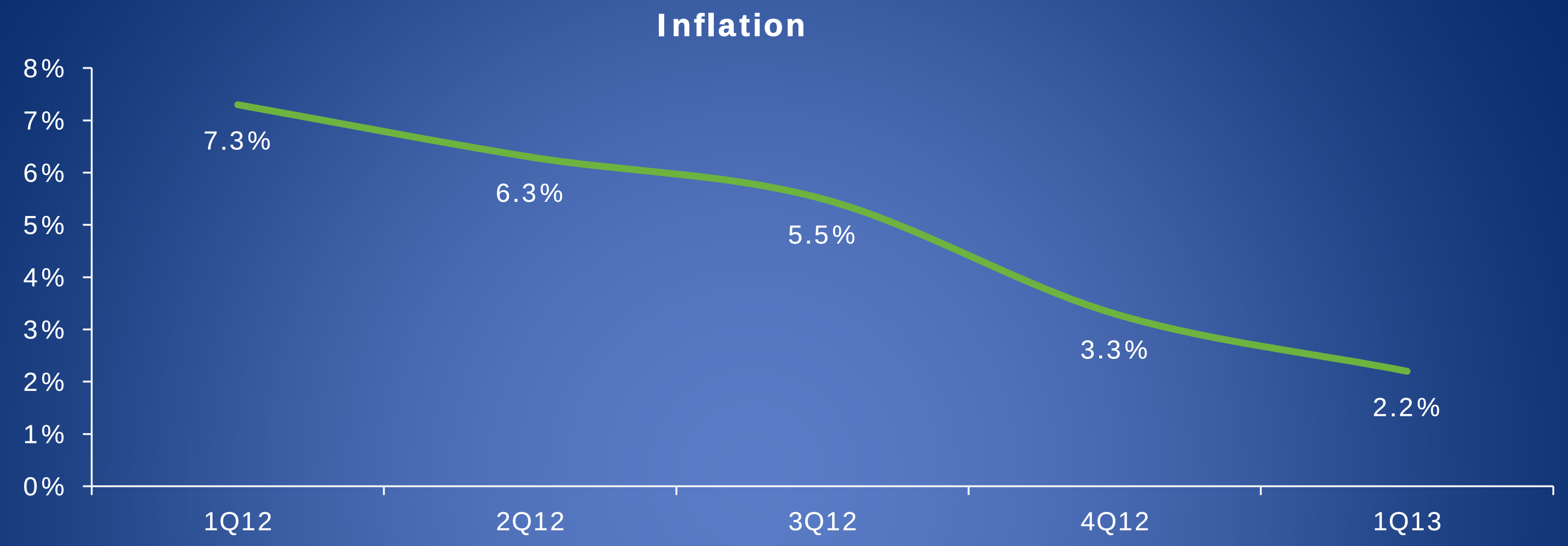


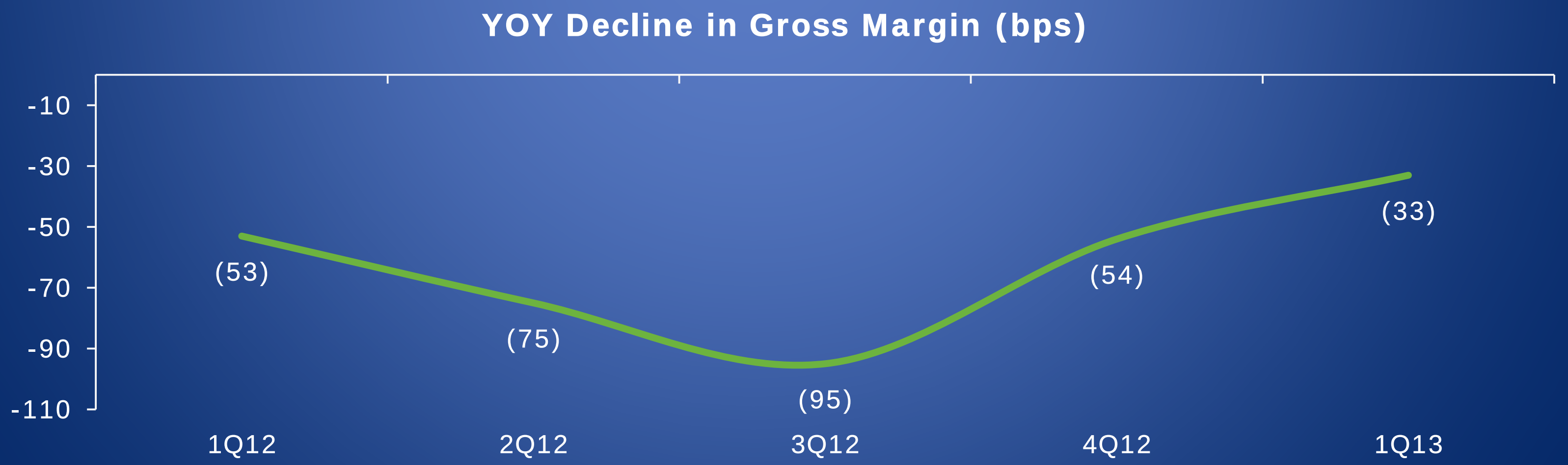
(1) – Includes Broadline and SYGMA, including acquisitions.

Good things come from Sysco

1Q13 Gross Margin Trend

($ in millions)





1Q13 Operating Expenses

(YOY change; $ in millions)

1Q13

- Reported operating expense +6.0%
- Adjusted[1] operating expense +3.2%

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

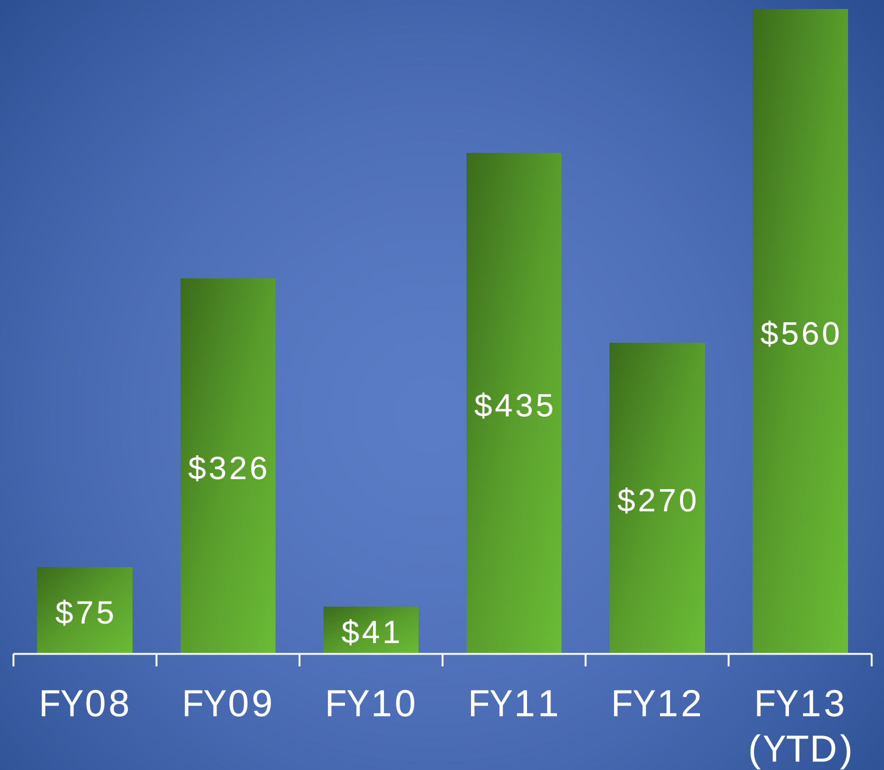
1Q13 Highlights

$ Millions, except share data	Adjusted Results[1]		Reported	
	1Q13	YOY % Change	1Q13	YOY % Change
Sales	**$11,087**	**4.7%**	**$11,087**	**4.7%**
Gross Profit	**$2,004**	**2.9%**	**$2,004**	**2.9%**
Operating Expenses	**$1,441**	**3.2%**	**$1,525**	**6.0%**
Operating Income	**$563**	**2.0%**	**$479**	**(6.0%)**
Net Earnings	**$340**	**3.2%**	**$287**	**(5.3%)**
Diluted EPS	**$0.58**	**3.6%**	**$0.49**	**(3.9%)**

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

Executing on our Goal of Increasing Sales Through Acquisitions

Annualized acquired sales ($ in millions)

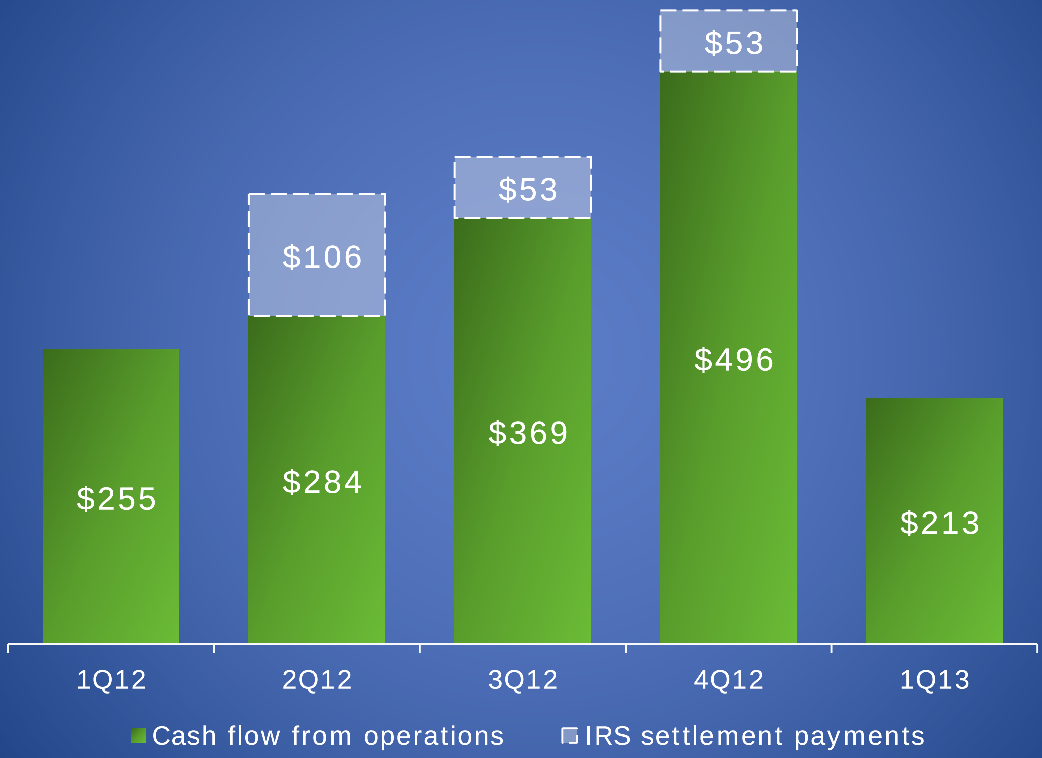


% of Sales	0.2%	0.9%	0.1%	1.1%	0.6%	>1%
# of Deals	4	4	3	5	9	6

Business Transformation Project Costs

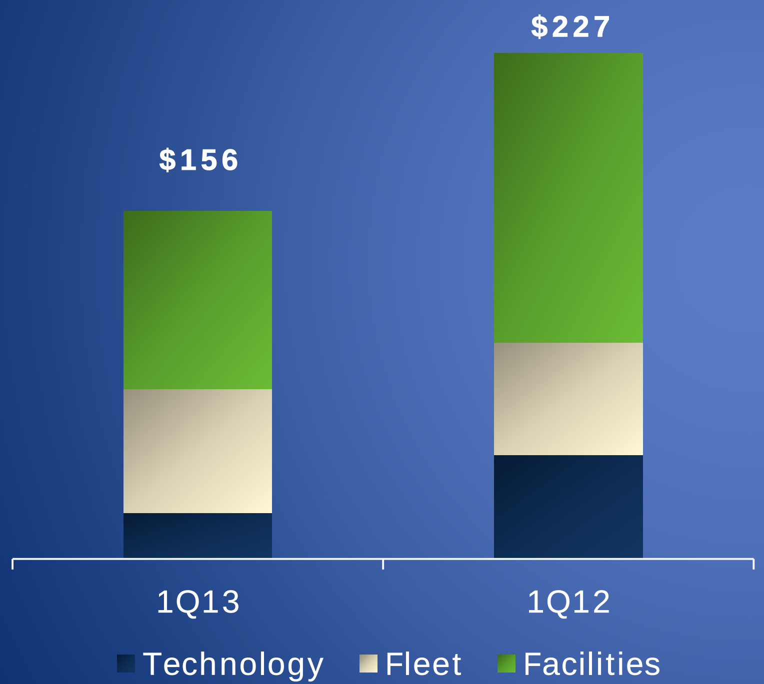
(in millions)	1Q13	1Q12
Operating expense	$78	$37
Capital investment	$3	$45

Cash Flow from Operations



Capital Expenditures

($ millions)



The decline in capex is driven by:

- A decrease in business transformation capital spend

And

- A reduction in the number of major facilities projects this year

Good things come from Sysco

Free Cash Flow Doubled in 1Q13 vs. 1Q12

$ Millions	1Q13	1Q12
Cash Flow from Operations	**$213**	**$255**
Capital Expenditures	**$156**	**$227**
Free Cash Flow [(1)]	**$58**	**$29**
Dividends Paid	**$158**	**$154**

(1) Free Cash Flow table may not foot due to rounding

Good things come from Sysco®

Non-GAAP Reconciliations

1Q13 Non-GAAP Reconciliation

Sysco's results of operations are impacted by certain items which include charges from the withdrawal from multiemployer pension plans, severance charges and charges from facility closures. Management believes that adjusting its operating expenses, operating income, 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.

Sysco's results of operations are further impacted by costs from our multi-year Business Transformation Project. Management believes that further adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove the impact of the Business Transformation Project expenses provides an important perspective with respect to 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 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. Each period has been further adjusted to remove expenses related to the Business Transformation Project.

1Q13 Non-GAAP Reconciliation

	13-Week Period Ended Sept. 29, 2012	13-Week Period Ended Oct. 1, 2011	13-Week Period Change in Dollars	13-Week Period % Change
Operating expenses (GAAP)	$ 1,524,762	$ 1,438,260	$ 86,502	6.0%
Impact of MEPP charge	-	(4,500)	4,500	NM
Impact of severance charges	(6,077)	(1,029)	(5,048)	NM
Impact of charges from facility closures	(388)	-	(388)	NM
Adjusted operating expenses for certain items (Non-GAAP)	$ 1,518,297	$ 1,432,731	$ 85,566	6.0%
Impact of Business Transformation Project costs	(77,682)	(37,005)	(40,677)	109.9
Adjusted operating expenses - underlying business (Non-GAAP)	$ 1,440,615	$ 1,395,726	$ 44,889	3.2%
Operating Income (GAAP)	$ 478,782	$ 509,340	$ (30,558)	-6.0%
Impact of MEPP charge	-	4,500	(4,500)	NM
Impact of severance charges	6,077	1,029	5,048	NM
Impact of charges from facility closures	388	-	388	NM
Adjusted operating income for certain items (Non-GAAP)	$ 485,247	$ 514,869	$ (29,622)	-5.8%
Impact of Business Transformation Project costs	77,682	37,005	40,677	109.9
Adjusted operating income - underlying business (Non-GAAP)	$ 562,929	$ 551,874	$ 11,055	2.0%
Net earnings (GAAP)	$ 286,598	$ 302,653	$ (16,055)	-5.3%
Impact of MEPP charge (net of tax) [1]	-	2,840	(2,840)	NM
Impact of severance charges (net of tax) [1]	3,867	649	3,218	NM
Impact of charges from facility closures (net of tax) [1]	247	-	247	
Adjusted net earnings for certain items (Non-GAAP)	$ 290,712	$ 306,142	$ (15,430)	-5.0%
Impact of Business Transformation Project costs (net of tax) [1]	49,429	23,350	26,079	111.7
Adjusted net earnings - underlying business (Non-GAAP)	$ 340,141	$ 329,492	$ 10,649	3.2%
Diluted earnings per share (GAAP)	$ 0.49	$ 0.51	$ (0.02)	-3.9%
Impact of MEPP charge	-	0.01	(0.01)	NM
Impact of severance charges	0.01	-	0.01	NM
Impact of charges from facility closures	-	-	-	NM
Adjusted diluted EPS for certain items (Non-GAAP) [2]	$ 0.49	$ 0.52	$ (0.03)	-3.8%
Impact of Business Transformation Project costs	0.08	0.04	0.04	100.0
Adjusted diluted EPS - underlying business (Non-GAAP) [2]	$ 0.58	$ 0.56	$ 0.02	3.6%
Diluted shares outstanding	589,838,819	593,449,101		

[1] Tax impact of adjustments for MEPP charge, severance charges, charges from facility closures and Business Transformation expenses was $30,604 and $15,695 for the 13-week periods ended September 29, 2012 and October 1, 2011, respectively.

[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

1Q13 Non-GAAP Reconciliation

Free cash flow represents net cash provided from operating activities less purchases 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 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.

	13-Week Period Ended Sept. 29, 2012	13-Week Period Ended Oct. 1, 2011	13-Week Period Change in Dollars	13-Week Period % Change
Net cash provided by operating activities (GAAP)	$ 213,201	$ 255,343	$ (42,142)	-16.5%
Additions to plant and equipment	(155,673)	(226,547)	70,874	-31.3
Free Cash Flow (Non-GAAP)	$ 57,528	$ 28,796	$ 28,732	99.8%

Good things come from Sysco