Sysco 3Q13 Earnings Results

May 6, 2013

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Forward-Looking Statements

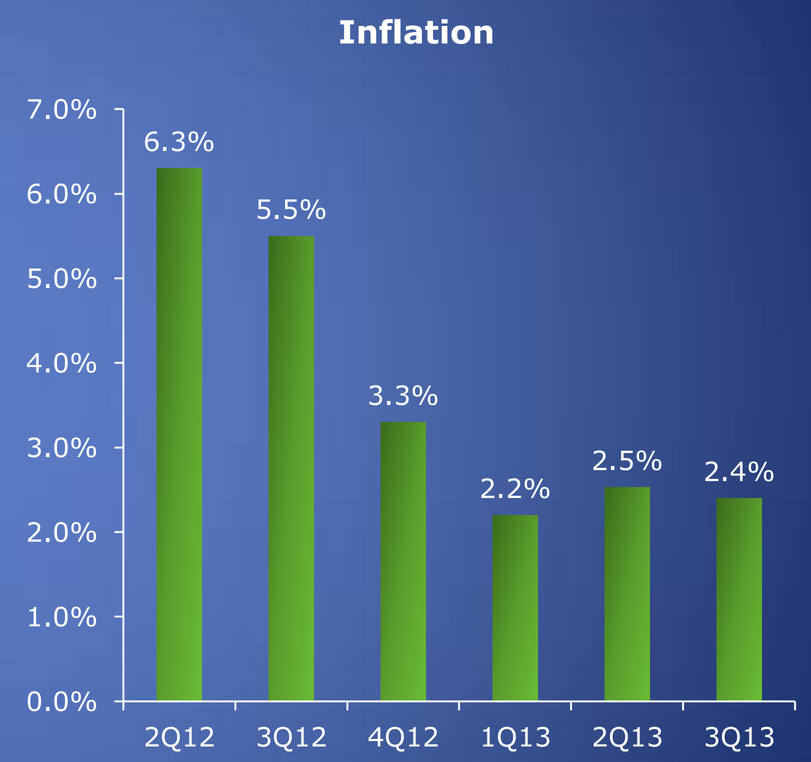
Statements made in this presentation that look forward in time or that express management's beliefs, expectations or hopes are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the 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 expected timing of our business transformation initiatives, and our belief that the changes in the timing of our technology transformation will not impact the annualized benefits expected from the Business Transformation Project by fiscal 2015. 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. Risks and uncertainties also include risks impacting the economy generally, including the risk that current general economic conditions will deteriorate, or that consumer confidence in the economy may not increase and decreases in consumer spending, particularly on food-away-from-home, may not reverse. 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, and the risk exists that the project and its various components may not be successfully implemented and may not provide the anticipated benefits. Also, there are other risks related to the project, including that the expected costs of our Business Transformation Project in fiscal 2013 and beyond 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 have temporarily halted the deployment of certain components of our ERP system as we have identified areas of improvement that we want to address before we continue fully deploying to additional locations. We may experience further delays, cost overages and/or operating problems as we address these areas of improvement or when we deploy the complete system on a larger scale. Planned conversions and deployments in the coming quarters are dependent upon the success of current conversions and deployments 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, our cost transformation initiative and our product cost reduction initiative, may fail to provide the expected benefits in a timely fashion, if at all. 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.

3Q13 Highlights

	Adjusted Results[1]		Reported	
$ Millions, except share data	3Q13	YOY % Change	3Q13	YOY % Change
Sales	**$10,926**	**4.0%**	**$10,926**	**4.0%**
Gross Profit	**$1,910**	**2.1%**	**$1,910**	**2.1%**
Operating Expenses	**$1,439**	**4.4%**	**$1,573**	**9.8%**
Operating Income	**$471**	**(4.4%)**	**$337**	**(23.2%)**
Net Earnings	**$289**	**(1.4%)**	**$201**	**(22.4%)**
Diluted EPS	**$0.49**	**(2.0%)**	**$0.34**	**(22.7%)**

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

Case Growth and Inflation Drive Sales Growth



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

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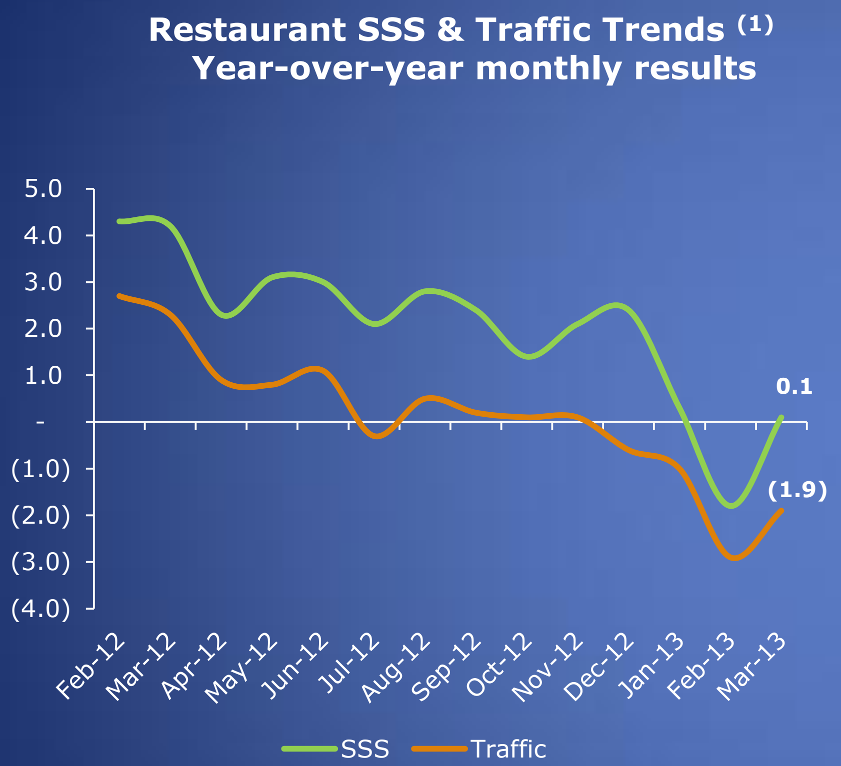
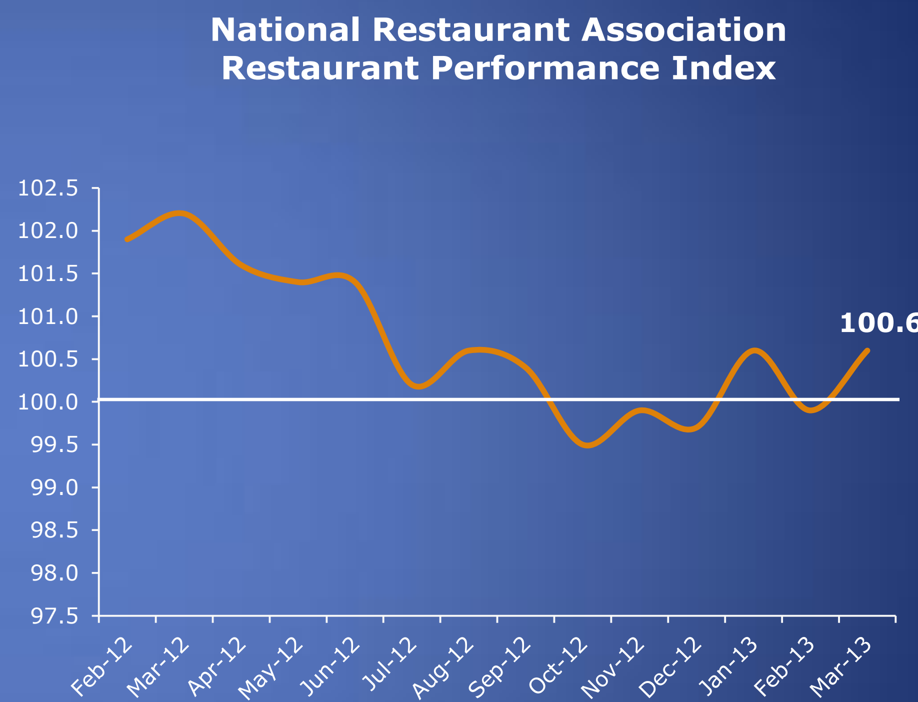
3Q FY13 Was Difficult for the Restaurant Industry





1) Source: NRN Miller Pulse Survey

Difficult Business Environment Highlights Importance of Transformation

- We are making progress in many areas of our transformation
  - HR module - 26 operating companies implemented; expect remaining U.S. Broadline companies to be converted by the end of CY2013
  - General ledger accounting transition - Expect all U.S. Broadline operating companies to transition to SBS by the end of CY2013
  - Category management - supplier contracts awarded in pilot categories; expect to begin shipping in the coming weeks
- SAP conversions - no additional operating companies to be converted this fiscal year
  - Expect enterprise-wide rollouts to begin again by the end of the calendar year

The approximately $600 million in annualized benefits expected by FY15 are not impacted by the changes in the timing of our technology transformation

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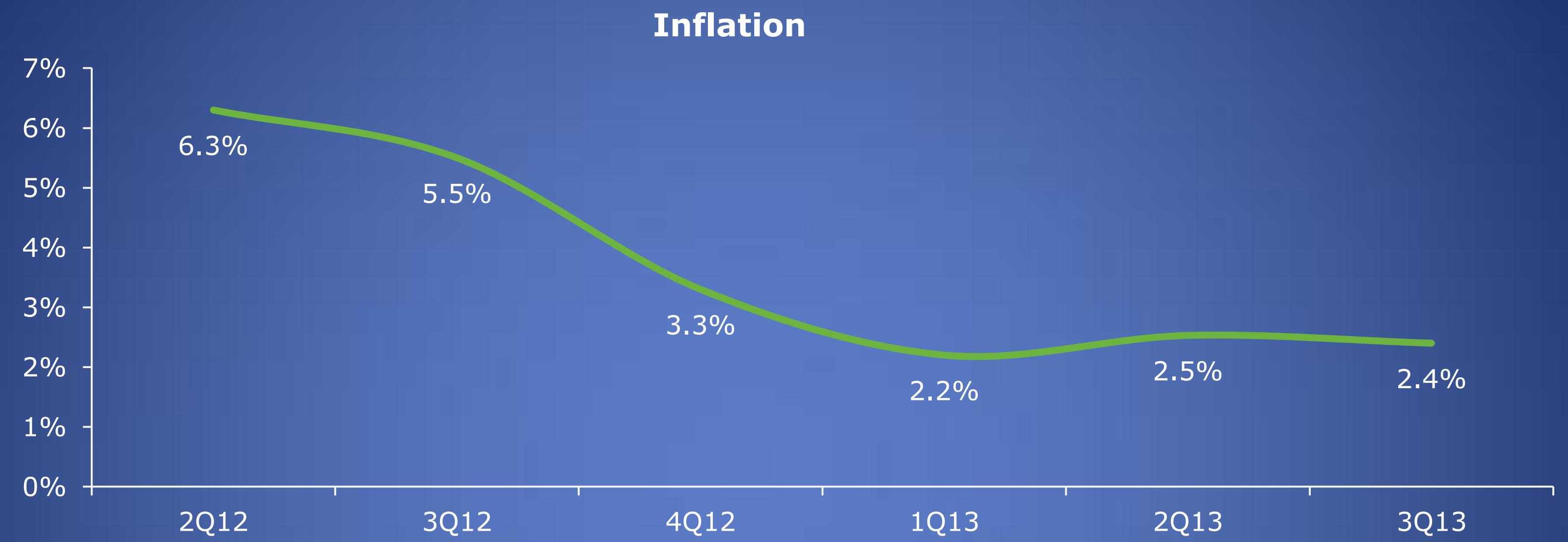
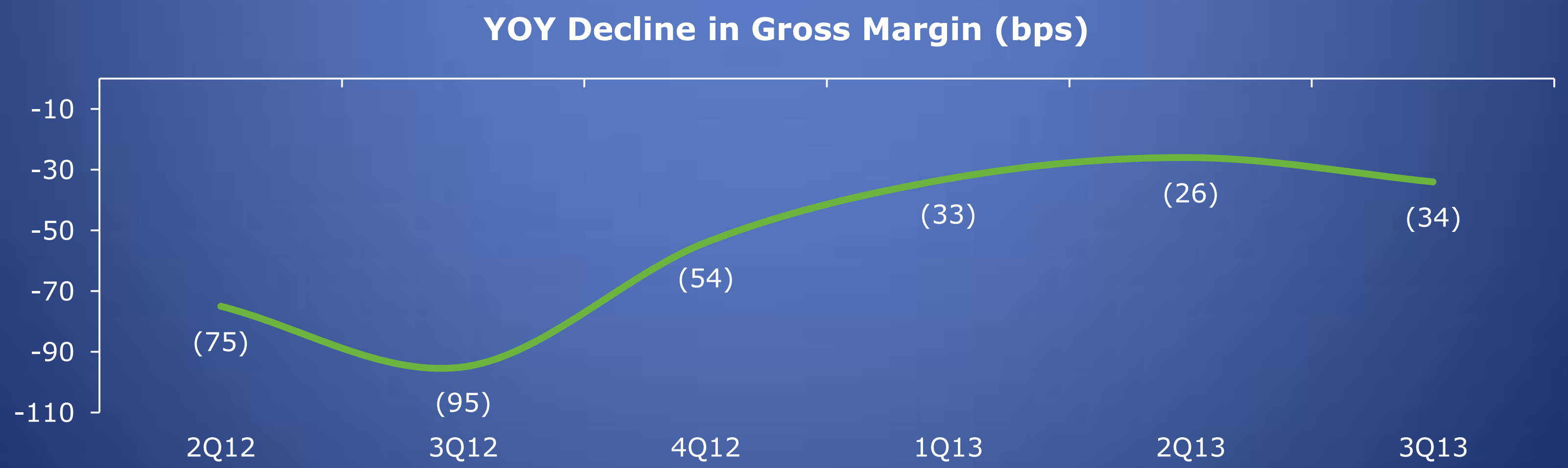
Inflation Moderated; Gross Margin Pressure Eased

($ in millions)





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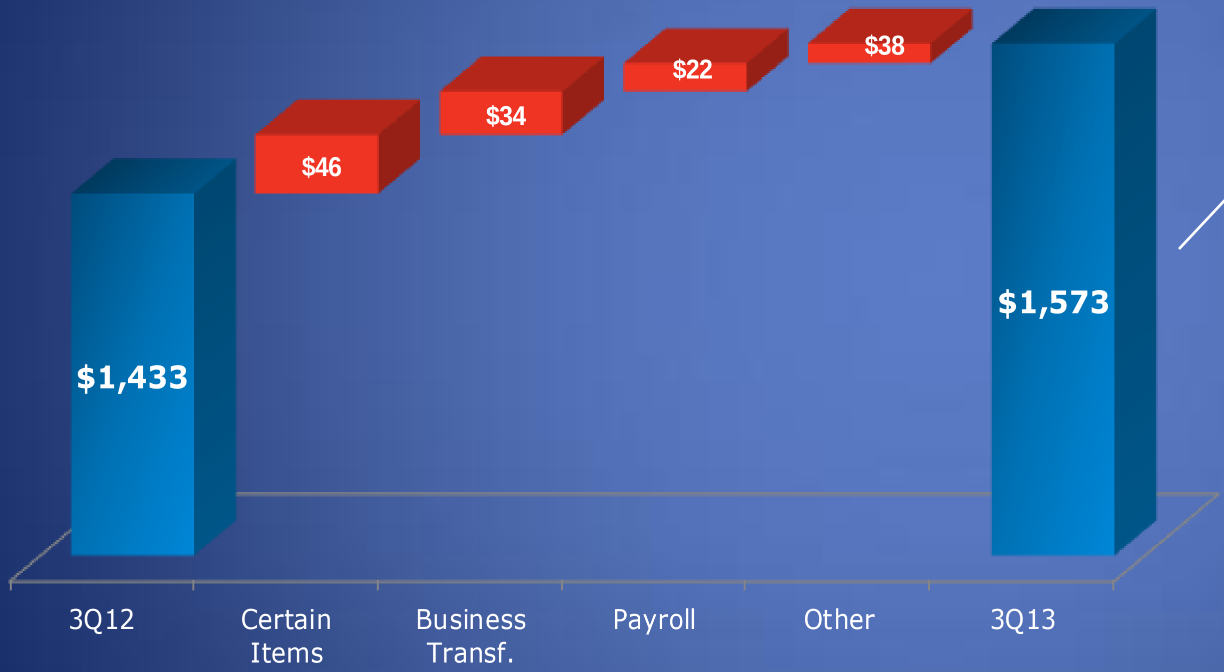
3Q13 Operating Expenses

(YOY change; $ in millions)



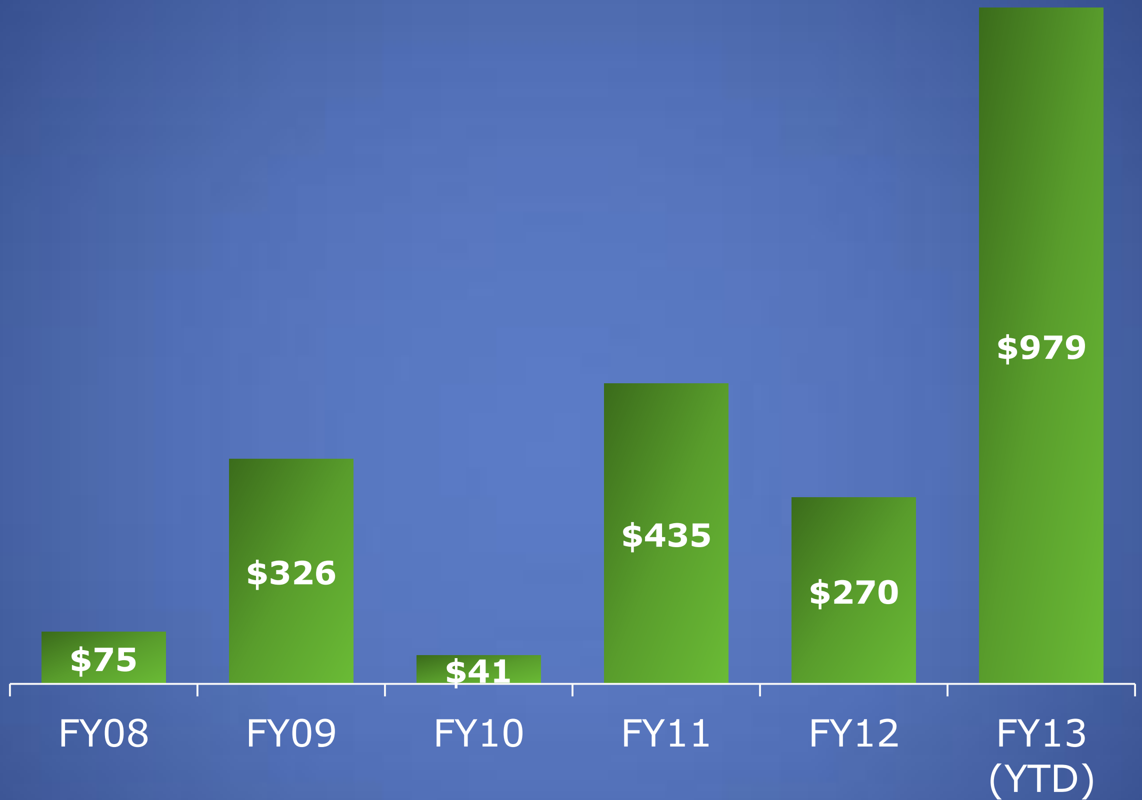
3Q13

- Reported operating expense +9.8%
- Adjusted[1] operating expense +4.4%

[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)



Acquired Company Sales as % of Sysco Sales	0.2%	0.9%	0.1%	1.1%	0.6%	>2.0%
# of Deals	4	4	3	5	9	11

Note: Retained sales may be less than acquired annualized sales presented above.

Business Transformation Project Costs

(in millions)	3Q13	3Q12	YTD FY13	YTD FY12
Operating expense	$83	$49	$242	$123
Capital investment	$4	$44	$14	$123

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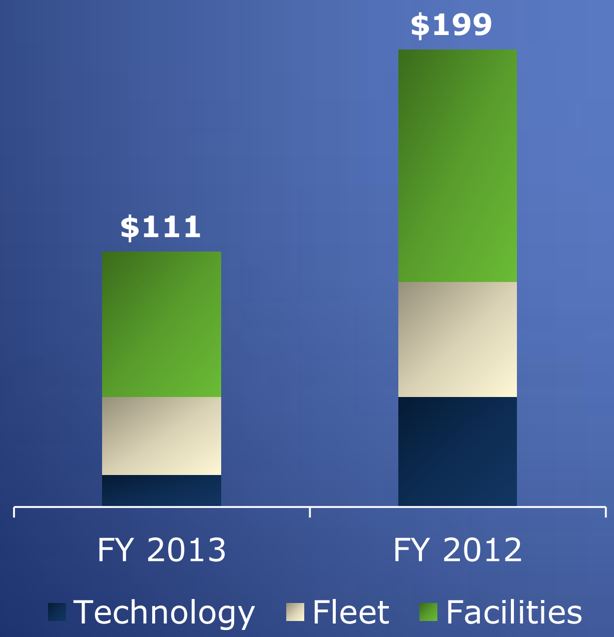
Capital Expenditures

($ millions)

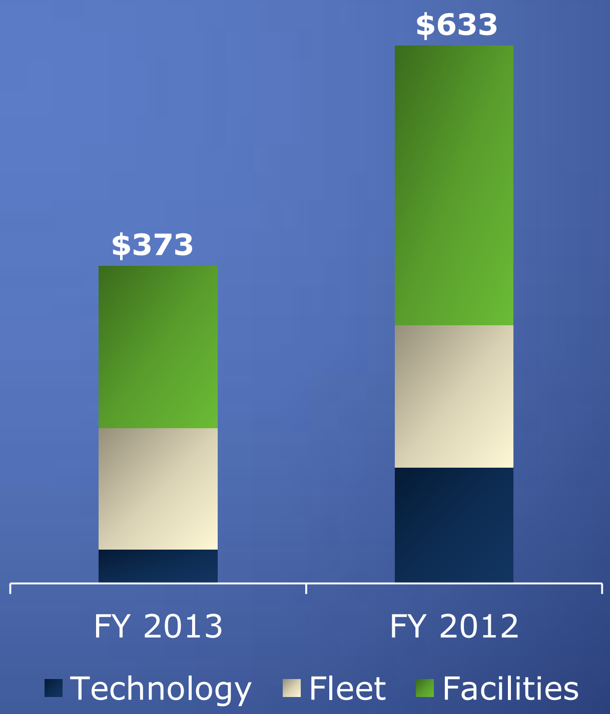
The decline in capex is driven by:

- A decrease in business transformation capital spend;
- A reduction in the number of major facilities projects this year; and
- A more disciplined capital allocation and approval process

3rd Quarter



Year-to-Date



Free Cash Flow Continues to Improve

$ Millions	YTD FY13	YTD FY12
Cash Flow from Operations	**$759**	**$908**
Capital Expenditures	**$373**	**$633**
Free Cash Flow	**$386**	**$275**
Dividends Paid	**$482**	**$465**

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Non-GAAP Reconciliations

3Q13 Non-GAAP Reconciliation

Sysco's results of operations are impacted by certain items which include charges from restructuring our executive retirement plans, 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.

3Q13 Non-GAAP Reconciliation

	13-Week Period Ended Mar. 30, 2013	13-Week Period Ended Mar. 31, 2012	13-Week Period Change in Dollars	13-Week Period % Change
Operating expenses (GAAP)	$ 1,573,117	$ 1,432,786	$ 140,331	9.8%
Impact of Restructuring Executive Retirement Plans	(5,445)	-	(5,445)	NM
Impact of MEPP charge	(40,744)	(717)	(40,027)	NM
Impact of Severance charges	(3,595)	(3,318)	(277)	8.3
Impact of Facility closure charges	(285)	-	(285)	NM
Operating expenses adjusted for certain items (Non-GAAP)	$ 1,523,048	$ 1,428,751	$ 94,297	6.6%
Impact of Business Transformation Project costs	(83,238)	(49,478)	(33,760)	68.2
Adjusted operating expenses underlying bus. (Non-GAAP)	$ 1,439,810	$ 1,379,273	$ 60,537	4.4%
Operating Income (GAAP)	$ 337,202	$ 438,830	$ (101,628)	-23.2%
Impact of Restructuring Executive Retirement Plans	5,445	-	5,445	NM
Impact of MEPP charge	40,744	717	40,027	NM
Impact of Severance charges	3,595	3,318	277	8.3
Impact of Facility closure charges	285	-	285	NM
Operating income adjusted for certain items (Non-GAAP)	$ 387,271	$ 442,865	$ (55,594)	-12.6%
Impact of Business Transformation Project costs	83,238	49,478	33,760	68.2
Adjusted operating income underlying bus. (Non-GAAP)	$ 470,509	$ 492,343	$ (21,834)	-4.4%
Net earnings (GAAP)	$ 201,417	$ 259,550	$ (58,133)	-22.4%
Impact of Restructuring Executive Retirement Plans (net of tax)	3,580	-	3,580	NM
Impact of MEPP charge (net of tax)	26,785	451	26,334	NM
Impact of Severance charges (net of tax)	2,363	2,086	277	13.3
Impact of Facility closure charges (net of tax)	187	-	187	NM
Net earnings adjusted for certain items (Non-GAAP)	$ 234,332	$ 262,087	$ (27,755)	-10.6%
Impact of Business Transformation Project costs (net of tax)	54,721	31,112	23,609	75.9
Adjusted net earnings underlying business (Non-GAAP) (1),(2)	$ 289,053	$ 293,199	$ (4,146)	-1.4%
Diluted earnings per share (GAAP)	$ 0.34	$ 0.44	$ (0.10)	-22.7%
Impact of Restructuring Executive Retirement Plans	0.01	-	0.01	NM
Impact of MEPP charge	0.05	-	0.05	NM
Impact of Severance charges	-	-	-	NM
Impact of Facility closure charges	-	-	-	NM
Diluted EPS adjusted for certain items (Non-GAAP)	$ 0.40	$ 0.45	$ (0.05)	-11.1%
Impact of Business Transformation Project costs	0.09	0.05	0.04	80.0
Adjusted diluted EPS underlying business (Non-GAAP)	$ 0.49	$ 0.50	$ (0.01)	-2.0%
Diluted shares outstanding	592,903,799	587,214,691		

(1) Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, charges from facility closures and Business Transformation expenses was $45,671 and $19,864 for the 13-week periods ended March 30, 2013 and March 31, 2012, 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

3Q13 Non-GAAP Reconciliation

	39-Week Period Ended March 30, 2013	39-Week Period Ended Mar. 31, 2012	39-Week Period Change in Dollars	39-Week Period % Change
Operating expenses (GAAP)	$ 4,632,794	$ 4,289,698	$ 343,096	8.0%
Impact of Restructuring Executive Retirement Plans	(17,608)	-	(17,608)	NM
Impact of MEPP charge	(43,201)	(5,217)	(37,984)	NM
Impact of Severance charges	(15,341)	(7,678)	(7,663)	99.8
Impact of Facility closure charges	(1,974)	-	(1,974)	NM
Operating expenses adjusted for certain items (Non-GAAP)	$ 4,554,670	$ 4,276,803	$ 277,867	6.5%
Impact of Business Transformation Project costs	(242,282)	(122,839)	(119,443)	97.2
Adjusted operating expenses underlying bus. (Non-GAAP)	$ 4,312,388	$ 4,153,964	$ 158,424	3.8%
Operating Income (GAAP)	$ 1,198,635	$ 1,375,168	$ (176,533)	-12.8%
Impact of Restructuring Executive Retirement Plans	17,608	-	17,608	NM
Impact of MEPP charge	43,201	5,217	37,984	NM
Impact of Severance charges	15,341	7,678	7,663	99.8
Impact of Facility closure charges	1,974	-	1,974	NM
Operating income adjusted for certain items (Non-GAAP)	$ 1,276,759	$ 1,388,063	$ (111,304)	-8.0%
Impact of Business Transformation Project costs	242,282	122,839	119,443	97.2
Adjusted operating income underlying bus. (Non-GAAP)	$ 1,519,041	$ 1,510,902	$ 8,139	0.5%
Net earnings (GAAP)	$ 709,384	$ 812,316	$ (102,932)	-12.7%
Impact of Restructuring Executive Retirement Plans (net of tax)	11,264	-	11,264	NM
Impact of MEPP charge (net of tax)	27,636	3,274	24,362	NM
Impact of Severance charges (net of tax)	9,814	4,818	4,996	103.7
Impact of Facility closure charges (net of tax)	1,263	-	1,263	NM
Net earnings adjusted for certain items (Non-GAAP)	$ 759,361	$ 820,408	$ (61,047)	-7.4%
Impact of Business Transformation Project costs (net of tax)	154,988	77,081	77,907	101.1
Adjusted net earnings underlying business (Non-GAAP) (1),(2)	$ 914,349	$ 897,489	$ 16,860	1.9%
Diluted earnings per share (GAAP)	$ 1.20	$ 1.38	$ (0.18)	-13.0%
Impact of Restructuring Executive Retirement Plans	0.02	-	0.02	NM
Impact of MEPP charge	0.05	0.01	0.04	NM
Impact of Severance charges	0.02	0.01	0.01	100.0
Impact of Facility closure charges	-	-	-	NM
Diluted EPS adjusted for certain items (Non-GAAP)	$ 1.28	$ 1.39	$ (0.11)	-7.9%
Impact of Business Transformation Project costs	0.26	0.13	0.13	100.0
Adjusted diluted EPS underlying business (Non-GAAP)	$ 1.55	$ 1.52	$ 0.03	2.0%
Diluted shares outstanding	591,054,506	589,232,150		

(1) Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, charges from facility closures and Business Transformation expenses was $115,442 and $50,561 for the 39-week periods ended March 30, 2013 and March 31, 2012, respectively. Amounts are calculated by multiplying the operating income impact of each item by each 39-week period'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

3Q13 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.

	39-Week Period Ended Mar. 30, 2013	39-Week Period Ended Mar. 31, 2012	39-Week Period Change in Dollars	39-Week Period % Change
Net cash provided by operating activities (GAAP)	$ 759,408	$ 908,289	$ (148,881)	-16.4 %
Additions to plant and equipment	(373,048)	(633,196)	260,148	41.1
Free Cash Flow (Non-GAAP)	$ 386,360	$ 275,093	$ 111,267	40.4 %

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