Sysco 4Q & FY12 Earnings Results

August 13, 2012

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Forward-Looking Statements

Certain statements made herein 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. They include statements regarding our guidance for fiscal 2013, including fiscal 2013 estimates with respect to capital spending, capital expenditures and gross expense related to our Business Transformation Project, pension expense and fuel expense. They also include statements regarding growth trends in the industry, our business transformation initiatives, including plans regarding expected conversions in fiscal 2013, and our belief regarding the benefits of these initiatives with respect to our financial performance over time and our leadership position in the industry. These statements involve risks and uncertainties and are based on management's current expectations and estimates; actual results may differ materially. Factors impacting these forward-looking statements include 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. 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. Pension expense and fuel expense may vary from projections based on performance of plan assets and fluctuations in fuel costs, respectively, both of 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 July 2, 2011, as filed with the Securities and Exchange Commission, and the Company's Annual Report on Form 10-K to be filed on or around August 29, 2012 for the year ended June 30, 2012. Sysco does not undertake to update its forward-looking statements.

Bill DeLaney

President & CEO

Fiscal 2012 Highlights

	Adjusted Results[1]		Reported	
$ Millions, except share data	FY12	YOY % Change	FY12	YOY % Change
Sales	**$42,381**	**7.8%**	**$42,381**	**7.8%**
Gross Profit	**$7,677**	**3.8%**	**$7,677**	**3.8%**
Operating Expenses	**$5,568**	**4.1%**	**$5,786**	**5.9%**
Operating Income	**$2,108**	**3.0%**	**$1,891**	**(2.1%)**
Net Earnings	**$1,257**	**4.7%**	**$1,122**	**(2.6%)**
Diluted EPS	**$2.13**	**4.4%**	**$1.90**	**(3.1%)**

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

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Key Metrics

YOY Change	FY12
Case Volume[1]	+3.0%
Gross Profit	+3.8%
Cost per Case[2]	+4 cents

(1) Broadline + SYGMA; including acquisitions
(2) Broadline, excluding meat companies

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Free Cash Flow Increased 36% in FY12

$ Millions	FY12	FY11
Cash Flow from Operations	$1,404	$1,092
Capital Expenditures	$785	$636
Free Cash Flow [(1)]	$620	$455

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

Business Transformation Update

- Entered deployment phase in late July with East Texas conversion
- Adopted a market-based deployment approach
  - Next 5 planned conversions in Texas and Louisiana
- SBS is functioning well
- Making progress in initiatives to reduce cost structure and lower product costs

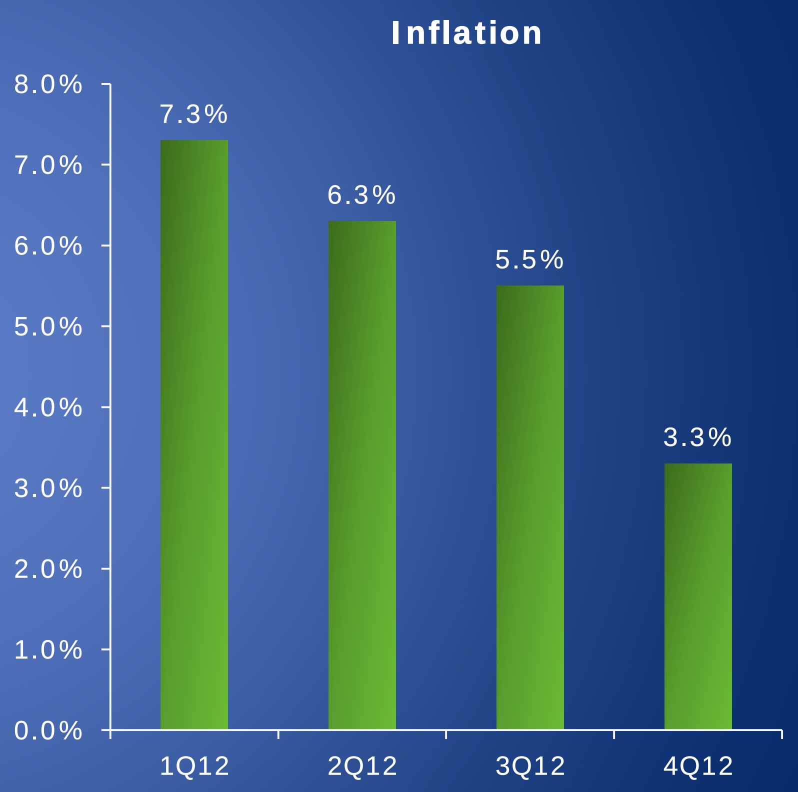
Key Takeaways

- 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



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

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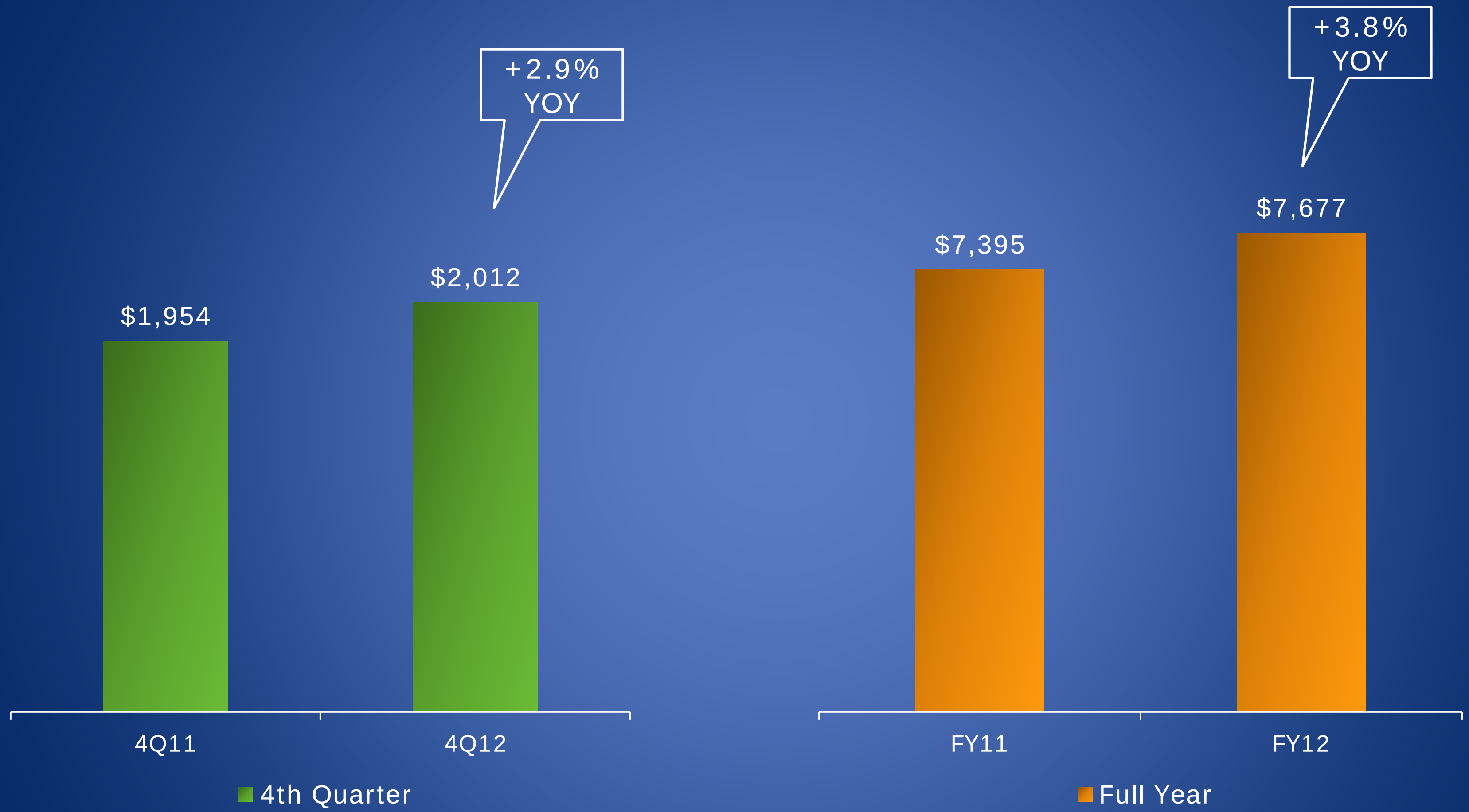
4Q12 & FY12 Gross Profit Trend

($ in millions)



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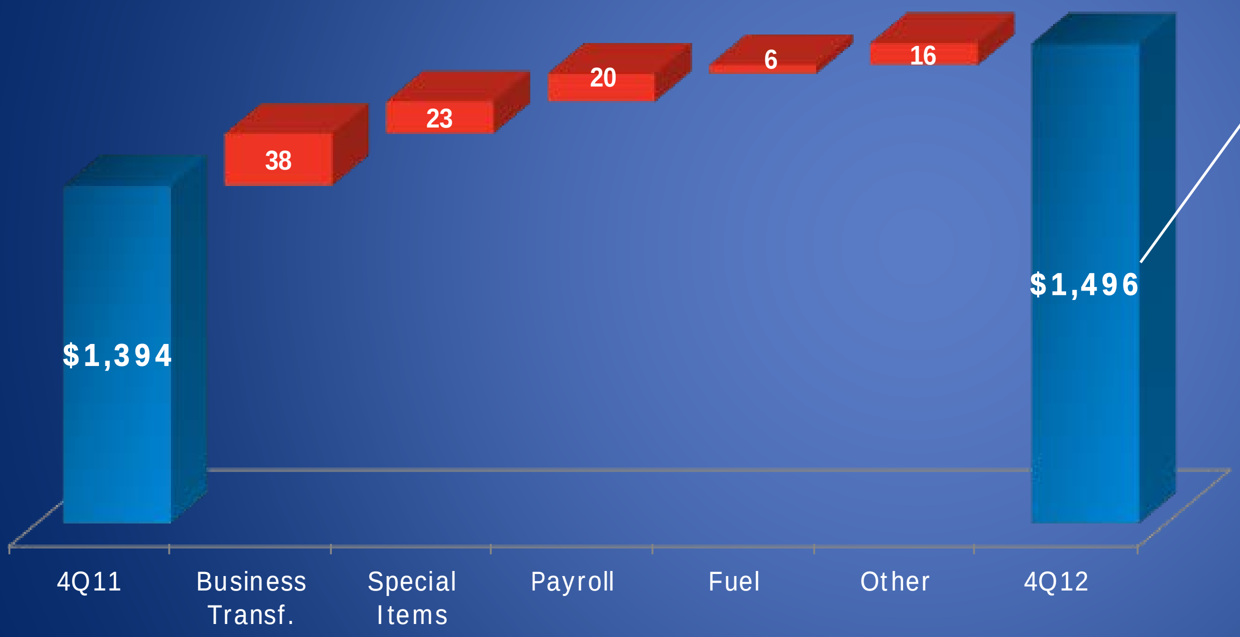
4Q12 Operating Expenses

(YOY change; $ in millions)



4Q12

- Reported operating expense +7.4%
- Adjusted[1] operating expense +3.3%

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

4Q12 Highlights

	Adjusted[1]		Reported	
$ Millions, except per share data	4Q12	YOY % Change	4Q12	YOY % Change
Sales	**$11,045**	**5.9%**	**$11,045**	**5.9%**
Gross Profit	**$2,012**	**2.9%**	**$2,012**	**2.9%**
Operating Expenses	**$1,404**	**3.3%**	**$1,496**	**7.4%**
Operating Income	**$608**	**2.2%**	**$515**	**(8.1%)**
Net Earnings	**$367**	**3.7%**	**$309**	**(8.0%)**
Diluted EPS	**$0.62**	**3.3%**	**$0.53**	**(7.0%)**

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

Fiscal 2012 Highlights

	Adjusted Results[1]		Reported	
$ Millions, except per share data	YTD FY12	YOY % Change	YTD FY12	YOY % Change
Sales	**$42,381**	**7.8%**	**$42,381**	**7.8%**
Gross Profit	**$7,677**	**3.8%**	**$7,677**	**3.8%**
Operating Expenses	**$5,568**	**4.1%**	**$5,786**	**5.9%**
Operating Income	**$2,108**	**3.0%**	**$1,891**	**(2.1%)**
EPS	**$2.13**	**4.4%**	**$1.90**	**(3.1%)**

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

Business Transformation Project Costs

(in millions)	4Q12	4Q11	FY12	FY11
Operating expense	$70	$33	$193	$103
Capital investment	$23	$49	$146	$196

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Free Cash Flow Increased 36% in FY12

$ Millions	FY12	FY11
Cash Flow from Operations	**$1,404**	**$1,092**
Capital Expenditures	**$785**	**$636**
Free Cash Flow[(1)]	**$620**	**$455**
Dividends Paid	**$623**	**$598**

Paid final $212 million in IRS settlement payments in FY12; positive impact on FY13 cash flow

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

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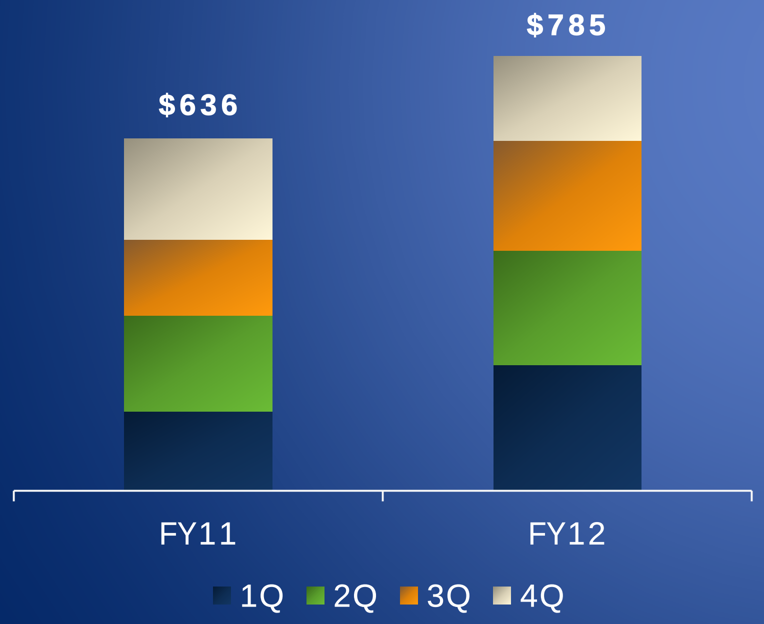
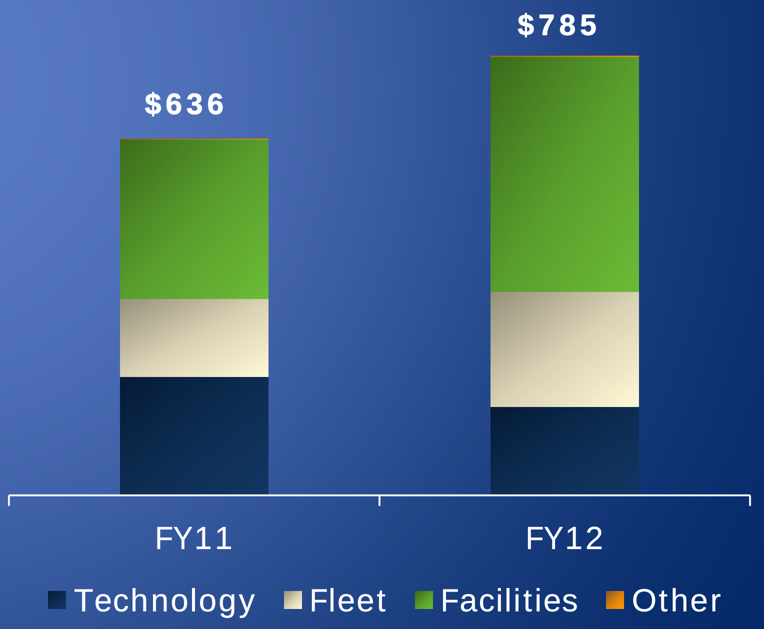
Capital Expenditures

($ millions)

- New facilities under construction in FY12 (Long Island, Boston, Central Texas)
- Expansions underway in several locations





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FY13 Guidance

Guidance	FY13
Fuel expense	Flat
Business Transformation expense net of direct SBS benefits	$300 - 350 million
Business Transformation capital (included in capital below)	$5 - 20 million
Business Transformation benefits	~25% of total expected annualized benefits of $550-650 million
Capital spending	$600 - 650 million
Net retirement plan expense	~$20 - 30 million higher

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Impact of Retirement Plan Changes

$ Millions	FY13 vs. FY12
Without retirement plan changes:	
Increase in pension expense	~$100
With retirement plan changes:	
Decrease in pension expense - FY13	~($25)
Increase in 401(k) expense - 2H13	$45-55
Net increase to retirement plan expense	$20-30

We estimate that FY14 retirement plan expenses will be lower than FY13 due to these plan changes

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Non-GAAP Reconciliations

4Q12 & FY12 Non-GAAP Reconciliations

Sysco's results of operations are impacted by certain items which include charges from the withdrawal from multiemployer pension plans, restructuring charges and recognized tax benefits. 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 and gains from our COLI policies. Near the end of fiscal 2011, we reallocated all of our investments in our COLI policies into low-risk, fixed-income securities and therefore we do not expect significant volatility in operating expenses, operating income, net earnings and diluted earnings per share in future periods related to these policies. We experienced significant gains in these policies during fiscal 2011 with the exception of the fourth quarter of fiscal 2011. 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 and COLI gains 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 and gains recorded on the adjustments to the carrying value of COLI policies.

4Q12 Non-GAAP Reconciliations

In Thousands, Except for Share and Per Share Data	13-Week Period Ended June 30, 2012	13-Week Period Ended July 2, 2011	13-Week Period Change in Dollars	13-Week Period % Change
Operating expenses (GAAP)	$ 1,496,247	$ 1,393,642	$ 102,605	7.4 %
Impact of MEPP charge	(16,682)	-	(16,682)	
Impact of restructuring charge	(6,415)	-	(6,415)	
Adjusted operating expenses for certain items (Non-GAAP)	$ 1,473,150	$ 1,393,642	$ 79,508	5.7 %
Impact of Business Transformation Project costs	(70,287)	(32,677)	(37,610)	115.1
Impact of COLI	1,070	(1,310)	2,380	
Adjusted operating expenses - underlying business (Non-GAAP)	$ 1,403,933	$ 1,359,655	$ 44,278	3.3 %
Operating Income (GAAP)	$ 515,464	$ 560,750	$ (45,286)	-8.1 %
Impact of MEPP charge	16,682	-	16,682	
Impact of restructuring charge	6,415	-	6,415	
Adjusted operating income for certain items (Non-GAAP)	$ 538,561	$ 560,750	$ (22,189)	-4.0 %
Impact of Business Transformation Project costs	70,287	32,677	37,610	115.1
Impact of COLI	(1,070)	1,310	(2,380)	
Adjusted operating income - underlying business (Non-GAAP)	$ 607,778	$ 594,737	$ 13,041	2.2 %
Net earnings (GAAP)	$ 309,269	$ 336,310	$ (27,041)	-8.0 %
Impact of MEPP charge (net of tax) (1)	10,541	-	10,541	
Impact of restructuring charge (net of tax) (1)	4,053	-	4,053	
Impact of tax benefits	-	(4,032)	4,032	
Adjusted net earnings for certain items (Non-GAAP)	$ 323,863	$ 332,278	$ (8,415)	-2.5 %
Impact of Business Transformation Project costs (net of tax) (1)	44,412	20,544	23,868	
Impact of COLI	(1,070)	1,310	(2,380)	
Adjusted net earnings - underlying business (Non-GAAP)	$ 367,205	$ 354,132	$ 13,073	3.7 %
Diluted earnings per share (GAAP)	$ 0.53	$ 0.57	$ (0.04)	-7.0 %
Impact of MEPP charge (2)	0.02	-	0.02	
Impact of restructuring charge (2)	0.01	-	0.01	
Impact of tax benefits (2)	-	(0.01)	0.01	
Adjusted diluted EPS for certain items (Non-GAAP)	$ 0.55	$ 0.56	$ (0.01)	-1.8 %
Impact of Business Transformation Project costs(2)	0.07	0.03	0.04	133.3
Impact of COLI (2)	-	-	-	
Adjusted diluted EPS - underlying business (Non-GAAP)	$ 0.62	$ 0.60	$ 0.02	3.3 %
Diluted shares outstanding	588,268,439	591,130,594		

(1) Tax impact of adjustments for Business Transformation, Multiemployer Pension Plan and Restructuring expenses was $34,378 and $12,133 for the 13-week periods ended June 30, 2012 and July 2, 2011, respectively.
(2) Individual components of diluted earnings per share may not sum to the total adjusted diluted earnings per share due to rounding.

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FY12 Non-GAAP Reconciliations

In Thousands, Except for Share and Per Share Data	52-Week Period Ended June 30, 2012	52-Week Period Ended July 2, 2011	52-Week Period Change in Dollars	52-Week Period % Change
Operating expenses (GAAP)	$ 5,785,945	$ 5,463,210	$ 322,735	5.9 %
Impact of MEPP charge	(21,899)	(41,544)	19,645	-47.3
Impact of restructuring charge	(6,415)	-	(6,415)	
Adjusted operating expenses for certain items (Non-GAAP)	$ 5,757,631	$ 5,421,666	$ 335,965	6.2 %
Impact of Business Transformation Project costs	(193,126)	(102,623)	(90,503)	88.2
Impact of COLI	3,721	28,197	(24,476)	-86.8
Adjusted operating expenses - underlying business (Non-GAAP)	$ 5,568,226	$ 5,347,240	$ 220,986	4.1 %
Operating Income (GAAP)	$ 1,890,632	$ 1,931,502	$ (40,870)	-2.1 %
Impact of MEPP charge	21,899	41,544	(19,645)	-47.3
Impact of restructuring charge	6,415	-	6,415	
Adjusted operating income for certain items (Non-GAAP)	$ 1,918,946	$ 1,973,046	$ (54,100)	-2.7 %
Impact of Business Transformation Project costs	193,126	102,623	90,503	88.2
Impact of COLI	(3,721)	(28,197)	24,476	-86.8
Adjusted operating income - underlying business (Non-GAAP)	$ 2,108,351	$ 2,047,472	$ 60,879	3.0 %
Net earnings (GAAP)	$ 1,121,585	$ 1,152,030	$ (30,445)	-2.6 %
Impact of MEPP charge (net of tax) (1)	13,768	26,189	(12,421)	-47.4
Impact of restructuring charge (net of tax) (1)	4,033	-	4,033	
Impact of tax benefits	-	(14,032)	14,032	
Adjusted net earnings for certain items (Non-GAAP)	$ 1,139,386	$ 1,164,187	$ (24,801)	-2.1
Impact of Business Transformation Project costs (net of tax) (1)	121,416	64,694	56,722	87.7
Impact of COLI	(3,721)	(28,197)	24,476	-86.8
Adjusted net earnings - underlying business (Non-GAAP)	$ 1,257,081	$ 1,200,684	$ 56,397	4.7 %
Diluted earnings per share (GAAP)	$ 1.90	$ 1.96	$ (0.06)	-3.1 %
Impact of MEPP charge (2)	0.02	0.04	(0.02)	-50.0
Impact of restructuring charge (2)	0.01	-	0.01	
Impact of tax benefits (2)	-	(0.02)	0.02	
Adjusted diluted EPS for certain items (Non-GAAP)	$ 1.93	$ 1.98	$ (0.05)	-2.5 %
Impact of Business Transformation Project costs(2)	0.21	0.11	0.10	90.9
Impact of COLI (2)	(0.01)	(0.05)	0.04	
Adjusted diluted EPS - underlying business (Non-GAAP)	$ 2.13	$ 2.04	$ 0.09	4.4 %
Diluted shares outstanding	588,991,441	588,691,546		

(1) Tax impact of adjustments for Business Transformation, Multiemployer Pension Plan and Restructuring expenses was $82,223 and $53,284 for the 52-week periods ended June 30, 2012 and July 2, 2011, respectively.

(2) Individual components of diluted earnings per share may not sum to the total adjusted diluted earnings per share due to rounding.

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