

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

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, (4) severance charges related to restructuring, (5) facility closure costs, and (6) business technology transformation costs. 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. Sysco's results of operations are also impacted by multi-employer pension (MEPP) withdrawal charges. Fiscal 2016 acquisition-related costs, however, include (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) Brakes related acquisition costs, (4) termination costs in connection with the merger that had been proposed with US Foods, Inc. (US Foods), (5) severance charges related to restructuring, (6) facility closure costs, and (7) financing costs related to the Brakes acquisition and 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. Fiscal 2016 also includes losses on foreign currency remeasurement and hedging. 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.

Sysco's fiscal year ends on the Saturday nearest to June 30th. This resulted in a 52-week year ending June 27, 2017 for fiscal 2017 and a 53-week year ending July 2, 2016 for fiscal 2016. Because the fourth quarter of fiscal 2016 contained an additional week as compared to fiscal 2017, our Consolidated Results of Operations for fiscal 2017, and any related case growth metrics, are not directly comparable to the prior year. Management believes that adjusting the fiscal 2016 results for the estimated impact of the additional week provides more comparable financial results on a year-over-year basis. As a result, the case growth and operating metrics for fiscal 2017 presented in the table below reflect a comparison to fiscal 2016 as adjusted by one-fourteenth of the total metric for the fourth quarter. Failure to make these adjustments causes the year-over-year changes in these metrics to be understated.

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 fiscal 2017 and 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.

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

	<b>13-Week Period Ended July 1, 2017</b>	<b>14-Week Period Ended July 2, 2016</b>	<b>Period Change in Dollars</b>	<b>Period %/bps Change</b>
<b>Sales</b>	\$ 14,421,045	\$ 13,647,891	\$ 773,154	5.7%
Impact of Brakes	(1,318,642)	-	(1,318,642)	NM
Less 1 week fourth quarter sales	-	(974,849)	974,849	NM
<b>Comparable sales using a 13 week basis and excluding the impact of Brakes (Non-GAAP)</b>	<u>\$ 13,102,403</u>	<u>\$ 12,673,042</u>	<u>\$ 429,361</u>	<u>3.4%</u>
<b>Gross profit</b>	\$ 2,759,590	\$ 2,502,838	\$ 256,752	10.3%
Impact of Brakes	(338,721)	-	(338,721)	NM
Less 1 week fourth quarter sales	-	(178,774)	178,774	NM
<b>Comparable gross profit using a 13 week basis and excluding the impact of Brakes (Non-GAAP)</b>	<u>\$ 2,420,869</u>	<u>\$ 2,324,064</u>	<u>\$ 96,805</u>	<u>4.2%</u>
<b>Gross margin</b>	19.14%	18.34%		80 bps
Impact of Brakes	0.66%	0%		66 bps
Less 1 week fourth quarter sales	0%	0%		0 bps
<b>Comparable gross margin using a 13 week basis and excluding the impact of Brakes (Non-GAAP)</b>	<u>18.48%</u>	<u>18.34%</u>		<u>14 bps</u>
<b>Operating expenses (GAAP)</b>	\$ 2,201,631	\$ 1,956,013	\$ 245,618	12.6%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs (1)	(42,573)	(56,220)	13,647	-24.3%
Impact of acquisition-related costs (2)	(30,697)	(25,212)	(5,485)	21.8%
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<u>\$ 2,092,761</u>	<u>\$ 1,874,581</u>	<u>\$ 218,180</u>	<u>11.6%</u>
Impact of Brakes	(332,874)	-	(332,874)	NM
Impact of Brakes restructuring costs (3)	3,938	-	3,938	NM
Impact of Brakes acquisition-related costs (2)	21,435	-	21,435	NM
Less 1 week fourth quarter operating expenses	-	(133,899)	133,899	-100.0%
<b>Operating expenses adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP)</b>	<u>\$ 1,785,260</u>	<u>\$ 1,740,682</u>	<u>\$ 44,578</u>	<u>2.6%</u>
<b>Operating income (GAAP)</b>	\$ 557,959	\$ 546,825	\$ 11,134	2.0%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs (1)	42,573	56,220	(13,647)	-24.3%
Impact of acquisition-related costs (2)	30,697	25,212	5,485	21.8%
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<u>\$ 666,829</u>	<u>\$ 628,257</u>	<u>\$ 38,572</u>	<u>6.1%</u>
Impact of Brakes	(5,847)	-	(5,847)	NM
Impact of Brakes restructuring costs (3)	(3,938)	-	(3,938)	NM
Impact of Brakes acquisition-related costs (2)	(21,435)	-	(21,435)	NM
Less 1 week fourth quarter operating income	-	(44,876)	44,876	NM
<b>Operating income adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP)</b>	<u>\$ 635,609</u>	<u>\$ 583,381</u>	<u>\$ 52,228</u>	<u>9.0%</u>
<b>Operating margin (GAAP)</b>	3.87%	4.01%		-14 bps
<b>Operating margin excluding Certain Items (Non-GAAP)</b>	4.62%	4.60%		2 bps
<b>Operating margin excluding Certain Items, Extra Week and Brakes (Non-GAAP)</b>	4.85%	4.60%		25 bps
<b>Interest expense (GAAP)</b>	\$ 76,020	\$ 74,305	\$ 1,715	2.3%
Impact of acquisition financing costs	-	(18,660)	18,660	NM
<b>Interest expense adjusted for certain items (Non-GAAP)</b>	<u>76,020</u>	<u>55,645</u>	<u>20,375</u>	<u>36.6%</u>
Less 1 week fourth quarter interest expense	-	(3,975)	3,975	-100.0%
<b>Interest expense adjusted for certain items and extra week (Non-GAAP)</b>	<u>\$ 76,020</u>	<u>\$ 51,670</u>	<u>\$ 24,350</u>	<u>47.1%</u>
<b>Other (income) expense</b>	(1,586)	141,303	(142,889)	-101.1%
Impact of foreign currency remeasurement and hedging	-	(146,950)	146,950	-100.0%
<b>Other (income) expense adjusted for certain items (Non-GAAP)</b>	<u>(1,586)</u>	<u>(5,647)</u>	<u>4,061</u>	<u>-71.9%</u>
Less 1 week fourth quarter other (income) expense	-	403	(403)	-100.0%
<b>Other (income) expense adjusted for certain items and extra week (Non-GAAP)</b>	<u>\$ (1,586)</u>	<u>\$ (5,244)</u>	<u>\$ 3,658</u>	<u>-69.8%</u>

<b>Net earnings (GAAP)</b>	\$	305,171	\$	215,667	\$	89,504	41.5%
Impact of MEPP charge		35,600		-		35,600	NM
Impact of restructuring cost (1)		42,573		56,220		(13,647)	-24.3%
Impact of acquisition-related costs (2)		30,697		25,212		5,485	21.8%
Impact of acquisition financing costs		-		18,660		(18,660)	NM
Impact of foreign currency remeasurement and hedging		-		146,950		(146,950)	NM
Tax Impact of MEPP charge		(12,900)		-		(12,900)	NM
Tax impact of restructuring cost (5)		(13,299)		(22,083)		8,784	-39.8%
Tax impact of acquisition-related costs (5)		461		(9,903)		10,364	NM
Tax impact of acquisition financing costs (5)		-		(7,330)		7,330	NM
Tax impact of foreign currency remeasurement and hedging		-		(57,722)		57,722	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$	388,303	\$	365,671	\$	22,632	6.2%
Impact of Brakes		6,758		-		6,758	NM
Impact of Brakes restructuring costs (3)		(4,639)		-		(4,639)	NM
Impact of Brakes acquisition-related costs (2)		(25,251)		-		(25,251)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		23,014		-		23,014	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(9,147)		-		(9,147)	NM
Less 1 week fourth quarter net earnings		-		(26,119)		(9,733)	NM
<b>Net earnings adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP)</b>	\$	379,038	\$	339,552	\$	39,486	11.6%
<b>Diluted earnings per share (GAAP)</b>	\$	0.57	\$	0.38	\$	0.19	50.0%
Impact of MEPP charge		0.07		-		0.07	NM
Impact of restructuring costs (1)		0.08		0.10		(0.02)	-20.0%
Impact of acquisition-related costs (2)		0.06		0.04		0.02	50.0%
Impact of acquisition financing costs		-		0.03		(0.03)	NM
Impact of foreign currency remeasurement and hedging		-		0.26		(0.26)	NM
Tax Impact of MEPP charge		(0.02)		-		(0.02)	NM
Tax impact of restructuring cost (5)		(0.02)		(0.04)		0.02	-50.0%
Tax impact of acquisition-related costs (5)		-		(0.02)		0.02	NM
Tax impact of acquisition financing costs (5)		-		(0.01)		0.01	NM
Tax impact of foreign currency remeasurement and hedging		-		(0.10)		0.10	NM
<b>Diluted EPS adjusted for certain items(Non-GAAP) (4)</b>	\$	0.72	\$	0.64	\$	0.08	12.5%
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)		(0.05)		-		(0.05)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		0.05		-		0.05	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(0.01)		-		(0.01)	NM
Less 1 week impact of fourth quarter diluted earnings per share		-		(0.05)		0.05	NM
<b>Diluted EPS adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP) (4)</b>	\$	0.70	\$	0.60	\$	0.10	15.5%

Diluted shares outstanding 538,797,624 567,997,290

(1) Includes \$28 million in accelerated depreciation associated with our revised business technology strategy and \$11 million related to restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy, severance charges related to restructuring and professional fees on 3-year financial objectives.

(2) Fiscal 2017 includes \$20 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.

(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.

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**Non-GAAP Reconciliation (Unaudited)**  
**Impact of extra week, Certain Items and Brakes**  
(In Thousands, Except for Share and Per Share Data)

	<b>52-Week Period Ended Jul. 1, 2017</b>	<b>53-Week Period Ended Jul. 2, 2016</b>	<b>Period Change in Dollars</b>	<b>Period %/bps Change</b>
<b>Sales</b>	\$ 55,371,139	\$ 50,366,919	\$ 5,004,220	9.9%
Impact of Brakes	(5,170,787)	-	(5,170,787)	NM
Less 1 week fourth quarter sales	-	(974,849)	974,849	NM
<b>Comparable sales using a 52 week basis and excluding the impact of Brakes (Non-GAAP)</b>	\$ 50,200,352	\$ 49,392,070	\$ 808,282	1.6%
<b>Gross profit</b>	\$ 10,557,507	\$ 9,040,472	\$ 1,517,035	16.8%
Impact of Brakes	(1,333,852)	-	(1,333,852)	NM
Less 1 week fourth quarter sales	-	(178,774)	178,774	NM
<b>Comparable gross profit using a 52 week basis and excluding the impact of Brakes (Non-GAAP)</b>	\$ 9,223,655	\$ 8,861,698	\$ 361,957	4.1%
<b>Gross margin</b>	19.07%	17.95%		112 bps
Impact of Brakes	0.69%	0%		69 bps
Less 1 week fourth quarter sales	0%	0.01%		-1 bps
<b>Comparable gross margin using a 52 week basis and excluding the impact of Brakes (Non-GAAP)</b>	18.37%	17.94%		43 bps
<b>Operating expenses (GAAP)</b>	\$ 8,504,336	\$ 7,189,972	\$ 1,314,364	18.3%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs (1)	(161,011)	(123,134)	(37,877)	30.8%
Impact of acquisition-related costs (2)	(102,049)	(35,614)	(66,434)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 8,205,676	\$ 7,031,224	\$ 1,174,452	16.7%
Impact of Brakes	(1,282,800)	-	(1,282,800)	NM
Impact of Brakes restructuring costs (3)	13,732	-	13,732	NM
Impact of Brakes acquisition-related costs (2)	78,273	-	78,273	NM
Less 1 week fourth quarter operating expenses	-	(133,899)	133,899	NM
<b>Operating expenses adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP)</b>	\$ 7,014,881	\$ 6,897,325	\$ 117,556	1.7%
<b>Operating income (GAAP)</b>	\$ 2,053,171	\$ 1,850,500	\$ 202,671	11.0%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs (1)	161,011	123,134	37,877	30.8%
Impact of acquisition-related costs (2)	102,049	35,614	66,434	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 2,351,831	\$ 2,009,248	\$ 342,583	17.1%
Impact of Brakes	(51,053)	-	(51,053)	NM
Impact of Brakes restructuring costs (3)	(13,732)	-	(13,732)	NM
Impact of Brakes acquisition-related costs (2)	(78,273)	-	(78,273)	NM
Less 1 week fourth quarter operating income	-	(44,876)	44,876	NM
<b>Operating income adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP)</b>	\$ 2,208,773	\$ 1,964,372	\$ 244,401	12.4%
<b>Operating margin (GAAP)</b>	3.71%	3.67%		3 bps
<b>Operating margin excluding Certain Items (Non-GAAP)</b>	4.25%	3.99%		26 bps
<b>Operating margin excluding Certain Items, Extra Week and Brakes (Non-GAAP)</b>	4.40%	3.98%		42 bps
<b>Interest expense (GAAP)</b>	\$ 302,878	\$ 306,146	\$ (3,268)	-1.1%
Impact of acquisition financing costs	-	(123,990)	123,990	NM
<b>Interest expense adjusted for certain items (Non-GAAP)</b>	\$ 302,878	\$ 182,156	\$ 120,722	66.3%
Less 1 week fourth quarter interest expense	-	(3,975)	3,975	NM
<b>Interest expense adjusted for certain items and extra week (Non-GAAP)</b>	\$ 302,878	\$ 178,181	\$ 124,697	70.0%
<b>Other (income) expense</b>	\$ (15,937)	\$ 111,347	\$ (127,284)	NM
Impact of foreign currency remeasurement and hedging	-	(146,950)	146,950	NM
<b>Other (income) expense adjusted for certain items (Non-GAAP)</b>	(15,937)	(35,603)	19,666	-55.2%
Less 1 week fourth quarter other (income) expense	-	403	(403)	NM
<b>Other (income) expense adjusted for certain items and extra week (Non-GAAP)</b>	\$ (15,937)	\$ (35,200)	\$ 19,263	-54.7%

<b>Net earnings (GAAP)</b>	\$	1,142,503	\$	949,622	\$	192,881	20.3%
Impact of MEPP charge		35,600		-		35,600	NM
Impact of restructuring cost (1)		161,011		123,134		37,877	30.8%
Impact of acquisition-related costs (2)		102,049		35,614		66,435	NM
Impact of acquisition financing costs		-		123,990		(123,990)	NM
Impact of foreign currency remeasurement and hedging		-		146,950		(146,950)	NM
Tax Impact of MEPP charge		(11,903)		-		(11,903)	NM
Tax impact of restructuring cost (5)		(51,184)		(47,333)		(3,851)	8.1%
Tax impact of acquisition-related costs (5)		(19,003)		(13,690)		(5,313)	38.8%
Tax impact of acquisition financing costs (5)		-		(47,662)		47,662	NM
Tax impact of foreign currency remeasurement and hedging		-		(56,488)		56,488	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$	1,359,073	\$	1,214,137	\$	144,936	11.9%
Impact of Brakes		(46,988)		-		(46,988)	NM
Impact of Brakes restructuring costs (3)		(11,794)		-		(11,794)	NM
Impact of Brakes acquisition-related costs (2)		(67,221)		-		(67,221)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		83,633		-		83,633	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(33,880)		-		(33,880)	NM
Less 1 week fourth quarter net earnings		-		(26,119)		26,119	NM
<b>Net earnings adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP)</b>	\$	1,282,823	\$	1,188,018	\$	94,805	8.0%
<b>Diluted earnings per share (GAAP)</b>	\$	2.08	\$	1.64	\$	0.44	26.8%
Impact of MEPP charge		0.06		-		0.06	NM
Impact of restructuring costs (1)		0.29		0.21		0.08	38.1%
Impact of acquisition-related costs (2)		0.19		0.06		0.13	NM
Impact of acquisition financing costs		-		0.21		(0.21)	NM
Impact of foreign currency remeasurement and hedging		-		0.25		(0.25)	NM
Tax Impact of MEPP charge		(0.02)		-		(0.02)	NM
Tax impact of restructuring cost (5)		(0.09)		(0.08)		(0.01)	12.5%
Tax impact of acquisition-related costs (5)		(0.03)		(0.02)		(0.01)	50.0%
Tax impact of acquisition financing costs (5)		-		(0.08)		0.08	NM
Tax impact of foreign currency remeasurement and hedging		-		(0.10)		0.10	NM
<b>Diluted EPS adjusted for certain items(Non-GAAP) (4)</b>	\$	2.48	\$	2.10	\$	0.38	18.1%
Impact of Brakes		(0.09)		-		(0.09)	NM
Impact of Brakes restructuring costs (3)		(0.02)		-		(0.02)	NM
Impact of Brakes acquisition-related costs (2)		(0.12)		-		(0.12)	NM
Impact of interest expense on debt issued for the Brakes acquisition (6)		0.15		-		0.15	NM
Tax impact of interest expense on debt issued for the Brakes acquisition (5)		(0.06)		-		(0.06)	NM
Less 1 week impact of fourth quarter diluted earnings per share		-		(0.05)		0.05	NM
<b>Diluted EPS adjusted for certain items, extra week and excluding the impact of Brakes (Non-GAAP) (4)</b>	\$	2.34	\$	2.06	\$	0.28	13.6%
Total Brakes accretion	\$	0.14	\$	-	\$	-	NM
Diluted shares outstanding		548,545,027		577,391,406			

(1) Includes \$111 million in accelerated depreciation associated with our revised business technology strategy and \$46 million related to professional fees on 3-year financial objectives, restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy and severance charges related to restructuring.

(2) Fiscal 2017 includes \$76 million related to intangible amortization expense from the Brakes acquisition, which is included in the results of Brakes and \$24 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. The adjustments also include \$7 million in non-deductible transaction costs and \$4 million in other one-time costs related to the Brakes acquisition.

(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.

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**Impact of extra week and Certain Items**  
(In Thousands, Except for Share and Per Share Data)

	<b>13-Week Period Ended July 1, 2017</b>	<b>14-Week Period Ended July 2, 2016</b>	<b>Period Change in Dollars</b>	<b>Period %/bps Change</b>
<b>Sales</b>	\$ 14,421,045	\$ 13,647,891	\$ 773,154	5.7%
Less 1 week fourth quarter sales	-	(974,849)	974,849	NM
<b>Comparable sales using a 13 week basis (Non-GAAP)</b>	<u>\$ 14,421,045</u>	<u>\$ 12,673,042</u>	<u>\$ 1,748,003</u>	<u>13.8%</u>
<b>Gross profit</b>	\$ 2,759,590	\$ 2,502,838	\$ 256,752	10.3%
Less 1 week fourth quarter sales	-	(178,774)	178,774	NM
<b>Comparable gross profit using a 13 week basis (Non-GAAP)</b>	<u>\$ 2,759,590</u>	<u>\$ 2,324,064</u>	<u>\$ 435,526</u>	<u>18.7%</u>
<b>Gross margin</b>	19.14%	18.34%		80 bps
Less 1 week fourth quarter sales	0%	0%		0 bps
<b>Comparable gross margin using a 13 week basis (Non-GAAP)</b>	<u>19.14%</u>	<u>18.34%</u>		<u>80 bps</u>
<b>Operating expenses (GAAP)</b>	\$ 2,201,631	\$ 1,956,013	\$ 245,618	12.6%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs (1)	(42,573)	(56,220)	13,647	-24.3%
Impact of acquisition-related costs (2)	<u>(30,697)</u>	<u>(25,212)</u>	<u>(5,485)</u>	<u>21.8%</u>
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<u>\$ 2,092,761</u>	<u>\$ 1,874,581</u>	<u>\$ 218,180</u>	<u>11.6%</u>
Less 1 week fourth quarter operating expenses	-	(133,899)	133,899	-100.0%
<b>Operating expenses adjusted for certain items and extra week (Non-GAAP)</b>	<u>\$ 2,092,761</u>	<u>\$ 1,740,682</u>	<u>\$ 352,079</u>	<u>20.2%</u>
<b>Operating income (GAAP)</b>	\$ 557,959	\$ 546,825	\$ 11,134	2.0%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs (1)	42,573	56,220	(13,647)	-24.3%
Impact of acquisition-related costs (2)	<u>30,697</u>	<u>25,212</u>	<u>5,485</u>	<u>21.8%</u>
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<u>\$ 666,829</u>	<u>\$ 628,257</u>	<u>\$ 38,572</u>	<u>6.1%</u>
Less 1 week fourth quarter operating income	-	(44,876)	44,876	NM
<b>Operating income adjusted for certain items and extra week (Non-GAAP)</b>	<u>\$ 666,829</u>	<u>\$ 583,381</u>	<u>\$ 83,448</u>	<u>14.3%</u>
<b>Operating margin (GAAP)</b>	3.87%	4.01%		-14 bps
<b>Operating margin excluding Certain Items (Non-GAAP)</b>	4.62%	4.60%		2 bps
<b>Operating margin excluding certain items and extra week (Non-GAAP)</b>	4.62%	4.60%		2 bps
<b>Interest expense (GAAP)</b>	\$ 76,020	\$ 74,305	\$ 1,715	2.3%
Impact of acquisition financing costs (5)	-	(18,660)	18,660	NM
<b>Interest expense adjusted for certain items (Non-GAAP)</b>	<u>76,020</u>	<u>55,645</u>	<u>20,375</u>	<u>36.6%</u>
Less 1 week fourth quarter interest expense	-	(3,975)	3,975	-100.0%
<b>Interest expense adjusted for certain items and extra week (Non-GAAP)</b>	<u>\$ 76,020</u>	<u>\$ 51,670</u>	<u>\$ 24,350</u>	<u>47.1%</u>
<b>Other (income) expense</b>	(1,586)	141,303	(142,889)	-101.1%
Impact of foreign currency remeasurement and hedging	-	(146,950)	146,950	-100.0%
<b>Other (income) expense adjusted for certain items (Non-GAAP)</b>	<u>(1,586)</u>	<u>(5,647)</u>	<u>4,061</u>	<u>-71.9%</u>
Less 1 week fourth quarter other (income) expense	-	403	(403)	-100.0%
<b>Other (income) expense adjusted for certain items and extra week (Non-GAAP)</b>	<u>\$ (1,586)</u>	<u>\$ (5,244)</u>	<u>\$ 3,658</u>	<u>-69.8%</u>

<b>Net earnings (GAAP)</b>	\$	305,171	\$	215,667	\$	89,504	41.5%
Impact of MEPP charge		35,600		-		35,600	NM
Impact of restructuring cost (1)		42,573		56,220		(13,647)	-24.3%
Impact of acquisition-related costs (2)		30,697		25,212		5,485	21.8%
Impact of acquisition financing costs		-		18,660		(18,660)	NM
Impact of foreign currency remeasurement and hedging		-		146,950		(146,950)	NM
Tax Impact of MEPP charge		(12,900)		-		(12,900)	NM
Tax impact of restructuring cost (4)		(13,299)		(22,083)		8,784	-39.8%
Tax impact of acquisition-related costs (4)		461		(9,903)		10,364	NM
Tax impact of acquisition financing costs (4)		-		(7,330)		7,330	NM
Tax impact of foreign currency remeasurement and hedging		-		(57,722)		57,722	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$	388,303	\$	365,671	\$	22,632	6.2%
Less 1 week fourth quarter net earnings		-		(26,119)		(9,733)	NM
<b>Net earnings adjusted for certain items and extra week (Non-GAAP)</b>	\$	388,303	\$	339,552	\$	48,751	14.4%
<b>Diluted earnings per share (GAAP)</b>	\$	0.57	\$	0.38	\$	0.19	50.0%
Impact of MEPP charge		0.07		-		0.07	NM
Impact of restructuring costs (1)		0.08		0.10		(0.02)	-20.0%
Impact of acquisition-related costs (2)		0.06		0.04		0.02	50.0%
Impact of acquisition financing costs		-		0.03		(0.03)	NM
Impact of foreign currency remeasurement and hedging		-		0.26		(0.26)	NM
Tax Impact of MEPP charge		(0.02)		-		(0.02)	NM
Tax impact of restructuring cost (4)		(0.02)		(0.04)		0.02	-50.0%
Tax impact of acquisition-related costs (4)		-		(0.02)		0.02	NM
Tax impact of acquisition financing costs (4)		-		(0.01)		0.01	NM
Tax impact of foreign currency remeasurement and hedging		-		(0.10)		0.10	NM
<b>Diluted EPS adjusted for certain items(Non-GAAP) (3)</b>	\$	0.72	\$	0.64	\$	0.08	12.5%
Less 1 week impact of fourth quarter diluted earnings per share		-		(0.05)		0.05	NM
<b>Diluted EPS adjusted for certain items and extra week (Non-GAAP) (3)</b>	\$	0.72	\$	0.60	\$	0.12	20.0%

Diluted shares outstanding

538,797,624

567,997,290

(1) Includes \$28 million in accelerated depreciation associated with our revised business technology strategy and \$11 million related to restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy, severance charges related to restructuring and professional fees on 3-year financial objectives.

(2) Fiscal 2017 includes \$20 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.

(3) 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.

(4) 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.

(5) 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)**  
**Impact of extra week and Certain Items**  
(In Thousands, Except for Share and Per Share Data)

	<b>52-Week Period Ended Jul. 1, 2017</b>	<b>53-Week Period Ended Jul. 2, 2016</b>	<b>Period Change in Dollars</b>	<b>Period %/bps Change</b>
<b>Sales</b>	\$ 55,371,139	\$ 50,366,919	\$ 5,004,220	9.9%
Less 1 week fourth quarter sales	-	(974,849)	974,849	NM
<b>Comparable sales using a 52 week basis (Non-GAAP)</b>	\$ 55,371,139	\$ 49,392,070	\$ 5,979,069	12.1%
<b>Gross profit</b>	\$ 10,557,507	\$ 9,040,472	\$ 1,517,035	16.8%
Less 1 week fourth quarter sales	-	(178,774)	178,774	NM
<b>Comparable gross profit using a 52 week basis (Non-GAAP)</b>	\$ 10,557,507	\$ 8,861,698	\$ 1,695,809	19.1%
<b>Gross margin</b>	19.07%	17.95%		112 bps
Less 1 week fourth quarter sales	0%	0.01%		-1 bps
<b>Comparable gross margin using a 52 week basis (Non-GAAP)</b>	19.07%	17.94%		113 bps
<b>Operating expenses (GAAP)</b>	\$ 8,504,336	\$ 7,189,972	\$ 1,314,364	18.3%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs (1)	(161,011)	(123,134)	(37,877)	30.8%
Impact of acquisition-related costs (2)	(102,049)	(35,614)	(66,434)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 8,205,676	\$ 7,031,224	\$ 1,174,452	16.7%
Less 1 week fourth quarter operating expenses	-	(133,899)	133,899	NM
<b>Operating expenses adjusted for certain items and extra week (Non-GAAP)</b>	\$ 8,205,675	\$ 6,897,325	\$ 1,308,350	19.0%
<b>Operating income (GAAP)</b>	\$ 2,053,171	\$ 1,850,500	\$ 202,671	11.0%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs (1)	161,011	123,134	37,877	30.8%
Impact of acquisition-related costs (2)	102,049	35,614	66,434	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 2,351,831	\$ 2,009,248	\$ 342,583	17.1%
Less 1 week fourth quarter operating income	-	(44,876)	44,876	NM
<b>Operating income adjusted for certain items and extra week (Non-GAAP)</b>	\$ 2,351,831	\$ 1,964,372	\$ 387,459	19.7%
<b>Operating margin (GAAP)</b>	3.71%	3.67%		3 bps
<b>Operating margin excluding Certain Items (Non-GAAP)</b>	4.25%	3.99%		26 bps
<b>Operating margin excluding certain items and extra week (Non-GAAP)</b>	4.25%	3.98%		27 bps
<b>Interest expense (GAAP)</b>	\$ 302,878	\$ 306,146	\$ (3,268)	-1.1%
Impact of acquisition financing costs (5)	-	(123,990)	123,990	NM
<b>Interest expense adjusted for certain items (Non-GAAP)</b>	\$ 302,878	\$ 182,156	\$ 120,722	66.3%
Less 1 week fourth quarter interest expense	-	(3,975)	3,975	NM
<b>Interest expense adjusted for certain items and extra week (Non-GAAP)</b>	\$ 302,878	\$ 178,181	\$ 124,697	70.0%
<b>Other (income) expense</b>	\$ (15,937)	\$ 111,347	\$ (127,284)	NM
Impact of foreign currency remeasurement and hedging	-	(146,950)	146,950	NM
<b>Other (income) expense adjusted for certain items (Non-GAAP)</b>	(15,937)	(35,603)	19,666	-55.2%
Less 1 week fourth quarter other (income) expense	-	403	(403)	NM
<b>Other (income) expense adjusted for certain items and extra week (Non-GAAP)</b>	\$ (15,937)	\$ (35,200)	\$ 19,263	-54.7%



<b>Net earnings (GAAP)</b>	\$	1,142,503	\$	949,622	\$	192,881	20.3%
Impact of MEPP charge		35,600		-		35,600	NM
Impact of restructuring cost (1)		161,011		123,134		37,877	30.8%
Impact of acquisition-related costs (2)		102,049		35,614		66,435	NM
Impact of acquisition financing costs		-		123,990		(123,990)	NM
Impact of foreign currency remeasurement and hedging		-		146,950		(146,950)	NM
Tax Impact of MEPP charge		(11,903)		-		(11,903)	NM
Tax impact of restructuring cost (4)		(51,184)		(47,333)		(3,851)	8.1%
Tax impact of acquisition-related costs (4)		(19,003)		(13,690)		(5,313)	38.8%
Tax impact of acquisition financing costs (4)		-		(47,662)		47,662	NM
Tax impact of foreign currency remeasurement and hedging		-		(56,488)		56,488	NM
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$	1,359,073	\$	1,214,137	\$	144,936	11.9%
Less 1 week fourth quarter net earnings		-		(26,119)		26,119	NM
<b>Net earnings adjusted for certain items and extra week (Non-GAAP)</b>	\$	1,359,073	\$	1,188,018	\$	171,055	14.4%
<b>Diluted earnings per share (GAAP)</b>	\$	2.08	\$	1.64	\$	0.44	26.8%
Impact of MEPP charge		0.06		-		0.06	NM
Impact of restructuring costs (1)		0.29		0.21		0.08	38.1%
Impact of acquisition-related costs (2)		0.19		0.06		0.13	NM
Impact of acquisition financing costs		-		0.21		(0.21)	NM
Impact of foreign currency remeasurement and hedging		-		0.25		(0.25)	NM
Tax Impact of MEPP charge		(0.02)		-		(0.02)	NM
Tax impact of restructuring cost (4)		(0.09)		(0.08)		(0.01)	12.5%
Tax impact of acquisition-related costs (4)		(0.03)		(0.02)		(0.01)	50.0%
Tax impact of acquisition financing costs (4)		-		(0.08)		0.08	NM
Tax impact of foreign currency remeasurement and hedging		-		(0.10)		0.10	NM
<b>Diluted EPS adjusted for certain items(Non-GAAP) (3)</b>	\$	2.48	\$	2.10	\$	0.38	18.1%
Less 1 week impact of fourth quarter diluted earnings per share		-		(0.05)		0.05	NM
<b>Diluted EPS adjusted for certain items and extra week (Non-GAAP) (3)</b>	\$	2.48	\$	2.06	\$	0.42	20.4%

Diluted shares outstanding 548,545,027 577,391,406

(1) Includes \$111 million in accelerated depreciation associated with our revised business technology strategy and \$46 million related to professional fees on 3-year financial objectives, restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy and severance charges related to restructuring.

(2) Fiscal 2017 includes \$76 million related to intangible amortization expense from the Brakes acquisition, which is included in the results of Brakes and \$24 million in transaction costs. Fiscal 2016 includes US Foods merger termination costs.

(3) 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.

(4) 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.

(5) 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.

**Adjusted Operating Income Target**

We expect to achieve our adjusted operating income target by fiscal 2018. Due to the uncertainties within these projected amounts, we cannot provide a quantitative reconciliation of these non-GAAP measures to the most directly comparable GAAP measure without unreasonable effort. However, we expect to calculate these adjusted results in the same manner as the reconciliations provided for the historical periods that are presented herein.

Operating Income Growth

	Year Ended			Year Ended			Cumulative 24-month Change \$ results
	July 1, 2017	July 2, 2016	Period Change \$	July 2, 2016	June 27, 2015	Period Change \$	
<b>Sales</b>	\$ 55,371,139	\$ 50,366,919	\$ 5,004,220	\$ 50,366,919	\$ 48,680,752	\$ 1,686,167	
<b>Impact of Brakes</b>	(5,170,787)	-	(5,170,787)	-	-	-	
<b>Sales excluding the impact of Brakes (Non-GAAP)</b>	\$ 50,200,352	\$ 50,366,919	\$ (166,567)	\$ 50,366,919	\$ 48,680,752	\$ 1,686,167	
<b>Gross profit</b>	\$ 10,557,507	\$ 9,040,472	\$ 1,517,035	\$ 9,040,472	\$ 8,551,516	\$ 488,956	
Impact of Brakes	(1,333,852)	-	(1,333,852)	-	-	-	
<b>Gross profit excluding the impact of Brakes (Non-GAAP)</b>	\$ 9,223,655	\$ 9,040,472	\$ 183,183	\$ 9,040,472	\$ 8,551,516	\$ 488,956	
<b>Gross margin</b>	19.07%	17.95%	1.12%	17.95%	17.57%	0.38%	
Impact of Brakes	0.69%	0.00%	0.69%	-	-	-	
<b>Gross margin excluding the impact of Brakes (Non-GAAP)</b>	18.37%	17.95%	0.42%	17.95%	17.57%	0.38%	
<b>Operating expenses (GAAP)</b>	\$ 8,504,336	\$ 7,189,972	\$ 1,314,364	\$ 7,189,972	\$ 7,322,154	\$ (132,182)	
MEPP Charge	(35,600)	-	(35,600)	-	-	-	
Impact of restructuring costs (1)	(161,011)	(123,134)	(37,877)	(123,134)	(7,801)	(115,333)	
Impact of acquisition-related costs (2)	(102,049)	(35,614)	(66,434)	(35,614)	(554,667)	519,052	
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 8,205,676	\$ 7,031,224	\$ 1,174,452	\$ 7,031,224	\$ 6,759,686	\$ 271,537	
Impact of Brakes	(1,282,800)	-	(1,282,800)	-	-	-	
Impact of Brakes restructuring costs (3)	13,732	-	13,732	-	-	-	
Impact of Brakes acquisition-related costs (2)	78,273	-	78,273	-	-	-	
<b>Operating expenses adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$ 7,014,881	\$ 7,031,224	\$ (16,343)	\$ 7,031,224	\$ 6,759,686	\$ 271,537	
<b>Operating income (GAAP)</b>	\$ 2,053,171	\$ 1,850,500	\$ 202,671	\$ 1,850,500	\$ 1,229,362	\$ 621,138	\$ 823,809
MEPP Charge	35,600	-	35,600	-	-	-	35,600
Impact of restructuring costs (1)	161,011	123,134	37,877	123,134	7,801	115,333	153,210
Impact of acquisition-related costs (2)	102,049	35,614	66,434	35,614	554,667	(519,052)	(452,618)
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 2,351,831	\$ 2,009,248	\$ 342,583	\$ 2,009,248	\$ 1,791,830	\$ 217,419	\$ 560,001
Impact of Brakes	(51,053)	-	(51,053)	-	-	-	(51,053)
Impact of Brakes restructuring costs (3)	(13,732)	-	(13,732)	-	-	-	(13,732)
Impact of Brakes acquisition-related costs (2)	(78,273)	-	(78,273)	-	-	-	(78,273)
<b>Operating income adjusted for certain items and excluding the impact of Brakes (Non-GAAP)</b>	\$ 2,208,773	\$ 2,009,248	\$ 199,525	\$ 2,009,248	\$ 1,791,830	\$ 217,419	\$ 416,943

<sup>(1)</sup> Includes \$111 million in accelerated depreciation associated with our revised business technology strategy and \$46 million related to professional fees on 3-year financial objectives, restructuring expenses within our Brakes operations, costs to convert to legacy systems in conjunction with our revised business technology strategy and severance charges related to restructuring. Includes professional fees on 3-year financial objectives, and costs to convert to legacy systems in conjunction with our revised business technology strategy in fiscal 2017 and fiscal 2016.

<sup>(2)</sup> Fiscal 2017 includes \$76 million related to intangible amortization expense from the Brakes acquisition, which is included in the results of Brakes and \$24 million in transaction costs. Fiscal 2016 includes US Foods merger integration and termination costs.

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

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

	<b>13-Week Period Ended Jul. 1, 2017</b>	<b>14-Week Period Ended Jul. 2, 2016</b>	<b>Period Change in Dollars</b>	<b>Period %/bps Change</b>
<b>U.S. Foodservice Operations</b>				
<b>Sales (GAAP)</b>	\$ 9,804,969	\$ 10,195,775	\$ (390,806)	-3.8%
Less 1 week fourth quarter sales	-	(728,270)	728,270	NM
<b>Comparable sales using a 13 week basis (Non-GAAP)</b>	<u>\$ 9,804,969</u>	<u>\$ 9,467,506</u>	<u>\$ 337,464</u>	<u>3.6%</u>
<b>Gross Profit (GAAP)</b>	\$ 1,984,028	\$ 2,054,413	\$ (70,385)	-3.4%
Less 1 week fourth quarter gross profit	-	(146,744)	146,744	NM
<b>Comparable gross profit using a 13 week basis (Non-GAAP)</b>	<u>\$ 1,984,028</u>	<u>\$ 1,907,669</u>	<u>\$ 76,359</u>	<u>4.0%</u>
<b>Gross Margin (GAAP)</b>	20.23%	20.15%		9 bps
Less 1 week fourth quarter gross margin	0%	0%		0 bps
<b>Comparable gross margin using a 13 week basis (Non-GAAP)</b>	<u>20.23%</u>	<u>20.15%</u>		<u>9 bps</u>
<b>Operating expenses (GAAP)</b>	\$ 1,208,178	\$ 1,237,692	\$ (29,514)	-2.4%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs	-	(1,175)	1,175	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<u>\$ 1,172,578</u>	<u>\$ 1,236,517</u>	<u>\$ (63,939)</u>	<u>-5.2%</u>
Less 1 week fourth quarter operating expenses	-	(88,323)	88,323	NM
<b>Operating expenses adjusted for extra week (Non-GAAP)</b>	<u>\$ 1,172,578</u>	<u>\$ 1,148,194</u>	<u>\$ 24,384</u>	<u>2.1%</u>
<b>Operating income (GAAP)</b>	\$ 775,850	\$ 816,721	\$ (40,871)	-5.0%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs	-	1,175	(1,175)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<u>\$ 811,450</u>	<u>\$ 817,896</u>	<u>\$ (6,446)</u>	<u>-0.8%</u>
Less 1 week fourth quarter operating income	-	(58,421)	58,421	NM
<b>Operating income adjusted for extra week (Non-GAAP)</b>	<u>\$ 811,450</u>	<u>\$ 759,475</u>	<u>\$ 51,975</u>	<u>6.8%</u>
<b>Operating margin excluding certain items and extra week (Non-GAAP)</b>	8.28%	8.02%		25 bps
<b>International Foodservice Operations</b>				
Sales (GAAP)	\$ 2,730,263	\$ 1,513,361	\$ 1,216,902	80.4%
Gross Profit (GAAP)	584,451	261,600	322,851	123.4%
Gross Margin (GAAP)	21.41%	17.29%		412 bps
<b>Operating expenses (GAAP)</b>	\$ 521,659	\$ 211,594	\$ 310,065	NM
Impact of restructuring costs (1)	(8,031)	(6,808)	(1,223)	18.0%
Impact of acquisition-related costs (2)	(21,435)	-	(21,435)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	<u>\$ 492,193</u>	<u>\$ 204,786</u>	<u>\$ 287,407</u>	<u>NM</u>
<b>Operating income (GAAP)</b>	\$ 62,792	\$ 50,006	\$ 12,786	25.6%
Impact of restructuring costs (1)	8,031	6,808	1,223	18.0%
Impact of acquisition-related costs (2)	21,435	-	21,435	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	<u>\$ 92,258</u>	<u>\$ 56,814</u>	<u>\$ 35,444</u>	<u>62.4%</u>
<b>SYGMA</b>				
Sales (GAAP)	\$ 1,618,485	\$ 1,652,222	\$ (33,737)	-2.0%
Gross Profit (GAAP)	123,267	119,214	4,053	3.4%
Gross Margin (GAAP)	7.62%	7.22%		40 bps
Operating expenses (GAAP)	\$ 115,375	\$ 111,871	\$ 3,504	3.1%
Operating income (GAAP)	\$ 7,892	\$ 7,343	\$ 549	7.5%

## Other

Sales (GAAP)	\$ 267,328	\$ 286,533	\$ (19,205)	-6.7%
Gross Profit (GAAP)	72,933	69,072	3,861	5.6%
Gross Margin (GAAP)	27.28%	24.11%		318 bps
<b>Operating expenses (GAAP)</b>	\$ 70,526	\$ 60,252	\$ 10,274	17.1%
Impact of restructuring costs	-	(52)	52	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 70,526	\$ 60,200	\$ 10,326	17.2%
<b>Operating income (GAAP)</b>	\$ 2,407	\$ 8,820	\$ (6,413)	-72.7%
Impact of restructuring costs	-	52	(52)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 2,407	\$ 8,872	\$ (6,465)	-72.9%

## Corporate

Gross Profit (GAAP)	\$ (5,089)	\$ (1,461)	\$ (3,628)	248.3%
<b>Operating expenses (GAAP)</b>	\$ 285,893	\$ 334,604	\$ (48,711)	-14.6%
Impact of restructuring costs (3)	(34,542)	(48,185)	13,643	-28.3%
Impact of acquisition-related costs (4)	(9,261)	(25,212)	15,951	-63.3%
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 242,090	\$ 261,207	\$ (19,117)	-7.3%
<b>Operating income (GAAP)</b>	\$ (290,982)	\$ (336,065)	\$ 45,083	-13.4%
Impact of restructuring costs (3)	34,542	48,185	(13,643)	-28.3%
Impact of acquisition-related costs (4)	9,261	25,212	(15,951)	-63.3%
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ (247,179)	\$ (262,668)	\$ 15,489	-5.9%

## Total Sysco

Sales (GAAP)	\$ 14,421,045	\$ 13,647,891	\$ 773,154	5.7%
Gross Profit (GAAP)	2,759,590	2,502,838	256,752	10.3%
Gross Margin (GAAP)	19.14%	18.34%		80 bps
<b>Operating expenses (GAAP)</b>	\$ 2,201,631	\$ 1,956,013	\$ 245,618	12.6%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs (1) (3)	(42,573)	(56,220)	13,647	-24.3%
Impact of acquisition-related costs (2) (4)	(30,697)	(25,212)	(5,485)	21.8%
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 2,092,761	\$ 1,874,581	\$ 218,180	11.6%
<b>Operating income (GAAP)</b>	\$ 557,959	\$ 546,825	\$ 11,134	2.0%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs (1) (3)	42,573	56,220	(13,647)	-24.3%
Impact of acquisition-related costs (2) (4)	30,697	25,212	5,485	21.8%
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 666,829	\$ 628,257	\$ 38,572	6.1%

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

(2) Fiscal 2017 Includes \$20 million for the 13 week period related to intangible amortization expense from the Brakes acquisition, which is included in the results of the Brakes Group.

(3) Fiscal 2017 \$28 million for the 13 week period in accelerated depreciation associated with our revised business technology strategy. Also includes \$4 million for the 13 week 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 \$9 million for the 13 week 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 extra week and Certain Items**  
(In Thousands, Except for Share and Per Share Data)

	<b>52-Week Period Ended Jul. 1, 2017</b>	<b>53-Week Period Ended Jul. 2, 2016</b>	<b>Period Change in Dollars</b>	<b>Period %/bps Change</b>
<b>U.S. Foodservice Operations</b>				
<b>Sales (GAAP)</b>	\$ 37,604,698	\$ 37,776,442	\$ (171,745)	-0.5%
Less 1 week fourth quarter sales	-	(728,270)	728,270	NM
<b>Comparable sales using a 52 week basis (Non-GAAP)</b>	\$ 37,604,698	\$ 37,048,173	\$ 556,525	1.5%
<b>Gross Profit (GAAP)</b>	\$ 7,556,392	\$ 7,413,436	\$ 142,956	1.9%
Less 1 week fourth quarter sales	-	(146,744)	146,744	NM
<b>Comparable gross profit using a 52 week basis (Non-GAAP)</b>	\$ 7,556,392	\$ 7,266,692	\$ 289,700	4.0%
<b>Gross Margin (GAAP)</b>	20.09%	19.62%		47 bps
Less 1 week fourth quarter sales	0%	0.01%		NM
<b>Comparable gross margin using a 52 week basis (Non-GAAP)</b>	20.09%	19.61%		48 bps
<b>Operating expenses (GAAP)</b>	\$ 4,664,780	\$ 4,641,504	\$ 23,276	0.5%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs	(470)	(3,351)	2,881	-86.0%
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 4,628,710	\$ 4,638,153	\$ (9,443)	-0.2%
Less 1 week fourth quarter operating expenses	-	(88,323)	88,323	NM
<b>Operating expenses adjusted for extra week (Non-GAAP)</b>	\$ 4,628,710	\$ 4,549,830	\$ 78,880	1.7%
<b>Operating income (GAAP)</b>	\$ 2,891,612	\$ 2,771,932	\$ 119,680	4.3%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs	470	3,351	(2,881)	-86.0%
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 2,927,682	\$ 2,775,283	\$ 152,399	5.5%
Less 1 week fourth quarter operating income	-	(58,421)	58,421	NM
<b>Operating income adjusted for extra week (Non-GAAP)</b>	\$ 2,927,682	\$ 2,716,862	\$ 210,820	7.8%
<b>Operating margin excluding Certain Items and Extra Week (Non-GAAP)</b>	7.79%	7.33%		45 bps
<b>International Foodservice Operations</b>				
Sales (GAAP)	\$ 10,613,059	\$ 5,436,209	\$ 5,176,850	95.2%
Gross Profit (GAAP)	2,275,819	938,942	1,336,877	NM
Gross Margin (GAAP)	21.44%	17.27%		417 bps
<b>Operating expenses (GAAP)</b>	\$ 2,032,703	\$ 761,783	\$ 1,270,920	NM
Impact of restructuring costs (1)	(25,080)	(8,945)	(16,135)	NM
Impact of acquisition-related costs (2)	(78,273)	-	(78,273)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 1,929,350	\$ 752,838	\$ 1,176,512	NM
<b>Operating income (GAAP)</b>	\$ 243,116	\$ 177,159	\$ 65,957	37.2%
Impact of restructuring costs (1)	25,080	8,945	16,135	NM
Impact of acquisition-related costs (2)	78,273	-	78,273	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 346,469	\$ 186,104	\$ 160,365	86.2%
<b>SYGMA</b>				
Sales (GAAP)	\$ 6,178,909	\$ 6,102,328	\$ 76,581	1.3%
Gross Profit (GAAP)	471,155	455,981	15,174	3.3%
Gross Margin (GAAP)	7.63%	7.47%		15 bps
<b>Operating expenses (GAAP)</b>	\$ 447,856	\$ 428,512	\$ 19,344	4.5%
Impact of restructuring costs	-	(102)	102	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 447,856	\$ 428,410	\$ 19,446	4.5%
<b>Operating income (GAAP)</b>	\$ 23,299	\$ 27,469	\$ (4,170)	-15.2%
Impact of restructuring costs	-	102	(102)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 23,299	\$ 27,571	\$ (4,272)	-15.5%

<b>Other</b>				
Sales (GAAP)	\$ 974,473	\$ 1,051,939	\$ (77,466)	-7.4%
Gross Profit (GAAP)	261,408	240,566	20,842	8.7%
Gross Margin (GAAP)	26.83%	22.87%		396 bps
<b>Operating expenses (GAAP)</b>	\$ 241,129	\$ 207,980	\$ 33,149	15.9%
Impact of restructuring costs	-	(167)	167	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 241,129	\$ 207,813	\$ 33,316	16.0%
<b>Operating income (GAAP)</b>	\$ 20,279	\$ 32,586	\$ (12,307)	-37.8%
Impact of restructuring costs	-	167	(167)	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 20,279	\$ 32,753	\$ (12,474)	-38.1%

#### Corporate

<b>Gross Profit (GAAP)</b>	\$ (7,267)	\$ (8,453)	\$ 1,186	-14.0%
<b>Operating expenses (GAAP)</b>	\$ 1,117,868	\$ 1,150,193	\$ (32,325)	-2.8%
Impact of restructuring costs (3)	(135,461)	(110,568)	(24,893)	22.5%
Impact of acquisition-related costs (4)	(23,776)	(35,614)	11,838	-33.2%
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 958,631	\$ 1,004,011	\$ (45,380)	-4.5%
<b>Operating income (GAAP)</b>	\$ (1,125,135)	\$ (1,158,646)	\$ 33,511	-2.9%
Impact of restructuring costs (3)	135,461	110,568	24,893	22.5%
Impact of acquisition-related costs (4)	23,776	35,614	(11,838)	-33.2%
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ (965,898)	\$ (1,012,464)	\$ 46,566	-4.6%

#### Total Sysco

Sales (GAAP)	\$ 55,371,139	\$ 50,366,919	\$ 5,004,219	9.9%
Gross Profit (GAAP)	10,557,507	9,040,472	1,517,035	16.8%
Gross Margin (GAAP)	19.07%	17.95%		112 bps
<b>Operating expenses (GAAP)</b>	\$ 8,504,336	\$ 7,189,972	\$ 1,314,364	18.3%
Impact of MEPP charge	(35,600)	-	(35,600)	NM
Impact of restructuring costs (1) (3)	(161,011)	(123,134)	(37,877)	30.8%
Impact of acquisition-related costs (2) (4)	(102,049)	(35,614)	(66,435)	NM
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 8,205,676	\$ 7,031,225	\$ 1,174,451	16.7%
<b>Operating income (GAAP)</b>	\$ 2,053,171	\$ 1,850,500	\$ 202,671	11.0%
Impact of MEPP charge	35,600	-	35,600	NM
Impact of restructuring costs (1) (3)	161,011	123,134	37,877	30.8%
Impact of acquisition-related costs (2) (4)	102,049	35,614	66,435	NM
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 2,351,831	\$ 2,009,248	\$ 342,584	17.1%

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

<sup>(2)</sup> Fiscal 2017 Includes \$76 million for 52 week period related to intangible amortization expense from the Brakes acquisition, which is included in the results of the Brakes Group.

<sup>(3)</sup> Fiscal 2017 \$111 million for the 52 week period in accelerated depreciation associated with our revised business technology strategy. Also includes \$22 million for the 52 week 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.

<sup>(4)</sup> Fiscal 2017 Includes \$24 million for the 52 week period related to transaction costs from the Brakes acquisition. Fiscal 2016 includes US Foods merger termination costs.

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**Sysco Corporation and its Consolidated Subsidiaries**  
**Non-GAAP Reconciliation (Unaudited)**  
**Impact of extra week on selected metrics**

	July 1, 2017 (52 Weeks) (GAAP)	Impact of extra week	July 1, 2017 (52 Weeks Basis) (Non-GAAP)
<b>Case Growth:</b>			
<b>Total U.S. Broadline</b>	-1.0%	1.9%	0.9%
Local	-0.1%	2.5%	2.4%
Corporate Managed	-2.1%	1.3%	-0.8%



**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 and MEPP, 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 84% 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 fiscal 2017 as compared to fiscal 2016.

	<b>52-Week Period Change</b>
<b>Increase in cost per case</b>	\$ 0.022
Impact of Certain Items <sup>(1)</sup>	0.032
<b>(Decrease) increase in adjusted cost per case (Non-GAAP basis)</b>	\$ (0.011)
Impact of fuel prices	(0.022)
<b>(Decrease) increase in adjusted cost per case (Non-GAAP basis)</b>	\$ 0.011

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

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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>52-Week Period Ended Jul. 1, 2017</b>	<b>53-Week Period Ended Jul. 2, 2016</b>	<b>52-Week Period Change in Dollars</b>
<b>Net cash provided by operating activities (GAAP)</b>	\$ 2,241,888	\$ 1,933,142	\$ 308,746
Additions to plant and equipment	(686,378)	(527,346)	(159,032)
Proceeds from sales of plant and equipment	23,715	23,511	204
<b>Free Cash Flow (Non-GAAP)</b>	<b>\$ 1,579,225</b>	<b>\$ 1,429,307</b>	<b>\$ 149,918</b>

### Adjusted Return on Invested Capital (ROIC)

We calculate ROIC as net earnings divided by (i) stockholder's equity, computed as the average of adjusted stockholders' equity at the beginning of the year and at the end of each fiscal quarter during the year; and (ii) long-term debt, computed as the average of the long-term debt at the beginning of the year and at the end of each fiscal quarter during the year. All components of our ROIC calculation are impacted by Certain Items. As a result, in the non-GAAP reconciliation below for fiscal 2016 and 2015, adjusted total invested capital is computed as the sum of (i) adjusted stockholder's equity, computed as the average of adjusted stockholders' equity at the beginning of the year and at the end of each fiscal quarter during the year; and (ii) adjusted long-term debt, computed as the average of the adjusted long-term debt at the beginning of the year and at the end of each fiscal quarter during the year. Sysco considers adjusted ROIC to be a measure that provides useful information to management and investors in evaluating the efficiency and effectiveness of the company's long-term capital investments, and we currently use ROIC as a performance criteria in our management incentive programs. It is possible that a different definition of ROIC may be used by other companies since it can be defined differently. 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, Adjusted ROIC for each period presented is to a GAAP based calculation of ROIC.

	<u>52-Week Period Ended Jul. 1, 2017</u>	<u>53-Week Period Ended Jul. 2, 2016</u>
<b>Form of calculation:</b>		
<b>Net earnings (GAAP)</b>	\$ 1,142,502	\$ 949,622
Impact of Certain Items on net earnings	<u>216,570</u>	<u>238,396</u>
<b>Adjusted net earnings (Non-GAAP)</b>	<u>1,359,072</u>	<u>1,188,018</u>
Impact of Brakes	<u>82,021</u>	-
<b>Adjusted net earnings excluding Brakes (Non-GAAP)</b>	<u>\$ 1,277,052</u>	<u>\$ 1,188,018</u>
<b>Invested Capital (GAAP)</b>		
Adjusted to invested capital	\$ 10,820,302	\$ 9,693,589
	<u>(307,736)</u> <sup>(1)</sup>	<u>(1,267,922)</u> <sup>(2)</sup>
<b>Adjusted Invested capital (Non-GAAP)</b>	<u>10,512,566</u>	<u>8,425,667</u>
Impact of Brakes	<u>2,621,746</u>	-
<b>Adjusted invested capital excluding Brakes</b>	<u>\$ 7,890,820</u>	<u>\$ 8,425,667</u>
<b>Return on investment capital (GAAP)</b>	10.6%	9.8%
<b>Return on investment capital (Non-GAAP)</b>	12.9%	14.1%
<b>Return on investment capital excluding Brakes (Non-GAAP)</b>	16.2%	-

<sup>(1)</sup> Shareholder's equity adjustments include the impact of Certain Items from earnings and removal of foreign currency translation adjustments that arose in the fiscal year.

<sup>(2)</sup> Adjustments to invested capital includes the removal of debt incurred for the Brakes Acquisition that would not have been borrowed absent this acquisition. Shareholder's equity adjustments include the impact of Certain Items from earnings and removal of foreign currency translation adjustments that arose in the fiscal year.

### **Adjusted Return on Invested Capital (ROIC) Target**

We have an ROIC target of 15% that we expect to achieve by fiscal 2018. We cannot predict with certainty when we will achieve these results or whether the calculation of our ROIC in such future period will be on an adjusted basis due to the effect of certain items, which would be excluded from such calculation. Due to these uncertainties, to the extent our future calculation of ROIC is on an adjusted basis excluding certain items, we cannot provide a quantitative reconciliation of this non-GAAP measure to the most directly comparable GAAP measure without unreasonable effort. However, we would expect to calculate adjusted ROIC, if applicable, in the same manner as we have calculated this historically. All components of our adjusted ROIC calculation would be impacted by Certain Items. We calculate adjusted ROIC as adjusted net earnings divided by (i) stockholders' equity, computed as the average of adjusted stockholders' equity at the beginning of the year and at the end of each fiscal quarter during the year; and (ii) long-term debt, computed as the average of the long-term debt at the beginning of the year and at the end of each fiscal quarter during the year.

#### **Form of calculation:**

##### **Net earnings (GAAP)**

Impact of Certain Items on net earnings

##### **Adjusted net earnings (Non-GAAP)**

##### **Invested Capital (GAAP)**

Adjustments to invested capital

##### **Adjusted Invested capital (GAAP)**

##### **Return on investment capital (GAAP)**

##### **Return on investment capital (Non-GAAP)**