

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

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

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, one-time acquisition-related 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.

	13-Week Period Ended June 29, 2013	13-Week Period Ended June 30, 2012	13-Week Period Change in Dollars	13-Week Period % Change
Operating expenses (GAAP)	\$ 1,576,319	\$ 1,496,247	\$ 80,072	5.4%
Impact of Restructuring Executive Retirement Plans	(3,382)	-	(3,382)	NM
Impact of MEPP charge	1,325	(16,682)	18,007	-107.9%
Impact of Severance charges	(7,866)	(6,773)	(1,093)	16.1%
Impact of One-time Acquisition-related charge	(5,998)	-	(5,998)	NM
Impact of Facility Closure charges	(671)	-	(671)	NM
Operating expenses adjusted for certain items (Non-GAAP)	\$ 1,559,727	\$ 1,472,792	\$ 86,935	5.9%
Impact of Business Transformation Project costs	(88,262)	(70,287)	(17,975)	25.6%
Adjusted operating expenses underlying bus. (Non-GAAP)	\$ 1,471,465	\$ 1,402,505	\$ 68,960	4.9%
Operating Income (GAAP)	\$ 459,843	\$ 515,464	\$ (55,621)	-10.8%
Impact of Restructuring Executive Retirement Plans	3,382	-	3,382	NM
Impact of MEPP charge	(1,325)	16,682	(18,007)	-107.9%
Impact of Severance charges	7,866	6,773	1,093	16.1%
Impact of One-time Acquisition-related charge	5,998	-	5,998	NM
Impact of Facility Closure charges	671	-	671	NM
Operating income adjusted for certain items (Non-GAAP)	\$ 476,435	\$ 538,919	\$ (62,484)	-11.6%
Impact of Business Transformation Project costs	(88,262)	(70,287)	(17,975)	25.6%
Adjusted operating income underlying bus. (Non-GAAP)	\$ 564,697	\$ 609,206	\$ (44,509)	-7.3%
Net earnings (GAAP)	\$ 283,043	\$ 309,269	\$ (26,226)	-8.5%
Impact of Restructuring Executive Retirement Plans (net of tax)	2,183	-	2,183	NM
Impact of MEPP charge (net of tax)	(855)	10,541	(11,396)	-108.1%
Impact of Severance charges (net of tax)	5,078	4,280	798	18.6%
Impact of One-time Acquisition-related charge (no tax impact)	5,998	-	5,998	NM
Impact of Facility Closure charges (net of tax)	433	-	433	NM
Net earnings adjusted for certain items (Non-GAAP)	\$ 295,880	\$ 324,090	\$ (28,210)	-8.7%
Impact of Business Transformation Project costs (net of tax)	(56,973)	(44,414)	(12,559)	28.3%
Adjusted net earnings underlying business (Non-GAAP) (1)	\$ 352,853	\$ 368,504	\$ (15,651)	-4.2%
Diluted earnings per share (GAAP)	\$ 0.47	\$ 0.53	\$ (0.06)	-11.3%
Impact of Restructuring Executive Retirement Plans	-	-	-	NM
Impact of MEPP charge	-	0.02	(0.02)	-100.0%
Impact of Severance charges	0.01	0.01	-	0.0%
Impact of One-time Acquisition-related charge	0.01	-	0.01	NM
Impact of Facility Closure charges	-	-	-	NM
Diluted EPS adjusted for certain items (Non-GAAP) (2)	\$ 0.50	\$ 0.55	\$ (0.05)	-9.1%
Impact of Business Transformation Project costs	0.10	0.08	0.02	25.0%
Adjusted diluted EPS underlying business (Non-GAAP) (2)	\$ 0.59	\$ 0.63	\$ (0.04)	-6.3%
Diluted shares outstanding	597,536,893	588,268,439		

(1) Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, charges from facility closures and Business Transformation expenses was \$35,044 and \$34,506 for the 13-week periods ended June 29, 2013 and June 30, 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

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

	52-Week Period Ended June 29, 2013	52-Week Period Ended June 30, 2012	52-Week Period Change in Dollars	52-Week Period % Change
Operating expenses (GAAP)	\$ 6,209,113	\$ 5,785,945	\$ 423,168	7.3%
Impact of Restructuring Executive Retirement Plans	(20,990)	-	(20,990)	NM
Impact of MEPP charge	(41,876)	(21,899)	(19,977)	91.2%
Impact of Severance charges	(23,206)	(14,452)	(8,754)	60.6%
Impact of One-time Acquisition-related charge	(5,998)	-	(5,998)	NM
Impact of Facility Closure charges	(2,645)	-	(2,645)	NM
Operating expenses adjusted for certain items (Non-GAAP)	\$ 6,114,398	\$ 5,749,594	\$ 364,804	6.3%
Impact of Business Transformation Project costs	(330,544)	(193,126)	(137,418)	71.2%
Adjusted operating expenses underlying bus. (Non-GAAP)	\$ 5,783,854	\$ 5,556,468	\$ 227,386	4.1%
Operating Income (GAAP)	\$ 1,658,478	\$ 1,890,632	\$ (232,154)	-12.3%
Impact of Restructuring Executive Retirement Plans	20,990	-	20,990	NM
Impact of MEPP charge	41,876	21,899	19,977	91.2%
Impact of Severance charges	23,206	14,452	8,754	60.6%
Impact of One-time Acquisition-related charge	5,998	-	5,998	NM
Impact of Facility Closure charges	2,645	-	2,645	NM
Operating income adjusted for certain items (Non-GAAP)	\$ 1,753,193	\$ 1,926,983	\$ (173,790)	-9.0%
Impact of Business Transformation Project costs	330,544	193,126	137,418	71.2%
Adjusted operating income underlying bus. (Non-GAAP)	\$ 2,083,737	\$ 2,120,109	\$ (36,372)	-1.7%
Net earnings (GAAP)	\$ 992,427	\$ 1,121,585	\$ (129,158)	-11.5%
Impact of Restructuring Executive Retirement Plans (net of tax)	13,461	-	13,461	NM
Impact of MEPP charge (net of tax)	26,855	13,768	13,087	95.1%
Impact of Severance charges (net of tax)	14,882	9,086	5,796	63.8%
Impact of One-time Acquisition-related charge (no tax impact)	5,998	-	5,998	NM
Impact of Facility Closure charges (net of tax)	1,696	-	1,696	NM
Net earnings adjusted for certain items (Non-GAAP)	\$ 1,055,319	\$ 1,144,439	\$ (89,120)	-7.8%
Impact of Business Transformation Project costs (net of tax)	211,978	121,418	90,560	74.6%
Adjusted net earnings underlying business (Non-GAAP) (1)	\$ 1,267,297	\$ 1,265,857	\$ 1,440	0.1%
Diluted earnings per share (GAAP)	\$ 1.67	\$ 1.90	\$ (0.23)	-12.1%
Impact of Restructuring Executive Retirement Plans	0.02	-	0.02	NM
Impact of MEPP charge	0.05	0.02	0.03	150.0%
Impact of Severance charges	0.03	0.02	0.01	50.0%
Impact of One-time Acquisition-related charge	0.01	-	0.01	NM
Impact of Facility Closure charges	-	-	-	NM
Diluted EPS adjusted for certain items (Non-GAAP) (2)	\$ 1.78	\$ 1.94	\$ (0.16)	-8.2%
Impact of Business Transformation Project costs	0.36	0.21	0.15	71.4%
Adjusted diluted EPS underlying business (Non-GAAP) (2)	\$ 2.14	\$ 2.15	\$ (0.01)	-0.5%
Diluted shares outstanding	592,675,110	588,991,441		

⁽¹⁾ Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, charges from facility closures and Business Transformation expenses was \$150,389 and \$85,205 for the 52-week periods ended June 29, 2013 and June 30, 2012, respectively. Amounts are calculated by multiplying the operating income impact of each item by each 52-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.

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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 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.

	52-Week Period Ended June 29, 2013	52-Week Period Ended June 30, 2012	52-Week Period Change in Dollars	52-Week Period % Change
Net cash provided by operating activities (GAAP)	\$ 1,511,594	\$ 1,404,180	\$ 107,414	7.6 %
Additions to plant and equipment	(511,862)	(784,501)	272,639	34.8
Proceeds from sales of plant and equipment	15,527	8,185	7,342	-89.7
Free Cash Flow (Non-GAAP)	\$ 1,015,259	\$ 627,864	\$ 387,395	61.7 %
