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

Sysco's results of operations are impacted by certain items which include restructuring costs (consisting of severance charges, facility closure charges, professional fees incurred related to our three-year strategic plan and costs associated with changes to our business technology strategy), acquisition costs (consisting of merger and integration planning and termination costs in connection with the merger that had been proposed with US Foods, Inc. (US Foods) and Brakes transaction costs for the pending acquisition of these operations), and acquisition financing costs (consisting of US Foods related financing costs and Brakes financing loan costs). The US Foods costs were limited to the first quarter of fiscal 2016 and the first 39 weeks of fiscal 2015. The Brakes costs were limited to the third quarter of fiscal 2016. These fiscal 2016 and fiscal 2015 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 analyst's financial models and our investors' expectations with any degree of specificity. As indicated above, Sysco believes that the adjusted
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 for GAAP measures 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.

	13-Week Period Ended Mar. 26, 2016	13-Week Period Ended Mar. 28, 2015	13-Week Period Change in Dollars	13-Week Period % Change
Sales	$ 12,002,791	$ 11,746,659	$ 256,132	2.2 %
Operating expenses (GAAP)	$ 1,765,207	$ 1,730,190	$ 35,017	2.0 %
Impact of restructuring costs (1)	(59,443)	(365)	(59,078)	NM
Impact of acquisition-related costs (2)	(586)	(49,609)	49,023	-98.8
Operating expenses adjusted for certain items (Non-GAAP)	$ 1,705,178	$ 1,680,216	$ 24,962	1.5 %
Operating income (GAAP)	$ 377,618	$ 327,308	$ 50,310	15.4 %
Impact of restructuring costs (1)	59,443	365	59,078	NM
Impact of acquisition-related costs (2)	586	49,609	(49,023)	-98.8
Operating income adjusted for certain items (Non-GAAP)	$ 437,647	$ 377,282	$ 60,365	16.0 %
Operating margin (GAAP)	3.15%	2.79%	0.36%	12.9 %
Operating margin (Non-GAAP)	3.65%	3.21%	0.43%	13.5 %
Interest expense (GAAP)	$ 57,699	$ 69,550	$ (11,851)	-17.0 %
Impact of acquisition financing costs (3)	(10,495)	(41,331)	30,836	-74.6
Adjusted interest expense (Non-GAAP)	$ 47,204	$ 28,219	$ 18,984	67.3 %
Net earnings (GAAP) (4)	$ 217,136	$ 176,955	$ 40,181	22.7 %
Impact of restructuring cost (net of tax) (1)	37,271	243	37,028	NM
Impact of acquisition-related costs (net of tax) (2)	368	32,960	(32,592)	-98.9
Impact of acquisition financing costs (net of tax) (3)	6,581	27,460	(20,879)	-76.0
Net earnings adjusted for certain items (Non-GAAP) (4)	$ 261,356	$ 237,618	$ 23,738	10.0 %
Diluted earnings per share (GAAP) (4)	$ 0.38	$ 0.30	$ 0.08	26.7 %
Impact of restructuring costs (1)	0.07	-	0.07	NM
Impact of acquisition-related costs (2)	-	0.06	(0.06)	NM
Impact of acquisition financing costs (3)	0.01	0.05	(0.04)	-80.0
Diluted EPS adjusted for certain items (Non-GAAP) (4) (5)	$ 0.46	$ 0.40	$ 0.06	15.0 %
Diluted shares outstanding	570,814,798	598,921,070		

(1) Includes severance charges, professional fees on 3 year financial objectives, facility closure costs and costs associated with our revised business technology strategy

(2) Includes US Foods merger and integration planning and transaction costs (third quarter fiscal 2015 only) and Brakes Acquisition transaction costs (third quarter fiscal 2016 only)

(3) Includes US Foods financing costs (third quarter fiscal 2015 only) and Brakes Acquisition financing costs (third quarter fiscal 2016 only)

(4) The net earnings and diluted earnings per share impacts are shown net of tax. The tax impact of adjustments for Certain Items was $26,304 and $30,642 for the 13-week periods ended March 26, 2016 and March 28, 2015, respectively. Amounts are calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction.

(5) 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.

NM represents that the percentage change is not meaningful

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

	39-Week Period Ended Mar. 26, 2016	39-Week Period Ended Mar. 28, 2015	39-Week Period Change in Dollars	39-Week Period % Change
Sales	$ 36,719,028	$ 36,278,814	$ 440,214	1.2 %
Operating expenses (GAAP)	$ 5,233,959	$ 5,222,985	$ 10,974	0.2 %
Impact of restructuring cost (1)	(66,913)	(6,110)	(60,803)	NM
Impact of acquisition costs (2)	(10,402)	(168,109)	157,707	-93.8
Operating expenses adjusted for certain items (Non-GAAP)	$ 5,156,644	$ 5,048,766	$ 107,878	2.1 %
Operating income (GAAP)	$ 1,303,675	$ 1,108,367	$ 195,308	17.6 %
Impact of restructuring cost (1)	66,913	6,110	60,803	NM
Impact of acquisition costs (2)	10,402	168,109	(157,707)	-93.8
Operating income adjusted for certain items (Non-GAAP)	$ 1,380,990	$ 1,282,586	$ 98,404	7.7 %
Operating margin (GAAP)	3.55%	3.06%	0.50%	16.2 %
Operating margin (Non-GAAP)	3.76%	3.54%	0.23%	6.4 %
Interest expense (GAAP)	$ 231,841	$ 177,526	$ 54,315	30.6 %
Impact of acquisition financing costs (3)	(105,330)	(97,091)	(8,239)	8.5
Adjusted interest expense (Non-GAAP)	$ 126,511	$ 80,435	$ 46,076	57.3 %
Net earnings (GAAP) (4)	$ 733,955	$ 613,747	$ 120,208	19.6 %
Impact of restructuring cost (net of tax) (1)	41,955	3,991	37,964	NM
Impact of acquisition costs (net of tax) (2)	6,522	109,826	(103,304)	-94.1
Impact of acquisition financing costs (net of tax) (3)	66,042	63,430	2,612	4.1
Net earnings adjusted for certain items (Non-GAAP) (4)	$ 848,474	$ 790,994	$ 57,480	7.3 %
Diluted earnings per share (GAAP) (4)	$ 1.26	$ 1.03	$ 0.23	22.3 %
Impact of restructuring cost (1)	0.07	-	0.07	NM
Impact of acquisition costs (2)	0.01	0.18	(0.17)	-94.4
Impact of acquisition financing costs (3)	0.11	0.11	-	-
Diluted EPS adjusted for certain items (Non-GAAP) (4) (5)	$ 1.46	$ 1.33	$ 0.13	9.8 %
Diluted shares outstanding	580,980,865	596,047,008		

(1) Includes severance charges, professional fees on 3 year financial objectives, facility closure costs and costs associated with our revised business technology strategy.

(2) Includes US Foods merger and integration planning and transaction costs (first quarter 2016 and 39 weeks fiscal 2015 only) and Brakes Acquisition transaction costs (third quarter fiscal 2016 only)

(3) Includes US Foods financing costs (first quarter 2016 and 39 weeks fiscal 2015 only) and Brakes Acquisition financing costs (third quarter fiscal 2016 only)

(4) The net earnings and diluted earnings per share impacts are shown net of tax. The tax impact of adjustments for Certain Items was $68,126 and $94,063 for the 39-week periods ended March 26, 2016 and March 28, 2015, respectively. Amounts are calculated by multiplying the pretax impact of each Certain Item by the statutory rates in effect for each jurisdiction.

(5) 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.

NM represents that the percentage change is not meaningful

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Adjusted Cash Flows Used in / Provided by Operating Activities
(In Thousands)

Adjusted cash flows provided by operating activities adjusts out the cash impact of our Certain Items representing restructuring costs (consisting of severance charges, facility closure charges, professional fees incurred related to our three-year strategic plan and costs associated with changes to our business technology strategy), acquisition costs (consisting of merger and integration planning and terminations in connection with the merger that had been prosed with US Foods, Inc. (US Foods) and Brakes transaction costs for the pendng acquisition of these operations), and acquisition financing costs (consisting of US Foods related financing costs and Brakes financing loan costs). Sysco considers adjusted cash flows provided by operating activities to be liquidity measures that provide useful information to management and investors about the amount of cash generated excluding larger payments sometimes incurred with our Certain Items. Adjusted cash flows provided by operating activities 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, cash flows provided by operating activities for each period presented are reconciled to net cash provided by operating activities.

	39-Week Period Ended Mar. 26, 2016	39-Week Period Ended Mar. 28, 2015	39-Week Period Change in Dollars	39-Week Period % Change
Net cash provided by operating activities (GAAP)	$ 988,981	$ 860,499	$ 128,482	14.9 %
Cash impact of Certain Items	272,419	128,069	144,350	112.7
Adjusted net cash provided by operating activities (Non-GAAP)	$ 1,261,400	$ 988,568	$ 272,832	27.6 %

Adjustments represent the cash impact of Certain Items. Adjustments for the first 39 weeks of fiscal 2016 primarily include $207.9 million related to integration planning, litigation costs and termination costs in connection with the merger that had been proposed with US Foods, interest payments of $52.8 million related to the debt that had been issued for the proposed merger and $11.6 million for all remaining applicable Certain items. Adjustments for the first 39 weeks of fiscal 2015 include $107.0 million related to US Foods merger integration planning costs, $17.2 million related to the payment of a contingency accrual that arose in fiscal 2014 that was considered a Certain Item in fiscal 2014 and $3.8 million for all remaining applicable Certain Items. These amounts will differ from the earnings impact of Certain Items; as the timing of payments for these items may occur in a different period from the period in which the Certain Item charges were recognized in the Statement of Consolidated Results of Operations. The amounts also reflect the impact of the cash impact of these payments being tax deductible.

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Free Cash Flow and Adjusted 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. Adjusted free cash flow adjusts out the cash impact of our Certain Items representing primarily restructuring costs (consisting of severance charges, facility closure charges, professional fees incurred related to our three-year strategic plan and costs associated with changes to our business technology strategy), acquisition costs (consisting of merger and integration planning and termination costs in connection with the merger that had been proposed with US Foods, Inc. (US Foods) and Brakes transaction costs for the pending acquisition of these operations), and acquisition financing costs (consisting of US Foods related financing costs and Brakes financing loan costs). Sysco considers free cash flow and adjusted free cash flow to be liquidity measures that provide 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. Adjusted free cash flow further provides the amount of cash generated excluding larger payments sometimes incurred with our Certain Items. 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 and adjusted 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 and adjusted free cash flow for each period presented are reconciled to net cash provided by operating activities.

	39-Week Period Ended Mar. 26, 2016	39-Week Period Ended Mar. 28, 2015	39-Week Period Change in Dollars	39-Week Period % Change
Net cash provided by operating activities (GAAP)	$ 988,981	$ 860,499	$ 128,482	14.9 %
Additions to plant and equipment	(360,883)	(437,286)	76,403	17.5
Proceeds from sales of plant and equipment	12,623	15,404	(2,781)	-18.1
Free Cash Flow (Non-GAAP)	$ 640,721	$ 438,617	$ 202,104	46.1 %
Cash impact of Certain Items	272,419	128,069	144,350	112.7
Adjusted Free Cash Flow (Non-GAAP)	$ 913,140	$ 566,686	$ 346,454	61.1 %

Adjustments represent the cash impact of Certain Items. Adjustments for the first 39 weeks of fiscal 2016 primarily include $207.9 million related to integration planning, litigation costs and termination costs in connection with the merger that had been proposed with US Foods, interest payments of $52.8 million related to the debt that had been issued for the proposed merger and $11.6 million for all remaining applicable Certain items. Adjustments for the first 39 weeks of fiscal 2015 include $107.0 million related to US Foods merger integration planning costs, $17.2 million related to the payment of a contingency accrual that arose in fiscal 2014 that was considered a Certain Item in fiscal 2014 and $3.8 million for all remaining applicable Certain Items. These amounts will differ from the earnings impact of Certain Items; as the timing of payments for these items may occur in a different period from the period in which the Certain Item charges were recognized in the Statement of Consolidated Results of Operations. The amounts also reflect the impact of the cash impact of these payments being tax deductible.

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)

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Impact of Foreign Currency on Results of Operations Metrics
(In Thousands, Except for Share and Per Share Data)

Sysco's results of operations are impacted by the strengthening U.S. dollar in translating our foreign operations' results into U.S. dollars. This has resulted in a reduction in growth percentages on a year over year basis. Management believes that adjusting its sales, gross profits, operating expenses, operating income, net earnings and diluted earnings per share to remove the impact in changes in foreign currency translation rates provides an important perspective with respect to our results and provides meaningful supplemental information to both management and investors to view our results on a constant currency basis. Sysco believes the adjusted growth rates faciliate 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 for GAAP measures 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 table that follows, the fiscal 2016 period is adjusted to translate results using the same exchange rates as the comparable prior period. Adjusted measures for operating expense, operating income, net earnings and diluted earnings per share are reconciled to GAAP amounts in a separate reconciliation.

			Impact on a Constant Currency Basis			
	13-Week Period Ended Mar. 26, 2016	Foreign Currency Translation Impact	13-Week Period Ended Mar. 26, 2016 at a Constant Currency	13-Week Period Ended Mar. 28, 2015	13-Week Period Change in Dollars	13-Week Period % Change
Sales	$ 12,002,791	$ 113,316	$ 12,116,107	$ 11,746,659	$ 369,447	3.1 %
Gross profit	2,142,825	18,314	2,161,139	2,057,498	103,641	5.0
Adjusted operating expense	1,705,178	16,052	1,721,230	1,680,216	41,014	2.4
Adjusted operating income	437,647	2,262	439,909	377,282	62,627	16.6
Adjusted net earnings	261,356	1,488	262,844	237,618	25,225	10.6
Adjusted diluted earnings per share	0.46	0.00	0.46	0.40	0.06	15.0
Diluted shares outstanding	570,814,798	570,814,798	570,814,798	598,921,070		
GAAP Amounts						
Operating expense	$ 1,765,207			$ 1,730,190	$ 35,017	2.0 %
Operating income	377,618			327,308	50,310	15.4
Net earnings	217,136			176,955	40,181	22.7
Diluted earnings per share	0.38			0.30	0	26.7

Sysco Corporation and its Consolidated Subsidiaries
Non-GAAP Reconciliation (Unaudited)
Cost per Case

Cost per case is an important metric management uses 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, which are the Certain Items applicable to these companies, divided by the number of cases sold. For both third quarter of fiscal 2016 and 2015, the adjustment for Certain Items was not significant enough to produce a different value on an adjusted basis. 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 companies represent approximately 70% of our total sales and 70% of our total operating expenses prior to corporate 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 the third quarter of fiscal 2016 as compared to the third quarter of fiscal 2015.

		13-Week Period Change
(Decrease) increase in cost per case	$	(0.08)
Impact of Certain Items [1]		-
(Decrease) increase in adjusted cost per case (Non-GAAP basis)	$	(0.08)
Impact of fuel prices		(0.05)
(Decrease) increase in adjusted cost per case (Non-GAAP basis)	$	(0.03)

[1] The impact of Certain Items excludes severance charges that were applicable in both periods.