

**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, multiemployer pension charge, severance charges, US Foods merger costs, change in estimate of self insurance 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.

	<b>13-Week Period Ended Dec. 28, 2013</b>	<b>13-Week Period Ended Dec. 29, 2012</b>	<b>13-Week Period Change in Dollars</b>	<b>13-Week Period % Change</b>
<b>Operating expenses (GAAP)</b>	\$ 1,613,174	\$ 1,569,459	\$ 43,715	2.8 %
Impact of Restructuring Executive Retirement Plans	(1,035)	(12,163)	11,128	-91.5
Impact of MEPP charge	(1,451)	(2,457)	1,006	-40.9
Impact of Severance charges	(2,014)	(5,669)	3,655	-64.5
Impact of US Foods Merger costs	(4,352)	-	(4,352)	NM
Impact of Change in Estimate of Self Insurance	(23,841)	-	(23,841)	NM
Impact of Facility Closure charges	(736)	(1,362)	626	-46.0
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 1,579,745	\$ 1,547,808	\$ 31,937	2.1 %
Impact of Business Transformation Project costs	(63,416)	(81,362)	17,946	-22.1
<b>Adjusted operating expenses underlying bus. (Non-GAAP)</b>	\$ 1,516,329	\$ 1,466,446	\$ 49,883	3.4 %
<b>Operating Income (GAAP)</b>	\$ 351,777	\$ 382,651	\$ (30,874)	-8.1 %
Impact of Restructuring Executive Retirement Plans	1,035	12,163	(11,128)	-91.5
Impact of MEPP charge	1,451	2,457	(1,006)	-40.9
Impact of Severance charges	2,014	5,669	(3,655)	-64.5
Impact of US Foods Merger costs	4,352	-	4,352	NM
Impact of Change in Estimate of Self Insurance	23,841	-	23,841	NM
Impact of Facility Closure charges	736	1,362	(626)	-46.0
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 385,206	\$ 404,302	\$ (19,096)	-4.7 %
Impact of Business Transformation Project costs	63,416	81,362	(17,946)	-22.1
<b>Adjusted operating income underlying bus. (Non-GAAP)</b>	\$ 448,622	\$ 485,664	\$ (37,042)	-7.6 %
<b>Net earnings (GAAP)</b>	\$ 210,835	\$ 221,369	\$ (10,534)	-4.8 %
Impact of Restructuring Executive Retirement Plans (net of tax)	669	7,646	(6,977)	-91.3
Impact of MEPP charge (net of tax)	938	1,544	(606)	-39.2
Impact of Severance charges (net of tax)	1,302	3,564	(2,262)	-63.5
Impact of US Foods Merger costs (net of tax)	2,813	-	2,813	NM
Impact of Change in Estimate of Self Insurance (net of tax)	15,408	-	15,408	NM
Impact of Facility Closure charges (net of tax)	476	856	(380)	-44.4
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$ 232,441	\$ 234,979	\$ (2,538)	-1.1 %
Impact of Business Transformation Project costs (net of tax)	40,986	51,144	(10,158)	-19.9
<b>Adjusted net earnings underlying business (Non-GAAP) (1)</b>	\$ 273,427	\$ 286,123	\$ (12,696)	-4.4 %
<b>Diluted earnings per share (GAAP)</b>	\$ 0.36	\$ 0.38	\$ (0.02)	-5.3 %
Impact of Restructuring Executive Retirement Plans	-	0.01	(0.01)	-100.0
Impact of MEPP charge	-	-	-	0.0
Impact of Severance charges	-	0.01	(0.01)	-100.0
Impact of US Foods Merger costs	-	-	-	0.0
Impact of Change in Estimate of Self Insurance	0.03	-	0.03	NM
Impact of Facility Closure charges	-	-	-	0.0
<b>Diluted EPS adjusted for certain items (Non-GAAP) (2)</b>	\$ 0.40	\$ 0.40	\$ -	0.0 %
Impact of Business Transformation Project costs	0.07	0.09	(0.02)	-22.2
<b>Adjusted diluted EPS underlying business (Non-GAAP) (2)</b>	\$ 0.47	\$ 0.49	\$ (0.02)	-4.1 %

Diluted shares outstanding 587,926,287 589,751,933

<sup>(1)</sup> Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, US Foods merger costs, change in estimate of self insurance, charges from facility closures and Business Transformation expenses was \$34,254 and \$38,259 for the 13-week periods ended December 28, 2013 and December 29, 2012, respectively. Amounts are calculated by multiplying the operating income impact of each item by each quarter's effective tax rate.

<sup>(2)</sup> 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)

	<b>26-Week Period Ended Dec. 28, 2013</b>	<b>26-Week Period Ended Dec. 29, 2012</b>	<b>26-Week Period Change in Dollars</b>	<b>26-Week Period % Change</b>
<b>Operating expenses (GAAP)</b>	\$ 3,200,463	\$ 3,120,472	\$ 79,991	2.6 %
Impact of Restructuring Executive Retirement Plans	(1,550)	(12,163)	10,613	-87.3
Impact of MEPP charge	(1,451)	(2,457)	1,006	-40.9
Impact of Severance charges	(3,596)	(11,746)	8,150	-69.4
Impact of US Foods Merger costs	(4,352)	-	(4,352)	NM
Impact of Change in Estimate of Self Insurance	(23,841)	-	(23,841)	NM
Impact of Facility Closure charges	(1,475)	(1,750)	275	-15.7
<b>Operating expenses adjusted for certain items (Non-GAAP)</b>	\$ 3,164,198	\$ 3,092,356	\$ 71,842	2.3 %
Impact of Business Transformation Project costs	(130,044)	(159,044)	29,000	-18.2
<b>Adjusted operating expenses underlying bus. (Non-GAAP)</b>	\$ 3,034,154	\$ 2,933,312	\$ 100,842	3.4 %
<b>Operating Income (GAAP)</b>	\$ 829,975	\$ 861,433	\$ (31,458)	-3.7 %
Impact of Restructuring Executive Retirement Plans	1,550	12,163	(10,613)	-87.3
Impact of MEPP charge	1,451	2,457	(1,006)	-40.9
Impact of Severance charges	3,596	11,746	(8,150)	-69.4
Impact of US Foods Merger costs	4,352	-	4,352	NM
Impact of Change in Estimate of Self Insurance	23,841	-	23,841	NM
Impact of Facility Closure charges	1,475	1,750	(275)	-15.7
<b>Operating income adjusted for certain items (Non-GAAP)</b>	\$ 866,240	\$ 889,549	\$ (23,309)	-2.6 %
Impact of Business Transformation Project costs	130,044	159,044	(29,000)	-18.2
<b>Adjusted operating income underlying bus. (Non-GAAP)</b>	\$ 996,284	\$ 1,048,593	\$ (52,309)	-5.0 %
<b>Net earnings (GAAP)</b>	\$ 496,425	\$ 507,967	\$ (11,542)	-2.3 %
Impact of Restructuring Executive Retirement Plans (net of tax)	988	7,698	(6,710)	-87.2
Impact of MEPP charge (net of tax)	925	1,555	(630)	-40.5
Impact of Severance charges (net of tax)	2,293	7,434	(5,141)	-69.2
Impact of US Foods Merger costs (net of tax)	2,775	-	2,775	NM
Impact of Change in Estimate of Self Insurance (net of tax)	15,203	-	15,203	NM
Impact of Facility Closure charges (net of tax)	941	1,108	(167)	-15.1
<b>Net earnings adjusted for certain items (Non-GAAP)</b>	\$ 519,550	\$ 525,762	\$ (6,212)	-1.2 %
Impact of Business Transformation Project costs (net of tax)	82,929	100,659	(17,730)	-17.6
<b>Adjusted net earnings underlying business (Non-GAAP) (1)</b>	\$ 602,479	\$ 626,421	\$ (23,942)	-3.8 %
<b>Diluted earnings per share (GAAP)</b>	\$ 0.84	\$ 0.86	\$ (0.02)	-2.3 %
Impact of Restructuring Executive Retirement Plans	-	0.01	(0.01)	-100.0
Impact of MEPP charge	-	-	-	0.0
Impact of Severance charges	-	0.01	(0.01)	-100.0
Impact of US Foods Merger costs	-	-	-	0.0
Impact of Change in Estimate of Self Insurance	0.03	-	0.03	NM
Impact of Facility Closure charges	-	-	-	0.0
<b>Diluted EPS adjusted for certain items (Non-GAAP) (2)</b>	\$ 0.88	\$ 0.89	\$ (0.01)	-1.1 %
Impact of Business Transformation Project costs	0.14	0.17	(0.03)	-17.6
<b>Adjusted diluted EPS underlying business (Non-GAAP) (2)</b>	\$ 1.02	\$ 1.06	\$ (0.04)	-3.8 %
Diluted shares outstanding	589,516,342	590,130,537		

(1) Tax impact of adjustments for executive retirement plans restructuring, MEPP charge, severance charges, US Foods merger costs, change in estimate of self insurance, charges from facility closures and Business Transformation expenses was \$60,254 and \$68,706 for the 26-week periods ended December 28, 2013 and December 29, 2012, respectively. Amounts are calculated by multiplying the operating income impact of each item by each 26-week period's effective tax rate.

(2) Individual components of diluted earnings per share may not add to the total presented due to rounding. Total diluted earnings per share is calculated using adjusted net earnings for certain items and adjusted net earnings - underlying business, both divided by diluted shares outstanding.

NM represents that the percentage change is not meaningful

**Sysco Corporation and its Consolidated Subsidiaries**  
**Non-GAAP Reconciliation (Unaudited)**  
**Impact of Acquired Operations on Operating Expenses**

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

Sysco's operating expenses in the second quarter and first 26 weeks of fiscal 2014 contain expenses from acquired companies that were not a part of Sysco for all or a portion of the second quarter or first 26 weeks of fiscal 2013. As a result, the increase in Sysco's operating expenses has been significantly impacted by these acquired companies. Sysco's results of operations are also impacted by certain items which include charges from restructuring our executive retirement plans, severance charges and charges from facility closures. Management believes that adjusting its operating expenses to remove these items provides an additional view into our expense management 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 operating expense 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 expenses from acquired operations and certain items noted above.

	<u>13-Week</u>	<u>13-Week</u>	<u>13-Week</u>	<u>13-Week</u>
<b>Operating expenses (GAAP)</b>	\$ 1,613,174	\$ 1,569,459	\$ 43,715	2.8 %
Impact of Restructuring Executive Retirement Plans	(1,035)	(12,163)	11,128	-91.5
Impact of MEPP charge	(1,451)	(2,457)	1,006	-40.9
Impact of Severance charges	(2,014)	(5,669)	3,655	-64.5
Impact of US Foods Merger costs	(4,352)	-	(4,352)	NM
Impact of Change in Estimate of Self Insurance	(23,841)	-	(23,841)	NM
Impact of Facility Closure charges	(736)	(1,362)	626	-46.0
Operating expenses of acquired operations	(30,461)	-	(30,461)	NM
<b>Adjusted operating expenses (Non-GAAP)</b>	<u>\$ 1,549,284</u>	<u>\$ 1,547,808</u>	<u>\$ 1,476</u>	<u>0.1 %</u>
	<u>26-Week</u>	<u>26-Week</u>	<u>26-Week</u>	<u>26-Week</u>
<b>Operating expenses (GAAP)</b>	\$ 3,200,463	\$ 3,120,472	\$ 79,991	2.6 %
Impact of Restructuring Executive Retirement Plans	(1,550)	(12,163)	10,613	-87.3
Impact of MEPP charge	(1,451)	(2,457)	1,006	-40.9
Impact of Severance charges	(3,596)	(11,746)	8,150	-69.4
Impact of US Foods Merger costs	(4,352)	-	(4,352)	NM
Impact of Change in Estimate of Self Insurance	(23,841)	-	(23,841)	NM
Impact of Facility Closure charges	(1,475)	(1,750)	275	-15.7
Operating expenses of acquired operations	(67,782)	-	(67,782)	NM
<b>Adjusted operating expenses (Non-GAAP)</b>	<u>\$ 3,096,416</u>	<u>\$ 3,092,356</u>	<u>\$ 4,060</u>	<u>0.1 %</u>

**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. 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.

	<u>26-Week</u> <u>Period Ended</u> <u>Dec. 28, 2013</u>	<u>26-Week</u> <u>Period Ended</u> <u>Dec. 29, 2012</u>	<u>26-Week</u> <u>Period Change</u> <u>in Dollars</u>	<u>26-Week</u> <u>Period</u> <u>% Change</u>
<b>Net cash provided by operating activities (GAAP)</b>	\$ #REF!	\$ #REF!	\$ #REF!	#REF! %
Additions to plant and equipment	#REF!	#REF!	#REF!	#REF!
Proceeds from sales of plant and equipment	#REF!	#REF!	#REF!	#REF!
<b>Free Cash Flow (Non-GAAP)</b>	<u>\$ #REF!</u>	<u>\$ #REF!</u>	<u>\$ #REF!</u>	<u>#REF! %</u>