

1Q12 Financial Results

Sysco's results of operations are impacted by costs from our multi-year Business Transformation Project. Additionally, near the end of fiscal 2011, we reallocated all of our investments in our COLI policies into low-risk, fixed-income securities and therefore we do not expect significant volatility in operating expenses, operating income, net earnings and diluted earnings per share in future periods related to these policies. We experienced significant gains in these policies during fiscal 2011. We do not expect a significant impact on fiscal 2012's operating income, net earnings and diluted earnings per share in future periods from these policies. Management believes that adjusting its operating expenses, operating income, net earnings and diluted earnings per share to remove the impact of the Business Transformation Project expenses and COLI gains provides an important perspective of 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 13-week periods ending October 1, 2011 and October 2, 2010. 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 below, the results for the first quarter of fiscal 2012 and the first quarter of fiscal 2011 are adjusted to remove expenses related to the Business Transformation Project and gains recorded on the adjustments to the carrying value of COLI policies. Set forth below is a reconciliation of actual operating expenses, operating income, net earnings and diluted earnings per share to adjusted results for these measures for the periods presented:

1Q12 Financial Results (continued)

13-Week Period Ended October 1, 2011

	GAAP	Business Transformation	COLI	Non-GAAP
Operating expenses	\$ 1,438,260	\$ (37,005)	\$ 794	\$ 1,402,049
Operating income	509,340	37,005	(794)	545,551
Tax impact of adjustments		13,655		13,655
Net earnings	302,653	23,350	(794)	325,209
Diluted earnings per share	\$ 0.51	\$ 0.04	\$ -	\$ 0.55

13-Week Period Ended October 2, 2010

	GAAP	Business Transformation	COLI	Non-GAAP
Operating expenses	\$ 1,339,864	\$ (21,476)	\$13,518	\$ 1,331,906
Operating income	506,240	21,476	(13,518)	514,198
Tax impact of adjustments		8,006		8,006
Net earnings	299,069	13,470	(13,518)	299,021
Diluted earnings per share	\$ 0.51	\$ 0.02	\$ (0.02)	\$ 0.51

	13-Week Period Change in Dollars		13-Week Period % Change	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Operating expenses	\$ 98,396	\$ 70,143	7.3%	5.3%
Operating income	3,100	31,353	0.6%	6.1%
Net earnings	3,584	26,188	1.2%	8.8%
Diluted earnings per share	\$ -	\$ 0.04	0.0%	7.8%

Operating Income and Margin

(\$in 000's)	1Q11	2Q11	3Q11	4Q11	1Q12
Operating Income	506,240	437,025	427,487	560,750	509,340
Less:					
COLI (gain) loss	(13,518)	(10,335)	(5,655)	1,310	(794)
Gross Business Transformation expense	21,476	24,239	24,289	32,623	37,005
Adjusted Operating Income excluding COLI and gross business transformation expenses	514,198	450,929	446,121	594,683	545,551