

Sysco Corporation and its Consolidated Subsidiaries

Non-GAAP Reconciliation (Unaudited)

Impact of Business Transformation Expenses, Multiemployer Pension Plan Expenses, COLI and Tax Benefits

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

Sysco's results of operations are impacted by costs from our multi-year Business Transformation Project, significant charges from the withdrawal from multiemployer pension plan and recognized tax benefits. 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. 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, multiemployer pension plan charges, COLI gains and tax benefits 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 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 expenses related to the Business Transformation Project, significant charges incurred from the withdrawal from a multiemployer pension plan, gains recorded on the adjustments to the carrying value of COLI policies and to remove the impact of tax benefits in fiscal 2011.

| | 13 Week Period Ended Mar. 31, 2012 | 13 Week Period Ended Apr. 2, 2011 | 13 Week Period Change in Dollars | 13 Week Period % Change |
|---|---|--|---|--|
| Operating expenses (GAAP) | \$ 1,432,786 | \$ 1,405,062 | \$ 27,724 | 2.0 |
| Impact of Business Transformation Project costs | (49,478) | (25,158) | (24,320) | 96.7 |
| Impact of MEPP charge | - | (36,118) | 36,118 | |
| Impact of COLI | 872 | 5,655 | (4,783) | -84.6 |
| Adjusted operating expenses (Non-GAAP) | \$ 1,384,180 | \$ 1,349,441 | \$ 34,739 | 2.6 |
| Operating Income (GAAP) | \$ 438,830 | \$ 427,487 | \$ 11,343 | 2.7 |
| Impact of Business Transformation Project costs | 49,478 | 25,158 | 24,320 | 96.7 |
| Impact of MEPP charge | - | 36,118 | (36,118) | |
| Impact of COLI | (872) | (5,655) | 4,783 | -84.6 |
| Adjusted operating income (Non-GAAP) | \$ 487,436 | \$ 483,108 | \$ 4,328 | 0.9 |
| Net earnings (GAAP) | \$ 259,550 | \$ 258,478 | \$ 1,072 | 0.4 |
| Impact of Business Transformation Project costs (net of tax) | 31,112 | 16,038 | 15,074 | 94.0 |
| Impact of MEPP charge (net of tax) | - | 23,025 | (23,025) | |
| Impact of COLI | (872) | (5,655) | 4,783 | -84.6 |
| Impact of tax benefits | - | (10,000) | 10,000 | |
| Adjusted net earnings (Non-GAAP) | \$ 289,790 | \$ 281,886 | \$ 7,904 | 2.8 |
| Diluted earnings per share (GAAP) | \$ 0.44 | \$ 0.44 | \$ - | 0.0 |
| Impact of Business Transformation Project costs (net of tax) ⁽¹⁾ | 0.05 | 0.03 | 0.02 | 66.7 |
| Impact of MEPP charge (net of tax) ⁽¹⁾ | - | 0.04 | (0.04) | |
| Impact of COLI | - | (0.01) | 0.01 | |
| Impact of tax benefits | - | (0.02) | 0.02 | |
| Adjusted diluted earnings per share (Non-GAAP) | \$ 0.49 | \$ 0.48 | \$ 0.01 | 2.1 |
| Diluted shares outstanding | 587,214,691 | 585,421,864 | | |

⁽¹⁾ Tax impact of adjustments for Business Transformation and Multiemployer Pension Plan expenses was \$18,366 and \$22,213 for the 13-week periods ended March 31, 2012 and April 2, 2011, respectively.