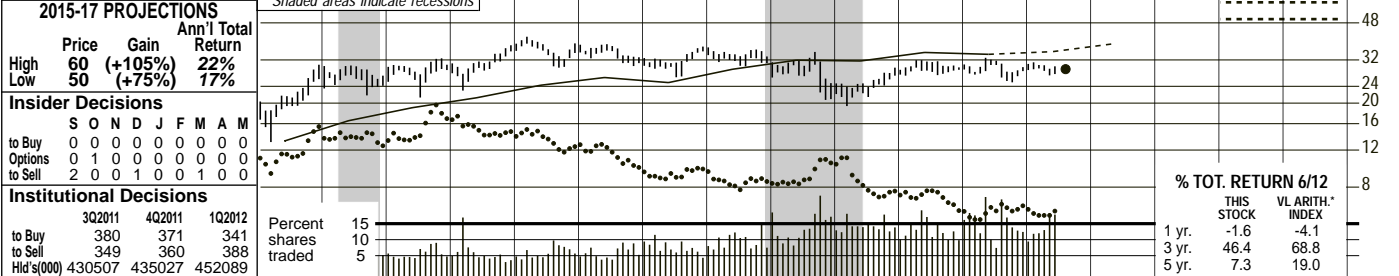


SYSCO CORP. NYSE-SYY

RECENT PRICE **28.92** P/E RATIO **14.1** (Trailing: 14.9, Median: 21.0) RELATIVE P/E RATIO **0.97** DIV'D YLD **3.7%** VALUE LINE

TIMELINESS 4 Lowered 2/17/12	High: 30.1	32.6	37.6	41.3	38.0	37.0	36.7	35.0	29.5	32.0	32.8	31.2	Target Price Range
SAFETY 1 Raised 11/13/98	Low: 21.8	21.3	22.9	29.5	30.0	26.5	29.9	20.7	19.4	27.0	25.1	27.0	2015 2016 2017
TECHNICAL 3 Raised 4/20/12	LEGENDS — 13.0 x "Cash Flow" p sh ... Relative Price Strength 2-for-1 split 12/00 Options: Yes Shaded areas indicate recessions												
BETA .70 (1.00 = Market)													



2015-17 PROJECTIONS		Ann'l Total												© VALUE LINE PUB. LLC	
Price	Gain	Return												15-17	
High	60	22%												98.25	
Low	50	17%												4.00	
Insider Decisions															
S O N D J F M A M															
to Buy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Options to Buy	0	1	0	0	0	0	0	0	0	0	0	0	0	0	
Options to Sell	2	0	0	1	0	0	0	0	0	0	0	0	0	0	
Institutional Decisions															
3Q2011 4Q2011 1Q2012															
to Buy	380	371	341												
to Sell	349	360	388												
Hlds(000)	430507	435027	452089												
Percent shares traded															
15 10 5															
© VALUE LINE PUB. LLC															

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	
18.56	20.96	22.88	26.42	29.12	32.75	35.73	40.61	46.09	48.18	52.72	57.27	62.41	62.46	63.30	66.35	73.30	78.25	Sales per sh ^A	98.25
.58	.67	.76	.86	1.02	1.27	1.47	1.63	1.87	2.03	1.92	2.23	2.46	2.44	2.67	2.70	2.95	2.20	"Cash Flow" per sh	4.00
.38	.43	.48	.54	.68	.90	1.01	1.18	1.37	1.47	1.36	1.60	1.81	1.77	1.99	1.96	1.95	2.20	Earnings per sh ^B	3.15
.13	.15	.17	.19	.23	.28	.36	.40	.48	.56	.66	.72	.82	.92	.99	1.03	1.08	1.12	Div'ds Decl'd per sh ^C	1.24
.33	.31	.39	.43	.40	.51	.64	.68	.83	.62	.83	.99	.86	.79	1.01	1.07	1.40	1.50	Cap'l Spending per sh	1.75
2.04	2.03	2.03	2.16	2.66	3.23	3.26	3.41	4.03	4.39	4.93	5.36	5.67	5.85	6.51	7.94	8.35	9.25	Book Value per sh ^E	13.65
721.65	689.75	670.02	659.34	662.97	665.14	653.54	643.66	636.54	628.57	618.90	611.84	601.23	590.03	588.38	592.70	580.00	575.00	Common Shs Outst'g ^D	565.00
20.5	19.6	23.0	24.8	26.4	28.2	27.1	24.3	25.9	23.6	23.4	20.8	17.2	14.3	13.8	15.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
1.28	1.13	1.20	1.41	1.72	1.45	1.48	1.39	1.37	1.26	1.26	1.10	1.04	.95	.88	.94			Relative P/E Ratio	1.15
1.6%	1.7%	1.5%	1.4%	1.3%	1.1%	1.3%	1.4%	1.4%	1.6%	2.1%	2.2%	2.7%	3.7%	3.6%	3.5%			Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 3/31/12				2000												2011		2012		2013	
Total Debt \$2871.7 mill. Due in 5 Yrs \$1067.7 mill.				23351	26140	29335	30282	32628	35042	37522	36853	37243	39323	42500	45000	Sales (\$mill) ^A		55500			
LT Debt \$2412.5 mill. LT Interest \$129.0 mill.				6.2%	6.1%	6.2%	6.3%	5.6%	5.9%	6.0%	6.1%	6.4%	5.9%	5.6%	5.8%	Operating Margin		6.3%			
(LT interest earned: 16.5x; total interest coverage: 16.5x)				278.3	273.1	283.6	316.7	345.1	362.6	372.5	382.3	390.0	402.6	410	420	Depreciation (\$mill)		450			
				679.8	778.3	907.2	961.5	846.0	1001.1	1106.2	1055.9	1181.6	1152.0	1150	1285	Net Profit (\$mill)		1810			
Leases, Uncapitalized Annual rentals \$43.7 mill.				38.3%	38.3%	38.5%	37.0%	39.4%	38.3%	38.3%	40.4%	36.2%	37.0%	38.0%	38.0%	Income Tax Rate		38.0%			
Pension assets-6/11 \$2106.3 mill.				2.9%	3.0%	3.1%	3.2%	2.6%	2.9%	2.9%	2.9%	3.2%	2.9%	2.7%	2.9%	Net Profit Margin		3.3%			
Oblig. \$2516.7 mill.				945.9	928.4	724.8	544.2	1173.3	1260.5	1675.7	2120.5	2067.1	2157.8	2040	2120	Working Cap'l (\$mill)		2840			
Pfd Stock None				1176.3	1249.5	1231.5	956.2	1627.1	1758.2	1975.4	2467.5	2472.7	2279.5	2400	2400	Long-Term Debt (\$mill)		2200			
Common Stock 585,764,508 shs.				2132.5	2197.5	2564.5	2758.8	3052.3	3278.4	3409.0	3449.7	3827.5	4705.2	4840	5330	Shr. Equity (\$mill)		7715			
Options Exercisable 7.7%				21.4%	23.5%	24.7%	26.6%	19.1%	20.8%	21.5%	18.8%	19.7%	17.3%	17.0%	17.5%	Return on Total Cap'l		19.0%			
MARKET CAP: \$16.9 billion (Large Cap)				31.9%	35.4%	35.4%	34.9%	27.7%	30.5%	32.4%	30.6%	30.9%	24.5%	24.0%	24.0%	Return on Shr. Equity		23.5%			
CURRENT POSITION				21.9%	23.5%	23.3%	21.9%	14.7%	16.9%	17.9%	14.7%	15.7%	11.8%	11.0%	12.0%	Retained to Com Eq		14.5%			
(\$MILL.)				31%	34%	34%	37%	47%	44%	45%	52%	49%	52%	54%	50%	All Div'ds to Net Prof		39%			

ANNUAL RATES				Past 10 Yrs		Past 5 Yrs		Est'd '09-'11 to '15-'17	
of change (per sh)				8.0%	5.5%	7.5%	7.5%	7.5%	7.5%
Sales				9.5%	6.0%	8.5%	8.5%	8.5%	8.5%
"Cash Flow"				10.5%	6.5%	8.5%	8.5%	8.5%	8.5%
Earnings				15.5%	11.5%	4.0%	4.0%	4.0%	4.0%
Dividends				9.5%	8.5%	12.5%	12.5%	12.5%	12.5%
Book Value									

Fiscal Year Ends	QUARTERLY SALES (\$mill.) ^A				Full Fiscal Year
	Sep.Per	Dec.Per	Mar.Per	Jun.Per	
2009	9877	9150	8739	9087	36853
2010	9081	8868	8945	10349	37243
2011	9751	9385	9762	10425	39323
2012	10586	10244	10505	11165	42500
2013	11210	10870	11145	11775	45000

Fiscal Year Ends	EARNINGS PER SHARE ^{AB}				Full Fiscal Year
	Sep.Per	Dec.Per	Mar.Per	Jun.Per	
2009	.46	.40	.38	.53	1.77
2010	.55	.45	.42	.57	1.99
2011	.51	.44	.44	.57	1.96
2012	.51	.43	.44	.57	1.95
2013	.56	.48	.51	.65	2.20

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.22	.22	.22	.22	.88
2009	.24	.24	.24	.24	.96
2010	.25	.25	.25	.25	1.00
2011	.26	.26	.26	.26	1.04
2012	.27	.27	.27	.27	1.08

(A) Fiscal year ends Saturday closest to June 30th. (B) Based on average shares outstanding through fiscal '97, then diluted. Quarters may not sum to total. Excludes nonrecurring gains/ (losses). In '98, (\$0.04); '00, (\$0.01). Next earnings report due mid-August. (C) Dividends historically paid late January, April, July, October. (D) In millions, adjusted for stock split. (E) Includes intangibles. In '11, \$2.94/share.

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Sysco Corporation likely turned in a decent performance for fiscal 2012 (year ended June 30th). Sales probably advanced around 8% year to year, while share earnings likely slipped a penny, to \$1.95. The story here has remained steady for some time now. The top line has been driven by elevated food cost inflation and case volume growth, particularly within the Broadline and SYGMA segments. However, gross margin erosion and a lack of market-share expansion continue to be an Achilles' heel for the food distribution giant.

We look for solid top- and bottom-line growth in fiscal 2013. A fresh management software system ought to begin fortifying margins going forward, as order entry and data processing efficiency have increased of late. This should provide the company with an opportunity to balance inventory and service levels more effectively. In addition, a gradual climb in consumer confidence may lead to more spending on dining out and various specialty food items. Also, we anticipate Sysco to better leverage its case volume growth in the coming quarters, which ought to spur

higher profits. Moreover, the food distributor's large size and management's wherewithal should allow it to take advantage of a healing economy and avoid potential hurdles throughout the industry supply chain.

Sysco will be utilizing its sizable cash hoard to construct new facilities. The upcoming plant additions will be located in Long Island, Boston, and central Texas, as well as Lincoln, Nebraska. These sites will allow it to shut down current operations in Austin and San Antonio. Consolidating such activities should lower costly overhead and bring forth the ability to expand its business in untapped markets.

These shares remain unfavorably ranked for year-ahead price performance. That said, long-term investors may still be well-rewarded purchasing stock in Sysco Corporation. The issue carries above-average capital appreciation potential over the 3- to 5-year time horizon and has an attractive, well-covered dividend yield. Too, SYY still trades at an appealing discount relative to its historical price-to-earnings multiple.

Kenneth J. DeFranco, Jr. July 27, 2012

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	100

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