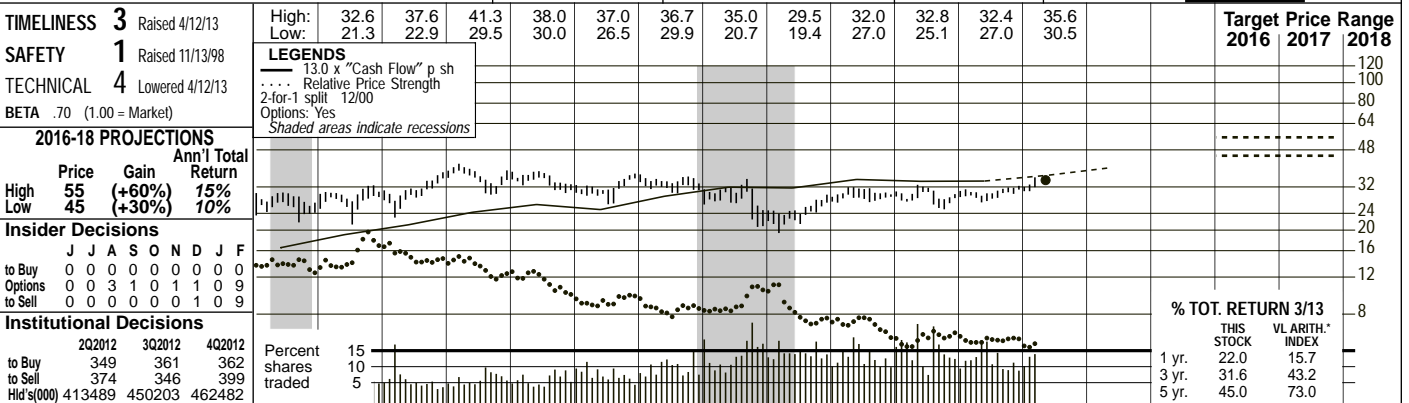


SYSCO CORP. NYSE-SYY

RECENT PRICE **34.46** P/E RATIO **17.7** (Trailing: 18.8 Median: 19.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **3.3%** VALUE LINE



2016-18 PROJECTIONS		Ann'l Total	
Price	Gain	Return	
High 55	(+60%)	15%	
Low 45	(+30%)	10%	

Insider Decisions							
J	A	S	O	N	D	J	F
to Buy	0	0	0	0	0	0	0
Options	0	0	3	1	0	1	0
to Sell	0	0	0	0	0	1	0

Institutional Decisions			
2Q2012	3Q2012	4Q2012	
to Buy	349	361	362
to Sell	374	346	399
Hlds(000)	413489	450203	462482

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	72.33	76.45	80.75
.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	2.62	2.63	2.80	3.05
.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	1.90	1.90	2.10
.15	.17	.19	.23	.28	.36	.40	.48	.56	.66	.74	.85	.94	.99	1.03	1.07	1.12	1.16
.31	.39	.43	.40	.51	.64	.68	.83	.62	.83	.99	.86	.79	1.01	1.07	1.34	.90	1.10
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	8.00	8.70	9.70
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	585.95	585.00	585.00
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	15.1	Bold figures are Value Line estimates	
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	.96		
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%	3.7%		

CAPITAL STRUCTURE as of 12/29/12		2011		2012		12/29/12	
Total Debt \$3062.5 mill. Due in 5 Yrs \$729.2 mill.		26140	29335	30282	32628	35042	37522
LT Debt \$2809.3 mill. LT Interest \$150.0 mill.		6.1%	6.2%	6.3%	5.6%	5.9%	6.0%
(LT interest earned: 16.7x; total interest coverage: 16.7x)		273.1	283.6	316.7	345.1	362.6	372.5
		778.3	907.2	961.5	846.0	1001.1	1106.2
		38.3%	38.5%	37.0%	39.4%	38.3%	38.3%
Leases, Uncapitalized Annual rentals \$48.7 mill.		3.0%	3.1%	3.2%	2.6%	2.9%	2.9%
Pension assets-6/12 \$2234.9 mill.		928.4	724.8	544.2	1173.3	1260.5	1675.7
Oblig. \$3165.0 mill.		1249.5	1231.5	956.2	1627.1	1758.2	1975.4
Pfd Stock None		2197.5	2564.5	2758.8	3052.3	3278.4	3409.0
Common Stock 585,990,749 shs.		23.5%	24.7%	26.6%	19.1%	20.8%	21.5%
Options Exercisable 6.5%		35.4%	35.4%	34.9%	27.7%	30.5%	32.4%
MARKET CAP: \$20.2 billion (Large Cap)		23.5%	23.3%	21.9%	14.7%	16.9%	17.9%
CURRENT POSITION		34%	34%	37%	47%	44%	45%

ANNUAL RATES		Past 10 Yrs	Past 5 Yrs	Est'd '10-'12
of change (per sh)		7.5%	5.0%	6.5%
Sales		8.0%	5.0%	7.0%
"Cash Flow"		8.5%	5.5%	8.0%
Earnings		13.5%	9.5%	3.0%
Dividends		9.5%	9.0%	10.5%

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) ^A	Full Fiscal Year
	Sep.Per Dec.Per Mar.Per Jun.Per	
2010	9081 8868 8945 10349	37243
2011	9751 9385 9762 10425	39323
2012	10586 10244 10505 11046	42381
2013	11087 10797 11100 11741	44725
2014	11715 11425 11725 12385	47250

Fiscal Year Ends	EARNINGS PER SHARE ^{AB}	Full Fiscal Year
	Sep.Per Dec.Per Mar.Per Jun.Per	
2010	.55 .45 .42 .57	1.99
2011	.51 .44 .44 .57	1.96
2012	.51 .43 .44 .52	1.90
2013	.49 .38 .44 .59	1.90
2014	.54 .43 .49 .64	2.10

Cal-endar	QUARTERLY DIVIDENDS PAID ^{CA}	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
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
2013	.28 .28	

Sysco Corporation's performance will likely remain muted in fiscal 2013 (year ends June 29, 2013). We anticipate sales climbed roughly 6% year to year during the March interim, while share earnings came in flat. Although strong case volume growth has fueled healthy top-line gains, a shift in customer mix has narrowed margins. In addition, the food distribution titan has struggled with soaring gas pump prices and elevated payroll costs, which have reduced profits. What's more, the latest industry data suggest consumer sentiment and restaurant traffic trends have weakened in recent months, due to persistent economic pressures. Thus, we have trimmed our fiscal 2013 share-net outlook by \$0.15, to \$1.90. **The company's bottom line ought to accelerate next year.** We look for swelling food cost inflation and a range of value-added, bolt-on acquisitions to bolster revenues and earnings over future quarters. Moreover, SYY has ramped up its efforts to capture additional market share, including television commercials, in-show product integration with the Food Network, and enhanced digital advertising. Too, its new inventory management and tracking system, coupled with a state-of-the-art shared business center, should aid in shaving burdensome overhead. Therefore, we believe Sysco could tally earnings per share of \$2.10 for fiscal 2014. **The lingering effects of Hurricane Sandy have weighed down results.** Indeed, many of the food distributor's large customers were forced to cease or relocate current operations due to storm damage. Although it seems SYY averted major asset losses, the company may experience a bottom-line drag for some time. However, most businesses will probably begin to increase orders soon to compensate for lost or damaged inventories as a result of the recent superstorm. **This high-quality issue is still ranked to mirror the broader market averages over the coming six to 12 months.** That said, this stock may be a good fit for most accounts, in our view. These shares hold decent appreciation potential to 2016-2018. Moreover, SYY carries an above-average dividend yield, making it attractive to income-oriented investors.

Kenneth J. DeFranco, Jr. April 26, 2013

(A) Fiscal year ends Saturday closest to June 30th.	(B) Diluted earnings. Excludes nonrecurring gains/(losses). In '98, (\$0.04); '00, (\$0.01).	(C) Dividends historically paid late January, April, July, October. ■ Dividend reinvestment plan available.	(D) In millions, adjusted for stock split.	(E) Includes intangibles. In '12, \$3.04/share.
---	--	---	--	---

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