SYSCO CORP. NYSE-SYY

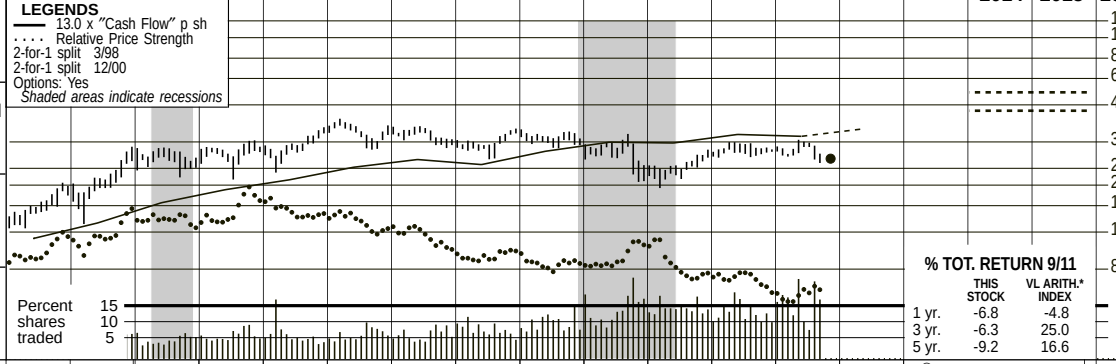
RECENT PRICE **26.68** | P/E RATIO **12.9** (Trailing: 13.6 / Median: 21.0) | RELATIVE P/E RATIO **0.92** | DIV'D YLD **4.0%** | VALUE LINE

TIMELINESS 3 Raised 5/20/11
SAFETY 1 Raised 11/13/98
TECHNICAL 2 Raised 10/21/11
BETA .75 (1.00 = Market)

High:	30.4	30.1	32.6	37.6	41.3	38.0	37.0	36.7	35.0	29.5	32.0	32.8
Low:	13.1	21.8	21.3	22.9	29.5	30.0	26.5	29.9	20.7	19.4	27.0	25.1

Target Price Range
2014 | 2015 | 2016

LEGENDS
— 13.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 3/98
2-for-1 split 12/00
Options: Yes
Shaded areas indicate recessions



2014-16 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+105%)	*22%*
Low	45	(+70%)	*16%*

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	4	1	0	2
to Sell	1	0	1	0	0	0	0	0	0

Institutional Decisions

	4Q2010	1Q2011	2Q2011
to Buy	368	332	319
to Sell	406	430	412
Hld's(000)	418545	418483	432664

% TOT. RETURN 9/11

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-6.8	-4.8
3 yr.	-6.3	25.0
5 yr.	-9.2	16.6

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
16.57	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	*69.60*	Sales per sh A	*90.45*
.52	.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	2.62	*2.85*	"Cash Flow" per sh	*3.75*
.35	.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	*2.10*	Earnings per sh B	*2.90*
.10	.13	.15	.17	.19	.23	.28	.36	.40	.48	.56	.66	.72	.82	.92	.99	1.03	*1.08*	Div'ds Decl'd per sh C■	*1.20*
.28	.33	.31	.39	.43	.40	.51	.64	.68	.83	.62	.83	.99	.86	.79	1.01	1.07	*1.25*	Cap'l Spending per sh	*1.55*
1.92	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	*9.00*	Book Value per sh E	*12.35*
731.46	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	*590.00*	Common Shs Outst'g D	*575.00*
19.0	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		Avg Ann'l P/E Ratio	*17.0*
1.27	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	.91		Relative P/E Ratio	*1.15*
1.5%	1.6%	1.7%	1.5%	1.4%	1.3%	1.1%	1.3%	1.4%	1.4%	1.6%	2.1%	2.2%	2.6%	3.6%	3.6%	3.5%		Avg Ann'l Div'd Yield	*3.0%*

CAPITAL STRUCTURE as of 7/2/11
Total Debt $2668.5 mill. **Due in 5 Yrs** $864.5 mill.
LT Debt $2279.5 mill. **LT Interest** $121.5 mill.
(LT interest earned: 16.5x; total interest coverage: 16.5x) (33% of Cap'l)
Leases, Uncapitalized Annual rentals $43.7 mill.
Pension assets-6/11 $2106.3 mill. **Oblig.** $2516.7 mill.
Pfd Stock None
Common Stock 592,697,484 shs.

Options Exercisable 7.7%
MARKET CAP: $15.8 billion (Large Cap)

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		14-16
21784	23351	26140	29335	30282	32628	35042	37522	36853	37243	39323	*41055*	Sales ($mill) A	*52000*
5.9%	6.2%	6.1%	6.2%	6.3%	5.6%	5.9%	6.0%	6.1%	6.4%	5.9%	*6.2%*	Operating Margin	*6.3%*
248.2	278.3	273.1	283.6	316.7	345.1	362.6	372.5	382.3	390.0	402.6	*415*	Depreciation ($mill)	*445*
596.9	679.8	778.3	907.2	961.5	846.0	1001.1	1106.2	1055.9	1181.6	1152.0	*1260*	Net Profit ($mill)	*1700*
38.3%	38.3%	38.3%	38.5%	37.0%	39.4%	38.3%	38.3%	40.4%	36.2%	37.0%	*38.0%*	Income Tax Rate	*38.0%*
2.7%	2.9%	3.0%	3.1%	3.2%	2.6%	2.9%	2.9%	2.9%	3.2%	2.9%	*3.1%*	Net Profit Margin	*3.3%*
895.0	945.9	928.4	724.8	544.2	1173.3	1260.5	1675.7	2120.5	2067.1	2157.8	*2300*	Working Cap'l ($mill)	*3035*
961.4	1176.3	1249.5	1231.5	956.2	1627.1	1758.2	1975.4	2467.5	2472.7	2279.5	*2000*	Long-Term Debt ($mill)	*1800*
2147.5	2132.5	2197.5	2564.5	2758.8	3052.3	3278.4	3409.0	3449.7	3827.5	4705.2	*5300*	Shr. Equity ($mill)	*7100*
20.2%	21.4%	23.5%	24.7%	26.6%	19.1%	20.8%	21.5%	18.8%	19.7%	17.3%	*18.0%*	Return on Total Cap'l	*19.5%*
27.8%	31.9%	35.4%	35.4%	34.9%	27.7%	30.5%	32.4%	30.6%	30.9%	24.5%	*24.0%*	Return on Shr. Equity	*24.0%*
19.7%	21.9%	23.5%	23.3%	21.9%	14.7%	16.9%	17.9%	14.7%	15.7%	11.8%	*12.0%*	Retained to Com Eq	*14.0%*
29%	31%	34%	34%	37%	47%	44%	45%	52%	49%	52%	*51%*	All Div'ds to Net Prof	*41%*

CURRENT POSITION ($MILL.)	2009	2010	7/2/11
Cash Assets	1087.1	609.0	639.8
Receivables	2468.5	2617.4	2898.3
Inventory (FIFO)	1650.7	1771.5	2073.8
Other	64.4	78.4	121.0
Current Assets	5270.7	5076.3	5732.9
Accts Payable	1856.9	1953.1	2183.4
Debt Due	9.2	8.0	389.0
Other	1284.1	1048.1	1002.7
Current Liab.	3150.2	3009.2	3575.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '14-'16
Sales	8.0%	5.5%	*6.0%*
"Cash Flow"	9.5%	6.0%	*6.5%*
Earnings	10.5%	6.5%	*7.5%*
Dividends	15.5%	11.5%	*3.5%*
Book Value	9.5%	8.5%	*10.5%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2008	9406	9240	9147	9729	37522
2009	9877	9150	8739	9087	36853
2010	9081	8868	8945	10349	37243
2011	9751	9385	9762	10425	39323
2012	*10355*	*9990*	*10055*	*10655*	*41055*

Fiscal Year Ends	EARNINGS PER SHARE AB Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2008	.43	.43	.40	.55	1.81
2009	.46	.40	.38	.53	1.77
2010	.55	.45	.42	.57	1.99
2011	.51	.44	.44	.57	1.96
2012	*.51*	*.49*	*.50*	*.60*	*2.10*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.19	.19	.19	.19	.76
2008	.22	.22	.22	.22	.88
2009	.24	.24	.24	.24	.96
2010	.25	.25	.25	.25	1.00
2011	.26	.26	.26	.26	

BUSINESS: Sysco Corporation is the leading United States marketer and distributer of food, equipment, supplies, and related products to the foodservice industry. It has over 400,000 customers in the United States and Canada. The company serves restaurants, educational institutions, hospitals, nursing homes, hotels, and motels. Sysco has 180 distribution facilities and self-service centers in the U.S. and Canada. 2011 depreciation rate: 6.0%. Has 46,000 employees. Officers and Directors own less than 1.0% of stock (10/11 proxy). Vice Chairman, President, and COO: Kenneth F. Spitler; CEO: William J. DeLaney, III. Incorporated: Delaware. Address: 1390 Enclave Parkway, Houston, Texas 77077-2099. Telephone: 281-584-1390. Internet: www.sysco.com.

Sysco Corporation probably got off to a slow start for fiscal 2012 (year began July 3rd). Sales likely rose around 6%, year to year, during the September period, and the bottom line probably came in flat. The story has been the same at Sysco for some time. The food distributor has made top-line gains through increased case volumes and improved pricing structures, but lofty gas pump prices, climbing personnel expenses, elevated product costs, and higher fees associated with expansion have caused share earnings to stall some. Still...

The company should register decent results for the full year. Assuming the overall economy begins to perk up, Sysco ought to benefit from better pricing and an improved business-spending climate. Furthermore, we look for the Broadline and SYGMA segments to deliver healthy market-share gains. And, Sysco will likely continue to put its sizable cash position to work, seeking suitable bolt-on acquisitions. In addition, investments in fresh technology, fleet replacement, and facilities upgrades ought to begin bearing fruit in the coming quarters.

Taming project expenses and enhancing shipping efficiencies is the name of the game. Sysco's business transformation endeavor is estimated to cost the business $0.18 to $0.20 per share in fiscal 2012, up from just $0.04 a share in 2009. Trimming fees associated with this new plan and getting it going quickly appears vital at this juncture. Moreover, the company has been searching for ways to lower its shipping cost per case. Utilizing more direct routes, ramping up fuel surcharges, and retaining stringent operating procedures ought to bolster the bottom line moving forward.

Investors may want to keep these neutrally ranked shares in mind. This issue holds decent capital appreciation potential to 2014-2016. Furthermore, the stock's price pullback since our July review has heightened the appeal of its solid, well-covered dividend. Long-term accounts should note Sysco's considerable market share, diversified business model, and sound Financial Strength have it poised to withstand shaky economic conditions and deliver investors solid returns.

Kenneth J. DeFranco, Jr. October 28, 2011

(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 early November.
(C) Dividends historically paid late January, April, July, October. ■ Dividend reinvestment plan available.
(D) In millions, adjusted for stock splits.
(E) Includes intangibles. In '11, $2.94/share.

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

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