

Sysco Corp

S&P Recommendation **HOLD** ★★☆☆☆

Price
\$28.01 (as of Feb 7, 2011)

12-Mo. Target Price
\$29.00

Investment Style
Large-Cap Blend

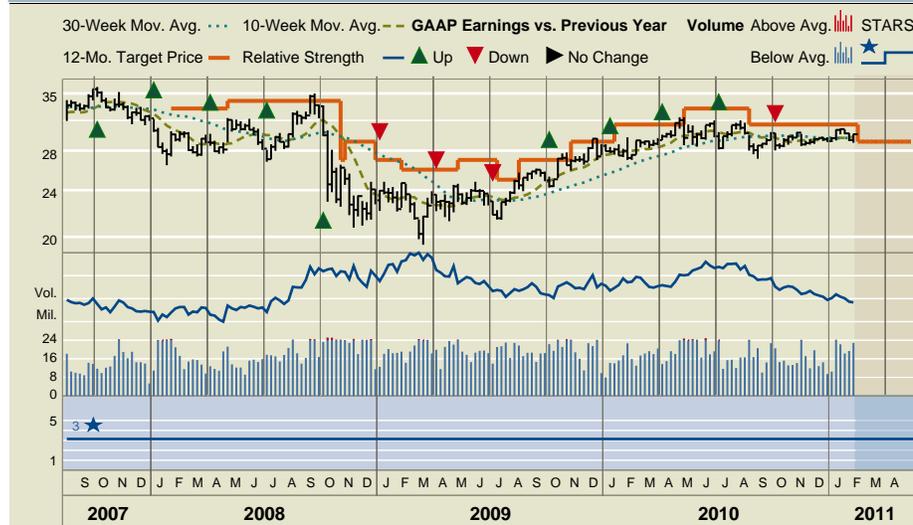
GICS Sector Consumer Staples
Sub-Industry Food Distributors

Summary Sysco is a large distributor of food and related products, primarily to the foodservice or food-away-from-home industry.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$31.99– 27.10	S&P Oper. EPS 2011E	1.90	Market Capitalization(B)	\$16.388	Beta	0.72
Trailing 12-Month EPS	\$1.95	S&P Oper. EPS 2012E	2.05	Yield (%)	3.71	S&P 3-Yr. Proj. EPS CAGR(%)	4
Trailing 12-Month P/E	14.4	P/E on S&P Oper. EPS 2011E	14.7	Dividend Rate/Share	\$1.04	S&P Credit Rating	A+
\$10K Invested 5 Yrs Ago	\$11,544	Common Shares Outstg. (M)	585.1	Institutional Ownership (%)	73		

Price Performance



Qualitative Risk Assessment

LOW **MEDIUM** **HIGH**

Our risk assessment reflects SY Y's operations in a relatively stable industry, in which we believe it has the largest market share.

Quantitative Evaluations

S&P Quality Ranking **A+**

D C B- B B+ A- A **A+**

Relative Strength Rank **WEAK**

16
LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2011	9,751	--	--	--	--
2010	9,081	8,869	8,945	10,348	37,244
2009	9,877	9,150	8,739	9,087	36,853
2008	9,406	9,240	9,147	9,730	37,522
2007	8,672	8,569	8,573	9,228	35,042
2006	8,010	7,971	8,138	8,509	32,628

Earnings Per Share (\$)	2011	2010	2009	2008	2007	2006
	0.51	E0.44	E0.45	E0.50	E1.90	
	0.55	0.41	0.42	0.57	1.99	
	0.46	0.40	0.38	0.53	1.77	
	0.43	0.43	0.40	0.55	1.81	
	0.37	0.39	0.35	0.49	1.60	
	0.31	0.33	0.30	0.41	1.35	

Fiscal year ended Jun. 30. Next earnings report expected: NA. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.250	02/19	03/30	04/01	04/23/10
0.250	05/21	06/30	07/02	07/23/10
0.250	08/27	09/29	10/01	10/22/10
0.260	11/12	01/05	01/07	01/28/11

Dividends have been paid since 1970. Source: Company reports.

Highlights

➤ The 12-month target price for SY Y has recently been changed to \$29.00 from \$31.00. The Highlights section of this Stock Report will be updated accordingly.

Investment Rationale/Risk

➤ The Investment Rationale/Risk section of this Stock Report will be updated shortly. For the latest News story on SY Y from MarketScope, see below.

➤ 02/07/11 12:44 pm ET ... S&P REITERATES HOLD RECOMMENDATION ON SHARES OF SYSCO CORP. (SY Y 28.02***): Dec-Q EPS of \$0.44, vs. \$0.45, is \$0.02 below our estimate, and included a \$0.02 benefit from corporate-owned life insurance (COLI). The year-ago quarter included a \$0.01 COLI favorable impact. The extent of margin pressure in the latest quarter makes us more wary of near-term prospects. We are lowering our FY 11 (Jun.) EPS estimate to \$1.90 from \$1.95. We are also reducing FY 12's EPS projection to \$2.05 from \$2.10. On our lowered EPS forecasts, we are reducing our 12-month target price to \$29 from \$31. The indicated dividend yield is about 3.7%. /T.Graves, J.Agnese

Sysco Corp**Business Summary** November 09, 2010

CORPORATE OVERVIEW. Sysco is a large distributor of food and related products, primarily to the foodservice or food-away-from-home industry. As of late 2010, SY operated 180 distribution facilities serving about 400,000 customers, including restaurants (62% of FY 10 (Jun.) sales), hospitals and nursing homes (11%), hotel and motels (6%), schools and colleges (5%), and others (16%). In FY 10, U.S. sales represented 89% of SY's total, and Canada sales represented 9.5%.

Sysco distributes food products, including frozen foods such as meats, fully prepared entrees, fruits, vegetables and desserts; canned and dry foods; fresh meats; dairy and beverage products; imported specialties; and fresh produce. The company also distributes non-food products. These include paper products, tableware such as china and silverware, cookware, restaurant and kitchen equipment and supplies, and cleaning supplies. The company stresses prompt and accurate delivery of orders, and close contact with customers, and also provides customers with ancillary services, such as providing product usage reports, menu-planning advice, food safety training, and assistance in inventory control. No single customer accounted for 10% or more of sales in FY 10.

CORPORATE STRATEGY. SY seeks to expand its business by garnering an increased share of products purchased by existing customers, the development of new customers, the use of foldouts (new facilities built in established markets), and an acquisition program. SY distributes nationally branded merchandise, as well as products packaged under SY private brands. We believe that Sysco-branded products typically carry wider profit margins than other branded products distributed by the company. From its inception through the end of FY 10, the company had acquired roughly 150 companies or divisions of companies. At July 3, 2010, SY's balance sheet included \$1.550 billion of goodwill.

Over time, we look for SY's profitability to benefit from an increased amount of consolidated purchasing, the addition of regional distribution centers, and management of freight costs and inventory. Among SY's supply chain initiatives are (1) the construction of regional distribution centers (RDCs), with two operational as of August 2010; and (2) improving the capability to view and manage all of SY's inbound freight, both to RDCs and the operating companies, as a network and not as individual locations. FY 08 was the first full year SY operated under this initiative. Also, during FY 09, SY began the design of an enterprise-wide project to implement an integrated software system to support the majority of its business processes.

In April 2009, SY made its first broadlines acquisition outside North America, with the purchase of Ireland-based Pallas Foods. Pallas has annual sales of about \$200 million.

IMPACT OF MAJOR DEVELOPMENTS. In August 2009, SY announced an agreement with the IRS on a tax payment schedule for a disputed tax deferral for an affiliate taxed under subchapter T. The agreement involves \$952 million of scheduled payments: \$528 million in FY 10; \$212 million in FY 11; and \$212 million in FY 12.

SY is in the midst of a Business Transformation Project, under which it expects to develop and implement an integrated software (ERP) system to support a majority of its business processes and help streamline operations. We think management views adopting an SAP platform as the foundation of the project and expects long-term benefits to include improved execution, reduction in complexity and increased transparency.

In the summer of 2010, SY said it had substantially completed the design and build phases of the project, and was testing the underlying ERP system and processes. SY said it expects the investment in the project to provide meaningful benefits over the long term, but that costs would exceed the benefits during the early stages of implementation, including FY 11. We look for implementation to occur across much of SY by the end of FY 13.

SY expects the total cash outlay for the project to be about \$900 million. Of this, about \$246 million was incurred in FY 10, of which approximately \$172 million was capitalized. About \$260 million to \$300 million of cash outlay is expected in FY 11, of which about \$160 million to \$180 million would be capitalized.

FINANCIAL TRENDS. In FY 10, EPS benefited by \$0.09 from the one-time reversal of interest accruals for a tax contingency related to an IRS settlement, and gains recorded on the adjustment of the carrying value of corporate-owned life insurance (COLI) policies to their cash surrender values. This compares to a \$0.07 per share negative impact to EPS in FY 09 from losses recorded on COLI carrying value adjustment.

Corporate Information**Office**

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Officers**Chrmn**

M.A. Fernandez

SVP, Chief Acctg

Officer & Cntl

G.M. Elmer

Pres & CEO

W.J. DeLaney, III

SVP & Treas

K.G. Drummond

EVP & CFO

R.C. Kreidler

Board Members

J. M. Cassaday

J. L. Craven

W. J. DeLaney, III

M. A. Fernandez

L. C. Glasscock

J. Golden

J. A. Hafner, Jr.

H. Koerber

N. S. Newcomb

P. S. Sewell

R. G. Tilghman

J. M. Ward

Domicile

Delaware

Founded

1969

Employees

46,000

Stockholders

14,992

Sysco Corp

Quantitative Evaluations

S&P Fair Value Rank	3+	1	2	3	4	5
		LOWEST				HIGHEST
Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).						

Fair Value Calculation	\$29.00	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that SY is slightly undervalued by \$0.99 or 3.5%.
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Investability Quotient Percentile	99
	LOWEST = 1 HIGHEST = 100
SY scored higher than 99% of all companies for which an S&P Report is available.	

Volatility	LOW	AVERAGE	HIGH
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Technical Evaluation	NEUTRAL	Since January, 2011, the technical indicators for SY have been NEUTRAL.
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Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
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Expanded Ratio Analysis

	2010	2009	2008	2007
Price/Sales	0.47	0.45	0.37	0.56
Price/EBITDA	7.38	7.39	6.24	9.44
Price/Pretax Income	9.44	9.40	7.82	12.06
P/E Ratio	14.79	15.77	12.67	19.53
Avg. Diluted Shares Outstg (M)	593.6	596.1	611.0	626.4

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	1.06	1.66	4.28	6.53
Net Income	11.75	4.57	5.24	6.98

Ratio Analysis (Annual Avg.)

	2010	2009	2008	2007
Net Margin (%)	3.17	2.99	2.89	2.95
% LT Debt to Capitalization	39.20	36.94	35.17	31.99
Return on Equity (%)	32.43	32.10	31.40	33.26

Company Financials Fiscal Year Ended Jun. 30

Per Share Data (\$)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	3.69	3.08	3.17	2.99	2.67	2.35	2.11	1.68	1.85	2.07
Cash Flow	2.64	2.41	2.41	2.23	1.89	1.96	1.80	1.59	1.47	1.27
Earnings	1.99	1.77	1.81	1.60	1.35	1.47	1.37	1.18	1.01	0.88
S&P Core Earnings	2.06	1.65	1.68	1.59	1.38	1.39	1.31	1.08	0.92	0.82
Dividends	0.99	1.16	0.82	0.72	0.64	0.56	0.48	0.40	0.32	0.23
Payout Ratio	50%	66%	45%	45%	47%	38%	35%	34%	32%	26%
Prices:High	31.99	29.48	35.00	36.74	37.04	38.04	41.27	37.57	32.58	30.12
Prices:Low	26.99	19.39	20.74	29.90	26.50	29.98	29.48	22.90	21.25	21.75
P/E Ratio:High	16	17	19	23	27	26	30	32	32	34
P/E Ratio:Low	14	11	11	19	20	20	22	19	21	25

Income Statement Analysis (Million \$)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenue	37,244	36,853	37,522	35,042	32,628	30,282	29,335	26,140	23,351	21,784
Operating Income	2,366	2,255	2,246	2,071	1,840	1,906	1,816	1,597	1,439	1,286
Depreciation	390	382	366	363	345	317	284	273	278	248
Interest Expense	125	116	118	105	109	75.0	69.9	72.2	62.9	71.0
Pretax Income	1,850	1,771	1,791	1,621	1,395	1,525	1,475	1,260	1,101	967
Effective Tax Rate	NA	40.4%	38.3%	38.3%	39.3%	37.0%	38.5%	38.3%	38.3%	38.3%
Net Income	1,180	1,056	1,106	1,001	846	961	907	778	680	597
S&P Core Earnings	1,219	987	1,022	995	866	890	868	710	618	559

Balance Sheet & Other Financial Data (Million \$)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Cash	609	1,087	552	208	202	192	200	421	230	136
Current Assets	5,076	5,271	5,175	4,676	4,400	4,002	3,851	3,630	3,185	2,985
Total Assets	10,314	10,322	10,082	9,519	8,992	8,268	7,848	6,937	5,990	5,469
Current Liabilities	3,009	3,150	3,499	3,415	3,226	3,458	3,127	2,701	2,239	2,090
Long Term Debt	2,473	2,467	1,975	1,758	1,627	956	1,231	1,249	1,176	961
Common Equity	3,828	3,450	3,409	3,278	3,052	2,759	2,565	2,198	2,133	2,148
Total Capital	6,308	6,444	5,925	5,037	5,403	4,440	4,483	3,945	3,750	3,379
Capital Expenditures	595	465	516	603	515	390	530	436	416	341
Cash Flow	1,570	1,438	1,473	1,364	1,191	1,278	1,191	1,051	958	845
Current Ratio	1.7	1.7	1.5	1.4	1.4	1.2	1.2	1.3	1.4	1.4
% Long Term Debt of Capitalization	39.2	38.3	33.3	34.9	30.1	21.5	27.4	31.7	31.4	28.4
% Net Income of Revenue	3.2	2.9	3.0	2.9	2.6	3.2	3.1	3.0	2.9	2.7
% Return on Assets	11.5	10.4	11.3	10.8	9.8	11.9	12.3	12.0	12.0	11.6
% Return on Equity	32.4	30.8	33.1	31.6	29.1	36.1	38.1	35.9	32.1	30.5

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Sysco Corp

Sub-Industry Outlook

Our fundamental outlook for the S&P Food Distributors Index for the next 12 months is neutral. We anticipate relatively modest growth in U.S. food expenditures, and look for distributor profits to be helped by realization of consolidation synergies and technology-driven productivity improvements. We have a cautious view of near-term consumer spending, in view of relatively high unemployment levels, and what we think is a heightened sense of job insecurity among a portion of those who are employed. We expect that this will limit the amount of travel that people do, and the extent to which they eat out at restaurants.

Over the longer term, there has been a trend toward an increased portion of food spending going toward meals prepared outside the home (e.g., at restaurants). In our view, the growth of food service sales has resulted, in part, from many families having at least two income earners outside the home, and a shortage of time for food preparation in the home. We think this trend toward out-of-home spending on food resumed in 2010, after at least modestly reversing in recent years when economic conditions were relatively weak.

Looking ahead, as more members of the "baby boom" generation retire from the work force, this may contribute to at least modest future shifts toward eating more at home.

We believe that whether serving restaurants or customers such as supermarkets, significant factors for food distributors include their ability to leverage effectively fixed costs or investments (e.g., warehouse space) into profitable sales, effectively manage inventory, and respond to customers in a timely, efficient manner. Furthermore, we see food distributors having opportunities to boost gross profit margins through an increased emphasis on

providing their own private-label products to customers. We expect food distributors that cater to the foodservice group to benefit from acquisitions of smaller, complementary distributors.

Food distributors should continue to benefit from an increased focus on non-traditional retailers, such as mass merchandisers (other than Wal-Mart) and convenience stores. In addition, we expect distributor focus on natural or organic foods to present long-term opportunities, as we look for this segment to become increasingly popular with consumers.

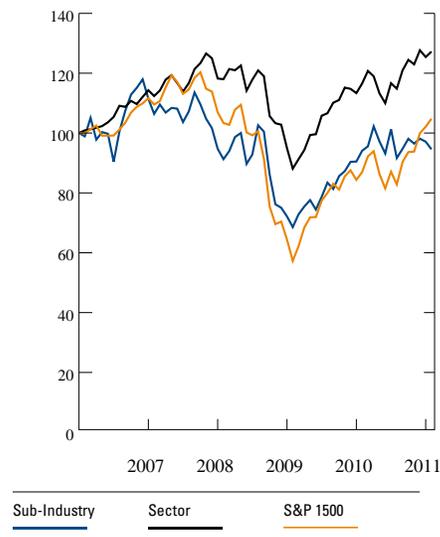
Year to date, through January 21, the S&P Food Distributors Index was up 1.1%, versus a 1.8% rise for the S&P 1500 Index. The sub-industry index rose 8.5% in 2010, versus a 14.2% increase for the S&P 1500.

--Tom Graves, CFA

Stock Performance

GICS Sector: Consumer Staples
Sub-Industry: Food Distributors

Based on S&P 1500 Indexes
Month-end Price Performance as of 01/31/11



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Food Distributors Peer Group*: Food & Health Distributors

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Sysco Corp	SY	17,465	29.85	31.99/27.00	0.72	3.5	15	29.00	A+	99	3.2	39.2
G.Willi-Food Intl	WILC	75	7.27	7.45/5.20	1.24	Nil	12	NA	NR	19	9.4	0.1
Nash Finch Co	NAFC	460	37.82	44.17/32.74	0.60	1.9	NM	NA	B	89	0.1	42.1
Pizza Inn	PZZI	16	1.95	2.20/1.65	0.60	Nil	16	NA	B-	66	3.5	4.7
Spartan Stores	SPTN	339	15.00	17.80/12.13	0.47	1.3	13	NA	NR	73	1.0	39.4
United Natural Foods	UNFI	1,840	38.19	39.85/24.71	0.72	Nil	24	36.20	B+	85	1.8	7.1

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Analyst Research Notes and other Company News**February 7, 2011**

SY posts \$0.44 vs. \$0.45 Q2 EPS The Street was looking for \$0.47 Q2 EPS despite 5.8% sales rise.

February 7, 2011

12:44 pm ET ... S&P REITERATES HOLD RECOMMENDATION ON SHARES OF SYSCO CORP. (SY 28.02***): Dec-Q EPS of \$0.44, vs. \$0.45, is \$0.02 below our estimate, and included a \$0.02 benefit from corporate-owned life insurance (COLI). The year-ago quarter included a \$0.01 COLI favorable impact. The extent of margin pressure in the latest quarter makes us more wary of near-term prospects. We are lowering our FY 11 (Jun.) EPS estimate to \$1.90 from \$1.95. We are also reducing FY 12's EPS projection to \$2.05 from \$2.10. On our lowered EPS forecasts, we are reducing our 12-month target price to \$29 from \$31. The indicated dividend yield is about 3.7%. /T.Graves, J.Agnese

January 12, 2011

Sysco Corporation announced that Paul T. Moskowitz will join the company as senior vice president, human resources, effective January 17, 2011. Moskowitz most recently served as chief human resources officer at Dean Foods Company. Moskowitz began his career in 1988 as a compensation consultant at Towers Perrin. After joining Brinker International in 1992, he progressed through a series of roles with increasing responsibility at Brinker and then two other premier restaurant companies, Darden Restaurants Inc. and Yum! Brands Inc., culminating with his role as chief people officer at Pizza Hut USA. In 2007, he joined Dean Foods in his most recent role.

November 19, 2010

Sysco Corp. announced that Michael C. Nichols, senior vice president, administration, general counsel and corporate secretary, has announced his plan to retire effective December 31, 2010. Russell T. Libby, currently vice president and assistant general counsel, will become vice president, general counsel and corporate secretary following Mr. Nichols' retirement. Russell T. Libby, joined Sysco in 2007 as assistant vice president, mergers & acquisitions and real estate, and was promoted to his current position in 2009.

November 8, 2010

12:07 pm ET ... S&P KEEPS HOLD OPINION ON SHARES OF SYSCO CORP (SY 29.17***): Sep-Q EPS of \$0.51, vs. \$0.55, is \$0.01 above our estimate, and included a \$0.02 benefit from corporate-owned life insurance (COLI). The year-ago quarter included a \$0.04 COLI favorable impact, plus \$0.05 from an IRS settlement. In the latest quarter, sales growth of 7.4% is higher than we anticipated, but the operating margin is a little lower than we expected. We are keeping our FY 11 (Jun.) EPS estimate of \$1.95, and initiate FY 12's EPS projection of \$2.10. We are keeping our 12-month target price of \$31. The stock has an indicated dividend yield of about 3.4%. /T.Graves-CFA

September 21, 2010

Sysco Corp. announced that Larry C. Glasscock has been appointed to the company's board of directors effective immediately, expanding the size of the board to 12 members. He will be in the classification of directors which will stand for re-election at the November 2012 Annual Meeting of Stockholders and will serve on the board's compensation, corporate governance and nominating, and corporate sustainability committees. Glasscock, 62, is the former chairman of the board of WellPoint Inc.

August 16, 2010

01:51 pm ET ... S&P KEEPS HOLD OPINION ON SHARES OF SYSCO CORP (SY 29.17***): Jun-Q EPS of \$0.57, vs. \$0.53, matches our estimate, even with \$0.02 negative impact from corporate-owned life insurance (COLI), which was not part of our estimate. We expect some difficult EPS comparisons in FY 11 (Jun.), as FY 10 included roughly \$0.13 contribution from COLI, tax benefit, and extra week. Also, we look for pension expense to be about \$0.06 higher in FY 11, and expect higher spending related to software system project. We are lowering our FY 11 EPS estimate to \$1.95 from \$2.05. With reduced EPS estimate, we are reducing our target price to \$31 from \$33. /T.Graves-CFA

August 13, 2010

11:56 am ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF SYSCO CORP (SY 29.93***): On Aug. 16, we look for SY to report Jun-Q EPS of \$0.57 vs. \$0.53.

With the inclusion of an extra week, and a comparison against a relatively weak year-ago quarter, we anticipate a low double-digit percentage sales increase. However, we are generally cautious about the outlook for food service sales. We are keeping our FY 10 (Jun.) EPS estimate of \$1.99, which includes, in the first nine months of FY 10, a \$0.05 benefit from corporate-owned life insurance and a \$0.05 tax benefit. We are trimming our FY 11 estimate to \$2.05 from \$2.07. We keep our 12-month target price of \$33. /T.Graves-CFA

May 3, 2010

11:17 am ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF SYSCO CORP (SY 31.0***): Mar-Q EPS of \$0.42, vs. year-ago \$0.38, beat our \$0.40 estimate. Corporate Owned Life Insurance (COLI) helped EPS by \$0.01 this year, but hurt year-ago by \$0.01. The remainder came from sales (up 2.4% vs. our 0% estimate), with positive underlying volume growth for the first time in more than a year. We remain cautious about the rate of recovery in food service sales. We raise our FY 10 (Jun.) EPS estimate by just \$0.02 to \$1.99 (including \$0.05 from COLI and \$0.05 tax credit) and FY 11 by \$0.02 to \$2.07. On higher peer P/Es, we increase our 12-month target price by \$2 to \$33. /L.Braverman-CFA

April 16, 2010

Sysco Corporation announced that William B. Day, currently senior vice president, merchandising and supply chain, will be promoted to executive vice president, merchandising and supply chain. The company also announced that Alan E. Hasty, currently CEO of Sysco Cleveland, will be promoted to senior vice president, merchandising. Both promotions take effect July 4, 2010, the beginning of Sysco's fiscal year.

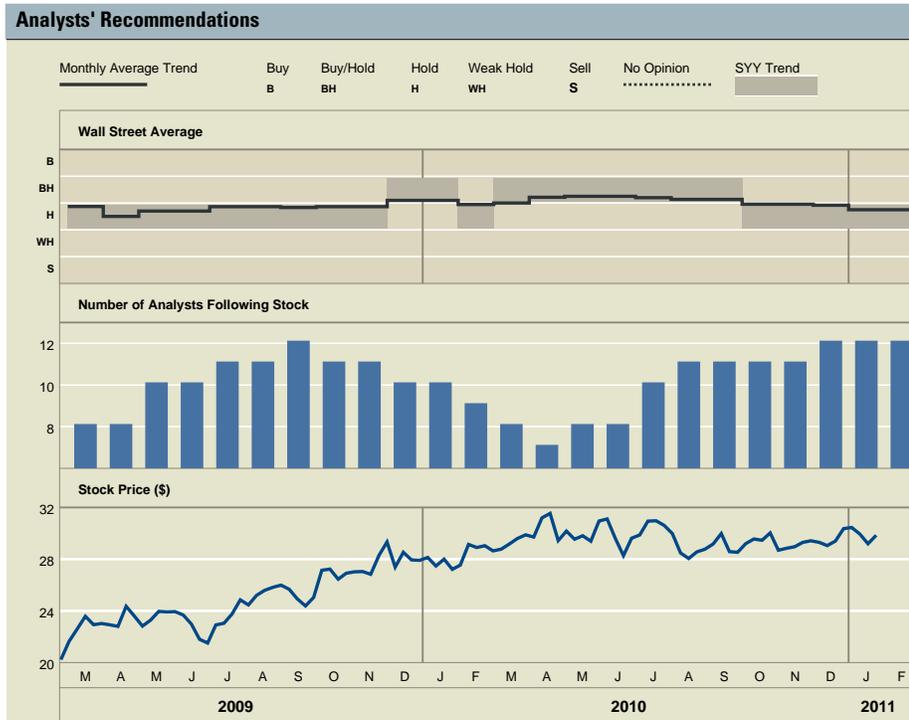
March 22, 2010

Sysco Corp. announced that Stephen F. Smith, the company's executive vice president, south and west U.S. foodservice operations, plans to retire effective July 3, 2010, the end of Sysco's fiscal year. Beginning with the new fiscal year, Michael W. Green, currently executive vice president, northeast and north central U.S. foodservice operations, will assume responsibility for managing all U.S. broadline activities as executive vice president, foodservice operations. Green, 50, joined Sysco Chicago in 1991 and was named executive vice president of the Chicago operation the following year. He moved to Sysco Detroit in 1994 as president and CEO and was promoted to senior vice president operations, midwest region in 2004. Green assumed his current responsibilities in 2008.

February 8, 2010

On February 3, 2010, Sysco Corp. received notice from Kenneth F. Spitzer, President and Chief Operating Officer and Vice Chairman of the Board, of his intention to resign from these positions and as a director of the company, effective February 5, 2010. Mr. Spitzer is expected to continue as a non-executive employee of the company through his retirement on June 28, 2010, and he will provide such services during the remainder of his employment as may reasonably be requested. William J. DeLaney, Chief Executive Officer, will assume the position of President and Chief Executive Officer, effective February 5, 2010. Mr. DeLaney became a director of the company on January 17, 2009 and was promoted to the role of Chief Executive Officer on March 31, 2009.

Sysco Corp



Of the total 14 companies following SY, 13 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	0	0	0	1
Buy/Hold	3	23	3	3
Hold	9	69	9	7
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	1	8	1	1
Total	13	100	13	12



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	2.12	2.23	2.02	13	13.2
2011	1.96	2.03	1.92	13	14.3
2012 vs. 2011	▲8%	▲10%	▲5%	0%	▼-8%
Q2'12	0.53	0.53	0.53	1	52.8
Q2'11	0.47	0.48	0.45	10	59.6
Q2'12 vs. Q2'11	▲13%	▲10%	▲18%	▼-90%	▼-11%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus Opinion

HOLD

Companies Offering Coverage

- Argus Research Company
- Barclays Capital
- Bb&t Capital Markets
- Burnham Securities Inc.
- Citi
- Cleveland Research Company
- Cowen AND Company
- Guggenheim Securities LLC
- Hapoolim Securities USA INC
- Jpmorgan
- Morgan Stanley
- Morningstar, Inc.
- Susquehanna Financial Group
- UBS (us)

Wall Street Consensus vs. Performance

For fiscal year 2011, analysts estimate that SY will earn \$1.96. For the 1st quarter of fiscal year 2011, SY announced earnings per share of \$0.51, representing 26% of the total annual estimate. For fiscal year 2012, analysts estimate that SY's earnings per share will grow by 8% to \$2.12.

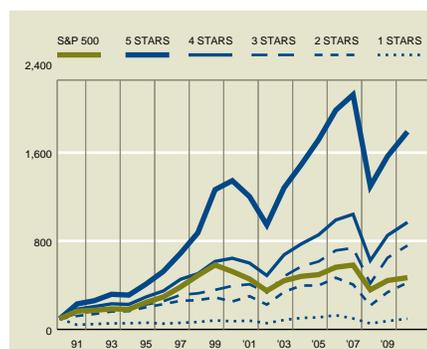
Sysco Corp

Glossary

S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective.

STARS Average Annual Performance



S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:

Sysco Corp	Raw Score	Max Value
Proprietary S&P Measures	107	115
Technical Indicators	30	40
Liquidity/Volatility Measures	15	20
Quantitative Measures	50	75
IQ Total	202	250

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes Standard & Poor's LLC-London; Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Hong Kong, Singapore and Tokyo, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Equity Research Reports

CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Sysco Corp**Required Disclosures****S&P Global STARS Distribution**

In North America: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services U.S. have recommended 35.0% of issuers with buy recommendations, 56.4% with hold recommendations and 8.6% with sell recommendations.

In Europe: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services Europe have recommended 33.6% of issuers with buy recommendations, 45.6% with hold recommendations and 20.8% with sell recommendations.

In Asia: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services Asia have recommended 39.4% of issuers with buy recommendations, 51.8% with hold recommendations and 8.8% with sell recommendations.

Globally: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services globally have recommended 35.2% of issuers with buy recommendations, 54.0% with hold recommendations and 10.8% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

For All Regions: All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

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This investment analysis was prepared from the following sources: S&P MarketScope, S&P Compustat, S&P Industry Reports, I/B/E/S International, Inc.; Standard & Poor's, 55 Water St., New York, NY 10041.