

SYSCO Corporation



Thomas E. Lankford
President & COO



Forward-Looking Statements

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Certain statements made herein are forward-looking statements under the Private Securities Litigation Reform Act of 1995. They include statements regarding SYSCO's ability to achieve its long-term performance objectives, maintain consistent future growth and continue to deliver sound results, inflationary trends, capital expenditures and other future investments, the expected benefits of cost controls, and the expected timing, cost and benefits of the national supply chain project and northeast redistribution center. These statements involve risks and uncertainties and are based on management's current expectations and estimates; actual results may differ materially. Those risks and uncertainties that could impact these statements include the risks relating to the foodservice distribution industry's relatively low profit margins and sensitivity to general economic conditions, including the current economic environment and consumer spending; the risk that higher costs due to inflation cannot be passed on to customers or that the current high levels of inflation do not return to historical levels; SYSCO's leverage and debt risks; the successful completion of acquisitions and integration of acquired companies; the risk of interruption of supplies due to lack of long-term contracts, severe weather, work stoppages or otherwise; construction schedules; management's allocation of capital and the timing of capital purchases such as fleet and equipment; competitive conditions; labor issues; and internal factors such as the ability to control expenses. For a discussion of additional factors that could cause actual results to differ from those described in the forward-looking statements, see the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2003 as filed with the Securities and Exchange Commission.



SYSCO Profile

Who:

- North America's #1 foodservice marketer & distributor
- FY 2004 sales of \$29.3 Billion

What:

- Serve Foodservice & Hospitality market of app. \$207 B
- Approximately 400,000 customers

Where:

- 150 locations in the U.S. and Canada

When:

- Industry Leader since 1977
- Founded 1969; IPO in 1970

How:

- More than 300,000 products, including app. 40,000 SYSCO Brand products
- About 8,000 marketing associates

Why:

- Our Mission: To Help Our Customers Succeed





SYSCO's Overall Market

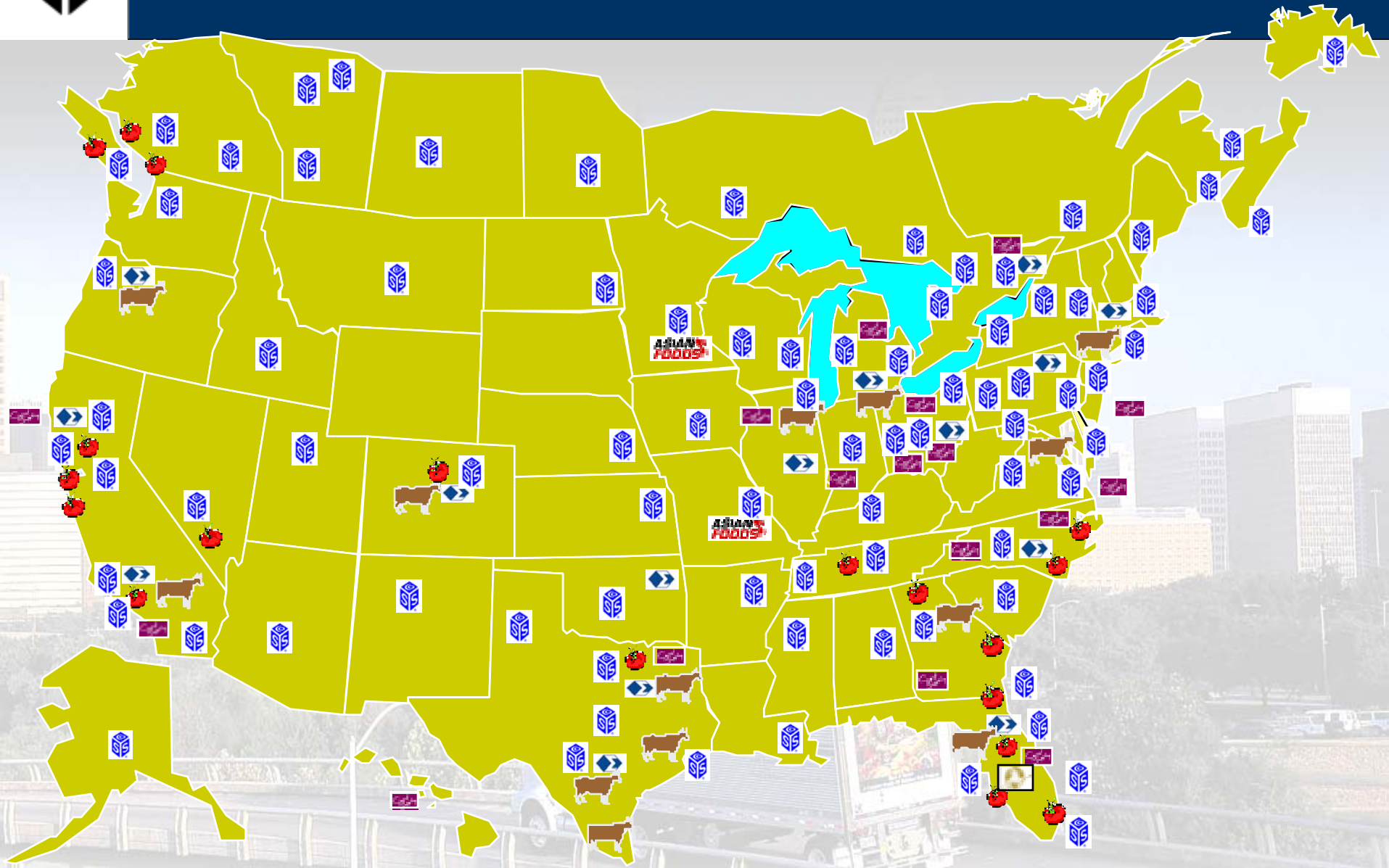
SYSCO's 2004 Market

(In Billions)

Foodservice Spending Available to SYSCO	\$167.0
Non-Food Market	20.0
Canadian Foodservice Market	<u>12.0</u>
Est. 2004 Foodservice Market	\$199.0
Hotel Amenities & Supply Market	8.0
Total Market	<u><u>\$207.0</u></u>



150 Distribution Locations



83 Broadline 19 Produce 17 Hotel Supply 15 SYGMA 13 Meat 2 Asian 1 International Food



Operating Pretax Performance

65% of OPCO's Improved vs. FY03

	<u>FY99</u>	<u>FY03</u>	<u>FY04</u>
> 7%	2	20	24
6% - 7%	5	27	25
5% - 6%	13	7	8
4% - 5%	16	7	7
3% - 4%	11	5	2
3% <	<u>15</u>	<u>0</u>	<u>2</u>
	<u><u>62</u></u>	<u><u>66</u></u>	<u><u>68</u></u>



Utilize OPCO's Best Business Practices

Practices Broken Out by Job Category

BBP
Best Business Practices

My Site Site Se

Home FEC Reviewer Finance and Accounting HR IT Merchandising **Operations** Sales and Marketing Admin

2 SYSCO
Warehouse

Current Location

- Home
- Operations
 - Warehouse**
 - Facilities / Maintenance
 - Inbound
 - Inventory Control
 - Outbound
 - Slotting

Actions

- Add Listing
- Add Person

Practice List

New Practice | Filter

Title	Submission Status	Qualification	User Rating	Operating Company	Practice Expert Name	Average \$ Impact
Count = 36						
Medal Identifiers for routing	Reviewed	Proven Practice	****	Jacksonville	Milton, Dave	\$0.00
Hazardous Assesment Safety Audits	Reviewed	Proven Practice		Nobel/ Denver	Hammerschmidt, Jeff	\$0.00
ACCIDENT KITS	Reviewed	Proven Practice		Nobel/ Denver	Howieson,Jim	\$12,000.00
Smith System Advanced Driver Training	Reviewed	Proven Practice		Cleveland	Wolf, Mark	\$0.00
Dark Drop Key Control Program	Reviewed	Proven Practice With Limitations		San Diego	Robinson, Bill	\$0.00
Inbound Truck Door Assignment	Reviewed	Good Idea		Toronto	Bretz, Debbie	\$0.00
Unit and Case - Seperate Slotting (For	Reviewed	Proven Practice	*****	Toronto	Hill, Brian	\$0.00

Itemized List of Topics



SYSCO vs. Industry Leaders

Technomic's CY2003 Top 10 Power Distributors

(Sales in Billions)

<u>Company</u>	<u>Sales</u>
SYSCO	27.5
U.S. Foodservice	17.8
PFGC	4.6
Gordon's	3.3
FSA	2.0
Reinhardt	1.6
Maines	1.4
Shamrock	1.1
Ben E. Keith	.9
Labatt Foodservice	<u>.4</u>
Top 10	<u><u>60.6</u></u>

SYSCO = 45% of sales by the top 10 companies



Sales and Marketing Strength

Largest Sales Force in the Industry

SYSCO

8,000 Marketing Associates

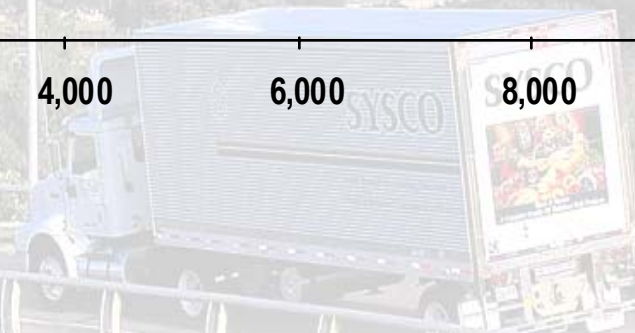
980
District
&
Regional
Sales
Mgrs

2,725
Sales &
Marketing
Support

**2nd thru 10th
largest
broadliners**

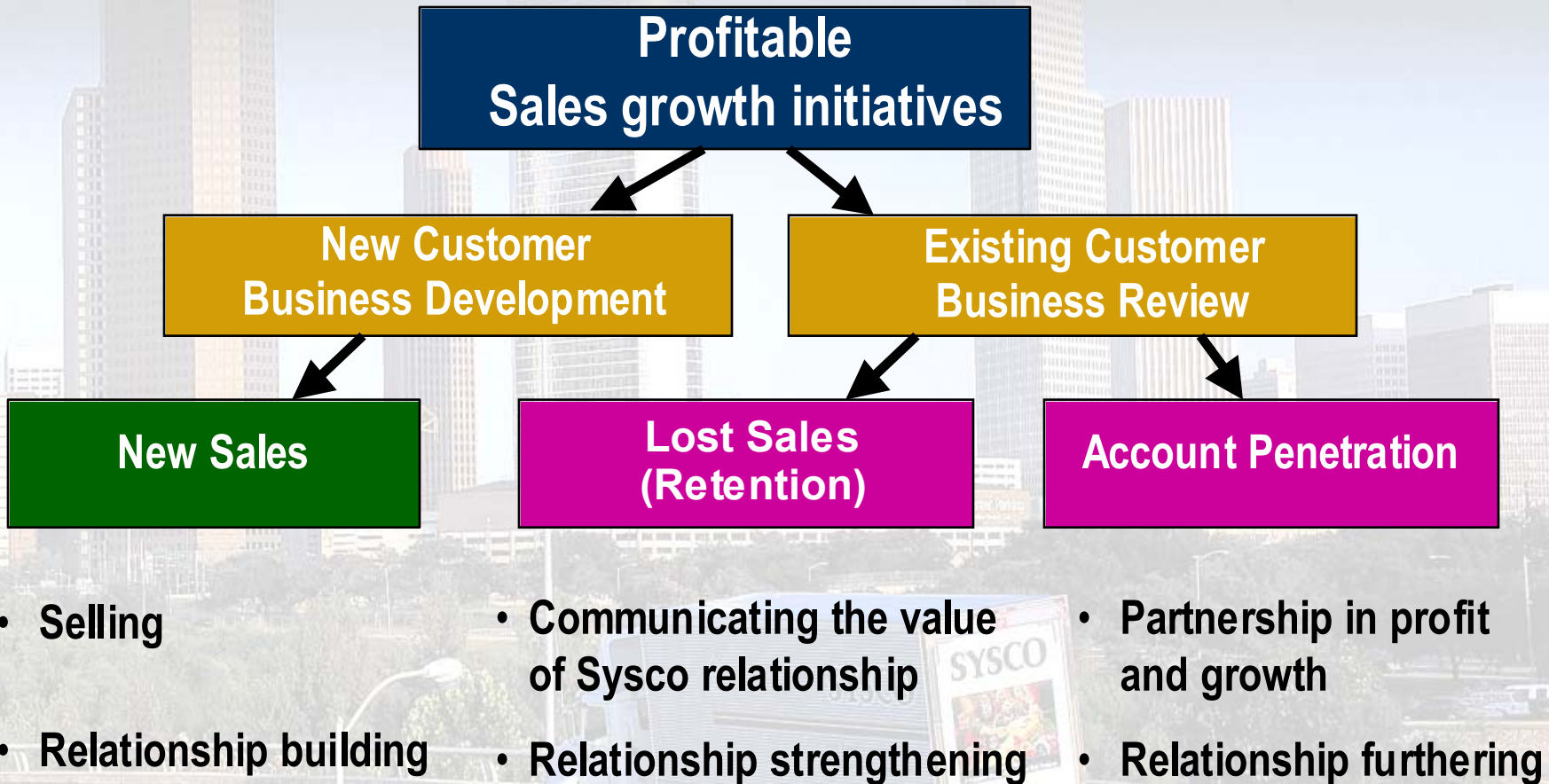
8,112 Marketing Associates

0 2,000 4,000 6,000 8,000 10,000 12,000





Evolving Role of the SYSCO Marketing Associate



SYSCO Corporation



Richard J. Schnieders
Chairman & CEO



FY04 Performance

(53 weeks)

(Unaudited. In millions except EPS data)

	53 Weeks		
	<u>FY04</u>	<u>FY03</u>	<u>% Change</u>
Sales	\$29,335,403	\$26,140,337	12.2%
Net Earnings	907,214	778,288	16.6%
Dil. EPS	1.37	1.18	16.1%
Dil. Sh. O/S	661,919,234	661,535,382	0.3%

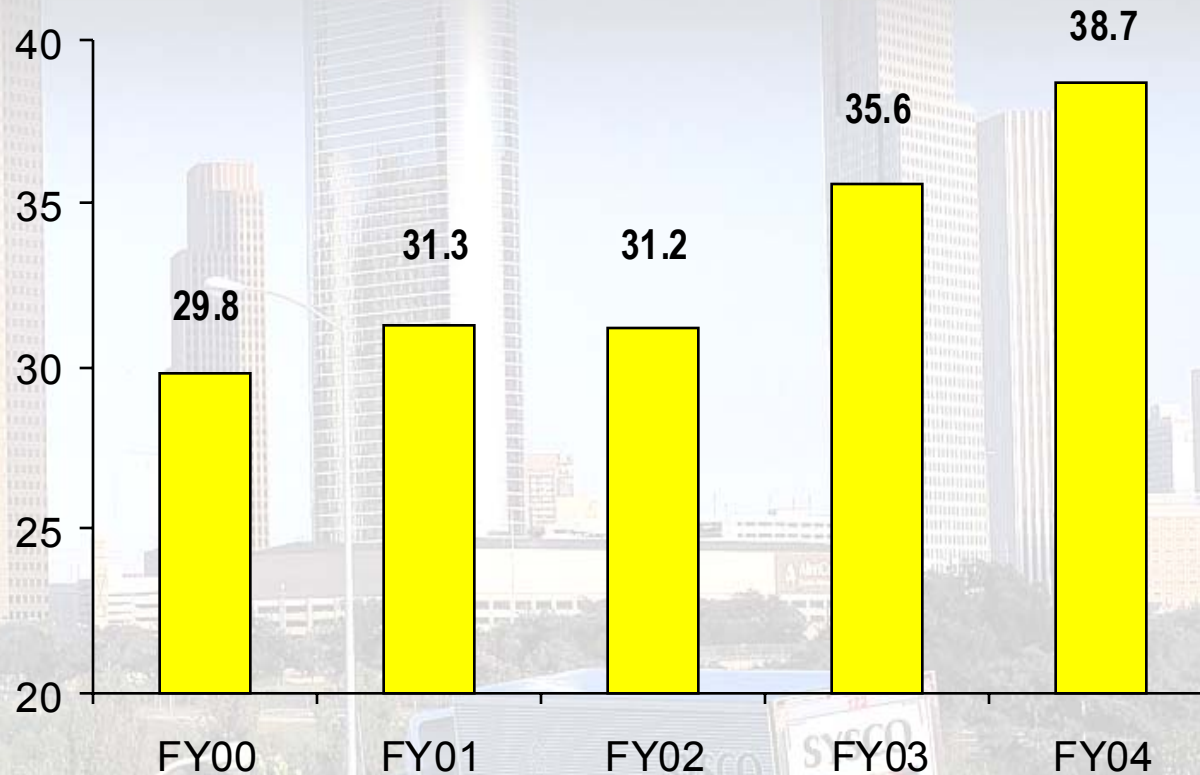
Comparative fiscal 2004 and 2003 sales adjusted for a 52-week vs. 52-week comparison.

	<u>FY04</u>	<u>FY03</u>
Sales	\$29,335,403	\$26,140,337
Less 1 week avg. sales	<u>581,358</u>	<u>--</u>
Comp. 52-week vs. 52-week sales	28,754,045	26,140,337
Actual year-over-year % increase	12.2%	
Adjusted year-over-year % increase	10.0%	

Because FY04 contained an additional week as compared to FY03, sales growth for FY04 is not comparable to the prior year. In order to provide a more comparable picture of FY04 sales growth, management believes that it is appropriate to adjust the sales figures for FY04 by estimating the impact of the additional week. As a result, sales for FY04 presented are also adjusted by one-fourteenth of 4Q04 sales – the quarter that contained the extra week. Failure to make this adjustment might cause investors to overstate the amount of actual sales growth due to the additional week of sales included in FY04. Set forth above is a reconciliation of actual year-over-year sales growth and adjusted year-over-year sales growth.



Historical Return on Equity



SYSCO returned \$918 mm to shareholders in the form of dividends & share repurchases in fiscal 2004.



28+ Yrs. of Sales & Earnings Increases!

Sales

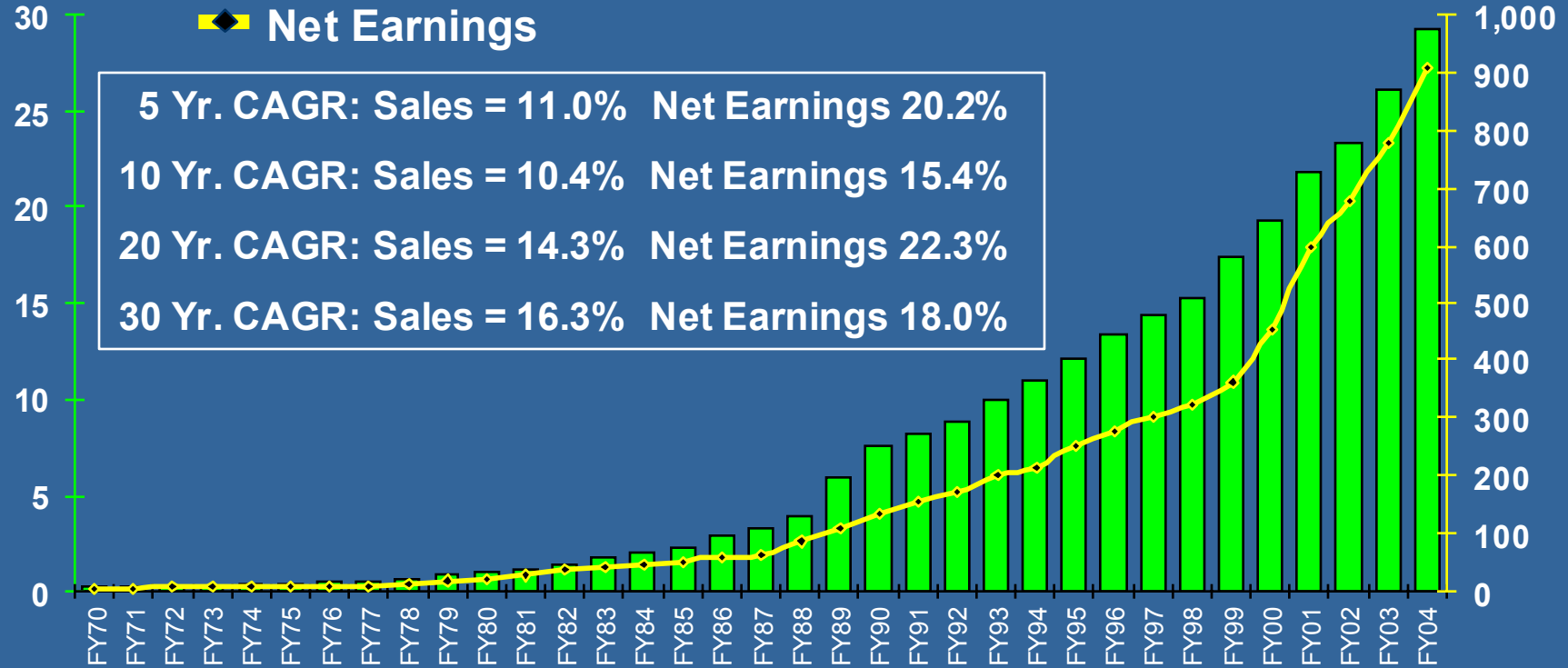
(Billions)

Sales

Net Earnings

Net Earn.

(Millions)

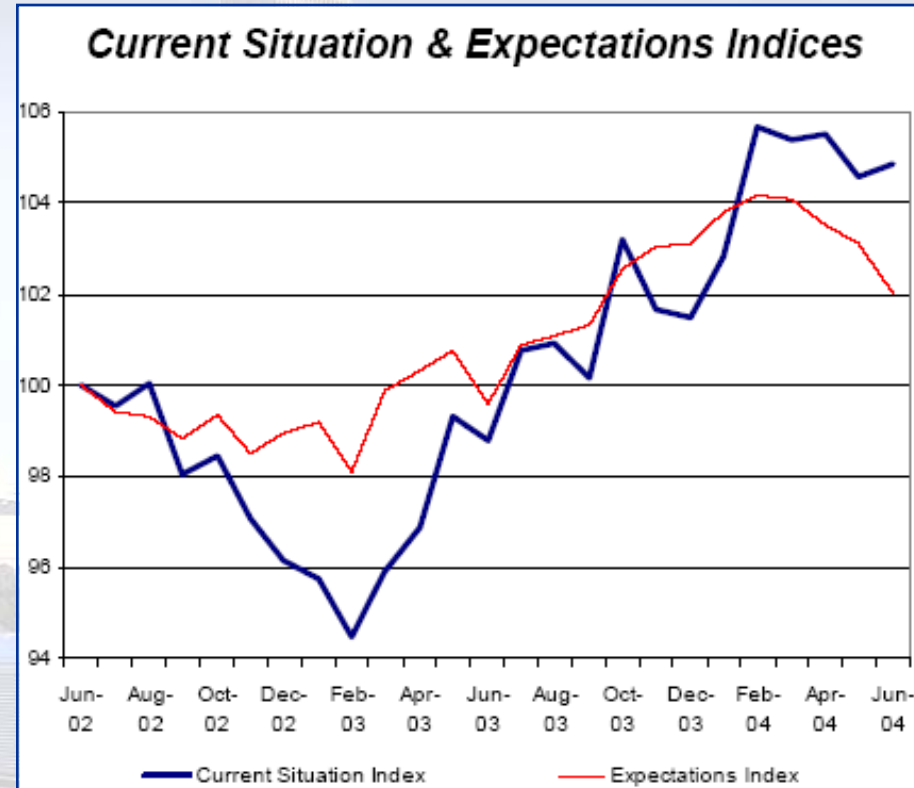


* All net earnings data is before accounting changes.



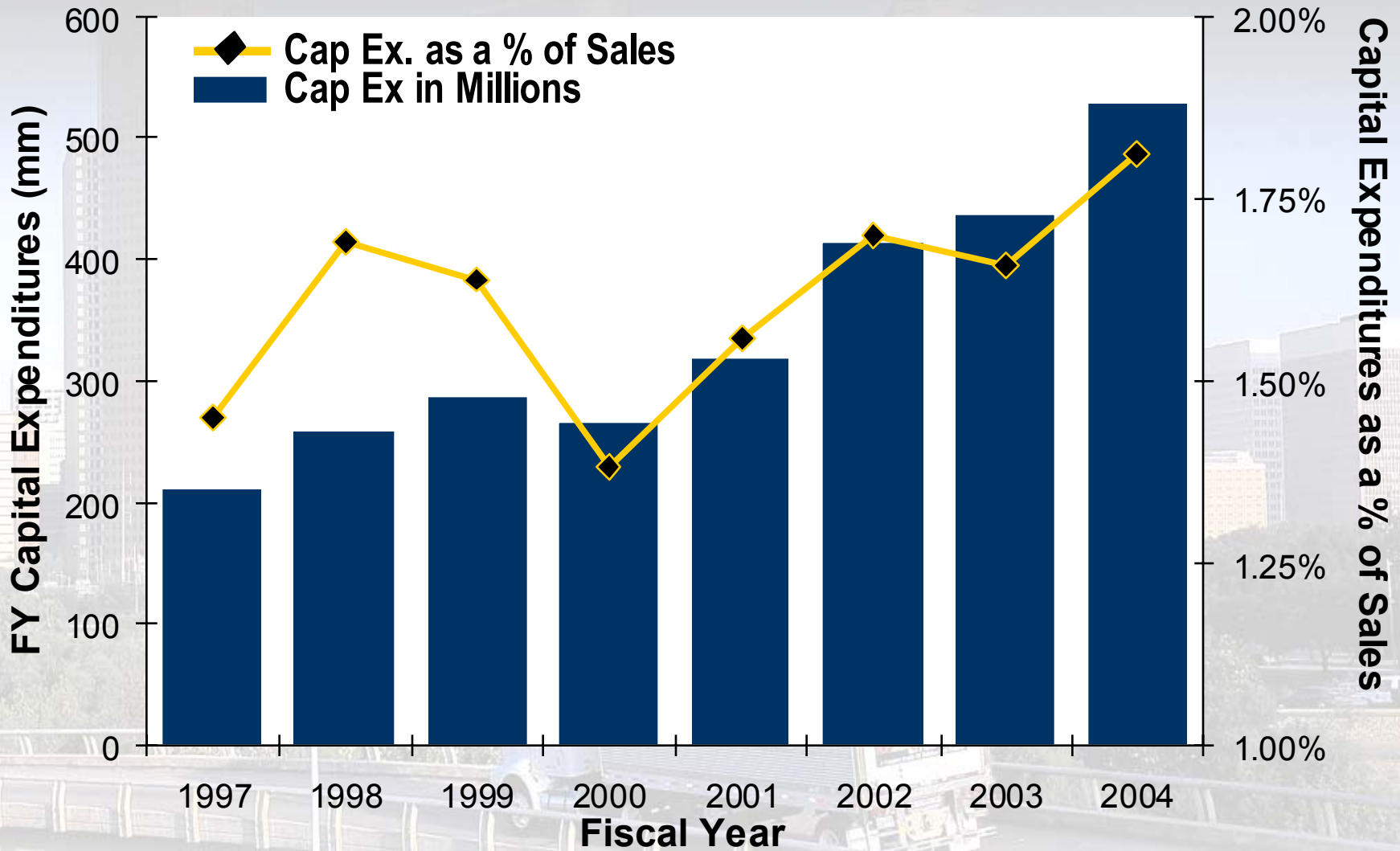
Current Trends

Prolonged inflation, slowing consumer spending are affecting the industry





Reinvesting for Growth

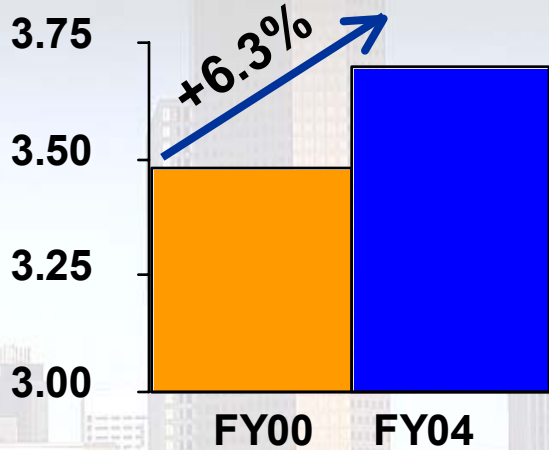


FY05 capital expenditures are projected to be approximately \$475 - \$500mm.

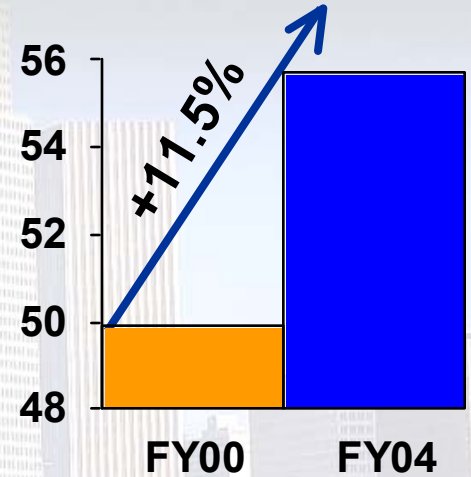


Technology Investments Drive Distribution Efficiencies

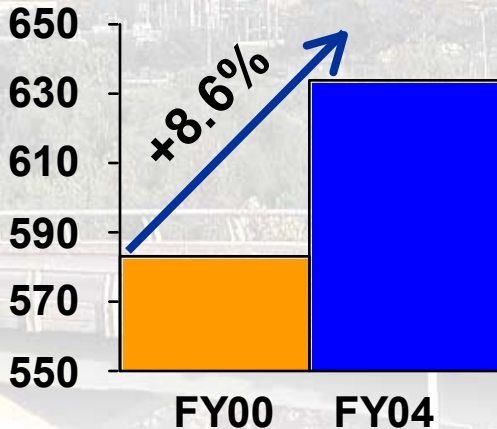
Pieces per Mile



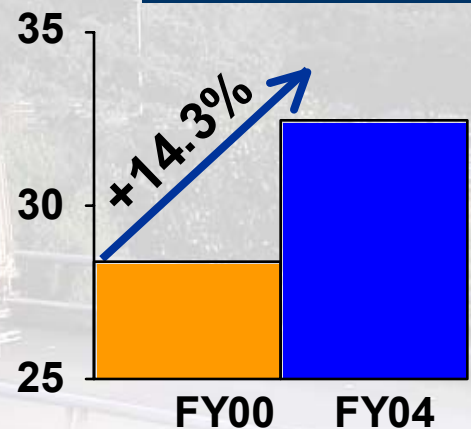
Pieces per Stop



Pieces per Trip

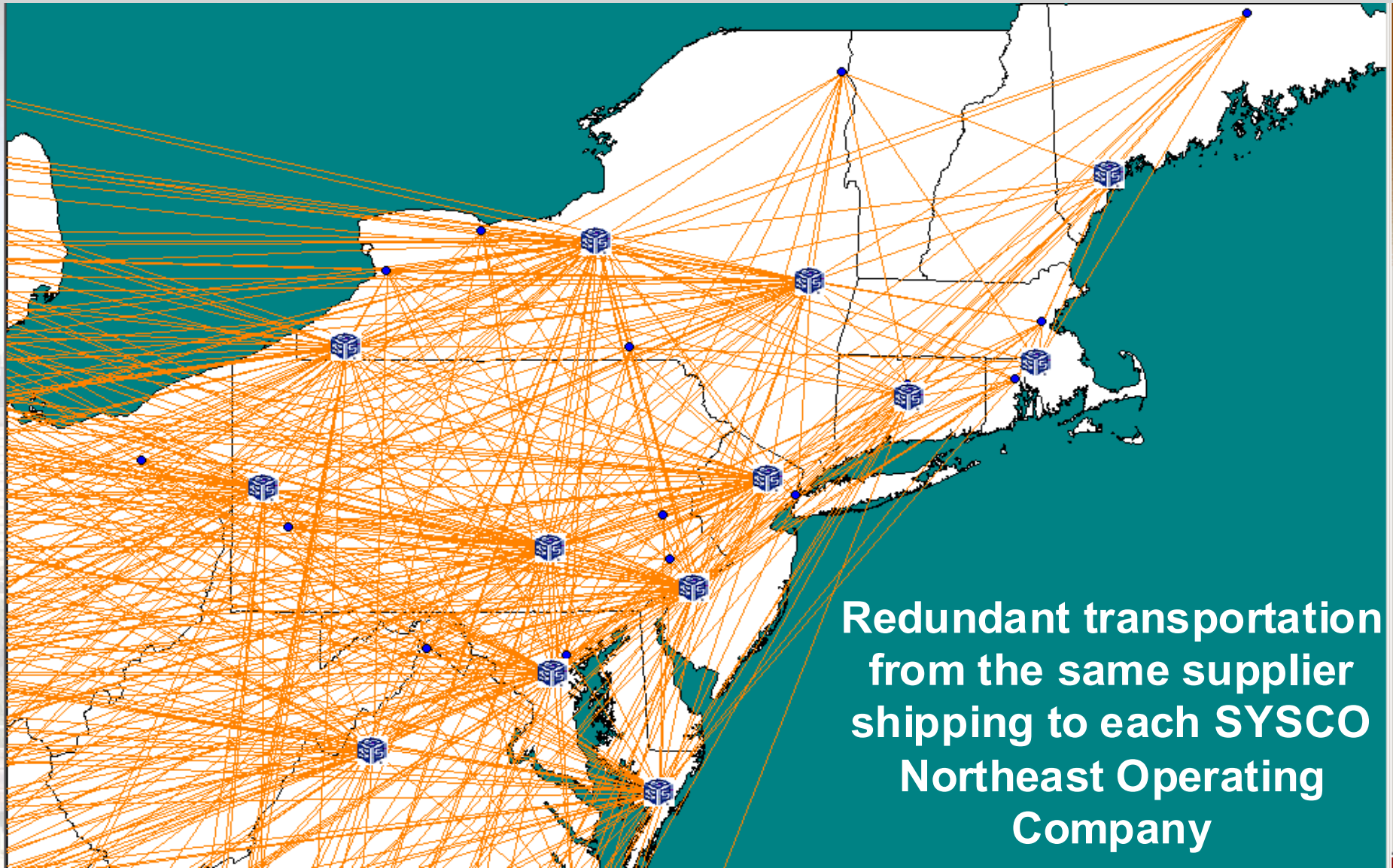


Lines per Stop





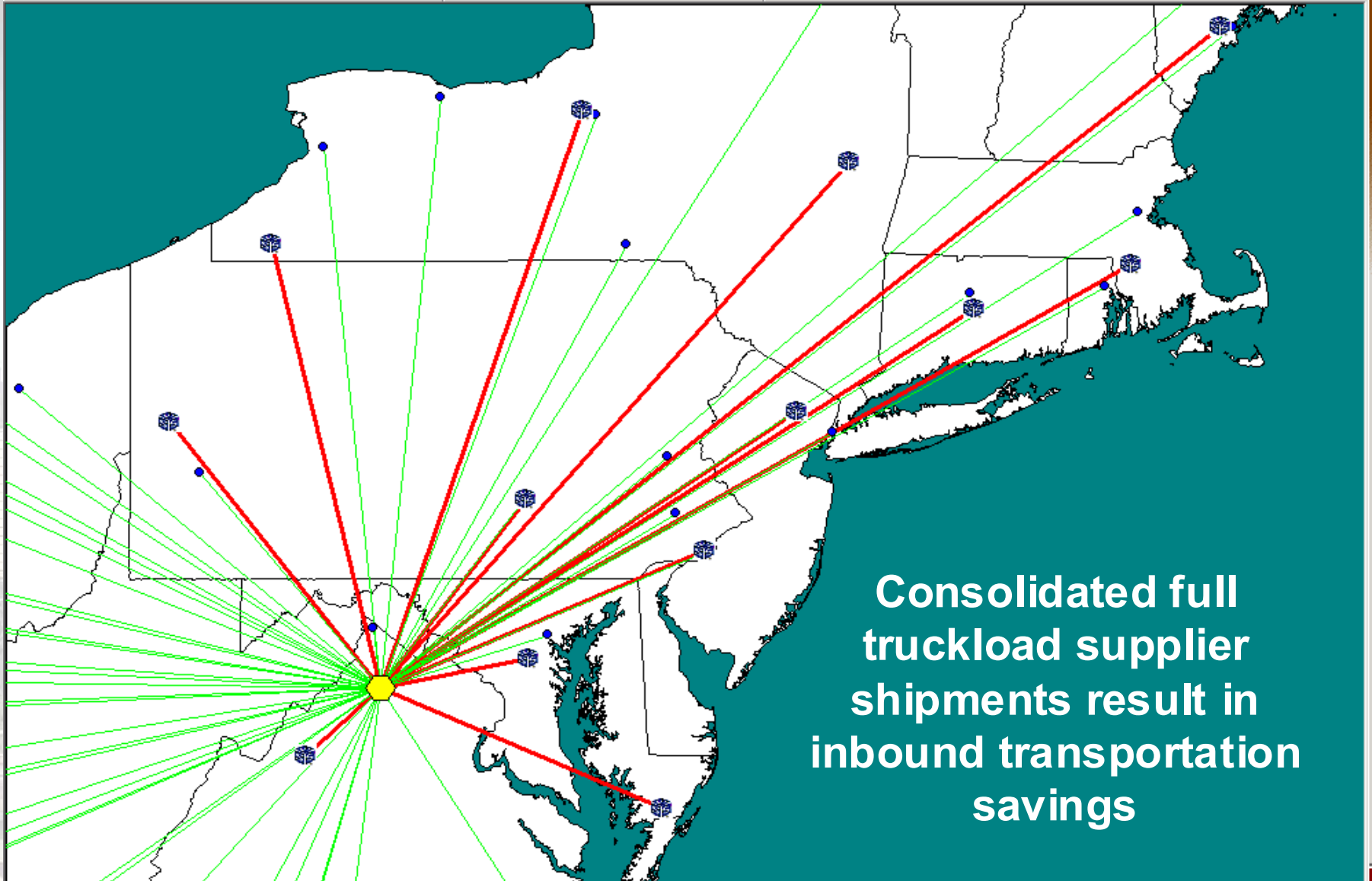
The Case for Redistribution



**Redundant transportation
from the same supplier
shipping to each SYSCO
Northeast Operating
Company**



The Case for Redistribution



**Consolidated full
truckload supplier
shipments result in
inbound transportation
savings**



External Growth Opportunities

Four acquisitions in FY04

- International Food Group
- Overton Distributors
- Luzo's Foodservice
- Stockton, CA foodservice assets of Smart & Final

Continue to seek niche & specialty opportunities

- Meat, produce, hotel amenities & Asian cuisine have been successful concepts
- Paper, chemical, seafood and supplies & equipment opportunities

Acquisition Goal

- Contribute, on average, 3% to top-line sales growth each year



Fold-Outs – Getting Closer to our Customers

= Future Target
 = In Process
 = Completed



Advantages:

- Established customer base (\$120 - \$150 mm)
- Experienced management team familiar with SYSCO's culture & systems
- Warehouse built to our specifications
- Sales in "fold-outs" have grown faster than overall SYSCO average
- Ability to develop markets while reducing delivery mileage



Long-Term Financial Objectives

- ✓ Grow total sales in the low- to mid-teens range
- ✓ Acquisitions, on average, add 3% per year to total sales growth
- ✓ Leverage earnings growth to outpace sales growth
- ✓ Maintain a 35% Return on Equity
- ✓ Maintain a Debt to Total Capital Ratio of 35% - 40%



SYSCO's Operating Pretax Growth Model

$$\frac{B + M + E}{B} \times (1 + (O + A))$$

B = Base Year Net Operating Margin

M = Gross Margin Improvement

E = Expense Ratio Improvement

O = Annual Organic Growth

A = Annual Acquisition Growth



Our Mission:

Help Our Customers Succeed



Thank You!

