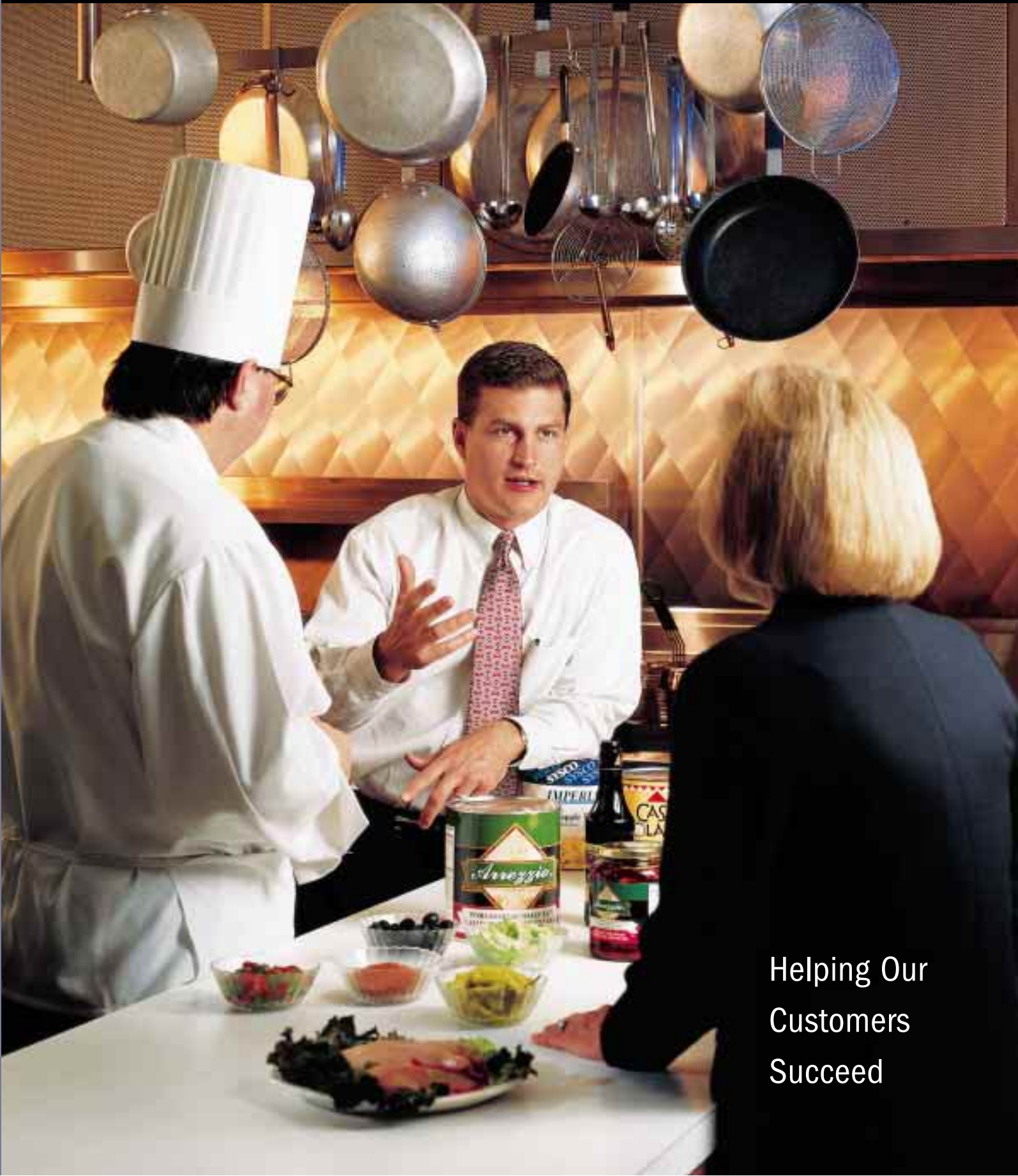


SYSCO

2001 ANNUAL REPORT



Helping Our
Customers
Succeed

Where You'll Find Us



At Restaurants Across the Country

Since our formation, restaurants throughout the United States and Canada have relied on our product expertise and commitment to customer service, making SYSCO North America's leading foodservice distributor.

On Your Next Business Trip or Vacation

Whether it's an overnight business trip or a honeymoon cruise, foodservice and hospitality operators depend on SYSCO's products and services to make it an enjoyable experience.



From Kindergarten to Grad School

Beginning at childhood and touching every phase of your life, SYSCO is behind the scenes, supporting our 370,000 customers in their creative efforts to satisfy your dining pleasure.

Wherever People Are Enjoying Themselves

At fairs, sporting events, theme parks and countless other locations and events, organizers count on SYSCO to help them create memorable occasions.



In Hospitals and Healthcare Centers

Retirement homes, hospitals and other healthcare institutions place their trust and confidence in SYSCO to provide nutritious meal solutions as well as foodservice and medical supplies.

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Web address	www.sysco.com
Exchange and Ticker Symbol	NYSE: SY

As of June 30, 2001:	
Employees	43,000
Customers	370,000
Products	275,000
Delivery Vehicles	7,860
Marketing Associates	7,656
Quarterly Cash Dividend per Share	\$0.07
Number of Distribution Locations as of Sept. 28, 2001	124
66	Broadline Operations
19	Specialty Produce Facilities
16	Hotel Operating Supplies Locations
13	SYGMA Systems Distribution Centers
10	Custom Meat-Cutting Locations

Calendar Year 2000 North American Foodservice Distribution Industry Market (Includes \$7 Billion Hotel Operating Supplies Market)	Approx. \$190 Billion
SYSCO's FY 2001 Overall Market Share	Approx. 11.5%

About the Cover:

The knowledge, dedication and experience possessed by SYSCO's Marketing Associates are key ingredients to the success of our customers. The value-added services and skills they offer on a daily basis, as well as the unique products and innovations they have at their disposal, have made MA's a vital resource to chefs and foodservice operators alike.

Financial Highlights

(In thousands, except for share data, employees and shareholders)	Fiscal Year Ended			Percent Change	
	June 30, 2001	July 1, 2000	July 3, 1999 (53 Weeks)	2001-00	2000-1999
Sales	\$ 21,784,497	\$ 19,303,268	\$ 17,422,815	13%	11%
Earnings before income taxes	966,655	737,608	593,887	31	24
Net earnings before accounting change	596,909	453,629	362,271	32	25
Net earnings ⁽¹⁾	596,909	445,588	362,271	34	23
Diluted earnings per share before accounting change	0.88	0.68	0.54	29	26
Diluted earnings per share after accounting change	0.88	0.67	0.54	31	24
Cash dividends per share	0.26	0.22	0.19	18	16
Shareholders' equity per share	3.23	2.66	2.16	21	23
Capital expenditures	\$ 341,138	\$ 266,413	\$ 286,687	28	(7)
Return on average shareholders' equity before accounting change	31%	29%	26%	2	3
Diluted average shares outstanding	677,949,351	669,555,856	673,593,338	1	(1)
Number of employees	43,000	40,400	35,100	6	15
Number of shareholders of record	15,493	15,207	15,485	2	(2)

(1) Fiscal 2000 net earnings reflect a one-time charge of \$8,041,000. All share information has been adjusted for the 2-for-1 stock split of December 15, 2000.

SYSCO Historical Daily Stock Price Summary

Fiscal Years 1999-2001

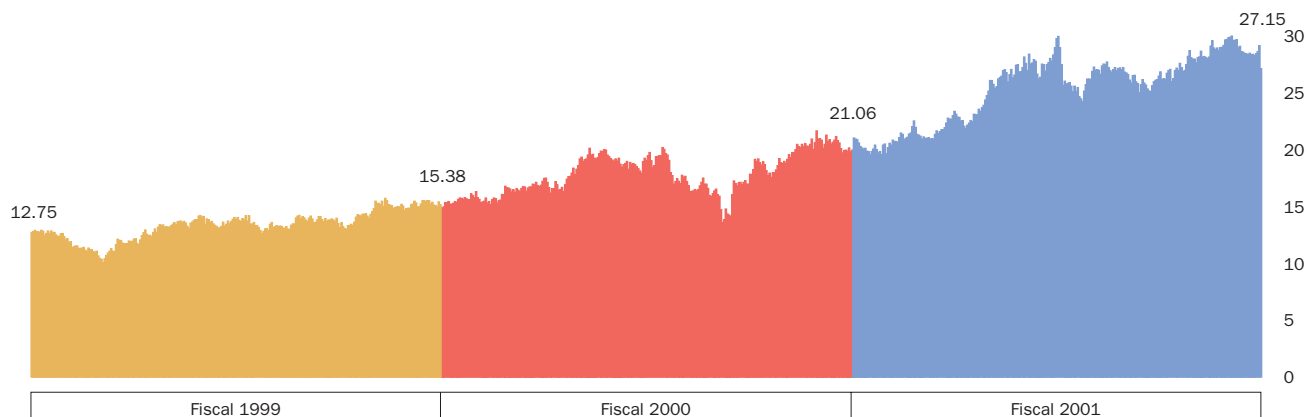


Chart adjusted for the 2-for-1 stock split of December 15, 2000.

Building customer relationships requires time, effort and sincerity. For SYSCO it began with a promise to assist foodservice operators in providing consumers with solutions for meals consumed away from home. Since the initial public offering in 1970, when sales were \$115 million, SYSCO – an acronym for Systems and Services Company – has grown to \$21.8 billion in sales for fiscal year 2001.

Many solid customer relationships have been nurtured along the way, countless dining trends and meal alternatives have evolved, and today the decision to consume meals prepared away from home is as much necessity as it is choice. In 1977 SYSCO surpassed its competitors to become the leading supplier to “meals-prepared-away-from-home” operations in North America. Since then, the industry it serves has expanded from \$35 billion to approximately \$190 billion. Today, SYSCO has sales and service relationships with more than 370,000 customers and remains committed to helping them succeed in the foodservice industry and satisfy consumers’ appetites.

Operating from 124 locations throughout the contiguous United States and portions of Alaska, Hawaii and Canada, today SYSCO’s product lines are as diverse as the 43,000 employees who support its daily operations. They include not only the ingredients needed to prepare meals, but also numerous ancillary preparation and serving items. As a result, SYSCO can make a difference in its customers’ lives and the success of their businesses.

Supreme

Recognizable by its gold and blue packaging, Supreme products are rare and distinctive items not generally available in the industry and virtually unique to SYSCO.

Imperial

Produced in prime growing regions across the globe and packed to exceedingly high specifications, few competitors can match the Imperial quality level.

Classic

Classic products meet or exceed top of the line, competitive “first” labels, and encompass the largest array of SYSCO Brand products.

Specialty Market Brands

Specialty market brands such as ethnic cuisines, tabletop items and delicatessen products are procured world wide and supported by strict quality assurance specifications.

Specialty Meats

Wet-aged or dry-aged, SYSCO’s specialty steaks and center-of-the-plate products are precision-cut to meet customers’ requests and packaged to retain their palate-pleasing taste.

Specialty Produce

Distinguished by its array of unique and exotic produce items, FreshPoint produce repeatedly is demanded by discerning chefs to create a signature item or complement a menu presentation.

Hotel Supplies

SYSCO supplies numerous lodging locations with guest amenity packages, linens, furniture and fixtures, and other lodging needs that make guests feel at home away from home.

Foodservice Supplies

SYSCO provides a wide variety of non-food products, including freezers and coolers to store food, ovens to cook it and dinnerware to serve it, as well as an assortment of paper and disposable products, chemicals and janitorial items.



To Our Shareholders

SYSCO's mission – helping customers succeed – is the core principle of our business. This conviction is first in our thoughts and foremost in our actions, for our success is but a reflection of the success of our customers. Our focus on that mission in fiscal 2001 produced outstanding sales and earnings growth.

Sales topped the \$20 billion mark, increasing 12.8 percent to \$21.8 billion, as compared to \$19.3 billion last year. Real sales growth, after eliminating 4.5 percent for acquisitions and 2.5 percent for food cost inflation, was 5.8 percent. On a calendar year basis, SYSCO's real sales growth reached 8.9 percent for 2000, while the industry grew 2.7 percent for the same period, with SYSCO again outpacing the industry rate as it has traditionally.

Diluted earnings per share were strong, rising to \$0.88 or 29 percent more than the \$0.68 recorded last year prior to an accounting change. Net earnings for the period were \$596.9 million, 31.6 percent higher than last year's \$453.6 million (before the accounting change). Return on shareholders' equity increased again in fiscal 2001 to 31 percent as did return on average total capital, which was 20 percent.

This stellar performance was attributable to a variety of factors, including the progress of our Customers Are Really Everything to SYSCO (C.A.R.E.S.) customer relationship management initiatives. In addition, a persistent focus on marketing associate-served customers increased sales to this customer type to 55 percent of traditional foodservice sales compared to 54 percent in fiscal 2000. Also, the continuing recognition by our customers of the quality and value of SYSCO Brand products boosted sales of such products to 53 percent of marketing associate-served sales, up three percentage points from 50 percent last year.

The SYGMA Network, Inc., our chain restaurant distribution specialist, recorded a strong 12 percent sales increase to \$2.42 billion from the \$2.15 billion reached last year. During fiscal 2001, SYGMA secured a

distribution agreement to serve 264 Applebee's, Inc. restaurants in Indiana, Michigan, New England, Ohio and Western Pennsylvania.

In fiscal 2001 we continued to focus on gaining greater efficiency and productivity while constantly monitoring costs. Our technology initiatives enable us to expand our knowledge in all aspects of our business and improve customer service to even greater levels. Pretax margins consistently have been improving and 62 of our broadline companies increased operating pretax margins compared to 54 last year.

Although fuel and energy costs have been at record levels throughout the country, SYSCO was not significantly impacted. Fuel price increases were mitigated somewhat by increases in cases delivered per mile, as well as other measures, resulting in fuel costs of 0.39 percent of sales for the year compared to 0.35 percent last year. Energy costs also were higher in certain parts of the country, particularly the West Coast, but on an overall basis, such costs did not have a significant impact on total expenses.

Acquisitions to enhance geographic coverage or broaden product offerings were components of SYSCO's growth strategy during fiscal 2001 and will continue to be important going forward. Five companies, with combined annual sales volume of \$706 million for their most recent fiscal years, were acquired in fiscal 2001, including two custom-cutting meat companies, two Canadian broadline operations and a specialty supplier to the hospitality and lodging industry. In addition, SYSCO completed the purchase of another specialty meat company, Fulton Provision Co., at the beginning of fiscal 2002.



Left: Charles H. Cotros, Chairman and Chief Executive Officer
Right: Richard J. Schnieders, President and Chief Operating Officer

Joining our three existing custom-cutting meat operations, Fulton, as well as the A. M. Briggs Company and five Freedman Meats, Inc. facilities, further extends the reach of our fresh, precision-cut steak offerings. As part of our ongoing strategy to provide a consistent supply of quality beef products, properly aged and cut to customers' specifications, products from all 10 locations now will be uniformly marketed under the Buckhead Beef™ brand east of the Rocky Mountains and the Newport Pride™ brand to the west.

The addition of North Douglas Distributors, Ltd., (Vancouver Island, B.C.), and HRI Supply (Kelowna, B.C.) increased SYSCO's Canadian presence to nine locations. With combined annualized sales of \$79 million (USD) for their latest fiscal years, both operations provide SYSCO with distribution efficiencies, enhanced geographic coverage and the ability to further penetrate Canada's approximately \$9 billion (USD) foodservice distribution market.

The purchase of New Jersey-based Guest Supply, Inc., a specialty distributor to the lodging and hospitality industry, exemplifies SYSCO's stated objective of acquiring companies that provide a market or product niche. Guest Supply, which generated sales of \$366 million for its fiscal year ended September 29, 2000, operates from 16 locations across the United States and Canada. SYSCO's existing lodging customers now have access to

Guest Supply's extensive product line of guest amenities, furniture and textile products, while Guest Supply's customers can benefit from SYSCO's distribution network and broad selection of foodservice products and related supplies.

Internal growth also contributed to SYSCO's geographic expansion. "Fold-out" operations opened in Suffolk, Virginia in fiscal 2001, and Sacramento, California in early fiscal 2002, providing customers improved service and access to a wider array of products in these two vital markets. In addition, construction is progressing on "fold-out" operations in Las Vegas, Nevada and Columbia, South Carolina that will expand our service in the burgeoning Las Vegas market and allow us to further penetrate the southeastern United States, which has been a steady contributor to our growth. The new operations are expected to begin supplying customers in the spring and fall of calendar 2002, respectively.

SYSCO's expansion activities, as well as ongoing maintenance programs, resulted in investments of \$341 million in facilities, fleet and equipment, with facilities and fleet accounting for 76 percent. This compares to capital expenditures of \$266 million in fiscal 2000. Since prudent and timely capital investment is crucial to managing our growth, we anticipate ongoing capital expansion needs and project that fiscal 2002 expenditures should range between \$425 million and \$450 million. In keeping with our historical results, SYSCO continues to generate sufficient cash flow from

operations to fund internal growth opportunities. Total debt was \$1.02 billion at fiscal year end, including \$961 million long-term debt, resulting in a long-term debt to total capitalization ratio of 31 percent.

In November 2000, the Board of Directors approved a two-for-one stock split, payable December 15, 2000. It was the ninth split in SYSCO's history and the third in less than a decade. SYSCO also has been actively repurchasing shares in excess of those issued since 1996 and in November 2000 the Board approved a new authorization. During fiscal 2001 SYSCO purchased 16 million shares for a total of \$428 million, with approximately 8 million shares remaining to be purchased under the November 2000 authorization.

Also in November, the Directors increased the quarterly cash dividend 17 percent, from \$0.06 per share to \$0.07 per share, representing the 32nd dividend increase in SYSCO's 31-year history.

SYSCO's commitment to the success of its customers requires the ongoing development of talented managers who will embody this spirit and lead the company well into the future. Thus, several individuals were promoted at the corporate level, including the following: K. Susan Billiot, Assistant Vice President, Human Resources; Cameron L. Blakely, Assistant Vice President, eBusiness; James C. Graham, Senior Vice President of Foodservice Operations, Southwest Region; Charles A. Hastreiter, Assistant Vice President, Merchandising Services; John T. McIntyre, Assistant Vice President, Manufactured and Dry Groceries; Barry Robinson, Assistant Vice President, Healthcare Sales and Marketing; and Brian M. Sturgeon, Vice President of SYSCO Corporation and President and Chief Operating Officer of FreshPoint, Inc.

Mr. John F. Woodhouse, who joined SYSCO at its inception as Chief Financial Officer and a founding Director, retired on December 31, 2000 as Senior Chairman. Mr. Woodhouse was instrumental in shaping SYSCO's foundations and in guiding the company to achieve an impressive sales and earnings performance

during his career. In addition, two Directors, Arthur J. Swenka and Thomas B. Walker, both of whose contributions have been invaluable, retired from SYSCO's Board of Directors.

We anticipate that the historical trend of increased demand for meals prepared away from home will continue during fiscal 2002 and beyond, fueled by the limited amount of personal time available to consumers today as well as the entertainment value of dining out. We believe that our long-term growth objectives are achievable: high single-digit real sales growth; a minimum growth in earnings per share of five percentage points above the real sales growth rate; a 33 percent return on equity; and a long-term debt to total capitalization ratio of 35 to 40 percent. Our historically strong financial position will support our ability to invest in talented people, consistent quality products and market-expanding internal and external opportunities. We remain committed to becoming the supplier of preference and fulfilling all our customers' needs for food and related products, including specialty products, and in the process further fueling their success in the \$190 billion foodservice/hospitality industry we serve.



Charles H. Cotros
Chairman and Chief Executive Officer



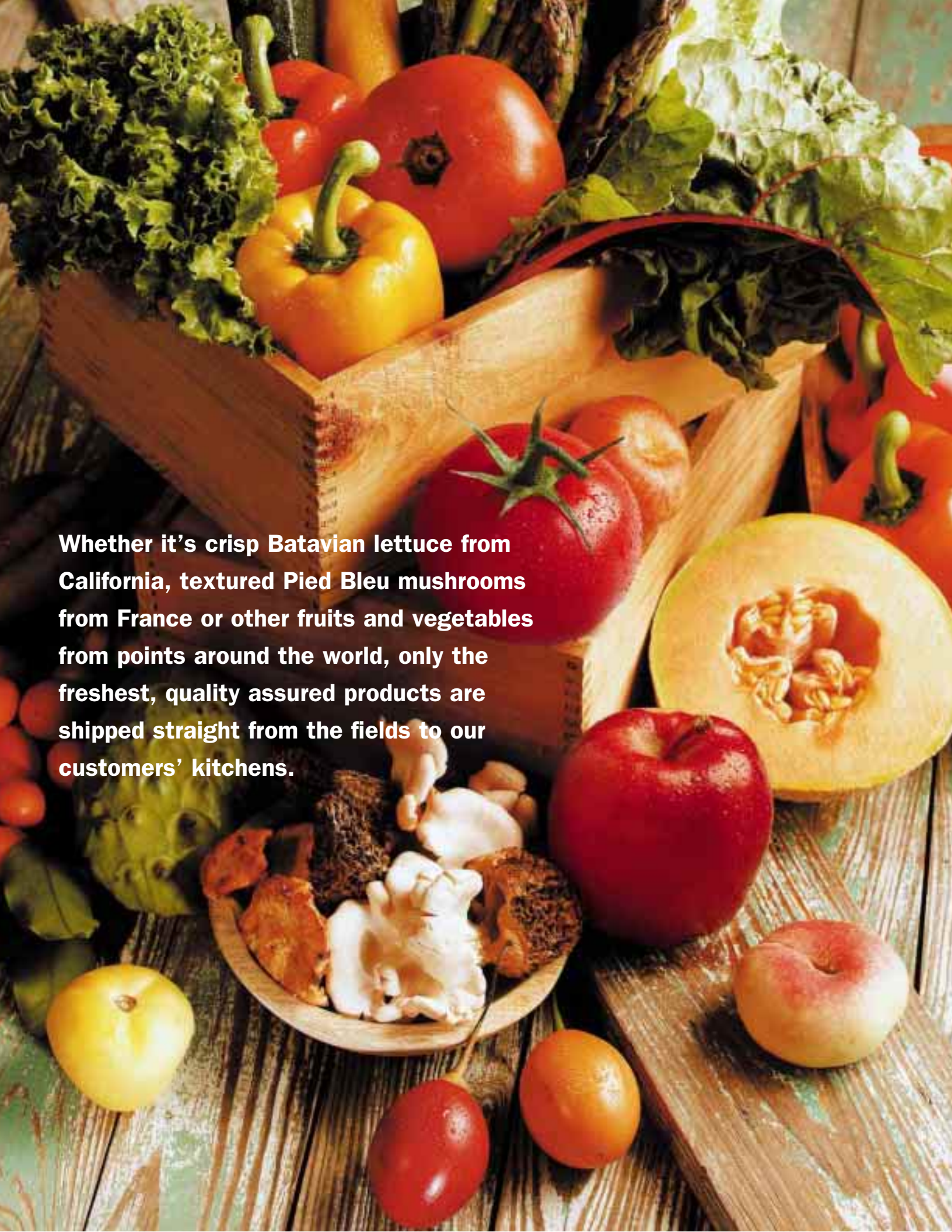
Richard J. Schnieders
President and Chief Operating Officer

September 28, 2001



Helping Our Customers Succeed

SYSCO's mission — to help our customers succeed — is the foundation of the decisions and actions taken by our employees on a daily basis. Attention to detail, going the extra mile and simply being available for any need enhances the level of service each customer receives, and ultimately benefits customers in their daily endeavors to satisfy their patrons.

A vibrant still life of fresh produce. In the upper left, a wooden crate is overflowing with green leafy vegetables, including a head of Batavian lettuce and a bunch of green beans. Next to it are several bright red tomatoes and a large yellow bell pepper. To the right, a large head of white Batavian lettuce sits on a wooden surface. In the center, a wooden bowl contains a variety of mushrooms, including white button mushrooms and darker, textured varieties. To the right of the bowl is a large, sliced cantaloupe melon showing its orange flesh and seeds. In the foreground, a single red apple and a peach are prominently displayed. Scattered around are several cherry tomatoes in red and orange, and a small yellow tomato. The entire scene is set on a rustic, weathered wooden table, creating a warm and appetizing atmosphere.

Whether it's crisp Batavian lettuce from California, textured Pied Bleu mushrooms from France or other fruits and vegetables from points around the world, only the freshest, quality assured products are shipped straight from the fields to our customers' kitchens.

SYSCO is the largest produce purchaser in the foodservice distribution industry. Produce sales represented 9 percent of total sales in fiscal 2001. Our solid supplier relationships, quality assurance strength and the ability to deliver the products ordered at the specified time have been crucial to the success of SYSCO's fresh produce operations, including SYSCO Natural™ and FreshPoint produce.

Grown in the fields of California's Salinas Valley, fresh-cut and fresh-washed SYSCO Natural™ produce is selected from the highest quality portion of that area's annual harvest and has been available from SYSCO's broadline companies since 1985. SYSCO Natural™ products are complemented by the unique FreshPoint items, which are distributed from 19 locations in the United States and Canada and supplied from across the world.



With a product line unsurpassed in the industry, FreshPoint's tight delivery radius and frequent shipping schedules are the answer to customers who require multiple deliveries per week.

“Last year's addition of FreshPoint gave our existing customers access to exotic and unique produce items. Equally important, the minimal customer overlap that existed allowed FreshPoint's customers to benefit from SYSCO's purchasing power and the broad range of products we supply. The result has been even stronger customer relationships.”



Tom Lankford,
Executive Vice President,
Foodservice Operations

Today, approximately half of Americans' food dollars are spent on meals prepared away from home.



That figure far outdistances the 37 percent that was spent on away-from-home meals in 1972. It reveals how heavily our society now depends on foodservice operators to satisfy consumers' nutritional needs by providing a variety of quality meals at affordable prices, while easing their time constraints and providing an entertaining dining experience. Whether it's a romantic candlelight dinner for two or a trip to the drive-thru after a Little League game, our customers depend on SYSCO to help meet their patrons' needs.

The SYGMA Network, Inc., SYSCO's chain restaurant distribution company, operates from 13 locations across the United States and generated sales of \$2.42 billion in fiscal 2001. Each SYGMA center inventories 300 to 400 items per customer and supplies multiple locations for the one to five chain restaurant "concepts," or customers, it serves.



Complete customer satisfaction calls for extraordinary efforts by Marketing Associates (MA's) to build long-term relationships.

As the primary independent customer contact point, SYSCO's approximately 7,700 MA's have extensive product knowledge and a strong commitment to customer service. The MA's provide value-added services and advise customers in many areas, including inventory control methods, menu planning and design, and menu costing applications.

SYSCO and its operating companies have made it a priority to continue to grow their sales forces and improve the 82 percent MA retention rate by providing MA's more training and knowledge to maximize customers' success. One initiative, Customers Are Really Everything to SYSCO (C.A.R.E.S.) identified elements that affect customer satisfaction, such as product quality, support services and meeting customer preferences.

The next phase, iCARE, which is now underway, assists MA's in their evolving role as



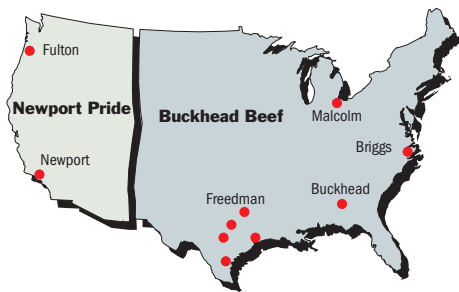
relationship managers. Their training focuses on problem-solving techniques to further assist customers with new tools that help build restaurant traffic and increase patron sales. RestaurantProfitMaker.com, for example, will provide availability to special services that otherwise might be inaccessible to individual restaurant owners, including electronic gift certificates, customized guest birthday cards, targeted local cable television advertising, and much more.

Beef the way you want it. From ground beef to premium custom-cut steaks – all quality assured and produced to the highest standards. With incredible center-of-the-plate value and a variety of quality profiles, SYSCO's extensive beef offerings not only keep menus interesting, but also are designed to satisfy the most discriminating tastes of restaurant patrons.



SYSCO's meat solutions provide restaurants with premium cuts that yield the popular menu items that patrons demand. Whether it's Butcher's Block™ 60- to 80-pound boxed sides of beef or custom-cut Buckhead Beef™ or Newport Pride™ brand steaks, SYSCO's beef offerings include wet- and dry-aged meats, *Certified Angus Beef*™ products, USDA Prime and USDA Choice cuts that deliver premium flavor and tenderness, creating a memorable and lasting impression.

SYSCO began offering custom-cut steaks in 1999 and today the company's collective expertise includes 10 specialty meat locations that supply precision-cut center-of-the-plate products backed by SYSCO's intense Quality Assurance standards. Available under the Buckhead Beef brand east of the Rocky Mountains and the Newport Pride brand to



the west, these consistently tender, juicy and flavorful products are properly aged and perfectly trimmed to exacting customer specifications. Thus, customers may select the highest quality, pre-cut meats while reducing labor costs, product waste and food safety issues.

“Our ability to consistently provide a better product has taken the meaning of service to a higher level, not to mention the labor-saving benefits to our customers. Whether it's a white-tablecloth or casual restaurant, a good steak on the menu speaks for itself.”

Larry Accardi,
Executive Vice President,
Merchandising Services





Foodservice operators depend on SYSCO's products and services to help develop signature dishes, authenticate restaurant themes and create cost-effective menus that build customer loyalty.

The SYSCO Brand advantage sets our products apart from all others. By performing a variety of distinct functions for all SYSCO Brand products, including marketing, sales training, research and development and distribution, we can deliver consistency, cost savings, exceptional yield and unsurpassed quality. Our

company proudly stands behind every SYSCO Brand product, many of which exceed the established grading requirements of the USDA.

Among the most popular lines are the Block & Barrel® delicatessen products, the Arrezzo® line of Italian products and the authentic flavors of Casa Solana® Mexican foods. In addition, our House Recipe® tabletop sauces and condiments add the finishing touch to any menu, resulting in a robust, flavorful and satisfying meal.



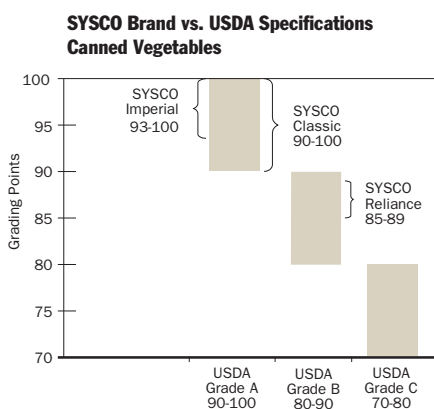
Comprising about 180 professionals, SYSCO's Quality Assurance program is unsurpassed in the industry.

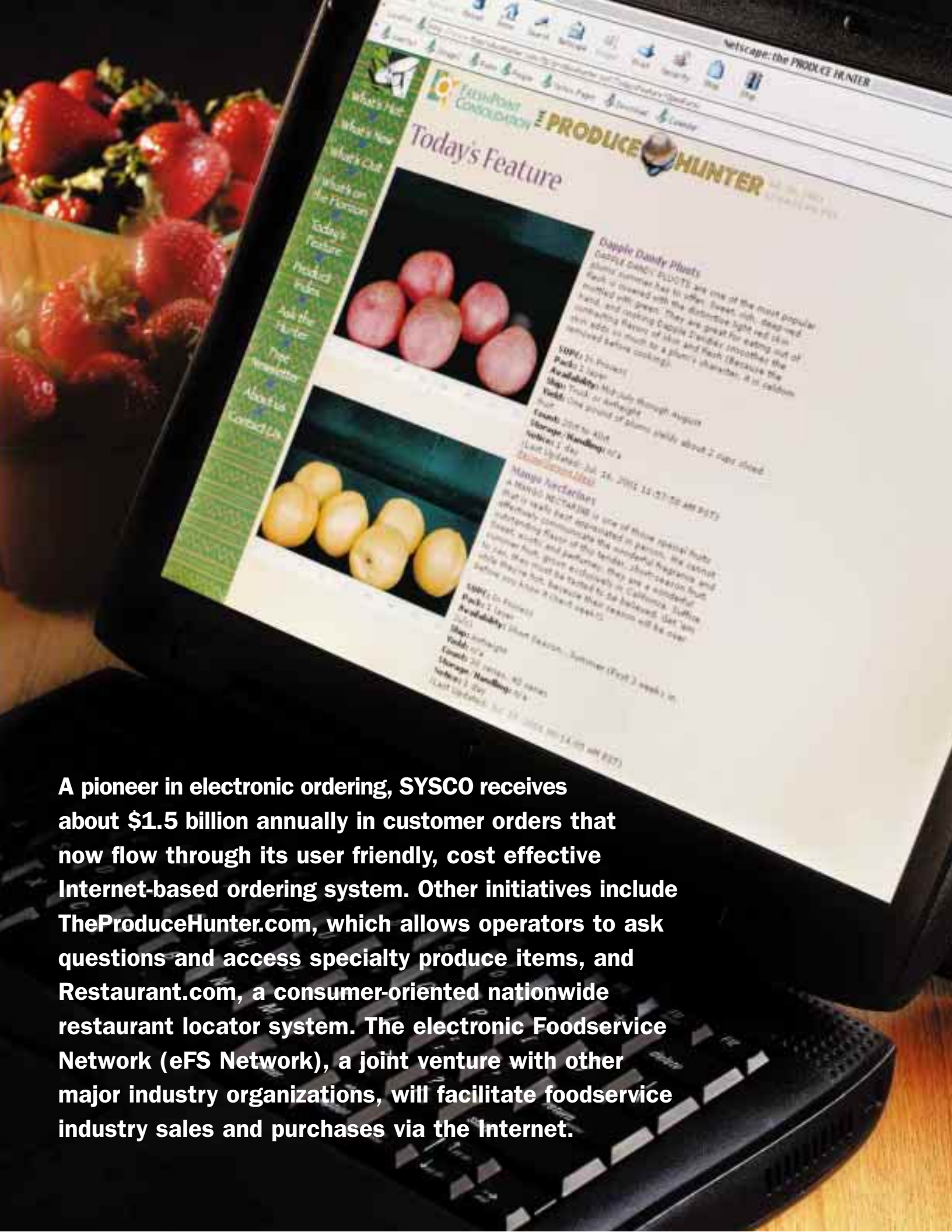
On a daily basis these individuals perform unprecedented steps to ensure that SYSCO Brand items are as safe as possible. Whether in the fields inspecting product, on the production line monitoring the process, or establishing guidelines and reviewing supplier plants, these individuals verify that SYSCO Brand products meet or exceed government, industry and our own standards.



Each product packed under the SYSCO Brand has detailed specifications that set the standards for quality and consistency for factors including size, color, net drained weight, tenderness, shelf life, packaging and other characteristics. The objectives of quality assurance are obtained by agreeing upon detailed product specifications with every SYSCO Brand supplier and enforcing those specifications on a daily basis. All existing SYSCO Brand suppliers are audited for compliance with our requirements, and products are routinely evaluated for conformity with all specifications as well as for performance against competitive products.

As a founding member of the National Restaurant Association's ServSafe® Program, SYSCO, in conjunction with the Education Foundation, trains foodservice operators on safety issues and techniques, frequently performing on-site food safety seminars to help customers ensure the highest degree of safety for their patrons. SYSCO also has been a leader in implementing programs such as Hazard Analysis Critical Control Point (HACCP), a Food and Drug Administration regulation that monitors food during the processing and delivery stages.



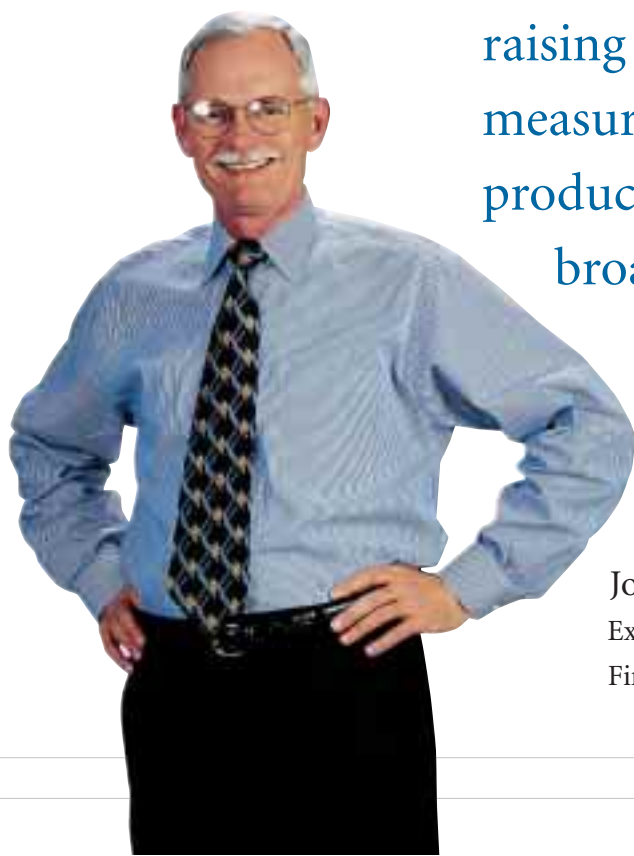


A pioneer in electronic ordering, SYSCO receives about \$1.5 billion annually in customer orders that now flow through its user friendly, cost effective Internet-based ordering system. Other initiatives include TheProduceHunter.com, which allows operators to ask questions and access specialty produce items, and Restaurant.com, a consumer-oriented nationwide restaurant locator system. The electronic Foodservice Network (eFS Network), a joint venture with other major industry organizations, will facilitate foodservice industry sales and purchases via the Internet.

Delivering more than 600 cases per trip requires a sophisticated system that allows our operating companies to manage food storage and order filling processes, while tracking meaningful information about customers' needs. The SYSCO Uniform System (SUS) makes such processes available for the broadline operations. Ongoing enhancements to the system continue to positively impact productivity and efficiency records throughout the organization.

The SYSCO Warehouse Management System (SWMS) monitors products and personnel throughout the warehouse life cycle, reducing costs. The SYSCO Order Selector (SOS) directs and confirms order selection, improving efficiencies and reducing errors. The SYSCO Load Selector (SLS) produces a map of precise product locations on the delivery vehicle so that orders are efficiently loaded in the correct temperature area, are stabilized, and are accessible to the driver. We believe our investment in technology has provided SYSCO's customers and SYSCO a competitive advantage in the foodservice market we serve.

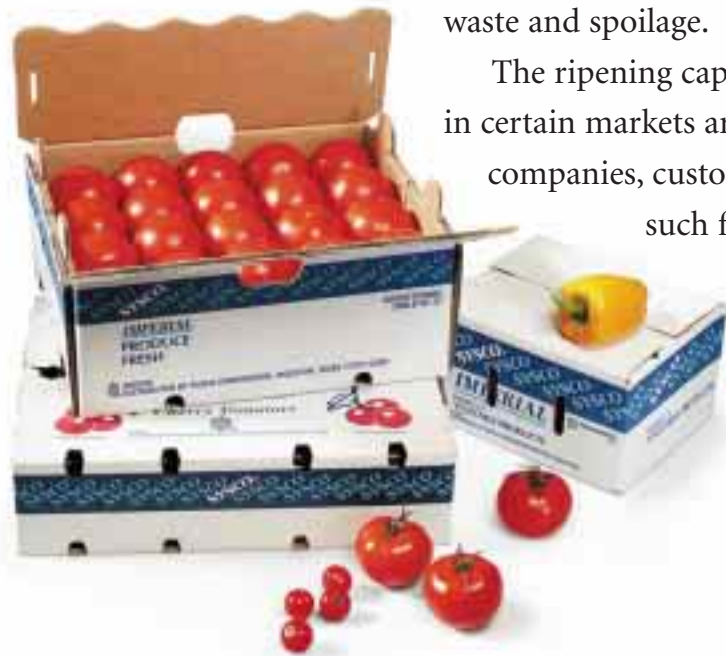
“Our technology initiatives allow each of our operating companies the unique ability to benchmark hundreds of metrics weekly, monthly and quarterly against our top performing operations, continually raising the bar in terms of performance measures. For instance, days of sales in product inventory dropped 6.5% at our broadline locations this year in comparison to fiscal 1998 (pre-SUS), which equates to more than \$50 million in cash flow.”



John Stubblefield, Jr.
Executive Vice President,
Finance and Administration

The goal of SYSCO's repacking programs is to provide top-quality fruit and vegetables in the specified quantities customers desire.

By repacking, or breaking cases into smaller and more protective containers for shipping, operating companies can better accommodate a customer's quantity specifications, thus reducing costs and eliminating the potential for product waste and spoilage.



The ripening capabilities of our FreshPoint operations in certain markets are also benefiting SYSCO's operating companies, customers and consumers alike. Through such facilities, SYSCO maintains complete control of the process of ripening seasonal fruits and tomatoes that customers can now offer to patrons on a year-round basis, enhancing menus and dining experiences.

As life spans lengthen, SYSCO is gaining market share in long-term healthcare.

An agreement with the Ross Products Division of Abbott Laboratories gives SYSCO exclusive access to market and sell Abbott's Nutra-Balance™ brand of healthcare-related nutritional products, further expanding SYSCO's ability to penetrate this important market. The company also is finalizing the Internet version of its Impac Menu Program, a system of menus, recipes and nutritional analysis tailored to specific dietary needs and is designing "value added" programs to assist hospitals in increasing the overall efficiency of their foodservice operations.



Guest Supply – expanding into product offerings to satisfy our hospitality customers’ needs.



The strategic acquisition of Guest Supply, Inc. complemented SYSCO’s existing hospitality market business and increased the product offerings available to our customers. Guest Supply is the leading national full-service provider of hotel operating supplies to the \$7 billion lodging industry, providing approximately 19,000 hotel and resort customers with a full range of personal care amenities, room accessories, house-keeping supplies, paper products, furniture and textiles. In addition, Guest Supply customers also benefit by gaining access to SYSCO’s extensive distribution network as well as its depth and breadth of foodservice products.

Diversity – extending from employees to suppliers through programs to source, develop and procure products from minority enterprises.

SYSCO’s Supplier Diversity initiative today continues to forge relationships with the best available suppliers, including Jason Slaughter, Founder, President and CEO of S&W International Food Specialties, Inc. (S&W). In 1999 Mr. Slaughter was honored by the Department of Commerce’s Minority Business Development Association, together with the Small Business Administration, as a Small Business Person of the Year. His commitment to service and quality provide an excellent example of what SYSCO seeks in all suppliers. Based in Atlanta, Georgia, S&W proudly produces an array of bakery items under the SYSCO Brand.

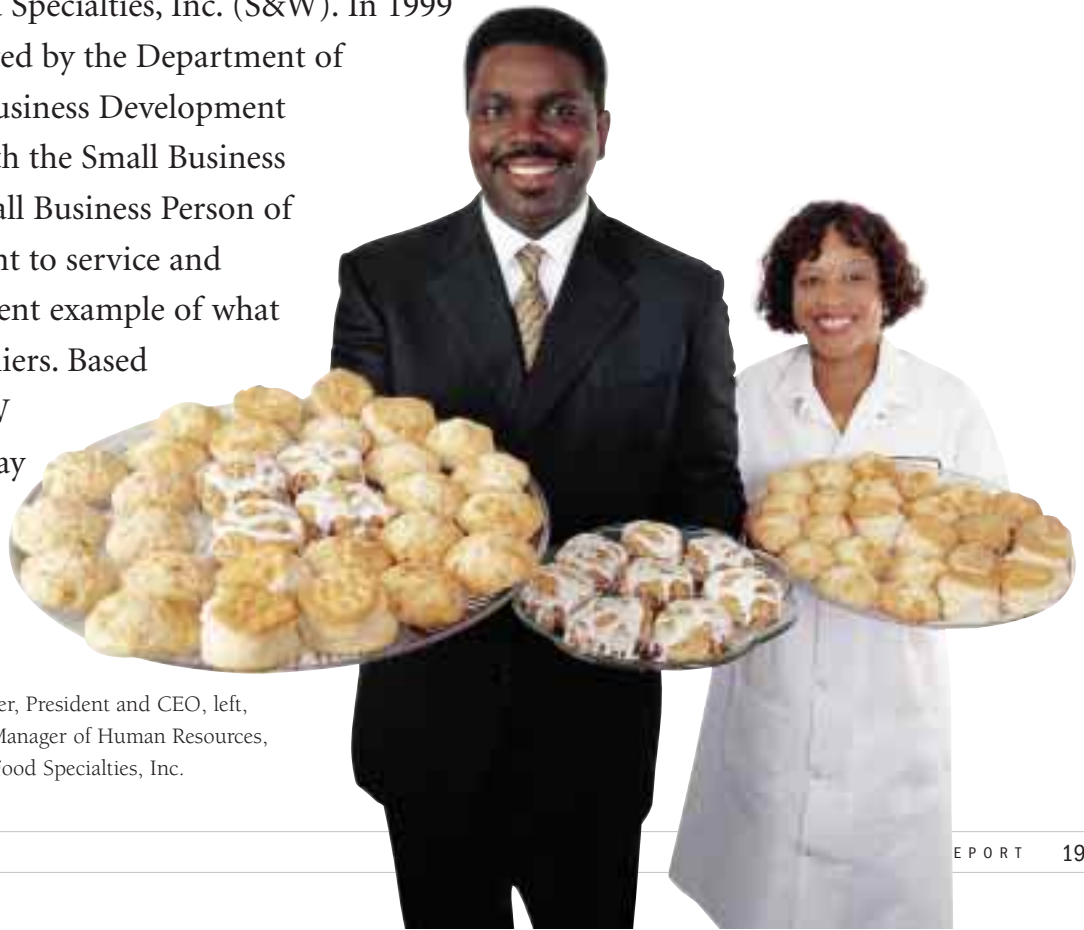


Photo: Jason Slaughter, President and CEO, left, and Barbara Grant, Manager of Human Resources, S&W International Food Specialties, Inc.

Community Involvement

SYSCO operating companies have received numerous awards and recognition for donations to food banks and community projects and in fiscal 2001 the company was honored by the United States Defense Logistics Agency with the Liberty Bell Award, recognizing SYSCO's declaration of support to the military. In addition, each individual SYSCO company supports its community independently, selecting volunteer activities and charitable giving, including donating products to food banks and homeless shelters and providing meals to a variety of groups and charities.

SYSCO also has a long-standing commitment to higher education, having donated scholarship funds to The Educational Foundation of the National Restaurant Association and recently completed its participation with its premier suppliers in Johnson & Wales University's Vision 2001 campaign to provide scholarships for students preparing for foodservice and hospitality careers. Honoring SYSCO's founder and his spouse, the John F. and Eula Mae Baugh SYSCO Scholarship Program is now in its fifth year of existence, awarding academic scholarships to employee dependents under age 24 who attend accredited four-year institutions in the United States and Canada. Since its inception, more than \$950,000 in scholarships have been granted to 59 recipients.

John F. Woodhouse, who enjoyed a distinguished 31-year career with SYSCO, retired on December 31, 2000 as Senior Chairman. Respected for his utmost integrity and celebrated as a diligent crusader for the foodservice industry, he was instrumental in guiding and shaping much of the growth of SYSCO Corporation during his tenure.

Mr. Woodhouse joined SYSCO at its formation in 1969 as Chief Financial Officer and a founding director and played an integral part in the company's 1970 initial public offering. In 1971 he was named Executive Vice President and soon thereafter progressed to President and Chief Operating Officer. In 1983 he became the second Chief Executive Officer in SYSCO's history and in 1985 assumed additional responsibilities as Chairman of the Board. During his 11 years as CEO, the company's sales grew an impressive 457 percent, increasing from \$2 billion to \$11 billion,

This year \$164,000 was awarded to 28 returning scholarship winners who qualified for renewed funding, and \$60,000 in new scholarships was awarded. Listed below are the recipients of this year's new scholarships, their academic institutions and the distribution location at which their family member is employed.

Julieann M. DeBlasi
Gannon University,
Erie, PA
Sysco Food Services of
Cleveland, Inc.

Mollie L. Driscoll
Clemson University,
Clemson, SC
Malcolm Meats

Jacqueline R. Gill
Providence College,
Providence, RI
Sysco Food Services of
Connecticut, Inc.

Summer M. Latham
Delta State University,
Cleveland, MS
Hardin's – Sysco Food
Services, Inc.

Jennifer M. Medeiros
University of Massachusetts,
North Dartmouth, MA
Hallsmith – Sysco Food
Services, Inc.

Kristin N. Munch
Rollins College,
Winter Park, FL
Sysco Food Services of
Jacksonville, Inc.

Emily N. Richey
Boston University,
Boston, MA
Sysco Food Services/Cincinnati

Samantha C. Schwenke
Mississippi State University,
Starkville, MS
Nobel/Sysco Food Services
(Albuquerque, NM)

Matthew M. Spritz
Emory University,
Atlanta, GA
Carnival Fruit Co.



while the market SYSCO serves increased from a \$66 billion industry to \$129 billion during the same period. Mr. Woodhouse continues to serve SYSCO as a Director until the expiration of his term in November 2001.

In addition, he also serves as a director of Shell Oil Company, Food Distributors International, Associates of Harvard Business School and The Food Institute. He is equally active in the local community as an Elder of his Presbyterian Church.

Mr. Woodhouse is revered not only for his extensive contributions to SYSCO but also by customers, suppliers and colleagues as he continues his passionate, untiring work as an industry advocate.

Glossary of Terms

Fold-out Strategy

This strategy involves building distribution centers in established markets that previously were being served by another SYSCO company from a distance that now may be serviced with even better response time. Sales, delivery and warehouse personnel, as well as new staff and a management team, many of whom are from other SYSCO operating companies, are hired to operate the new company.

Foodservice Distribution Market

The total dollar purchasing volume of food and related nonfood products by every type of operation preparing food in the “away from home” market, including restaurants, delis, hospitals, retirement homes, schools, colleges, hotels, cruise lines, entertainment facilities and other locations. SYSCO’s available market also includes the \$7 billion hotel operating supplies market. Distributor categories are defined as follows:

- **Broadline Distributors** supply a wide array of food and related items to all types of foodservice operators. These operators generally require a broad spectrum of products and their menu offerings may change frequently. SYSCO’s 66 “traditional” operating facilities are broadline distributors.

- **Customized or Systems Distributors**, also known as chain restaurant or quick-service restaurant distributors, supply chain restaurant operations. This customer type generally serves a relatively fixed menu and requires a more limited product line. The SYGMA Network, Inc. (SYGMA) is a systems distributor.

- **Specialty or Niche Distributors** specialize in supplying a specific product category or a specific customer market. FreshPoint, SYSCO’s custom-cutting meat companies and Guest Supply are specialty distributors.

Marketing Associate

This is SYSCO’s term for the nearly 7,700 commissioned sales professionals, or relationship managers at the operating companies, who provide customers with services tailored to support their operations and profitability. Evolving into a role as relationship managers, they assure that orders are submitted timely and completely, present new products that will enhance the customer’s menu or reduce the labor required for preparation, and assist with inventory control and menu costing and pricing. In addition, they provide other value-added services that help customers build restaurant traffic and operate their businesses more cost effectively.

SYSCO’s Broadline Customer Types

- **Marketing Associate-Served Customers** include independently-operated foodservice locations serviced by a SYSCO Marketing Associate.

- **Multi-Unit Customers** include local, regional or national foodservice operations that have multiple locations and, due to their more centralized purchasing operations, generally do not require the same degree of personalized, value-added services that Marketing Associates offer, but are supported by other sales personnel within the SYSCO companies.

SYSCO Brand Products

More than 28,000 products distinctively identified as being available only from SYSCO carry the SYSCO Brand. Supported by stringent quality control specifications, these products are designed and developed to meet or exceed customer requirements, then are monitored throughout the manufacturing and production process by a staff of more than 180 SYSCO Quality Assurance professionals.

- **Supreme, Imperial and Classic** quality levels were developed for products across all of SYSCO’s broad categories of product offerings.

- **Specialty Market Brands** are designed for specific customer or market types and generally include various products in one category such as ethnic foods, delicatessen items, tabletop condiments or specially formulated healthcare products. Examples include such products as the Arrezzo line of Italian foods, the Casa Solana family of Mexican items, the Block & Barrel delicatessen products and House Recipe tabletop sauces and condiments. Other examples are the Buckhead Beef and Newport Pride custom-cut specialty center-of-the-plate products, FreshPoint specialty produce and Guest Supply hotel operating supplies.

Real Sales Growth

Real sales growth is total SYSCO sales growth less the effect of acquisitions, plus or minus internally calculated year-over-year product cost deflation or inflation.

Board of Directors



Left to right, standing: Frank H. Richardson, Phyllis S. Sewell, John W. Anderson, Charles H. Cotros, Jonathan Golden, Richard G. Merrill, Judith B. Craven, Frank A. Godchaux III, Colin G. Campbell. Left to right, seated: Richard J. Schnieders, John F. Woodhouse, Thomas E. Lankford.

John W. Anderson (69)^{1,2}

Elected: 1981
Retired Vice President,
Southwestern Bell Communications, Inc.

Colin G. Campbell (65)^{1*,2,4,6}

Elected: 1989
President and Chief Executive Officer,
Colonial Williamsburg Foundation

Charles H. Cotros (64)^{3,4*,5}

Elected: 1985
Chairman and Chief Executive Officer,
SYSCO Corporation

Judith B. Craven M.D. M.P.H. (55)^{1,2,5}

Elected: 1996
Retired President,
United Way of the Texas Gulf Coast
(Health and Human Services Organization)

Frank A. Godchaux III (74)^{1,5,6}

Elected: 1987
Chairman, Riviana Foods Inc.
(Food Manufacturer)

Jonathan Golden (64)^{4,5,6*}

Elected: 1984
Managing Partner,
Arnall Golden Gregory LLP
(Law Firm)

Thomas E. Lankford (54)^{3,4}

Elected: 2000
Executive Vice President,
Foodservice Operations,
SYSCO Corporation

Richard G. Merrill (70)^{1,2*,4,6}

Elected: 1983
Retired Executive Vice President,
The Prudential Insurance
Company of America

Frank H. Richardson (68)^{1,2,5*,6}

Elected: 1993
Retired President and Chief Executive Officer,
Shell Oil Company

Richard J. Schnieders (53)^{3*,4,5}

Elected: 1997
President and Chief Operating Officer,
SYSCO Corporation

Phyllis S. Sewell (70)^{1,2,6}

Elected: 1991
Retired Senior Vice President,
Federated Department Stores, Inc.
(Retail)

John F. Woodhouse (70)^{4,5}

Elected: 1969
Retired Senior Chairman,
SYSCO Corporation

Board Committees

- ¹ Audit
- ² Compensation and Stock Option
- ³ Employee Benefits
- ⁴ Executive
- ⁵ Finance
- ⁶ Nominating and Corporate Governance
- * Denotes Committee Chairman

Distinguished Tenure Directors

John F. Baugh

Founder and Retired Senior Chairman,
SYSCO Corporation

Frank M. Ellis, Jr.

Retired Chairman,
Sysco/Louisville Food Services Co.

Jabie S. Hardin

Retired Chairman,
Hardin's-Sysco Food Services, Inc.

Herbert Irving

Retired Vice Chairman of the Board,
SYSCO Corporation

Paul F. Kalat

Retired Chairman,
Hallsmith-Sysco Food Services

Fritz C. Knoebel

Retired Chairman,
Nobel/Sysco Food Services Company

Bill M. Lindig

Retired Chairman,
SYSCO Corporation

E. James Lowery

Retired Executive Vice President -
Finance & Administration,
SYSCO Corporation

Donald H. Pegler, Jr.

Retired Chairman,
Pegler-Sysco Food Services Company

James A. Schlindwein

Retired Executive Vice President -
Merchandising Services,
SYSCO Corporation

Arthur J. Swenka

Retired Senior Vice President,
Foodservice Operations,
SYSCO Corporation

Thomas B. Walker, Jr.

Retired Limited Partner,
The Goldman Sachs Group, Inc.

Directors' Council



Left to right, standing: Larry G. Pulliam, Gail E. Allen, Carl S. Cannova, Tim K. Brown, Michael W. Green. Left to right, seated: Daniel S. Haag, Howard I. Halpern.

The Directors' Council is composed of seven operating company presidents who manage some of SYSCO's most successful operations. Members of the Council, which was established in 1981, meet twice annually to offer the Board of Directors their guidance and insight regarding SYSCO's opportunities to aid in formulating management strategies and policies.

Gail E. Allen, President

Sysco Food Services - Albany
(Term Expires 2001)

Tim K. Brown, President

Sysco Food Services of
South Florida, Inc.
(Term Expires 2001)

Carl S. Cannova, President

Sysco Food Services of
West Coast Florida, Inc.

Michael W. Green, President

Sysco Food Services of
Detroit, LLC
(Term Expires 2001)

Daniel S. Haag, President

Sysco Food Services of
San Francisco, Inc.

Howard I. Halpern, Chairman

Buckhead Beef Company

Larry G. Pulliam, President

Sysco Food Services of
Houston, LP

Corporate Officers



Executive Vice Presidents: seated, Thomas E. Lankford; standing, left to right, John K. Stubblefield, Jr., Larry J. Accardi.



Senior Vice Presidents: left to right, standing: Kenneth J. Carrig, James C. Graham, James E. Lankford, Gregory K. Marshall, Kenneth F. Spitler, left to right, seated: O. Wayne Duncan, James D. Wickus.

Larry J. Accardi
Executive Vice President,
Merchandising Services

Kent R. Berke
Assistant Vice President and
Associate General Counsel

K. Susan Billiot
Assistant Vice President,
Human Resources

Cameron L. Blakely
Assistant Vice President,
eBusiness

Jack D. Carlson
Vice President, Real Estate
and Construction

John S. Carlson
Vice President, Marketing

Kenneth J. Carrig
Senior Vice President,
Administration

Charles H. Cotros
Chairman and Chief
Executive Officer

Robert G. Culak
Vice President, Financial
Reporting and Compliance

Twila M. Day
Assistant Vice President,
Technology and Applications

William B. Day
Assistant Controller

Kirk G. Drummond
Vice President and Chief
Information Officer

Corporate Officers (cont.)

O. Wayne Duncan
Senior Vice President,
Foodservice Operations
(Southeast Region)

G. Mitchell Elmer
Vice President and Controller

Albert L. Gaylor
Assistant Vice President,
Marketing Services

James C. Graham
Senior Vice President,
Foodservice Operations
(Southwest Region)

Charles A. Hastreiter,
Assistant Vice President,
Merchandising Services

Alan W. Kelso
Assistant Vice President, Safety
and Employee Relations

James E. Lankford
Senior Vice President,
Foodservice Operations
(Western Region)

Thomas E. Lankford
Executive Vice President,
Foodservice Operations

John Locke
Vice President, Merchandising

Gregory K. Marshall
Senior Vice President, SYSCO
Corporation and Chairman
and Chief Executive Officer,
The SYGMA Network, Inc.

John T. McIntyre
Assistant Vice President,
Manufactured and
Dry Groceries

Carolyn S. Mitchell
Corporate Secretary

Mary Beth Moehring
Vice President, Training and
Organizational Development

Michael C. Nichols
Vice President and
General Counsel

Steven A. Nordlander
Assistant Vice President,
Operations Development

Kathy Oates
Assistant Treasurer

Dale K. Robertson
Vice President, Multi-Unit Sales-
Customer Development

Barry Robinson
Assistant Vice President,
Healthcare Sales and Marketing

Diane Day Sanders
Vice President and Treasurer

Richard J. Schnieders
President and
Chief Operating Officer

David B. Smallwood
Vice President,
Multi-Unit Sales

Toni R. Spigelmyer
Assistant Vice President,
Investor and Media Relations

Kenneth F. Spittler
Senior Vice President,
Foodservice Operations
(Northeast Region)

John K. Stubblefield, Jr.
Executive Vice President,
Finance and Administration

Brian M. Sturgeon
Vice President, SYSCO
Corporation and President &
Chief Operating Officer,
FreshPoint, Inc.

Robert C. Thurber
Vice President, Merchandising

Thomas G. Wason
Vice President, Perishables

Craig G. Watson
Assistant Vice President,
Quality Assurance

George A. Weber
Assistant Controller

James D. Wickus
Senior Vice President,
Foodservice Operations
(Midwest Region)

Corporate Officers (cont.)



Kent R. Berke



K. Susan Billiot



Cameron L. Blakely



Jack D. Carlson



John S. Carlson



Robert G. Culak



Twila M. Day



William B. Day



Kirk G. Drummond



G. Mitchell Elmer



Albert L. Gaylor



Charles A. Hastreiter



Alan W. Kelso



John Locke



John T. McIntyre

Corporate Officers (cont.)



Carolyn S. Mitchell



Mary Beth Moehring



Michael C. Nichols



Steven A. Nordlander



Kathy Oates



Dale K. Robertson



Barry Robinson



Diane Day Sanders



David B. Smallwood



Toni R. Spigelmyer



Brian M. Sturgeon



Robert C. Thurber



Thomas G. Wason



Craig G. Watson



George A. Weber

General Information

Corporate Offices

SYSCO Corporation
1390 Enclave Parkway
Houston, Texas 77077-2099
281-584-1390
Internet: <http://www.sysco.com>

Annual Shareholders' Meeting

The Houstonian Hotel
111 North Post Oak Lane
Houston, Texas 77024
November 9, 2001 at 10:00 a.m.

Independent Accountants

Arthur Andersen LLP
Houston, Texas

Counsel

Arnall Golden Gregory LLP
Atlanta, Georgia

Common Stock and Dividend Information

SYSCO's common stock is traded on the New York Stock Exchange under the symbol "SY.".

The company has consistently paid quarterly cash dividends on its common stock and has increased the dividend 32 times in its 31 years as a public company. The current quarterly cash dividend is \$0.07 per share.

Dividend Reinvestment Plan with Optional Cash Purchase Feature

SYSCO's Dividend Reinvestment Plan provides a convenient way for shareholders of record to reinvest quarterly cash dividends in SYSCO shares automatically, with no service charge or brokerage commissions.

The Plan also permits registered shareholders to invest additional money to purchase shares. In addition, certificates may be deposited directly into a Plan account for safekeeping and may be sold directly through the Plan for a modest fee.

Shareholders desiring information about the Dividend Reinvestment Plan with Optional Cash Purchase Feature may obtain a brochure and enrollment form by contacting the Transfer Agent, EquiServe Trust Co., N.A., at 1-800-730-4001.

Investor Contact

Financial analysts and other investment professionals should direct inquiries to:

Ms. Toni R. Spigelmyer
Assistant Vice President,
Investor and Media Relations
281-584-1458

Shareholder Information

For information or assistance regarding individual stock records, Dividend Reinvestment Plan with Optional Cash Purchase Feature, dividend or tax information, replacement of stock certificates and transfer instructions, please contact the following:

Transfer Agent and Registrar
EquiServe Trust Company, N.A.
P. O. Box 43010
Providence, RI 02940-3010
1-800-730-4001
Internet: <http://www.equiserve.com>

Form 10-K and Financial Information

A copy of the fiscal 2001 Form 10-K Annual Report filed with the Securities and Exchange Commission, as well as copies of financial reports and other company literature, can be found on our web site at <http://www.sysco.com>, or may be obtained without charge upon written request to the Investor Relations Department, SYSCO Corporation, at the corporate offices, or by calling 1-800-337-9726.

Forward-Looking Statements

Certain statements made herein are forward-looking statements under the Private Securities Litigation Reform Act of 1995. They include statements about anticipated sales volumes, industry growth and increased market share, SYSCO's long-term growth objectives with respect to sales, earnings, return on equity, long-term debt and capitalization, anticipated capital expenditures, ability to meet future cash requirements and remain profitable and implementation, timing and anticipated benefits of "fold-outs" and acquisitions.

These statements are based on management's current expectations and estimates; actual results may differ materially. Decisions to pursue "fold-outs" and acquisitions and expenditures for such could vary depending upon construction schedules and the timing of other purchases, such as fleet and equipment, while "fold-out" and acquisition timing and results could be impacted by competitive

conditions, labor issues and other matters. The ability to pursue acquisitions also depends upon the availability and suitability of potential candidates and management's allocation of capital. Industry growth may be affected by general economic conditions. SYSCO's ability to achieve anticipated sales volumes and its long-term growth objectives, increase market share, meet future cash requirements and remain profitable could be affected by competitive price pressures, availability of supplies, work stoppages, successful integration of acquired companies, conditions in the economy and the industry and internal factors such as the ability to control expenses. For a discussion of additional risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, see the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2001.



Left to right: John K. Stubblefield, Jr., Diane D. Sanders, Richard A. Grasso (Chairman and CEO, New York Stock Exchange), Charles H. Cotros, Connie Cotros, Toni R. Spigelmyer, Robert Seijas (Fleet Meehan Specialist).

On January 24, 2001, SYSCO celebrated its 20th anniversary as a New York Stock Exchange listed company. Charles H. Cotros, Chairman and Chief Executive Officer of SYSCO, accompanied by other SYSCO executives, was in the gallery overlooking the floor of the Exchange to ring the bell that marked the close of trading.

On January 20, 1981, when SYSCO's stock began trading on the New York Stock Exchange under the symbol "SY," the closing price of the stock was \$28.875. Since that momentous day, SYSCO's stock has enjoyed six two-for-one stock splits. Thus, an investor who purchased 100 shares at \$28.875 on January 20, 1981, would have an investment of 6,400 shares worth \$173,760, with a cost basis of \$0.45 per share, at the close of trading June 29, 2001, SYSCO's fiscal year-end.

We at SYSCO Corporation extend our deepest sympathies to the families of the victims who lost their lives on September 11, 2001.

The days following September 11 have been the most challenging our country has faced, at least in recent history. Many lives have been lost and many more have been altered significantly and permanently. Our hearts and prayers go out to the men, women and children who have been most affected.

Thankfully, employees of our operating companies in the New York Area – Ritter Sysco Food Services and Sysco Food Services-Albany were safe and sound. Immediately following the terrible event, Ritter, located in Jersey City, New Jersey, delivered bottled water to the Liberty Park triage area. Ritter employees made pizzas, sandwiches and cookies, which were continuously supplied throughout the day for the relief workers. Ritter also donated truckloads of product and delivered snacks, fruit and water donated by some of our generous suppliers. The Albany operating company, located 220 miles from the Manhattan area, sent truckloads of water and food while other SYSCO operating companies in the New York and Washington D. C. areas also donated products to the relief efforts.

To support the disaster relief, SYSCO Corporation made a contribution to the American Red Cross in the name of SYSCO Corporation, and all of its affiliates and associates, to be used in recovering from this catastrophe.

SYSCO's mission is "to help our customers succeed."

In times like these, we are called on to do even more. Never before have we had such a responsibility to assist our customers. We are redoubling our efforts to provide exceptional service by delivering every product our customers order, on time and in good condition.

We stand united and committed to helping our customers succeed. Our customers depend on the creativity, innovation and resourcefulness of all of us.





SYSKO Corporation

1390 Enclave Parkway
Houston, Texas
77077-2099
(281) 584-1390
www.sysco.com