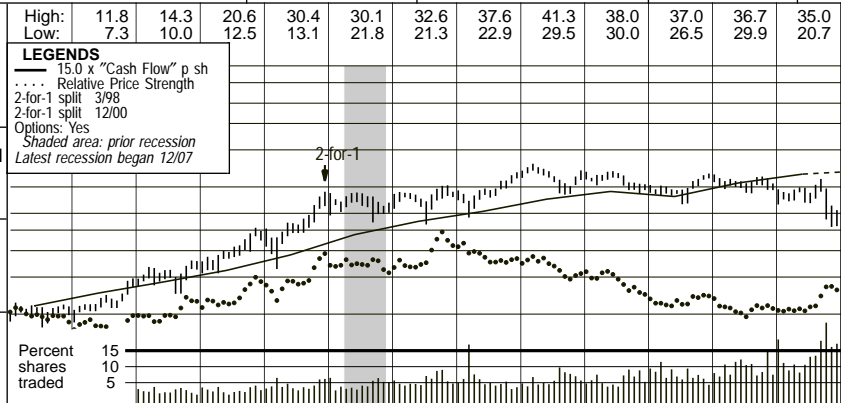


SYSCO CORP NYSE:SY

RECENT PRICE **23.10** P/E RATIO **12.8** (Trailing: 12.6 Median: 25.0) RELATIVE P/E RATIO **1.15** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS 2 Raised 9/19/08
SAFETY 1 Raised 11/13/98
TECHNICAL 3 Lowered 12/5/08
BETA .65 (1.00 = Market)



2011-13 PROJECTIONS
 Ann'l Total
 Price Gain Return
 High 60 (+160%) 29%
 Low 45 (+95%) 21%

Insider Decisions
 M A M J J A S O N
 to Buy 0 0 0 0 0 1 0 0 0 0
 Options 0 1 0 0 0 6 2 0 0 0
 to Sell 3 0 0 0 0 5 3 0 0 1

Institutional Decisions
 1Q2008 2Q2008 3Q2008
 to Buy 306 339 298
 to Sell 388 327 396
 Hlds(000) 454601 458632 451636

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Price	11.97	13.58	14.94	16.57	18.56	20.96	22.88	26.42	29.12	32.75	35.73	40.61	46.09	48.18	52.72	57.27	62.41	64.40
Dividend	.37	.42	.46	.52	.58	.67	.76	.86	1.02	1.27	1.47	1.63	1.87	2.03	1.92	2.23	2.46	2.55
Earnings	.23	.27	.30	.35	.38	.43	.48	.54	.68	.90	1.01	1.18	1.37	1.47	1.36	1.60	1.81	1.80
Div'nds Decl'd	.05	.07	.08	.10	.13	.15	.17	.19	.23	.28	.36	.40	.48	.56	.66	.72	.82	.92
Cap'l Spending	.18	.17	.22	.28	.33	.31	.39	.43	.40	.51	.64	.68	.83	.62	.83	.99	1.86	1.20
Book Value	1.42	1.54	1.69	1.92	2.04	2.03	2.03	2.16	2.66	3.23	3.26	3.41	4.03	4.39	4.93	5.36	5.67	6.00
Common Shs	743.10	737.83	732.28	731.46	721.65	689.75	670.02	659.34	662.97	665.14	653.54	643.66	636.54	628.57	618.90	611.84	601.23	590.00
P/E Ratio	24.0	23.6	23.1	19.0	20.5	19.6	23.0	24.8	26.4	28.2	27.1	24.3	25.9	23.6	23.4	20.8	17.2	21.0
Relative P/E	1.46	1.39	1.52	1.27	1.28	1.13	1.20	1.41	1.72	1.45	1.48	1.39	1.37	1.26	1.26	1.10	1.00	1.40
Div'nd Yield	.9%	1.1%	1.2%	1.5%	1.6%	1.7%	1.5%	1.4%	1.3%	1.1%	1.3%	1.4%	1.4%	1.6%	2.1%	2.2%	2.6%	2.4%

CAPITAL STRUCTURE as of 9/27/08
 Total Debt \$1979.4 mill. Due in 5 Yrs \$465.0 mill.
 LT Debt \$1974.1 mill. LT Interest \$106.0 mill.
 (LT interest earned: 18.4x; total interest coverage: 18.3x) (36% of Cap'l)
 Leases, uncapitalized Annual rentals \$64.0 mill.
 Pension assets-6/08 \$1526.6 mill. Oblig. \$1635.0 mill.

Pfd Stock None
Common Stock 599,138,599 shs. as of 10/25/08
Options Exercisable 7.9%
MARKET CAP: \$13.8 billion (Large Cap)

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt	15328	17423	19303	21784	23351	26140	29335	30282	32628	35042	37522	38000	46200	6.2%	6.2%	6.0%	6.2%	
Interest	181.2	205.0	220.7	248.2	278.3	273.1	283.6	316.7	345.1	362.6	372.5	395	495	39.0%	39.0%	38.3%	38.3%	
Cap'l	324.8	362.3	453.6	596.9	679.8	778.3	907.2	961.5	846.0	1001.1	1106.2	1105	1475	2.1%	2.1%	2.4%	2.7%	
Income	39.0%	39.0%	38.5%	38.3%	38.3%	38.3%	38.5%	37.0%	39.3%	38.3%	38.3%	41.0%	38.5%	2.9%	2.9%	2.9%	2.9%	
Profit	855.9	981.3	950.3	895.0	945.9	928.4	724.8	544.2	1173.3	1260.4	1675.7	1445	1310	867.0	997.7	1023.6	961.4	
Debt	1356.8	1427.2	1761.6	2147.5	2132.5	2197.5	2564.5	2758.8	3052.3	3278.4	3409.0	3535	1975	15.4%	16.3%	17.5%	20.2%	
Return	23.9%	25.4%	25.8%	27.8%	31.9%	35.4%	35.4%	34.9%	27.7%	30.5%	32.4%	31.5%	36.0%	15.8%	16.5%	17.5%	19.7%	
Equity	34%	35%	32%	29%	31%	34%	34%	37%	47%	44%	45%	51.0%	18.0%	34%	35%	32%	29%	

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Depreciation	181.2	205.0	220.7	248.2	278.3	273.1	283.6	316.7	345.1	362.6	372.5	395	495	39.0%	39.0%	38.3%	38.3%	
Net Profit	324.8	362.3	453.6	596.9	679.8	778.3	907.2	961.5	846.0	1001.1	1106.2	1105	1475	2.1%	2.1%	2.4%	2.7%	
Income Tax Rate	39.0%	39.0%	38.5%	38.3%	38.3%	38.3%	38.5%	37.0%	39.3%	38.3%	38.3%	41.0%	38.5%	2.9%	2.9%	2.9%	2.9%	
Net Profit Margin	855.9	981.3	950.3	895.0	945.9	928.4	724.8	544.2	1173.3	1260.4	1675.7	1445	1310	867.0	997.7	1023.6	961.4	
Working Cap'l	1356.8	1427.2	1761.6	2147.5	2132.5	2197.5	2564.5	2758.8	3052.3	3278.4	3409.0	3535	1975	15.4%	16.3%	17.5%	20.2%	
Long-Term Debt	23.9%	25.4%	25.8%	27.8%	31.9%	35.4%	35.4%	34.9%	27.7%	30.5%	32.4%	31.5%	36.0%	15.8%	16.5%	17.5%	19.7%	
Return on Total Cap'l	34%	35%	32%	29%	31%	34%	34%	37%	47%	44%	45%	51.0%	18.0%	34%	35%	32%	29%	
Return on Shr. Equity	15.8%	16.5%	17.5%	19.7%	21.9%	23.5%	23.3%	21.9%	14.7%	16.9%	17.9%	15.0%	18.0%					
Retained to Com Eq	34%	35%	32%	29%	31%	34%	34%	37%	47%	44%	45%	51.0%	18.0%					
All Div'ds to Net Prof	15.8%	16.5%	17.5%	19.7%	21.9%	23.5%	23.3%	21.9%	14.7%	16.9%	17.9%	15.0%	18.0%					

MARKET CAP: \$13.8 billion (Large Cap)

MARKET POSITION 2007 2008 9/27/08 (\$MILL.)

Cash Assets	207.9	551.6	345.6
Receivables	2610.9	2723.2	2873.5
Inventory (FIFO)	1714.2	1836.5	1933.7
Other	142.5	63.7	170.9
Current Assets	4675.5	5175.0	5323.7
Accts Payable	1981.2	2048.8	2051.1
Debt Due	22.5	4.9	5.3
Other	1411.4	1445.6	1342.0
Current Liab.	3415.1	3499.3	3398.4

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '06-'08 to '11-'13

Sales	10.5%	9.5%	7.5%
"Cash Flow"	12.5%	8.5%	9.5%
Earnings	14.0%	9.0%	9.5%
Dividends	17.5%	16.0%	11.5%
Book Value	10.0%	10.0%	6.5%

Fiscal Year Ends	2005	2006	2007	2008	2009	Full Fiscal Year
Q1	7532	7331	7437	7982	30282	30282
Q2	8010	7971	8138	8509	32628	32628
Q3	8672	8569	8573	9228	35042	35042
Q4	9406	9240	9147	9729	37522	37522
Annual	9877	9215	9150	9758	38000	38000

Fiscal Year Ends	2005	2006	2007	2008	2009	Full Fiscal Year
Q1	.35	.36	.34	.42	1.47	1.47
Q2	.33	.33	.30	.41	1.36	1.36
Q3	.37	.39	.35	.49	1.60	1.60
Q4	.43	.43	.40	.55	1.81	1.81
Annual	.46	.40	.40	.54	1.80	1.80

Calendar	2005	2006	2007	2008	2009	Full Year
Q1	.15	.15	.15	.15	.60	.60
Q2	.17	.17	.17	.17	.68	.68
Q3	.19	.19	.19	.19	.76	.76
Q4	.22	.22	.22	.22	.88	.88
Annual	.24					

SYSCO isn't immune to the nation's economic woes. The giant food distributor got off to a decent start in its new fiscal year (began June 29th). Share net advanced 7%, year over year, in the September quarter despite a charge related to company-owned life insurance (COLI), increased pension expense, and a higher tax rate. Sales also rose, up 5%, although that gain was all due to inflation in food costs. But then, in December, the company announced that sales in the December period would be flat, or slightly negative, year over year. That's not surprising, given that consumers, shaken by falling home prices, reduced availability of credit, and job losses, are saving money by frequenting restaurants less often, and when they do eat out, going to less expensive outlets or buying cheaper items. The company also noted that it expected a roughly \$45 million decline in the cash surrender value of COLI. Since that decline isn't deductible for tax purposes, the tax rate will also rise from last year's level. SYSCO is having some success in offsetting these negatives by increasing efficiency. Still, given the economic turmoil, we think the company

will be hard-pressed to top fiscal 2008's bottom-line performance this year. **The longer-term picture is much brighter.** We think the economy will start to recover, albeit with little early vigor, in SYSCO's fiscal 2010. And the company is working on a number of fronts to boost sales and widen margins. It is conducting business reviews with selected customers, which typically result in higher sales. It also is opening regional distribution centers. These giant centers will stock slow-moving items, which will be redistributed to local facilities. That reduces the need for inventory and storage space at the local level. What's more, SYSCO is centralizing the procurement of certain goods, which increases its buying clout and insures that it receives the best prices for the goods. In view of these factors, we expect share net to return to an upward path in fiscal 2010, and reach record levels by 2011-2013. **SYSCO shares have a good deal of appeal.** The issue is timely and also has good risk-adjusted total return potential for the 3- to 5-year haul. *George A. Niemond* January 30, 2009

(A) Fiscal year ends Saturday closest to June 30th.
 (B) Based on average shares outstanding through fiscal '97, then diluted. Quarters may not add to total. Excludes nonrecurring losses. In '98, 4c; '00, 1c. Next earnings report due early February.
 (C) Dividends historically paid late January, April, July, October. ■ Dividend reinvestment plan available.
 (D) In millions, adjusted for stock splits.
 (E) Includes intangibles. In '08, \$2.50 share.

Company's Financial Strength A++
 Stock's Price Stability 95
 Price Growth Persistence 40
 Earnings Predictability 95