



With sales of \$17.4 billion, SYSCO is the largest foodservice marketing and distribution company in North America, serving about 325,000 restaurants, healthcare facilities, educational institutions and other customers. SYSCO operates from 78 locations that extend throughout the contiguous United States and portions of Alaska and Canada. SYSCO's line of 275,000 products includes a broad selection of seafood, poultry, fruits, vegetables and bakery goods, canned and dry foods, paper and disposable items, sanitation products, dairy foods and beverages.

		FINANCIAL H324,821		302,533	12
ending	<b>336,796,669</b>	343,440,181	356,083,594	(2)	(4)
	<b>35,100</b>	33,400	32,000	5	4

Number of shareholders of record	<b>15,485</b>	16,142	17,890	(4)	(10)
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(1) Fiscal 1998 net earnings reflect a one-time charge of \$28,053,000.  
All share information has been adjusted for the 2-for-1 stock split of March 20, 1998.



n business or in our personal lives, each  
of us values products and services that exceed  
our expectations. When treated with unusual







FOCUSING ON COMPLETE CUSTOMER SATISFACTION

**Hospitals  
and nursing  
homes  
represent 10%  
of SYSCO's  
sales. Left to  
right: Nancy  
Yezzi, RD, LD,**

performance that are especially meaningful to customers, who place a high priority on a few basic services, such as receiving all the products they order on time, in undamaged condition and accurately invoiced. Product innovation is another key component customers desire and SYSCO brand products give the company a competitive edge. Distinctive to SYSCO, they are produced to exacting specifications and provide consistent quality and exceptional yield, or servings per container, in comparison to competitors

## SUPPORTING INDIVIDUAL CUSTOMER NEEDS

Making certain that customers are completely satisfied is no small task. It involves every facet of the organization, beginning with sales. Independent eateries are the fastest growing segment of the foodservice industry and SYSCO

SUPPLYING CUSTOMERS WITH TOOLS FOR SUCCESS

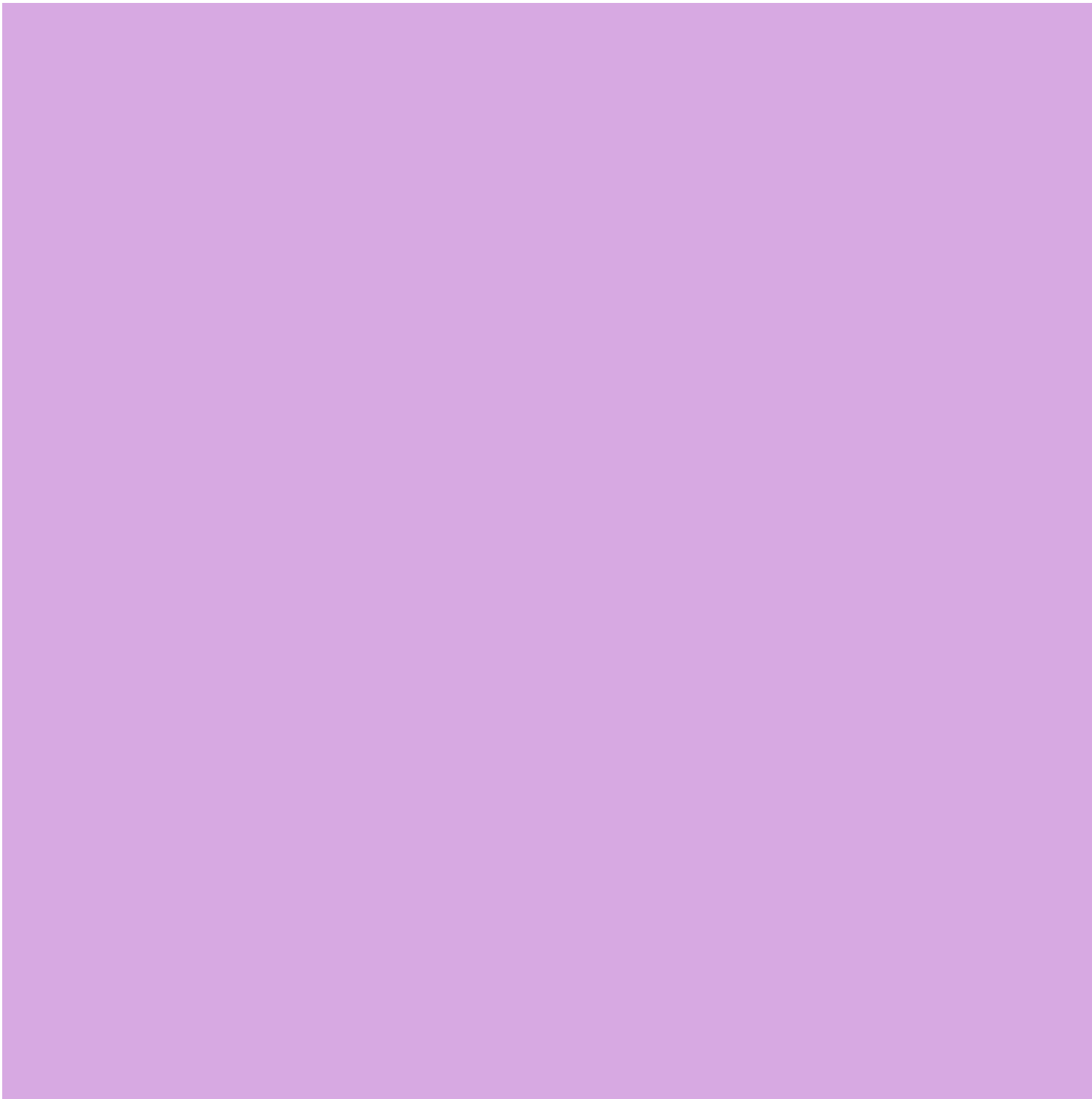










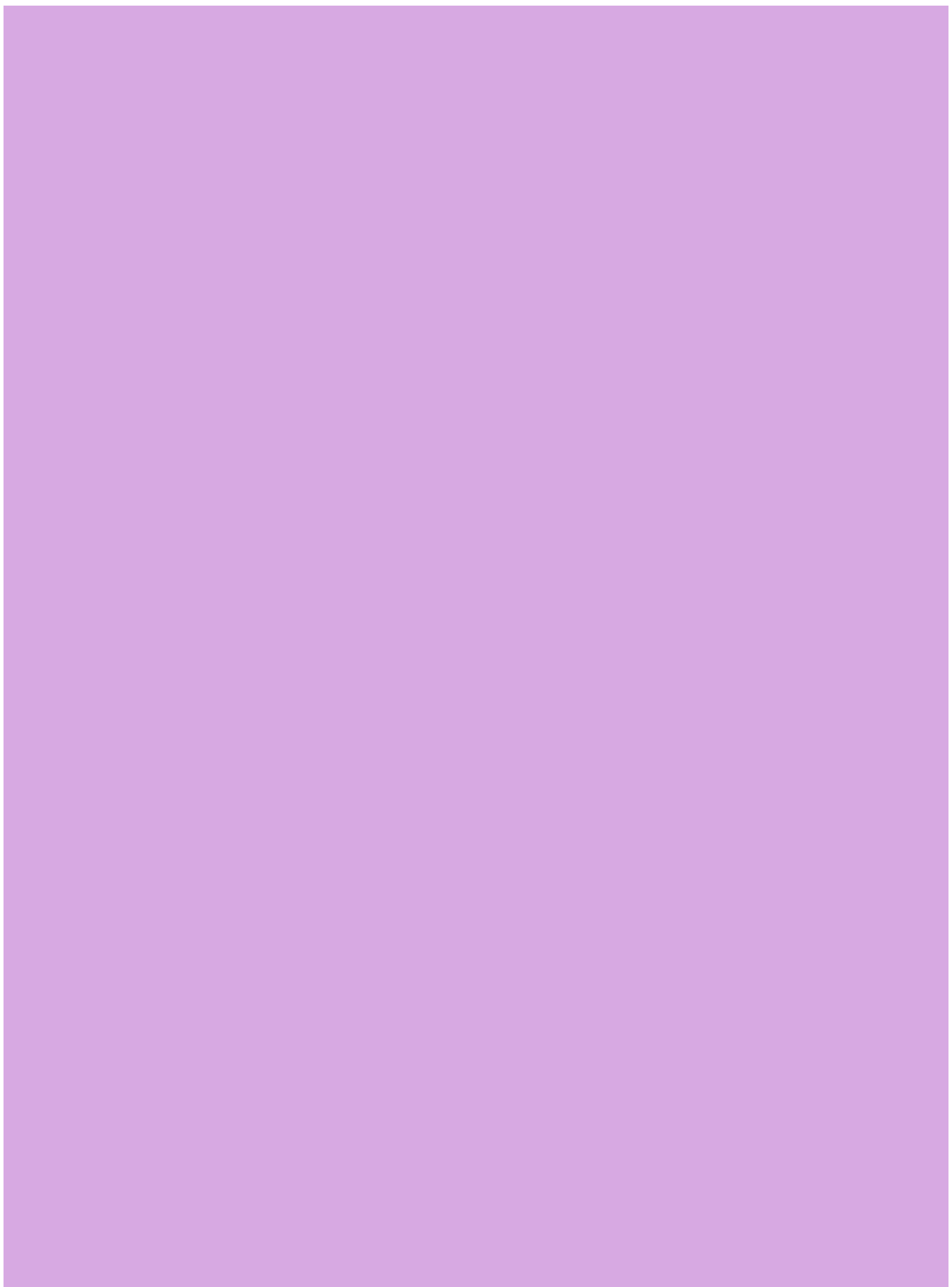


SYSCO-sponsored SERVSAFE® training seminars. From creating menus to developing training materials for restaurant employees, SYSCO believes that providing customers with the tools for success is an integral part of building customer loyalty.

#### LEVERAGING WAREHOUSE TECHNOLOGY

Over the years, advances in technology have allowed SYSCO to warehouse products more efficiently and deliver consistent quality products on a timely basis. As a result, inventory turnover rates continue to improve and averaged 17 days of sales in fiscal 1999. SYSCO's broad range of 275,000 products are transported by rail, roadway or air from points around the globe to its 78 distribution centers. Each traditional foodservice facility may serve 4,000 to 7,000 customers and inventory 10,000 to 16,000 products.

The SYGMA centers, which specialize in chain restaurant distribution, supply multiple locations of one to five large restaurant customers and inventory





The first application of SUS was the warehouse management component, the SYSCO Warehouse Management System (SWMS). It includes two components – inventory management and labor management. The first encompasses a locator system and a fully directed warehouse management system that tracks inventory through every aspect of its life within SYSCO – from receipt to storage, selection and delivery. Through improved order accuracy and inventory control, the system should increase productivity and help control costs and expenses. The labor management segment is a tool used to increase safety and productivity and improve accuracy and efficiency by managing an employee's

average, relying upon sophisticated computer routing systems and information from on-board computers to devise the most efficient route plans and arrange product deliveries within the customer





CARING ABOUT THE

(Dollars in thousands except for per share and shareholder data)	1999	1998	1997	1996	1995
<b>Results of Operations</b>					
Sales	\$ 17,422,815	\$ 15,327,987	0 TD 91-982(15,327.98701 45)	1993,395,130	967..8(19 in 1625)C
Cumulative effect of accounting change	—	(28,053)	—	—	—

S Y S C O C O R P O R A T I O N

						1-Year Growth Rates	5-Year Compound Growth Rates	10-Year Compound Growth Rates	20-Year Compound Growth Rates
1994	1993	1992	1991	1990	1989	1999	1995-1999	1990-1999	1980-1999
\$ 10,942,499	\$ 10,021,513	\$ 8,892,785	\$ 8,149,700	\$ 7,590,568	\$ 6,851,343	13.7%	9.8%	9.8%	15.4%



## **Foodservice Distribution Market**

The foodservice distribution market represents the total purchases of food and related foodservice supplies and products by customers, including restaurants, hospitals, retirement homes, schools, colleges, hotels, motels, cruise lines, and other foodservice operations — wherever a meal is 1 Tf-25.3erod way fur

Certain statements made herein are forward-looking statements under the Private Securities Litigation Reform Act of 1995. They include projected sales increases, anticipated capital expenditures, customer mix, product cost inflation/deflation, implementation and anticipated results of “fold-outs,” potential acquisitions and any potential benefits resulting therefrom, payment of dividends, consistency and predictability.

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