



Employee Bulletin

November 5, 2011

Dear Colleague:

One week ago, the Teamsters started picketing at several US Foods divisions. As the week draws to a close, I want to first thank all of our employees who chose to put our customers' interest first and help us meet or exceed their expectations. As a relative newcomer to the company, I am awed by the strength and character of my fellow employees. While each of us needs to consider our own interests, we have seen actions above and beyond the typical or routine this week because of our commitment to customers.

So now is a good time to reflect on the big picture of what we are dealing with because of the Teamsters.

As we see it, US Foods is a strong company that is doing great things to grow our business. We – with the support of our owners – are investing hundreds of millions of dollars to make our company better and our customer relationships stronger. Investing in our company means investing in growth, and growth means adding customers.

Our strategy is working – we're seeing growth in the business, despite a very tough economy. It is truly a good thing to see dollars invested in new facilities, new technology and new equipment. And, our new brand pulls these investments together and helps everyone – customers, employees, suppliers – understand who we are, and what we do in a high-impact but simple way.

Our customers are dealing with that tough economy, too. Independent restaurant traffic has declined 10 percent since 2008. One of the biggest challenges US Foods and our customers face every day is unemployment. Folks without jobs are hard pressed to dine out.

What is true for both our street and national accounts and our company is a simple formula:

customers equal jobs.

What does that mean to you and me as we look at the Teamsters actions over the past week?

Most obvious is their pickets at 10 of our more than 65 divisions. The intent of these pickets is to harm the relationships we have worked long and hard to form with our customers. That is something each of us needs to worry about. Customers have many choices in our industry, in which we estimate 85 percent are non-union distributors. Our customers ARE the business, and any attempt to force them into choosing a competitor can only be a bad thing for all of us.

That leads me to wonder who is acting in our collective best interest? US Foods, with ongoing investments that will keep us growing with new customers? Or, the Teamsters, with a campaign to disrupt and hurt our ability to meet customer expectations of high quality products and strong service. If you agree with the formula, customers = jobs, the answer is simple.

In closing, please accept my sincere gratitude for all that you are doing to grow US Foods. In the past week, many of you have made courageous choices to help serve our customers in the face of unnecessary and potentially harmful challenges.

Thank you.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a horizontal line extending to the right.

John Lederer
President and Chief Executive Officer
US Foods