

## Dear fellow stockholders

As I look across our company, I can say that I have never been more proud, excited and optimistic about Sara Lee – about where we are today and the direction we are heading. Our incredible perseverance in fiscal 2008 led to solid improvement in our underlying operating results, while we also built stronger brands with better market positions. And, we continued to improve essential capabilities such as innovation, supply chain management and pricing. We've made a lot of progress since we started our journey, but we are reaching even higher for the future.



**Fiscal 2008** In a year of unprecedented commodity volatility – highlighted by record prices for wheat and fuel, among many other input costs – Sara Lee did what great companies do. We faced the challenges, dealt with them rationally and made the right decisions at the right times to ensure our success for the year. We delivered strong sales growth of more than 10 percent and increased our adjusted operating margin\* by 0.7 percentage points to 8.1 percent. We met or exceeded many of our forecasts for the year, including adjusted earnings per share\* of \$0.83, up from \$0.77 per share last year.

We increased marketing support for our brands and gained share in many major categories and markets in which we compete. And, to cap off the success, we built our first billion dollar brand in *Sara Lee*. Driven by strong fresh bakery sales growth and the success of new deli meat offerings, combined with the great foundation of our heritage frozen desserts business, *Sara Lee* has achieved true mega-brand status. It is our first, but won't be our last.

**Looking ahead** With fiscal 2008 behind us, we look to fiscal 2009 and beyond with great optimism. We have our disciplined approach to building our businesses: strong marketing behind innovative new products, entry into new markets and continuous improvement in everything we do. Our optimism also comes from our ongoing focus on smart capital allocation with prudent investments to build on our best opportunities for sustained growth.

**People and culture** I truly believe that a winning culture based on shared mission, vision and values is at the heart of our company's success. We have always had great people at Sara Lee, but today we are doing a better job of developing, managing and retaining our talent. We'll continue to have a relentless focus on the quality and development of our employees at all levels and in every area of the company to enable our long-term success.

**Thank you** Each year, this letter is a great opportunity to publicly offer my gratitude to the many people who make Sara Lee what it is and who give the company their best every day. We could not have accomplished so much, nor would we have such great confidence in the future, without the talents and hard work of our employees. I thank each of them for the significant contributions they have made thus far. I'd also like to thank our board of directors for their involvement and insights and our customers for their trust in our company, brands and products. Let me conclude by thanking you, our stockholder, for your confidence in our ability to rebuild this great company. I am pleased that we've begun to provide results that justify your ongoing commitment to Sara Lee Corporation.

A handwritten signature in red ink that reads "Brenda C. Barnes". The signature is fluid and cursive.

**Brenda C. Barnes**

Chairman and Chief Executive Officer  
September 1, 2008

\* See page 78 for a reconciliation of reported operating margin to adjusted operating margin and reported earnings per share to adjusted earnings per share.