

Sara Lee Corporation**Reconciliation of Fiscal 2008 Net Cash From Operating Activities To Free Cash Flow**

(Dollars in millions)

In its press release issued on August 7, 2008, Sara Lee reported that net cash from operating activities was approximately \$600 million. During Sara Lee's earnings webcast later that day, Sara Lee's Chief Executive Officer stated that Sara Lee's free cash flow for fiscal 2008 was approximately \$200 million. "Free cash flow" is a non-GAAP financial measure that adjusts net cash from operating activities by adding contingent sale proceeds from the sale of Sara Lee's tobacco business in fiscal 1999 and deducting capital expenditures. The table below reconciles free cash flow to net cash from operating activities.

	Fiscal 2008
Net cash from operating activities	≈\$ 600
Add: Contingent tobacco sale proceeds	<u>130</u>
	730
Less: Capital expenditures	<u>515</u>
Free cash flow	<u>≈\$ 215</u>