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SARA LEE ANNOUNCES REVISED CAPITAL PLANS

- *Board of Directors authorizes \$2 billion of additional share repurchases*
- *Anticipating \$2.5 to \$3 billion of share buybacks within three years*
- *Annual dividend expected to be \$0.44 per share, post-Household & Body Care sales*
- *Committed to solid investment-grade credit profile*

DOWNERS GROVE, Ill. (Feb. 16, 2010) – Sara Lee Corp. (NYSE: SLE) today announced that management and the Board of Directors have revised its capital plans. The company is providing new targets for dividend policy and further clarity on the use of proceeds of the International Household and Body Care (H&BC) sale.

“Two weeks ago we reported strong first half results, which allowed us to increase our guidance for the second time this fiscal year, and at the same time accelerate second half investment in growth opportunities. In addition to our strong operating performance, the capital plans and targets set out today are designed to drive significant shareholder value,” said Sara Lee Corp. chairman and chief executive officer Brenda C. Barnes. “With the H&BC sale process well under way, we have good visibility on the proceeds, and expect to begin receiving them soon. At this time, we firmly believe that the best use of these funds is to buy back Sara Lee shares, which will be accretive to earnings per share. While maintaining a solid investment grade credit profile, we estimate that we can buy back around \$2.5 to \$3 billion of stock over a three-year period. The plan is to front-load the repurchases, initially buying approximately \$1 to \$1.3 billion of shares by the end of this calendar year. We are committed to driving strong growth in future years, and combined with aggressive share repurchase, we anticipate significant improvement in earnings per share.”

“We expect to maintain and gradually increase our current \$0.44 per share annual dividend after the sale of H&BC,” Barnes added. “The Board of Directors will continue to evaluate the best opportunities for value creation, and investment of our cash, through potential acquisitions or other investments in the company’s growth. However, at this time, the Board has increased our share repurchase program to \$3 billion to support our intention to begin aggressively repurchasing shares in the near future.”

Liquidity and debt

Sara Lee is committed to a solid investment-grade credit profile. To this end, the company targets metrics commensurate with a solid investment-grade rating. The company plans to reduce pension under-funding by making a \$200 million cash contribution early in fiscal 2011.

Share repurchase

Sara Lee has received binding offers for its Body Care business from Unilever and its Air Care business from P&G for a combined 1.595 billion euros. These offers represent approximately two-thirds of the H&BC business, and Sara Lee is highly confident about its ability to sell the remainder. In addition, at the end of the second quarter, Sara Lee had cash on its balance sheet of \$1.3 billion, which will now be used to implement part of the company's share repurchase plans.

Sara Lee expects to begin buying back shares in the near future and anticipates that it will repurchase \$1 to \$1.3 billion of shares in calendar 2010, though that amount will not exceed \$500 million until the company receives the proceeds from selling its Body Care business to Unilever.

Dividend

The company will continue to target a dividend payout ratio of 40 to 50% of net income, excluding significant items. Following the sale of H&BC, the company expects to maintain and gradually increase its \$0.44 per share annual dividend.

Taxation

The H&BC proceeds will be subject to transaction cash taxes of approximately 10% of the proceeds. Repatriating will lead to incremental cash taxes of approximately 20%.

Repatriating any or all of the \$1.3 billion of cash currently on the balance sheet will lead to a repatriation cash tax expense which should not exceed 25%.

As a result of this announcement, and in accordance with U.S. GAAP, Sara Lee will take a book tax charge in the third quarter of fiscal 2010 relating to the deemed repatriation of both the existing overseas cash on the balance sheet and the book value of the H&BC business. We estimate the charge to be approximately \$550 million, but the actual amount will be calculated based on balances as of the end of the third quarter of fiscal 2010. This charge results from the company no longer having specific plans to indefinitely post-pone repatriation of its current overseas cash or the current book value of its investment in H&BC. When individual H&BC sale transactions close, a repatriation tax related to the gain will be booked.

Guidance

At this time, the company is not providing any new guidance, as the amount and timing of any potential share repurchase or significant items is uncertain. However, the earnings per share guidance reported by the company on Feb 4, 2010 is expected to be impacted by the tax provisions described above and lower shares outstanding, as repurchases are completed.

CAGNY Webcast

As previously announced, Sara Lee Corporation will present at the Consumer Analyst Group of New York's (CAGNY) annual conference today, Tuesday, Feb. 16, 2010. The presentation will be broadcast live via the Internet at 11:30 a.m. CST and can be accessed in the Investor Relations section on www.saralee.com. For people who are unable to listen to the webcast live, a recording will be available on the website two hours following the completion of the webcast until Wednesday, August 16, 2010.

Forward-Looking Statements

This release contains forward-looking statements regarding Sara Lee's business prospects, future earnings growth, share repurchase plans, credit ratings, future dividend amount and payout ratios, tax costs and cash flow. In addition, from time to time, in oral statements and written reports, the corporation discusses its expectations regarding the corporation's future performance by making forward-looking statements preceded by terms such as "anticipates," "we are confident," "expects," "likely" or "believes." These forward-looking statements are based on currently available competitive, financial and economic data and management's views and assumptions regarding future events. Forward-looking statements are inherently uncertain, and investors must recognize that actual results may differ from those expressed or implied in the forward-looking statements. Consequently, the corporation wishes to caution readers not to place undue reliance on any forward-looking statements. Among the factors that could cause Sara Lee's actual results to differ from such forward-looking statements are factors relating to:

- Future opportunities that the Board may determine present greater potential value to shareholders than the current capital plans and targets, including without limitation potential acquisitions, joint ventures or other corporate transactions, and investments in Sara Lee's business;
- Future operating or capital needs that require a more significant outlay of cash than currently anticipated;

- Sara Lee’s relationship with its customers, such as (i) a significant change in Sara Lee’s business with any of its major customers, such as Walmart, its largest customer, including changes in how such customers manage their suppliers and the level of inventory these customers maintain; and (ii) credit and other business risks associated with customers operating in a highly competitive retail environment;
- The consumer marketplace, such as (iii) significant competition, including advertising, promotional and price competition; (iv) changes in consumer behavior due to economic conditions, such as a shift in consumer demand toward private label; (v) fluctuations in the cost of raw materials, Sara Lee’s ability to increase or maintain product prices in response to fluctuations in cost and the impact on Sara Lee’s profitability; (vi) the impact of various food safety issues and regulations on sales and profitability of Sara Lee products; and (vii) inherent risks in the marketplace associated with new product introductions, including uncertainties about trade and consumer acceptance;
- Sara Lee’s international operations, such as (viii) impacts on reported earnings from fluctuations in foreign currency exchange rates, particularly the European euro; (ix) Sara Lee’s generation of a high percentage of its revenues from businesses outside the United States and costs to remit these foreign earnings into the United States to fund Sara Lee’s domestic operations, share repurchase plans and corporate costs; (x) the impact on Sara Lee’s business of its receipt of binding offers to purchase a large portion of its H&BC business, its intent to divest the remainder of that business and the scope, timing and possibility of non-completion of such divestitures; and (xi) Sara Lee’s ability to continue to source production and conduct manufacturing and selling operations in various countries due to changing business conditions, political environments, import quotas and the financial condition of suppliers;
- Previous business decisions, such as (xii) Sara Lee’s ability to generate margin improvement through cost reduction and efficiency initiatives, including Project Accelerate and the outsourcing of significant portions of our financial transaction processing, global IT, and global indirect procurement activities; (xiii) Sara Lee’s ability to achieve planned cash flows from capital expenditures and acquisitions and the impact of changing interest rates and the cost of capital on the discounted value of those planned cash flows, which could impact future impairment analyses; (xiv) credit ratings issued by the three major credit rating agencies, the impact of Sara Lee’s capital plans and targets on such credit ratings and the impact these ratings and changes in these ratings may have on Sara Lee’s cost to borrow funds, access to capital/debt markets, and ability to complete the planned share repurchase; (xv) Sara Lee’s plan to refinance significant outstanding indebtedness in the next two years and the impact of potential changes in the credit environment; (xvi) Sara Lee’s plan to repurchase a significant amount of its common stock and the impact of such repurchases on its earnings, cash flow and credit ratings; (xvii) the settlement of a number of ongoing reviews of Sara Lee’s income tax filing positions in various jurisdictions and inherent uncertainties related to the interpretation of tax regulations in the jurisdictions in which Sara Lee transacts business; and (xviii) changes in the expense for and contingent liabilities relating to multi-employer pension plans in which Sara Lee participates.

In addition, Sara Lee’s results may also be affected by general factors, such as economic conditions, political developments, interest and inflation rates, accounting standards, taxes and laws and regulations in markets where the corporation competes. Sara Lee undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

About Sara Lee Corporation

Each and every day, Sara Lee (NYSE: SLE) delights millions of consumers and customers around the world. The company has one of the world’s best-loved and leading portfolios with its innovative and trusted food, beverage, household and body care brands, including *Ambi Pur*, *Ball Park*, *Douwe Egberts*, *Hillshire Farm*, *Jimmy Dean*, *Kiwi*, *Sanex*, *Sara Lee* and *Senseo*. Collectively, these brands generate almost \$13 billion in annual net sales covering approximately 180 countries. The Sara Lee community consists of 41,000 employees worldwide. Please visit www.saralee.com for the latest news and in-depth information about Sara Lee and its brands.