

## Frequently Asked Questions - Hanesbrands Inc. Spin-Off

**Q1: What are you announcing today?**

A1: Sara Lee Corporation today announced that it has completed the tax-free spin-off to its shareholders of Hanesbrands Inc. After the close of business on Sept. 5, 2006, the company distributed 100 percent of the common stock of Hanesbrands Inc. to Sara Lee shareholders of record on Aug. 18, 2006.

**Q2: How many Hanesbrands shares did shareholders receive?**

A2: Sara Lee shareholders of record, as of the close of business on Aug. 18, 2006, received one Hanesbrands share for every eight Sara Lee shares they own.

**Q3: How did you handle fractional shares?**

A3: Fractional shares of Hanesbrands common stock were not issued to Sara Lee shareholders as part of the distribution. Rather, record shareholders of fewer than eight shares of Sara Lee common stock on the record date (Aug. 18, 2006) and shareholders who would receive a fractional share as a result of the distribution ratio, will receive cash in lieu of fractional shares.

The distribution agent will aggregate all of the fractional shares and sell them in the open market at then prevailing prices on behalf of these shareholders. These shareholders will receive cash payments in the amount of their proportionate share of the net sale proceeds from the sale of the aggregated fractional shares, based upon the average gross selling price per share of Hanesbrands common stock after making appropriate deductions for any required withholdings for U.S. federal income tax purposes. Hanesbrands will bear the cost of brokerage fees incurred in connection with these sales, and it anticipates that these sales will occur as soon after the date of the spin-off (Sept. 5, 2006) as practicable as determined by the distribution agent.

**Q4: Do you expect the Sara Lee stock to trade at a lower price as a result of the spin?**

A4: The value of shares of Sara Lee common stock is expected to decline initially following the spin-off because of the fact that the value of the Hanesbrands business is no longer part of Sara Lee. However, the combined share value of the two publicly traded companies should reflect the underlying value of both assets. Over time, we expect improved prospects for enhanced growth and financial performance for both companies as independent entities.

**Q5: Is it possible that the Hanesbrands stock price could trade at a higher level than the Sara Lee stock price?**

A5: Because Sara Lee offered shareholders one Hanesbrands share for every eight Sara Lee shares owned, it is likely that the Hanesbrands shares will debut at a higher price. However, Sara Lee is still the larger company in terms of annual sales and market capitalization.

**Q6: What do Sara Lee shareholders need to do to participate in the spin-off?**

A6: The short answer is: nothing. To participate in the spin-off, Sara Lee shareholders do not need to pay any consideration, exchange or surrender their existing shares of Sara Lee common stock or take any other action to receive shares of Hanesbrands common stock. In addition, no vote of Sara Lee's stockholders is required, and therefore no proxy will be solicited in connection with the spin-off.

**Q7: Is Sara Lee's transformation complete?**

A7: While we have reached some significant milestones in the past 18 months – raised more than \$3.7 billion (including the spin-off), are tightly focused on our core consumer products businesses and have significantly improved operating effectiveness across all major functions of the corporation – we are not done yet.

We continue to aggressively improve operating effectiveness across all major functions of the company, driving new product innovation and transforming our culture. We remain confident that we have the right strategy in place to transform Sara Lee into a leading choice for consumers and customers around the world.