

Edgar Filing: Sara Lee Corp - Form SC 13D

Sara Lee Corp
Form SC 13D
January 18, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D
Under the Securities and Exchange Act of 1934

Sara Lee Corporation

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

803111103

(CUSIP Number)

Allison Bennington, Esq.
ValueAct Capital
435 Pacific Avenue, Fourth Floor
San Francisco, CA 94133
(415) 362-3700

(Name, address and telephone number of Person
Authorized to Receive Notices and Communications)

Christopher G. Karras, Esq.
Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, PA 19104-2808
(215) 994-4000

January 10, 2008

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

This information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see

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the Notes).

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

ValueAct Capital Master Fund, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X] (b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS (See Instructions)*

WC*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

7. SOLE VOTING POWER 0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH 8. SHARED VOTING POWER 30,737,934**

9. SOLE DISPOSITIVE POWER 0

10. SHARED DISPOSITIVE POWER 30,737,934**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

30,737,934**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.2%

14. TYPE OF REPORTING PERSON

PN

*See Item 3

**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

ValueAct Capital Master Fund III, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (See Instructions)*

WC*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

7. SOLE VOTING POWER	0
8. SHARED VOTING POWER	5,530,481**
9. SOLE DISPOSITIVE POWER	0
10. SHARED DISPOSITIVE POWER	5,530,481**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,530,481**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

less than 1%

14. TYPE OF REPORTING PERSON

PN

*See Item 3

**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE

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PERSON (entities only)

VA Partners I, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X] (b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

00*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER 0
8. SHARED VOTING POWER 30,737,934**
9. SOLE DISPOSITIVE POWER 0
10. SHARED DISPOSITIVE POWER 30,737,934**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

30,737,934**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.2%

14. TYPE OF REPORTING PERSON

00 (LLC)

*See Item 3
**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

VA Partners III, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]

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(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

00*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7. SOLE VOTING POWER	
		0
NUMBER OF	8. SHARED VOTING POWER	
SHARES		5,530,481**
BENEFICIALLY	9. SOLE DISPOSITIVE POWER	
OWNED BY EACH		0
PERSON WITH	10. SHARED DISPOSITIVE POWER	
		5,530,481**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,530,481**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

less than 1%

14. TYPE OF REPORTING PERSON

00 (LLC)

*See Item 3

**See Items 2 and 5

SCHEDULE 13D

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. INDENTIFICATION NO. OF ABOVE
PERSON (entities only)

ValueAct Capital Management, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3. SEC USE ONLY

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4. SOURCE OF FUNDS*

00*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7. SOLE VOTING POWER
	0
NUMBER OF	8. SHARED VOTING POWER
SHARES	36,268,415**
BENEFICIALLY	9. SOLE DISPOSITIVE POWER
OWNED BY EACH	0
PERSON WITH	10. SHARED DISPOSITIVE POWER
	36,268,415**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

36,268,415**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.0%

14. TYPE OF REPORTING PERSON

PN

*See Item 3
**See Items 2 and 5

SCHEDULE 13D

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE
PERSON (entities only)

ValueAct Capital Management, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

00*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED

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PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7. SOLE VOTING POWER	0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH	8. SHARED VOTING POWER	36,268,415**
	9. SOLE DISPOSITIVE POWER	0
	10. SHARED DISPOSITIVE POWER	36,268,415**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

36,268,415**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.0%

14. TYPE OF REPORTING PERSON

00 (LLC)

*See Item 3
**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

ValueAct Holdings, L.P.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X] (b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

00*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

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	7. SOLE VOTING POWER	
	0	
NUMBER OF	-----	
SHARES	8. SHARED VOTING POWER	
BENEFICIALLY	36,268,415**	
OWNED BY EACH	-----	
PERSON WITH	9. SOLE DISPOSITIVE POWER	
	0	

	10. SHARED DISPOSITIVE POWER	
	36,268,415**	

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

36,268,415**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.0%

14. TYPE OF REPORTING PERSON

PN

*See Item 3
**See Items 2 and 5

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1. NAME OF REPORTING PERSON/S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

ValueAct Holdings GP, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS*

00*

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7. SOLE VOTING POWER	
	0	
NUMBER OF	-----	
SHARES	8. SHARED VOTING POWER	

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BENEFICIALLY OWNED BY EACH PERSON WITH 36,268,415**

9. SOLE DISPOSITIVE POWER
0

10. SHARED DISPOSITIVE POWER
36,268,415**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

36,268,415**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.0%

14. TYPE OF REPORTING PERSON

00 (LLC)

*See Item 3
**See Items 2 and 5

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Item 1. Security and Issuer

This Schedule 13D relates to the Common Stock, par value \$0.01 per share (the "Common Stock"), of Sara Lee Corporation, a Maryland corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 3500 Lacey Road, Downers Grove, Illinois 60515.

Item 2. Identity and Background

This statement is filed jointly by (a) ValueAct Capital Master Fund, L.P. ("ValueAct Master Fund"), (b) ValueAct Capital Master Fund III, L.P. ("ValueAct Master Fund III"), (c) VA Partners I, LLC ("VA Partners I"), (d) VA Partners III, LLC ("VA Partners III"), (e) ValueAct Capital Management, L.P. ("ValueAct Management L.P."), (f) ValueAct Capital Management, LLC ("ValueAct Management LLC"), (g) ValueAct Holdings, L.P. ("ValueAct Holdings") and (h) ValueAct Holdings GP, LLC ("ValueAct Holdings GP") (collectively, the "Reporting Persons").

ValueAct Master Fund and ValueAct Master Fund III are limited partnerships organized under the laws of the British Virgin Islands. Each has a principal business address of 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133.

VA Partners I is a Delaware limited liability company, the principal business of which is to serve as the General Partner to ValueAct Master Fund. VA Partners III is a Delaware limited partnership, the principal business of which is to serve as the General Partner to ValueAct Master Fund III. Each has a principal business address of 435 Pacific Avenue, Fourth Floor, San

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Francisco, CA 94133.

ValueAct Management L.P. is a Delaware limited partnership which renders management services to ValueAct Master Fund and ValueAct Master Fund III. ValueAct Management LLC is a Delaware limited liability company, the principal business of which is to serve as the General Partner to ValueAct Management L.P. Each has a principal business address of 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133.

ValueAct Holdings is a Delaware limited partnership and is the sole owner of the limited partnership interests of ValueAct Management L.P. and the membership interests of ValueAct Management LLC and is the majority owner of the membership interests of VA Partners I and VA Partners III. ValueAct Holdings GP is a Delaware limited liability company, the principal business of which is to serve as the General Partner to ValueAct Holdings. Each has a principal business address of 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133.

(d) and (e). None of the entities or persons identified in this Item 2 has during the past five years been convicted of any criminal proceeding (excluding traffic violations or similar misdemeanors), nor been a party to a civil proceeding of a judicial or administrative body of competent judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

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Item 3. Source and Amount of Funds or Other Consideration

The source of funds used for the purchase of the Issuer's securities was the working capital of ValueAct Master Fund and ValueAct Master Fund III. The aggregate funds used by these Reporting Persons to make the purchases were \$90,493,562.37 and \$16,851,214.93.

Item 4. Purpose of Transaction

The Reporting Persons have acquired the Issuer's Common Stock for investment purposes, and such purchases have been made in the Reporting Persons' ordinary course of business.

In pursuing such investment purposes, the Reporting Persons may further purchase, hold, vote, trade, dispose or otherwise deal in the Common Stock at times, and in such manner, as they deem advisable to benefit from changes in market prices of such Common Stock, changes in the Issuer's operations, business strategy or prospects, or from sale or merger of the Issuer. To evaluate such alternatives, the Reporting Persons will routinely monitor the Issuer's operations, prospects, business development, management, competitive and strategic matters, capital structure, and prevailing market conditions, as well as alternative investment opportunities, liquidity requirements of the Reporting Persons and other investment considerations. Consistent with its investment research methods and evaluation criteria, the Reporting Persons may discuss such matters with management or directors of the Issuer, other shareholders, industry analysts, existing or potential strategic partners or competitors, investment and financing professionals, sources of credit and other investors. Such factors and discussions may materially affect, and result in, the Reporting Persons' modifying their ownership of Common Stock, exchanging information with the Issuer pursuant to appropriate

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confidentiality or similar agreements, proposing changes in the Issuer's operations, governance or capitalization, or in proposing one or more of the other actions described in subsections (a) through (j) of Item 4 of Schedule 13D.

The Reporting Persons reserve the right to formulate other plans and/or make other proposals, and take such actions with respect to their investment in the Issuer, including any or all of the actions set forth in paragraphs (a) through (j) of Item 4 of Schedule 13D, or acquire additional Common Stock or dispose of all the Common Stock beneficially owned by them, in the public market or privately negotiated transactions. The Reporting Persons may at any time reconsider and change their plans or proposals relating to the foregoing.

Item 5. Interest in Securities of the Issuer

(a) and (b). Set forth below is the beneficial ownership of shares of Common Stock of the Issuer for each person named in Item 2. Shares reported as beneficially owned by ValueAct Master Fund and ValueAct Master Fund III are also reported as beneficially owned by (i) ValueAct Management L.P. as the manager of each such investment partnership, (ii) ValueAct Management LLC, as General Partner of ValueAct Management L.P., (iii) ValueAct Holdings, as the sole owner of the limited partnership interests of ValueAct Management

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L.P. and the membership interests of ValueAct Management LLC and as the majority owner of the membership interests of VA Partners I and VA Partners III and (iv) ValueAct Holdings GP, as General Partner of ValueAct Holdings. Shares reported as beneficially owned by ValueAct Master Fund are also reported as beneficially owned by VA Partners I, as General Partner of ValueAct Master Fund. Shares reported as beneficially owned by ValueAct Master Fund III are also reported as beneficially owned by VA Partners III, as General Partner of ValueAct Master Fund III. VA Partners I, VA Partners III, ValueAct Management L.P., ValueAct Management LLC, ValueAct Holdings and ValueAct Holdings GP also, directly or indirectly, may own interests in one or more than one of the partnerships from time to time. Unless otherwise indicated below, by reason of such relationships each of the ValueAct Master Fund and ValueAct Master Fund III is reported as having shared power to vote or to direct the vote, and shared power to dispose or direct the disposition of, such shares of Common Stock, with VA Partners I (only with respect to ValueAct Master Fund), VA Partners III (only with respect to ValueAct Master Fund III), ValueAct Management L.P., ValueAct Management LLC, ValueAct Holdings and ValueAct Holdings GP.

As of the date hereof, ValueAct Master Fund is the beneficial owner of 30,737,934 shares of Common Stock, representing approximately 4.2% of the Issuer's outstanding Common Stock (which shares may also be deemed to be beneficially owned by VA Partners I). As of the date hereof, ValueAct Master Fund III is the beneficial owner of 5,530,481 shares of Common Stock, representing approximately less than 1% of the Issuer's outstanding Common Stock (which shares may also be deemed to be beneficially owned by VA Partners III).

ValueAct Management L.P., ValueAct Management LLC, ValueAct Holdings and ValueAct Holdings GP may each be deemed the beneficial owner of an aggregate of 36,268,415 shares of Common Stock, representing approximately 5.0% of the Issuer's outstanding Common Stock.

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All percentages set forth in this Schedule 13D are based upon the Issuer's reported 724,191,597 outstanding shares of Common Stock as reported in the Issuer's Form 10-Q for the quarterly period ended September 29, 2007.

(c) During the sixty (60) days preceding the date of this report, the Reporting Persons purchased the following shares of Common Stock in the open market:

Reporting Person	Trade Date	Shares	Price/Share
ValueAct Master Fund	11/19/2007	450,000	\$15.87
	11/20/2007	225,540	\$15.98
	11/21/2007	270,000	\$16.02
	11/26/2007	225,000	\$16.17
	11/27/2007	29,790	\$16.24
	12/17/2007	225,000	\$16.18
	12/18/2007	225,000	\$16.16
	12/19/2007	225,000	\$16.19
	12/20/2007	225,000	\$16.16
	12/21/2007	135,360	\$16.24
	12/24/2007	27,000	\$16.25
	12/26/2007	203,850	\$16.25

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Reporting Person	Trade Date	Shares	Price/Share
ValueAct Master Fund (cont.)	12/27/2007	225,000	\$16.25
	12/28/2007	225,000	\$16.24
	12/31/2007	225,000	\$16.12
	01/02/2008	234,000	\$15.99
	01/03/2008	312,000	\$15.98
	01/04/2008	390,000	\$15.97
	01/07/2008	390,000	\$15.93
	01/08/2008	390,000	\$15.97
	01/09/2008	390,000	\$15.69
	01/10/2008	390,000	\$15.80
ValueAct Master Fund III	11/19/2007	50,000	\$15.87
	11/20/2007	25,060	\$15.99
	11/21/2007	30,000	\$16.02
	11/26/2007	25,000	\$16.17
	11/27/2007	3,310	\$16.24
	12/17/2007	25,000	\$16.18
	12/18/2007	25,000	\$16.16
	12/19/2007	25,000	\$16.19
	12/20/2007	25,000	\$16.16
	12/21/2007	15,040	\$16.24
	12/24/2007	3,000	\$16.25
	12/26/2007	22,650	\$16.25
	12/27/2007	25,000	\$16.25
	12/28/2007	25,000	\$16.24
	12/31/2007	25,000	\$16.12
	01/02/2008	66,000	\$15.99
	01/03/2008	88,000	\$15.97
	01/04/2008	110,000	\$15.97
	01/07/2008	110,000	\$15.93

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01/08/2008	110,000	\$15.97
01/09/2008	110,000	\$15.69
01/10/2008	110,000	\$15.80

(d) and (e) Not applicable.

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Item 6. Contracts, Arrangements, Understandings or Relationships with
Respect to Securities of the Issuer

Other than as described elsewhere in this Report and as previously reported, the Reporting Persons have no understandings, arrangements, relationships or contracts relating to the Issuer's Common Stock which are required to be described hereunder.

Item 7. Material to Be Filed as Exhibits

(1) Joint Filing Agreement.

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SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below on this Schedule 13D hereby constitutes and appoints Jeffrey W. Ubben, George F. Hamel, Jr., G. Mason Morfit and Allison Bennington, and each of them, with full power to act without the other, his or its true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or it and in his or its name, place and stead, in any and all capacities (until revoked in writing) to sign any and all amendments to this Schedule 13D, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary fully to all intents and purposes as he or it might or could do in person, thereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

ValueAct Capital Master Fund L.P., by
VA Partners I, LLC, its General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

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ValueAct Capital Master Fund III L.P., by
VA Partners III, LLC, its General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer
VA Partners I, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer
VA Partners III, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

CUSIP NO. 803111103

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ValueAct Capital Management, L.P., by
ValueAct Capital Management, LLC its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Management, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

ValueAct Holdings, L.P., by
ValueAct Holdings GP, LLC, its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

ValueAct Holdings GP, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

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Exhibit 1

JOINT FILING UNDERTAKING

The undersigned parties hereby agree that the Schedule 13D filed herewith (and any amendments thereto) relating to the Common Stock of Sara Lee Corporation is being filed jointly on behalf of each of them with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended.

ValueAct Capital Master Fund L.P., by
VA Partners I, LLC, its General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Master Fund III L.P., by
VA Partners III, LLC, its General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

VA Partners I, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

VA Partners III, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Management, L.P., by
ValueAct Capital Management, LLC its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

ValueAct Capital Management, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

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ValueAct Holdings, L.P., by
ValueAct Holdings GP, LLC, its
General Partner

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer

ValueAct Holdings GP, LLC

By: /s/ George F. Hamel, Jr.

Dated: January 18, 2008

George F. Hamel, Jr., Chief Operating Officer