

LEE SARA CORP
Form 4
September 05, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SZYPULSKI WAYNE R

(Last) (First) (Middle)

THREE FIRST NATIONAL
PLAZA, 70 W. MADISON STREET

(Street)

CHICAGO, IL 60602-4260

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
LEE SARA CORP [SLE]

3. Date of Earliest Transaction (Month/Day/Year)
08/31/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. Vice President, Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
Common Stock	08/31/2006		A	(A) or (D) Code V Amount Price A 19,543 \$ (1) 16.63	262,720 (2)	D	
Common Stock					7,295	I	By 401(k) plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
employee stock option (right to buy)	\$ 16.63	08/31/2006		A	66,447	08/31/2009 ⁽³⁾ 08/31/2016	Common Stock 66,447

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SZYPULSKI WAYNE R THREE FIRST NATIONAL PLAZA 70 W. MADISON STREET CHICAGO, IL 60602-4260			Sr. Vice President, Controller	

Signatures

/s/ Helen N. Kaminski For Wayne R. Szypulski pursuant to power of attorney previously filed. 09/05/2006

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Award of a restricted stock unit ("RSU") that may be settled only for shares of common stock. 50% of the RSU will vest on August 31, 2009, subject to the reporting person's continued employment with Sara Lee through that date. The remaining 50% of the RSU will vest on August 31, 2009 if and to the extent certain predetermined performance targets have been achieved. Depending upon the performance achieved, the reporting person could receive up to 150% of the total shares covered by the RSU. Performance targets relate to the cumulative growth in Sara Lee's diluted EPS relative to its peer companies.
- (2) Includes 62,195 restricted stock units that may be settled only for shares of common stock. Restricted stock units generally vest one to five years after the grant date and, upon vesting, are convertible into shares of common stock on a one-for-one basis.
- (3) Option vests in full on August 31, 2009, subject to the reporting person's continued employment with Sara Lee through that date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.