

WILLIAMS-SONOMA, INC.

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CONFIDENTIAL

FACSIMILE TRANSMISSION

Pages (including cover): 4

Date: August 7, 2006
To: Security Breach Notification
Company: CPB
FAX: 518-474-2474
From: Mina Kim

August 4, 2006

Dear [name]:

In conjunction with the annual audit of our financial statements, Williams-Sonoma, Inc. provides Deloitte & Touche LLP, our outside auditors, with certain company information, including certain personal information about our associates. I am writing to notify you that your name and social security number may have been compromised due to a computer security breach. A laptop computer belonging to Deloitte was stolen from the apartment of a Deloitte employee on July 10, 2006 in Los Angeles, CA. The laptop contained a file with certain payroll information, including your name and social security number. Although Deloitte has not received any reports of unauthorized activity using your name or social security number, the theft has been reported to law enforcement and is being investigated by the Wilshire Division of the LAPD.

Although the information contained on the computer was not encrypted, it was password protected. Despite this level of protection, the potential does exist that your personal information may be accessed and/or disclosed by unauthorized individuals. Although we have no indication that your personal information has been utilized by unauthorized parties, we recognize the need to provide you with resources so that you can identify any unauthorized use of your personal information and protect yourself from identity theft. We have arranged for a full year of access to a credit monitoring product at no cost to you, which also includes unlimited access to your Experian credit report.

We have partnered with ConsumerInfo.com, an Experian® company, to provide you with a full year of credit monitoring. This credit monitoring membership includes an initial 3-Bureau Credit Report. It will help you to identify any possible fraudulent use of your information.

The credit monitoring product, Triple AdvantageSM, will identify and notify you of any key changes that may be a sign of identity theft. Your complimentary membership includes:

- One 3-Bureau Report when you sign up
- Unlimited access to your Experian Credit Report and Credit Score
- Monitoring of all three of your national credit reports every day
- Email or SMS Text alerts when key changes are identified
- Identity theft insurance provided by Virginia Surety, Inc.
- Access to fraud resolution representatives

You have ninety (90) days to activate this membership, which will then continue for 12 full months. We encourage you to activate your credit monitoring membership quickly. To redeem your Triple Advantage membership, please visit <http://partner.experiandirect.com/premium/> and enter the code provided below, disregarding any pricing information. You will be instructed on how to initiate your online membership.

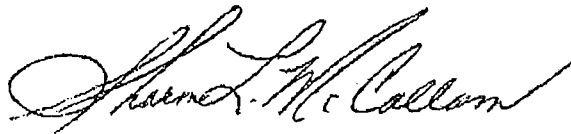
Your Credit Monitoring Access Code: [insert promo code]

We regret any concern or inconvenience this situation may have caused. We know that you may have additional questions, and we have arranged the following telephonic meetings where company representatives will be available to answer your questions and provide more information:

Monday, August 14, 2006 3 PM to 4 PM Pacific Time 1-888-373-5705 Passcode: 843952	Wednesday, August 16, 2006 10 AM to 11 AM Pacific Time 1-888-373-5705 Passcode: 843952	Friday, August 18, 2006 11 AM to 12 PM Pacific Time 1-888-373-5705 Passcode: 843952
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If you have additional questions or require other assistance and cannot participate in the telephonic meetings, you may also contact Jeanette Maggio, Director, HR Services by email at datasecurity@wsgc.com or by phone at 415-421-7900.

Sincerely,



Sharon L. McCollam
Executive Vice President,
Chief Operating and Chief Financial Officer