

The Depository Trust Company
IMPORTANT

B#: 1670
DATE: March 26, 2001
TO: All Participants
CATEGORY: Dividends
FROM: Nilesh Desai, Supervisor, Dividend Department
ATTENTION: Dividend Managers, Cashiers and Reorganization Managers
SUBJECT: Merger: Flowers Industries Inc. Com. Stk. Cusip: 343496105
distribution of Flowers Foods Inc. Com. Stk.
Cusip: 343498101 and approx. \$12.45 per shr. cash merger

***** Warning Time Critical *****

This Notice is to inform participants of the processing that DTC will employ for the spin-off of Flowers Industries Inc. common stock in conjunction with a cash merger. The cash merger and the spin-off will occur simultaneously.

MERGER

The Sale of the Flowers Industries Inc. to Kellogg Company for approximately \$ 12.45 per share in cash is anticipated to close on March 29, 2001. Shareholders will be receiving One share of Flowers Foods Inc. and approximately \$12.45 per share in cash for each 5 shares of Flowers Industries Inc. held.

THE MERGER IS ANTICIPATED TO BECOME EFFECTIVE AFTER THE CLOSE OF BUSINESS ON March 26, 2001.

The NYSE has declared that the Common Stock of (Flowers Industries Inc. will be suspended from trading before the opening of business on March 27, 2001 and will not be quoted EX on the exchange.

(Over)

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CASH PORTION OF MERGER

DTC's Reorganization Department expects to credit participant's accounts the cash proceeds of approximately \$12.45 per common share of Flowers Industries Inc. on March 29, 2001. Participants should refer to RIPS envelope # 72 for information regarding this cash payment.

SPINOFF PORTION OF MERGER

The spin-off distribution of the Flowers Foods Inc. Common shares (CUSIP: 343498101) will be made to record date holders of Flowers Industries Inc. Common shares (CUSIP: 343496105) as of March 26, 2001. DTC's Dividend Department will employ interim accounting on the spin-off distribution through March 26, 2001. DTC will credit the common shares of Flowers Foods Inc. to participants' accounts on March 30, 2001.

To confirm your positions and payment history, participants should access the Dividend and Allocation History (DPAL) Option, via the PTS Dividend Announcements Inquiry (DIVA) Function.

DUE BILL ENTITLEMENT

CNS will adjust due-bill entitlement for trade settlements for the spin-off distribution of the merger for March 29, 2001.

Participants with any questions related to trade settlements picked up by CNS, may contact Mr. Bob Walsh, SIAC Supervisor, at (212) 855-5725.

If participants have any questions regarding this Important Notice, they may contact Michael Jucciarone or Neil Drepaal of DTC's Dividend Department at (212) 855-4511/19.