

# The Depository Trust Company

## **IMPORTANT**

**Revision: Interim Accounting employed to 3/28/01**

**B#:** 1670  
**DATE:** March 28, 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 share 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 also be receiving one share of Flowers Foods Inc. 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-dividend on the exchange.**

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**B# 1670**

**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 28, 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.**

All other trade settlements of March 29, 2001 must be settled broker to broker outside of DTC and CNS.

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.**