

FLOWERS FOODS INC
Form DEF 14A
April 21, 2010

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to Section 240.14a-12

FLOWERS FOODS, INC.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies: N/A

(2) Aggregate number of class of securities to which transaction applies: N/A

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): N/A

(4) Proposed maximum aggregate value of transaction: N/A

(5) Total fee paid: N/A

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fees was paid previously. Identify the previous filing by registration statement number or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: N/A

(2) Form, Schedule or Registration Statement No.: N/A

(3) Filing Party: N/A

(4) Date Filed: N/A

Table of Contents

Thomasville, Georgia

April 21, 2010

Dear Shareholder:

I would like to extend an invitation for you to join us at our annual meeting of shareholders on Friday, June 4, 2010 at 11:00 a.m. at the Thomasville Municipal Auditorium in Thomasville, Georgia.

At this year's meeting, you will vote to:

elect four director-nominees to serve for a term of three years and one director-nominee to serve for a term of two years; and

ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2010.

In addition, Flowers Foods' senior management team will report on the performance of the company and respond to questions from shareholders.

This year the company is implementing the Securities and Exchange Commission Notice and Access rule that permits companies to send their shareholders a Notice that proxy materials are available in electronic form on the Internet or in printed form by request instead of mailing a printed proxy statement and annual report to every shareholder. By utilizing Notice and Access, we are able to speed delivery of the proxy materials, lower our distribution costs and reduce the environmental impact of proxy delivery. On April 21, 2010, we mailed to our shareholders a notice that contains instructions on how to access our 2010 proxy statement and annual report and vote online or to affirmatively elect to receive the proxy materials by mail.

Please carefully review the proxy materials. Your vote is important to us and to our business. **Please also be aware that under a new rule of the New York Stock Exchange that became effective this year, if you hold your shares of Flowers Foods common stock in a bank or brokerage account, your bank or broker will no longer be able to vote your shares for the election of the director-nominees without specific instructions from you. You will need to vote your own shares.**

I encourage you to vote using telephone or Internet voting prior to the annual meeting, so that your shares of Flowers Foods common stock will be represented and voted at the annual meeting even if you cannot attend. If you elected to receive paper copies of the proxy materials by mail, you may vote by signing, dating and mailing the proxy card in the envelope provided.

I hope to see you in Thomasville.

George E. Deese
*Chairman of the Board and
Chief Executive Officer*

**Important Notice Regarding the Availability of Proxy Materials for
the Annual Meeting to be held on June 4, 2010**

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held June 4, 2010

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of Flowers Foods, Inc. will be held on June 4, 2010 at 11:00 a.m. Eastern Time at the Thomasville Municipal Auditorium, 144 East Jackson Street, Thomasville, Georgia, for the following purposes:

- (1) to elect four nominees as directors of the company to serve for a term of three years and one nominee as a director of the company to serve for a term of two years;
- (2) to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Flowers Foods, Inc. for the fiscal year ending January 1, 2011; and
- (3) to transact any other business as may properly come before the meeting and at any adjournment or postponement thereof;

all as set forth in the proxy statement accompanying this notice.

Only record holders of issued and outstanding shares of our common stock at the close of business on April 1, 2010 are entitled to notice of, and to vote at, the annual meeting, or any adjournment or postponement thereof. A list of such shareholders will be open for examination by any shareholder at the time and place of the annual meeting.

Shareholders can listen to a live audio webcast of the annual meeting on our website at www.flowersfoods.com. This webcast also will be archived on our website.

By order of the Board of Directors,

Stephen R. Avera
*Executive Vice President,
Secretary and General Counsel*

1919 Flowers Circle
Thomasville, Georgia 31757
April 21, 2010

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>What is the purpose of the annual meeting?</u>	1
<u>How does the board of directors recommend that I vote on each proposal?</u>	1
<u>What is a proxy?</u>	1
<u>Are the proxy materials available electronically?</u>	1
<u>Who can vote?</u>	2
<u>How many votes do I have?</u>	2
<u>How do I vote?</u>	2
<u>If I am a registered holder, what if I do not give any instructions on a particular matter described in this proxy statement when voting by mail?</u>	2
<u>Can I change my vote after I have mailed my proxy card or after I have authorized the voting of my shares over the Internet or by telephone?</u>	3
<u>How do I vote my 401(k) shares?</u>	3
<u>Can I vote if my shares are held in street name?</u>	3
<u>What constitutes a quorum?</u>	3
<u>What vote is required for each matter to be voted upon at the annual meeting?</u>	3
<u>Will any other business be conducted at the annual meeting or will other matters be voted on?</u>	4
<u>Where can I find the voting results from the annual meeting?</u>	4
<u>How and when may I submit a shareholder proposal for the 2010 annual meeting?</u>	4
<u>Who pays the costs of soliciting proxies?</u>	4
<u>How can I obtain an Annual Report on Form 10-K?</u>	4
<u>Can I elect to receive future Notices and proxy materials electronically?</u>	4
<u>If I cannot attend the annual meeting, will a webcast be available on the Internet?</u>	5
<u>Who should I contact if I have any questions?</u>	5
<u>PROPOSAL I ELECTION OF DIRECTORS</u>	6
<u>Class II Director Nominee</u>	6
<u>Class III Director-Nominees</u>	7
<u>Incumbent Directors</u>	8
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	10
<u>Share Ownership of Certain Executive Officers, Directors and Director-Nominees</u>	10
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	11
<u>CORPORATE GOVERNANCE</u>	11
<u>General</u>	11
<u>Determination of Independence</u>	12
<u>Presiding Director</u>	13
<u>The Board of Directors and Committees of the Board of Directors</u>	13
<u>Board Leadership Structure</u>	16
<u>Risk Management</u>	16
<u>Relationships Among Certain Directors</u>	17
<u>Attendance at Annual Meetings</u>	17
<u>Selection of Director-Nominees</u>	17
<u>Shareholder & Other Interested Party Communication with Directors</u>	17
<u>EXECUTIVE COMPENSATION</u>	18
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	18
<u>Executive Compensation Generally</u>	18
<u>Role of Executive Officers in Compensation Decisions</u>	19

Table of Contents

<u>Compensation Consultants</u>	20
<u>Compensation Benchmarking</u>	20
<u>Cash Compensation</u>	22
<u>Long-Term Incentive Compensation</u>	23
<u>Recoupment Policy</u>	25
<u>Retirement & Other Post-Employment Benefits</u>	26
<u>Executive Deferred Compensation Plan</u>	26
<u>Executive Share Ownership Guidelines</u>	27
<u>Accounting and Tax Effect on Executive Compensation</u>	27
<u>COMPENSATION COMMITTEE REPORT</u>	29
<u>SUMMARY COMPENSATION TABLE</u>	30
<u>GRANTS OF PLAN-BASED AWARDS</u>	32
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END</u>	33
<u>OPTION EXERCISES AND STOCK VESTED</u>	34
<u>PENSION BENEFITS</u>	35
<u>NONQUALIFIED DEFERRED COMPENSATION</u>	35
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL</u>	36
<u>Payments Made Upon Termination Following a Change in Control</u>	36
<u>Payments Made Upon Death, Disability or Retirement</u>	37
<u>DIRECTOR COMPENSATION</u>	38
<u>General</u>	38
<u>2009 Director Compensation Package</u>	38
<u>DIRECTOR SUMMARY COMPENSATION TABLE</u>	40
<u>TRANSACTIONS WITH MANAGEMENT AND OTHERS</u>	42
<u>AUDIT COMMITTEE REPORT</u>	43
<u>PROPOSAL II RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC</u>	
<u>ACCOUNTING FIRM</u>	45
<u>FISCAL 2009 AND FISCAL 2008 AUDIT FIRM FEE SUMMARY</u>	45
<u>SHAREHOLDER PROPOSALS</u>	46

Table of Contents

**FLOWERS FOODS, INC.
1919 Flowers Circle
Thomasville, Georgia 31757**

**PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD
JUNE 4, 2010**

This proxy statement and the accompanying form of proxy are being furnished to the shareholders of Flowers Foods, Inc. on or about April 21, 2010 in connection with the solicitation of proxies by our board of directors for use at the annual meeting of shareholders to be held on June 4, 2010 at 11:00 a.m. Eastern Time at the Thomasville Municipal Auditorium, 144 East Jackson Street, Thomasville, Georgia, and any adjournment or postponement of the meeting.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, shareholders will:

vote to elect four nominees as directors of the company to serve for a term of three years and one nominee as director of the company to serve for a term of two years;

vote on the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Flowers Foods for the fiscal year ending January 1, 2011; and

transact any other business that may properly come before the meeting and any adjournment or postponement of the meeting.

In addition, Flowers Foods' senior management team will report on the performance of the company and respond to questions from shareholders.

How does the board of directors recommend that I vote on each proposal?

The board of directors recommends that you vote **FOR**:

the election of one director-nominee to serve as a Class II director until 2012;

the election of the four director-nominees to serve as Class III directors until 2013; and

the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 1, 2011.

What is a proxy?

A proxy is your legal designation of another person to vote the shares of Flowers Foods common stock you own as of the record date for the annual meeting. If you appoint someone as your proxy in a written document, that document is also called a proxy or a proxy card. We have designated three of our executive officers as proxies for the annual meeting. These three officers are George E. Deese, our chairman of the board and chief executive officer, R. Steve Kinsey, our executive vice president and chief financial officer and Stephen R. Avera, our executive vice president,

secretary and general counsel.

Are the proxy materials available electronically?

Yes. Under Securities and Exchange Commission rules, Flowers Foods is making this proxy statement and its 2009 annual report available to its shareholders electronically via the Internet at www.proxyvote.com. On April 21, 2010, we mailed to our shareholders a Notice containing instructions on how to access this proxy statement and our 2009 annual report online. If you received a Notice by mail, you will not receive a printed copy of the proxy

Table of Contents

materials in the mail. Rather, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report on the Internet. The Notice also instructs you on how you may submit your proxy vote over the Internet.

If you received a Notice by mail but would like to receive a printed copy of the proxy statement and 2009 annual report, please follow the instructions for requesting such materials contained on the Notice.

Who can vote?

To be eligible to vote, you must have been a shareholder of record of the company's common stock at the close of business on April 1, 2010, which is the record date for the annual meeting. There were 91,729,922 shares of our common stock outstanding and entitled to vote on the record date.

How many votes do I have?

With respect to each matter to be voted upon at the annual meeting, you are entitled to one vote for each share of common stock you held on the record date for the annual meeting. For example, if you owned 100 shares of our common stock on the record date, you would be entitled to 100 votes for each matter to be voted upon at the annual meeting.

How do I vote?

You can vote in the following ways:

Voting by Mail. If you elect to receive your proxy materials by mail, you may vote by completing and signing the enclosed proxy card and promptly mailing it in the enclosed postage-paid envelope. The envelope does not require additional postage if you mail it in the United States.

Internet Voting. If you have Internet access, you may vote your shares from any location in the world at www.proxyvote.com by following the instructions set forth on the Notice or the proxy card.

Telephone Voting. You may authorize the voting of your shares by following the Vote by Telephone instructions set forth on the proxy card.

Vote at the Meeting. If you attend the annual meeting and you are a registered shareholder, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot, which will be available at the annual meeting. If your shares are held in street name through a broker, bank or other record holder, to be eligible to vote your shares in person, you must obtain a legal proxy from your bank, broker or agent that specifies the number of shares you owned on the record date and bring the legal proxy with you to the annual meeting.

By executing and returning your proxy (either by returning the proxy card or by submitting your proxy electronically via the Internet or by telephone), you appoint George E. Deese, R. Steve Kinsey and Stephen R. Avera to represent you at the annual meeting and to vote your shares at the annual meeting in accordance with your voting instructions. The Internet and telephone voting procedures are designed to authenticate shareholder identities, to allow shareholders to give voting instructions and to confirm that shareholders' instructions have been recorded properly. Any shareholder voting by Internet should understand that there may be costs associated with electronic access, like usage charges from Internet access and telephone or cable service providers, that must be paid by the shareholder.

If I am a registered holder, what if I do not give any instructions on a particular matter described in this proxy statement when voting by mail?

Registered shareholders should specify their choice for each matter on the proxy card. If no specific instructions are given, proxies that are signed and returned will be voted **FOR** the election of each director-nominee and each matter to be voted on at the annual meeting.

Table of Contents

Can I change my vote after I have mailed my proxy card or after I have authorized the voting of my shares over the Internet or by telephone?

Yes. You can change your vote and revoke your proxy at any time before the polls close at the annual meeting by doing any one of the following things:

Signing and delivering to our corporate secretary another proxy with a later date;

Giving our corporate secretary a written notice before or at the annual meeting that you want to revoke your proxy; or

Voting in person at the annual meeting.

Your attendance at the annual meeting alone will not revoke your proxy.

How do I vote my 401(k) shares?

If you participate in the Flowers Foods, Inc. 401(k) Retirement Savings Plan and you received the Notice, you may vote by internet or telephone as previously described in this proxy statement. Alternatively, you may elect to receive your proxy materials by mail by calling the number on the Notice and vote by signing and returning your proxy card or by Internet or telephone as previously described in this proxy statement. By voting, you will direct Mercer Trust Company, the Trustee of the 401(k) plan, how to vote the Flowers Foods, Inc. common shares allocated to your account. Any unvoted or unallocated shares will be voted by the Trustee in the same proportion on each proposal as the Trustee votes the shares of stock credited to the 401(k) plan participants' accounts for which the Trustee receives voting directions from the 401(k) plan participants. The number of shares you are eligible to vote is based on your balance in the 401(k) plan on the record date for the annual meeting.

Can I vote if my shares are held in street name by a bank or broker?

If your shares are held in street name through a broker, bank or other holder of record, you will receive instructions from the registered holder that you must follow in order for your shares to be voted for you by that record holder. Telephone and Internet voting is also offered to shareholders who own their Flowers Foods shares through certain banks and brokers. Under a new rule of the New York Stock Exchange that became effective this year, banks and brokers may no longer exercise discretionary voting authority for the election of the director-nominees. Therefore, it is important that you follow the voting instructions sent to you by the registered holder of your shares held in street name if you want your vote to be counted.

What constitutes a quorum?

The holders of at least a majority of the shares of our common stock entitled to vote at the annual meeting are required to be present in person or by proxy to constitute a quorum for the transaction of business.

Abstentions and broker non-votes will be counted as present in determining whether the quorum requirement is satisfied but will not be included in vote totals and will not affect the outcome of the vote. A non-vote occurs when a nominee holding shares for a beneficial owner votes on one proposal pursuant to discretionary authority or instructions from the beneficial owner, but does not vote on another proposal because the nominee has not received instruction from the beneficial owner and does not have discretionary power. The aggregate number of votes cast by

all shareholders present in person or represented by proxy at the meeting, whether those shareholders vote for or against the proposals, will be counted for purposes of determining the minimum number of affirmative votes required for approval of the proposals, and the total number of votes cast for each of these proposals will be counted for purposes of determining whether sufficient affirmative votes have been cast.

What vote is required for each matter to be voted upon at the annual meeting?

Once a quorum has been established, with respect to the election of Directors (Proposal I), the four director-nominees in Class III and the one director-nominee in Class II receiving the highest number of votes cast at the annual meeting will be elected, regardless of whether that number represents a majority of the votes cast. The

Table of Contents

affirmative vote of the holders of a majority of the shares of our common stock present at the meeting in person or by proxy is required to ratify the appointment of our independent auditors for fiscal 2010 (Proposal II).

Will any other business be conducted at the annual meeting or will other matters be voted on?

At this time, our board of directors does not know of any other business to be brought before the meeting, but if any other business is properly brought before the meeting, the persons named as proxies, Messrs. Deese, Kinsey and Avera, will exercise their judgment in deciding how to vote or otherwise act at the annual meeting with respect to that matter or proposal.

Where can I find the voting results from the annual meeting?

We will report the voting results on Form 8-K, which we expect to file with the Securities and Exchange Commission (SEC) on or before June 10, 2010.

How and when may I submit a shareholder proposal for the 2011 annual meeting?

For information on how and when you may submit a shareholder proposal for the 2011 annual meeting, please refer to the section entitled Shareholder Proposals in this proxy statement.

Who pays the costs of soliciting proxies?

We will pay the cost of soliciting proxies. We have engaged Georgeson Shareholder Communications, Inc. to assist in the solicitation of votes for a fee of \$10,000, plus out-of-pocket expenses. In addition, our directors and officers may solicit proxies in person, by telephone or facsimile but will not receive additional compensation for these services. Brokerage houses, nominees, custodians and fiduciaries will be requested to forward soliciting material to beneficial owners of stock held of record by them, and we will reimburse those persons for their reasonable expenses in doing so.

How can I obtain an Annual Report on Form 10-K?

The notice of the annual meeting, the proxy statement and the Annual Report are available on the Internet at www.proxyvote.com. You may also receive a copy of the annual report free of charge by sending a written request to Flowers Foods, Inc., 1919 Flowers Circle, Thomasville, Georgia 31757, Attention: Investor Relations Department.

If you elected to receive your proxy materials by mail, a copy of Flowers Foods' Annual Report, which includes our Form 10-K and our financial statements for the fiscal year ended January 2, 2010, is included in the mailing of this proxy statement.

The Annual Report does not form any part of the material for the solicitation of proxies.

Can I elect to receive future Notices and proxy materials electronically?

Yes. If you are a registered shareholder or if you participate in the Flowers Foods, Inc. 401(k) Retirement Savings Plan, log on to www.flowersfoods.com and follow the instructions for signing up for electronic delivery of proxy materials. Those shareholders signing up for this service will receive all future proxy materials, including the Notice, proxy statement and annual report electronically. Please call our shareholder relations specialist at (229) 226-9110 if you need assistance.

If you hold your shares in a brokerage account or bank you may also have the opportunity to receive these documents electronically. Please contact your brokerage service, bank or financial advisor to make arrangements for electronic delivery of your proxy materials.

Table of Contents

If I cannot attend the annual meeting, will a webcast be available on the Internet?

Shareholders can listen to a live audio webcast of the annual meeting over the Internet on the company's website at www.flowersfoods.com. This webcast also will be archived on the site.

We have included the website address for reference only. The information contained on our website is not incorporated by reference into this proxy statement and does not form any part of the materials used for the solicitation of proxies.

Who should I contact if I have any questions?

If you have any questions about the annual meeting or your ownership of our common stock, please contact Marta J. Turner, our executive vice president of corporate relations, at the above address or by calling (229) 226-9110.

Table of Contents

PROPOSAL I

ELECTION OF DIRECTORS

Our board of directors is divided into three classes, with Class I and Class III consisting of four members and Class II currently consisting of three members. The directors in each class serve for a term of three years. If Mr. Singer is elected this year, his initial term as a director will be for two years since he is being proposed for election to Class II to equalize the number of directors in each class. Thereafter, his term will also be three years. Directors are elected annually to serve until the expiration of the term of their class or until their successors are elected and qualified. Background information concerning each of our director-nominees and the incumbent directors is provided below.

The following nominee is proposed for election in Class II, to serve until 2012:

David V. Singer

The following nominees are proposed for election to Class III, to serve until 2013:

Franklin L. Burke

George E. Deese

Manuel A. Fernandez

Melvin T. Stith

Unless instructed otherwise, the proxies will be voted for the election of the director-nominees named above to serve for the terms indicated or until their successors are elected and have been duly qualified. If any nominee is unable to serve, proxies may be voted for a substitute nominee selected by the board of directors. However, our board of directors has no reason to believe that any nominee will not be able to serve if elected.

Class II Director-Nominee

David V. Singer, age 53, has been president and chief executive officer of Lance, Inc., (NASDAQ) since 2005 and a director of Lance, Inc. since 2003. From 2001-2005, Mr. Singer was executive vice president and chief financial officer with Coca-Cola Bottling Co. Consolidated where he had broad functional responsibilities and was directly involved in numerous acquisitions, the development of a joint venture with The Coca-Cola Company, and in overseeing significant improvements in operating efficiency. Mr. Singer joined the company's board on January 1, 2010. Mr. Singer has management and financial experience as well as experience as the chief executive officer of a publicly traded consumer products company.

Table of Contents

Class III Directors-Nominees

Franklin L. Burke, age 69, has been a private investor since 1991. He is the former senior executive vice president and chief operating officer of Bank South Corp., an Atlanta, Georgia banking company, and the former chairman and chief executive officer of Bank South, N.A., the principal subsidiary of Bank South Corp. He has served as a director of Flowers Foods since March 2001. Mr. Burke previously served as a director of Flowers Industries, Inc. from 1994 until March 2001 and as a director of Keebler Foods Company from 1998 until March 2001. Mr. Burke has a high level of financial literacy and extensive experience in corporate finance and banking, as well as experience as a chief executive officer.

George E. Deese, age 64, has been chief executive officer of Flowers Foods since January 2004 and chairman of the board since January 1, 2006. Previously, he served as president and chief operating officer of Flowers Foods from May 2002 to January 2004 and as president and chief operating officer of Flowers Bakeries, the company's core business division, from 1983 to May 2002. Mr. Deese joined the company in 1964. He is a board member of the Grocery Manufacturers of America (GMA), and serves as a trustee of the Georgia Research Alliance. Mr. Deese previously served as chairman of the American Bakers Association (ABA) and on the ABA board and executive committee. He previously served as vice chairman of the board for Quality Bakers of America (QBA) and as a member of the QBA board for 15 years. Mr. Deese has gained extensive operational and financial experience as an executive in various capacities with the company during his over 40-year career with Flowers Foods.

Manuel A. Fernandez, age 63, has been the managing director of SI Ventures, a venture capital firm, since 1998 and chairman emeritus of Gartner, Inc., a leading information technology research and consulting company, since 2001. Prior to his present positions, Mr. Fernandez was chairman, president, and chief executive officer of Gartner. Previously, he was president and chief executive officer at Dataquest, Inc., Gavilan Computer Corporation, and Zilog Incorporated. He has served as a director of Flowers Foods since January 2005. Mr. Fernandez also serves on the board of directors of Brunswick Corporation (NYSE) (1997-present), Stanley Black & Decker, Inc. (NYSE) (2000-present) and SYSCO Corporation (NYSE) (2007-present) where Mr. Fernandez serves as the Non-Executive Chairman of the Board. Mr. Fernandez has extensive information technology experience gained through his experiences as an entrepreneur and investor as well as his leadership on the boards of other publicly traded companies. Mr. Fernandez also has experience as a chief executive officer of a publicly traded company.

Melvin T. Stith, Ph.D., age 63, is dean of the Whitman School of Management at Syracuse University in New York. From 1991 to November 2004, he was dean of the College of Business at Florida State University in Tallahassee and the Jim Moran Professor of Business Administration. He also is a director of Synovus Financial Corp. (NYSE) (1998-present). He has served as a director of Flowers Foods since July 2004. Dr. Stith has a significant background in marketing and accounting, has a high level of financial literacy

and brings a unique academic perspective to the board of directors.

**YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT
YOU VOTE FOR ALL OF THE ABOVE DIRECTOR-NOMINEES**

Table of Contents

Incumbent Directors

Class I Directors Serving Until 2011

Benjamin H. Griswold, IV, age 69, is partner and chairman of Brown Advisory. Mr. Griswold retired in February 2005 as senior chairman of Deutsche Bank Securities, a position he had held since 1999. Prior to that time, Mr. Griswold held several positions with Alex. Brown & Sons, ultimately being elected the firm's chairman of the board. Following the merger of Alex. Brown and Bankers Trust New York, he became senior chairman of BT Alex. Brown, which was acquired by Deutsche Bank in 1999. Mr. Griswold also served on the board of the New York Stock Exchange, completing his term in 1999. He currently serves on the board of directors of WP Carey, LLC (NYSE) (2007-present) and Stanley Black & Decker, Inc. (NYSE) (2001-present) and as a trustee of Johns Hopkins University. Mr. Griswold joined our board of directors in February 2005. Mr. Griswold has extensive experience in investment banking, corporate finance and strategic planning.

Joseph L. Lanier, Jr., age 78, formerly served as chairman of the board of directors of Dan River Inc., a Danville, Virginia textile company. He retired from this position effective August 21, 2006. He remained a consultant to the company until December 31, 2006. Mr. Lanier retired as chief executive officer of Dan River in February 2005, a position he had held since 1989. He is also a director of Alliance One (NYSE) (1995-present) and Torchmark Corp. (NYSE) (1980-present). Mr. Lanier has served as a director of Flowers Foods since March 2001, and he previously served as a director of Flowers Industries, Inc. from 1977 until March 2001. Mr. Lanier has served as a chief executive officer of a publicly traded company and has extensive knowledge of the company having served as a director of the company and its predecessor for over 30 years. Mr. Lanier is the company's most senior non-management director.

Jackie M. Ward, age 71, is the retired chief executive officer & chairman of the board of directors of Computer Generation Incorporated, a telecommunications company based in Atlanta, Georgia that she co-founded, from 1968 until it was acquired in December 2000. She is also a director of Sanmina-SCI Corporation (NASDAQ) (1992-present), WellPoint, Inc. (NYSE) (1993-present) and SYSCO Corporation (NYSE) (2001-present). Ms. Ward previously served as a director of Bank of America (1994-2009) and Equifax, Inc. (1999-2008). Ms. Ward has served as a director of Flowers Foods since March 2001 and she previously served as a director of Flowers Industries, Inc. from March 1999 until March 2001. Ms. Ward has significant information technology experience and broad managerial experience as an entrepreneur, chief executive officer and investor.

C. Martin Wood III, age 66, has been a partner in Wood Associates, a private investment firm, since January 2000. He retired as senior vice president and chief financial officer of Flowers Industries, Inc. on January 1, 2000, a position that he had held since 1978. Mr. Wood has served as a director of Flowers Foods since March 2001 and he previously served on the Flowers Industries, Inc. Board of Directors, from 1975 until March 2001. Mr. Wood has a high degree of financial literacy and extensive knowledge of the company

gained through his 22 years of service with the company as its chief financial officer and as a director of the company.

Table of Contents

Class II Directors Serving Until 2012

Joe E. Beverly, age 68, has been chairman of the board of directors of Commercial Bank in Thomasville, Georgia, a wholly-owned subsidiary of Synovus Financial Corp. (NYSE), a financial services company, since 1989. He is also the retired vice chairman of the board of directors of Synovus Financial Corp, and is an advisory director of Synovus Financial Corp. He was president of Commercial Bank from 1973 to 1989. Mr. Beverly has served as a director of Flowers Foods since March 2001, and he previously served as a director of Flowers Industries, Inc. from August 1996 until March 2001. Mr. Beverly has a high degree of financial literacy and an extensive background in banking and finance.

Amos R. McMullian, age 72, chairman emeritus of Flowers Foods, retired as chairman of the board of directors of Flowers Foods effective January 1, 2006, a position he had held since November 2000. He previously served as chief executive officer of Flowers Foods from November 2000 to January 2004. Mr. McMullian previously served as chairman of the board of directors of Flowers Industries, Inc. from 1985 until March 2001 and as its chief executive officer from 1981 until March 2001. Mr. McMullian previously served on the board of directors of Hughes Supply (2001-2006). Mr. McMullian has extensive operational and financial experience as an executive in various capacities with the company during his over 40-year career with Flowers Foods, 24 years of which he served as the chief executive officer.

J.V. Shields, Jr., age 72, has been chairman of the board of directors and chief executive officer of Shields & Co., a New York diversified financial services company, since 1982. Mr. Shields also is the chairman of the board of directors of Wellington Shields & Co., a financial services company and member of the New York Stock Exchange, Inc., the chairman of the board of directors and chief executive officer of Capital Management Associates, Inc., a registered investment advisor, and the chairman of the board of trustees of The BBH Funds, the Brown Brothers Harriman mutual funds group. He has served as a director of Flowers Foods since March 2001, and he previously served as a director of Flowers Industries, Inc. from March 1989 until March 2001. Mr. Shields has extensive corporate finance and investing experience and has served as a chief executive officer.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Share Ownership of Certain Executive Officers, Directors and Director-Nominees**

The following table lists information as of April 1, 2010 regarding the number of shares owned by each director, each director-nominee, each executive officer listed on the summary compensation table included later in this proxy statement and by all of our directors, director-nominees and executive officers as a group:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Stephen R. Avera	236,122(2)	*
Joe E. Beverly	143,244(3)	*
Franklin L. Burke	81,118(4)	*
George E. Deese	1,603,947(5)	1.74%
Manuel A. Fernandez	9,472	*
Benjamin H. Griswold, IV	65,891(6)	*
R. Steve Kinsey	123,426(7)	*
Joseph L. Lanier, Jr.	123,697(8)	*
Gene D. Lord	354,706(9)	*
Amos R. McMullian	2,023,844	2.21%
J. V. Shields, Jr.	7,040,588(10)	7.67%
Allen L. Shiver	289,769(11)	*
David V. Singer		*
Melvin T. Stith, Ph.D.	15,233	*
Jackie M. Ward	78,094(12)	*
C. Martin Wood III	3,474,405(13)	3.79%
All Directors, Director-Nominees and Executive Officers as a Group (16 persons)	15,663,556	16.94%

* Represents beneficial ownership of less than 1% of Flowers Foods common stock

- (1) Unless otherwise indicated, each person has sole voting and dispositive power with respect to all shares listed opposite his or her name.
- (2) Includes (i) performance-contingent restricted stock awards of 14,800 shares all of which are subject to forfeiture (ii) unexercised stock options for 58,950 shares; (iii) 300 shares owned by Mr. Avera's spouse as custodian for their minor children and (iv) 34,787 shares held by a trust of which Mr. Avera is a co-trustee, as to which shares Mr. Avera disclaims any beneficial ownership.
- (3) Includes 46,554 shares owned by the spouse of Mr. Beverly, as to which shares Mr. Beverly disclaims any beneficial ownership.
- (4) Includes 27,670 shares owned by the spouse of Mr. Burke, over which Mr. Burke and his spouse share investment authority.

- (5) Includes (i) 22,356 shares owned by the spouse of Mr. Deese, as to which Mr. Deese disclaims any beneficial ownership and (ii) performance-contingent restricted stock awards of 96,650 shares all of which are subject to forfeiture and (iii) unexercised stock options for 375,900 shares.
- (6) Includes 2,250 shares owned by the spouse of Mr. Griswold, as to which Mr. Griswold disclaims any beneficial ownership.