FLOWERS FOODS INC
Form DEF 14A
April 24, 2009

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 ý
Filed by a Party other than the Registrant o
Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý Definitive Proxy Statement
o Definitive Additional Materials
o 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):
ý No fee required.

o 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

o 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 24, 2009

Dear Shareholder:

I would like to extend an invitation for you to join us at our annual meeting of shareholders on Friday, June 5, 2009 at 11:00 a.m. at the Thomasville Cultural Center in Thomasville, Georgia.

At this year s meeting, you will vote to:

elect three director-nominees to serve for a term of three years;

approve the 2001 Equity and Performance Incentive Plan, as amended and restated as of April 1, 2009;

approve the Annual Executive Bonus Plan; and

ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2009.

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

Included with the enclosed materials are a notice of the annual meeting and a proxy statement that contains further information about each matter to be voted upon and the meeting itself, including how to listen to the annual meeting on the Internet and different methods to vote your proxy.

Please carefully review the enclosed proxy materials. Your vote is important to us and to our business. I encourage you to sign and return your proxy card, or to use 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.

I hope to see you in Thomasville.

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

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held June 5, 2009

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of Flowers Foods, Inc. will be held on June 5, 2009 at 11:00 a.m. Eastern Time at the Thomasville Cultural Center, 600 East Washington Street, Thomasville, Georgia, for the following purposes:

(1) to elect three nominees as directors of the company to serve for a term of three years;

(2) to approve the 2001 Equity and Performance Incentive Plan, as amended and restated as of April 1, 2009;

(3) to approve the Annual Executive Bonus Plan;

(4) to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for Flowers Foods, Inc. for the fiscal year ending January 2, 2010; and

(5) 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 3, 2009 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 24, 2009

A PROXY CARD IS CONTAINED IN THE ENVELOPE IN WHICH THIS PROXY STATEMENT WAS MAILED. SHAREHOLDERS ARE ENCOURAGED TO VOTE ON THE MATTERS TO BE CONSIDERED AT THE MEETING AND TO SIGN AND DATE THE PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR VOTE BY TELEPHONE OR INTERNET. YOUR ATTENDANCE AT THE MEETING IS URGED; IF YOU ATTEND THE MEETING AND DECIDE YOU WANT TO VOTE IN PERSON, YOU MAY WITHDRAW YOUR PROXY.

TABLE OF CONTENTS

Table of Contents

Table of Contents

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

PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD
JUNE 5, 2009

This proxy statement and the accompanying form of proxy are being furnished to the shareholders of Flowers Foods, Inc. on or about April 24, 2009 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 5, 2009 at 11:00 a.m. Eastern Time at the Thomasville Cultural Center, 600 East Washington 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 three nominees as directors of the company to serve for a term of three years;
- vote to approve the 2001 Equity and Performance Incentive Plan, as amended and restated as of April 1, 2009;
- vote to approve the Annual Executive Bonus Plan;
- 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 2, 2010; 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 the three director-nominees to serve as Class II directors until 2012;
- the 2001 Equity and Performance Incentive Plan, as amended and restated as of April 1, 2009;
- the Annual Executive Bonus Plan; and
- the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 2, 2010.

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, chief executive officer and president, R. Steve Kinsey, our executive vice president and chief financial officer and Stephen R. Avera, our executive vice president, secretary and general counsel.

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 3, 2009, which is the record date for the annual meeting. There were 92,381,786 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. 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 authorize the voting of your shares from any location in the world by following the Vote by Internet instructions set forth on the enclosed proxy card.

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

Vote at the Meeting. If you attend the annual meeting, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot. Ballots will be available at the annual meeting.

By executing and returning your proxy (either by returning the enclosed 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.

What if I do not give any instructions on a particular matter described in this proxy statement when voting by mail?

Shareholders should specify their choice for each matter on the enclosed 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.

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.

Table of Contents

How do I vote my 401(k) shares?

If you participate in the Flowers Foods, Inc. 401(k) Retirement Savings Plan, by signing and returning your proxy 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?

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.

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 three director-nominees 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 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 approve the Amended and Restated 2001 Equity and Performance Incentive Plan, (Proposal II) and the Annual Executive Bonus Plan (Proposal III) and to ratify the appointment of our independent auditors for fiscal 2008 (Proposal IV).

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

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 in our quarterly report on Form 10-Q for the second quarter of fiscal 2009, which we expect to file with the Securities and Exchange Commission (SEC) on or about August 27, 2009.

How and when may I submit a shareholder proposal for the 2010 annual meeting?

For information on how and when you may submit a shareholder proposal for the 2010 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?

A copy of Flowers Foods Annual Report, which includes our Form 10-K and our financial statements for the fiscal year ended January 3, 2009, is being mailed with this proxy statement to all shareholders entitled to vote at the meeting. The Annual Report does not form any part of the material for the solicitation of proxies.

The notice of the annual meeting, the proxy statement and the Annual Report are also 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 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.

Can I elect to receive my proxy statement and Annual Report electronically?

Yes. Follow the Vote by Internet instructions on the enclosed proxy card. On the proxy voting website, you will be prompted to elect whether or not you wish to receive future proxy statements and annual reports electronically. Enter a valid e-mail address and you will no long receive paper versions of these documents. Alternatively, you may call our shareholder relations specialist at (229) 226-9110 for assistance.

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.

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 consisting of three members. The directors in each class serve for a term of 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 nominees are proposed for election in Class II, to serve until 2012:

Joe E. Beverly

Amos R. McMullian

J.V. Shields, Jr.

Unless instructed otherwise, the proxies will be voted for the election of the three 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-Nominees

Joe E. Beverly, age 67, 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.

Amos R. McMullian, age 71, 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.

J.V. Shields, Jr., age 71, has been chairman of the board of directors and chief executive officer of Shields & Company, a New York diversified financial services company and member of the New York Stock Exchange, Inc., since 1982. Mr. Shields also is 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.

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

Incumbent Directors

Class I Directors Serving Until 2011

Benjamin H. Griswold, IV, age 68, 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) and The Black & Decker Corporation (NYSE) and as a trustee of Johns Hopkins University. Mr. Griswold joined our board of directors in February 2005.

Joseph L. Lanier, Jr., age 77, 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) and Torchmark Corp. (NYSE). 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.

Jackie M. Ward, age 70, 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 by Intec in December 2000. She is also a director of Bank of America Corporation (NYSE), Sanmina-SCI Corporation (NASDAQ), WellPoint, Inc. (NYSE) and SYSCO Corporation (NYSE). 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.

C. Martin Wood III, age 65, 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.

Class III Directors Serving Until 2010

Franklin L. Burke, age 67, 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.

Table of Contents

George E. Deese, age 63, has been chief executive officer and President 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.

Manuel A. Fernandez, age 62, 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), The Black & Decker Corporation (NYSE) and SYSCO Corporation (NYSE) where Mr. Fernandez serves as the Non-Executive Chairman of the Board.

Melvin T. Stith, Ph.D., age 62, 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). He has served as a director of Flowers Foods since July 2004.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Principal Shareholders

The following table lists information regarding the ownership of our common stock by the only non-affiliated individuals, entities or groups known to us to be the beneficial owner of more than 5% of our common stock:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
Barclays Global Investors, NA 400 Howard Street, San Francisco, CA 94105	6,458,607	6.99%

(1) The beneficial ownership reported in the table above is based upon filings with the SEC.

(2) Percent of class is based upon the number of shares of Flowers Foods common stock outstanding on April 3, 2009.

Share Ownership of Certain Executive Officers, Directors and Director-Nominees

The following table lists information as of April 3, 2009 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	198,381(2)	*
Joe E. Beverly	138,974(3)	*
Franklin L. Burke	80,118(4)	*
George E. Deese	1,347,670(5)	1.46%
Manuel A. Fernandez	9,472	*
Benjamin H. Griswold, IV	62,311(6)	*
R. Steve Kinsey	107,079(7)	*
Joseph L. Lanier, Jr.	147,617(8)	*
Gene D. Lord	301,045(9)	*
Amos R. McMullian	2,030,764	2.20%
J. V. Shields, Jr.	6,900,363(10)	7.47%

Allen L. Shiver	238,551(11)	*
Melvin T. Stith, Ph.D.	15,491	*
Jackie M. Ward	71,537(12)	*
C. Martin Wood III	3,471,814(13)	3.76%
All Directors, Director-Nominees and Executive Officers as a Group (15 persons)	15,121,187	16.37%

* 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 16,700 shares all of which are subject to forfeiture (ii) unexercised stock options for 26,175 shares and (iii) 300 shares owned by Mr. Avera s spouse as custodian for their minor children and 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.

Table of Contents

(3) Includes 46,554 shares owned by the spouse of Mr. Beverly, as to which shares Mr. Beverly disclaims any beneficial ownership.

(4) Includes 11,670 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 113,650 shares all of which are subject to forfeiture and (iii) unexercised stock options for 153,900 shares.

(6) Includes 2,250 shares owned by the spouse of Mr. Griswold, as to which Mr. Griswold disclaims any beneficial ownership.

(7) Includes (i) unexercised stock options for 70,162 shares and (ii) performance-contingent restricted stock awards of 16,000 shares all of which are subject to forfeiture.

(8) Includes (i) 8,958 shares held by the spouse of Mr. Lanier, as to which Mr. Lanier disclaims any beneficial ownership and (ii) 63,614 shares held by a limited partnership in which Mr. Lanier and his spouse are the general partners, as to which Mr. Lanier disclaims any beneficial ownership.

(9) Includes performance-contingent restricted stock awards of 23,000 shares all of which are subject to forfeiture and unexercised stock options for 34,725 shares.

(10) Includes unexercised stock options for 50,625 shares. Also includes (i) 3,275,826 shares held by investment advisory clients of Capital Management Associates, Inc., of which Mr. Shields is chairman of the board of directors and chief executive officer, and (ii) 3,477,361 shares owned by the spouse of Mr. Shields, as to which Mr. Shields disclaims any beneficial ownership. Mr. Shields business address is Shields & Company, 140 Broadway, New York, NY 10005.

(11) Includes performance-contingent restricted stock awards for 19,725 shares and unexercised stock options for 34,725 shares. Also includes 6,750 shares held by Mr. Shiver as custodian for his minor children and 1,972 shares held by the spouse of Mr. Shiver, as to which shares Mr. Shiver disclaims any beneficial ownership.

(12) Includes 187 shares held by Ms. Ward s spouse as to which Ms. Ward disclaims any beneficial ownership.

(13) Includes 51,940 shares held by a trust of which Mr. Wood is co-trustee and 2,901,277 shares owned by the spouse of Mr. Wood, as to which shares Mr. Wood disclaims any beneficial ownership.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely upon a review of our records and written representations by the persons required to file these reports, all stock transaction reports required to be filed by Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), with the SEC were timely filed in fiscal 2008 by directors and executive officers with the following exceptions. Due to administrative error, a late Form 4 was filed on March 19, 2008 to report a transfer of shares of our common stock held by Mr. Lanier s spouse into a family limited partnership. Due to administrative error, a late Form 4 was filed on April 21, 2008 to report certain gifts of our common stock made by Mr. Wood. Due to administrative error, late Form 4s were filed on February 7, 2007 and then amended Form 4s were filed on June 17, 2008 to report the conversion by Messrs. Burke, Fernandez and Shields and Ms. Ward of their annual cash retainers to deferred stock.

CORPORATE GOVERNANCE

General

We believe that good corporate governance is essential to ensure that our company is effectively managed for the long-term benefit of our shareholders. We have thoroughly reviewed our corporate governance policies and practices and compared them with those recommended by corporate governance advisors and the practices of other publicly-held companies.

Based upon this review we have adopted the following corporate governance documents:

Corporate Governance Guidelines

Audit Committee Charter

Compensation Committee Charter

Nominating/Corporate Governance Committee Charter

Finance Committee Charter

Code of Business Conduct and Ethics for Officers and Members of the Board of Directors

Stock Ownership Guidelines for Executive Officers and Non-Employee Directors

Flowers Foods, Inc. Employee Code of Conduct

You can access the full text of all these corporate governance documents on our website at www.flowersfoods.com by clicking on the Investor Center tab and selecting Corporate Governance. You can also receive a copy of these documents by writing to Flowers Foods, Inc., 1919 Flowers Circle, Thomasville, Georgia 31757, Attn: Investor Relations Dept.

Determination of Independence

Pursuant to our corporate governance guidelines, the nominating/corporate governance committee and the board of directors are required to annually review the independence of each director and director-nominee. During this review, transactions and relationships among each director or any member of his or her immediate family and the company are considered, including, among others, all commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships and those reported in this proxy statement under Transactions with Management and Others. In addition, transactions and relationships among directors or their affiliates and members of senior management and their affiliates are examined. The purpose of this annual review is to determine whether each director meets the applicable criteria for independence in accordance with the New York Stock Exchange Listed Company Manual (NYSE Rules) and our corporate governance guidelines. Only those directors who meet the applicable criteria for independence and the board of directors affirmatively determines have no direct or indirect material relationship with the company will be considered independent directors.

As part of our corporate governance guidelines, we have adopted categorical standards which provide that certain relationships will be considered material relationships and will preclude a director s independence. The standard we have adopted for determining director independence is that an independent director is one who:

has not been employed by the company or any of its subsidiaries or affiliates, or whose immediate family member has not been employed as an executive officer by the company, within the previous three years;

does not, or whose immediate family member does not, receive more than $120,000 per year in direct compensation from the company, other than director and committee fees and pension or other forms of deferred compensation for prior service, provided such compensation is not contingent in any way on continued service (such person is presumed not to be independent until three years after he or she (or their immediate family member) ceases to receive more than $120,000 per year in such compensation); provided that compensation received by an immediate family member for service as an employee of the company (other than as an executive officer) need not be considered;

is not affiliated with or employed by, or whose immediate family is not affiliated with or employed, in a professional capacity by, a present or former internal or external auditor of the Company (such person is not independent until three years after the end of either the affiliation or the auditing relationship);

is not employed, or whose immediate family member is not employed, as an executive officer of another company where any of the company s present executives serve on that company s compensation committee (such person is not independent until three years after the end of such service or the employment relationship); and

Table of Contents

is not a current employee, or whose immediate family member is not a current executive officer, of a company that has made payments to, or received payments from, the company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company s consolidated gross revenues.

The nominating/corporate governance committee and the board of directors conducted the required annual independence review in February 2009. Upon the recommendation of the nominating/corporate governance committee, the board of directors affirmatively determined that a majority of our directors and director-nominees are independent of the company and its management as required by the NYSE Rules and the corporate governance guidelines. Messrs. Beverly, McMullian and Shields are independent directors and director-nominees. Messrs. Burke, Fernandez, Griswold, Lanier, Stith and Wood and Ms. Ward are independent directors. Mr. Deese is considered an inside director because he is currently an executive officer of our company. Each director and director-nominee abstained from voting as to themselves.

The foregoing discussion of director independence is applicable only to service as a member of the board of directors, the compensation committee and the nominating/corporate governance committee. Additional guidelines apply to the members of the audit committee under applicable law and NYSE Rules.

Presiding Director

Pursuant to the corporate governance guidelines, the board of directors created the position of presiding director, whose primary responsibilities are to preside over periodic executive sessions of the board of directors in which management directors and other members of management do not participate and to:

- serve as the liaison between the chairman of the board and the outside, independent directors of the company;
- oversee information sent by the company to the members of the board of directors;
- review meeting agendas and schedules for the board of directors;
- call meetings of the independent directors; and
- be available for consultation and director communication with shareholders.

Each year at the meeting of the board of directors following the annual meeting, a presiding director is appointed among the independent directors to serve until the company s annual meeting of shareholders the following year. On May 30, 2008, Joseph L. Lanier, Jr. was appointed to serve as the presiding director until June 5, 2009.

The Board of Directors and Committees of the Board of Directors

In accordance with the company s amended and restated bylaws, the board of directors has set the number of members of the board of directors at eleven. The board of directors held seven meetings in fiscal 2008. During fiscal 2008, no incumbent director attended fewer than 75% of the aggregate of:

- The total number of meetings of the board of directors held during the period for which he or she has been a director; and the total number of committee meetings held by all committees of the board on which he or she served during the periods that he or she served.

Our board of directors has established several standing committees: an audit committee, a nominating/corporate governance committee, a compensation committee and a finance committee. The board of directors has adopted a written charter for each of these committees, all of which are available on the company s website at www.flowersfoods.com.

Table of Contents

The following table describes the current members of each of the committees and the number of meetings held during fiscal 2008:

	Audit Committee	Nominating/ Corporate Governance Committee	Compensation Committee	Finance Committee
Joe E. Beverly*	**X**			**X**
Franklin L. Burke*	**Chair**			**X**
George E. Deese				
Manuel A. Fernandez*		**X**	**Chair**	
Benjamin H. Griswold IV*	**X**			**X**
Joseph L. Lanier, Jr.*		**X**	**X**	
Amos R. McMullian*				
J.V. Shields, Jr.*		**X**		**X**
Melvin T. Stith*			**X**	**X**
Jackie M. Ward*		**Chair**	**X**	
C. Martin Wood III*	**X**			**Chair**
Number of Meetings	**9**	**4**	**5**	**4**

* Independent Directors

Audit Committee

Under the terms of the audit committee charter, the audit committee represents and assists the board of directors in fulfilling its oversight responsibilities with respect to:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the independent registered public accounting firm s qualifications and independence; and
- the performance of the company s internal audit function and the independent registered public accounting firm.

The audit committee s authorities and duties include:

- responsibility for overseeing our financial reporting process on behalf of the board of directors;
- direct responsibility for the appointment, retention, termination, compensation and oversight of the work of the independent registered public accounting firm employed by the company, which reports directly to the committee, and sole authority to pre-approve all services to be provided by the independent auditor;
- review and discussion of our annual audited financial statements and quarterly financial statements with management and our independent registered public accounting firm;

review of the internal audit function s organization, plans and results and of the qualifications and performance of our independent registered public accounting firm (our internal audit function and its compliance officer report directly to the audit committee);

review with management the effectiveness of our internal controls;

review with management any material legal matters and the effectiveness of our procedures to ensure compliance with our legal and regulatory responsibilities;

discussion of guidelines and policies with respect to risk assessment and risk management to assess and manage the company s exposure to risk; and oversight of the company s enterprise risk management activities (ERM), with the full understanding that responsibility for ERM continues to be shared by the entire board of directors and all directors have the authority and obligation to scrutinize the company s ERM efforts.

The board of directors has determined that all audit committee members are independent as defined by the NYSE Rules and under SEC rules and regulations. The board of directors has also determined that Mr. Wood is an audit committee financial expert under Item 407(d)(5) of Regulation S-K of the Securities Act of 1933, as amended (the Securities Act). Each member of the audit committee is financially literate, knowledgeable and qualified to review financial statements.

Nominating/Corporate Governance Committee

Under the terms of its charter, the nominating/corporate governance committee is responsible for considering and making recommendations to the board of directors with regard to the function and needs of the board, and the review and development of our corporate governance guidelines. In fulfilling its duties, the nominating/corporate governance committee shall:

receive identification of individuals qualified to become board members;

select, or recommend that the board select, the director-nominees for our next annual meeting of shareholders;

evaluate incumbent directors;

develop and recommend corporate governance principles applicable to the company;

review possible conflicts of interest of directors and management and make recommendations to prevent, minimize or eliminate such conflicts;

make recommendations to the board regarding the independence of each director;

review director compensation;

oversee the evaluation of the board and management; and

perform any other duties and responsibilities delegated to the committee from time to time.

Our board has determined that all members of the nominating/corporate governance committee are independent as defined by the NYSE Rules and our corporate governance guidelines. For information relating to nomination of directors by shareholders, please see Selection of Director-Nominees.

Compensation Committee

Under the terms of its charter, the compensation committee has overall responsibility for evaluating and approving the company s compensation plans, policies and programs. The compensation committee s primary functions are to:

review and approve corporate goals and objectives relevant to our chief executive officer s compensation, evaluate our chief executive officer s performance in light of these goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve our chief executive officer s compensation level based on this evaluation;

make recommendations to the board with respect to non-chief executive officer compensation, incentive-compensation plans and equity-based plans;

administer equity-based incentive plans and other plans adopted by the board that contemplate administration by the compensation committee;

oversee regulatory compliance with respect to compensation matters;

review employment agreements, severance agreements and any severance or other termination payments proposed with respect to any of our executive officers; and produce a report on executive compensation for inclusion in our proxy statement for the annual meeting of shareholders.

Our board has determined that all members of the compensation committee are independent as defined by the NYSE Rules and our corporate governance guidelines.

Finance Committee

The primary functions of the finance committee are to:

make recommendations to the board of directors with respect to the approval, adoption and any significant amendment to all of the company s defined benefit and defined contribution plans and trusts (the retirement plans);

oversee the administration of the retirement plans and approve the selection of any third-party administrators;

review and employ managers to review the investment results of the retirement plans and the investment policies of the retirement plans and monitor and adjust the asset allocations of the retirement plans;

oversee, in consultation with management, regulatory and tax compliance matters with respect to the retirement plans; and

make recommendations to the board of directors with respect to management s capital expenditure plans and other uses of the company s cash flows (including the financial impact of stock repurchases, acquisitions and the payment of dividends), the company s credit facilities, commodities hedging and liquidity matters.

Relationships Among Certain Directors

J.V. Shields, Jr. and C. Martin Wood III are married to sisters.

Attendance at Annual Meetings

In accordance with our corporate governance guidelines, directors are expected to rigorously prepare for, attend and participate in all meetings of the board of directors and meetings of the committees on which they serve and to devote the time necessary to appropriately discharge their responsibilities. Aside from these requirements, the company does not maintain a formal policy for attendance by directors at annual meetings of shareholders. However, all of our directors attended the annual meeting of shareholders held on May 30, 2008.

Selection of Director-Nominees

The nominating/corporate governance committee identifies and considers director candidates recommended by its members and other board members, as well as management and shareholders. A shareholder who wishes to recommend a prospective director-nominee for the committee s consideration should submit the candidate s name and qualifications to Flowers Foods, Inc., 1919 Flowers Circle, Thomasville, Georgia 31757, Attention: Executive Vice President, Secretary and General Counsel. The nominating/corporate governance committee will also consider whether to recommend for nomination any person identified by a shareholder pursuant to the provisions of our amended and restated bylaws relating to shareholder nominations. Recommendations by shareholders that are made in accordance with these procedures will receive the same consideration given to nominees of the nominating/corporate governance committee.

The nominating/corporate governance committee believes that any director-nominee must meet the director qualification criteria set forth in our corporate governance guidelines before it could recommend such director-nominee for election to the board of directors. These factors include:

- integrity and demonstrated high ethical standards;
- the ability to express opinions, raise tough questions and make informed, independent judgments;
- experience managing or operating public companies;

- knowledge, experience and skills in at least one specialty area;
- ability to devote sufficient time to prepare for and attend board of directors meetings;
- willingness and ability to work with other members of the board of directors in an open and constructive manner;
- ability to communicate clearly and persuasively; and
- diversity in background, personal and professional experience, viewpoints or other demographics.

The nominating/corporate governance committee considers these factors as it deems appropriate, as well as other factors it determines are pertinent in light of the current needs of the board of directors. The nominating/corporate governance committee may use the services of a third-party executive search firm to assist it in identifying and evaluating possible director-nominees.

Shareholder & Other Interested Party Communication with Directors

The board of directors will give proper attention to written communications that are submitted by shareholders and other interested parties and will respond if appropriate. Shareholders and other interested parties interested in communicating directly with the board of directors as a group, the independent, non-management directors as a group or any individual director may do so by writing to Presiding Director, Flowers Foods Inc., 1919 Flowers Circle, Thomasville, GA 31757. Absent circumstances contemplated by committee charters, the chair of the nominating/corporate governance committee and the presiding director, with the assistance of our executive vice president, secretary and general counsel will monitor and review all correspondence from shareholders and other interested parties and provide copies or summaries of such communications to other directors as they deem appropriate.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Generally

Objectives of Executive Compensation

The primary objective of our executive compensation program is to attract, retain and motivate qualified executives necessary for the future success of the company and the maximization of shareholder value. Our compensation program is designed to motivate our executives by rewarding them for the achievement of specific annual, long-term and strategic goals of the company. Moreover, the program aligns our executives interests with those of the shareholders by rewarding performance above established goals, with the ultimate objective of improving shareholder value. Finally, we strive to foster a sense of ownership among our executives and our directors by requiring them to own certain amounts of our common stock.

The compensation committee evaluates both performance and compensation to ensure that (i) the company maintains its ability to attract and retain the most qualified executives; (ii) each executive s compensation remains competitive relative to the compensation paid to similarly situated executives in comparable companies and (iii) each of the company s primary objectives with respect to compensation is being fulfilled. To that end, the compensation committee believes that an effective compensation program should include three primary components:

- base salary;
- cash bonuses; and
- long-term incentives, primarily through stock-based compensation.

Certain retirement and other post-employment benefits are also included in the executives compensation package. In addition, see the section entitled Potential Payments Upon Termination or Change in Control of this

Table of Contents

proxy statement for details on payments and benefits payable (or realizable) upon termination of employment and a change in control of the company. Perquisites are not a significant part of our executive compensation program.

Each element of our compensation program is described in greater detail below, including a discussion of why the company chooses to pay each element, how we determine the amount of each element to pay and how each element and the company s decisions regarding that element fit into our overall compensation objectives.

Amounts of salary and non-equity compensation, equity compensation, and other compensation expressed as a percentage of total compensation for each of the executive officers set forth in the Summary Compensation Table (the Named Executives) for the fiscal year ended January 3, 2009 were:

Name and Principal Position	Salary Percentage	Non-Equity Comp. Percentage	Equity Comp. Percentage	Other Comp. Percentage	Total%
George E. Deese Chairman of the Board, Chief Executive Officer and President	19%	25%	53%	3%	100%
R. Steve Kinsey Executive Vice President and Chief Financial Officer	40%	30%	26%	4%	100%
Gene D. Lord Executive Vice President and Chief Operating Officer	31%	25%	38%	6%	100%
Allen L. Shiver Executive Vice President and Chief Marketing Officer	32%	26%	37%	5%	100%
Stephen R. Avera Executive Vice President, Secretary and General Counsel	34%	27%	35%	4%	100%

The objectives of our executive compensation program are accomplished through a balance of pay components that are competitive with market practice and place greater emphasis on incentive compensation (non-equity and equity-based incentives), which focuses our executives on long-term performance and helps to align their interests with those of our shareholders. Approximately 56% to 78% of the annual total direct compensation opportunity for the Named Executives in fiscal 2008 was linked to the achievement of predefined performance criteria in accordance with our Annual Executive Bonus Plan and Equity Performance Incentive Plan. Cash bonuses accounted for approximately 25% to 30% of the Named Executives compensation in 2008, while long-term incentive awards (i.e., stock options and restricted stock) accounted for approximately 26% to 53% of the mix in 2008.

Role of Executive Officers in Compensation Decisions

The compensation committee of the board of directors, which is comprised entirely of independent directors, has overall responsibility for evaluating, analyzing and approving the company s compensation plans, policies and programs. In addition, the chief executive officer consults with and advises the compensation committee with respect to the company s compensation philosophy and makes recommendations to the compensation committee regarding the compensation of the other executive officers. All recommendations of the chief executive officer to the compensation committee regarding compensation of executive officers are independently evaluated by the committee. The chief financial officer, or his designee, assists the compensation committee in understanding the key drivers of company performance, particularly those measures used in our bonus and long-term incentive plans and also provides the compensation committee with regular updates on company performance as it relates to certain performance measures used in our bonus and long-term incentive plans.

The compensation committee engages Towers Perrin as its sole independent compensation consultant, and no other outside consultants are utilized by the compensation committee with respect to compensation advisory services. In 2008, Towers Perrin provided no other services to the company other than executive and director

Table of Contents

compensation advisory services, retirement consulting and actuarial valuation services. At the compensation committee s request, Towers Perrin evaluates the competitiveness of the base salaries, annual bonuses and long-term incentives awarded to the company s Named Executives, provides competitive market data on new compensation arrangements and provides an opinion on the reasonableness of such arrangements. Towers Perrin attends compensation committee meetings at the committee s request and is available to provide guidance to the compensation committee on compensation questions and issues as they arise.

Compensation Benchmarking

Because there are not many food companies the size of Flowers Foods, a specific set of peer companies is not used for market compensation comparisons; rather, market pay rates (i.e. base salary, bonus and long-term incentives) are based on currently available food industry and general industry peers pay data from published survey data available to Towers Perrin. We use an average of food industry and general industry survey data (the Relevant Market Sector) when making market comparisons, and the data is adjusted to reflect pay for companies with annual revenues comparable to the company.

Companies used for benchmarking comparisons are based on published survey data available to Towers Perrin. For 2008, the food and general industry peer groups used for benchmarking purposes were from the Towers Perrin Executive Compensation Database, Watson Wyatt Top Management Compensation Report and the Mercer Executive Compensation Survey.

Food industry data were used from the following surveys and were comprised of the following companies:

Towers Perrin Execution Compensation Database Food & Beverage Companies

ACH Food Companies, Inc.	General Mills, Inc.	PepsiCo, Inc.
Altria Group, Inc.	Gorton s Fresh Seafood	Ralcorp Holdings
Bob Evans Farms, Inc.	The Hershey Company	Rich Products Corporation
Bush Brothers & Company	Hormel Foods Corporation	Sara Lee Corporation
Campbell Soup Company	The J M Smucker Company	Schreiber Foods, Inc.
Chiquita Brands International Inc.	Jack in the Box, Inc.	The Schwan Food Company
The Coca-Cola Company	Kellogg Company	Sodexho
The Dannon Company	Land O Lakes, Inc.	U.S. Foodservice, Inc.
Dean Foods Company	Molson Coors Brewing Company	Vistar Corporation
Diageo North America	Nestle USA	Wm. Wrigley Jr. Company
Ferrero USA	PepsiAmericas, Inc.	

Watson Wyatt Top Management Compensation Report Food & Kindred Products

Altria Group, Inc.	Grande Cheese Company	PepsiAmericas, Inc.
American Dehydrated Foods Inc.	The Hershey Company	PepsiCo, Inc.
Anheuser-Busch Companies, Inc.	Interstate Bakeries	Piantedosi Baking Company
Archer Daniels Midland Company	The J M Smucker Company	Quality Ingredients Corporation
Brown-Forman Corporation	J R Simplot Company	Reynolds American, Inc.
Bunge LTD	Kellogg Company	RiceTec Inc.
Chiquita Brands International, Inc.	Keystone Foods Corporation	Seaboard Corp.
The Coca-Cola Company	Kraft Foods, Inc.	Sealed Air Corp.

Coca Cola Bottling Co Consolidated	Lance Inc.	Sensient Technologies Corp.
Coca-Cola Enterprises Inc.	Little Lady Foods	The Solae Company
Dawn Food Products	Mars North America	Tastefully Simple
Dean Foods Company	Molson Coors Brewing Company	The Topps Company Inc.
Del Monte Foods Company	Nature s Sunshine Products Inc.	UST Inc.
Farmland Foods Inc.	Pepsi Bottling Group, Inc.	Ventura Foods, LLC
Foster Poultry Farms		Wells Dairy, Inc.

Table of Contents

In addition, general industry data were used from the following surveys to capture the broadest possible market perspective:

Towers Perrin Executive Compensation Database:	783 companies
Watson Wyatt Top Management Compensation Report:	2,206 companies
Mercer Executive Compensation Survey:	2,579 companies

The market data obtained from the companies above are regressed to reflect the respective Named Executive s scope of revenue responsibility. The Relevant Market Sector is the simple average of the regressed food industry and general industry market rates. The compensation committee together with Towers Perrin, the company s independent compensation consultant, conducted a benchmark analysis of chief executive officer compensation and the compensation of the other Named Executives, which included the companies in the Relevant Market Sector and set compensation for the Named Executives to approximate the 50th percentile of the Relevant Market Sector. The compensation committee generally seeks to establish that each element of the Named Executives compensation (salaries, bonus and long-term incentive awards) should approximate the 50th percentile of the Relevant Market Sector because it is their intention to set executive salaries high enough to be competitive and to attract and retain a strong motivated leadership team but not so high that it creates negative perception among other constituencies. The compensation committee, with input from Towers Perrin, concluded that the proposed compensation level and the proposed performance objectives under the company s incentive and equity compensation plans for each Named Executive was within the competitive practice for similarly situated executives in similarly situated companies. In addition, the compensation committee concluded the total compensation of the Named Executives was competitive with similarly situated positions at comparable companies and was appropriate to meet the company s goal to retain each Named Executive and to align his interests with those of its shareholders.

Cash Compensation

Base Salary

We base our approach to executive compensation on a strong belief in pay for performance. Base salary represents the fixed and recurring part of an executive s annual compensation and is intended to reward experience and expertise, functional progression (i.e. the executive s series of work experiences, duties and accountabilities relevant to the current position held), career development, skills and competencies. We have established a system of tiered salary grades, and executives are assigned an appropriate salary grade considering the position s internal value as well as external comparisons to relevant positions in published compensation surveys as provided by Towers Perrin.

Named Executives base salaries are related to a salary grade structure, which, in turn, is developed on a rational basis that examines both (i) external competitive market base salaries, as determined through benchmarking analysis and (ii) the internal relationships (i.e., value and progression) of these positions. With respect to the position s internal value, we have developed salary grades on the basis that a given position is at least one salary grade below that of the supervising position, which is the only weight assigned to internal value in establishing the salary grades. We periodically make adjustments to the base salaries based on the factors discussed above as well as the performance of the respective Named Executive.

Individual salaries for executives that report directly to the chief executive officer are subject to approval by the compensation committee after consideration of the recommendations submitted by the chief executive officer. The chief executive officer s salary is subject to approval by the compensation committee and the board of directors. Base salaries for all Named Executives are reviewed annually by the compensation committee, the board of directors and Towers Perrin based on the criteria described above.

Annual Executive Bonus Plan

Our Annual Executive Bonus Plan (the Bonus Plan) provides for an annual incentive bonus to reward performance as measured over the company s fiscal year. Prior to the beginning of each fiscal year, the compensation committee establishes target bonus levels, which are expressed as a percentage of each executive s base salary (the Target Bonus Percentage), for the executives who have been designated as participants in the Bonus

Plan. The compensation committee generally sets the target bonus percentages at the 50th percentile of the Relevant Market Sector. Based upon performance projections presented by management, the compensation committee sets a target performance goal (the EBITDA Goal). We currently use earnings before interest, taxes, depreciation and amortization (EBITDA) as the performance measure in the Bonus Plan for all participating employees, including the Named Executives, because we believe that EBITDA is a useful tool for managing the operations of our business and is an indicator of the company s ability to incur and service indebtedness and generate free cash flow. A bonus is awarded to participating executives based on the following formula:

the participating executive s base salary; *multiplied by*

the Target Bonus Percentage; *multiplied by*

a percentage equal to the company s actual EBITDA for the fiscal year divided by the EBITDA Goal (the Bonus Percentage).

If actual EBITDA is equal to the EBITDA Goal, the resulting Bonus Percentage is 100%. If actual EBITDA is less than the EBITDA Goal, the applicable Bonus Percentage will drop by 5% for every 1% by which actual EBITDA is less than the EBITDA Goal. If actual EBITDA exceeds the EBITDA Goal, the Bonus Percentage will increase by 5% for every 1% by which the actual EBITDA exceeds the EBITDA Goal. An executive s bonus payment may not exceed 150% of the executive s base salary and may not exceed $1.5 million. The Bonus Percentage is zero if actual results are 80% or less of the EBITDA Goal. This mechanism provides motivation for the executive to continue to strive for improved company performance in any given fiscal year, regardless of the fact that the goals may, or may not, be obtained. The 2008 EBITDA Goal was $227.7 million, and that goal was exceeded by the company. The company does not pay bonuses under the Bonus Plan to any employee until such time as the compensation committee has certified that the EBITDA Goal has been met and the Annual Report on Form 10-K for the applicable fiscal year has been filed with the SEC.

The bonuses paid to the Named Executives for 2008 were 41.8% above the amounts paid to the Named Executives in 2007 primarily because: (i) the company exceeded the 2008 EBITDA Goal by a greater margin than it did the 2007 EBITDA Goal, (ii) the Named Executives were paid higher base salaries in 2008 than in 2007 and (iii) the Target Bonus Percentage for certain of the Named Executives was higher in 2008 than in 2007. For 2008, a cash bonus of $1,192,190 was awarded to Mr. Deese based solely upon the 2008 EBITDA Goal and the formula outlined above. Mr. Deese s bonus was 31.6% higher than the bonus paid to him in 2007. A total of $1,214,707 in bonuses was paid to the other Named Executives for 2008, which was, in the aggregate, 53.5% above the bonuses paid to them for 2007.

Under the terms of the Bonus Plan, the compensation committee retains the authority to determine that a goal other than EBITDA is appropriate for executives. In such cases, the compensation committee may prescribe a goal based, for instance, on the performance of a product group, division, subsidiary or other management reporting unit. The compensation committee would consider using a goal other than EBITDA if it determines that another performance measurement would be more appropriate for executives whose responsibilities more specifically pertain to discrete elements of the company s business. For example, if it appears that a particular business unit or division needs to achieve a notable and difficult goal, which would be independent of or unrelated to the EBITDA Goal during the coming measurement year, the compensation committee might deem it appropriate to use a different performance measure for certain executives charged with attaining that goal. Under the terms of the Bonus Plan, the compensation committee may utilize its discretion to award compensation in reliance on another performance measurement in lieu of an EBITDA Goal for all executives in the Bonus Plan. The compensation committee also retains the discretion to award a bonus outside of the Bonus Plan, in unusual circumstances, which would not qualify for the exemption from restrictions on deductibility imposed by Internal Revenue Code (the Code) Section 162(m).

The compensation committee did not exercise discretion with respect to any bonus payouts in 2008 to the Named Executives, and all bonuses paid to the Named Executives in 2008 were based solely on the EBITDA Goal and the formula outlined above. The compensation committee has reviewed the Bonus Plan performance measurement and concluded that EBITDA tracks the core operating performance that the company wants to achieve for its shareholders. The compensation committee will continue to evaluate the Bonus Plan measure in the future to determine if a different measure or measures should be used. If the compensation committee sets a measure other than EBITDA for any Named Executive or exercises discretion with respect to future awards under the Bonus Plan,

Table of Contents

the company will disclose: (a) the measure utilized in the calculation of the bonus or if there is an appropriate basis to omit the measure, how difficult it would be for the company to achieve the undisclosed measure and (b) if discretion has been exercised in connection with an award, the considerations of the compensation committee in exercising such discretion.

Long-Term Incentive Compensation

Equity and Performance Incentive Plan

In keeping with the compensation committee s philosophy that the element of shareholder risk is an essential compensation tool, stock based incentives comprise a significant portion of the compensation program for executives. The compensation committee believes that stock based incentives are fundamental to the enhancement of shareholder value, reward performance over the long-term and help align the executives interests with those of our shareholders. The company s long-term compensation programs and the individual grants thereunder are reviewed and approved by the compensation committee, which also relies on advice and data from Towers Perrin with respect to the types and amounts of equity incentive compensation to be paid to the Named Executives. The compensation committee generally targets the 50th percentile of the Relevant Market Sector for stock based incentives granted to the Named Executives.

The 2001 Equity and Performance Incentive Plan, as amended and restated as of February 11, 2005 (the EPIP), is the company s ongoing intermediate and long-term incentive plan. The EPIP was approved by the company s shareholders and provides the compensation committee with an opportunity to make a variety of stock based awards, while selecting the form that is most appropriate for the company and the executive group. The awards under the EPIP contain elements that help focus the executive s attention on one of the company s primary goals the long-term success of the company and, ultimately, the enhancement of shareholder value.

After a review of competitive long-term incentive market practice trends, the compensation committee determined that, beginning with the fiscal 2006 awards, equity-based awards for the Named Executives would be split between stock options and performance-contingent restricted stock. This mix reflects the compensation committee s consideration of competitive market practices and the desire to balance both the annual accounting expense and share dilution associated with the long-term incentive program with a need to focus the company s executives on long-term stock price appreciation and efficient use of capital. The compensation committee s decision to utilize stock options reflects the compensation strategy of rewarding Named Executives for achieving growth in share price and creating alignment with shareholder value creation. The compensation committee s decision to utilize performance-contingent restricted stock is intended to ensure that executives focus on capital investments that produce returns in excess of the company s weighted average cost of capital. The performance-contingent restricted stock vests only if the company s return on invested capital over the two fiscal years immediately preceding vesting equals or exceeds its weighted average cost of capital for the same period (the ROI Target). The ROI Target is discussed in greater detail in our discussion of restricted stock.

The determination of 2008 option and performance-contingent restricted stock award levels for the Named Executives was based on the compensation committee s philosophy of granting long-term incentive awards at the 50th percentile of the company s Relevant Market Sector. Additionally, the compensation committee reviews the projected expense impact of the awards, in the aggregate, on the company s earnings for the next fiscal year and the entire vesting period. The specific grant levels for Mr. Deese and each of the other Named Executives are targeted at the 50th percentile of the Relevant Market Sector. Existing outstanding equity grants or stock ownership levels of a Named Executive were not considered by the compensation committee in determining the value or size of 2008 long-term incentive awards. This grant process is applied similarly to all other executives and managerial personnel participating in the long-term incentive program.

Further, and as noted in greater detail below, the 2008 performance-contingent restricted stock awards include a relative total shareholder return modifier. The compensation committee s rationale for the modifier is to include an external market performance metric for the performance-contingent restricted stock award in addition to the ROI Target. The compensation committee selected the S&P 500 Packaged Food & Meat Index, an established index that investors may use to rank our company s performance, as the market comparison for relative total shareholder return. The relative total shareholder performance modifier scale was selected based on the compensation committee s judgment, competitive market data and advice provided by Towers Perrin.

On February 4, 2008, Mr. Deese received a non-qualified stock option grant of 235,100 shares and a performance-contingent restricted stock award of 58,050 shares. Aggregate non-qualified stock option grants of 149,350 shares and performance-contingent restricted stock grants of 36,850 shares were awarded to the other Named Executives in 2008 under the EPIP.

Performance-Contingent Restricted Stock Awards. Shares of performance-contingent restricted stock were granted on February 4, 2008 to the Named Executives pursuant to the EPIP and the 2008 restricted stock agreement (the Restricted Stock Agreement). In addition, the Named Executives together received dividends of $54,568 on such restricted shares.

The Restricted Stock Agreement provides the terms and conditions under which the shares of restricted stock will vest. Vesting generally occurs two years from the date of grant on February 4, 2010 and the shares become nonforfeitable if, on this date, the company s average return on invested capital over the two fiscal years immediately preceding vesting exceeds its weighted average cost of capital for the same period by 250 basis points (the ROI Target).Furthermore, each grant of performance-contingent restricted stock will be adjusted as set forth below:

if the ROI Target is satisfied, then the performance-contingent restricted stock grant may be adjusted based on the company s total return to shareholders (Company TSR) percent rank as compared to the total return to shareholders of the S&P Packaged Food & Meat Index (S&P TSR) in the manner set forth below:

If the Company TSR is equal to the 50th percentile of the S&P TSR, then no adjustment;

If the Company TSR is less than the 50th percentile of the S&P TSR, the grant shall be reduced by 1.3% for each percentile below the 50th percentile that the Company TSR is less than the 50th percentile of S&P TSR, but in no event shall the reduction exceed 20%; or

If the Company TSR is greater than the 50th percentile of the S&P TSR, the grant shall be increased by 1.3% for each percentile above the 50th percentile that Company TSR is greater than the 50th percentile of S&P TSR, but in no event shall such increase exceed 20%.

If the grantee dies, becomes disabled or retires, the restricted stock generally vests immediately. In addition, the restricted stock will immediately vest at the target level without adjustment if the company undergoes a change in control. During the vesting period, the executive is treated as a normal shareholder with respect to dividend rights on the restricted shares. The dividends earned on the shares are paid directly to the executive. At the time of vesting, the executive will receive the shares of stock and will be liable for his or her portion of all federal and state income and payroll taxes based on the fair market value of the shares awarded on the vesting date.

Stock Option Awards. Nonqualified stock options were granted on February 4, 2008 to the Named Executives under the company s 2008 nonqualified stock option agreement (the Stock Option Agreement) and the EPIP. The Stock Option Agreement contains the terms and conditions under which the nonqualified stock options will vest. No further action or performance by the company, its stock, or the executive (other than continued employment with the company) is required for vesting to occur. For accounting purposes, the options are valued using the Black-Scholes valuation method and granted at 100% of the market value on the date of grant. Market value is calculated as the closing stock price on the date of the grant. Options vest three years from the date of grant on February 4, 2011, assuming that the executive is continuously employed by the company through the date of vesting, and must be exercised prior to February 4, 2015. Generally, if the employee dies, becomes disabled, or retires, the nonqualified stock options immediately vest and must be exercised within two years. In addition, options will vest if the company undergoes a change in control with respect to the voting power of its common shares. When

[1] The ROI Target for the 2007 award of performance-contingent restricted stock simply required the company s average return on invested capital during the two fiscal years immediately preceding vesting to exceed the company s weighted average cost of capital for the same period.

the executive exercises the options, he or she will be liable for all federal and state income and payroll taxes based on the taxable income resulting from the exercise.

Timing of Grants Under the EPIP. The compensation committee ensures that its process for determining the date for the annual grant of equity awards insulates the choice of date from any market influences that might affect the decision at a given time. In fiscal 2007, the compensation committee adopted the policy of making the annual grant following the official announcement of our prior fiscal year results, which coincides with the opening of our self-imposed insider trading window. Except in unusual circumstances, we do not grant equity awards to the Named Executives at other dates. If at the time of any planned equity grant any member of the compensation committee is aware of any material non-public information concerning our company, the compensation committee will generally delay the planned grant until such time as the material non-public information has been fully disseminated in the market. The grant date is established when the compensation committee approves the grant and all key terms have been determined. The exercise price of each of our stock option grants and the grant price of our performance-contingent restricted stock grants is the closing market price on the grant date. Executive officers do not play any role in the timing of equity awards under the EPIP.

Recoupment Policy

On February 7, 2008, the compensation committee amended the EPIP and the Bonus Plan to provide for the recoupment of grants made under the EPIP and bonuses awarded under the Bonus Plan. The recoupment policy provides that if the board of directors has reliable evidence of knowing misconduct by a participant that results in the incorrect overstatement of the company s earnings or other financial measurements that were taken into consideration in awarding grants or bonuses and as a result of such overstatement the participant (i) received a bonus and/or (ii) either received a grant under the EPIP or had a prior grant vest or become nonforfeitable, the participant shall be required to reimburse (or forfeit, as the case may be) the full amount of any grants or bonuses that resulted from the overstatement. The recoupment policy will apply to all grants made under the EPIP on or after February 4, 2008 and bonuses awarded under the Bonus Plan for the 2008 fiscal year and thereafter.

Retirement & Other Post-Employment Benefits

Pension benefits are provided to executives under the Flowers Foods, Inc. Retirement Plan No. 1 (the Retirement Plan) and the Supplemental Executive Retirement Plan (the SERP), which was terminated as of December 31, 2005. The company also provides a defined contribution benefit to executives through its Executive Deferred Compensation Plan (the EDCP).

Retirement Plan

The Retirement Plan is a qualified defined benefit pension plan that provides a pension upon retirement to eligible employees of participating subsidiaries (but not to employees of the company) that is based upon each year of service with the participating subsidiary through December 31, 2005. Additionally, the Retirement Plan provides a pension upon retirement to eligible employees (including employees of non-participating subsidiaries and of the company) who were participants under the Flowers Industries, Inc. Retirement Plan No. 1 prior to the company s spin-off from Flowers Industries, Inc., which is based upon each year of service with Flowers Industries, Inc. and/or certain of its subsidiaries. No additional years of credited service have been granted other than for actual years of credited service in the Retirement Plan.

Effective December 31, 2005 benefits under the Retirement Plan were frozen and no additional benefits will accrue under the Retirement Plan. The frozen pension benefit is the sum of annual credits earned during eligible employment. The basic credit formula at the time the Retirement Plan was frozen was 1.35% of the first $10,000 of W-2 earnings (subject to certain exclusions) plus 2% of W-2 earnings (subject to certain exclusions) in excess of $10,000 for each year of service up to 35 years. For each year of service in excess of 35 years, 1.8% of W-2 earnings (subject to certain exclusions) was credited. Certain additional fixed benefit amounts were provided for a limited group of participants in the Retirement Plan, including certain of the Named Executives.

Benefits can be paid in many forms under the terms of the Retirement Plan, including a life annuity option, joint and survivor option, period certain and life options, level income option and a lump sum option of up to $7,500.

Table of Contents

The payout option must be elected by the participant before benefit payments begin. Each available payout option is actuarially equivalent. Early retirement benefit payments are available to participants upon attainment of age 55 and completion of five years of vesting service. A participant s full benefit under the Retirement Plan is payable at age 65. Benefits are reduced by 1/15 for each of the first five years and 1/30 for each of the next five years by which benefit commencement precedes age 65. The same benefits are payable upon retirement, termination, or disability with the adjustments described above for commencement before age 65 but on or after age 55. A 50% survivor annuity is payable to a participant s spouse upon death prior to retirement. All Named Executives have fulfilled the required service period and are either eligible for early retirement benefit payments currently or will become eligible upon attainment of age 55. No payments were made to the Named Executives under the terms of the Retirement Plan during the 2008 fiscal year measurement period December 30, 2007 to January 3, 2009. In fiscal 2006 and earlier, the company used a September 30th measurement date for its pension plans. The company eliminated the early measurement date in fiscal 2007 using the remeasurement alternative under FAS 158.

SERP

The SERP was a nonqualified defined benefit pension plan that covered pay and benefits above the qualified pension plan limits in the Retirement Plan. In addition, nonqualified deferred compensation was included as part of pensionable compensation in the SERP. Effective December 31, 2005, benefits under the SERP were frozen, and the plan was terminated. All benefits earned under the SERP as of March 26, 2001 were distributed as lump sums in 2001. Benefits earned in the SERP after March 26, 2001 were distributed as lump sums primarily in December 2005 upon termination of the SERP, and a distribution of remaining benefits due after final calculations were completed was made to one of the Named Executives during fiscal 2006. No payments were made under the SERP to any of the Named Executives in fiscal 2008.

Executive Deferred Compensation Plan

The Executive Deferred Compensation Plan (the EDCP) allows certain members of management to defer the receipt of a percentage of their salary and bonus. The purpose of the EDCP is to provide a deferral benefit to certain members of management whose contributions to the company s 401(k) defined contribution plan, a tax qualified plan, are limited by statutory restrictions. The EDCP is not a tax-qualified plan. The participants deferrals are credited to an account established for the participant that is credited with interest until paid. Additionally, the company allocates matching contributions pursuant to the plan on behalf of the participant that are also credited with interest until paid. Interest credited on deferrals and company contributions to the EDCP are based on the Merrill Lynch U.S. Corp., BBB-rated Fifteen-Year Bond Index plus 150 basis points. Interest is considered above-market if earned at a rate which is 120% or more of the applicable federal long-term rate. Earnings in the EDCP are interest-based credits that exceed this threshold. The company credits interest at above market rates because participants EDCP accounts are unfunded and unsecured and therefore subject to substantial risk of loss should events ever befall the company causing it to reorganize or liquidate. Generally, the deferrals and company contributions plus interest are paid to the participant upon termination of employment. Distributions from the EDCP are made from the company s general assets. Contributions credited to the EDCP on behalf of the Named Executives amounted to $323,687 in fiscal 2008. During 2008, participants were given a one-time, irrevocable opportunity to convert their EDCP cash account for some or all prior years deferrals to an account that tracks the performance of our common stock. Balances as of the end of the fiscal year were converted, based on the closing price of our common stock on January 2, 2009. The EDCP tracking account will be distributed in shares of our common stock at the time elected by the participant for the deferral year(s) in question. The EDCP tracking account will be credited with dividends paid on our common stock for the number of shares deemed held in such account, and such dividends will then be deemed to be invested in the cash account and will earn interest as described above.

Executive Share Ownership Guidelines

Based on the view of the compensation committee that the ownership of an equity interest in the company by executives is a component of good corporate governance and insures alignment of executive and shareholder interests, guidelines were adopted that require key members of the company s management team to directly own minimum amounts of the company s common stock. The guidelines are set forth below:

Chairman of the Board, President and Chief Executive Officer: 5 times base salary.

Executive Vice President and Chief Financial Officer: 3 times base salary.

Executive Vice President and Chief Operating Officer: 3 times base salary.

Executive Vice President and Chief Marketing Officer: 3 times base salary.

Executive Vice President, Secretary and General Counsel: 3 times base salary.

The initial number of shares required to meet the guidelines were valued on January 1, 2006, and the guidelines will be reviewed every four years thereafter for all direct stock holdings. Members of management subject to the guidelines or new participants have four years to reach the stated minimums. The holdings of each of the Named Executives (except for Mr. Kinsey who was appointed to his current position in September 2007) are currently within the guidelines. These guidelines may be revised or terminated by the compensation committee at any time with thirty days written notice to the affected employees.

Accounting and Tax Effect on Executive Compensation

Deductibility of Executive Compensation

We are not allowed a federal income tax deduction for compensation paid to certain executive officers in excess of $1 million, except to the extent that such compensation constitutes performance-based compensation (as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code)). The compensation committee retains the ability to consider factors, including tax deductibility, as it structures coordinated compensation packages of current and long-term compensation, to retain flexibility in rewarding efforts which prove to be of immediate or future benefit to the company and its shareholders.

Nonqualified Deferred Compensation

The American Jobs Creation Act of 2004 (AJCA) was signed into law on October 22, 2004 and became effective on January 1, 2005. The AJCA changed the tax rules applicable to nonqualified deferred compensation agreements. While written compliance with the final regulations is not yet required, the company believes that it is operating in good faith compliance with the statutory provisions of the AJCA. The company amended the compensation agreements and plans it maintains in order to comply with the requirements of the final regulations promulgated pursuant to the AJCA prior to the deadline of December 31, 2008.

Stock Based Compensation

Generally the executive is taxed at fair market value on stock based compensation upon the exercise of stock awards provided the risk of forfeiture and all restrictions have lapsed. The company generally receives a tax deduction equal to the value reported as income by the executive in the year the stock option is exercised or the grant of restricted stock vests.

Table of Contents

COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with the company s management and, based on this review and discussion, recommends to the board of directors that the Compensation Discussion and Analysis be included in the company s Annual Report on Form 10-K for the year ended January 3, 2009 filed with the SEC and proxy statement.

The Compensation Committee
of the Board of Directors:

Manuel A. Fernandez, Chairman
Joseph L. Lanier, Jr.
Melvin T. Stith, Ph.D.
Jackie M. Ward

Table of Contents

SUMMARY COMPENSATION TABLE

The following table summarizes the compensation of the chief executive officer, chief financial officer and each of the three other most highly compensated executive officers of Flowers Foods (the Named Executives) for the fiscal years ended December 30, 2006, December 29, 2007 and January 3, 2009:

me and Principal Position	Year	Salary ($)(1)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Comp. ($)(2)	Change in Pension Value and Nonqualified Deferred Comp. Earnings ($)(3)(4)	All Other Comp. ($)(5)	Total ($)
orge E. Deese	2008	896,923	1,352,023	1,203,823	1,192,190	99,133	84,748	4,828,84
airman of the Board	2007	800,000	1,365,437	960,750	906,200	68,299	75,450	4,176,13
ief Executive Officer and	2006	750,000	786,061	712,429	916,918	38,893	67,049	3,271,35
esident								
Steve Kinsey	2008	346,154	125,007	95,986	257,788	7,895	26,626	859,45
ecutive Vice President and	2007	247,007	53,117	105,668	123,682	2,912	18,011	550,39
ief Financial Officer	2006	211,257	26,973	86,186	118,447	838	15,328	459,02
ne D. Lord	2008	432,623	271,870	250,399	345,026	41,783	40,527	1,382,22
ecutive Vice President and	2007	389,765	223,349	287,156	264,904	32,858	31,616	1,229,64
ief Operating Officer	2006	374,774	104,247	307,348	274,897	15,638	28,703	1,105,60
en L. Shiver	2008	398,087	232,651	226,048	317,482	15,477	36,606	1,226,35
ecutive Vice President and	2007	362,623	215,360	280,905	205,381	7,469	28,201	1,099,93
ief Marketing Officer	2006	352,061	104,247	307,348	215,197	1,379	25,756	1,005,98
phen R. Avera	2008	369,158	200,749	185,473	294,411	13,342	33,345	1,096,47
ecutive Vice President,	2007	348,263	164,427	207,226	197,247	6,090	27,053	950,30
cretary and General Counsel	2006	336,486	78,732	220,491	205,677	6,112	39,817	887,31

(1) Executives may elect to defer amounts into Flowers Foods 401(k) plan (up to IRS limits) and into the EDCP. Amounts of salary deferred during fiscal 2006, 2007 and 2008 were as follows:

Name:	Salary Deferrals in 401(k) Plan ($)	Salary Deferrals into EDCP ($)	Total ($)

George E. Deese	2008	15,000	43,846	58,846
	2007	14,000	40,000	54,000
	2006	12,500	74,619	87,119
R. Steve Kinsey	2008	10,000	13,500	23,500
	2007	9,000	5,200	14,200
	2006	7,500	6,338	13,838
Gene D. Lord	2008	15,000	16,900	31,900
	2007	14,000	15,568	29,568
	2006	12,500	14,964	27,464
Allen L. Shiver	2008	15,000	15,558	30,558
	2007	14,000	14,489	28,489
	2006	12,500	14,057	26,557
Stephen R. Avera	2008	15,000	14,466	29,466
	2007	14,000	13,912	27,912
	2006	12,500	13,441	25,941

(2) Non-equity incentive plan compensation includes all performance-based cash awards earned by the Named Executives during the fiscal year under the Bonus Plan. For 2008, 2007 and 2006, Mr. Deese elected to defer receipt of 0%, 0% and 25%, respectively, of his non-equity incentive plan compensation under the EDCP. No

Table of Contents

other Named Executive elected to defer any portion of their non-equity incentive plan compensation under the EDCP.

(3) Both qualified and nonqualified defined benefit pension plan benefits were frozen on or before December 31, 2005. All nonqualified defined benefit plan benefits earned after March 2001 were distributed as lump sums primarily in December 2005 upon termination of the plan, and a distribution of remaining benefits due after final calculations was made to one of the Named Executives during fiscal 2006.

(4) Amounts reported in the Change in Pension Value and Nonqualified Deferred Comp. Earnings column are as follows:

Name		Change in Pension Value ($)	Above-Market Nonqualified Deferred Comp. Earnings ($)	Total ($)
George E. Deese	2008	53,391	45,742	99,133
	2007	46,619	21,680	68,299
	2006	24,381	14,512	38,893
R. Steve Kinsey	2008	4,876	3,019	7,895
	2007	1,635	1,277	2,912
	2006(a)		838	838
Gene D. Lord	2008	38,693	3,090	41,783
	2007	31,943	915	32,858
	2006	15,414	224	15,638
Allen L. Shiver	2008	12,228	3,249	15,477
	2007	6,379	1,090	7,469
	2006	918	461	1,379
Stephen R. Avera	2008	9,552	3,790	13,342
	2007	4,664	1,426	6,090
	2006	5,369	743	6,112

(a) Present value of accrued benefits for Mr. Kinsey declined due to frozen plan benefits and an increase in interest rates.

(5) Amounts reported in the All Other Comp. column are reported in the table below.

Name	Payment from SERP Termination ($)	Employer Contributions to Section 401(k) Plan ($)	Employer Contributions to Nonqualified Deferred Comp. Plan ($)	Total ($)

George E. Deese	2008		11,900	72,848	84,748
	2007		11,250	64,200	75,450
	2006		10,350	56,699	67,049
R. Steve Kinsey	2008		11,900	14,726	26,626
	2007		11,250	6,761	18,011
	2006		10,350	4,978	15,328
Gene D. Lord	2008		11,900	28,627	40,527
	2007		11,250	20,366	31,616
	2006		10,350	18,353	28,703
Allen L. Shiver	2008		11,900	24,706	36,606
	2007		11,250	16,951	28,201
	2006		10,350	15,406	25,756
Stephen R. Avera	2008		11,900	21,445	33,345
	2007		11,250	15,803	27,053
	2006	15,008	10,350	14,459	39,817

Table of Contents

GRANTS OF PLAN-BASED AWARDS

The following table details grants made during the fiscal year ended January 3, 2009 pursuant to incentive plans in place at Flowers Foods as of that date:

All Other Option	Exercise