

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: June 25, 2007

Re: Flower Foods, Inc. (FLO) - 3 for 2 Stock Split

Flower Foods, Inc. (FLO) has declared a 3 for 2 stock split payable to shareholders of record on Friday, June 15, 2007. Distribution date for the stock split will be Friday, June 29, 2007. **Ex-distribution date for the stock split will be Monday, July 2, 2007.**

Accordingly, pursuant to OCC By-Laws, all FLO options on the ex-distribution date must be adjusted as follows:

1. The number of underlying shares represented by each option contract will be increased to 150 shares.
2. The strike price of each outstanding option series will be reduced proportionately and rounded to the nearest eighth of a point.

The effect of these adjustments on all outstanding FLO options will be to change the symbol(s) to FIM, increase the number of underlying shares represented by each contract to 150, and to reduce the strike price for each series proportionately. The Exchange has further determined that new FLO option contracts, representing 100 shares of FLO, will start trading on Tuesday, July 3, 2007. The PHLX has established that effective on the ex-distribution date, and until January 19, 2008 expiration, the position and exercise limits shall be any combination of FLO and FIM options not to exceed 7,500,000 shares of FLO. Following January 19, 2008 expiration, the position and exercise limit will return to the established limit of 50,000 contracts. Therefore, commencing Monday, July 2, 2007, the current FLO strike prices will be adjusted and identified by the symbol FIM.

The resulting list of adjusted strike prices and symbols is as shown on the following pages:

Flower Foods, Inc. (FLO) (Before 7/2/2007) (100 shrs FLO)					Flower Foods, Inc. (FIM) (Beginning 7/2/2007) (150 shrs FLO)				
			Calls	Puts				Calls	Puts
FLO	JUL	22 1/2	GX	SX	FIM	JUL	15	GC	SC
FLO	JUL	25	GE	SE	FIM	JUL	16 5/8	GU	SU
FLO	JUL	30	GF	SF	FIM	JUL	20	GD	SD
FLO	JUL	35	GG	SG	FIM	JUL	23 3/8	GV	SV
FLO	JUL	40	GH	SH	FIM	JUL	26 5/8	GW	SW
FLO	AUG	30	HF	TF	FIM	AUG	20	HD	TD
FLO	AUG	35	HG	TG	FIM	AUG	23 3/8	HV	TV
FLO	AUG	40	HH	TH	FIM	AUG	26 5/8	HW	TW
FLO	OCT	25	JE	VE	FIM	OCT	16 5/8	JU	VU
FLO	OCT	30	JF	VF	FIM	OCT	20	JD	VD
FLO	OCT	35	JG	VG	FIM	OCT	23 3/8	JV	VV
FLO	OCT	40	JH	VH	FIM	OCT	26 5/8	JW	VW
FLO	JAN	25	AE	ME	FIM	JAN	16 5/8	AU	MU
FLO	JAN	30	AF	MF	FIM	JAN	20	AD	MD
FLO	JAN	35	AG	MG	FIM	JAN	23 3/8	AV	MV
FLO	JAN	40	AH	MH	FIM	JAN	26 5/8	AW	MW

Any additional FLO series that are added prior to the ex-date will also be adjusted in the manner described above.

The new FLO option contracts representing 100 shares of FLO, will be admitted to trading on Tuesday, July 3, 2007. Strike prices and expiration months will be announced on a separate release prior to that date.

The bids and offers for listed options are usually expressed in price per share of the underlying security. If the unit of trading is 100 shares, a bid of 2 would indicate a dollar premium of \$200.00 per contract. If, however, the unit of trading is 150, a bid of 2 would indicate a dollar premium of \$300.00.

Brokers must advise their customers of this fact in connection with the adjusted FIM options. Brokers are cautioned to be certain that customers entering closing transactions make the proper description of the options. Failure to do this could result in closing out an existing position in the adjusted series. Customers should also be advised that if they are 'covered writers', they must retain and not liquidate the additional shares of FLO if they are to remain fully covered. Customers initiating opening writing positions in FLO on or after Monday, July 2, 2007 must own 150 shares of FLO common stock for each contract held in order to be fully covered. Commencing on July 3, 2007 and thereafter, customers purchasing 100 shares of FLO and selling one option should be certain to sell 'NEW' contracts to avoid being uncovered writers.

Customers should be advised that Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.