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Hostess Brands Confirms Teamsters' Ratification of Collective Bargaining Agreement; Company Seeking Court Authority to Impose Contract on Bakery and Confectionery Workers

IRVING, Texas, Sept. 14, 2012 /PRNewswire/ -- Hostess Brands Inc. today announced that employee members of the International Brotherhood of Teamsters (IBT) voted to ratify changes to their bargaining agreement that, if implemented throughout the Company, will enable Hostess to continue operating.

"We are very grateful to the IBT-represented employees for ratifying our final offer," said Hostess Brands Chief Executive Officer Gregory F. Rayburn. "We know it was a difficult decision for them, but one that we believe is in the long-term best interests of the entire Company and its 18,500 employees."

The Company also announced that it intends to file a motion under Section 1113 and 1114 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court in White Plains, NY, to impose the same changes ratified by the IBT on employees represented by the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM) who voted to reject them. If granted, the relief, along with similar relief requested of the Company's other, smaller unions, will enable the Company and its employees to avoid liquidation and successfully emerge from Chapter 11. The Company has already made its final offer to the BCTGM.

Mr. Rayburn added that the BCTGM's membership may have voted against the final offer because their union leadership incorrectly informed members that a white knight would step in to buy the Company and save their jobs, or that Hostess would return with a better offer. "It has been suggested to our BCTGM-represented employees by their union leaders that unidentified parties may be prepared to invest in or purchase Hostess or a significant portion of its baking facilities if the Company's proposal was rejected," he said. "This is not true. There is no white knight. There is no better offer. Our only option to save Hostess, preserve jobs and avoid liquidation is to amend our labor agreements."

Hostess Brands filed for Chapter 11 bankruptcy protection in January 2012. Since the filing, the Company has been pursuing new collective bargaining agreements with all of its union employees to give Hostess Brands a chance to thrive again with more flexibility to match its competitors. Under the Company's current proposal, all Hostess employees, including management and non-union workers, will have their compensation adjusted by an equivalent percentage.

The Company plans to seek approval of its 1113 motion at a hearing to be held on October 3, 2012.

About Hostess Brands

Founded in 1930 and based in Irving, Texas, the Company's products have included iconic brands such as Butternut®, Ding Dongs®, Dolly Madison®, Drake's®, Home Pride®, Ho Hos®, Hostess®, Merita®, Nature's Pride®, Twinkies® and Wonder®. Hostess Brands had approximately 18,500 employees and operated 36 bakeries, 565 distribution centers, approximately 5,500 delivery routes and 570 bakery outlet stores throughout the United States.

SOURCE Hostess Brands Inc.