

March 14, 2013



Hostess Brands Selects McKee Foods as Winning Bidder for Drake's® Snack Cake Brand

- McKee to pay \$27.5 Million for Brands and Equipment**
- Company to Seek Court Approval of Transaction on April 9**
- Hostess Brands to Auction Sweetheart®, Eddy's®, Standish Farms®, and Grandma Emilie's® Bread Brands on March 15**

KANSAS CITY, Mo., March 14, 2013 /PRNewswire/ -- Hostess Brands Inc. ("Hostess Brands" or "the Company") today announced that the stalking horse bid submitted by McKee Foods Corporation ("McKee") for the Drake's® snack cake brand will be the bid presented for approval to the U.S. Bankruptcy Court as no other qualified bids were received for those assets.

McKee has agreed to pay \$27.5 million for the Drake's® brand and certain equipment. Drake's products include Ring Dings, Yodels, Devil Dogs, Yankee Doodles, Sunny Doodles, and Drake's Coffee Cake. The Company will ask the U.S. Bankruptcy Court for the Southern District of New York to approve the transaction at a hearing on April 9.

Separately, Hostess Brands will proceed with an auction for its Sweetheart®, Eddy's®, Standish Farms®, and Grandma Emilie's® bread brands on March 15 after the Company received additional qualified offers. United States Bakery, Inc., as the stalking horse bidder, has agreed to pay \$30 million for the brands, four bakeries, and 14 depots, plus certain equipment.

The Company's other proposed transactions include:

- The sale of the majority of the Company's snack cake business to affiliates of Apollo Global Management, LLC (collectively with its subsidiaries "Apollo") and Metropoulos & Co. ("Metropoulos"). Apollo and Metropoulos have agreed to pay \$410 million for the assets, which include both Hostess® and Dolly Madison® branded products, five bakeries and certain equipment. Among the products included are the Company's Twinkies®, Ho Hos®, Ding Dongs®, and Donettes® snack cakes.
- The sale of the majority of the Company's bread business, including its Wonder® brand, to Flowers Foods, Inc. for \$360 million. The agreement includes, in addition to the brands, 20 bakeries, 38 depots and other assets.
- The sale of the Beefsteak® bread brand to Grupo Bimbo, S.A.B. de C.V. for \$31.9 million.

Hostess Brands will seek Court approval of the above transactions on March 19.

Jones Day provided legal advice to Hostess Brands on all of the transactions. Perella Weinberg Partners served as the Company's financial advisor.

About Hostess Brands

Founded in 1930, the Company's products include iconic brands such as Hostess®, Wonder®, Nature's Pride®, Dolly Madison®, Drake's®, Butternut®, Home Pride®, and Merita®.

SOURCE Hostess Brands Inc.