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# Court Grants First-Day Motions for Hostess

## Court Grants \$75 Million in Interim DIP Financing

## Permission Granted to Continue Paying Employees and Maintain Customer Programs

IRVING, Texas, Jan. 12, 2012 /PRNewswire/ -- Hostess Brands Inc. announced that it received court authority today to enter into a \$75 million debtor-in-possession (DIP) financing facility and access \$35 million of it until a hearing scheduled for January 26, 2012 for further approval for the DIP. This enables the Company to continue routine operations while undertaking a comprehensive financial and operational restructuring.

The financing is being provided by a group of the Company's existing first-lien lenders, led by Silver Point Capital, L.P.

The Hon. Robert D. Drain of the U.S. Bankruptcy Court for the Southern District of New York also authorized the continuation of wages for employees without interruption and maintenance of all customer programs, among other things.

"The motions granted today will ensure that Hostess continues its operations without any disruptions so that its products will remain available and on store shelves everywhere," said Brian Driscoll, president and chief executive officer. "With the access to the DIP financing, Hostess will continue to provide wages and benefits to our employees and payments to suppliers going forward."

The Court also approved the procedures motion to establish a timeline for motions under Sections 1113 and 1114 of the Bankruptcy Code to address its labor issues.

The Court observed that Hostess was focused on completing a successful reorganization and not on selling all or portions of the Company.

"The Company is strongly committed to continuing its good faith bargaining with its unions and we remain hopeful that we can reach a consensual agreement on the terms of our labor contracts before filing 1113 and 1114 motions," said Mr. Driscoll.

Hostess Brands filed a Chapter 11 petition in the U.S. Bankruptcy Court for the Southern District of New York on January 11, 2012. The case number is 12-22052.

The Company has established a toll-free information line at 855-239-1428.

SOURCE Hostess Brands Inc.

