

March 20, 2013



## Hostess Brands Wins Court Approval of Major Sale Transactions

**- Authorized to Complete Sales With Aggregate Proceeds of \$800 Million**

**- Sales Include Iconic Twinkies® and Wonder® Brands**

KANSAS CITY, Mo., March 20, 2013 /PRNewswire/ -- Hostess Brands Inc. ("Hostess Brands" or "the Company") today announced that it has obtained U.S. Bankruptcy Court approval to sell the majority of its snack cake business and the majority of its bread business in separate transactions totaling approximately \$800 million in proceeds.

"We embarked on the sales process with one overarching goal – to maximize value for all of the Company's stakeholders – and I am pleased to report that we have been successful," said Gregory F. Rayburn, the Company's Chairman and Chief Executive Officer. "I'd like to thank all of the employees and advisors who supported the process and helped preserve the value of some of the most beloved brands in the U.S."

U.S. Bankruptcy Judge Robert Drain approved the following transactions:

- 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 affiliates of 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 affiliates of Grupo Bimbo, S.A.B. de C.V. for \$31.9 million.

Hostess Brands will seek Court approval of the following transactions at a hearing on April 9:

- The sale of the Company's Drake's® snack cake brand and certain equipment to affiliates of McKee Foods Corporation for \$27.5 million. Drake's products include Ring Dings®, Yodels®, Devil Dogs®, Yankee Doodles®, Sunny Doodles®, and Drake's Coffee Cake®.
- The sale of Company's Sweetheart®, Eddy's®, Standish Farms®, and Grandma Emilie's® bread brands, four bakeries, and 14 depots, plus certain equipment to affiliates of United States Bakery for approximately \$30.9 million.

The Company has retained Hilco Industrial, LLC to market and sell its remaining assets,

including property and equipment.

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, Hostess Brands' products include iconic brands such as Hostess®, Wonder®, Nature's Pride®, Dolly Madison®, Drake's®, Butternut®, Home Pride®, and Merita®.

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