

Hostess Brands Inc. Selects Stalking Horse Bid for Majority of the Assets of Snack Cake Business, Including Iconic Twinkies® Brand

- **Apollo Global Management, LLC and Metropoulos & Co. Submit \$410 Million Offer**
- **Agreement Includes Both Hostess® and Dolly Madison® Brands**
- **Company Requests Court Permission to Conduct Auction to Obtain Highest and Best Offer**

KANSAS CITY, Mo., Jan. 30, 2013 - Hostess Brands Inc. ("Hostess Brands" or the "Company") today announced that the Company has selected affiliates of Apollo Global Management, LLC (NYSE: APO) (collectively with its subsidiaries "Apollo") and Metropoulos & Co. ("Metropoulos") as the stalking horse bidder for the majority of the assets of the Company's snack cake business, which includes both Hostess® and Dolly Madison® branded products, including the iconic Twinkies® brand.

Apollo and Metropoulos have agreed to pay \$410 million to purchase the brands, 5 bakeries and certain equipment.

"We are pleased to name Apollo and Metropoulos as the stalking horse bidder for these valuable and beloved brands," said Hostess Brands Chairman and Chief Executive Officer Gregory F. Rayburn. "Interest in these iconic brands has been intense and competitive and we expect that to continue through a robust, court-authorized auction process. The ultimate goal will be the same we have had since we began marketing all of our assets – to maximize value for all of the Company's stakeholders and ensure these great products can be enjoyed by their loyal fans for many years to come."

Hostess Brands has requested that the U.S. Bankruptcy Court for the Southern District of New York (the "Court") authorize the Company to proceed with an auction for the majority of the assets of the snack cake business on March 13, provided the Company receives competing qualified bids. The Company will select the highest and best offer at the conclusion of the auction. The sale to the winning bidder requires Court approval.

As previously announced, Hostess Brands has reached stalking horse agreements, contemplating an aggregate purchase price of more than \$440 million, to sell the majority of the assets related to its bread business, including its Wonder®, Butternut®, Home Pride®, Merita®, Nature's Pride®, Beefsteak®, Sweetheart®, Eddy's®, Standish Farms® and Grandma Emilie's® bread brands as well as its Drake's® snack cake business.

The Company will select the winning bidders for the assets of the bread and snack cake businesses at the conclusion of various auctions. Sales to the winning bidders require Court approval.

"The stalking horse bids have set a floor of more than \$850 million for the bulk of the Company's assets," Mr. Rayburn said. "We look forward to competitive auctions to further drive value for all of the Company's stakeholders."

Jones Day provided legal advice to Hostess Brands on the transaction. 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®.

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