



October 5, 2012

Extension of Conditional Notice Pursuant to the Worker Adjustment
and Retraining Notification Act

Dear Madams and Sirs:

We are writing to update you on the conditional WARN notice that you received from Hostess Brands, Inc. (the "Company") in May. To date, no WARN triggering event has occurred, but the Company's bankruptcy proceedings remain ongoing. We have been in touch with the States' dislocated worker or equivalent labor departments on various occasions throughout the past few months to provide updates on the status of a potential shutdown or mass layoff. We have attached for your convenience samples of the extension notices that have been sent to employees and the State since May. These notices were sent to all employees working in your jurisdiction; similar notices have been provided to the labor unions representing Company employees.

Most recently, the International Brotherhood of Teamsters ("IBT"), the United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW"), and the United Steelworkers Union ("USW") obtained member ratification of the modified collective bargaining agreements the Company negotiated with those unions necessary to allow the Company to emerge from bankruptcy successfully. The Bakery, Confectionary, Tobacco Workers and Grain Millers International Union ("BCTGM") members and members of some of the other unions representing Company employees did not ratify the modified collective bargaining agreements applicable to them and the BCTGM is threatening to strike. As we stated in previous notices, in the event of a failure to ratify the modified collective bargaining agreements or a strike, the Company will likely not be able to emerge successfully from bankruptcy and will have to begin to sell all or portions of its business and/or wind down its operations and liquidate, which would lead to employee separations shortly thereafter.

We are currently engaged in bankruptcy court proceedings with the BCTGM and some of the other unions representing Company employees regarding potential implementation of the modified collective bargaining agreements. Our primary focus continues to be on completing a restructuring of the Company and emerging from chapter 11 as a viable company. But, it remains possible that, despite our best efforts, the Company may be required to sell all or portions of its business and/or wind down its operations and liquidate because of the occurrence of any of the events identified in the notices sent to you, including but not limited to a strike or an unfavorable bankruptcy court ruling with respect to modifications to the Company's collective bargaining agreements with unions other than the IBT.

Based on the best information available to the Company at this time, we believe that the Company should know by on or about November 15, 2012 whether the Company will have to begin selling portions of its business and/or wind down its operations and liquidate, which would lead to a separation of your employment within 14 days thereafter. If you have any questions, or would like further information, please contact our ASKHR call center at 1-800-Hostess (1-800-467-8377).

Very truly yours,

A handwritten signature in black ink, appearing to read "Jeff Parlato".

Jeff Parlato - Vice President, Human Resources and Labor Relations



BOARD OF SUPERVISORS

2012 OCT -9 A 1 43

July 20, 2012

VIA USPS

[Employee Name & Address]

Re: Extension Of Conditional Notice Pursuant to the Worker Adjustment and Retraining Notification Act

Dear _____:

By letter dated May 4, 2012 Hostess Brands, Inc. notified you that certain events may occur that could lead to your separation of employment with the Company on or about July 20, 2012. As a result of the Company's ongoing chapter 11 bankruptcy proceedings, based upon the best information reasonably available to the Company at this time, it is now anticipated that one or more of the events described in the May 4, 2012 may occur within the next forty-five days, which would lead to a separation of your employment with the Company within fourteen days after the occurrence of any such event.

The Company continues to be actively engaged in discussions with various lenders and potential purchasers regarding Hostess' restructuring. But, as was the case on May 4, it is possible that, despite our best efforts, certain events may occur that would require Hostess to sell all or portions of its business and/or wind down its operations and liquidate. However, our primary focus continues to be on completing our restructuring of the Company and emerge from chapter 11 as a viable company.

If you have any questions, or would like further information, please contact our ASKHR call center at 1-800-Hostess (1-800-467-8377).

Very truly yours,

A handwritten signature in black ink, appearing to read "C. Knipp".

Christopher J. Knipp
SVP, Human Resources
Hostess Brands, Inc.



September 5, 2012

VIA USPS

[Employee Name & Address]

Re: Extension of Conditional Notice Pursuant to the Worker Adjustment and Retraining Notification Act

Dear _____:

By letter dated May 4, 2012, Hostess Brands, Inc. and its affiliate Interstate Brands Corporation (collectively, the "Company") notified you that certain events may happen that could lead to your separation from the Company on or about July 20, 2012. By letter dated July 20, 2012, based on the best information available to the Company at that time, we let you know that one or more of the events described in the May 4, 2012 letter may happen on or about September 3, 2012, which would lead to your separation from the Company within fourteen days of that event taking place.

The Company's bankruptcy proceedings are ongoing and since May 4 the Company has proposed modifications to its collective bargaining agreements with the International Brotherhood of Teamsters ("IBT"), the Bakery, Confectionary, Tobacco Workers and Grain Millers International Union ("BCTGM") and the other unions representing Company employees. Based on the best information available to the company at this time, we believe that the Company should know on or about October 5, 2012 whether the IBT and the BCTGM were able to secure member ratification of the modified collective bargaining agreements currently proposed by the Company. As we have told both the IBT and the BCTGM, in the event of a failure to ratify the modified collective bargaining agreements, the Company will likely not be able to emerge successfully from bankruptcy and will have to begin to sell all or portions of its business and/or wind down its operations and liquidate, which would lead to a separation of your employment within 14 days thereafter.

Our primary focus continues to be on completing a restructuring of the Company and emerging from chapter 11 as a viable company. But, as was the case on May 4 and July 20, it is possible that, despite our best efforts, the Company may be required to sell all or portions of its business and/or wind down its operations and liquidate.

If you have any questions, or would like further information, please contact our ASKHR call center at 1-800-Hostess (1-800-467-8377).

Very truly yours,

A handwritten signature in black ink that reads "Jeff Parlato".

Jeff Parlato
Vice President, Human Resources and Labor Relations
Hostess Brands, Inc.