



HOSTESS MEMBER UPDATE

January 11, 2012

Today Hostess Brands Inc. made a Chapter 11 bankruptcy filing in the Southern District of New York. This marks another sad development in the company's difficult history since its initial bankruptcy filing in late 2004.

As you may remember from the previous bankruptcy filing, a Chapter 11 filing means the Company, known as the Debtor, is seeking to restructure so it can eventually exit bankruptcy with an approved plan of reorganization. The time that a company has to develop its plan of reorganization varies and is dependent on financing the company arranges to fund its stay in bankruptcy.

In Hostess's case, the financing it arranged has certain conditions and milestones that will ultimately determine the length but at the outset Hostess is shooting to have a plan of reorganization filed by mid-May with the company exiting bankruptcy in July. However, there are many conditions that could alter that timing, most notably if we or the other unions at the Company are unable to reach a negotiated settlement with the Debtor.

We've long recognized the key to the company's long-term survival is finding a mutually agreeable solution among all parties -- management, lenders, equity holders and employees. However, given what Teamster Hostess members (and other unionized employees – the Bakery, Confectionery and Tobacco Workers Union ("BCT") being the next largest group) already sacrificed in order to bring Hostess out of bankruptcy in 2009, and managements missteps since then – any solution this time will be extremely difficult to achieve.

With that said, the Teamster Hostess National Bargaining Committee remains committed to working with all stakeholders during the bankruptcy to find a mutually agreeable solution. It is imperative that all Teamster Hostess members understand the severity of the problems and that the sacrifices necessary to fix the problems may not be achievable.

General President Hoffa has committed all the necessary resources of the International to finding a solution over the next few months during the bankruptcy process.

Updates and additional communications will be posted on
www.teamster.org/hostess.