

# IBC-IBTNNC

Interstate Brands Corporation – International Brotherhood of Teamsters  
National Negotiating Committee

25 Louisiana Avenue, NW, Washington, DC 20001



## HOSTESS LIQUIDATION UPDATE

February 1, 2013

The Hostess' liquidation process is proceeding – the Company has now announced “stalking horse” or lead bidders for the vast majority of the brands and related assets and asked for court approval of the bidding process and the naming of a stalking horse. The selection of “stalking horse” bidders sets out the process by which the brands will be sold and while the stalking horse bidder is the initial leading and “protected” bid (entitled to reimbursement of certain expenses and “breakup” fees if outbid by another bidder) it isn't necessarily the winning bid – although if there are no other approved bidders at an auction the Court's choice will be to approve a sale to the “stalking horse” or not approve a sale at all.

The “stalking horse” bidders for the respective brands and key dates are as follows:

Brand (and certain related assets)	Bidder	Amount (\$ mil)	Bids Due	Auction Date	Court Approval Date
Hostess, Dolly Madison	Apollo/ Metropoulos & Co	\$410	3/11/13	3/13/13	3/19/13
Butternut, Home Pride, Merita, Nature's Pride, Wonder	Flowers Foods	\$360	2/25/13	2/28/13	3/5/13
Beefsteak	Flowers Foods	\$30	2/25/13	2/28/13	3/5/13
Sweetheart, Standish Farms, Grandma Emilies, Eddys	US Bakeries	\$28.85	3/12/13	3/15/13	3/19/13
Drakes	McKee Foods	\$27.5	3/12/13	3/15/13	3/19/13
<b>Total</b>		<b>\$856.35</b>			

In each case the “stalking horse” bidder has asked that the asset purchases be free and clear of any liabilities including successor labor liabilities. In responding to the first bidding procedures motion the IBT emphasized that it was reserving all rights in relation to an ultimate sale (see motion here:

[http://www.teamster.org/sites/teamster.org/files/IBC\\_IBTNNC\\_Objection.pdf](http://www.teamster.org/sites/teamster.org/files/IBC_IBTNNC_Objection.pdf)).

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### **Administrative Claim Process**

In terms of the administrative claims process – on Friday, January 25, 2013 the Bankruptcy Court approved Hostess’s motion to set a bar date of March 28, 2013 for the filing of administrative claims – claims that accrued between the bankruptcy filing on January 12, 2012 and January 31, 2013. The completed and signed claim forms will have to be received by March 28, 2013. The IBT will provide Local Unions with claim form templates to assist in the filing of the forms over the next couple weeks.

(See separate update on this process:

<http://www.teamster.org/sites/teamster.org/files/13013hostessupdatejan30C.pdf> )

### **Retiree Benefits Provided by Hostess**

Hostess filed a motion to terminate benefits by February 28, 2013 for those retirees and their spouses that were in the Company’s benefit plans. Nearly 1,500 retirees and their spouses received retiree benefits from Hostess including 357 that receive health and welfare coverage. The unions that represented those workers while they were working, and a committee appointed by the bankruptcy court for the non-union retirees and retirees whose affiliation cannot be determined, have been negotiating with Hostess over Hostess’ request to terminate those benefits in the immediate future with only an unsecured claim for the lost benefits. To date, there has not been a consensual resolution and thus Hostess filed the motion requesting to terminate benefits as of February 28, 2013. A hearing is scheduled for February 11, 2013 on the Company’s motion. Notwithstanding the filing by Hostess of its 1114 motion, the parties continue discussing possible settlement of these retiree issues.

We will continue to post updates on the liquidation on [www.teamster.org/hostess](http://www.teamster.org/hostess) as they become available.