

# Hostess Brands

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CHIEF EXECUTIVE OFFICER

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GREGORY F. RAYBURN

November 16, 2012

To All Hostess Brands Employees:

I have very disappointing news. Hostess Brands must immediately begin to wind down all operations and conduct an orderly sale of all company assets. Many people have worked incredibly long and hard to keep this from happening, but now Hostess Brands has no other alternative than to begin the process of winding down and preparing for the sale of our iconic brands.

As you know, for many months the Company has been working with our unions, lenders and other stakeholders to reach a consensual resolution to legacy costs and labor contracts. Despite everyone's considerable efforts to move Hostess out of its restructuring, when we began implementing the Company's last, best and final offer, the Bakers Union chose to stage a crippling strike. This affected Hostess' ability to continue to make products and service its customers' needs and pushed Hostess into a Wind Down scenario. As a result, we are forced to proceed with an orderly wind down and sale of our operations and assets. We deeply regret taking this action. But we simply cannot continue to operate without the ability to produce or deliver our products.

There's no way to soften the fact that this will hurt every Hostess Brands employee. All Hostess Brands employees will eventually lose their jobs – some sooner than others. Unfortunately, because we are in bankruptcy, there are severe limits on the assistance the Company can offer you at this time. We have attached a Question and Answer document and certain contact information related to employee issues, which provide all the information that we currently have available to help guide you through this difficult time. It includes information on how to contact state unemployment agencies and contact information for other resources. You can also find all available information on the Internet at [www.hostessbrands.info](http://www.hostessbrands.info).

I wish each of you the best.

A handwritten signature in black ink, appearing to read "G. Rayburn", with a long horizontal line extending to the right.

Gregory F. Rayburn  
CEO  
Hostess Brands, Inc.