
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): June 2, 2017

Hostess Brands, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-37540
(Commission
File Number)

47-4168492
(I.R.S. Employer
Identification No.)

1 East Armour Boulevard, Kansas City, Missouri
(Address of principal executive offices)

64111
(Zip Code)

(816) 701-4600
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 4, 2016, in a transaction referred to as the “Business Combination,” Hostess Brands, Inc. (the “Company”, “we”, “us”, or “us”) acquired a controlling interest in Hostess Holdings, L.P. (“Hostess Holdings”). As a result of the Business Combination, for accounting purposes, Hostess Brands, Inc. is the acquirer and Hostess Holdings is the acquired party and accounting predecessor. Our financial statement presentation for calendar year 2016 includes the financial statements of Hostess Holdings and its subsidiaries as “Predecessor” for periods prior to the completion of the Business Combination and of Hostess Brands, Inc., including the consolidation of Hostess Holdings and its subsidiaries, for periods subsequent to the Business Combination. In addition, we have also included:

- in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission (the “SEC”) on March 14, 2017, an unaudited pro forma combined statement of operations, related explanatory notes, and reconciliations to adjusted EBITDA for the year ended December 31, 2016;
- in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on March 14, 2017, an unaudited pro forma combined statement of operations, related explanatory notes, results of operations by segment and reconciliations to adjusted EBITDA for the three months ended December 31, 2016; and
- in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed with the SEC on May 9, 2017, an unaudited pro forma statement of operations, related explanatory notes, results of operations by segment and reconciliations to adjusted EBITDA for the three months ended March 31, 2016.

In each case, the pro forma financial information gives effect to the Business Combination as if such transaction had been consummated on January 1, 2016.

Attached as Exhibit 99.1 to this Current Report on Form 8-K are unaudited pro forma statements of operations, related explanatory notes, results of operations by segment and reconciliations to adjusted EBITDA, for the three and six months ended June 30, 2016, and three and nine months ended September 30, 2016.

We believe this 2016 pro forma information provides useful supplemental information regarding the financial performance of the Hostess business during 2016.

This information in this Item 2.02 and Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Pro Forma Consolidated Statements of Operations for the three and six months ended June 30, 2016 and the three and nine months ended September 30, 2016

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOSTESS BRANDS, INC.

Date: June 2, 2017

By: /s/ Thomas Peterson

Name: Thomas Peterson

Title: Executive Vice President, Chief Financial Officer

Exhibit List

Exhibit No.	Description of Exhibits
99.1	Pro Forma Consolidated Statements of Operations for the three and six months ended June 30, 2016 and the three and nine months ended September 30, 2016

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

The unaudited pro forma statements of operations for the three and six months ended June 30, 2016 and three and nine months ended September 30, 2016 present our consolidated results of operations giving pro forma effect as if the Business Combination (as defined below) had occurred as of January 1, 2016. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of these transactions on the historical financial information of our predecessor entity.

On November 4, 2016 (the "Closing Date"), in a transaction referred to as the "Business Combination," Hostess Brands, Inc. (the "Company"), then known as Gores Holdings, Inc. acquired a controlling interest in Hostess Holdings, L.P. ("Hostess Holdings"), an entity owned indirectly by C. Dean Metropoulos and certain equity funds managed by affiliates of Apollo Global Management, LLC (the "Apollo Funds"). Hostess Holdings had acquired the Hostess brand and certain strategic assets out of the bankruptcy liquidation proceedings of its prior owner ("Old Hostess"), free and clear of all past liabilities, in April 2013, and relaunched the Hostess brand later that year.

The Business Combination was accounted for using the acquisition method of accounting. The initial estimated fair values of the acquired assets and assumed liabilities as of the Closing Date, which are based on the consideration paid and estimates and our assumptions, are reflected herein. The total purchase price of approximately \$2.4 billion to acquire Hostess Holdings, has been allocated to the assets acquired and assumed liabilities of Hostess Holdings based upon estimated fair values at the date of acquisition. Third party valuation specialists conducted analyses in order to assist our management in determining the fair values of the acquired assets and liabilities assumed. The Company has estimated the fair value of assets acquired and liabilities assumed at the date of acquisition. The unaudited pro forma consolidated financial information is included for informational purposes only and does not purport to reflect the results of operations of Hostess Brands, Inc. that would have occurred had the Business Combination occurred as of January 1, 2016.

The unaudited pro forma financial information contains a variety of adjustments, assumptions and estimates, is subject to numerous other uncertainties and the assumptions and adjustments as described in the accompanying notes hereto and should not be relied upon as being indicative of our results of operations had the Business Combination occurred on January 1, 2016. The unaudited pro forma financial information also does not project our results of operations for any future period or date. The acquisition of Superior Cake Products, Inc. ("Superior") occurred in May 2016. The unaudited pro forma consolidated financial information for the three and six months ended June 30, 2016 and three and nine months ended September 30, 2016 includes the results of the Superior acquisition and its related operations from the date of acquisition through the respective period end. We evaluated the impact of the Superior acquisition on the Company's financial statements and concluded that the impact was not significant and did not require nor separately warrant the inclusion of pro forma financial results assuming the acquisition of Superior at January 1, 2016 under applicable SEC rules and regulations or under GAAP.

On November 18, 2016, we refinanced our first and second lien term loans (the "Former First and Second Lien Term Loans") into one new first lien term loan in the aggregate principal amount of \$998.8 million and with a maturity date of August 3, 2022 (the "New First Lien Term Loan"). We evaluated the impact of the refinancing of existing debt pursuant to the New First Lien Term Loan, completed on November 18, 2016, and concluded that the impact was not significant and did not require nor separately warrant the inclusion of pro forma financial results assuming the completion of the refinancing on January 1, 2016.

The pro forma adjustments give effect to the items identified in the pro forma tables below in connection with the Business Combination.

Unaudited Pro Forma Consolidated Statement of Operations

	Historical(i)		Pro Forma		Historical(i)		Pro Forma	
	Three Months Ended June 30, 2016	Pro Forma Adjustments	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016	Pro Forma Adjustments	Six Months Ended June 30, 2016	Pro Forma Adjustments	
<i>(In thousands, except share and per share data)</i>								
Net revenue	\$ 192,343	\$ —	\$ 192,343	\$ 352,560	\$ —	\$ 352,560		
Cost of goods sold	105,917	242	(ii) 106,159	195,809	500	(ii) 196,309		
Gross profit	86,426	(242)	86,184	156,751	(500)	156,251		
Operating costs and expenses:								
Advertising and marketing	9,949	—	9,949	17,148	—	17,148		
Selling expense	8,109	—	8,109	14,904	—	14,904		
General and administrative	11,593	(251)	(ii) 11,342	21,231	(307)	(ii) 20,924		
Amortization of customer relationships	156	5,979	(iii) 6,135	312	12,012	(iii) 12,324		
Impairment of property and equipment	—	—	—	7,267	—	7,267		
Loss on sale/abandonment of property and equipment and bakery shutdown costs	80	—	80	260	—	260		
Business combination transaction costs	2,801	(2,226)	(iv) 575	3,016	(2,441)	(iv) 575		
Related party expenses	1,138	—	1,138	2,373	—	2,373		
Total operating costs and expenses	33,826	(3,502)	37,328	66,511	9,264	75,775		
Operating income	52,600	(3,744)	48,856	90,240	(9,764)	80,476		
Other expense:								
Interest expense, net	17,893	(4,624)	(v) 13,269	35,742	(9,248)	(v) 26,494		
Other expense	4,918	—	4,918	6,172	—	6,172		
Total other expense	18,811	(4,624)	18,187	41,914	(9,248)	32,666		
Income before income taxes	29,789	880	30,669	48,326	(516)	47,810		
Income tax expense	317	8,425	(vi) 8,742	317	13,308	(vi) 13,625		
Net income	29,472	(7,545)	21,927	48,009	(13,824)	34,185		
Less: Net income attributable to the non-controlling interest	852	6,733	(vii) 7,585	1,780	10,102	(vii) 11,882		
Net income attributable to Class A shareholders	\$ 28,620	\$ (14,278)	\$ 14,342	\$ 46,229	\$ (23,926)	\$ 22,303		
Earnings per Class A share:								
Basic			\$ 0.15			\$ 0.23		
Diluted			\$ 0.15			\$ 0.23		
Weighted-average shares outstanding:								
Basic		97,589,217	(viii) 97,589,217		97,589,217	(viii) 97,589,217		
Diluted		97,589,217	(viii) 97,589,217		97,589,217	(viii) 97,589,217		

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- i. The amounts in these columns represent Hostess Holdings historical results of operations for the period reflected. Certain amounts previously reported within the 2016 Hostess Holdings quarterly financial statements have been reclassified to conform with financial statement presentation within the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
 - ii. Represents the adjustment to depreciation expense associated with the allocation of purchase price to property and equipment.
 - iii. Represents additional amortization expense associated with the fair value recognized for customer relationships in connection with the Business Combination.
 - iv. This adjustment consists primarily of legal and professional fees and other costs associated with the Business Combination.
 - v. Represents the reduction in interest expense due to the repayment of Hostess Holdings debt pursuant to the terms of the Business Combination.
 - vi. Represents the effective income tax rate of 28.5%, giving effect to the non-controlling interest, a partnership for income tax purposes.
 - vii. Represents the elimination of historical income attributable to the non-controlling interest and attributes a portion of the pro forma income to the non-controlling interest created in the Business Combination. Income is allocated to the non-controlling interest based on its pro rata share of the total equity of Hostess Holdings.
 - viii. Represents the basic and diluted weighted average number of Class A shares that would have been outstanding had the Business Combination occurred on January 1, 2016. The outstanding warrants were determined not to be dilutive.
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Results of Operations by Segment—For the Unaudited Pro Forma Three and Six Months Ended June 30, 2016

	Historical(i)		Pro Forma		Historical(i)		Pro Forma	
	Three Months Ended June 30, 2016	Pro Forma Adjustments	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016	Pro Forma Adjustments	Six Months Ended June 30, 2016	Pro Forma Adjustments	Six Months Ended June 30, 2016
<i>(In thousands)</i>								
Net revenue	\$ 192,343	\$ —	\$ 192,343	\$ 352,560	\$ —	\$ 352,560	\$ —	\$ 352,560
Cost of goods sold	105,917	242 (ii)	106,159	195,809	500 (ii)	196,309	500 (ii)	196,309
Gross profit	86,426	(242)	86,184	156,751	(500)	156,251	(500)	156,251
Segment								
Net Revenue								
Sweet baked goods	179,088	—	179,088	333,815	—	333,815	—	333,815
Other	13,255	—	13,255	18,745	—	18,745	—	18,745
	192,343	—	192,343	352,560	—	352,560	—	352,560
Gross Profit								
Sweet baked goods	82,152	(242) (ii)	81,910	150,545	(500) (ii)	150,045	(500) (ii)	150,045
Other	4,274	—	4,274	6,206	—	6,206	—	6,206
	\$ 86,426	\$ (242)	\$ 86,184	\$ 156,751	\$ (500)	\$ 156,251	\$ (500)	\$ 156,251

- i. The amounts in these columns represent Hostess Holdings historical results of operations for the period reflected.
- ii. Represents the adjustment to depreciation expense associated with the allocation of purchase price to property and equipment.

Unaudited Pro Forma Consolidated Statement of Operations

<i>(In thousands, except share and per share data)</i>	Historical(i)		Pro Forma		Historical(i)		Pro Forma	
	Three Months Ended September 30, 2016	Pro Forma Adjustments	Three Months Ended September 30, 2016	Pro Forma Adjustments	Nine Months Ended September 30, 2016	Pro Forma Adjustments	Nine Months Ended September 30, 2016	Pro Forma Adjustments
Net revenue	\$ 196,197	\$ —	\$ 196,197	\$ —	\$ 548,757	\$ —	\$ 548,757	\$ —
Cost of goods sold	113,618	(185) (ii)	113,433	(185) (ii)	309,427	315 (ii)	309,742	315 (ii)
Gross profit	82,579	185	82,764	185	239,330	(315)	239,015	(315)
Operating costs and expenses:								
Advertising and marketing	10,381	—	10,381	—	27,529	—	27,529	—
Selling expense	8,271	—	8,271	—	23,175	—	23,175	—
General and administrative	10,784	(346) (ii)	10,438	(346) (ii)	32,015	(653) (ii)	31,362	(653) (ii)
Amortization of customer relationships	156	5,938 (iii)	6,094	5,938 (iii)	468	17,950 (iii)	18,418	17,950 (iii)
Impairment of property and equipment	—	—	—	—	7,267	—	7,267	—
Loss on sale/abandonment of property and equipment and bakery shutdown costs	226	—	226	—	486	—	486	—
Business combination transaction costs	4,049	(4,049) (iv)	—	(4,049) (iv)	7,065	(6,490) (iv)	575	(6,490) (iv)
Related party expenses	1,058	—	1,058	—	3,431	—	3,431	—
Total operating costs and expenses	34,925	1,543	36,468	1,543	101,436	10,807	112,243	10,807
Operating income	47,654	(1,358)	46,296	(1,358)	137,894	(11,122)	126,772	(11,122)
Other expense:								
Interest expense, net	18,004	(4,623) (v)	13,381	(4,623) (v)	53,746	(13,871) (v)	39,875	(13,871) (v)
Other expense (income)	(3,827)	—	(3,827)	—	2,345	—	2,345	—
Total other expense	14,177	(4,623)	9,554	(4,623)	56,091	(13,871)	42,220	(13,871)
Income before income taxes	33,477	3,265	36,742	3,265	81,803	2,749	84,552	2,749
Income tax expense	(23)	10,496 (vi)	10,473	10,496 (vi)	294	23,804 (vi)	24,098	23,804 (vi)
Net income	33,500	(7,231)	26,269	(7,231)	81,509	(21,055)	60,454	(21,055)
Less: Net income attributable to the non-controlling interest	2,329	6,852 (vii)	9,181	6,852 (vii)	4,109	16,954 (vii)	21,063	16,954 (vii)
Net income attributable to Class A shareholders	\$ 31,171	\$ (14,083)	\$ 17,088	\$ (14,083)	\$ 77,400	\$ (38,009)	\$ 39,391	\$ (38,009)
Earnings per Class A share:								
Basic			\$ 0.18				\$ 0.40	
Diluted			\$ 0.18				\$ 0.40	
Weighted-average shares outstanding:								
Basic		97,589,217 (viii)	97,589,217			97,589,217 (viii)	97,589,217	
Diluted		97,589,217 (viii)	97,589,217			97,589,217 (viii)	97,589,217	

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- i. The amounts in these columns represent our Hostess Holdings historical results of operations for the period reflected. Certain amounts previously reported within the 2016 Hostess Holdings quarterly financial statements have been reclassified to conform with financial statement presentation within the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
 - ii. Represents the adjustment to depreciation expense associated with the allocation of purchase price to property and equipment.
 - iii. Represents additional amortization expense associated with the fair value recognized for customer relationships in connection with the Business Combination.
 - iv. This adjustment consists primarily of legal and professional fees and other costs associated with the Business Combination.
 - v. Represents the reduction in interest expense due to the repayment of Hostess Holdings debt pursuant to the terms of the Business Combination.
 - vi. Represents the effective income tax rate of 28.5%, giving effect to the non-controlling interest, a partnership for income tax purposes.
 - vii. Represents the elimination of historical income attributable to the non-controlling interest and attributes a portion of the pro forma income to the non-controlling interest created in the Business Combination. Income is allocated to the non-controlling interest based on its pro rata share of the total equity of Hostess Holdings.
 - viii. Represents the basic and diluted weighted average number of Class A shares that would have been outstanding had the Business Combination occurred on January 1, 2016. The outstanding warrants were determined not to be dilutive.
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Results of Operations by Segment—For the Unaudited Pro Forma Three and Nine Months Ended September 30, 2016

	Historical(i)		Pro Forma		Historical(i)		Pro Forma	
	Three Months Ended September 30, 2016	Pro Forma Adjustments	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016	Pro Forma Adjustments	Nine Months Ended September 30, 2016	Pro Forma Adjustments	
<i>(In thousands)</i>								
Net revenue	\$ 196,197	\$ —	\$ 196,197	\$ 548,757	\$ —	\$ 548,757		
Cost of goods sold	113,618	(185) (ii)	113,433	309,427	315 (ii)	309,742		
Gross profit	82,579	185	82,764	239,330	(315)	239,015		

Segment

Net Revenue								
Sweet baked goods	174,473	—	174,473	508,288	—	508,288		
Other	21,724	—	21,724	40,469	—	40,469		
	196,197	—	196,197	548,757	—	548,757		
Gross Profit								
Sweet baked goods	76,777	185 (ii)	76,962	227,322	(315) (ii)	227,007		
Other	5,802	—	5,802	12,008	—	12,008		
	\$ 82,579	\$ 185	\$ 82,764	\$ 239,330	\$ (315)	\$ 239,015		

- i. The amounts in these columns represent Hostess Holdings historical results of operations for the period reflected.
- ii. Represents the adjustment to depreciation expense associated with the allocation of purchase price to property and equipment.

Reconciliation of Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure commonly used in the Company's industry and should not be construed as an alternative to net income as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (each as determined in accordance with GAAP). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. The Company has included Adjusted EBITDA because it believes it provides management and investors with additional information to measure the Company's performance and liquidity, estimate the Company's value and evaluate the Company's ability to service debt.

We define Adjusted EBITDA as net income adjusted to exclude (i) interest expense, net, (ii) depreciation and amortization, (iii) income taxes and (iv) as further adjusted to eliminate the impact of certain items that the Company does not consider indicative of its ongoing operating performance. These further adjustments are itemized below. You are encouraged to evaluate these adjustments and the reasons the Company considers them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future the Company may incur expenses that are the same as or similar to some of the adjustments set forth below. The Company's presentation of Adjusted EBITDA should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items.

Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of the Company's results as reported under GAAP. For example, Adjusted EBITDA:

- does not reflect the Company's capital expenditures, future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, the Company's working capital needs;
- does not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on the Company's debt;
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future;
and
- does not reflect payments related to income taxes, the tax receivable agreement or distributions to the non-controlling interest to reimburse its tax liability.

The Company's presentation of Adjusted EBITDA does not exclude the normal annual cash payments associated with its employment agreement with Mr. Metropoulos as the Chief Executive Officer and/or Executive Chairman. These amounts were \$1.1 million and \$2.4 million for the three and six months ended June 30, 2016, and \$1.1 million and \$3.4 million, for the three and nine months ended September 30, 2016, respectively. Following completion of the Business Combination, these expenses will be approximately \$0.1 million quarterly.

Reconciliation of Adjusted EBITDA—For the Unaudited Pro Forma Three Months and Six Months Ended June 30, 2016

*Reconciliation of Adjusted EBITDA
(Unaudited)*

<u>(In thousands)</u>	<u>Pro Forma Three Months Ended June 30, 2016</u>	<u>Pro Forma Six Months Ended June 30, 2016</u>
Net income	\$ 21,927	\$ 34,185
Plus non-GAAP adjustments:		
Income tax provision	8,742	13,625
Interest expense, net	13,269	26,494
Depreciation and amortization	9,184	18,249
Other (income) expense	i. 4,915	6,169
Impairment of property and equipment	ii. —	7,267
Loss on sale/abandonment of property and equipment and bakery shutdown costs	iii. 80	260
Business combination transaction costs	iv. 575	575
Adjusted EBITDA	<u>\$ 58,692</u>	<u>\$ 106,824</u>

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- i. Other expense primarily consisted of costs associated with a Hostess voluntary recall of approximately 710,000 cases of snack cakes and donuts resulting from the recall by Hostess' supplier, Grain Craft, of certain lots of its flour for undeclared peanut residue, professional fees attributable to the pursuit of a potential acquisition that has since been abandoned, and other special projects. The recall loss was recovered during the third quarter of 2016.
 - ii. During the first quarter of 2016, we closed multiple production lines at the Indianapolis, Indiana bakery and transitioned production to other facilities resulting in a loss of \$7.3 million.
 - iii. For the three and six months ended June 30, 2016, we incurred a loss on a sale/abandonment of property and bakery shutdown costs, primarily due to utilities, insurance, taxes and maintenance expenses related to the Schiller Park, Illinois bakery. In addition we incurred losses related to equipment that we no longer intended to use or had idled.
 - iv. For the three and six months ended June 30, 2016, business combination transaction costs consisted of professional and legal costs for the acquisition of Superior.
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Reconciliation of Adjusted EBITDA—For the Unaudited Pro Forma Three Months and Nine Months Ended September 30, 2016

*Reconciliation of Adjusted EBITDA
(Unaudited)*

(In thousands)	Pro Forma Three Months Ended September 30, 2016	Pro Forma Nine Months Ended September 30, 2016
Net income	\$ 26,269	\$ 60,454
Plus non-GAAP adjustments:		
Income tax provision	10,473	24,098
Interest expense, net	13,381	39,875
Depreciation and amortization	9,103	27,352
Other (income) expense	i. (3,827)	2,342
Impairment of property and equipment	ii. —	7,267
Loss on sale/abandonment of property and equipment and bakery shutdown costs	iii. 226	486
Business combination transaction costs	iv. —	575
Adjusted EBITDA	<u>\$ 55,625</u>	<u>\$ 162,449</u>

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- i. Other (income) expense primarily consisted of the recovery of a loss related to a Hostess voluntary recall of approximately 710,000 cases of snack cakes and donuts resulting from the recall by Hostess' supplier, Grain Craft, of certain lots of its flour for undeclared peanut residue, professional fees attributable to the pursuit of a potential acquisition that has since been abandoned, and other special projects.
 - ii. During the first quarter of 2016, we closed multiple production lines at the Indianapolis, Indiana bakery and transitioned production to other facilities resulting in a loss of \$7.3 million.
 - iii. For the three and nine months ended September 30, 2016, we incurred a loss on a sale/abandonment of property and bakery shutdown costs, primarily due to utilities, insurance, taxes and maintenance expenses related to the Schiller Park, Illinois bakery. In addition we incurred losses related to equipment that we no longer intended to use or had idled.
 - iv. For the nine months ended September 30, 2016, business combination transaction costs consisted of professional and legal costs for the acquisition of Superior.
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