

INTERSTATE BAKERIES CORPORATION
AND SUBSIDIARIES
AMENDED AND RESTATED
CODE OF BUSINESS CONDUCT AND ETHICS
FOR DIRECTORS, OFFICERS AND EMPLOYEES

(Adopted 12/3/02)
(Revised 7/9/03, 8/9/05)

I. Mission

Our mission is to be the market leader in branded bakery goods, through the efficient production and distribution of high quality products, manufactured to consistent standards, as demanded by customers and consumers alike. To foster a culture of honesty and accountability, we have adopted this Code of Business Conduct and Ethics (this “Code”).

II. General

This Code sets forth specific corporate policies governing the conduct of the business of Interstate Bakeries Corporation and its subsidiaries (collectively, the “Company” or “we” “our” or “us”). These policies were developed and are intended to be applied in good faith with reasonable business judgment to enable us to achieve our operating and financial goals within the framework of the law.

We are committed to conducting our business with honesty and integrity and to maintaining the high standards of conduct reflected in our Code. We are committed to creating a free and open environment in which compliance with this Code is considered the responsibility of each director, officer, employee and agent of the Company (all “Employees” or “you” or “your”). We require our Employees to act in accordance with principles that deter wrongdoing and that promote:

1. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (“SEC”) and in other public communications made by the Company;
3. Compliance with applicable governmental laws, rules and regulation;
4. The prompt internal reporting to an appropriate person or persons identified in this Code of violations of this Code; and
5. Accountability for adherence to this Code.

Our Chief Executive Officer (“CEO”) and Senior Officers (as defined herein) are responsible for setting standards of business ethics and overseeing compliance with these standards. Our Employees frequently encounter a variety of ethical and legal questions. The way we decide these issues should be consistent with our basic values and principles. This Code provides general guidance for resolving a variety of legal and ethical questions for our Employees.

The Company recognizes that rapid changes in business constantly pose new ethical and legal considerations. The Code cannot and is not intended to cover every applicable law, rule or

regulation or provide answers to all questions that may arise, for that we must ultimately rely on each Employee's good sense of what is right, including a sense of when it is appropriate to seek guidance from others with respect to the appropriate course of action. We encourage our Employees to consult with their supervisor or any member of our legal department ("Legal Department") if there is any doubt as to the proper course of action. Willingness to raise ethical concerns is essential. We are confident each of our Employees shares our sense of determination in this area. Some of the topics discussed in this Code are covered more specifically in our other policies and programs. For example, we have adopted specific policies and procedures concerning insider trading, the Foreign Corrupt Practices Act, antitrust compliance and workplace discrimination and harassment.

The Code does not in any way constitute an employment contract or an assurance of continued employment. It is for the sole and exclusive benefit of the Company and may not be used or relied upon by any other party. The Company may modify or repeal the provisions of the Code or adopt a new Code at any time it deems appropriate, with or without notice.

Definitions. As used in this Code, the following terms have the meanings set forth below:

1. "Foreign Official" shall have the same meaning as the phrase is used in connection with the Foreign Corrupt Practices Act and any case law interpreting that statute including, but not limited to, any person acting in an official capacity on behalf of a foreign government, agency, department or instrumentality, including government owned and operated businesses
2. "Internal Controls" means internal controls and procedures regarding financial reporting.
3. "Law" or "Laws" means laws, rules, regulations, orders, directives and judgments of governmental agencies, authorities, courts and administrative bodies.
4. "Legal Department" means the General Counsel or any attorney reporting to the General Counsel.
5. "Material Nonpublic Information" shall have the same meaning as the phrase is used in connection with the Securities Exchange Act of 1934, as amended (the "Exchange Act") and any case law interpreting that statute, including any information that could reasonably be expected to affect the price of the Company's stock should it become public knowledge.
6. "Quarterly Blackout Period" is a period during which the Company allows no trading in its stock commencing on the thirtieth day immediately preceding the end of each fiscal quarter and ending after the market closes on the second trading day after the release of the results of operations for that quarter.
7. "Senior Officers" means all executive officers, the principal financial officer, the controller or the principal accounting officer or any person performing similar functions.

8. “Sensitive Information” includes confidential, private or proprietary information, customer lists, materials developed for in-house use, administrative and manufacturing processes, business plans, pricing strategies and any formulas, devices and compilations of information.

III. Standards of Conduct

1. Employees shall exercise honesty, objectivity, and diligence and act ethically in the performance of their duties and responsibilities. Employees shall be ever mindful of their obligation to maintain the high standards of competence, morality and dignity.

2. Employees shall exhibit loyalty in all matters pertaining to the affairs of the Company. However, Employees shall not knowingly be a party to any fraud or other illegal or improper activity. All Employees are expected to adhere to high standards of personal integrity. For example, perjury or any other illegal act taken to “protect” the Company, sales made by deception and production quotas achieved through questionable means or figures are wrong and will not be tolerated by the Company.

3. Employees shall not knowingly engage in acts or activities that are discreditable to the Company.

4. Employees shall refrain from having interests or entering into any activity that may be, or may appear to be, in conflict with the interest of the Company or that would prejudice their ability to carry out objectively their duties and responsibilities.

5. Employees shall be prudent in the use of information acquired in the course of their duties. They shall not use Sensitive Information for any personal gain, unless approved in advance by the Nominating/Corporate Governance Committee of the Board of Directors of the Company (the “Nominating Committee”), nor in any manner that would be contrary to Law or detrimental to the welfare of the Company.

6. Employees, when reporting on the results of their work, shall reveal all material facts known to them that, if not revealed, could either distort reports of operations or conceal unlawful practices.

7. Employees shall continually strive for improvement in the proficiency and in the effectiveness and quality of their service to the Company.

8. The integrity of the Company’s accounting and financial records is based on the validity, accuracy and completeness of basic information supporting entries to the Company’s books of account. All Employees involved in creating, processing or recording such information are held responsible for its integrity and are responsible for full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Company.

9. Every accounting or financial entry should reflect exactly that which is described by the supporting information. There must be no concealment of information from (or by) management, or from the Company’s independent auditors.

10. Employees who become aware of possible omission, falsification or inaccuracy of accounting or financial entries or basic data supporting such entries, are held responsible for reporting such information.

11. All Employees are encouraged to take part in public matters of their individual choice. The Company may, to the extent legally permissible, support committees aimed at encouraging political contributions by individuals.

12. In dealing with public officials and private business associates, the Company will utilize only ethical commercial practices. The Company and its Employees will not seek to influence sales of its products or services (or other events impacting on the Company) by payments of bribes, kickbacks or other questionable inducements. Payments or commitments (whether cast in the form of commissions, payment or fees for goods or services received, or otherwise) made with the understanding or under circumstances that would indicate that all or part thereof is to be paid (directly or indirectly) to a public official or employee to induce said individual to fail to perform their duties, to perform them in an incorrect manner, or to cause any privilege or favor toward the Company or its products are strictly prohibited.

13. While the Company may hire individuals who have knowledge and experience in various technical areas, it is not the Company's intent to employ such persons as a means of gaining access to the trade secrets of others. New Employees will not be asked to divulge such trade secrets. Similarly, we require that Employees not make unauthorized disclosure of Sensitive Information, which includes our trade secrets, either during their employment or thereafter.

IV. Compliance with Laws

All Employees are required to comply fully with all Laws, both domestic and foreign, applicable to our business. You must become familiar with and comply with the Laws that govern your area of responsibility. In some situations the applicable Law of the United States may conflict with the applicable Law of another country. In such cases, we will endeavor to resolve such conflict following the guidance of the Legal Department. Where such a conflict cannot be resolved, the applicable Law of the United States will be observed and complied with by the Company. If you are in doubt about the application or interpretation of any legal requirement, you should seek the advice of the Legal Department. You are not authorized by the Company to take any action that the Legal Department has advised would constitute a violation of Law.

Each Employee is personally responsible for adhering to the standards and restrictions, whether imposed by Law or this Code, applicable to his or her assigned duties and responsibilities and to conduct himself or herself accordingly. Such standards and restrictions require each Employee to avoid any activities that would involve the Company in any practice that is not in compliance with this Code. Any Employee who does not adhere to such standards and restrictions is acting outside the scope of his or her employment or agency.

Beyond legal compliance, all Employees are expected to observe high standards of business and personal ethics in the discharge of their assigned duties and responsibilities. This

requires the practice of honesty and integrity in every aspect of dealing with other Employees, the public, the business community, stockholders, customers, suppliers and governmental and regulatory authorities.

COMPANY POLICY PROHIBITS EMPLOYEES FROM DISCRIMINATING AGAINST EMPLOYEES, STOCKHOLDERS, DIRECTORS, OFFICERS, CUSTOMERS OR SUPPLIERS ON ACCOUNT OF RACE, COLOR, AGE, SEX, RELIGION, NATIONAL ORIGIN, DISABILITY OR VETERAN STATUS EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW. ALL OF SUCH PERSONS SHALL BE TREATED WITH DIGNITY AND RESPECT AND THEY SHALL NOT BE UNREASONABLY INTERFERED WITH IN THE CONDUCT OF THEIR DUTIES AND RESPONSIBILITIES.

The Company will endeavor to provide a work environment free of all forms of harassment or discrimination, and it is your obligation to assist the Company in that endeavor.

The Company and Employees will comply with all health and safety Laws covering Company facilities and otherwise strive to maintain a safe and happy working environment.

V. Conflict of Interest

Employees must deal with suppliers, customers, auditors and others doing business with the Company in a manner that avoids even the appearance of conflict between personal interests and those of the Company. This requirement applies equally to business relationships as well as personal activities. Employees have a duty of loyalty to the Company to advance its legitimate interests when the opportunity to do so arises.

Although not all situations in which a conflict may arise can be defined precisely, you should avoid situations that interfere with your ability to perform Company work objectively and effectively and act in an honest and ethical manner. You must avoid situations where your private interests or the private interests of members of your family conflict with the interests of the Company. You should not have any business or financial relationship with customers, suppliers or competitors that could influence or appear to influence you in carrying out your responsibilities. You should not acquire any interests or participate in any activities that would deprive the Company of the time or attention required to perform your duties properly, or create an obligation of distraction that would affect your judgment or ability to act solely in the Company's best interest. Any Employee who becomes aware of a potential conflict of interest should communicate this in accordance with the procedures set forth in Section XXI. Employees are required to ethically handle actual, potential or apparent conflicts of interest between personal and professional relationships.

Though it is not possible to list every action or situation that might raise a conflict of interest issue, the list below is included to help you recognize some of the more significant ones, which should be avoided:

- Obtaining a significant financial or other beneficial interest in one of the Company's outside accounting firms, suppliers, customers or competitors (except insubstantial securities investments in publicly traded companies).

- Engaging in a significant personal business transaction involving the Company for profit or gain.
- If an Employee or a family member of an Employee, obtaining a loan or guarantee from the Company. Such activity will not be allowed without the prior written approval of the Legal Department, and if appropriate, the Board of Directors or a committee of the Board. The Company will not extend, maintain or arrange for any personal loan to or for any director or executive officer (or the equivalent thereof).
- Accepting gifts of other than nominal value, excessive hospitality, loans or other improper personal benefits from any supplier, customer or competitor of the Company (excluding loans from lending institutions at prevailing interest rates).
- Participating in the use, sale, loan or gift of Company property, information or position for personal gain.
- Learning of a business opportunity through association with the Company and disclosing it to a third party or investing in the opportunity without first offering it to the Company.
- Competing with the Company.
- Working for a competitor, customer or supplier as an employee, consultant, agent or member of its board of directors.

VI. Entertainment, Gifts and Payments

The Company considers that in the interests of avoiding even the appearance of impropriety, Employees may not furnish on behalf of the Company expensive gifts or provide excessive entertainment or benefits to other persons. Employees and their family members may not accept any gift or gratuity in any form from any auditor, supplier or customer of the Company unless the gift is a commonly distributed item of nominal value given for advertising or promotional purposes or is of modest value and consistent with local business custom. Employees may not solicit gifts, gratuities, tickets or entertainment from auditors, suppliers or customers regardless of their value or obtain gain from the Company's auditors, supplier or customers doing or seeking to do business with the Company.

VII. Protection and Proper Use of Assets

Employees may not take, use or divert Company property, equipment or services for their own personal benefit or for the benefit of others. In addition, Employees must act in a manner to protect Company assets from loss, damage, misuse, theft, removal and waste. The unauthorized use or removal of property or equipment belonging to the Company is theft and will be treated as such. Finally, Employees must ensure that such assets are used only for legitimate business purposes. However, in limited instances, Company assets may be used for other purposes approved by management.

VIII. Insider Trading

This Code prohibits Employees from buying, selling, assigning, transferring or otherwise trading in the securities of the Company while in the possession of Material Nonpublic Information. This Code also prohibits Employees from engaging in any action to take advantage of, or pass on to others, Material Nonpublic Information. This policy is intended to enforce the securities laws of the United States that prohibit Employees from buying or selling securities of the Company while in possession of Material Nonpublic Information relating to the Company or from using such Material Nonpublic Information.

Our prohibition also applies to Material Nonpublic Information obtained in the course of an Employee's employment relating to any auditors, customers, suppliers and companies with whom the Company is considering a transaction. We will hold the Employee responsible for the compliance of his or her family members and for the actions of any other party who has received the Material Nonpublic Information from the Employee.

We require pre-clearance by the Legal Department of all trades in Company securities by Executive Officers, Directors and certain Employees. We have adopted a Quarterly Blackout Period during which these persons may not trade in Company stock. If you are one of these persons, you are encouraged to contact the Legal Department with questions concerning specific transactions and to review the Company's policy in its entirety.

Substantial penalties may be assessed against people who trade while in possession of Material Nonpublic Information and can also be imposed upon companies and so-called controlling persons such as officers and directors, who fail to take appropriate steps to prevent or detect insider trading violations by their employees or subordinates. To avoid severe consequences, Employees should consult with the Legal Department if any doubts exist as to what constitutes Material Nonpublic Information.

The Company also has a "Section 16 Reporting Policy" prohibiting Executive Officers and Directors from engaging in any of the following activities with respect to securities of the Company: (i) trading on a short-term basis (i.e., purchase and sale within a six month period); (ii) short sales; or (iii) buying or selling puts or calls.

IX. Concerns Regarding Disclosure

The Company is dedicated to fully complying with the applicable securities laws, including reporting requirements, and to ensuring that information contained in its public communications and its publicly filed financial statements and periodic reports to investors and the SEC fairly present, in all material respects, the matters disclosed and, as applicable, the financial condition, results of operations and cash flows of the Company.

The Company's books and records will reflect, in an accurate, fair and timely manner, the transactions and disposition of assets of the Company. All funds and assets will be properly recorded and disclosed. Employees may not use the books and records to mislead those who receive them, or to conceal anything that is improper (e.g., secret funds). Those responsible for the accounting and record-keeping functions must be vigilant in ensuring that the Company's funds or assets are not used for any unlawful or improper purpose.

Employees directly or indirectly involved in preparing reports the Company files with or submits to the SEC, any Employees who regularly communicate with the press, investors and analysts concerning the Company, and all Senior Officers will ensure that such reports and communications are (i) full, fair, timely, accurate and understandable and (ii) meet all legal requirements. This policy applies to all public disclosure of material information about the Company, including written disclosures, oral statements, visual presentations, press conferences and media calls.

Accordingly, the Company is committed to providing an environment that is receptive to receiving and effectively dealing with complaints regarding its accounting, internal accounting controls, disclosure controls and procedures or auditing matters and maintaining the confidentiality and anonymity of Employees who submit concerns regarding questionable accounting or auditing matters.

The Company and the Audit Committee of the Board of Directors of the Company (the “Audit Committee”) maintain an “open door” policy to receive, retain and handle complaints and concerns regarding the Company’s accounting, internal accounting controls, disclosure controls and procedures, and auditing matters. We encourage the prompt reporting of such complaints or concerns so that rapid and constructive action can be taken. All reports will be promptly investigated. The investigations will be conducted under the authorization and direction of the Audit Committee.

See Section XXI for additional information on how to communicate concerns and complaints regarding these matters.

X. Improper Influence over Auditors

The Company recognizes the importance of preventing improper influence on the conduct of auditors. Accordingly, the Company prohibits any Employee from taking any action to fraudulently influence, coerce, manipulate, or mislead any of our auditors during their review or examination of our financial statements that could result in rendering the financial statements materially misleading. Such conduct is prohibited even if it does not succeed in affecting our audit or review. Improper influence would include, but is not limited to, directly or indirectly:

1. Offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services;
2. Providing or causing to be provided to an auditor materially inaccurate or misleading statements in connection with an audit or examination of financial statements or the preparation or filing of a document or report required to be filed with the SEC;
3. Omitting to state, or causing another to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant, in connection with an audit or examination of financial statements or the preparation or filing of a document or report required to be filed with the SEC;

4. Threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the proposed accounting;
5. Seeking to have a partner removed from the audit engagement because the partner objects to the proposed accounting;
6. Blackmailing; and
7. Making physical threats.

XI. Internal Controls and Disclosure Controls and Procedures

The Company shall maintain disclosure controls and procedures to ensure that the information required to be disclosed by the issuer in its periodic reports, current reports and proxy statements filed by the Company under the Exchange Act is:

- Recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms; and
- Accumulated and communicated to the management, including the CEO and Chief Financial Officer or person performing similar function ("CFO") to allow timely decisions regarding required disclosure.

The Company shall maintain a system of internal accounting controls to ensure reliability and adequacy of its books and records and proper recording of all transactions including dispositions of assets. The Company has established guidelines and procedures related to the keeping of books and records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of assets. The Company guidelines and procedures are intended to prevent the records from being misleading or concealing anything that is improper.

Employees must strictly comply with disclosure controls and procedures and internal controls and must be vigilant in ensuring that the Company's funds or assets are not used for any unlawful or improper purpose. Employees may only enter into transactions that are executed in accordance with the Company's specific authorization or established formalized policies and procedures. Employees must not allow any transaction to be recorded in the accounts of the Company unless it is within the scope of written policies and procedures or is specifically and formally approved by an appropriate and designated Employee. Such approval requires the determination that the transaction:

- has been authorized in accordance with Company policy, and
- is supported by documentary evidence to verify the validity of the transaction.

All transactions that have been accounted for in accordance with Company policy will be accumulated and processed in a manner that will permit preparation of financial statements, reports and data for purposes of internal, public and regulatory reporting. Such statements, reports and data must be in a form sufficient to reflect accurately and fairly the results of transactions entered into by the Company and to permit proper accountability for assets.

The implementation and maintenance of disclosure controls and procedures and internal controls that are adequate in all respects to satisfy the requirements of the Company will be the primary responsibility of the CEO and CFO. Compliance with the provisions and requirements of these will be tested and evaluated by the Internal Auditor, the Monitor and the Disclosure Committee. All failures regarding these should be reported to the CFO, so that deficiencies can be corrected and assurance of compliance can be maintained.

XII. Sensitive Information

Employees have access to and become knowledgeable about Sensitive Information regarding the Company and our customers that is confidential, private or proprietary and that is valuable to us. Disclosure of Sensitive Information outside the Company either during and after an Employee's employment with the Company could be irreparably harmful to the Company or a customer or be helpful to a competitor. The Company regularly receives Sensitive Information from those with whom it does business. Sensitive Information of a customer is often received under the terms of a written agreement that specifies the Company's obligations for the use and protection of the customer's information (each, a "Customer Confidentiality Agreement").

Employees should take steps to safeguard all Sensitive Information by keeping information secure and limiting access to such information. Employees shall disclose Sensitive Information to other Employees of the Company only on a need to know basis. Employees entrusted with or otherwise knowledgeable about Sensitive Information shall not disclose such information to non-Employees without written Company authorization or except as mandated by Law.

Employees must use or disclose Sensitive Information only for Company purposes and not for personal benefit or a competing interest. Employees have a continuing duty to the Company to maintain the confidentiality of Sensitive Information both during and after employment. Employees must protect the confidentiality of Sensitive Information related to a customer, whether or not a Customer Confidentiality Agreement exists and limit the use of such information to the extent authorized by the customer.

None of the provisions in this section are intended to diminish the protections afforded to Employees against retaliation in connection with the provision of information to specified persons or entities, as described in Section XXI.

XIII. Fair Dealing

Employees should endeavor to deal fairly with the Company's customers, suppliers, competitors, and other Employees and should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XIV. Improper Influence or Payments; Political Contributions

In dealing with public officials and private business associates, the Company will utilize only ethical commercial practices. Improper influence over suppliers or customers through accepting or giving bribes, kickbacks or other payoffs and other questionable inducements is

illegal, unethical and dishonest. Accordingly, the Company prohibits Employees from using such schemes to influence sales of its products or services (or other events impacting on the Company).

The Company strictly prohibits Employees from accepting or taking any kickbacks, bribes and other illegal payments.

Without our prior approval, Employees may not directly or indirectly offer, solicit, provide or accept any kind of payments, commitments (whether cast in the form of commissions, payments, fees or goods or services received or otherwise) or contribution of a significant value (other than salary, wages or other ordinary compensation from the Company) for the purpose of:

- influencing customers, suppliers or governmental entities including their officers or employees to cause any privilege or favor toward the Company or its products,
- obtaining, giving or keeping business,
- persuading any officials or employees for another company to fail to perform or improperly perform their duties, or
- influencing legislation or regulations.

The Company policy does not prohibit expenditures of nominal amounts by Employees for meals and entertainment of suppliers and customers that are ordinary and customary business expenses, if they are otherwise lawful. The lawful expenditures incurred in this way should be properly accounted for in an expense report. Employees may not use the Company's funds, goods or services as contributions for political parties, candidates or campaigns, unless previously authorized in writing by the Company.

XV. Foreign Corrupt Practices Act ("FCPA")

The FCPA makes it a criminal offense for U.S. companies, their stockholders, directors, agents, officers, subsidiaries and employees, to make or authorize the payment of any money or give authorization to transfer anything of value, directly or indirectly, to a foreign official for the purpose of influencing the official's discretion in connection with an official act or decision or to use his influence to assist in obtaining business for or directing business to any person. Stated simply, this is a prohibition against any direct or indirect bribery or attempt to bribe any foreign country official in order to obtain business.

The FCPA also has certain requirements that U.S. companies and their domestic and foreign subsidiaries must accurately reflect transactions in conformity with accepted methods of accounting for economic events. This requirement prohibits any false, artificial or misleading documentation, books or records, and unrecorded funds or other assets.

To ensure compliance with the FCPA, Employees must not engage in any activity that they know or should reasonably suspect involves a bribe or an improper payment. An Employee may not appoint a distributor, agent, representative or consultant in connection with the solicitation or sale of Company products or services outside the United States until all

agreements or arrangements relating to the distributor, agent, representative or consultant have been approved by the Company. The Employee must submit to the Company a detailed submission concerning the potential distributor, agent, representative or consultant and all proposed agreements and arrangements with such party, and approval by the Legal Department is required before entering into any agreement or arrangement with such distributor, agent, representative or consultant.

XVI. Product Quality

Our policy is to produce products of the finest quality for our customers and the consuming public. The quality standards that are established by management are meant to be consistent with applicable Laws and regulations, and match or exceed recognized good manufacturing practices. Each Employee is responsible for maintaining the highest integrity and quality of our products and for reporting any actions that may jeopardize these standards.

XVII. Environmental

The Company has a written Environmental Policy that includes the obligation to adhere to all national, state and local environmental laws, regulations and standards. Violations of environmental laws, even if unintentional, can expose both you and the Company to severe criminal and civil penalties. In light of the potential liability for violations, the cost of clean-up and the increase in environmental auditing and accountability of the business community, you must report to the Legal Department (i) all circumstances in which toxic substances are spilled or released into the environment and (ii) any failure to operate in accordance with applicable permits, laws or regulations.

XVIII. Antitrust

The antitrust laws are intended to preserve competition by prohibiting actions that unreasonably restrain the functioning of a free and competitive marketplace. Any agreement that could limit competition in a specific market may be a violation of these laws and must be reviewed by the Legal Department.

Because verbal exchanges can be deemed an agreement, you must exercise caution whenever meeting with competitors. No discussions with competitors may occur related to market share, projected sales of any product or service, revenues and expenses, production schedules, inventories, pricing strategies, marketing, and, of course, Sensitive Information of the Company. These guidelines also apply to informal contacts with competitors, including those at trade shows or meetings of professional organizations.

Agreements between competitors to agree or “cooperate” on prices, allocate markets or customers, limit production or quantity, or boycott suppliers are illegal and strictly prohibited. Agreements with customers to control resale prices, require tie-in sales (i.e., require purchase of one product as a condition of selling another), engage in reciprocal dealing, restrict their marketing territory, or discriminate as to prices are possible violations of these laws that should be reviewed in advance by the Legal Department.

XIX. Antiboycott

Antiboycott laws are primarily of U.S. origin and carry criminal penalties and loss of tax benefits for cooperation with foreign country boycotts that discriminate against U.S. firms or citizens. These laws also prohibit compliance with requests for information or action that would foster the boycott of those countries friendly to the United States. These laws relate principally to the Arab boycott of Israel. More specifically, U.S. antiboycott laws prohibit U.S. firms and persons from providing information concerning business relationships with boycotted countries, information concerning the U.S. firms' or person's own business relationships and information concerning any other person's relationships in or with a boycotted country.

You must not provide such boycott information or agree to provide it, even if it relates to a past relationship.

A boycott request can take many forms including (i) a direct request to furnish information, (ii) a request to take action, or (iii) a request to refrain from taking any action. A request can appear in an invitation to bid, a contract, a purchase order or, in many cases, in a letter of credit or other financial document. No information with regard to a request may be furnished and the mere receipt of a request for such information often is required to be reported to the U.S. government. The complexities of the law in this area are such that you are required to immediately report to the Legal Department any boycott request that calls for or even appears to involve, any prohibited information.

XX. Administration of Code

The Nominating Committee shall be responsible for the administration of this Code and shall periodically review this Code and when necessary or desirable, recommend amendments or modifications to this Code to the Board of Directors for its further review and consideration. In discharging its responsibilities, the Nominating Committee may delegate authority to such committees, officers and other employees and may engage such agents and advisors as it shall deem necessary or desirable.

XXI. Reporting of any Illegal or Unethical Behavior

The Company expects Employees to report possible violations of this Code or the Law. Any Employee who is aware of any illegal or unethical behavior or who believes that an applicable Law or the Code has been violated must promptly report the matter to his or her immediate supervisor. Employees that feel uncomfortable raising a concern with their immediate supervisor should notify the head of their operation. If this course of action is not acceptable under the circumstances, Employees may contact the Legal Department or any other Senior Officer in Kansas City, Missouri. In addition, an Employee who has a concern about the Company's accounting, internal accounting controls, disclosure controls and procedures or auditing matters should report his or her concerns to these same persons. Employees receiving such reports should forward all such reports to the General Counsel, who will forward such notice to the Audit Committee, if appropriate. Employees should take care to report violations to a person who they believe is not involved in the matter giving rise to the violation. All reports of

violations will be promptly investigated and, if appropriate, remedied, and if legally required, immediately reported to the proper governmental authority.

Any Employee wishing to make a report confidentially and anonymously with respect to any of the matters contained in this Code may contact the Audit Committee at the following address:

Audit Committee
Interstate Bakeries Corporation
12 East Armour Boulevard
Kansas City, Missouri 64111
Attn: Chairperson

Employees are, however, encouraged to identify themselves, in the knowledge that there will be no retaliation where reports are made in good faith, to enable the Company to clarify details and take appropriate action.

Employees will be expected to cooperate in assuring that violations of the Code are promptly addressed. The Company has a policy of protecting the confidentiality of those making reports of possible misconduct to the maximum extent possible, consistent with the requirements necessary to conduct an effective investigation, and the Law. In no event will there be any retaliation against someone for reporting an activity that he or she in good faith believes to be a violation of any law, rule, regulation, or this Code. Any supervisor or other Employee intimidating or imposing sanctions on an Employee for reporting a matter will be disciplined up to and including termination.

The Company encourages persons who have questions about this Code to raise them with such person's immediate supervisor or any member of the Legal Department.

XXII. Compliance With Code; Waivers

The Company requires strict compliance with this Code. Failure to comply with this Code can have severe consequences for both Employees and the Company. This Code will be enforced on a uniform basis for everyone, without regard to an Employee's position within the Company. If an Employee violates this Code, he or she will be subject to disciplinary action. Supervisors and managers of a disciplined Employee may also be subject to disciplinary action for their failure to properly oversee an Employee's conduct, or for retaliation against an Employee who reports a violation(s).

The Company's response to misconduct will depend upon a number of factors including whether the improper behavior involved illegal conduct. Disciplinary action may include, but is not limited to, reprimands and warnings, probation, suspension, demotion, reassignment, reduction in salary or immediate termination. Employees should be aware that certain actions and omissions prohibited by the Code might be crimes that could lead to individual criminal prosecution and, upon conviction, to fines and imprisonment.

Employees should understand that waivers or exceptions to this Code will be granted only in advance and only under exceptional circumstances. A waiver of this Code for any Executive Officer or Director may be made only by the Board of Directors or any committee created by the Board of Directors and will be promptly disclosed to stockholders of the Company in accordance with applicable law and exchange requirements.

XXIII. Dissemination; Distribution and Acknowledgment

This Code will be posted on our website and notice of this Code will be physically posted at each Company office and facility in the appropriate locations. Substantial amendments to and waivers of this Code will be filed with the SEC on Form 8-K or posted on our website within the time required under applicable laws, rules and regulations. Copies of this Code and any amendment will also be physically available at each Company office and facility in designated locations.

At commencement of employment all employees will be provided with a copy of the Code and will be required to sign the prescribed form of acknowledgement. All officers of the Company and certain other Employees designated by senior management of the Company (e.g., anyone who may have access to Sensitive Information or who may be involved in purchasing or sales) will be provided with a copy of this Code annually and will be required to sign the prescribed form of acknowledgement. The acknowledgments signed upon commencement of employment will be maintained in each employee's personnel file. The acknowledgments signed annually will be maintained by the Legal Department. In addition, in cases where, as an alternative to employment, an individual is engaged under contract to provide services to the Company and that individual deals on the Company's behalf with government officials, political parties or candidates, or has access to Sensitive Information, such individual will be provided with a copy of this Code and will sign the prescribed form of acknowledgement, and in connection with the provision of services to the Company, this Code will apply to such individual as fully as if he or she were an employee of the Company.