

Keystone Bakery Holdings, LLC Acquires Heartland Baking, LLC

September 2009

Keystone Capital, Inc. (“Keystone”) is pleased to announce that its affiliate, Keystone Bakery Holdings, LLC (“KBH”), has acquired the assets of Heartland Bakery, LLC (“Heartland”). Heartland is a manufacturer of thaw and serve cookies for the in-store bakery, foodservice, and convenience store markets. Heartland joins Freed’s Bakery (“Freed’s”) and Granny’s Kitchens (“Granny’s”) in the KBH family of leading specialty baked goods manufacturers.

The acquisition of Heartland represents the third acquisition by Keystone Bakery Holdings in the bakery industry. Keystone initially acquired Freed’s, a leading supplier of cupcakes to the in-store bakery channel, in 2001 and acquired Granny’s, a leading supplier of donuts to similar channels, in 2006. “The partnership with Heartland demonstrates Keystone Capital’s long-term and patient investing philosophy as evidenced by our continued investment in our bakery platform,” said Scott Gwilliam, Managing Director, Keystone Capital, Inc.

Located in Du Quoin, Illinois, Heartland was founded in 2006 by Steven Scaff and James Mitro. Heartland is recognized for its innovative and high quality products, superior customer service and breadth of seasonal and everyday cookie products. The partnership with KBH will allow Heartland to grow through expanded sales channel reach and operational synergies. “We have a unique opportunity to capitalize on the growth and reputation of both companies by expanding the broad portfolio of products we can provide our customers,” noted Kevin McDonough, President and Chief Executive Officer of Keystone Bakery Holdings.

KBH remains committed to future acquisitions in the wholesale bakery industry, and is currently targeting segments such as muffins, fully finished cakes, and laminated products (danishes, croissants, and pastries). Please contact any member of the Keystone acquisitions team below regarding any acquisition opportunities in the wholesale bakery industry.

ABOUT KEYSTONE BAKERY HOLDINGS, LLC

Keystone Bakery Holdings, LLC is a leading supplier of sweet baked goods to the in-store bakery, foodservice, and convenience store channels. The operating subsidiaries of Keystone Bakery Holdings include Freed’s Bakery, Granny’s Kitchens, and Heartland Bakery Company. Freed’s is the leading supplier of cupcakes for the in-store bakery channel based in Manchester, New Hampshire. Granny’s Kitchens is the leading supplier of donuts to the in-store bakery, foodservice, and convenience store channels based in Frankfort, New York. Heartland Bakery Company is a specialty supplier of seasonal and everyday cookies for the in-store bakery channel based in Du Quoin, Illinois.

ABOUT KEYSTONE CAPITAL, INC.

Keystone Capital, Inc. is a private investment firm based in Deerfield, Illinois. Formed in 1994, its mission is to acquire and build a portfolio of exceptionally high quality, mid-sized businesses that are leaders in their niche markets. Keystone is differentiated by its investment timeline of 10+ years and its willingness to enter into true operating partnerships with the professional management teams of the companies it acquires.