

HISTORICAL FINANCIAL RESULTS

The following table highlights certain selected consolidated financial information derived from our audited consolidated financial statements as of and for each of the five fiscal years in the period ended May 31, 2008, and should be read together with our audited consolidated financial statements, which are included in our Annual Reports on Form 10-K filed with the United States Securities and Exchange Commission (the "SEC") for the fiscal years ended May 31, 2008, June 2, 2007, June 3, 2006, May 28, 2005 and May 29, 2004. The information in the table below contains summary financial data which is not necessarily indicative of the results of our future operations. For a more comprehensive description of our current financial condition and operating results, the information in the table below and the aforementioned Annual Reports on Form 10-K should also be read together and in connection with our other periodic reports filed with the SEC, including our latest quarterly Form 10-Q for the first quarter of fiscal 2009 filed on October 7, 2008.

**INTERSTATE BAKERIES CORPORATION
FIVE-YEAR SUMMARY OF FINANCIAL DATA**

	Fifty-Two Weeks Ended		Fifty-Three Weeks Ended	Fifty-Two Weeks Ended	
	May 31, 2008 (1)	June 2, 2007 (3)(4)	June 3, 2006 (5)	May 28, 2005 (7)(8)	May 29, 2004 (9)

(dollars and shares in thousands, except per share data)

Statements of Operations

Net sales	\$ 2,798,337	\$ 2,917,268	\$ 3,060,473	\$ 3,403,505	\$ 3,467,562
Cost of products sold (exclusive of depreciation and amortization) (2)	1,440,609	1,489,019	1,552,731	1,724,054	1,733,303
Operating income (loss)	(64,572)	(39,641)	(56,368)	(335,536)	(18,326)
% of net sales	(2.3)%	(1.4)%	(1.8)%	(9.8)%	(0.5)%
Income (loss) before cumulative effect of accounting change	\$ (143,684)	\$ (112,848)	\$ (127,300)	\$ (379,280)	\$ (33,370)
Cumulative effect of accounting change (6)	—	—	(1,017)	—	—
Net income (loss)	\$ (143,684)	\$ (112,848)	\$ (128,317)	\$ (379,280)	\$ (33,370)
% of net sales	(5.1)%	(3.9)%	(4.2)%	(11.1)%	(1.0)%
Income (loss) per share before cumulative effect of accounting change:					
Basic and diluted	\$ (3.18)	\$ (2.50)	\$ (2.82)	\$ (8.43)	\$ (0.74)
Common stock dividends per share	—	—	—	—	0.21
Weighted average common shares outstanding:					
Basic and diluted	45,195	45,171	45,124	45,010	44,868

Balance Sheets

Total assets	\$ 958,357	\$ 1,081,392	\$ 1,253,055	\$ 1,398,650	\$ 1,673,797
Long-term debt, excluding current maturities (10)	—	—	—	—	10,362
Stockholders' equity (deficit)	(461,714)	(318,741)	(240,583)	(116,924)	261,708

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- (1) Fiscal 2008 operating loss includes net restructuring charges of approximately \$5.7 million relating to a sales reorganization to improve the structure and efficiency of the sales and route delivery of our baked goods and the closure of four bakeries and the consolidation of related depots and routes in conjunction with exiting the Southern California bread market; and property and equipment impairment of approximately \$10.5 million related to the closing of the four bakeries.
 - (2) Depreciation and amortization excluded from cost of products sold amounted to approximately \$50.4 million, \$51.0 million, \$59.7 million, \$70.2 million, and \$71.6 million in fiscal 2008, 2007, 2006, 2005, and 2004, respectively.
 - (3) Fiscal 2007 operating loss includes net restructuring credits of approximately \$4.1 million relating to gains realized on the sale of restructuring related assets partially offset by costs related to certain closings and restructurings of bakeries, depots and bakery outlets; and a machinery and equipment impairment of approximately \$1.4 million.
 - (4) Fiscal 2007 stockholders' deficit reflects a reduction of approximately \$33.4 million related to a change in accounting for pension and other postretirement obligations due to our adoption of the recognition and disclosure requirements of Statement of Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*.
 - (5) Fiscal 2006 operating loss includes net restructuring credits of approximately \$27.2 million relating to gains realized on the sale of restructuring related assets partially offset by costs related to certain closings and restructurings of bakeries, depots and bakery outlets; and a machinery and equipment impairment of approximately \$4.8 million.
 - (6) In fiscal 2006, as a result of adopting FIN 47, we recorded a cumulative effect of an accounting change of approximately \$1.0 million, or \$0.02 per share, and a liability of the same amount as the related asset values were fully depreciated as of June 3, 2006.
 - (7) Fiscal 2005 operating loss includes goodwill and other intangible asset impairments of approximately \$229.5 million; restructuring charges of approximately \$54.3 million relating to the closures of five bakeries, a general workforce reduction and other cost reductions; settlement of class action litigation of approximately \$8.7 million; and a net curtailment loss from the suspension of our Supplemental Employee Retirement Plan of \$10.3 million.
 - (8) Fiscal 2005 net loss includes a tax valuation allowance adjustment of \$5.6 million related to deferred tax assets originating in prior years.
 - (9) Fiscal 2004 operating loss includes restructuring charges of approximately \$12.1 million relating to the closures of three bakeries, severance costs in connection with the centralization of certain finance and data maintenance administrative functions and the relocation of certain key management employees in conjunction with our new more centralized organizational structure and settlement of class action litigation of approximately \$3.0 million.
 - (10) At May 31, 2008, we included our Senior Secured Credit Facility in liabilities subject to compromise. See Note 7. Debt to our consolidated financial statements regarding this reclassification. In all prior years presented, we have reflected the total amount due under our Senior Secured Credit Facility as amounts payable within one year due to our default under this facility. See Note 1. Voluntary Chapter 11 Filing to our consolidated financial statements regarding going concern considerations.