

**For Immediate Release: November 16, 2012**  
**Contact: Frank Hurt, BCTGM International President**  
**(301) 933-8600**

### **HOSTESS DEMISE A DECADE IN THE MAKING**

*The following statement was issued by BCTGM International Union President Frank Hurt in response to the announcement by Hostess Brands that it would begin liquidation.*

“Hostess’s announcement that it is liquidating the company is a deep disappointment for all of our Hostess members. While Hostess management wants to blame our members for the demise of the company, the truth is that had it not been for the valiant efforts of our members over the last eight years, including accepting significant wage and benefit concessions after the first bankruptcy, this company would have gone out of business long ago.

“Hostess failed because its six management teams over the last eight years were unable to make it a profitable, successful business enterprise. Despite a commitment from the company after the first bankruptcy that the resources derived from the workers’ concessions would be plowed back into the company, this never materialized. Management refused to invest in modernizing its bakeries or devote necessary resources to advertising and marketing, product development and new technology. Business plan after business plan failed, leaving the company ever deeper in debt.

“When a highly-respected financial consultant, hired by Hostess, determined earlier this year that the company’s business plan to exit bankruptcy was guaranteed to fail because it left the company with unsustainable debt levels, our members knew that the massive wage and benefit concessions the company was demanding would go straight to Wall Street investors and not back into the company.

“Our members were aware that while the company was descending into bankruptcy and demanding deep concessions, the top ten executives of the company were rewarding themselves with lavish compensation increases, with the then CEO receiving a 300 percent increase.

“Our members decided they were not going to take any more abuse from a company they have given so much to for so many years. They decided that they were not going to agree to another round of outrageous wage and benefit cuts and give up their pension only to see yet another management team fail and Wall Street vulture capitalists and “restructuring specialists” walk away with untold millions of dollars.

“Throughout this long and difficult process, BCTGM members showed tremendous courage, solidarity and devotion to principle. They were well aware of the potential consequences of their actions but stood strong for dignity, justice and respect.”

The BCTGM represents more than 80,000 workers in the baking, food processing, grain milling and tobacco industries in the United States and Canada.

**###**