



## HOSTESS MEMBER UPDATE

November 13, 2012

### ***Hostess Forced to Shut Three Bakeries***

#### CONTINUED DISRUPTION WILL CAUSE LIQUIDATION

Hostess announced Monday, November 12 that it was closing three bakeries immediately with more or possibly the entire company in the coming days "as a result of the strike initiated by Bakery Confectionery, Tobacco, Grain Millers International Union (BCTGM)". In the words of Hostess CEO Greg Rayburn "This is a situation that needs to be resolved in days and not weeks, so it's really going to hinge on whether the bakers who are striking decide to come back to work," Rayburn said.

<http://money.cnn.com/2012/11/12/news/companies/hostess-liquidation/index.html>

Teamster members at Hostess need to be prepared for the likely outcome of a Hostess liquidation should the strikes continue. We have said it consistently throughout the process that Hostess could not survive any serious labor disruption. That opinion was formed based on extensive financial and legal review by our expert financial and restructuring advisors (some of the same advisors that worked on President Obama's Auto Task Force to save GM and Chrysler) over the past 16 months.

Given that likely outcome Teamsters National Negotiating Committee decided that it best to let Hostess members determine their fate in a democratic manner by voting the

terms of the Final Offer. That secret ballot voting, monitored by a third party election firm, resulted in a 53 percent acceptance of Hostess' Final Offer. Four other unions have ratified contracts with similar terms.

It's unclear whether the goal of the Bakers strike is to force Hostess to negotiate or just put Hostess out of business. In interviews Hostess claims BCTGM leaders have not returned calls for many weeks. In addition, Teamster Leaders were not informed by the BCTGM of its actions that began on Friday.

We recognize this is a tough position for all Hostess workers – Hostess management over the years has done nothing to build confidence that it can manage the business successfully BUT a majority of Teamster members, based on REVIEWING THE FINAL OFFER AND listening to our restructuring experts and Teamsters leaders, believe the management changes and increased oversight and governance controls contained in the ratified final offer provide the only chance to preserve jobs at Hostess.

We'll continue to keep you posted as developments occur at [www.teamster.org/hostess](http://www.teamster.org/hostess)