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Borden Dairy Initiates Voluntary Reorganization Proceedings

*The Company will continue operating as normal
as it works toward achieving a more viable capital structure and stresses “The Borden
Difference” as a competitive advantage*

DALLAS – Jan. 5, 2020 – [Borden](#), one of America’s favorite dairy companies founded in 1857, today announced that it and certain affiliates (collectively, “Borden” or the “Company”) have initiated voluntary reorganization proceedings in the District of Delaware under Chapter 11 of the Bankruptcy Code. The Company intends to use the court process to pursue a financial restructuring designed to reduce its current debt load, maximize value and position the Company for long-term success. Borden plans to continue operating in the ordinary course of business, under the court’s supervision, and remains focused on being the most service-oriented dairy Company that offers delicious and nutritious products consumers love.

“Borden is EBITDA-positive and growing, but we must achieve a more viable capital structure,” said Borden CEO [Tony Sarsam](#). “This reorganization will strengthen our position for future prosperity. Over the past 163 years, we have earned the distinction of being one of the most well-recognized and reputable national brands. We remain committed to ‘The Borden Difference,’ which is our promise to be the most service-oriented dairy Company that puts people first. We will continue serving our customers, employees and other stakeholders and operating business as usual throughout this process.”

Last year marked several major milestones for the Company, including the [revival](#) of Borden’s beloved spoked cow Elsie, the brand’s [reintroduction in Ohio](#), and the launch of several innovative products that earned local and national media acclaim, such as [State Fair-inspired milk flavors](#), [Gingerbread Eggnog](#) and [Kid Builder](#). The Company’s growth last year outpaced the industry as it increased year-over-year sales.

“Despite our numerous achievements during the past 18 months, the Company continues to be impacted by the rising cost of raw milk and market challenges facing the dairy industry,” Sarsam explained. “These challenges have contributed to making our current level of debt unsustainable. For the last few months, we have engaged in discussions with our lenders to evaluate a range of potential strategic plans for the Company. Ultimately, we determined that the best way to protect the Company, for the benefit of all stakeholders, is to reorganize through this court-supervised process.”

Stressing that it is “business as usual” at Borden, Sarsam noted that the Company had proactively filed expected motions as part of the court-supervised process, which allow it to pursue day-to-day operations. The Company will be seeking court approval for these requests during the coming days and



intends to work closely with creditors, customers and employees to identify value-maximizing restructuring plans that will benefit all stakeholders.

“Borden Dairy is a heritage American brand that has been in business since 1857,” Sarsam said. “We have a very tenured workforce of 3,300 people who live and breathe our values of teamwork and creative problem solving, and I am extremely confident and optimistic about our continued success in the future.”

For additional information about the reorganization, visit www.bordenfinancialreorg.com.

About Borden

Founded in 1857 by Gail Borden, Jr., Borden is a heritage American brand that produces more than 35 wholesome and delicious products enjoyed by millions of people every day. Borden was the first company to develop a patent for the process of condensing milk, as well as the first company to use glass milk bottles. In 1936, Elsie became America’s favorite spokes-cow, and was recognized in 2000 by AdAge as one of the top 10 advertising icons of the 20th century. Today, Borden is headquartered in Dallas and operates 12 milk processing plants and nearly 100 branches across the U.S. that produce and distribute nearly 500 million gallons of milk annually for customers in the grocery, mass market, club, food service, hospitality, school and convenience store channels. The company’s People First culture has inspired decades of loyal tenure among hundreds of the 3,300 people Borden employs. In 2019, Borden landed the No. 16 spot on Forbes’ list of America’s Most Reputable Companies, highlighting the company’s well-earned trust amongst consumers. For more information, visit bordendairy.com.

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