



## **Borden Financial Reorg Announcement Summary & FAQs: Raw Milk Supplier**

### **ANNOUNCEMENT SUMMARY**

- On January 5, 2020, Borden and its affiliates initiated voluntary Chapter 11 proceedings under the U.S. Bankruptcy Code in Wilmington, Delaware.
- We start this process from an advantageous position because 1) we are EBITDA-positive, and 2) we are a heritage American brand that has been in business since 1857. We are extremely confident and optimistic about the future.
- We intend to use the court process to pursue a financial reorganization designed to reduce our current debt load, maximize value and position the company for long-term success. Despite Borden's numerous achievements during the past 18 months, we continue to be impacted by the rising cost of raw milk and market challenges facing the dairy industry. 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 made the determination that the best way to protect the Company, for the benefit of all stakeholders, is to reorganize through a court-supervised process.
- During these proceedings, we fully expect it to be business as usual. We are committed to being the most service-oriented dairy Company that provides on-time, in-full deliveries of all our product lines. It is our intent to move through this process as quickly and efficiently as possible.
- As we work to become the undisputed dairy leader, we need to raise new investor capital so that we can continue to innovate with new products, modernize our facilities and equipment, and improve Borden's ability to compete in today's market.
- We remain committed to "The Borden Difference," which is our promise to be the most service-oriented dairy Company that puts people first.



## FAQs

### **How will this change our partnership?**

It won't. You are key to the Company's future success, and we are focused on maintaining our relationship going forward. We are relying on you to continue providing the products and services you have historically provided.

### **Will this process affect my contract?**

No. It is business as usual at Borden.

### **Will my Borden contacts remain the same?**

Yes. It is business as usual at Borden.

### **Will this impact our receiving timely payments?**

It shouldn't. Invoices for goods and services provided on or after the filing date should be submitted through the typical accounts payable channels. Payments will be processed in accordance with contract terms, if applicable.

### **How do I know if I am on the "critical vendors" list?**

Our goal is to make this process as convenient as possible for you. We are seeking court approval for the discretion to pay prepetition obligations to a group of critical vendors that are necessary to allow for uninterrupted operations of the Company. A member of the Company's team will follow up when we have more information.

### **What about prepetition claims?**

Our goal is to make this process as convenient as possible for you. If you believe you have a prepetition claim for goods and services provided to Borden Dairy Company and its debtor affiliates, you may need to file a proof of claim with the court to be eligible for payment on your claim or otherwise consult an attorney for guidance. The Company's claims agent, Donlin Recano, will provide the appropriate forms once a deadline for filing claims has been set. For additional information, please contact the restructuring information center toll free at 1 (877) 295-7345 or submit an inquiry via e-mail to [bordeninfo@donlinrecano.com](mailto:bordeninfo@donlinrecano.com).

### **Will there be any impact to our service, scheduled deliveries, supply, etc.?**

No. We fully expect it's business as usual at Borden. Our standard service and deliveries will continue, as well as our dedication to responding swiftly to address any and all of your needs.

### **What will change for Borden customers?**

Nothing. It's business as usual at Borden. We remain focused on being the most service-oriented dairy company that offers delicious and nutritious products consumers love.

### **For how long do you predict this process will last?**

We can't predict, but it is our intent to move through this process as quickly and efficiently as possible.



**Will the Company continue innovating/introducing new products?**

Absolutely – we remain committed to innovation. The reason we are going through this process is so that we can raise new investor capital for this kind of growth purpose.

**How is this different from the Dean Foods bankruptcy?**

These situations are very different. We believe that, from an operational standpoint, we are in a much better position than Dean Foods. Borden is EBITDA-positive and growing, which means we have solid earnings and are healthy. Dean Foods is not profitable. Borden intends to continue operations and strengthen our position to achieve long-term prosperity, whereas Dean Foods announced its intention to sell substantially all of its assets. We are confident that, once we fix our balance sheet, we will be equipped to win together in the market.

**Where can I access more information/updates?**

We will keep you informed of important milestones as the process moves forward. For additional information about the reorganization, please contact the restructuring information center toll free at 1 (877) 295-7345 or visit [www.bordenfinancialreorg.com](http://www.bordenfinancialreorg.com).