



TEAMSTERS

Borden Bankruptcy Update

Rome Aloise, Dairy Conference Director

May 6, 2020

After months of little public reporting by Borden about any progress on plans to emerge from bankruptcy, Borden has gone on record with the Court about what it has been doing and its proposed next steps in this case.

On Monday, May 4, Borden requested that the court grant it extra time to proceed along two concurrent paths.

One path is a sale of Borden to potential interest buyers. In its court filings, Borden indicated that its investment banker has contacted nearly a hundred potential bidders and executed a confidentiality agreement with "multiple parties." Borden had set a deadline of April 17 for those parties to submit preliminary indications of interest and reported that it received "several." Borden is working with those parties to submit bids to purchase the company.

The second path is a "consensual" plan of reorganization with Borden's original lenders. This path requires most of Borden's lenders to agree on forgiving some debt and investing new money that best enables the company to be a successful business going forward.

In a separate filing on Tuesday, May 5, Borden submitted its proposed "Bid Procedures." These are the rules and timeline that Borden proposes as it goes forward along these parallel paths described above. The Bid Procedures preliminarily request that the Court set a June 1 date for interested parties to submit bids (or a term sheet for a reorganization transaction) with an auction scheduled for June 3 and a court approval hearing of winning bidder(s) for either a stand-alone sale or in connection with a plan of reorganization on June 4, 2020. Again, these are proposed procedure and dates. The Court will hear the motion to approve the Bid Procedures and any parties' related objections on May 22.

So after months of little information, the next six weeks are likely to be much busier and more transparent. We are hopeful that one of these two paths will preserve as many jobs as possible along with a company that is in a better position to succeed.

For further updates, please see www.teamster.org/divisions/dairy