

BORDEN, INC.
277 PARK AVENUE • NEW YORK, N.Y. 10172



R. J. VENTRES
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDER:

Welcome to Borden's family of shareholders!

If you are not a first-time shareholder, but have reinvested in Borden or purchased shares in a different type of account, we thank you for your continued confidence in our company.

Borden has achieved number one or number two market positions, in the United States or worldwide, in all six of its strategic growth areas: pasta, snacks, niche grocery products, dairy, non-food consumer products, and films and adhesives.

Founded in 1857, Borden has grown to be the 59th largest industrial company in America, according to Fortune magazine. Largely through an aggressive program of precise acquisitions since March 1986, we have compressed substantial growth within just a few years and built significant mass in each of our businesses. Our emphasis today is to capitalize on two opportunities we have created through this mass: first, to become more cost efficient by reconfiguring production into fewer, bigger, state-of-the-art plants; and second, to spur sales growth and profits by increasing our advertising and marketing programs, particularly for the many national consumer brands we now have.

As a shareholder, you can now purchase additional Borden shares without brokerage fees. You can select either or both of two methods: automatic reinvestment of your cash dividends each quarter, or cash payments at any time of up to \$10,000 total each quarter. A folder providing details of the voluntary plan and an enrollment form are enclosed. Please give the plan your careful consideration.

We have also enclosed our 1988 annual report, latest quarterly report and a wallet-size card listing Borden's principal U.S. consumer products. Borden is committed to keeping you informed about your company's performance and prospects. We would like to hear from you as well. Please write to us at any time with your comments or suggestions.

Sincerely,

R.J. Ventres