UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 1999

Commission file number I-71

BORDEN, INC.

New Jersey	13-0511250
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

180 East Broad Street, Columbus, OH 43215
(Address of principal executive offices)

(614)225-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant(1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

Number of shares of common stock, $0.01 par value, outstanding as of the close of business on November 15, 1999: 198, 974, 994

BORDEN, INC.

INTRODUCTION

The following filing with the Securities and Exchange Commission ("SEC") by Borden, Inc. ("the Company") presents four separate financial statements: Borden, Inc. Condensed Consolidated Financial Statements, Borden, Inc. and Affiliates Condensed Combined Financial Statements, the Condensed Financial Statements of Wise Holdings, Inc. ("Wise Holdings") and Condensed Financial Statements of Borden Foods Holdings Corporation ("Foods Holdings"). The consolidated statements present the Company after the effect of the sales of (i) the Company's former salty snacks business ("Wise") to Wise Holdings and its subsidiaries and (ii) the Company's former domestic and international foods business ("Foods") to Foods Holdings and its subsidiaries, as explained in Note 1 to the consolidated and combined financial statements. The Company, Wise Holdings, and Foods Holdings are controlled by BW Holdings, LLC ("BWHLLC"). The consolidated financial statements are those of the Company, which is the SEC Registrant.

The Borden, Inc. and Affiliates ("the Combined Companies") condensed combined financial statements are included herein to present the Company on a combined historical basis, including the financial position, results of operations and cash flows of Wise and Foods. Although not required, the combined financial statements have been included with the Registrants' SEC filings after the 1996 sales of Wise and Foods as supplemental information to the holders of the Company's publicly held debt issued prior to the sale of Wise and Foods and because management of the Company controls significant financial and managerial decisions with respect to Wise and Foods. The Combined Companies condensed financial statements do not reflect pushdown accounting and therefore present financial information on a basis consistent with that on which credit was originally extended to the Company. In accordance with rule 3-10 of Regulation S-X, the condensed financial statements of Wise Holdings and Foods Holdings are included in Part II of this Quarterly Report on Form 10-Q because Wise Holdings and Foods Holdings are guarantors of the Company's credit facility and all of the Company's outstanding publicly held debt.

BORDEN, INC.

INDEX

PART I - FINANCIAL INFORMATION

ITEM 1. BORDEN, INC. ("BORDEN") CONDENSED CONSOLIDATED AND BORDEN, INC. AND AFFILIATES CONDENSED COMBINED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (UNAUDITED)
BORDEN, INC.

(In millions)	Three months ended September 30, 1999	1998
Net sales	$350.7	$335.6
Cost of goods sold	241.3	237.2
Gross margin	109.4	98.4
Distribution expense	14.4	12.5
Marketing expense	20.6	20.6
General & administrative expense	31.1	30.0
Business realignment and asset write-offs	21.6	-
Operating income	21.7	35.3
Interest expense	15.6	15.6
Affiliated interest expense, net of affiliated interest income of $0.3 in 1999 and $0.4 in 1998	4.5	5.9
Interest income and other	(6.5)	(6.9)
Equity in net income of unconsolidated subsidiaries	(1.3)	(0.3)
Income from continuing operations before income tax	9.4	21.0
Income tax expense	5.6	9.3
Income from continuing operations	3.8	11.7
Discontinued operations:		
Gain on disposal, net of tax	-	5.3
Net income	3.8	17.0
Preferred stock dividends	(18.4)	(18.4)
Net loss applicable to common stock	$(14.6)	$ (1.4)
Comprehensive income (see Note 4)	$ 4.9	$ 17.1

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (UNAUDITED) (CONTINUED)
BORDEN, INC.

(In millions, except per share data)	Three months ended September 30, 1999	1998
Basic and Diluted Per Share Data		
Income from continuing operations	$ 0.02	$ 0.05
Discontinued operations:		
Income from disposal	-	0.03
Net income	$ 0.02	$ 0.08
Preferred stock dividends	(0.10)	(0.09)
Net loss applicable to common stock	$(0.08)	$(0.01)
Dividends per common share	$ 0.14	$ 0.06
Dividends per preferred share	$ 0.75	$ 0.75
Average number of common shares outstanding during the period	199.0	199.0

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (UNAUDITED)
BORDEN, INC.

(In millions)	Nine months ended September 30, 1999	1998
Net sales	$1,001.5	$1,071.1
Cost of goods sold	683.0	771.9
Gross margin	318.5	299.2
Distribution expense	40.5	39.0
Marketing expense	56.3	63.2
General & administrative expense	86.1	98.7
Gain on divestiture of business	-	(8.3)
Business realignment and asset write-offs	31.6	5.5
Operating income	104.0	101.1
Interest expense	46.6	47.8
Affiliated interest expense, net of affiliated interest income of $0.7 in 1999 and $2.0 in 1998	14.5	16.1
Interest income and other	(24.1)	(22.2)
Equity in net loss of unconsolidated subsidiaries	2.6	1.6
Income from continuing operations before income tax	64.4	57.8
Income tax expense	24.7	25.8
Income from continuing operations	39.7	32.0
Discontinued operations:		
Income from operations, net of tax	-	2.3
Gain on disposal, net of tax	0.6	31.3
Net income	40.3	65.6
Preferred stock dividends	(55.3)	(55.3)
Net (loss) income applicable to common stock	$ (15.0)	$ 10.3
Comprehensive income (see Note 4)	$ 34.0	$ 60.1

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (UNAUDITED) (CONTINUED)
BORDEN, INC.

(In millions, except per share data)	Nine months ended September 30, 1999	1998
Basic and Diluted Per Share Data		
Income from continuing operations	$ 0.20	$ 0.16
Discontinued operations:		
Income from operations	-	0.01
Income from disposal	-	0.16
Net income	$ 0.20	$ 0.33
Preferred stock dividends	(0.28)	(0.28)
Net (loss) income applicable to common stock	$(0.08)	$ 0.05
Dividends per common share	$ 0.26	$ 0.24
Dividends per preferred share	$ 2.25	$ 2.25
Average number of common shares outstanding during the period	199.0	199.0

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
BORDEN, INC.

(In millions)

ASSETS	September 30, 1999	December 31, 1998
CURRENT ASSETS		
Cash and equivalents	$ 194.6	$ 672.1
Accounts receivable (less allowance for doubtful accounts of $11.7 in 1999 and $10.4 in 1998)	230.6	210.7
Loan receivable from affiliate	132.6	-
Inventories:		
Finished and in-process goods	58.4	61.9
Raw materials and supplies	45.3	50.6
Deferred income taxes	45.7	73.3
Other current assets	20.4	18.4
	727.6	1,087.0
INVESTMENTS AND OTHER ASSETS		
Investments	77.2	81.3
Deferred income taxes	107.6	89.4
Prepaid pension assets	131.3	133.3
Other assets	45.7	38.0
Assets sold under contractual arrangement (net of allowance of $62.6 in 1999 and 1998)	51.1	46.0
	412.9	388.0
PROPERTY AND EQUIPMENT		
Land	24.6	25.7
Buildings	98.5	93.2
Machinery and equipment	777.9	676.0
	901.0	794.9
Less accumulated depreciation	(356.0)	(324.0)
	545.0	470.9
INTANGIBLES	93.3	66.3
TOTAL ASSETS	$ 1,778.8	$ 2,012.2

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
BORDEN, INC.

(In millions, except share data)

LIABILITIES AND SHAREHOLDERS' EQUITY	September 30, 1999	December 31, 1998
CURRENT LIABILITIES		
Accounts and drafts payable	$ 130.3	$ 113.5
Debt payable within one year	25.3	16.1
Income taxes payable	262.1	284.7
Loans payable to affiliates	243.4	415.8
Other current liabilities	208.1	208.2
	869.2	1,038.3
OTHER LIABILITIES		
Liabilities sold under contractual arrangement	41.6	41.6
Long-term debt	541.3	552.0
Non-pension post-employment benefit obligations	179.3	197.3
Other long-term liabilities	85.3	93.7
	847.5	884.6
Commitments and contingencies (see Note 6)		
SHAREHOLDERS' EQUITY		
Preferred stock - Issued 24,574,751 shares	614.4	614.4
Common stock - $0.01 par value: authorized 300,000,000 shares, Issued 198,974,994 shares	2.0	2.0
Paid in capital	352.6	358.9
Receivable from parent	(414.9)	(415.3)
Accumulated other comprehensive income	(57.3)	(51.0)
Accumulated deficit	(434.7)	(419.7)
	62.1	89.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,778.8	$ 2,012.2

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
BORDEN, INC.

(In millions)	Nine months ended September 30, 1999	1998
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income	$ 40.3	$ 65.6
Adjustments to reconcile net income to net cash from operating activities:		
Gain on disposal of discontinued operations	(0.9)	(102.7)
Gain on divestiture of business	-	(8.3)
Business realignment and asset write-offs	31.6	5.5
Deferred tax provision	2.8	116.9
Depreciation and amortization	38.6	37.7
Unrealized gain on interest rate swap	(8.1)	(1.1)
Equity in net loss of unconsolidated subsidiaries	2.6	1.6
Net change in assets and liabilities:		
Trade receivables	(21.6)	(23.9)
Inventories	9.9	(1.5)
Accounts and drafts payable	5.2	(17.3)
Income taxes	(12.0)	(10.3)
Other assets	0.1	39.4
Other liabilities	(53.3)	(79.6)
Discontinued operations working capital	-	3.0
	35.2	25.0
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Capital expenditures	(40.4)	(39.2)
Proceeds from the divestiture of businesses	-	335.9
Proceeds from the sale of fixed assets	5.5	-
Purchase of businesses, net of cash acquired	(110.5)	(14.4)
Net investment (in) from affiliate	(5.1)	65.3
	(150.5)	347.6
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES		
Net short-term debt (repayments) borrowings	(1.0)	8.7
Repayment of long-term debt	(0.4)	(235.3)
Affiliated borrowings (repayments/loans)	(305.5)	426.7
Interest received from parent	36.7	47.4
Common stock dividends paid	(36.7)	(47.4)
Preferred stock dividends paid	(55.3)	(55.3)
	(362.2)	144.8

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)
BORDEN, INC.

(In millions)	Nine months ended September 30, 1999	1998
(Decrease) increase in cash and equivalents	$(477.5)	$517.4
Cash and equivalents at beginning of period	672.1	183.6
Cash and equivalents at end of period	$ 194.6	$701.0

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid:		
Interest, net	$ 48.2	$ 31.0
Taxes	33.9	13.5
Non-cash activity:		
Distribution of note receivable from Company's parent to cancel options	-	28.5
Investment retained in IHDG	-	10.5
Capital contribution by parent	19.0	34.5

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
BORDEN, INC.

(In millions)

	Preferred Stock	Common Stock	Paid-in Capital	Receivable from Parent	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance, December 31, 1998	$614.4	$2.0	$358.9	$(415.3)	$(51.0)	$(419.7)	$89.3
Net income						40.3	40.3
Translation adjustments					(6.3)		(6.3)
Preferred stock dividends						(55.3)	(55.3)
Common stock dividends			(51.9)				(51.9)
Interest accrued on notes from parent			26.6	0.4			27.0
Capital contribution from parent			19.0				19.0
Balance, September 30, 1999	$614.4	$2.0	$352.6	$(414.9)	$(57.3)	$(434.7)	$62.1

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED COMBINED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (UNAUDITED)
BORDEN, INC. AND AFFILIATES

(In millions)	Three months ended September 30, 1999	1998
Net sales	$531.6	$536.2
Cost of goods sold	334.2	351.9
Gross margin	197.4	184.3
Distribution expense	31.5	28.8
Marketing expense	73.5	75.2
General & administrative expense	51.2	51.5
Gain on divestiture of businesses	(32.7)	(18.6)
Business realignment and asset write-offs	21.6	17.0
Operating income	52.3	30.4
Interest expense	15.3	15.9
Affiliated interest expense	1.6	2.1
Interest income and other	(5.9)	(7.9)
Equity in net income of unconsolidated subsidiaries	(1.3)	(0.1)
Income from continuing operations before income tax	42.6	20.4
Income tax expense	20.4	9.3
Income from continuing operations	22.2	11.1
Discontinued operations:		
Gain on disposal, net of tax	-	5.3
Net income	22.2	16.4
Affiliate's share of income	(0.5)	(1.0)
Preferred stock dividends	(18.4)	(18.4)
Net income (loss) applicable to common stock	$ 3.3	$ (3.0)
Comprehensive income (see Note 4)	$ 23.5	$ 14.2

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED COMBINED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (UNAUDITED)
BORDEN, INC. AND AFFILIATES

(In millions)	Nine months ended September 30, 1999	1998
Net sales	$1,547.2	$1,762.3
Cost of goods sold	973.4	1,186.8
Gross margin	573.8	575.5
Distribution expense	90.5	93.2
Marketing expense	218.5	246.2
General & administrative expense	145.8	167.0
Gain on divestiture of businesses	(47.5)	(329.4)
Business realignment and asset write-offs	31.6	22.5
Operating income	134.9	376.0
Interest expense	46.7	48.7
Affiliated interest expense	5.1	3.3
Interest income and other	(23.6)	(24.1)
Equity in net loss of unconsolidated subsidiaries	2.6	0.4
Income from continuing operations before income tax	104.1	347.7
Income tax expense	53.1	99.7
Income from continuing operations	51.0	248.0
Discontinued operations:		
Income from operations, net of tax	-	2.3
Gain on disposal, net of tax	0.6	31.3
Net income	51.6	281.6
Affiliate's share of income	(0.8)	(131.0)
Preferred stock dividends	(55.3)	(55.3)
Net (loss) income applicable to common stock	$ (4.5)	$ 95.3
Comprehensive income (see Note 4)	$ 48.0	$ 374.0

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED COMBINED BALANCE SHEETS (UNAUDITED)
BORDEN, INC. AND AFFILIATES

(In millions)

ASSETS	September 30, 1999	December 31, 1998
CURRENT ASSETS		
Cash and equivalents	$ 225.3	$ 695.5
Accounts receivable (less allowance for doubtful accounts of $15.7 in 1999 and $13.8 in 1998)	305.4	291.7
Loan receivable from affiliate	132.6	-
Inventories:		
Finished and in-process goods	108.3	108.9
Raw materials and supplies	68.2	81.3
Deferred income taxes	55.8	99.2
Other current assets	35.6	33.3
	931.2	1,309.9
INVESTMENTS AND OTHER ASSETS		
Investments	77.2	81.3
Deferred income taxes	107.6	89.4
Prepaid pension assets	139.5	140.8
Other assets	42.8	34.8
	367.1	346.3
PROPERTY AND EQUIPMENT		
Land	37.7	39.4
Buildings	192.0	194.3
Machinery and equipment	1,111.3	1,000.4
	1,341.0	1,234.1
Less accumulated depreciation	(580.9)	(554.6)
	760.1	679.5
INTANGIBLES	405.0	386.2
TOTAL ASSETS	$ 2,463.4	$ 2,721.9

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED COMBINED BALANCE SHEETS (UNAUDITED)
BORDEN, INC. AND AFFILIATES

(In millions)

LIABILITIES AND SHAREHOLDERS' EQUITY	September 30, 1999	December 31, 1998
CURRENT LIABILITIES		
Accounts and drafts payable	$ 184.8	$ 185.4
Debt payable within one year	26.3	23.1
Income taxes payable	278.4	279.8
Loan payable to affiliate	2.9	138.2
Other current liabilities	284.5	362.6
	776.9	989.1
OTHER LIABILITIES		
Long-term debt	543.9	554.6
Non-pension post-employment benefit obligations	195.7	214.6
Other long-term liabilities	112.0	129.7
	851.6	898.9
Commitments and contingencies (See Note 6)		
SHAREHOLDERS' EQUITY		
Preferred stock	614.4	614.4
Common stock	2.0	2.0
Paid in capital	661.4	653.5
Receivable from parent	(414.9)	(415.3)
Affiliate's interest in subsidiary	61.6	60.8
Accumulated other comprehensive income	(92.8)	(89.2)
Retained earnings	3.2	7.7
	834.9	833.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,463.4	$ 2,721.9

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)
BORDEN, INC. AND AFFILIATES

(In millions)	Nine months ended September 30, 1999	1998
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income	$ 51.6	$ 281.6
Adjustments to reconcile net income to net cash from operating activities:		
Gain on disposal of discontinued operations	(0.9)	(102.7)
Gain on divestiture of businesses	(47.5)	(329.4)
Business realignment and asset write-offs	31.6	22.5
Deferred tax provision	23.6	144.9
Depreciation and amortization	65.6	64.4
Unrealized gain on interest rate swap	(8.1)	(1.1)
Equity in net loss of unconsolidated subsidiaries	2.6	0.4
Net change in assets and liabilities:		
Trade receivables	(25.3)	30.5
Inventories	11.3	20.1
Accounts and drafts payable	(12.2)	(34.8)
Income taxes	9.0	(30.2)
Other assets	15.3	85.0
Other liabilities	(97.0)	(74.6)
Discontinued operations working capital	-	3.0
	19.6	79.6
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Capital expenditures	(82.6)	(66.4)
Proceeds from the divestiture of businesses	23.6	1,063.2
Proceeds from the sale of fixed assets	10.5	15.8
Purchase of business, net of cash acquired	(110.5)	(14.4)
	(159.0)	998.2
CASH FLOWS USED IN (FROM) FINANCING ACTIVITIES		
Net short-term debt (repayments) borrowings	(7.2)	10.5
Repayment of long-term debt	(0.3)	(236.0)
Affiliated borrowings (repayments/ loans)	(268.0)	-
Distribution to affiliates	-	(272.2)
Interest received from parent	36.7	47.4
Common stock dividends paid	(36.7)	(47.4)
Preferred stock dividends paid	(55.3)	(55.3)
	(330.8)	(553.0)

CONDENSED COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)
BORDEN, INC. AND AFFILIATES

(In millions)	Nine months ended September 30, 1999	1998
(Decrease) increase in cash and equivalents	$(470.2)	$524.8
Cash and equivalents at beginning of period	695.5	198.6
Cash and equivalents at end of period	$ 225.3	$723.4

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	1999	1998
Cash paid:		
Interest, net	$ 38.1	$ 32.9
Taxes	19.2	76.5
Non-cash activity:		
Distribution of note receivable from Company's parent to cancel options	-	28.5
Investment retained in IHDG	-	10.5
Capital contribution by parent	19.0	34.5
Affiliate's share of income	0.8	131.0

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

CONDENSED COMBINED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
BORDEN, INC. AND AFFILIATES

(In millions)

	Preferred Stock	Common Stock	Paid in Capital	Receivable from Parent	Affiliate's Interest in Subsidiary	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance, December 31, 1998	$614.4	$2.0	$653.5	$(415.3)	$60.8	$(89.2)	$7.7	$833.9
Net income							51.6	51.6
Translation adjustments						(3.6)		(3.6)
Preferred stock dividends							(55.3)	(55.3)
Common stock dividends			(51.9)					(51.9)
Interest accrued on notes from parent			26.6	0.4				27.0
Capital contribution from parent			19.0					19.0
Transfer of tax basis among affiliates			14.2					14.2
Affiliate's interest in subsidiary					0.8		(0.8)	-
Balance, September 30, 1999	$614.4	$2.0	$661.4	$(414.9)	$61.6	$(92.8)	$3.2	$834.9

See Notes to Condensed Consolidated and Condensed Combined Financial Statements

1. BASIS OF PRESENTATION

The Registrant, Borden, Inc. (the "Company") is engaged primarily in manufacturing, processing, purchasing and distributing a broad range of products worldwide. The Company's principal line of business is chemicals ("Chemical"), including formaldehyde, melamine, resins, coatings and other specialty and industrial chemicals. The Company also produces and sells consumer adhesives and provides infrastructure management services.

The Company's principal lines of business formerly included its international and domestic foods operations ("Foods") and salty snacks business ("Wise"). Subsidiaries of BWHLLC, an affiliate of the Company's parent, together with subsidiaries of Wise Holdings, Inc. ("Wise Holdings") and subsidiaries of Borden Foods Holdings Corporation ("Foods Holdings,") purchased Wise and Foods on July 2, 1996 and October 1, 1996, respectively. As a result of these sales, Wise and Foods, as of their respective sale dates, are no longer legally part of the Company on a consolidated basis, although Wise Holdings and Foods Holdings provide financial guarantees to obligations under the Company's credit facility and all of the Company's outstanding publicly held debt. Additionally, management of the Company continues to exercise significant operating and financial control over Wise and Foods. Because of the aforementioned control and guarantees, the Company has included, supplementally in this filing, the financial condition and results of operations and cash flows for Borden, Inc. and Affiliates (the "Combined Companies") consistent with that upon which credit was originally extended to the Company.

The accompanying unaudited interim Condensed Consolidated and Condensed Combined financial statements contain all adjustments, consisting only of normal adjustments, which in the opinion of management are necessary for a fair statement of the results for the interim periods. Results for the interim periods are not necessarily indicative of results for the full years.

2. BUSINESS ACQUISITIONS, DIVESTITURES, AND OTHER CHANGES

Consolidated
- ------------

In May, the Company completed the acquisition of Spurlock Industries, Inc. ("Spurlock"), for $40.2 in cash as reported in the Company's Form 10-Q for the quarter ended June 30, 1999. Based on a preliminary allocation, the approximate $13 of excess purchase price over net tangible assets ("goodwill") associated with the transaction has been classified as goodwill and will be amortized over a period of 40 years.

In June, the Company finalized a plan for the closure of the Chemical resins operations in the Philippines by the end of 1999. As part of this plan, long-lived assets will be disposed of and were written down to net realizable value as of June 30, 1999 based upon estimated proceeds of $5.0. This resulted in a second quarter 1999 charge of $10.0 which is classified as business realignment on the Condensed Consolidated and Condensed Combined Statements of Operations, and as a reduction of accumulated translation adjustments previously recorded on the balance sheet for the Philippines. In the third quarter 1999, severance and other costs totaling $3.0 related to the closure of the Philippines operations were recorded in accordance with EITF 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity".

Early in the third quarter, the Company completed the acquisition of Blagden Chemicals, Ltd. ("Bladgen") for $71.5 in cash. Blagden produces formaldehyde and resins for the forest products, foundry, and industrial applications at three manufacturing facilities in the United Kingdom and a fourth in the Netherlands. The acquisition was accounted for using the purchase method of accounting and, accordingly, its results of operations have been included from the date of acquisition. Goodwill, based on a preliminary allocation at the end of September,approximates $16 and will be amortized over 40 years.

Also in the third quarter 1999, management approved a plan to close a Brazil Chemical operation and Uruguay Chemical business. As a result, a charge of $3.6 was recorded and is classified as business realignment on the Condensed Consolidated and Condensed Combined Statements of Operations. The charge relates primarily to fixed assets.

In the third quarter, management of the Company discontinued a plant expansion project. The Company has written off approximately $15.0 of engineering, equipment and other costs which have been classified in business realignment and asset write-offs on the Condensed Consolidated and Condensed Combined Statements of Operations. Management is in the process of reviewing the recovery of additional commitments related to the plant expansion project.

Combined

In April, the Combined Companies sold the milk powder business located in China for approximately $7.1, which resulted in a pre-tax gain of approximately $10.8 ($3.5 after tax).

In July 1999, the Combined Companies sold the chocolate milk business located in Denmark. The sale generated proceeds of $6.7 and an after tax gain of $1.2 ($1.9 gain before tax). These amounts have been classified as gain on divestiture of businesses in the Condensed Combined Statements of Operations.

In a prior year, the Combined Companies sold the KLIM business, recognizing an after tax loss of $19.1 ($1.5 gain before tax). In the third quarter of 1999, $30.8 of additional pre-tax gain was recorded due to additional proceeds and lower than expected exit costs related to the KLIM sale. This amount has been classified as gain on divestiture of businesses in the Condensed Combined Statements of Operations.

3. DISCONTINUED OPERATIONS

The Decorative Products business was sold on March 13, 1998. Since the business was a separate segment of the Company's business as defined by generally accepted accounting principles, the business' results have been reclassified to discontinued operations in the 1998 statements of operations and cash flows. A summary of the results included in these Condensed Consolidated and Condensed Combined financial statements is shown below.

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1999	1998	1999	1998
Net sales	$ -	$ -	$ -	$73.2
Income before income taxes	-	-	-	3.5
Income tax expense	-	-	-	1.2
Income from discontinued operations	-	-	-	2.3

In addition to the amount shown above, gains (net of tax) recognized on the sale of the Decorative Products business are included in the discontinued operations of the consolidated and combined financial statements for 1998. The recorded 1999 net of tax gain from discontinued operations of $0.6 represents a favorable claim settlement related to the 1997 divestiture of the Dairy business.

4. COMPREHENSIVE INCOME

Comprehensive income was computed as follows:

	THREE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
	1999	1998	1999	1998
Net income	$ 3.8	$17.0	$22.2	$16.4
Foreign currency translation adjustments	1.1	0.1	2.5	(2.2)
Reclassification adjustments	-	-	(1.2)	-
	$ 4.9	$17.1	$23.5	$14.2

	NINE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
	1999	1998	1999	1998
Net income	$ 40.3	$65.6	$ 51.6	$281.6
Foreign currency translation adjustments	(16.3)	(5.5)	(12.4)	(16.0)
Reclassification adjustments	10.0	-	8.8	108.4
	$ 34.0	$60.1	$ 48.0	$374.0

The foreign currency translation adjustments in 1999 relate primarily to amounts recorded in the first quarter for the Latin America Chemical businesses. The reclassification adjustment in 1999 represents the accumulated translation adjustment included as part of the charge to close the Chemical operations in the Philippines, Brazil and Uruguay. The reclassification adjustment in 1998 represents the accumulated translation adjustment recognized on the sale of the Combined Companies' KLIM business.

5. RELATED PARTY TRANSACTIONS

Foods and BWHLLC, an affiliate of the Company's parent, invest cash not used in operations with the Company. At September 30, 1999, Foods had $243.4 invested with the Company. This balance is reflected as a loan payable to unconsolidated affiliates in the consolidated balance sheet. Loans payable to unconsolidated affiliates for the Combined Companies includes $2.9 from an affiliate of the Combined Companies. In September 1999, the Company repaid its $138.2 loan plus accrued interest to BWHLLC.

The Company provides infrastructure management services to Foods and Wise. Fees received for these services are offset against the Company's general and administrative expenses and approximated $1.6 and $4.3 for the three months ended September 30, 1999 and 1998, respectively, and $6.5 and $12.3 for the nine months ended September 30, 1999 and 1998, respectively.

At September 30, 1999 the Company had loaned $132.6 in the form of demand notes to CCPC Acquisition Corp., ("CCPC"), an affiliate, to provide temporary financing to complete the acquisitions of EKCO Group, Inc. and General Housewares Corporation. The loan bears variable interest at the monthly prime rate as quoted by The Wall Street Journal. Early in the fourth quarter, the Company loaned an additional $46.4 at the monthly prime rate and loaned an additional $71.5 to CCPC Holding Company, Inc., a subsidiary of CCPC at LIBOR plus 4%, to provide further temporary financing for the acquisitions. The two loans mature on December 31, 1999. To date, $87.4 of the total loaned amounts have been repaid. The Company anticipates repayment of the remaining amounts when permanent financing arrangements are completed by its affiliates and upon the sale of two business units acquired with EKCO Group, Inc. that are held by CCPC for sale. Additionally, early in the fourth quarter, the Company made a $50.0 equity investment in CCPC Holding Company, Inc., in the form of 16% cumulative junior preferred stock.

6. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS - The Company and Combined Companies, like others in similar businesses, are subject to extensive federal, state and local environmental laws and regulations. Although environmental policies and practices are designed to ensure compliance with these laws and regulations, future developments and increasingly stringent regulation could require the Company and Combined Companies to make additional unforeseen environmental expenditures.

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Environmental accruals are routinely reviewed on an interim basis as events and developments warrant. The Company and Combined Companies have accrued approximately $17.5 and $17.6, respectively, at September 30, 1999, for probable environmental remediation and restoration liabilities. The Company and Combined Companies had each accrued approximately $19.6 at December 31, 1998, for these liabilities. This is management's best estimate of these liabilities, based on currently available information and analysis. The Company and Combined Companies believe that it is reasonably possible that costs associated with such liabilities may exceed current reserves by amounts that may prove insignificant, or by amounts, in the aggregate, of up to approximately $12.0.

LEGAL MATTERS - The Company and Combined Companies have recorded liabilities of $5.3 and $8.7, respectively, at September 30, 1999, for legal costs that they believe are probable and reasonably estimable. These liabilities at December 31, 1998, totaled $17.6 and $32.1 for the Company and Combined Companies, respectively. The decrease in liabilities is primarily related to favorable settlements of legal matters pending at December 31, 1998. Actual costs are not expected to exceed the amounts accrued at September 30, 1999. In addition, the Company and Combined Companies may be held responsible for certain environmental liabilities incurred at Borden Chemical and Plastics Limited Partnership facilities, which were previously owned by the Company. Management believes, based upon the information management currently possesses, and taking into account established reserves for estimated liability and insurance coverage, that the ultimate outcome of the foregoing proceedings and actions is unlikely to have a material adverse effect on the Company's or Combined Companies' financial position or operating results.

OTHER COMMITMENTS - A wholly owned subsidiary serving as general partner of Borden Chemical and Plastics Limited Partnership ("BCP") has certain fiduciary responsibilities to BCP's unitholders. The Company and Combined Companies believe that such responsibilities will not have a material adverse effect on their financial statements.

7. SEGMENT INFORMATION

	THREE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
	1999	1998	1999	1998
NET SALES TO UNAFFILIATED CUSTOMERS:				
Foods ongoing	-	-	$121.9	$133.9
Foods Unaligned	-	-	1.0	11.2
Wise	-	-	58.0	55.5
Chemical	$317.8	$306.3	317.8	306.3
Corporate and other	32.9	29.3	32.9	29.3
NET SALES TO UNAFFILIATED CUSTOMERS	$350.7	$335.6	$531.6	$536.2
OPERATING EBITDA:				
Foods ongoing	-	-	$ 3.4	$ (9.6)
Foods Unaligned	-	-	0.7	15.7
Wise	-	-	3.4	2.1
Chemical	$ 57.2	$ 47.6	57.2	47.6
Corporate and other	0.5	(0.4)	0.5	(0.4)
ADJUSTED OPERATING EBITDA (1)	57.7	47.2	65.2	55.4
Significant unusual items (2)	(21.6)	-	11.1	(4.5)
OPERATING EBITDA	36.1	47.2	76.3	50.9
Depreciation and amortization	(14.4)	(11.9)	(24.0)	(20.5)
OPERATING INCOME	$ 21.7	$ 35.3	$ 52.3	$ 30.4

(1) Adjusted Operating EBITDA represents net income excluding discontinued operations, non-operating income and expenses, interest, taxes, depreciation, amortization and significant unusual items.

(2) 1999 Consolidated represents costs associated with realignment of a Chemical business of $6.6 and Chemical plant asset write-offs of $15.0. 1999 Combined includes the Chemical charges and gains on the sale of Foods Unaligned businesses due to additional proceeds and lower than expected exit costs related to the 1998 KLIM sale of $32.7. 1998 Combined includes gains on the sale of Foods Unaligned businesses of $18.6 less business realignment charges related to the consolidation of the pasta business of $23.1 (which includes a $6.1 inventory adjustment recorded in cost of goods sold).

	NINE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
	1999	1998	1999	1998
NET SALES TO UNAFFILIATED CUSTOMERS:				
Foods ongoing	-	-	$ 367.6	$ 410.4
Foods Unaligned	-	-	11.1	110.1
Wise	-	-	167.0	170.7
Chemical	$ 910.6	$ 949.7	910.6	949.7
Corporate and other	90.9	84.6	90.9	84.6
Businesses held for sale	-	36.8	-	36.8
SALES TO UNAFFILIATED CUSTOMERS	$1,001.5	$1,071.1	$1,547.2	$1,762.3
OPERATING EBITDA:				
Foods ongoing	-	-	$ 1.0	$ (14.8)
Foods Unaligned	-	-	2.8	15.9
Wise	-	-	6.6	4.3
Chemical	$ 162.9	$ 140.7	162.9	140.7
Corporate and other	11.3	(5.1)	11.3	(5.1)
Businesses held for sale	-	0.4	-	0.4
Combining Adjustments	-	-	-	(0.8)
ADJUSTED OPERATING EBITDA (1)	174.2	136.0	184.6	140.6
Significant unusual items (2)	(31.6)	2.8	15.9	299.8
OPERATING EBITDA	142.6	138.8	200.5	440.4
Depreciation and amortization	(38.6)	(37.7)	(65.6)	(64.4)
OPERATING INCOME	$ 104.0	$ 101.1	$ 134.9	$ 376.0

(1) Adjusted Operating EBITDA represents net income excluding discontinued operations, non-operating income and expenses, interest, taxes, depreciation, amortization and significant unusual items.

(2) 1999 Consolidated represents costs associated with realignment of Chemical businesses of $16.6 and Chemical plant asset write-offs of $15.0. 1999 Combined includes the Chemical charges and gains on the sale of Foods Unaligned businesses due to additional proceeds and lower than expected exit costs related to the 1998 KLIM sale of $47.5. 1998 Combined includes primarily gains on the sale of Foods Unaligned businesses.

PART I - FINANCIAL INFORMATION

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Following is a comparison of sales and operating income by business unit.

(In millions)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1999	1998	1999	1998
NET SALES				
Chemical	$317.8	$306.3	$ 910.6	$ 949.7
Corporate and other	32.9	29.3	90.9	84.6
Business held for sale (1)	-	-	-	36.8
CONSOLIDATED NET SALES	$350.7	$335.6	$1,001.5	$1,071.1
Foods ongoing	121.9	133.9	367.6	410.4
Foods Unaligned	1.0	11.2	11.1	110.1
Total Foods	122.9	145.1	378.7	520.5
Wise	58.0	55.5	167.0	170.7
COMBINED NET SALES	$531.6	$536.2	$1,547.2	$1,762.3
OPERATING INCOME				
Chemical	$ 23.4	$ 37.8	$ 98.7	$ 113.0
Corporate and other	(1.7)	(2.5)	5.3	(10.5)
Business held for sale (1)	-	-	-	(1.4)
CONSOLIDATED OPERATING INCOME	$ 21.7	$ 35.3	$ 104.0	$ 101.1
Foods ongoing	(4.3)	(22.5)	(20.4)	(42.1)
Foods Unaligned	0.8	(1.6)	2.6	(1.8)
Gain on sale of Foods Unaligned businesses	32.7	18.6	47.5	321.1
Total Foods	29.2	(5.5)	29.7	277.2
Wise	1.4	0.6	1.2	(1.5)
Combining adjustments	-	-	-	(0.8)
COMBINED OPERATING INCOME	$ 52.3	$ 30.4	$ 134.9	$ 376.0

(1) Includes the operating results of the commercial and industrial wallcovering business prior to its sale in April, 1998.

CONSOLIDATED AND COMBINED THREE MONTHS ENDED SEPTEMBER 30, 1999 VERSUS THREE MONTHS ENDED SEPTEMBER 30, 1998

Consolidated Summary

Consolidated net sales increased $15.1 million or approximately 4% in 1999 to $350.7 million from $335.6 million in 1998. The net sales increase was primarily attributable to higher Chemical net sales resulting from improved sales volume and sales contributed by two businesses acquired in 1999. Increased Chemical unit volumes were partly offset by lower pricing, unfavorable currency exchange rates in Latin America and the exit from certain non-core businesses. Operating income decreased $13.6 million or approximately 39% to $21.7 million from $35.3 million in 1998. The decrease was primarily attributable to $6.6 million charged for the closure of Chemical operations in the Philippines, Brazil and Uruguay and $15.0 million charged for plant asset write-offs, partially offset by increased Chemical operating income from ongoing operations due primarily to higher sales volume.

Combined Summary

Combined net sales decreased $4.6 million or approximately 1% to $531.6 million from $536.2 million in 1998. The decrease was caused primarily by the divestiture of the Foods Unaligned businesses in 1998 and a reduction in volumes for pasta and sauce offset, in part, by the factors described above for consolidated net sales. Combined operating income improved $21.9 million or approximately 72% to $52.3 million from $30.4 million in 1998. The increase is primarily due to gains on the sale of Foods Unaligned businesses, a 1998 non-recurring charge, declines in Foods ongoing operations due primarily to lower volumes offset by lower raw material costs and manufacturing improvements, and the factors described above in the consolidated summary.

Chemical

Chemical sales increased $11.5 million or approximately 4% to $317.8 million from $306.3 million. The most significant components of the increase were improved volumes, primarily in the North America forest products resins and UV coatings businesses, and two acquisitions in the U.S. and Europe, partially offset by generally lower pricing, unfavorable currency exchange rates in Latin America, and the prior year exit from certain non-core businesses in North America and Europe.

Overall volume improvement of approximately 11%, excluding the effect of acquisitions and divestitures, had a positive impact on sales of approximately $28.2 million, with most of the improvement coming from the North America forest products resins and UV coatings businesses. The improved volume in North America forest products resins is driven by continued low interest rates and strong housing and construction activity. The improved volume in UV coatings reflects significant demand for optical fiber.

The second quarter acquisition of Spurlock Industries, Inc. and the third quarter acquisition of Blagden Chemicals, Ltd. contributed sales of approximately $7.4 million and $14.9 million, respectively. The 1998 sales of the North America paper resins business and the closure of a European operation resulted in a sales decline of approximately $4.2 million compared with the prior year.

Significantly lower pricing, which negatively impacted quarterly sales by approximately $21.8 million, reflects competitive market conditions as well as contractual arrangements, primarily in North America, that require pass-through of significantly lower raw material costs, primarily for methanol, phenol and urea.

The unfavorable currency exchange rates in Latin America reflect the significant currency devaluation in Brazil in early 1999 that had an unfavorable impact on quarterly sales of approximately $12.8 million compared with the prior year.

Excluding business realignment charges of $6.6 million and plant asset write-offs of $15.0 million, as described in Note 2 to the Condensed financial statements, operating income increased $7.2 million, or approximately 19%, from 1998. The improvement is primarily due to significantly higher sales volume. The impact of significantly lower raw material costs was offset by lower selling prices. Negatively impacting operating income are higher selling, general and administrative expenses and the effect of unfavorable currency exchange rates in Latin America.

Foods

Foods' sales for the three months ended September 30, 1999 decreased $22.2 million or approximately 15% to $122.9 million from $145.1 million in 1998. Sales of Foods Unaligned businesses during 1999 and 1998 accounted for $10.2 million or approximately 46% of the decline. Net sales from ongoing businesses declined $12.0 million resulting primarily from lower pasta volumes due primarily to overall product category declines, market share declines due to exiting certain non-core brands and reductions in customer inventory levels. Lower pasta unit pricing, in conjunction with reduced promotional spending, also contributed to pasta sales decreases.

Foods' operating results improved $34.7 million from a loss of $5.5 million to income of $29.2 million in 1999. Gains on the sale of Foods Unaligned businesses in 1999 improved $14.1 million due to lower than expected exit costs and additional proceeds related to the 1998 KLIM sale. Results of Foods Unaligned business operations improved $2.4 million. Results from Foods' ongoing operations improved $18.2 million or approximately 81% to a loss of $4.3 million in 1999 from a loss of $22.5 million in 1998. Excluding a nonrecurring charge of $23.1 million in 1998 related to the consolidation of the pasta business (which includes a $6.1 million inventory adjustment recorded in cost of goods sold), and a $1.8 million gain on the favorable settlement of litigation in 1999, results of ongoing operations declined $6.7 million. Gross margin declined primarily due to volume declines and lower unit pricing, substantially offset by lower pasta raw material costs and improved manufacturing operations. Additionally, reduced trade spending was more than offset by higher general and administrative expense related to product development, enterprise-wide information technology systems and start-up costs.

Wise

Wise net sales increased by $2.5 million or approximately 5% to $58.0 million from $55.5 million in 1998. The increase was primarily attributable to improved sales volume resulting from increased promotional spending in key market areas. Operating income improved $0.8 million to $1.4 million from $0.6 million in 1998. The improvement resulted primarily from higher sales volume and lower raw material costs.

Corporate and other

Corporate and other net sales increased $3.6 million or approximately 12% to $32.9 million from $29.3 million in 1998. The increase is primarily due to higher volumes and improved mix in the consumer adhesives business.

Operating income improved by $0.8 million to a loss of $1.7 million from a loss of $2.5 million in 1998. The improvement is primarily due to improved performance in the consumer adhesives business.

CONSOLIDATED AND COMBINED NINE MONTHS ENDED SEPTEMBER 30, 1999 VERSUS NINE MONTHS ENDED SEPTEMBER 30, 1998

Consolidated Summary

Consolidated net sales decreased $69.6 million or approximately 6% to $1,001.5 million from $1,071.1 million in 1998. The decrease was primarily due to lower Chemical net sales related to lower pricing, unfavorable currency exchange rates and the exit of non-core businesses in 1998, partially offset by improved volumes in the North America Chemical businesses and from two acquisitions in 1999. In addition, the 1998 divestiture of the commercial and industrial wallcoverings business, previously classified as "Business held for sale", contributed to the overall decrease in net sales. Operating income increased $2.9 million or approximately 3% to $104.0 million from $101.1 million in 1998. The improvement is primarily due to improved Chemical volumes and gross margins and timing differences in corporate expenses partly offset by $16.6 million charged related to the closure of Chemical operations in the Philippines, Brazil and Uruguay and $15.0 million charged related to Chemical plant asset write-offs.

Combined Summary

Combined net sales decreased $215.1 million or approximately 12% to $1,547.2 million from $1,762.3 million in 1998. The decrease in net sales was caused primarily by the divestiture of Foods Unaligned businesses in 1998, reduction in pasta and sauce volumes, and the factors described above for consolidated net sales. Combined operating income decreased $241.1 million to $134.9 million from $376.0 million in 1998. The decrease was primarily due to gains on the sale of Foods Unaligned businesses in 1998 of $321.1 million versus $47.5 million in 1998, a decline in ongoing Foods results due primarily to reduced volumes partly offset by certain non-recurring Foods amounts, and the consolidated operating income results described above.

Chemical

Chemical sales decreased $39.1 million, or approximately 4% to $910.6 million from $949.7 million. The most significant components of the decline are generally lower pricing, unfavorable currency exchange rates in Latin America, and the prior year exit from certain non-core businesses in North America, Europe and Latin America, all partially offset by improved volumes, primarily in the North America forest products resins and UV coatings businesses, and acquisitions in the U.S. and Europe.

Significantly lower pricing, which negatively impacted sales by $61.4 million, reflects competitive market conditions as well as contractual arrangements, primarily in North America, that require pass-through of significantly lower raw material costs, primarily for methanol, phenol and urea.

The unfavorable currency exchange rates in Latin America reflect a significant currency devaluation in Brazil in early 1999 that had an unfavorable impact on 1999 sales of $40.1 million compared to the prior year.

The 1998 sales of a North America paper resins business and a Latin America plastic films business and the closure of a European operation resulted in a sales decline of $28.2 million versus the prior year. The second quarter 1999 acquisition of Spurlock Industries, Inc. and the third quarter 1999 acquisition of Blagden Chemicals, Ltd. contributed 1999 sales of $11.4 million and $14.9 million, respectively.

Overall volume improvement of approximately 9%, excluding the effect of acquisitions and divestitures, had a positive impact on sales of $67.0 million, with most of the improvement coming from the North America forest products resins and UV coatings businesses. The improved volume in North America forest products resins is driven by continued low interest rates and strong housing and construction activity. The improved volume in UV coatings reflects significant demand for optical fiber.

Excluding business realignment charges of $16.6 million, and plant asset write-offs of $15.0 million, as described in Note 2 to the Condensed financial statements, operating income increased $17.3 million, or approximately 15%, from 1998. The improvement is due primarily to the significantly higher volume but also reflects overall gross margin improvement. Negatively impacting operating income are higher selling, general and administrative expenses, and the effect of unfavorable currency exchange rates in Latin America and Canada. The gross margin improvement reflects both significantly lower raw material costs and manufacturing cost improvements. The impact of lower raw material costs, however, is substantially offset by lower selling prices that reflect both contractual arrangements, under which pricing is tied directly to raw material costs, as well as continuing competitive pressures in the market. Manufacturing cost improvements reflect the impact of specific programs to improve manufacturing processes and other manufacturing cost reduction and control programs.

Foods

Foods' sales for the nine months ended September 30, 1999 decreased $141.8 million or approximately 27% to $378.7 million from $520.5 million in 1998. The sale of Foods Unaligned businesses during 1999 and 1998 accounted for $99.0 million or approximately 70% of the decrease. Net sales from ongoing businesses declined $42.8 million. The decline is primarily due to lower pasta volumes due to overall product category declines, market share declines due primarily to exiting certain non-core brands, competitive pressures in the foodservice business and reductions in customer inventory levels. Lower pasta unit pricing, in conjunction with reduced promotional spending, also contributed to pasta sales decreases. Lower sauce volumes were due primarily to customer inventory reductions, slightly offset by product category increases. To a lesser extent, Soups and Bouillon sales were down due primarily to reduced market share caused by competitive market pressures.

Foods' operating results declined $247.5 million to $29.7 million in 1999 from $277.2 million in 1998. Of this decline, $273.6 million was due to higher gains on the sale of Foods Unaligned businesses in 1998. Results of Foods Unaligned business operations improved $4.4 million. Results from Foods' ongoing operations improved $21.7 million to a loss of $20.4 million in 1999 from a loss of $42.1 million in 1998. Excluding a nonrecurring charge of $23.1 million in 1998 related to the consolidation of the pasta business (which includes a $6.1 million inventory adjustment recorded in cost of goods sold), and a $9.3 million gain on the favorable settlements of litigation in 1999, results of ongoing operations declined $10.7 million. Gross margin declined primarily due to volume declines and lower unit pricing, substantially offset by lower raw material costs and improved pasta manufacturing operations. Additionally, reduced trade spending was more than offset by higher general and administrative expense related to product development, enterprise-wide information technology systems and start-up costs.

Wise

Wise net sales decreased $3.7 million or approximately 2% to $167.0 million from $170.7 million in 1998. The net sales decrease is primarily the result of the sale of the Caribbean based distributorship in May of 1998. Operating income improved $2.7 million to $1.2 million from a loss of $1.5 million last year. The improvement was primarily due to the absence of a $1.0 million loss recorded on the sale of the Caribbean based distributorship in 1998 and reduced manufacturing, marketing and administrative expenses compared to the same period last year.

Corporate and other

Corporate and other net sales increased $6.3 million or approximately 7% to $90.9 million from $84.6 million in 1998. The improvement was primarily due to higher volumes and improved mix in the consumer adhesives business.

Operating income improved by $15.8 million to $5.3 million from a loss of $10.5 million in 1998, principally due to reduced general and administrative expenses. Lower net expense in 1999 is primarily due to gains on disposal of property in 1999 compared with losses in 1998 ($2.1 million) and improved cost management resulting in lower salary costs ($1.9 million). Other items that contributed to the improvement that are generally non-recurring and related to businesses previously sold include favorable settlements of corporate liabilities ($3.6 million) and lower pension and related costs due to growth in their supporting assets ($3.8 million). Lower expenses were also attributable, in part, to a net $1.9 million reduction in 1999 due to the timing of various corporate and administrative expenses. Performance in the consumer adhesives business also improved.

NON-OPERATING EXPENSES AND INCOME TAXES

Following is a comparison of non-operating expenses for the three months ended September 30, 1999 and 1998.

	THREE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
(In millions)	1999	1998	1999	1998
Interest expense	$15.6	$15.6	$15.3	$15.9
Affiliated interest expense, net	4.5	5.9	1.6	2.1
Interest income and other	(6.5)	(6.9)	(5.9)	(7.9)
Equity in net income of unconsolidated subsidiaries	(1.3)	(0.3)	(1.3)	(0.1)
	$12.3	$14.3	$ 9.7	$10.0

Consolidated non-operating expense decreased $2.0 million for the three months ended September 30, 1999 compared with the three months ended September 30, 1998. The decrease was partly attributable to increased equity in net income of unconsolidated subsidiaries in 1999. The decrease was also caused, in part, by lower affiliated interest expense resulting from lower average affiliated loan balances in 1999.

Combined non-operating expense decreased by $0.3 million for the three months ended September 30, 1999, compared with the three months ended September 30, 1998. The decrease reflects increased equity in net income of unconsolidated subsidiaries and lower interest expense in 1999 offset, in large part, by lower interest income in 1999. Lower interest expense and interest income resulted from lower average balances for loans outstanding and assets invested in 1999 compared with 1998.

Following is a comparison of non-operating expenses for the nine months ended September 30, 1999 and 1998.

	NINE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
(In millions)	1999	1998	1999	1998
Interest expense	$ 46.6	$ 47.8	$ 46.7	$ 48.7
Affiliated interest expense, net	14.5	16.1	5.1	3.3
Interest income and other	(24.1)	(22.2)	(23.6)	(24.1)
Equity in net loss of unconsolidated subsidiaries	2.6	1.6	2.6	0.4
	$ 39.6	$ 43.3	$ 30.8	$ 28.3

For the nine months ended September 30, 1999, consolidated non-operating expenses decreased $3.7 million compared with the nine months ended September 30, 1998. The decrease was partly attributable to lower interest expense related to lower average loan balances outstanding this year and, in part, to increased interest and other income related to an increase in the unrealized gain on an interest rate swap which is marked to market. The decrease was partly offset by increased equity in net losses of unconsolidated subsidiaries.

For the nine months ended September 30, 1999, combined non-operating expenses increased $2.5 million compared with the nine months ended September 30, 1998. The increase was primarily attributable to increased equity in net losses of unconsolidated subsidiaries.

Following is a comparison of income tax provision related effective tax rates for the three and nine months ended September 30, 1999 and September 30, 1998.

	THREE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
(In millions)	1999	1998	1999	1998
Income tax expense	$ 5.6	$ 9.3	$20.4	$ 9.3
Effective tax rate	60%	44%	48%	46%

	NINE MONTHS ENDED SEPTEMBER 30,			
	CONSOLIDATED		COMBINED	
(In millions)	1999	1998	1999	1998
Income tax expense	$24.7	$25.8	$53.1	$99.7
Effective tax rate	38%	45%	51%	29%

The 1999 consolidated effective income tax rate for the three months ended September 30, 1999 reflects minor changes in estimates for foreign jurisdictions as well as amounts identified in the filing of the Company's 1998 tax returns. The 1999 consolidated effective income tax rate for the nine months ended September 30, 1999 reflects the effect of a higher portion of net income derived from foreign operations and the effect of lower tax rates in foreign jurisdictions. The 1999 combined effective tax rate for the nine months ended September 30, 1999, includes the tax effect of the disposal of Borden Foods Corporation Chinese subsidiary, which has substantial differences in its net book value and tax basis. In addition, in 1998, the Unaligned Foods business divestitures led to a lower effective tax rate for the Combined Companies for the nine months ended September 30, 1998 as a portion of the gain was not subject to corporate tax.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Consolidated cash provided by operating activities totaled $35.2 million for the first nine months of 1999, and $25.0 million for the comparable period in 1998. The most significant components of the $10.2 million improvement include an overall improvement in operating EBITDA, after adjusting for divestitures, of $38.2 million, an increase of $11.4 million due to lower inventories primarily in the Chemical business caused by reduced raw material costs and intentional inventory reduction programs, and improvements due to the timing of trade payments, all partially offset by higher net interest and tax payments of $37.6 million.

The Combined Companies cash provided by operating activities was $19.6 million for the first nine months of 1999, a decrease of $60.0 million compared to the same period in 1998. The change in cash flows is primarily attributable to reduced Foods net trading capital inflows and normal business activities, partially offset by reduced taxes paid in 1999 of approximately $57 million. Higher receivable Foods inflows in 1998 resulted from collections outpacing new receivables as Foods was in the process of divesting its Unaligned businesses. Cash flow from inventories was also higher in 1998 as a result of planned reductions in anticipation of the sale of Foods Unaligned businesses. Reduced 1999 tax payments resulted from higher 1998 income due to gains on business divestitures.

Investing Activities

Consolidated investing activities used $150.5 million cash for the nine months ended September 30, 1999 compared to cash generated of $347.6 million in 1998. Investing activities in 1999 include the purchases of Spurlock and Blagden by Chemical using $110.5 million while 1998 divestiture proceeds include $304.8 million from the sale of Decorative Products, $15.5 million from the sale of a Latin American plastic films business, and $15.6 million from the sale of the commercial and industrial wallcoverings business. Investing activity in 1998 also includes $65.3 million relating to net repayments of affiliated borrowings by Foods and Wise, partially offset by the acquisition of a resins and compounds business acquired from Sun Coast Industries, Inc. for $14.4 million.

The Combined Companies investing activity used $159.0 million in 1999 compared to generating cash of $998.2 million in 1998. In addition to the above, the Combined Companies' 1999 divestiture activity reflects $23.6 million of proceeds from the sale of Foods Unaligned businesses compared to $725.1 million in 1998. The 1998 return on investment of $65.3 million in the consolidated investing flows is eliminated in the combined flows as the Foods and Wise operations are included in the Combined Companies.

Financing Activities

Consolidated financing activities used $362.2 million cash in 1999 compared to cash generated of $144.8 million in 1998. Cash used in 1999 primarily includes preferred stock dividend payments, the repayment of affiliated borrowings from BWHLLC, an affiliate of the Company's parent, and Foods totaling $172.9 million and a loan of $132.6 million to CCPC Acquisition Corp. to provide temporary financing for two acquisitions as described in Note 5. The 1998 cash inflow primarily represented $426.7 million of affiliated borrowings from Foods in 1998 representing proceeds from the sale of Foods Unaligned businesses, partially offset by the repayment of the $235.3 million revolving line of credit and the payment of preferred dividends.

Combined financing activities used $330.8 million in 1999 compared to $553.0 million used in 1998. The increased use of cash in 1998 was primarily due to repayment of bank debt from proceeds of Foods divestitures and a $272.2 million distribution to an affiliate that is not within the Combined Companies controlled group, but has an ownership interest in the trademarks that were sold with the Foods Unaligned businesses. The 1999 use of cash reflects repayment of the $138.2 million loan from BWHLLC and a temporary loan of $132.6 million provided to CCPC Acquisition Corp.

Subsequent Events

Early in the fourth quarter of 1999, the Company loaned an additional $46.4 million to CCPC Acquisition Corp. and made an additional loan to CCPC Holding Company, Inc., a subsidiary of CCPC Acquisition Corp., of $71.5 million to provide additional temporary financing to complete the acquisitions of EKCO Group, Inc. and General Housewares Corporation. To date, $87.4 million of the total loaned amounts have been repaid. The Company anticipates repayment of the remaining amounts when permanent financing arrangements are completed by CCPC Holding Company, Inc. and upon the sale of two business units acquired with EKCO Group, Inc. that are held by CCPC Acquisition Corp. Additionally, early in the fourth quarter the Company made a $50 million equity investment in the form of 16% cumulative junior preferred stock in CCPC Holding Company, Inc.

YEAR 2000 UPDATE

Overview

The Year 2000 issue is the result of computer programs written using two digits rather than four to define the applicable year. Any of the Company's and Combined Companies' computer programs that have date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities. If not addressed, the Year 2000 issue could have a material adverse impact on the business operations and financial results of the Company and Combined Companies.

To address this issue, the Company's and Combined Companies' Year 2000 Program is a risk-based plan divided into three phases that are being executed by both internal and external resources. These phases are: Phase I - an inventory of all systems, assigning a business priority for each system and performing a preliminary assessment of Year 2000 susceptibility; Phase II - completion of detailed Year 2000 susceptibility analyses and development of remediation plans and contingency plans; and Phase III - completion of the remediation plans, system testing, and contingency planning.

The Year 2000 efforts are divided into three areas that include (1) systems being replaced by new enterprise-wide system implementations; (2) systems that will not be replaced by new enterprise-wide system implementations, including non-information technology systems such as plant process controls; and (3) external suppliers and customers. Implementations of the new enterprise-wide systems and remediation and testing of other systems are complete. Third party and contingency planning efforts are substantially complete. A discussion of each area of activity relative to the three phased approach follows.

Enterprise-Wide Systems

Phases I & II are completed for enterprise-wide systems and Phase III is substantially complete. Comprehensive new enterprise-wide systems have been implemented by each of the Company's and the Combined Companies' businesses to replace the business and accounting systems that were planned to be replaced by enterprise-wide systems. The enterprise-wide system versions are said to be Year 2000 compliant by the vendors and include SAP, PeopleSoft and J.D. Edwards. Testing of these new systems is complete. Due to the relative complexity and importance of the business and accounting systems to ongoing operations of the Company and Combined Companies, the new enterprise-wide system implementations address the significant majority of the Company's and Combined Companies' internal Year 2000 risk.

Other Systems

For the systems not to be replaced by enterprise-wide implementations, all three phases of the Year 2000 Program are complete.

Suppliers and Customers

The Company and Combined Companies have completed Phase I and Phase II to assess and address the risks related to third party suppliers and customers. Supplier and customer responses continue to be evaluated and appropriate procedures are being performed to determine the extent to which the Company and Combined Companies may be vulnerable to the failure of third parties to resolve their own Year 2000 issues. Initial contingency planning is substantially complete and will continue to be re-evaluated throughout 1999. Although the Company's and Combined Companies' systems do not rely significantly on systems of other companies, the Company and Combined Companies cannot provide assurance that failure of third parties to address the Year 2000 issue will not have an adverse impact on business operations and results.

Costs

Significant investments in enterprise-wide information systems have been made since 1996 that will total approximately $75 million for the Company and $120 million for the Combined Companies by the Year 2000. The cost to make the remaining systems Year 2000 compliant is estimated to be $7 million for the Company and $15 million for the Combined Companies. As of September 30, 1999, The Company and Combined Companies had incurred costs of approximately $70 Million and $115 million, respectively, for enterprise-wide systems. The costs for other systems and efforts was substantially spent.

Risks

Due to the general uncertainty inherent in the Year 2000 problem, including primarily the uncertainty associated with suppliers and customers, the potential effect of the Year 2000 issue on the financial results and condition of the Company and Combined Companies has not been measured. Work performed to date on the internal systems has reduced the risk to the Company and Combined Companies, although complete assurances cannot be provided. Contingency plans have been and will continue to be developed and implemented to mitigate Year 2000 risks and the effect of Year 2000 issues. Because of the difficulty of assessing the Year 2000 readiness of third parties, the Company and Combined Companies consider the potential disruptions caused by such parties to be the most reasonably likely worst case scenarios.

Readers are cautioned that forward-looking statements contained in the Year 2000 Update should be read in conjunction with the disclosure under the heading "Forward-Looking and Cautionary Statements".

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. In June 1999, the FASB issued SFAS No. 137, which deferred the effective date of SFAS No. 133 to fiscal years beginning after June 15, 2000. SFAS No. 133 requires all derivatives be measured at fair value and recorded on a company's balance sheet as an asset or liability, depending on the company's underlying rights or obligations associated with the derivative instrument. The Company is investigating the impact of this pronouncement, but does not expect it to have a material impact on the Company's results of operations, financial position or cash flows.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

The Company and its officers may, from time to time, make written or oral statements regarding the future performance of the Company, including statements contained in the Company's filings with the Securities and Exchange Commission. Investors should be aware that these statements are based on currently available financial, economic, and competitive data and on current business plans. Such statements are inherently uncertain and investors should recognize that events could cause the Company's actual results to differ materially from those projected in forward-looking statements made by or on behalf of the Company. Such risks and uncertainties are primarily in the areas of results of operations by business unit, liquidity, legal and environmental liabilities, Year 2000 update, and market risk.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company and Combined Companies continue to enter into various financial instruments, primarily to hedge interest rate risk and foreign currency exchange risk. In the first nine months of 1999, the nature and amounts of these instruments have not significantly changed from the 1998 Borden, Inc. Form 10-K, except for an increase in options and forward currency contracts.

The notional amount of options and forward currency contracts for the Company and Combined Companies increased approximately $194 million from $39.7 million and $55.8 million, respectively, at December 31, 1998. The increase primarily represents the anticipated repayment by and related interim transactions with, an affiliate of Chemical for the acquisition of Blagden Chemicals, Ltd. (see Note 2 to the Condensed Consolidated and Condensed Combined Financial Statements). The net fair value of the losses related to the contracts outstanding at the period ended September 30, 1999, as determined from quoted market prices at September 30, 1999, was approximately $1.9 million for the Company and the Combined Companies.

PART II

Item 1: LEGAL PROCEEDINGS

There have been no material developments during the third quarter of 1999 in the ongoing legal proceedings that are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

The Company is involved in other litigation throughout the United States, which is considered to be in the ordinary course of the Company's business.

The Company believes, based on the information it presently possesses, and taking into account its established reserves for estimated liability and its insurance coverages, that the ultimate outcome of the foregoing proceedings is unlikely to have a materially adverse effect on the Company's financial position or operating results.

Item 6: EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

a. Exhibits

(27) Financial Data Schedule

b. Financial Statement Schedules

Included are the separate financial statements of Foods Holdings and Wise Holdings filed in accordance with rule 3-10 of Regulation S-X. Foods Holdings and Wise Holdings are guarantors of the Company's credit facility and all of the Company's outstanding publicly held debt.

c. Reports on Form 8-K

There were no reports on Form 8-K issued during the third quarter of 1999.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BORDEN, INC.

Date November 15, 1999

By/s/William H. Carter

Executive Vice President and
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

BORDEN FOODS HOLDINGS CORPORATION

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 1999 AND 1998

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (UNAUDITED)

BORDEN FOODS HOLDINGS CORPORATION

(In thousands except per share and share amounts)	Three Months Ended September 30, 1999	1998	Nine Months Ended September 30, 1999	1998
Net sales	$122,850	$145,065	$378,673	$ 520,585
Cost of goods sold	57,431	78,419	185,193	303,173
Gross margin	65,419	66,646	193,480	217,412
Distribution expense	9,666	9,768	28,520	33,636
Marketing expense	43,682	45,495	136,118	155,302
General & administrative expense	14,323	15,461	42,558	47,620
Gain on divestiture of businesses	(30,609)	(18,600)	(44,080)	(200,171)
Business realignment	-	11,750	-	11,750
Operating income	28,357	2,772	30,364	169,275
Interest expense	73	422	401	2,400
Interest income	(3,791)	(4,513)	(10,793)	(15,341)
Other income, net	(9)	(650)	(332)	(1,256)
Income before income tax	32,084	7,513	41,088	183,472
Income tax expense	12,825	4,851	26,545	52,801
Net income	19,259	2,662	14,543	130,671
Affiliate's share of income	(562)	(958)	(827)	(131,027)
Net income (loss) applicable to common stock	$ 18,697	$ 1,704	$ 13,716	$ (356)
Comprehensive income (Note 5)	$ 19,370	$ 3,448	$ 12,939	$ 158,780
Basic and diluted income (loss) per common share	$186,970	$ 17,040	$137,160	$ (3,560)
Average number of common shares outstanding during the period	100	100	100	100

See accompanying Notes to the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

BORDEN FOODS HOLDINGS CORPORATION

(In thousands)

ASSETS	September 30, 1999	December 31, 1998
CURRENT ASSETS		
Cash and equivalents	$ 272,606	$ 300,104
Accounts receivable (less allowance for doubtful accounts of $1,820 and $1,391, respectively)	49,336	47,339
Other receivables	2,766	12,513
Inventories:		
Finished and in-process goods	45,889	42,933
Raw materials and supplies	19,251	26,853
Deferred income taxes	13,944	24,181
Amounts due from affiliates	4,229	2,130
Other current assets	11,406	11,076
	419,427	467,129
OTHER ASSETS	11,125	9,138
PROPERTY AND EQUIPMENT		
Land	9,436	10,879
Buildings	39,638	44,094
Machinery and equipment	169,972	147,720
	219,046	202,693
Less accumulated depreciation	(60,912)	(59,535)
	158,134	143,158
INTANGIBLES		
Goodwill	11,085	15,658
Trademarks and other intangibles	108,656	110,987
	119,741	126,645
TOTAL ASSETS	$ 708,427	$ 746,070

See accompanying Notes to the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

BORDEN FOODS HOLDINGS CORPORATION

(In thousands except per share and share amounts)

LIABILITIES AND SHAREHOLDER'S EQUITY	September 30, 1999	December 31, 1998
CURRENT LIABILITIES		
Accounts and drafts payable	$ 41,545	$ 55,847
Accrued customer allowances	15,634	19,600
Amounts due to affiliates	1,580	2,948
Debt payable within one year	767	6,824
Loans payable to affiliate	2,884	-
Income tax payable	27,892	5,418
Other current liabilities	60,683	116,349
	150,985	206,986
OTHER LIABILITIES		
Long-term debt	2,714	2,602
Deferred income taxes	29,644	38,823
Other long-term liabilities	22,274	22,899
	54,632	64,324
Commitments and Contingencies (Note 8)		
SHAREHOLDER'S EQUITY		
Common stock - $0.01 par value; 100 shares authorized, issued, and outstanding	-	-
Paid in capital	405,817	390,988
Shareholder's investment in affiliates	61,651	60,824
Accumulated translation adjustment	(9,428)	(8,106)
Retained earnings	44,770	31,054
	502,810	474,760
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$ 708,427	$ 746,070

See accompanying Notes to the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

BORDEN FOODS HOLDINGS CORPORATION

(In thousands)	Nine Months Ended September 30, 1999	1998
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net income	$ 14,543	$ 130,671
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	14,913	13,061
Deferred tax provision	15,886	10,045
Gain on divestiture of businesses	(44,080)	(200,171)
Net change in assets and liabilities:		
Accounts receivable	(1,997)	49,723
Other receivables	(202)	14,868
Inventories	(1,096)	20,049
Accounts and drafts payable	(14,302)	(19,297)
Accrued customer allowances	(3,966)	(3,652)
Income taxes	24,535	(19,987)
Other amounts due to/from affiliates	(3,467)	(894)
Other current assets and liabilities	(11,444)	(62,185)
Other assets and liabilities	(6,744)	390
	(17,421)	(67,379)
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Capital expenditures	(34,941)	(20,722)
Proceeds from the sale of fixed assets	4,466	15,852
Proceeds from the sale of businesses	23,571	725,226
	(6,904)	720,356
CASH FLOWS USED IN FINANCING ACTIVITIES		
Net short-term debt payments	(6,057)	(16,299)
Repayment of loans payable to affiliates	-	(27,914)
Repayment of long-term debt payable to affiliate	-	(47,616)
Repayment of other long-term debt	-	(812)
Proceeds from loans payable to affiliate	2,884	-
Distribution to affiliate	-	(272,205)
	(3,173)	(364,846)
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(27,498)	288,131
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	300,104	28,736
CASH AND EQUIVALENTS AT END OF PERIOD	$272,606	$ 316,867

See accompanying Notes to the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

BORDEN FOODS HOLDINGS CORPORATION

(In thousands)	Nine Months Ended September 30, 1999	1998
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid:		
Interest	$ 424	$ 2,590
Taxes, net of refunds	(14,952)	62,743
Non-cash activity:		
Shareholder's investment in affiliates (Note 4)	$ (827)	$(131,027)
Affiliate's share of income (Note 4)	827	131,027

See accompanying Notes to the Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDER'S EQUITY (UNAUDITED)

BORDEN FOODS HOLDINGS CORPORATION

(In thousands)

	Paid in Capital	Shareholder's Investment in Affiliate	Accumulated Translation Adjustments	Retained Earnings	Total
Balance at December 31, 1998	$390,988	$60,824	$(8,106)	$31,054	$474,760
Net income				14,543	14,543
Foreign currency translation adjustments			(1,322)		(1,322)
Affiliate's share of income		827		(827)	-
Increase in tax basis related to finalization of purchase price allocation	14,829				14,829
Balance at September 30, 1999	$405,817	$ 61,651	$(9,428)	$44,770	$502,810

See accompanying Notes to the Condensed Consolidated Financial Statements.

BORDEN FOODS HOLDINGS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)

1. NATURE OF OPERATIONS

Borden Foods Holdings Corporation ("Foods Holdings"), a wholly owned subsidiary of Borden Foods Holdings, LLC ("LLC"), owns approximately 98% of Borden Foods Corporation ("BFC"). The remaining interest in BFC is owned directly by LLC. BFC is a manufacturer and distributor of a variety of food products worldwide, including pasta, pasta sauce, soups and bouillon. At September 30, 1999, BFC's operations included 8 production facilities, 4 of which are located in the United States. The remaining facilities are located in Canada and Europe.

2. BASIS OF PRESENTATION

Foods Holdings has fully and unconditionally guaranteed obligations under Borden, Inc.'s ("Borden") Credit Facility and all of Borden's publicly held debt on a pari passu basis. As a result of the financial guarantee and in accordance with Regulation S-X rule 3-10, Borden is required to include in its filings with the Securities and Exchange Commission separate financial statements for Foods Holdings as if it were a registrant. Foods Holdings' financial statements are prepared on a purchase accounting basis. Borden elected not to apply push down accounting in its consolidated or combined financial statements and, as such, Borden's financial statements are reported on a historical cost basis.

The accompanying unaudited condensed consolidated financial statements include all adjustments (consisting only of normal recurring adjustments) which management believes to be necessary for the fair presentation of operating results for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The results for the interim periods are subject to seasonal variations and are not necessarily indicative of results for the full year. The interim financial statements should be read in conjunction with Foods Holdings' audited financial statements for the year ended December 31, 1998.

Certain prior year amounts have been reclassified to conform to the 1999 presentation.

3. BUSINESS REALIGNMENT

Restructuring of Aligned Businesses

In 1996, management approved the closure of five domestic pasta plants in order to reduce its SKU complexity and manufacturing capacity. On January 5, 1999, a remaining facility was sold for proceeds of $2,424.

On September 17, 1998, BFC announced the closing of the Tolleson, Arizona pasta plant due to the consolidation of production into other pasta facilities and recorded pre-tax charges of $16,300, which included a $6,118 fair market value adjustment of inventory purchase commitments (recorded in cost of goods sold).

As of September 30, 1999 and December 31, 1998, reserves related to the restructuring of aligned businesses of $0 and $7,570, respectively, remained in other current liabilities.

Divested Businesses

During the first quarter of 1999, BFC received proceeds of $9,476 for working capital settlements on the sale of KLIM, of which $8,400 was included in other receivables as of December 31, 1998, and reduced current liabilities by $2,012, as costs were lower than previously estimated.

On April 30, 1999, BFC sold the milk powder business located in China to Royal Numico. The sale generated proceeds of $7,112, resulting in a pre-tax gain of $10,838 and an after tax gain of $3,528. BFC had previously elected to exit the milk powder business and sold significant operations, excluding China, to Nestle, S.A. in 1998. At that time, BFC established divestiture reserves of $4,289 for costs to close operations in China, and recorded $12,794 to write-down assets to estimated net realizable value. As a result of the sale, certain remaining liabilities for closure costs of $3,112 were no longer required.

On July 14, 1999, BFC sold the chocolate milk business located in Denmark. The sale generated proceeds of $6,692 and a pre-tax gain of $1,667. Also during the third quarter of 1999, BFC reduced current liabilities by $29,767 for the resolution of divestiture related severance and lower than expected exit costs.

In 1998, BFC and Investment LP sold the Signature Flavor business to Eagle Family Foods, Inc. for $376,500 and the KLIM business to Nestle, S.A for $339,882. As a result of these divestitures, BFC recorded a pre-tax gain of $200,854, net of charges for work-force reductions, closure of facilities, selling and legal fees, contract terminations, transition services and other miscellaneous costs. In addition, BFC sold its Puerto Rican distributor during the second quarter of 1998. The sale generated proceeds of $8,844 and a pre-tax loss of $683.

Activities related to the divestiture reserves during the three and nine months ended September 30, 1999, which were recorded in other current liabilities, were as follows:

	Work-Force Reductions(1)	Business & Contractual Obligations(2)	Selling, Legal & Other(3)	TOTAL
Balance at December 31, 1998	$ 7,110	$ 35,071	$ 19,711	$ 61,892
Utilized	(1,436)	(3,943)	(5,196)	(10,575)
Other(4)	(1,343)	(224)	(3,557)	(5,124)
Balance at June 30, 1999	$ 4,331	$ 30,904	$ 10,958	$ 46,193
Utilized	(2,014)	(91)	(34)	(2,139)
Other(4)	10	(22,062)	(7,715)	(29,767)
Balance at September 30, 1999	$ 2,327	$ 8,751	$ 3,209	$ 14,287

(1) Includes severance and other employee related benefits.
(2) Includes charges related to the termination of leases, distributor arrangements, and other contractual agreements.
(3) Includes selling and legal fees, facility closings, and other miscellaneous costs.
(4) Changes in estimates.

4. AFFILIATE'S SHARE OF INCOME

In accordance with BFC Investment LP's limited partnership agreement with BFC and LLC, LLC was allocated an affiliate's share of income (see accompanying condensed consolidated statements of operations) of $827 and $131,027 during the first nine months of 1999 and 1998, respectively. The 1998 allocation was primarily due to a gain on divestiture of the Signature Flavor business. In the second quarter of 1998, $272,205 was distributed to the LLC.

5. COMPREHENSIVE INCOME

Comprehensive income was computed as follows:

	Three months ended September 30, 1999	Three months ended September 30, 1998	Nine months ended September 30, 1999	Nine months ended September 30, 1998
Net income	$ 19,259	$ 2,662	$ 14,543	$ 130,671
Foreign currency translation adjustments	393	786	(1,322)	(6,805)
Reclassification adjustment	(282)	-	(282)	34,914
	$ 19,370	$ 3,448	$ 12,939	$ 158,780

The reclassification adjustments in 1999 and 1998 represent the accumulated translation adjustment recognized on the sale of the chocolate milk business located in Denmark and the KLIM business, respectively.

6. RELATED PARTIES

Borden and a subsidiary of Borden provide certain administrative services to BFC at negotiated fees. These services include processing of payroll, active and retiree group insurance claims, securing insurance coverage for catastrophic claims, and information systems support. BFC also reimburses the Borden subsidiary for payments for general disbursements and post-employment benefit claims. The amount owed by BFC for reimbursement of payments, services, and other liabilities was $1,567 as of September 30, 1999 and $2,935 as of December 31, 1998.

Eligible U.S. employees are provided employee pension benefits under the Borden domestic pension plan to which BFC contributes, and can participate in the Borden retirement savings plan. BFC has recognized expenses associated with these benefits, certain of which are determined by Borden's actuary. The liabilities for these obligations are included in BFC's financial statements.

The following summarizes the affiliate charges for the three and nine months ended September 30, 1999 and 1998:

	Three months ended September 30, 1999	Three months ended September 30, 1998	Nine months ended September 30, 1999	Nine months ended September 30, 1998
Employee benefits	$ 739	$ 1,780	$ 2,102	$ 4,018
Group and general insurance	1,133	1,340	3,224	3,987
Administrative services	3,259	5,640	10,666	12,625
	$ 5,131	$ 8,760	$ 15,992	$20,630

BFC performs certain administrative services on behalf of other Borden affiliates. These services include sales administration, promotion, purchasing and research and development. BFC charged affiliates $128 and $228 for such services for the three months ended September 30, 1999 and 1998, respectively, and $533 and $810 for the nine months ended September 30, 1999 and 1998, respectively. The receivable for these services was $1,110 at September 30, 1999 and $505 at December 31, 1998.

BFC invests cash not used in operations with Borden. BFC's investment balance was $243,350 at September 30, 1999 and $277,591 at December 31, 1998. The funds are invested overnight earning a rate set by Borden that generally approximates money market rates. BFC earned interest income of $3,421 and $4,187 on these funds for the three months ended September 30, 1999 and 1998, respectively, and $10,080 and $14,603 for the nine months ended September 30, 1999 and 1998, respectively. Amounts receivable for interest were $1,351 and $1,625 as of September 30, 1999 and December 31, 1998, respectively.

Borden continues to provide executive, financial and strategic management to BFC for which it charges a quarterly fee of $250.

7. UNIT INCENTIVE PLAN

During the first quarter of 1999, LLC sold 389,125 Class C units to certain BFC management employees. The Class C units are generally restricted as to transfer and allow for LLC, at its discretion, to repurchase the units, upon certain conditions including termination of the unitholders' employment, prior to full vesting after five years.

Under the Unit Incentive Plan, BFC issued four UAR's with an exercise price of $8 per unit for each Class C unit purchased and 590,500 UAR's to non-unitholders. The UAR entitles the holder to receive an amount in cash equal to the excess of the market price (as defined in the UAR agreement) of the unit over the exercise price of the UAR. The UAR's vest ratably over five years and expire upon certain events, including termination of the unitholders' employment, but in no case to exceed ten years. Compensation expense is accrued in other current liabilities and shall be adjusted in subsequent periods up to the measurement date for changes, increase or decreases, in the market price of the UAR's.

8. COMMITMENTS AND CONTINGENCIES

Legal Matters

BFC and Helm Tomatoes, Inc. reached agreement to settle a claim of wrongful termination of a tomato packing agreement with payments from BFC of $3,300 in May 1999 and $3,400 in May 2000. A gain of $7,500, derived from the difference between an initial reserve of $14,500 less the settlement and legal fees, was recorded in general and administrative expense during the first quarter of 1999.

BFC is involved in certain other legal proceedings arising through the normal course of business. Management is of the opinion that the final outcomes of such proceedings should not have a material impact on BFC's results of operations or financial position.

Year 2000

The Year 2000 issue is the result of computer programs written using two rather than four digits to define the applicable year. Many of BFC's computer programs that have date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities. If not addressed, the Year 2000 issue could have a negative material impact on the business operations and financial results of BFC.

BFC's Year 2000 Program is a risk-based plan divided into three phases that are being executed by both internal and external resources. These phases are: (I) an inventory of all systems, assigning a business priority for each system and performing a preliminary assessment of Year 2000 susceptibility, (II) completion of a detailed Year 2000 susceptibility analysis and development of remediation plans and contingency plans, and (III) implementation of the remediation, contingency planing and completing final system testing.

The Year 2000 efforts are divided into three categories: (I) ERP - business systems replaced by new enterprise-wide system implementation, (II) Non-ERP - business systems that were not replaced by the new enterprise-wide system implementation, including non-information technology systems such as plant process controls, and (III) Third Parties - external suppliers and customers.

ERP - The comprehensive new enterprise-wide system implemented by BFC replaced most business and accounting systems. The enterprise-wide system versions are warranted by the vendor to be Year 2000 compliant by utilizing a four digit standard. These vendors include PeopleSoft, Vista and I2. Due to the relative complexity and importance of the business and accounting systems to ongoing operations, the new enterprise-wide system implementation addresses the significant majority of BFC's internal Year 2000 risk. Implementation of the new system was completed and tested as of June 30, 1999.

Non-ERP - BFC substantially completed system remediation and system testing activities as of September 30, 1999. Contingency plans are in place for those systems for which remediation and testing is planned, but work was not yet completed.

Third Parties - The Year 2000 Program included procedures to assess the risks related to suppliers and customers. As a result of initial inquiries, supplier and customer responses have been received. These responses were evaluated and appropriate procedures were performed to determine the extent to which BFC may be vulnerable to such parties' failure to resolve their own Year 2000 issues. Efforts related to suppliers and customers, including development of contingency plans where appropriate, were substantially completed as of September 30, 1999. Third Party work included validation of supplier Year 2000 programs through site visits to mission critical suppliers, extensive phone interviews to critical suppliers, and documented questionnaire responses from suppliers rated as important and marginal. Although BFC's systems do not rely significantly on systems of other companies, BFC cannot provide assurance that failure of third parties to address the Year 2000 issue will not have an adverse impact on business operations and results.

Business Contingency Planning is in process to minimize exposure (spread and duration) from internal and external events and to mitigate the financial impact of Year 2000 events. Examples of these plans are the pre-building of key inputs and critical finished goods inventory, plant shut downs over the millennium with staggered startups, and the establishment of a war room as a communications focal point. Testing of the plans are substantially completed as of September 30, 1999.

Significant investments in an enterprise-wide information system and Year 2000 program expenses addressing non-compliance across all areas of the company will total approximately $43,200 by the year 2000. This amount consists of $36,200 for the enterprise-wide information system and $7,000 of total Year 2000 costs and write-offs. Year 2000 costs and write-offs are comprised of $3,900 for business remediation, $2,300 for other related areas and program management, and $800 in write-offs of non-compliant hardware and systems.

Due to the general uncertainty inherent in the Year 2000 problem, including the uncertainty associated with suppliers and customers, the potential effect on the financial results and condition of BFC has not been measured. BFC has substantially completed the Year 2000 Program on a timely basis so as to significantly reduce the level of uncertainty and the impact on business operations and financial results. Contingency plans have been and continue to be developed and implemented to mitigate Year 2000 risks and the effect of Year 2000 issues.

WISE HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 1999 AND 1998

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
WISE HOLDINGS, INC. AND SUBSIDIARIES

(Dollars in thousands)	THREE MONTHS ENDED SEPTEMBER 30, 1999	1998
Net sales	$ 58,062	$ 55,478
Cost of goods sold	35,152	34,382
Gross margin	22,910	21,096
Distribution expense	7,397	7,053
Marketing expense	9,270	9,111
General & administrative expense	4,772	4,128
Operating income	1,471	804
Interest expense	236	129
Other expense	18	55
Income before income taxes	1,217	620
Income tax expense	489	247
Net income	$ 728	$ 373
Per Share Data		
Basic and diluted income per common share	$ 10.40	$ 5.33
Average number of common shares outstanding during the period	70	70

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
WISE HOLDINGS, INC. AND SUBSIDIARIES

(Dollars in thousands)	NINE MONTHS ENDED SEPTEMBER 30, 1999	1998
Net sales	$ 167,034	$ 170,630
Cost of goods sold	103,139	106,814
Gross margin	63,895	63,816
Distribution expense	21,422	21,192
Marketing expense	26,067	27,744
General & administrative expense	14,635	15,009
Operating income (loss)	1,771	(129)
Interest expense	521	361
Other expense	193	72
Income (loss) before income taxes	1,057	(562)
Income tax expense (benefit)	465	(213)
Net income (loss)	$ 592	$ (349)
Per Share Data		
Basic and diluted income (loss) per common share	$ 8.46	$ (4.99)
Average number of common shares outstanding during the period	70	70

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
WISE HOLDINGS, INC. AND SUBSIDIARIES

(Dollars in thousands)

ASSETS	SEPTEMBER 30, 1999	DECEMBER 31, 1998
CURRENT ASSETS		
Cash and equivalents	$ 2,930	$ 2,610
Accounts receivable (less allowance for doubtful accounts of $2,220 and $2,427, respectively)	22,672	22,181
Affiliated receivables	159	15
Inventories:		
Finished goods	4,068	4,045
Raw materials and supplies	3,648	3,886
Deferred income taxes, net	2,583	2,651
Prepaid and other current assets	3,826	3,660
	39,886	39,048
PROPERTY AND EQUIPMENT		
Land	1,412	1,412
Buildings and improvements	5,335	5,352
Machinery and equipment	50,679	45,120
	57,426	51,884
Less accumulated depreciation	(23,576)	(19,769)
	33,850	32,115
INTANGIBLES AND OTHER ASSETS		
Trademarks (net of accumulated amortization of $2,240 and $1,880, respectively)	16,571	16,931
Other assets	804	808
	17,375	17,739
TOTAL ASSETS	$ 91,111	$ 88,902

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
WISE HOLDINGS, INC. AND SUBSIDIARIES

(Dollars in thousands, except per share amounts)

LIABILITIES AND SHAREHOLDER'S EQUITY	SEPTEMBER 30, 1999	DECEMBER 31, 1998
CURRENT LIABILITIES		
Debt payable within one year	$ 183	$ 168
Accounts and drafts payable	12,972	16,060
Affiliated payables	302	463
Accrued liabilities	14,260	14,954
	27,717	31,645
OTHER LIABILITIES		
Long-term debt payable to Borden, Inc.	9,450	5,000
Deferred income taxes, net	1,799	2,198
Non-pension post-employment benefit obligations	9,691	9,513
Affiliated employee benefit obligation	2,757	2,165
Other long-term liabilities	299	455
Minority interest	1,098	218
	25,094	19,549
Commitments and Contingencies (Note 6)		
SHAREHOLDER'S EQUITY		
Common stock - $0.01 par value 70 shares authorized, issued and outstanding	-	-
Preferred stock - $0.01 par value 30 shares authorized, none issued and outstanding	-	-
Paid in capital	34,980	34,980
Retained earnings	3,320	2,728
	38,300	37,708
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$ 91,111	$ 88,902

See Notes to Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
WISE HOLDINGS, INC. AND SUBSIDIARIES

(Dollars in thousands)	NINE MONTHS ENDED SEPTEMBER 30, 1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 592	$ (349)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Minority interest's share in income	12	(6)
Depreciation	4,573	4,162
Amortization	360	354
Other non-cash	164	82
Net change in assets and liabilities:		
Accounts receivable	(284)	1,596
Affiliated receivables	(144)	985
Inventories	215	643
Prepaid and other current assets	(166)	(850)
Other assets	4	1,158
Accounts and drafts payable	(3,088)	2,239
Affiliated payables	(161)	104
Accrued liabilities	(160)	(3,638)
Post-employment benefits other than pensions	178	(192)
Affiliated employee benefit obligation	592	76
Other long-term liabilities	(487)	(820)
	2,200	5,544
CASH FLOWS USED IN INVESTING ACTIVITIES		
Capital expenditures	(7,272)	(6,388)
Divestiture of business	-	2,107
Proceeds from sales of equipment	59	83
	(7,213)	(4,198)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Short-term borrowings	331	267
Repayment of short-term borrowings	(316)	(270)
Borrowings under affiliated long-term loan agreement	4,450	-
Management contributions	868	-
	5,333	(3)
Increase in cash and equivalents	320	1,343
Cash and equivalents at beginning of period	2,610	3,604
Cash and equivalents at end of period	$ 2,930	$ 4,947
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	$ 604	$ 388
Cash paid for taxes	$ 269	$ 152

See Notes to Condensed Consolidated Financial Statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share information)

1. BACKGROUND

In September 1994, Borden, Inc. ("Borden") entered into a merger agreement that provided for the acquisition of all of Borden's outstanding common stock by affiliates of Kohlberg Kravis Roberts & Co. ("KKR"). Borden elected not to apply push down accounting in its consolidated financial statements as a result of public debt that was outstanding prior to the acquisition, and as such, Borden's financial statements (including Wise) are reported on Borden's historical cost basis. As discussed in the "Basis of Presentation," Wise's financial statements have been prepared on a purchase accounting basis from the date of KKR's acquisition of Borden. The effective date of the merger agreement was January 1, 1995 for accounting and financial statement presentation purposes.

Effective July 2, 1996, in a taxable transaction (the "Incorporation"), Borden sold its salty snacks business ("Wise operations") to Wise Holdings, Inc. ("Wise"), a KKR affiliate, for $45 million. The purchase price was based on an independent valuation of the business. There was no change in the financial reporting basis of the assets and liabilities as of July 2, 1996 from that described below under "Basis of Presentation" because Borden's principal stockholders continue to exercise significant financial control over Wise. Wise fully and unconditionally guarantees obligations under Borden's credit facility and all of Borden's publicly held debt on a pari passu basis. In connection with this guarantee, Wise receives an annual fee of $210.

2. NATURE OF OPERATIONS

Wise is a producer and distributor of salty snacks in the eastern United States. Wise's product line includes potato chips, cheese flavored baked and fried corn snacks, pretzels, tortilla chips, corn chips, onion rings, pork rinds and other assorted snacks. Wise markets its products under the brand names of WISE(R), CHEEZ DOODLES(R), QUINLAN(R), NEW YORK DELI(R), KRUNCHERS!(R), BRAVOS(R), MOORE'S(R) and WISE CHOICE(TM) and conducts its business through two principal divisions: Wise and Moore's. The Wise and Moore's divisions manufacture and distribute primarily in the eastern United States. Wise's products are distributed through both independent and company-owned distribution networks.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
- ---------------------
As a result of the financial guarantee and in accordance with Regulation S-X rule 3-10, Borden is required to include in its filings with the Securities and Exchange Commission separate financial statements for Wise as if it were a registrant. The accompanying financial statements subsequent to the purchase by KKR have been prepared on a purchase accounting basis that allocates approximately $51 million of the original KKR purchase price of Borden to the Wise operations. The purchase price has been allocated to tangible and intangible assets and liabilities of Wise based on independent appraisals and management estimates.

The condensed consolidated financial statements of Wise collectively include the financial position of Wise Holdings, Inc. and subsidiaries as of September 30, 1999 and December 31, 1998. These financial statements also include the statements of operations of Wise for the three and nine months ended September 30, 1999 and 1998 and cash flows of Wise for the nine months ended September 30, 1999 and 1998. These unaudited interim condensed consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for the fair presentation of the results for the interim periods presented.

Reclassifications
- -----------------
Certain prior year amounts have been reclassified to conform with the 1999 presentation.

Per Share Information
- ---------------------
Basic and diluted loss per common share at September 30, 1999 and 1998 is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period ended September 30, 1999 and 1998, respectively. On April 24, 1998 the number of shares authorized and outstanding were reduced for administrative and tax purposes. The Per Share information for September 30, 1999 and 1998 is computed based on the adjusted shares outstanding. Options issued by subsidiaries that enable the holder to obtain stock of the subsidiary were not assumed exercised because they were antidilutive for both 1999 and 1998. Wise has no other potentially dilutive securities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant estimates in Wise's financial statements are related to allowance for doubtful accounts, accruals for trade promotions, general and group insurance, income taxes, post-retirement benefits, asset lives and corporate allocations. Actual results could differ from those estimates.

Recently Issued Accounting Statements

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. Wise implemented this pronouncement as of January 1, 1999. Wise estimates that internal costs approximating $384 will be eligible for capitalization in 1999 which would have been expensed as incurred.

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. In June 1999, the FASB issued SFAS 137, which deferred the effective date of SFAS No. 133 to fiscal years beginning after June 15, 2000 and requires all derivatives be measured at fair value and recorded on a company's balance sheet as an asset or liability, depending upon the company's underlying rights or obligations associated with the derivative instrument. Wise is investigating the impact of this pronouncement, but does not expect it to have a material impact on the company's results of operations, financial position or cash flows.

4. ACCRUED LIABILITIES

Accrued liabilities were as follows:

	September 30, 1999	December 31, 1998
Compensation	$ 1,433	$ 2,557
General insurance	5,466	5,292
Advertising and promotion	4,059	3,772
Other	3,302	3,333
Total	$14,260	$14,954

5. AFFILIATED LONG-TERM DEBT

In conjunction with the Incorporation, Wise entered into a long-term loan agreement (the "Loan Agreement") to borrow funds from Borden.

Revolving Loan

The Loan Agreement provides for a revolving loan facility of up to $5 million maturing in December 1999, at a variable interest rate equal to Borden's cost of funds for 30 day LIBOR borrowings plus 0.25%. A commitment fee based on a variable rate tied to Borden's leverage is charged on the unused portion of the revolving loan facility. Wise had no borrowings under the revolving agreement at September 30, 1999 and December 31, 1998.

Long-Term Loan

The Loan Agreement also provides for a $10 million term loan with a fixed interest rate of 11% maturing in November 2000, payable in full at the maturity date. At September 30, 1999 and December 31, 1998, $9.5 million and $5.0 million, respectively, remained outstanding under this loan agreement.

The Loan Agreement contains certain restrictions on the activities of Wise and its subsidiaries, including restrictions on liens, the incidence of indebtedness, mergers and consolidations, sales of assets, investments, payment of dividends (requires prior approval from Borden), changes in nature of business, prepayments of certain indebtedness, transactions with affiliates, capital expenditures, changes in control of the company and the use of proceeds from asset sales.

6. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

Wise, like others in similar businesses, is subject to extensive Federal, state and local environmental laws and regulations. Although Wise's environmental policies and practices are designed to ensure compliance with these laws and regulations, future developments and increasingly stringent regulations could require Wise to make additional unforeseen environmental expenditures.

Environmental accruals are routinely reviewed on an interim basis as events and developments warrant and are subject to an annual comprehensive review.

Litigation

Wise is subject to various investigations, claims and legal proceedings covering a wide range of matters in the ordinary course of its business activities. Each of these matters is subject to various uncertainties and some of these matters may be resolved unfavorably to Wise. Wise has established accruals for matters that are probable and reasonably estimable. Management believes that any liability that may ultimately result from the resolution of these matters in excess of amounts provided will not have a material adverse effect on the financial statements of Wise.

7. RELATED PARTIES

Wise is engaged in various transactions with Borden and its affiliated companies in the ordinary course of business. A subsidiary of Borden provides certain administrative services to Wise at negotiated fees. These services include: processing of payroll and active and retiree group insurance claims. Wise reimburses the Borden subsidiary for payments for general disbursements, and general and group insurance and retirement benefit claims. The amount owed by Wise for these services is included in affiliated payables and was $302 and $463 at September 30, 1999 and December 31, 1998, respectively.

The liabilities for these obligations are included in Wise's financial statements. The following table summarizes the charges to Wise for these costs.

	Three months ended		Nine months ended	
	1999	1998	1999	1998
Employee benefits	$ 431	$ 484	$1,292	$1,433
Group and general insurance	1,177	1,228	3,306	3,012
Information services	89	54	324	156
Corporate staff departments and overhead	246	269	796	1,178
	$1,943	$2,035	$5,718	$5,779

Wise also invests excess cash with Borden in one-day investments that totaled $1,500 and $1,700 at September 30, 1999 and December 31, 1998, respectively, which is included as a component of cash.

5
1

9-MOS
DEC-31-1999
JUL-01-1999
SEP-30-1999
194600
0
230600
11700
103700
727600
901000
356000
1778800
869200
541300
0
614400
2000
(554300)
1778800
1001500
1001500
683000
683000
214500
0
46600
64400
24700
39700
600
0
0
40300
.20
.20