

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 14D-9

Solicitation/Recommendation Statement  
Pursuant to Section 14(d)(4) of the  
Securities Exchange Act of 1934

(Amendment No. 5)

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BORDEN, INC.  
(Name of Subject Company)

BORDEN, INC.  
(Name of Person(s) Filing Statement)

Common Stock, Par Value \$.625 Per Share  
(Title of Class of Securities)

099599102  
(CUSIP Number of Class of Securities)

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Allan L. Miller, Esq.  
Senior Vice President, Chief Administrative Officer  
and General Counsel  
Borden, Inc.  
180 East Broad Street  
Columbus, Ohio 43215  
(614) 225-4000

(Name, address and telephone number of person  
authorized to receive notice and communications on  
behalf of the person(s) filing statement)

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With a copy to:  
Andrew R. Brownstein, Esq.  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
(212) 403-1000

This Amendment No. 5 amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 of Borden, Inc., a New Jersey corporation (the "Company"), filed with the Securities and Exchange Commission (the "Commission") on November 22, 1994, as amended by Amendment No. 1 filed with the Commission on December 1, 1994, Amendment No. 2 filed with the Commission on December 2, 1994, Amendment No. 3 filed with the Commission on December 5, 1994 and Amendment No. 4 filed with the Commission on December 6, 1994 (as so amended, the "Schedule 14D-9"), with respect to the exchange offer made by Borden Acquisition Corp., a New Jersey corporation (the "Purchaser"), Whitehall Associates, L.P., a Delaware limited partnership (the "Partnership"), and KKR Partners II, L.P., a Delaware limited partnership (together with the Partnership, the "Common Stock Partnerships"), to exchange shares, owned by the Purchaser or its affiliates, of common stock, par value \$.01 per share (the "Holdings Common Stock"), of RJR Nabisco

Holdings Corp., a Delaware corporation ("Holdings"), for all outstanding shares of the Company's common stock, par value \$.625 per share (the "Shares"), and the associated preferred stock purchase rights (the "Rights"), not already owned by the Purchaser or its affiliates, upon the terms and subject to the conditions set forth in the Offering Circular/Prospectus, dated November 22, 1994, as amended and supplemented by the Supplement to the Offering Circular/Prospectus, dated December 7, 1994, and the related Letter of Transmittal.

Under the terms of the Exchange Offer, each Share accepted by the Purchaser in accordance with the Exchange Offer shall be exchanged for that number of fully paid and nonassessable shares of Holdings Common Stock equal to the Exchange Ratio. The term "Exchange Ratio" means the quotient (rounded to the nearest 1/100,000) obtained by dividing (i) \$14.25 by (ii) the average of the average of the high and low sales prices of the Holdings Common Stock as reported on the New York Stock Exchange (the "NYSE") Composite Tape on each of the ten full consecutive trading days ending immediately prior to the ten business day period ending on the date of expiration of the Exchange Offer, including any extension thereof (the "Valuation Period"), provided that the Exchange Ratio shall not be less than 1.78125 or greater than 2.375; and provided, further, that, unless the Exchange Offer is extended past 12:00 Midnight, New York City time, on Friday, January 20, 1995, the Exchange Ratio shall be 2.29146.

Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Schedule 14D-9 as heretofore amended and supplemented.

Item 3. Identity and Background.

(b)(2) The description in the Schedule 14D-9 under "The Merger Agreement" is hereby amended and supplemented by adding the following information:

In connection with an agreement-in-principle to settle the various legal proceedings pending in New Jersey state court, Ohio state court and in the United States District Court for the Southern District of New York against the Company, KKR and their respective directors, executive officers and related parties described under Item 8(b) in the Schedule 14D-9 (Certain Legal Proceedings) and herein (the "Proposed Settlement"), the Company, the Partnership and the Purchaser entered into the Second Amendment to the Merger Agreement, dated as of December 6, 1994 (the "Second Amendment"). As amended by the Second Amendment, the Merger Agreement provides that the Exchange Ratio will mean the quotient (rounded to the nearest 1/100,000) obtained by dividing (i) \$14.25 by (ii) the average of the average of the high and low sales prices of Holdings Common Stock as reported on the NYSE Composite Tape on each of the ten full consecutive trading days ending immediately prior to the ten business day period ending on the date of expiration of the Offer; provided that the Exchange Ratio shall not be less than 1.78125 or greater than 2.375; and provided, further, that, unless the Exchange Offer is extended past 12:00 Midnight, New York City time, on Friday, January 20, 1995, the Exchange Ratio shall be 2.29146. For purposes of the Exchange Offer, a full trading day is a day on which the NYSE is open for trading and does not close prior to its scheduled closing time for such day.

Accordingly, unless the Exchange Offer is extended past 12:00 Midnight, New York City time, on Friday, January 20, 1995, each Share accepted by the Purchaser in accordance with the Exchange Offer shall be exchanged for 2.29146 fully paid and nonassessable shares of Holdings Common Stock. Such Exchange Ratio is the quotient (rounded to the nearest 1/100,000) obtained by dividing (i) \$14.25 by (ii) the average of the average of the high and low sales prices of the Holdings Common Stock as reported on the NYSE Composite Tape on each of the ten full consecutive trading days ending on and including December 6, 1994. The value of 2.29146 shares of Holdings Common Stock may be more or less than \$14.25 at any given time.

In connection with the change to the term Exchange Ratio discussed above, technical changes have also been made to the Merger Agreement in the Second Amendment to clarify that during the period that the Exchange Ratio is fixed at 2.29146 shares, certain calculations contained in the Merger Agreement based on the average of the average high and low sales prices of Holdings Common Stock shall not be given effect. Reference

is made to the Second Amendment for the complete text of such changes.

The foregoing description of the Second Amendment should be read together with the Merger Agreement. The Second Amendment is filed as an exhibit hereto and is incorporated herein by reference; the foregoing description is qualified in its entirety by reference to such exhibit.

Item 4. The Solicitation or Recommendation.

(a)-(b) The description in the Schedule 14D-9 under "Background and Reasons for the Board's Recommendation; Opinions of Financial Advisors -- Background -- Events Subsequent to Announcement of the KKR Transaction" is hereby amended and supplemented by adding the following information:

At the Board of Directors meeting held on December 5, 1994, the Board approved, subject to reaching a satisfactory agreement-in-principle, the form of the Second Amendment and the proposed settlement of the various legal proceedings pending in New Jersey state court, Ohio state court and in the United States District Court for the Southern District of New York against the Company, KKR and their respective directors, executive officers and related parties described under Item 8(b) in the Schedule 14D-9 (Certain Legal Proceedings) and herein. On December 6, 1994, an agreement-in-principle was reached with respect to the Proposed Settlement and the Second Amendment was entered into as of that date.

On December 6, 1994, Japonica held its public meeting which the Company did not attend. Following the meeting, Japonica released a letter addressed to the Company to the press which submitted several modifications to the proposal set forth in the Japonica November 30 letter. The Japonica December 6 letter is included as an exhibit hereto and is incorporated herein by reference; the foregoing description of such letter is qualified in its entirety by reference to such exhibit.

The Board has not yet reviewed Japonica's December 6, 1994 letter. The Japonica letter does not address in meaningful detail the fundamental questions raised by the Board in its December 1 letter. Reports of Japonica's December 6 meeting suggest that these issues were not discussed in meaningful detail at such meeting. The Japonica December 6 letter also states that Japonica will require double the number of warrants contained in its November 30 letter and 40% of the fees approved in connection with the Whitehall transaction,

while in its November 30 letter Japonica said that its proposed transaction would have nominal fees. In addition, Japonica has not provided the Company with any additional evidence of financing sources or additional information with respect to the legal and tax issues involved in the spin-offs proposed by Japonica. The Board will review the Japonica letter and any additional information provided by Japonica.

Item 8. Additional Information to be Furnished.

(b) The description under "Certain Legal Proceedings" is hereby amended and supplemented by adding the following information:

As previously disclosed, on November 30, 1994, a putative class action captioned Petersen, et al. v. Borden, Inc., et al., Case No. 94 CIV 8648, was filed by purported shareholders of the Company in the United States District Court for the Southern District of New York against the Company, members of the Company's board of directors, Holdings, members of Holdings' board of directors, KKR, certain partners and executives of KKR, and the Company's financial advisors, Lazard Freres and First Boston. The complaint alleges, among other things, (1) violations of Sections 14(e) and 20(a) of the Exchange Act by the Company, KKR and the Company's board of directors; (2) violations of Section 11 of the Securities Act by Lazard Freres, First Boston and certain officers and directors of Holdings and partners and executives of KKR; and (3) breach of fiduciary duty by the Company and the Company's board of directors, which breach of fiduciary duty allegedly was aided and abetted by KKR. The complaint seeks equitable relief, including, among other things, a preliminary injunction and declaratory relief, as well as money damages.

On December 6, 1994, the parties to the various legal proceedings pending in New Jersey state court, Ohio state court and in the United States District Court for the Southern District of New York against the Company, KKR and their respective directors, executive officers and related parties agreed to the Proposed Settlement pursuant to which all such legal proceedings will be dismissed with prejudice. The Proposed Settlement will be subject to certain conditions, including, among other things, court approval and certain other matters described herein. In addition, in connection with the Proposed Settlement, plaintiffs will seek court approval for reimbursement of their attorneys' fees and expenses in an aggregate amount of not more than \$3.2 million.

In connection with the Proposed Settlement, the Merger Agreement has been amended as described under Item 3(b)(2) in the Schedule 14D-9, as amended.

In connection with the Proposed Settlement, the Partnership will commit to exercise its Option to acquire all of the 28,138,000 Shares subject to the Option but not previously purchased upon the exercise thereof if the Purchaser or the Partnership or a direct or indirect wholly owned subsidiary of the Partnership acquires more than 41% of the Shares in accordance with the terms and conditions of the Exchange Offer. If the Option is exercised and the shares of Holdings Common Stock received by the Company in connection with such exercise are sold or otherwise monetized by the Company, there can be no assurance as to the proceeds which the Company would receive upon such sale or other monetization.

In addition, under the Proposed Settlement, (i) certain disclosure has been included in the Supplement to the Offering Circular/Prospectus as requested by the plaintiffs' attorneys and (ii) the parties would agree that the plaintiffs' attorneys have been afforded an opportunity to meet with, and have met with, Lazard Freres and First Boston to make full and unrestricted inquiries regarding the financing of the Transaction and the nature of the expressions of interest regarding the sale of Borden, including communications received from Japonica Partners described herein. Such meeting occurred on December 5, 1993. In addition, the Proposed Settlement is fully contingent on the Purchaser consummating the Exchange Offer.

In connection with the Proposed Settlement, the Partnership will commit that, if Shares are acquired pursuant to the Exchange Offer, the Partnership will cause, for so long as KKR and its affiliates retain majority voting control of the Company, at least two independent directors unaffiliated with KKR, the Common Stock Partnerships or the Company to be elected to the board of directors of the Company until the Merger is consummated.

Item 9. Material to be Filed as Exhibits.

The list of exhibits in the Schedule 14D-9 is hereby amended and supplemented by adding the following exhibits:

Exhibit 99.87 -- Second Amendment to the Merger Agreement, dated as of December 6, 1994.

Exhibit 99.88 -- Joint Press Release dated  
December 7, 1994.

Exhibit 99.89 -- Letter from Japonica Partners to  
F.J. Tasco, dated December 6,  
1994.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

BORDEN, INC.

Dated: December 7, 1994

By: /s/ Allan L. Miller  
Name: Allan L. Miller  
Title: Senior Vice President,  
Chief Administrative  
Officer and General  
Counsel



EXHIBIT INDEX

Exhibit	Description
Exhibit 99.87 --	Second Amendment to the Merger Agreement, dated as of December 6, 1994.
Exhibit 99.88 --	Joint Press Release dated December 7, 1994.
Exhibit 99.89 --	Letter from Japonica Partners to F.J. Tasco, dated December 6, 1994.

SECOND AMENDMENT

SECOND AMENDMENT, dated as of December 6, 1994 (this "Second Amendment"), among BORDEN ACQUISITION CORP., a New Jersey corporation ("Purchaser"), WHITEHALL ASSOCIATES, L.P., a Delaware limited partnership ("Parent"), and BORDEN, INC., a New Jersey corporation (the "Company"), to the Agreement and Plan of Merger, dated as of September 23, 1994, as amended by the Amendment thereto dated as of November 15, 1994 (the "Agreement"), among Purchaser, Parent and the Company.

1. Amendment to Section 1.1. Subsection 1.1(a) of the Agreement is hereby amended by deleting the third sentence thereof in its entirety and inserting in lieu thereof the following:

"The 'Exchange Ratio' shall mean the quotient (rounded to the nearest 1/100,000) obtained by dividing (i) \$14.25 by (ii) the average of the average of the high and low sales prices of Holdings Common Stock as reported on the New York Stock Exchange Composite Tape on each of the ten full consecutive trading days ending immediately prior to the ten business day period ending on the date of expiration of the Offer (the 'Valuation Period'); provided that the Exchange Ratio shall not be less than 1.78125 or greater than 2.375; and provided, further, that, unless the Offer is extended past 12:00 Midnight, New York City time, on Friday, January 20, 1995, the Exchange Ratio shall be 2.29146. For purposes of the preceding sentence, a full trading day is a day on which the NYSE is open for trading and does not close prior to its scheduled closing time for such day)."

2. Amendment to Section 1.2. Subsection 1.2(b) of the Agreement is hereby amended by deleting the second sentence thereof in its entirety and inserting in lieu thereof the following:

"The Company further agrees, subject to clause (iii) of the proviso to the first sentence in Section 5.3, not to change the Recommendations unless (i) the second proviso in the definition of Exchange Ratio is not applicable and (ii) the average of the average of the high and the low sales prices of the Holdings Common Stock as reported on the New York Stock Exchange Composite Tape for the Valuation Period is less than the price per share that would yield an Exchange Ratio of 2.375 or less without giving effect to the first proviso in the definition of Exchange Ratio."

3. Amendment to Section 8.3. Subsection 8.3(b) of the Agreement is hereby amended by deleting clause (ii) thereof in its entirety and inserting in lieu thereof the following:

"(ii) prior to the purchase of Shares pursuant to the Offer, this Agreement is terminated pursuant to Section 7.1(d) (other than solely in the event that the average of the average of the high and low sales prices of the Holdings Common Stock as reported on the New York Stock Exchange Composite Tape for the Valuation Period is less than the price per share that would yield an Exchange Ratio of 2.375 or less without giving effect to the first proviso in the definition of Exchange Ratio, provided that this exclusion shall not be given effect so long as the

second proviso in the definition of Exchange Ratio is applicable); or"

4. Authorization; Effectiveness. (a) This Second Amendment has been duly executed and delivered by each party hereto and constitutes a valid and binding obligation of each such party, enforceable against such party in accordance with its terms subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(b) This Second Amendment shall become effective upon execution and delivery by the parties hereto. Except as expressly amended hereby, the provisions of the Agreement are and shall remain in full force and effect.

5. Governing Law. This Second Amendment shall be governed by and construed in accordance with the laws of the State of New Jersey, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

6. Counterparts. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Continued on subsequent page.]

IN WITNESS WHEREOF, each of the parties has caused this Second Amendment to be executed on its behalf by its officers thereunto duly authorized, all as of the day and year first above written.

WHITEHALL ASSOCIATES, L.P.

By: KKR Associates, a limited  
partnership, its General  
Partner

By:  
Title: General Partner

BORDEN ACQUISITION CORP.

By:  
Name: Clifton S. Robbins  
Title: President

BORDEN, INC.

By:  
Name: Allan L. Miller  
Title: Senior Vice President,  
Chief Administrative  
Officer and General  
Counsel

[LETTERHEAD OF JAPONICA PARTNERS]

December 6, 1994

Mr. Frank Tasco  
Chairman  
Borden, Inc.  
277 Park Avenue  
New York, NY 10172

Dear Mr. Tasco:

Despite your refusal to obtain first-hand responses to questions you have raised and despite your unwillingness to thereby avail yourself of the opportunity to follow-on discussions, we are submitting the following modifications to our proposal. We believe these modifications both increase the attractiveness of the proposal to Borden shareholders and satisfy points that you have raised.

We remain willing to address any concerns in a fair and open forum. You shouldn't be reluctant to obtain information that could substantially enhance shareholder value, nor should you allow your advisors to ask and answer their own questions without challenge. Such actions are inconsistent with shareholder democracy and the inclusive process by which corporations should be governed.

Pursuant to your request for written information on Japonica's proposed Plan improvements to its November 30th proposal, please accept the following:

Point One: Increase our Investment in Borden to \$660 million. We will inject an additional \$230 million cash into Borden to relieve the current concerns regarding the Company's financial profile at the \$17.00 per share market valuation. The \$230 million additional Japonica investment will be on terms that should have a positive impact on the Company's credit rating. We anticipate this will be in the form of convertible securities with a market rate (which we believe to be approximately 6 percent for preferred stock) convertible into common equity at a premium of approximately 20 percent to the underlying common stock, and with the Borden common stock trading at \$13.625, a 20 percent premium equals almost \$17 per share.

The Convertible Securities will be in the form of Pay-in-Kind ("PIK") preferred stock but the Company will have the option to exchange the preferred shares for debt depending on its tax position. Because of the PIK provision, the Company will not be obliged to pay cash dividends or interest but could if it wishes make the payments in securities at a 10 percent coupon rate.

Point Two: \$430 million Stock Purchase Via Tender Offer. The \$430 million stock purchased for \$17.00 per share contemplated by our original proposal would be made by Japonica directly either in the open market or via a tender offer at the Company's option.

This should result in substantial improvement in

timing in the execution of the proposal and should alleviate expressed concerns about the share repurchase.

Point Three: Eliminate the Preferred to be Exchanged for Common. The \$230 million of preferred stock to be exchanged for common was eliminated to remove any obstacles the Company's advisors may have in connection with the Japonica Proposal and to eliminate any concerns over trading values, additional fixed charges, or increased debt levels.

The proceeds of our increased investment could be available for corporate purposes or securities repurchases as the situation merits.

Point Four: Change in Board Composition. In connection with this increased investment, we would be willing to allow all the current Board members to withdraw and be replaced by directors to be designated by major institutional shareholders. Our assumption is that all directors will wish to withdraw. Japonica would have board representation equal to its economic investment.

Point Five: Other. Given our increased investment, we are required to increase the level of \$17.00 warrants to 20 percent. Also, the revised structure will require transaction fees of approximately 40 percent of the fees approved in connection with the KKR offer.

We look forward to maximizing Borden's shareholder value as a proactive white knight. Our proposal is made pursuant to your on-going request.

Respectfully,

/s/ Japonica Partners

JAPONICA PARTNERS

Contact:

For Borden:	For KKR:
Jim Fingeroth/Fred Spar	Ruth Pachman/Dawn Dover/
Kekst and Company	Josh Pekarsky
(212) 593-2655	Kekst and Company
Nick Iammartino	(212) 593-2655
Borden Inc.	
(614) 225-4485	

For Immediate Release

Exchange Ratio Set in KKR Offer for Borden Shares and  
KKR and Borden Settle Shareholder Suits

NEW YORK, NY and COLUMBUS, OHIO, December 7, 1994 -- Kohlberg Kravis Roberts & Co. and Borden, Inc. (NYSE:BN) announced today that, in connection with the exchange offer for all outstanding Borden shares by KKR's affiliate, Borden Acquisition Corp., and subject to the terms of the merger agreement among Borden, Borden Acquisition and Whitehall Associates, L.P. and the exchange offer, the number of shares of RJR Nabisco Holdings Corp. (NYSE:RN) common stock to be exchanged in the exchange offer for each share of Borden common stock will be 2.29146.

The two companies also announced that they have reached an agreement-in-principle to settle the various lawsuits pending against them in New Jersey and Ohio state courts, and in the United States District Court for the Southern District of New York. The proposed settlement will provide for the dismissal with prejudice of various federal and state law claims raised in these lawsuits, including allegations that Borden did not act fairly with respect to Japonica Partners' proposals for Borden, as well as other claims with respect to alleged breaches of fiduciary duties and alleged federal securities law violations.

In connection with the agreement-in-principle to settle the lawsuits, Borden, Borden Acquisition and Whitehall Associates have amended their merger agreement to fix the exchange ratio. Pursuant to this amendment, if for any reason the exchange offer is extended past 12:00 midnight, New York City time, on Tuesday, December 20, 1994, the exchange ratio will continue to be fixed at 2.29146 shares of RJR Nabisco Holdings common stock for each shares of Borden common stock during any portion of the following twenty business days that the offer remains open. A KKR spokesperson said that KKR expects to be in a position to

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consummate the exchange offer on December 20, 1994, although no assurance can be given that the offer will not be extended.

Pursuant to the agreement-in-principle to settle the lawsuits, Whitehall Associates will commit to exercise its option to acquire 28,138,000 shares of Borden common stock in exchange for shares of RJR Nabisco valued at approximately \$11 per share if Whitehall or its subsidiary acquires more than 41% of the Borden shares pursuant to the exchange offer. Previously, Whitehall had committed to exercise the option if it acquired more than 41% (but not more than 50%) of the Borden shares in

the exchange offer, although Whitehall could have chosen to exercise the option if it had received more than 50% of the Borden shares in the offer. The expanded commitment is expected to provide a needed equity infusion in Borden, assuming that the exchange offer is completed.

Under the agreement-in-principle, Whitehall also would commit to cause Borden's board of directors to continue to have at least two independent directors until a merger of Borden and a KKR affiliate is completed. A KKR spokesperson said that KKR would attempt to consummate a merger as soon as practicable following the consummation of the exchange offer.

This announcement is neither an offer to exchange nor a solicitation of an offer to exchange any securities. The exchange offer is being made solely by the Offering Circular/Prospectus and the related Letter of Transmittal. The exchange offer is not being made to (nor will tenders be accepted from or on behalf of) holders of securities in any jurisdiction in which the making of the exchange offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the exchange offer to be made by a licensed broker or dealer, the exchange offer shall be deemed to be made on behalf of Borden Acquisition by Morgan Stanley & Co. Incorporated, the Dealer Manager for the exchange offer, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

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