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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(X) Quarterly Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 1995

( ) Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the Transition Period From ___________ to _____________

Commission file number 1-5057

BOISE CASCADE CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware | 82-0100960 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 1111 West Jefferson<br>P.O. Box 50<br>Boise, Idaho | 83728-0001 |
| (Address of principal executive offices) | (Zip Code) |

(208) 384-6161

(Registrant's telephone number, including area code)

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 ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Shares Outstanding as of October 31, 1995 |
|---|---|
| Common stock, $2.50 par value | 48,134,408 |

PART I - FINANCIAL INFORMATION

STATEMENTS OF INCOME (LOSS)
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(unaudited)

Item I. Financial Statements

| | Three Months Ended September 30 | |
|---|---|---|
| | 1995 | 1994 |
| | (expressed in thousands) except per share data | |
| Revenues | | |
| Sales | $1,339,110 | $1,089,960 |
| Other income, net | 3,940 | 2,370 |
| | 1,343,050 | 1,092,330 |
| Costs and expenses | | |
| Materials, labor, and other operating expenses | 968,260 | 893,630 |
| Depreciation and cost of company timber harvested | 61,630 | 59,350 |
| Selling and administrative expenses | 112,170 | 99,910 |
| | 1,142,060 | 1,052,890 |
| Equity in net income (loss) of affiliates | 15,860 | (11,040) |
| Income from operations | 216,850 | 28,400 |
| Interest expense | (33,080) | (38,350) |

| | | |
|---|---|---|
| Interest income | 930 | 270 |
| Foreign exchange gain (loss) | (20) | 1,280 |
| Gain (loss) on subsidiaries' issuance of stock | 6,160 | (10,200) |
| | (26,010) | (47,000) |
| Income (loss) before income taxes and minority interest | 190,840 | (18,600) |
| Income tax provision | 70,170 | 13,110 |
| Income (loss) before minority interest | 120,670 | (31,710) |
| Minority interest, net of income tax | (2,190) | - |
| Net income (loss) | $ 118,480 | $ (31,710) |
| Net income (loss) per common share | | |
| Primary | $ 2.03 | $(1.19) |
| Fully diluted | $ 1.83 | $(1.19) |
| Dividends declared per common share | $ .15 | $ .15 |

The accompanying notes are an integral part of these Financial Statements.

SEGMENT INFORMATION
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(unaudited)

| | Three Months Ended September 30 1995 | 1994 |
|---|---|---|
| | (expressed in thousands) | |
| Segment sales | | |
| Paper and paper products | $ 674,682 | $ 467,196 |
| Office products | 332,037 | 246,171 |
| Building products | 428,679 | 434,121 |
| Intersegment eliminations and other | (96,288) | (57,528) |
| | $1,339,110 | $1,089,960 |
| Segment operating income | | |
| Paper and paper products | $ 164,008 | $ 2,273 |
| Office products | 21,240 | 10,733 |
| Building products | 29,631 | 34,311 |
| Equity in net income (loss) of affiliates | 15,860 | (11,040) |
| Corporate and other | (13,889) | (7,877) |
| Income from operations | $ 216,850 | $ 28,400 |

The accompanying notes are an integral part of these Financial Statements.

STATEMENTS OF INCOME (LOSS)
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(Unaudited)

| | Nine months ended September 30 1995 | 1994 |
|---|---|---|
| | (expressed in thousands, except per share data) | |
| Revenues | | |
| Sales | $3,832,270 | $3,031,510 |
| Other income (expense), net | (17,310) | 6,930 |
| | 3,814,960 | 3,038,440 |
| Costs and expenses | | |
| Materials, labor, and other operating expenses | 2,841,890 | 2,537,910 |
| Depreciation and cost of company timber harvested | 182,750 | 176,380 |
| Selling and administrative expenses | 315,150 | 285,580 |
| | 3,339,790 | 2,999,870 |
| Equity in net income (loss) of affiliates | 33,310 | (24,160) |
| Income from operations | 508,480 | 14,410 |
| Interest expense | (105,380) | (110,030) |
| Interest income | 2,210 | 790 |
| Foreign exchange gain (loss) | 20 | (130) |
| Gain (loss) on subsidiaries' issuance of stock | 66,160 | (10,200) |
| | (36,990) | (119,570) |
| Income (loss) before income taxes and minority interest | 471,490 | (105,160) |
| Income tax provision (benefit) | 186,520 | (16,690) |
| Income (loss) before minority interest | 284,970 | (88,470) |
| Minority interest, net of income tax | (3,530) | - |
| Net income (loss) | $ 281,440 | $ (88,470) |
| Net income (loss) per common share | | |
| Primary | $ 4.78 | $(3.40) |
| Fully diluted | $ 4.32 | $(3.40) |
| Dividends declared per common share | $ .45 | $ .45 |

The accompanying notes are an integral part of these Financial Statements.

SEGMENT INFORMATION
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(unaudited)

| | Nine Months Ended September 30 1995 | 1994 |
|---|---|---|
| | (expressed in thousands) | |
| Segment sales | | |
| Paper and paper products | $1,927,760 | $1,271,211 |
| Office products | 941,042 | 649,439 |
| Building products | 1,207,156 | 1,261,553 |
| Intersegment eliminations and other | (243,688) | (150,693) |
| | $3,832,270 | $3,031,510 |
| Segment operating income (loss) | | |
| Paper and paper products | $ 394,279 | $ (81,627) |
| Office products | 47,440 | 31,730 |
| Building products | 75,911 | 113,268 |
| Equity in net income (loss) of affiliates | 33,310 | (24,160) |
| Corporate and other | (42,460) | (24,801) |
| Income from operations | $ 508,480 | $ 14,410 |

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
BALANCE SHEETS
(unaudited)

ASSETS

| | September 30 1995 | September 30 1994 | December 31 1994 |
|---|---|---|---|
| | (expressed in thousands) | | |
| Current | | | |
| Cash and cash items | $ 45,778 | $ 30,644 | $ 22,447 |
| Short-term investments at cost, which approximates market | 28,609 | 4,972 | 7,007 |
| | 74,387 | 35,616 | 29,454 |
| Receivables, less allowances of $3,377,000, $2,155,000 and $1,987,000 | 509,236 | 575,364 | 405,661 |
| Inventories | 474,550 | 397,519 | 423,589 |
| Deferred income tax benefits | 79,356 | 44,522 | 42,487 |
| Other | 25,350 | 18,112 | 17,073 |
| | 1,162,879 | 1,071,133 | 918,264 |
| Property | | | |
| Property and equipment | | | |
| Land and land improvements | 38,674 | 37,289 | 37,775 |
| Buildings and improvements | 447,741 | 437,847 | 439,936 |
| Machinery and equipment | 4,216,182 | 4,051,459 | 4,078,302 |
| | 4,702,597 | 4,526,595 | 4,556,013 |
| Accumulated depreciation | (2,193,494) | (2,025,993) | (2,062,106) |
| | 2,509,103 | 2,500,602 | 2,493,907 |
| Timber, timberlands, and timber deposits | 399,528 | 403,914 | 397,721 |
| | 2,908,631 | 2,904,516 | 2,891,628 |
| Investments in equity affiliates | 251,446 | 214,585 | 204,498 |
| Other assets | 301,032 | 268,140 | 279,687 |
| Total assets | $4,623,988 | $4,458,374 | $4,294,077 |

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
BALANCE SHEETS
(unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

| | September 30 1995 | September 30 1994 | December 31 1994 |
|---|---|---|---|
| | (expressed in thousands) | | |
| Current | | | |
| Notes payable | $ 183,000 | $ 62,000 | $ 56,000 |
| Current portion of long-term debt | 609 | 83,010 | 58,534 |
| Accounts payable | 352,321 | 306,631 | 306,848 |
| Accrued liabilities | | | |
| Compensation and benefits | 152,409 | 103,977 | 107,866 |
| Interest payable | 25,146 | 30,847 | 36,043 |
| Other | 145,753 | 105,983 | 92,552 |
| | 859,238 | 692,448 | 657,843 |
| Debt | | | |
| Long-term debt, less current portion | 1,268,423 | 1,768,527 | 1,625,148 |
| Guarantee of ESOP debt | 228,212 | 245,027 | 230,956 |
| | 1,496,635 | 2,013,554 | 1,856,104 |
| Other | | | |
| Deferred income taxes | 306,340 | 128,953 | 137,260 |
| Other long-term liabilities | 256,851 | 263,923 | 278,012 |
| | 563,191 | 392,876 | 415,272 |
| Minority interest | 64,968 | - | - |
| Shareholders' equity | | | |
| Preferred stock -- no par value; 10,000,000 shares authorized; | | | |
| Series D ESOP: $.01 stated value; 6,143,333; 6,311,734 and 6,294,891 shares outstanding | 276,450 | 284,028 | 283,270 |
| Deferred ESOP benefit | (228,212) | (245,027) | (230,956) |
| Series E: $.01 stated value; 862,500 shares outstanding at September 30 and December 31, 1994 | - | 191,466 | 191,466 |
| Series F: $.01 stated value; 115,000 shares outstanding in each period | 111,043 | 111,043 | 111,043 |
| Series G: $.01 stated value; 862,500 shares outstanding in each period | 176,404 | 176,404 | 176,404 |
| Common stock -- $2.50 par value; 200,000,000 shares authorized; 48,056,941; 38,232,914 and 38,284,186 shares outstanding | 120,142 | 95,582 | 95,710 |
| Additional paid-in capital | 202,870 | - | - |
| Retained earnings | 981,259 | 746,000 | 737,921 |
| Total shareholders' equity | 1,639,956 | 1,359,496 | 1,364,858 |
| Total liabilities and shareholders' equity | $4,623,988 | $4,458,374 | $4,294,077 |

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(unaudited)

| | Nine Months Ended September 30 1995 | 1994 |
|---|---|---|
| | (expressed in thousands) | |
| Cash provided by (used for) operations | | |
| Net income (loss) | $ 281,440 | $ (88,470) |
| Items in income (loss) not using (providing) cash | | |
| Equity in net (income) loss of affiliates | (33,310) | 16,267 |
| Depreciation and cost of company timber harvested | 182,750 | 176,380 |
| Deferred income tax provision (benefit) | 139,117 | (16,724) |
| Minority interest, net of income tax | 3,530 | - |
| Amortization and other | 36,835 | 12,434 |
| (Gain) loss on subsidiaries' issuance of stock | (66,160) | 10,200 |
| Receivables | (79,238) | (64,813) |
| Inventories | (40,473) | 32,048 |
| Accounts payable and accrued liabilities | 47,102 | 53,699 |
| Current and deferred income taxes | 3,418 | 6,053 |
| Other | 407 | 5,881 |
| Cash provided by operations | 475,418 | 142,955 |
| Cash used for investment | | |
| Expenditures for property and equipment | (191,612) | (132,862) |
| Expenditures for timber and timberlands | (3,974) | (4,256) |
| Investments in equity affiliates, net | (2,000) | (32,068) |
| Purchase of facilities | (37,095) | (78,428) |
| Other | (7,746) | (47,825) |
| Cash used for investment | (242,427) | (295,439) |
| Cash provided by (used for) financing | | |
| Cash dividends paid | | |
| Common stock | (19,916) | (17,109) |
| Preferred stock | (32,450) | (40,449) |
| | (52,366) | (57,558) |
| Notes payable | 127,000 | 31,000 |
| Additions to long-term debt | 10,140 | 247,335 |
| Payments of long-term debt | (423,462) | (56,207) |
| Subsidiary's issuance of stock | 123,076 | - |
| Other | 27,554 | 2,221 |
| Cash provided by (used for) financing | (188,058) | 166,791 |
| Increase in cash and short-term investments | 44,933 | 14,307 |
| Balance at beginning of the year | 29,454 | 21,309 |
| Balance at September 30 | $ 74,387 | $ 35,616 |

The accompanying notes are an integral part of these Financial Statements.

## Notes to Quarterly Financial Statements

(1) BASIS OF PRESENTATION. The quarterly financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. 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 such rules and regulations. These statements should be read together with the statements and the accompanying notes included in the Company's 1994 Annual Report.

The quarterly financial statements have not been audited by independent public accountants, but in the opinion of management, all adjustments necessary to present fairly the results for the periods have been included. The net income (loss) for the three and nine months ended September 30, 1995 and 1994, was subject to seasonal variations and necessarily involved estimates and accruals. Except as may be disclosed within these "Notes to Quarterly Financial Statements," the adjustments made were of a normal, recurring nature. Quarterly results are not necessarily indicative of results that may be expected for the year.

(2) OPERATING HIGHLIGHTS. In April 1995, the Company's wholly owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), completed the initial public offering of 5,318,750 shares of common stock at a price of $25 per share. After the offering, the Company owned 82.7% of the outstanding BCOP common stock. The net proceeds of the offering to BCOP were approximately $123 million, of which approximately $102 million was indirectly (through retention of accounts receivable and a small dividend payment) available to the Company for general corporate purposes. The remainder of the proceeds was retained by BCOP for its general corporate purposes.

From the BCOP offering, the Company recorded a gain of approximately $60 million or 98 cents per fully diluted share in the second quarter of 1995. In the third quarter of 1995, BCOP issued 445,305 shares of its stock to effect various acquisitions. As a result of these share issuances, the Company recorded a gain of $6.2 million or 10 cents per fully diluted share. In accordance with SFAS 109, Accounting for Income Taxes, income taxes were not provided on the gains. At September 30, 1995, the Company owned 81.5% of the outstanding BCOP common stock.

In October 1994, the Company's Canadian subsidiary, Rainy River Forest Products Inc. ("Rainy River"), completed the sale of units of common stock and debentures in an initial public offering. Boise Cascade held approximately 60% of Rainy River's economic equity and 49% of its voting equity. The securities were sold at a premium to the net book value of the Canadian company, but the translation into U.S. dollars and other costs of the transaction resulted in a charge to the Company of $6.8 million after tax, or 18 cents per fully diluted common share, in the third quarter of 1994. Also in the third quarter of 1994, recognition by the Company of a noncash charge for U.S. taxes on previously undistributed Canadian earnings amounted to $20.2 million, or 53 cents per fully diluted common share. Rainy River was accounted for on the equity method retroactive to January 1, 1994, in the Company's consolidated financial statements. In the Company's Statements of Income (Loss) for the three and nine months ended September 30, 1995 and 1994, Rainy River's results of operations are included in "Equity in net income (loss) of affiliates." In the second quarter of 1995, the Company provided $32.5 million of income taxes, or 53 cents per fully diluted share, for the tax effect of the difference in the book and tax bases of its stock ownership in Rainy River.

Also, in the second quarter of 1995, the Company established reserves for the write-down of certain assets in its paper and paper products segment to their net realizable value with a pretax charge of $19 million, or 19 cents per fully diluted share after taxes. The Company also added to its existing reserves $5 million before taxes, or 5 cents per fully diluted share after taxes, for environmental and other contingencies.

The net effect of the gain on the issuance of BCOP stock, the tax provision for Rainy River, and the establishment of the above reserves increased net income $18.8 million and fully diluted earnings per share 31 cents for the nine months ended September 30, 1995.

(3) NET INCOME (LOSS) PER COMMON SHARE. Net income (loss) per common share was determined by dividing net income (loss), as adjusted, by applicable shares outstanding. For the three and nine months ended September 30, 1994, the computation of fully diluted net loss per share was antidilutive; therefore, the amounts reported for primary and fully diluted loss were the same.

For the nine months ended September 30, 1995 and 1994, primary average shares included common shares outstanding and, if dilutive, common stock equivalents attributable to stock options, Series E conversion preferred stock prior to converting to shares of the Company's common stock on January 15, 1995, and Series G conversion preferred stock. Excluded common equivalent shares were 16,496,000 at September 30, 1994. In addition to common and common equivalent shares, fully diluted average shares include common shares that would be issuable upon conversion of the Company's other convertible securities (see Note 6).

| | Nine Months Ended September 30 | |
|---|---|---|
| | 1995 | 1994 |
| | (expressed in thousands) | |
| Net income (loss) as reported | $ 281,440 | $ (88,470) |
| Preferred dividends | (19,180) | (40,955) |
| Primary income (loss) | 262,260 | (129,425) |
| Assumed conversions: | | |
| Preferred dividends eliminated | 11,072 | 32,847 |
| Interest on 7% debentures eliminated | 2,502 | 2,577 |
| Supplemental ESOP contribution | (9,464) | (9,442) |
| Fully diluted income (loss) | $ 266,370 | $(103,443) |
| Average number of common shares | | |
| Primary | 54,886 | 38,057 |
| Fully diluted | 61,667 | 61,471 |

Primary income excludes, and the loss includes, the aggregate amount of dividends on the Company's preferred stock. The dividend attributable to the Company's Series D convertible preferred stock held by the Company's ESOP (employee stock ownership plan) is net of a tax benefit. To determine the fully diluted income (loss), dividends on convertible preferred stock and interest, net of any applicable taxes, have been added back to primary income (loss) to reflect assumed conversions. The fully diluted income was reduced by, and the loss was increased by, the after-tax amount of additional contributions that the Company would be required to make to its ESOP if the Series D ESOP preferred shares were converted to common stock.

(4) INVENTORIES. Inventories include the following:

| | September 30 | | December 31 |
|---|---|---|---|
| | 1995 | 1994 | 1994 |
| | (expressed in thousands) | | |
| Finished goods and work in process | $317,893 | $242,196 | $256,732 |
| Logs | 84,786 | 94,342 | 107,095 |
| Other raw materials and supplies | 177,086 | 148,621 | 147,211 |
| LIFO reserve | (105,215) | (87,640) | (87,449) |
| | $474,550 | $397,519 | $423,589 |

(5) INCOME TAXES. The components of the net deferred tax liability on the Company's Balance Sheets were determined as follows:

| | September 30 1995 Assets | September 30 1995 Liabil. | September 30 1994 Assets | September 30 1994 Liabil. | December 31 1994 Assets | December 31 1994 Liabil. |
|---|---|---|---|---|---|---|
| | (expressed in millions) | | | | | |
| Operating loss carryover | $ 60.3 | $ - | $192.5 | $ - | $200.5 | $ - |
| Employee benefits | 109.2 | 14.9 | 102.8 | 7.1 | 106.2 | 17.8 |
| Property and equipment and timber and timberlands | 78.5 | 548.4 | 85.4 | 521.4 | 81.6 | 531.4 |
| Alternative minimum tax | 139.3 | - | 79.8 | - | 79.6 | - |
| Tax credit carryovers | 22.9 | - | 35.3 | - | 35.7 | - |
| Reserves | 22.1 | 2.6 | 12.3 | 1.9 | 14.6 | 2.0 |
| Inventories | 10.2 | .2 | 9.8 | .4 | 10.1 | .2 |
| State income taxes | - | 33.8 | 4.7 | 30.9 | - | 33.4 |
| Deferred charges | .4 | 5.7 | .3 | 10.4 | .2 | 7.9 |
| Differences in basis of nonconsolidated entities | 4.3 | 56.6 | 8.7 | 33.6 | 11.5 | 28.5 |
| Other | 18.1 | 30.0 | 11.1 | 21.4 | 10.3 | 23.9 |
| | $465.3 | $692.2 | $542.7 | $627.1 | $550.3 | $645.1 |

The estimated tax provision rate for the first nine months of 1995, before the effects of unusual items, was 38%, compared with a tax benefit rate of 35% for the same period in the prior year. The change in the rate is primarily due to increased income from the Company's U.S. operations. These rates were based on actual year-to-date results and projected results for the remainder of the year.

(6) DEBT. At September 30, 1995, the Company had a $600 million revolving credit agreement with a group of banks. Borrowing under the agreement was $70 million. On September 27, 1995, the Company redeemed its $75.9 million principal amount, 7.00% convertible subordinated debentures, that were due May 1, 2016, at a price of 100.70% plus accrued interest. Alternatively, holders of the debentures could convert them to Boise Cascade common stock through September 27, 1995, at the rate of 1.1415 shares of common stock for each $50 principal amount of debentures. Common shares issued upon conversion totaled 34,653. The redemption will result in an approximately 1.7 million share reduction in fully diluted shares.

(7) SERIES E PREFERRED STOCK. On January 15, 1995, the Company's Series E preferred stock converted to 8,625,000 shares of common stock.

(8) INVESTMENTS IN EQUITY AFFILIATES. The Company's principal equity affiliate is Rainy River. The Company had a 59.66% equity interest and a 49% voting interest. Rainy River was accounted for on the equity method. Other investments include a 30% interest in Rumford Cogeneration Company Limited Partnership, a 50% interest in the general partnership of Pine City Fiber Company, and a 25% interest in Ponderosa Fibres of Washington (see Note 9).

SUMMARIZED FINANCIAL INFORMATION

| | Nine Months Ended September 30 1995 | Nine Months Ended September 30 1994 |
|---|---|---|
| | (expressed in thousands) | |
| Sales | $ 662,383 | $ 297,270 |
| Gross profit | 127,075 | 3,880 |
| Net income (loss) | 60,249 | (18,659) |

(9) SUBSEQUENT EVENTS. On October 16, 1995, the Company announced the signing of a letter of intent by Boise Cascade and Companhia Suzano de Papel e Celulose, a major Brazilian pulp and paper producer, to form a joint venture to acquire and operate the Company's Jackson, Alabama, pulp and paper mill complex. The joint venture also intends to build a new uncoated free sheet paper machine at the Jackson facility.

Also on October 16, 1995, the Company announced that its board of directors has authorized the Company to purchase up to 4.3 million shares of its common stock or common stock equivalents. The authorization, which supersedes all previous stock buyback authorizations, is expected to be used from time to time over the next 12 to 18 months, depending on market conditions, the Company's cash flow, and other corporate conditions.

On November 1, 1995, the Company announced that the merger of Rainy River and Stone-Consolidated Corporation was completed. Boise Cascade held approximately 49% of the voting shares and 60% of the total equity in Rainy River. As a result of the transaction, Boise Cascade received approximately US$183 million. The Company will use the proceeds from this transaction to reduce debt, make capital investments, and enhance shareholder returns.

The Company holds approximately 6.6 million shares of Stone-Consolidated common stock, representing approximately 6.4% of Stone-Consolidated's outstanding common stock. In addition, the Company holds approximately 2.8 million shares of Stone-Consolidated's redeemable preferred stock.

(10) FINANCIAL ACCOUNTING STANDARDS BOARD STATEMENTS. The Financial Accounting Standards Board (FASB) issued Statement 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." The Company is required to adopt the Statement no later than 1996, but may elect to adopt it in 1995. The Company is currently evaluating when to adopt the Statement and its impact upon adoption.

The FASB also issued Statement 123 "Accounting for Stock-Based Compensation." The Company does not expect this Statement to have any effect on its results of operations but it will make additional disclosure in its 1996 financial statements.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Third Quarter of 1995, Compared With Third Quarter of 1994

Boise Cascade Corporation's net income for the third quarter of 1995 was $118.5 million, compared with a net loss of $31.7 million for the third quarter of 1994. Primary earnings per common share for the third quarter of 1995 were $2.03 and fully diluted earnings per common share were $1.83. For the same quarter in 1994, primary and fully diluted loss per common share was $1.19.

Results for the third quarter of 1995 included a gain of $6.2 million, or 10 cents per fully diluted share, related to the issuance of common shares by Boise Cascade Office Products Corporation ("BCOP"). In October 1994, the Company's Canadian subsidiary, Rainy River Forest Products Inc. ("Rainy River"), completed the sale of units of common stock and debentures in an initial public offering. Boise Cascade held approximately 60% of Rainy River's economic equity and 49% of its voting equity. The securities were sold at a premium to the net book value of the Canadian Company, but the translation into U.S. dollars and other costs of the transaction resulted in a charge to the Company of $6.8 million after tax, or 18 cents per fully diluted common share, in the third quarter of 1994. Also in the third quarter of 1994, recognition by the Company of a noncash charge for U.S. taxes on previously undistributed Canadian earnings amounted to $20.2 million, or 53 cents per fully diluted common share. Rainy River was accounted for on the equity method retroactive to January 1, 1994, in the Company's consolidated financial statements.

Sales for the third quarter of 1995 were $1.34 billion, compared with $1.09 billion in the third quarter of last year.

Spurred by further improvements in product prices, the Company's paper segment reported operating income of $164.0 million in the third quarter of 1995. By contrast, paper operations earned $2.3 million in the third quarter of 1994. Higher third-quarter results were achieved despite taking approximately 20,000 tons of market-related downtime to balance a modest slowdown in demand. During the quarter, the Company also incurred scheduled maintenance downtime totaling approximately 7,000 tons. Between the third quarter of 1994 and the third quarter of 1995, average prices for uncoated freesheet rose 65%, containerboard rose 44%, newsprint rose 62%, coated rose 53%, and market pulp rose 68%.

Paper segment manufacturing costs per ton increased considerably between the comparison quarters. The increase was due in large part to higher fiber costs.

Paper segment sales rose 44% to $674.7 million in the third quarter of 1995 from $467.2 million in the third quarter of 1994. Sales volumes for the third quarter of 1995 were 726,000 tons, compared with 749,000 tons in the third quarter of 1994.

Operating income in the office products segment improved in the third quarter of 1995 to $21.2 million, compared with $10.7 million in the prior-year quarter. Total sales rose 35% to $332.0 million, compared with $246.2 million in the third quarter of 1994. The growth in sales resulted from higher paper prices and volumes, increased national accounts, rapid growth in the Company's direct-mail business, and acquisitions. Excluding the effect of acquisitions since June 30, 1994, sales increased 27% in the third quarter of 1995 compared with sales in the third quarter of 1994. Gross and operating margins improved substantially in the third quarter relative to the year-ago third quarter. Margins improved in the Company's national accounts business over the last year, and the Company continued to pass through higher paper prices.

Building products operating income decreased from $34.3 million for the year-ago third quarter to $29.6 million in the third quarter of 1995. Contributing to the decrease in income was a slowdown in home construction as a result of consumer caution concerning the future direction of the U.S. economy. Relative to the year-ago quarter, average prices for lumber decreased 10%, while plywood prices increased 4%. Unit sales volume for lumber decreased 4%, while plywood sales volume was the same as the sales volume in the third quarter of 1994. The segment's results continued to be enhanced by a contribution from its growing engineered wood products business. Sales for the building products segment declined 1% to $428.7 million in the third quarter of 1995 from $434.1 million in the third quarter of 1994. Building materials distribution sales were down 7%, while income was down 6%.

Interest expense was $33.1 million in the third quarter of 1995, compared with $38.4 million in the same period last year. The decrease was primarily due to the Company's reduction of debt. From December 31, 1994, to September 30, 1995, debt reduction totaled $290.4 million. The Company's debt is predominately fixed rate. Consequently, when there are changes in short-term market interest rates, the Company experiences only modest changes in interest expense.

Nine Months Ended September 30, 1995, Compared With Nine Months Ended September 30, 1994

The Company had net income of $281.4 million for the first nine months of 1995, compared with a net loss of $88.5 million for the first nine months of 1994. Primary earnings per common share for 1995 were $4.78, and fully diluted earnings per common share were $4.32. For the first nine months of 1994, primary and fully diluted loss per common share was $3.40.

Sales for the first nine months of 1995 were $3.83 billion, compared with $3.03 billion for the same period in 1994.

In April 1995, the Company's wholly owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), completed the initial public offering of 5,318,750 shares of common stock at a price of $25 per share. After the offering, the Company owned 82.7% of the outstanding BCOP common stock. The net proceeds of the offering to BCOP were approximately $123 million, of which approximately $102 million was indirectly (through retention of accounts receivable and a small dividend payment) available to the Company for general corporate purposes. The remainder of the proceeds was retained by BCOP for its general corporate purposes.

From the BCOP offering, the Company recorded a gain of approximately $60 million or 98 cents per fully diluted share in the second quarter of 1995. In the third quarter of 1995, BCOP issued 445,305 shares of its stock to effect various acquisitions. As a result of these share issuances, the Company recorded a gain of $6.2 million or 10 cents per fully diluted share. In accordance with SFAS 109, Accounting for Income Taxes, income taxes were not provided on the gains. At September 30, 1995, the Company owned 81.5% of the outstanding BCOP common stock.

In October 1994, Rainy River completed the sale of units of common stock and debentures in an initial public offering. Boise Cascade held approximately 60% of Rainy River's economic equity and 49% of its voting equity. The securities were sold at a premium to the net book value of the Canadian Company, but the translation into U.S. dollars and other costs of the transaction resulted in a charge to the Company of $6.8 million after tax, or 18 cents per fully diluted common share, in the third quarter of 1994. Also in the third quarter of 1994, recognition by the Company of a noncash charge for U.S. taxes on previously undistributed Canadian earnings amounted to $20.2 million, or 53 cents per fully diluted common share. Rainy River was accounted for on the equity method retroactive to January 1, 1994, in the Company's consolidated financial statements. In the second quarter of 1995, the Company provided $32.5 million of income taxes, or 53 cents per fully diluted share, for the tax effect of the difference in the book and tax bases of its stock ownership in Rainy River.

Also, in the second quarter of 1995, the Company established reserves for the write-down of certain assets in its paper and paper products segment to their net realizable value with a pretax charge of $19 million, or 19 cents per fully diluted share after taxes. The Company also added to its existing reserves $5 million before taxes, or 5 cents per fully diluted share after taxes, for environmental and other contingencies.

The net effect of the gain on the issuance of BCOP stock, the tax provision for Rainy River, and the establishment of the above reserves increased net income $18.8 million and fully diluted earnings per share 31 cents for the nine months ended September 30, 1995.

Before considering the $19 million reserve for the write-down of certain paper-related assets, operating income in the Company's paper and paper products segment was $413.3 million for the first nine months of 1995, compared with a loss of $81.6 million for the same period in 1994. Average prices for all of the Company's paper grades increased sharply during the first nine months of 1995, compared with a year ago.

Paper segment manufacturing costs for the first nine months were up considerably from those of the comparison period. The increase was due in large part to higher fiber costs.

Paper segment sales of $1.93 billion for the nine months ended September 30, 1995, were up 52% from $1.27 billion for the nine months ended September 30, 1994. Sales volumes for the first nine months of 1995 were 2,207,000 tons compared with 2,193,000 tons for the first nine months of 1994.

Office products segment income for the first nine months of 1995 was $47.4 million compared to $31.7 million in the first nine months of 1994. Segment sales were up 45% to $941.0 million for the first nine months of 1995, compared with $649.4 million for the first nine months of 1994. Excluding the effect of acquisitions since December 31, 1993, sales increased 27%. The increase in sales resulted from higher paper prices and volumes, increased national accounts, rapid growth in the Company's direct-mail business, and acquisitions. Gross and operating margins were about flat compared to year-ago levels, but improved substantially in the third quarter relative to the year-ago third quarter and to second quarter 1995.

Operating income for the Company's Building Products segment dropped from $113.3 million in the first nine months of 1994, to $75.9 million in the first nine months of 1995. The decrease was due primarily to a slowdown in home construction as a result of consumer caution concerning the future direction of the U.S. economy. However, results have improved since the first of the year in response to an improvement in home construction, leading to an increase in demand for wood products and higher plywood prices. Segment sales decreased 5% in the first nine months of 1995 to $1.21 billion, compared with sales in the first nine months of 1994 of $1.26 billion. Plywood and lumber sales volumes were down 2% and 5%, compared with those of the same period last year. Building materials distribution sales were down 12%, while income was down 26%.

Interest expense was $105.4 million for the first nine months of 1995, compared with $110.0 million for the first nine months of 1994. The decrease was primarily due to the Company's reduction of debt. From December 31, 1994, to September 30, 1995, debt reduction totaled $290.4 million. The Company's debt is predominately fixed rate. Consequently, when there are changes in short-term market interest rates, the Company experiences only modest changes in interest expense.

Total long- and short-term debt outstanding was $1.68 billion at September 30, 1995, compared with $1.97 billion at December 31, 1994.

Financial Condition

At September 30, 1995, the Company had working capital of $303.6 million. Working capital was $378.7 million at September 30, 1994, and $260.4 million at December 31, 1994. Cash provided by operations was $475.4 million for the first nine months of 1995, compared with $143.0 million for the same period in 1994.

The Company's revolving credit agreement requires the Company to maintain a minimum amount of net worth and not to exceed a maximum ratio of debt to net worth. The Company's net worth at September 30, 1995, exceeded the defined minimum amount by $130.8 million. The payment of dividends by the Company is dependent upon the existence of and the amount of net worth in excess of the defined minimum under this agreement. The Company is also required to maintain a defined minimum interest coverage in each successive four-quarter period, which the Company met at September 30, 1995.

Capital expenditures, including purchases of facilities and related debt assumption, for the first nine months of 1995 and 1994 were $232.7 million and $216.7 million. Capital expenditures for the year ended December 31, 1994, were $271.9 million.

An expanded discussion and analysis of financial condition is presented on pages 19 and 20 of the Company's 1994 Annual Report under the captions "Financial Condition" and "Capital Investment."

Market Conditions

The modest slowdown in demand for certain of the Company's paper products experienced during the third quarter appears to be continuing into the fourth quarter. If this trend continues, Boise Cascade may take further market-related downtime in the manufacture of those paper grades and it may lead to the reduction or discounting of product prices.

In addition, the supply-demand balance for certain building products manufactured by the Company may continue to put downward pressure on prices for those products.

It is uncertain to what extent or when these market conditions may improve or further deteriorate. It is also uncertain to what extent these market conditions or further deteriorating conditions may adversely affect the Company's financial performance.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

Reference is made to the registrant's annual report on Form 10-K for the year ended December 31, 1994, for information concerning certain legal proceedings.

### Item 2. Changes in Securities

The payment of dividends by the Company is dependent upon the existence of and the amount of net worth in excess of the defined minimum under the Company's revolving credit agreement. At September 30, 1995, under this agreement, the Company's net worth exceeded the defined minimum amount by $130.8 million.

### Item 3. Defaults Upon Senior Securities

Not applicable.

### Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

### Item 5. Other Information

On October 16, 1995, the Company announced the signing of a letter of intent by Boise Cascade and Companhia Suzano de Papel e Celulose, a major Brazilian pulp and paper producer, to form a joint venture to acquire and operate the Company's Jackson, Alabama, pulp and paper mill complex. The joint venture also intends to build a new uncoated free sheet paper machine at the Jackson facility.

Also on October 16, 1995, the Company announced that its board of directors has authorized the Company to purchase up to 4.3 million shares of its common stock or common stock equivalents. The authorization, which supersedes all previous stock buyback authorizations, is expected to be used from time to time over the next 12 to 18 months, depending on market conditions, the Company's cash flow, and other corporate conditions.

On November 1, 1995, the Company announced that the merger of Rainy River Forest Products Inc. and Stone-Consolidated Corporation was completed. Boise Cascade held approximately 49% of the voting shares and 60% of the total equity in Rainy River. As a result of the transaction, Boise Cascade received approximately US$183 million. The Company will use the proceeds from this transaction to reduce debt, make capital investments, and enhance shareholder returns.

The Company holds approximately 6.6 million shares of Stone-Consolidated common stock, representing approximately 6.4% of Stone-Consolidated's outstanding common stock. In addition, the Company holds approximately 2.8 million shares of Stone-Consolidated's redeemable preferred stock.

### Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

A list of the exhibits required to be filed as part of this report is set forth in the Index to Exhibits, which immediately precedes such exhibits, and is incorporated herein by this reference.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the quarter ended September 30, 1995.

SIGNATURES

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.

BOISE CASCADE CORPORATION

As Duly Authorized Officer and
Chief Accounting Officer:

/s/Tom E. Carlile
Tom E. Carlile
Vice President and Controller

Date: November 9, 1995

BOISE CASCADE CORPORATION
INDEX TO EXHIBITS
Filed With the Quarterly Report on Form 10-Q
for the Quarter Ended September 30, 1995

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|---|---|---|
| 12 | Ratio of Earnings to Fixed Charges | |
| 27 | Financial Data Schedule | |

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

| | Year Ended December 31 | | | | | Nine Months Ended September 30 | |
|---|---|---|---|---|---|---|---|
| | 1990 | 1991 | 1992 | 1993 | 1994 | 1994 | 1995 |
| | (dollar amounts expressed in thousands) | | | | | | |
| Interest costs | $ 142,980 | $ 201,006 | $ 191,026 | $ 172,170 | $ 169,170 | $ 131,748 | $ 119,913 |
| Interest capitalized during the period | 35,533 | 6,498 | 3,972 | 2,036 | 1,630 | 1,489 | 2,167 |
| Interest factor related to noncapitalized leases (1) | 3,803 | 5,019 | 7,150 | 7,485 | 9,161 | 6,572 | 6,433 |
| Total fixed charges | $ 182,316 | $ 212,523 | $ 202,148 | $ 181,691 | $ 179,961 | $ 139,809 | $ 128,513 |
| Income (loss) before income taxes | $ 121,400 | $(128,140) | $(252,510) | $(125,590) | $ (64,750) | $(105,160) | $ 471,490 |
| Undistributed (earnings) losses of less than 50% owned persons, net of distributions received | 2,966 | (1,865) | (2,119) | (922) | (1,110) | (2,435) | (31,210) |
| Total fixed charges | 182,316 | 212,523 | 202,148 | 181,691 | 179,961 | 139,809 | 128,513 |
| Minority interest | - | - | - | - | - | - | 3,530 |
| Less: Interest capitalized | (35,533) | (6,498) | (3,972) | (2,036) | (1,630) | (1,489) | (2,167) |
| Guarantee of interest on ESOP debt | (24,869) | (24,283) | (23,380) | (22,208) | (20,717) | (15,557) | (14,533) |
| Total earnings (losses) before fixed charges | $ 246,280 | $ 51,737 | $ (79,833) | $ 30,935 | $ 91,754 | $ 15,168 | $ 555,623 |
| Ratio of earnings to fixed charges (2) | 1.35 | - | - | - | - | - | 4.32 |

(1) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

(2) Earnings before fixed charges were inadequate to cover total fixed charges by $160,786,000, $281,981,000, $150,756,000, and $88,207,000 for the years ended December 31, 1991, 1992, 1993, and 1994 and $124,641,000 for the nine-month period ended September 30, 1994.

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The data schedule contains summary financial information extracted from Boise Cascade Corporation's Balance Sheet at September 30, 1995, and from its Statement of Income for the nine months ended September 30, 1995. The information presented is qualified in its entirety by reference to such financial statements.

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9-MOS
DEC-31-1995
SEP-30-1995
45,778
28,609
509,236
3,377
474,550
1,162,879
5,102,125
2,193,494
4,623,988
859,238
1,496,635
120,142
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563,897
955,917
4,623,988
3,832,270
3,814,960
3,024,640
3,339,790
0
0
105,380
471,490
186,520
281,440
0
0
0
281,440
4.78
4.32