

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, 1994

() 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
P.O. Box 50
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, 1994
Common stock, \$2.50 par value	38,274,250

PART I - FINANCIAL INFORMATION

Quarterly Financial Statements

The quarterly financial statements of the Company and its subsidiaries for the third quarter of 1994 and certain related notes are presented in the Company's Report to Shareholders for the Third Quarter of 1994 under the captions "Balance Sheets," "Statements of Loss," "Segment Information," "Statements of Cash Flows," and "Notes to Quarterly Financial Statements" and are filed herewith as an exhibit and incorporated herein by this reference.

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. Except as may be disclosed in the "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.

The 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 quarterly financial statements should be read together with the statements and the accompanying notes included in the Company's 1993 Annual Report.

Supplementary Notes to Quarterly Financial Statements

The following notes supplement the Notes to Quarterly Financial

Statements referred to previously.

- (1) NET LOSS PER COMMON SHARE. Net loss per common share was determined by dividing net loss, as adjusted, by applicable shares outstanding. The computation of fully diluted net loss per share was antidilutive in each of the periods presented; therefore, the amounts reported for primary and fully diluted loss are the same.

For the nine-month periods ended September 30, 1994 and 1993, primary average shares include only common shares outstanding. For these periods, common stock equivalents attributable to stock options, Series E conversion preferred stock, and Series G conversion preferred stock subsequent to issuance in September 1993 were excluded because they were antidilutive. Excluded common equivalent shares were 16,496,000 at September 30, 1994, compared with 8,789,000 shares at the same date in the prior year. 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.

	Nine Months Ended September 30	
	1994	1993
	(expressed in thousands)	
Net loss as reported	\$ (88,470)	\$ (53,460)
Preferred dividends	(40,955)	(29,569)
Primary loss	(129,425)	(83,029)
Assumed conversions:		
Preferred dividends eliminated	32,847	22,603
Interest on 7% debentures eliminated	2,577	2,753
Supplemental ESOP contribution	(9,442)	(9,433)
Fully diluted loss	\$(103,443)	\$ (67,106)
Average number of common shares		
Primary	38,057	37,953
Fully diluted	61,471	53,791

Primary 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 loss, dividends on convertible preferred stock and interest, net of any applicable taxes, have been added back to primary loss to reflect assumed conversions. The fully diluted 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.

- (2) SALE OF SECURITIES BY RAINY RIVER FOREST PRODUCTS INC. On October 13, 1994, the Company's Canadian subsidiary, Rainy River Forest Products Inc. ("Rainy River"), completed an initial public offering of units (the "Units") of its equity and debt securities. The sale of C\$420 million of Units consisted of 14 million newly issued common shares of Rainy River sold to the public for an aggregate offering price of C\$210 million and C\$210 million principal amount 8.0% Convertible Unsecured Subordinated Debentures due October 15, 2004. Concurrently with the sale of the Units, Rainy River also sold to the public US\$110 million aggregate principal amount of 10 3/4% Senior Secured Notes due 2001 (the "Senior Notes").

The common shares sold represent approximately 51% of the total outstanding voting common shares and approximately 40.34% of the total outstanding equity of Rainy River. As a result, the Company now owns 49% of the outstanding voting common shares and 59.66% of the total equity of Rainy River. Since the Company will no longer exercise control, Rainy River has been accounted for on the equity method retroactive to January 1, 1994, in the Company's consolidated financial statements.

Rainy River owns and operates a newsprint mill in Kenora, Ontario, Canada, and an uncoated groundwood papers mill in Fort Frances, Ontario, Canada. On September 28, 1994, Rainy River acquired as part of its reorganization and refinancing, including the sale of the Units and the Senior Notes, the Company's West Tacoma, Washington, newsprint mill and its associated working capital. On the same date, Rainy River also acquired the newsprint and uncoated groundwood papers marketing and sales organization of the Company. The Company received approximately US\$148 million from Rainy River as consideration for these transactions. Rainy River and the Company also entered into an agreement whereby Rainy River will purchase from the Company, at a brokerage discount for resale to customers of Rainy River, all of the newsprint produced at the Company's mill located at DeRidder, Louisiana, for which orders have been received by Rainy River.

The equity 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 1994. In addition, 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.

SUMMARIZED FINANCIAL INFORMATION FOR RAINY RIVER

Nine Months Ended
September 30, 1994
(expressed in thousands)

Sales*

\$227,659

Costs and expenses applicable to sales	240,531
Net loss	(26,590)
Boise Cascade equity in losses	(26,590)

September 30, 1994

Current assets	\$ 88,851
Noncurrent assets	540,593
Current liabilities	58,319
Noncurrent liabilities	392,539
Boise Cascade investment	194,479

*Excludes sales to Boise Cascade Corporation.

- (3) DEBT. At September 30, 1994, the Company had a \$650 million revolving credit agreement with a group of banks. Borrowing under the agreement was \$395 million.

Upon completion of the sale of Rainy River's securities and related transactions on October 13, 1994, the Company's debt was reduced by approximately \$330 million, of which \$150 million was reflected in the third quarter as a result of accounting for Rainy River on the equity method.

(4) INVENTORIES. Inventories include the following:

	September 30		December 31
	1994	1993	1993
	(expressed in thousands)		
Finished goods and work in process	\$242,196	258,589	\$255,395
Logs	94,342	102,661	106,649
Other raw materials and supplies	148,621	167,151	167,192
LIFO reserve	(87,640)	(79,503)	(82,627)
	<u>\$397,519</u>	<u>\$448,898</u>	<u>\$446,609</u>

(5) INCOME TAXES. Effective as of January 1, 1993, the Company adopted new Financial Accounting Standards Board requirements that govern the way deferred taxes are calculated and reported. Adoption of these requirements entailed a one-time adjustment that had no effect on the Company's first quarter 1993 net loss.

The components of the net deferred tax liability on the Company's Balance Sheet were determined as follows:

	September 30		December 31	
	1994	1993	1993	1993
	Assets		Liabil.	
	(expressed in millions)			
Operating loss carryover	\$192.5	\$ -	\$126.7	\$ -
Employee benefits	102.8	7.1	96.7	10.7
Property and equipment and timber and timberlands	85.4	521.4	90.1	574.7
Alternative minimum tax	79.8	-	85.1	-
Tax credit carryovers	35.3	-	45.8	-
Reserves	12.3	1.9	12.2	1.3
Inventories	9.8	.4	9.8	.4
State income taxes	4.7	30.9	4.5	26.7
Deferred charges	.3	10.4	.4	15.7
Differences in basis of nonconsolidated entities	8.7	33.6	-	-
Other	11.1	21.4	9.2	49.0
	<u>\$542.7</u>	<u>\$627.1</u>	<u>\$480.5</u>	<u>\$678.5</u>
				<u>\$519.4</u>
				<u>\$703.1</u>

During the third quarter of 1994, the Company recognized a noncash charge for U.S. taxes on previously undistributed Canadian earnings. See Note 2 of this quarterly report Form 10-Q.

The estimated tax rate for the first nine months of 1994, exclusive of the impact of the charge for U.S. taxes on previously undistributed earnings, was 35%, compared with an estimated rate of 40% for the first three months and six months of 1994 and a rate of 40%, exclusive of the impact of the adjustments to net deferred-tax liabilities, for the first nine months of 1993. The decrease in the benefit rate was due primarily to reflecting the 1994 results of operations of Rainy River, including the tax effect, in "Equity in net income (loss) of affiliates" in the Company's Statements of Loss for the three and nine months ended September 30, 1994, which are filed as an exhibit to this quarterly report Form 10-Q. These rates were based on actual year-to-date results and projected results for the remainder of the year.

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

Third Quarter of 1994 Compared With Third Quarter of 1993

Boise Cascade Corporation's net loss was \$31.7 million, or \$1.19 per primary and fully diluted share, for the third quarter of 1994. The net loss included a noncash charge of \$27 million, or 71 cents per fully diluted share, related to the recent sale of securities and related transactions by Boise Cascade's Canadian subsidiary, Rainy River Forest Products Inc. ("Rainy River"). Excluding the charge, Boise Cascade lost \$4.7 million, or 48 cents per fully diluted share, in the quarter.

Boise Cascade's third-quarter loss compared with a net loss of \$24.2 million, or 91 cents per fully diluted share, in the third quarter of 1993, which included approximately \$3.9 million, or 10 cents per share, of nonrecurring net negative adjustments.

On September 29, 1994, Rainy River agreed to the sale of C\$420 million units of common stock and debentures in an initial public offering, primarily in Canada, and US\$110 million of senior secured notes in a public offering in the United States. The sale was completed October 13, 1994. The equity 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 1994. In addition, 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.

Boise Cascade holds approximately 60% of Rainy River's economic equity, but only 49% of its voting equity. Since the Company will no longer exercise control, Rainy River is being accounted for on the equity method and has been deconsolidated effective January 1, 1994.

Sales in the third quarter of 1994, excluding Rainy River sales of \$79.7 million, were \$1.09 billion, compared with \$1.003 billion in the third quarter of 1993, which included sales by Rainy River. The increase in sales, relative to those in the comparison quarter, was due primarily to two factors: weighted average paper prices rose 3.5%, and office products dollar sales volumes increased 43%.

The Company's paper segment was profitable in the third quarter of 1994, reporting operating income of \$2.3 million. Even if Rainy River's results had been included with those of the paper segment, the resulting loss would have been sharply lower than the loss reported in the comparison quarter. The segment began to feel the effects of rapidly recovering paper markets (weighted average prices were up 3.5%) and continued to benefit from reduced unit manufacturing costs (reduced by \$2 per ton). Relative to the third quarter of 1993, quarterly prices for newsprint, containerboard, and market pulp were higher on average, while prices for uncoated and coated white papers were lower.

Paper segment sales, excluding sales of Rainy River, were \$467 million, compared with sales of \$492 million in the third quarter of 1993, which included Rainy River sales.

Income in the office products segment was \$10.7 million in the third quarter -- a significant improvement over results of third quarter 1993. Dollar sales volumes for the same periods were \$246 million and \$172 million. The increase in sales volumes was partially due to sales from the recently acquired direct-mail business of The Reliable Corporation, the Company's new facility in Denver, Colorado, and the recently acquired office products business in Atlanta, Georgia. In addition, growth in sales from existing distribution operations resulted in dollar sales volume on a same-store basis that rose 16% over last year's third-quarter level.

The Company's building products segment reported income of \$34.3 million, up from \$30.3 million in the comparison quarter. Relative to the year-ago quarter, average prices for lumber and plywood increased 11% and 4%, unit sales volume for plywood increased 9%, and delivered-log costs rose a modest 3% -- in aggregate leading to stronger profits in this quarter. The segment's results continued to be enhanced by an important contribution from its growing engineered wood products business.

Segment sales for the building products segment increased 11%, primarily due to higher wood products prices, to \$434 million for the third quarter of 1994, compared with \$390 million for the third quarter of 1993.

Interest expense was \$38.4 million in the third quarter of 1994, compared with \$37.7 million in the same period last year.

Nine Months Ended September 30, 1994, Compared With Nine Months Ended September 30, 1993

The Company had a net loss of \$88.5 million, or \$3.40 per primary and fully diluted share, for the first nine months of 1994. This compares with a net loss of \$53.5 million, or \$2.19 per primary and fully diluted share, for the first nine months of 1993. The loss for the 1994 period included a noncash charge of \$27 million, or 71 cents per fully diluted share, related to the sale of securities and related transactions by Rainy River. For the same period in 1993, the loss included approximately \$6.4 million in net positive adjustments, or 17 cents per fully diluted share, which resulted from asset sales of \$8.5 million after tax and a net deferred-tax charge of \$2.1 million.

Sales for the first nine months of 1994, excluding Rainy River sales of \$228 million, were \$3.032 billion, compared with \$2.961 billion for the same period in 1993, which included Rainy River sales.

The operating loss of the Company's paper and paper products segment was \$81.6 million for the first nine months of 1994, excluding the loss of Rainy River, compared with a loss of \$103.6 million for the same period in 1993, which included losses of \$28.7 million related to the operations making up Rainy River. Also included in the results for the first nine months of 1993 was a gain of \$8.6 million from the sale of the Company's interest in a

specialty paper producer.

On a comparable-mill basis, sales for the paper and paper products segment increased modestly from period to period, primarily due to increased sales volumes in each of the Company's paper grades. Sales volumes, excluding Rainy River sales volumes of 656,000 tons, were 2,102,000 tons for the first nine months of 1994, compared with 2,661,000 tons for the first nine months of 1993, which included Rainy River. Weighted average paper prices between the two comparison periods were flat. Average paper prices improved in containerboard and market pulp, while prices for newsprint and coated papers dropped slightly. Average prices for uncoated free sheet, the Company's key paper grade, remained flat. Manufacturing costs for the first nine months were down \$7 per ton from costs in the comparison period, primarily due to reduced maintenance costs.

The office products segment reported significantly improved sales volumes for the nine-month period ended September 30, 1994. Sales were \$649 million for the first nine months of 1994, compared with \$503 million for the first nine months of 1993. The significant improvement was due to additional sales from existing locations as well as from new and recently acquired facilities. Segment income for the first nine months of 1994 improved 14%, compared with that of the first nine months of 1993.

Building products income for the first nine months of 1994 dropped 10% from that of the comparison period, primarily due to higher log costs in the Pacific Northwest and the South, a result of reduction in available timber supply for commercial harvest due to pressure by preservationists.

Sales for the building products segment for the nine-month period of 1994 were \$1.262 billion, compared with \$1.143 billion for the same period of 1993. Plywood and lumber sales volumes were up 9% and 2%, compared with those of the same period last year. Building materials distribution sales improved, while income declined modestly.

Total long- and short-term debt outstanding was \$2.2 billion at September 30, 1994, and \$2.0 billion at both September 30 and December 31, 1993. Upon completion of the sale of Rainy River's securities and related transactions on October 13, 1994, debt was reduced by approximately \$330 million, of which approximately \$150 million was reflected in the third quarter as a result of accounting for Rainy River on the equity method.

Interest expense for the nine-month period ended September 30, 1994, was \$110 million, compared with \$113 million for the prior-year period. The Company's combination of fixed- and variable-rate debt results in minimal exposure to general changes in short-term market interest rates. Capitalized interest increased to \$1.4 million for the nine months ended September 30, 1994, compared with \$955,000 for the same period in 1993.

Financial Condition

At September 30, 1994, the Company had working capital of \$379 million. Working capital was \$247 million at September 30, 1993, and \$199 million at December 31, 1993. The increase in working capital at September 30, 1994, was primarily due to a short-term receivable of \$171 million due from Rainy River, which was paid on October 13, 1994. Cash provided by operations was \$143 million for the first nine months of 1994. For the same period in 1993, cash provided by operations was \$94 million.

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, 1994, exceeded the defined minimum amount by \$76.4 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, 1994. The cyclical downturn the Company has been experiencing has reduced the Company's interest coverage. While the Company currently expects to continue to meet the coverage during the remainder of 1994, there can be no assurance as to the results of operations during the balance of 1994. The Company believes it will be able to maintain adequate liquidity to meet its various financial requirements.

Capital expenditures for the first nine months of 1994 were \$217 million, including purchases of facilities and the assumption of related long-term debt. Capital expenditures for the first nine months of 1993 were \$152 million and for the year ended December 31, 1993, were \$221 million.

An expanded discussion and analysis of financial condition is presented on pages 16 and 17 of the Company's 1993 Annual Report under the captions "Financial Condition" and "Capital Investment."

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in litigation and administrative proceedings primarily arising in the normal course of its business. In the opinion of

management, the Company's recovery, if any, or the Company's liability, if any, under any pending litigation or administrative proceeding would not materially affect its financial condition or operations.

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, 1994, under this agreement, the Company's net worth exceeded the defined minimum amount by \$76,423,000.

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 August 10, 1994, the Company and its union employees at the Company's four Pacific Northwest pulp and paper facilities and one converting operation agreed to six-year labor contracts. The new contracts expire in 1999 and replace contracts that expired in the spring of 1993.

In mid-September, the Company and the union representing the Company's employees at its Northwest wood products facilities ratified new four-year contracts which will expire in 1998.

On October 24, 1994, an early settlement was reached with union employees at the Company's DeRidder, Louisiana, pulp and paper mill. The new agreement is for a five-year term expiring in 2000. The new agreement replaces a contract that would have expired in February 1995.

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.

On October 4, 1994, the Company filed a Form 8-K with the Securities and Exchange Commission to report that the Company issued a news release announcing the impact of securities sales by Rainy River Forest Products Inc.

On October 24, 1994, the Company filed a Form 8-K with the Securities and Exchange Commission to file the unaudited pro forma Boise Cascade Corporation and Subsidiaries financial information as of September 30, 1994, and to file, by reference, the Rainy River Underwriting Agreement regarding common shares and Convertible Debentures.

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 10, 1994

BOISE CASCADE CORPORATION
INDEX TO EXHIBITS
Filed With the Quarterly Report on Form 10-Q
for the Quarter Ended September 30, 1994

Number	Description	Page Number (1)
3	Bylaws as amended September 29, 1994	16
4.1(2)	Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended	-
4.2(3)	1994 Revolving Loan Agreement -- \$650,000,000, dated April 15, 1994	-
4.3(4)	Shareholder Rights Agreement, as amended September 25, 1990	-
4.4(5)	Certificate of Designation of Convertible Preferred Stock, Series D, dated July 10, 1989	-
4.5(6)	Certificate of Designation of Conversion Preferred Stock, Series E, dated January 21, 1992	-
4.6(7)	Certificate of Designation of Cumulative Preferred Stock, Series F, dated January 29, 1993	-
4.7(8)	Certificate of Designation of Conversion Preferred Stock, Series G, dated September 22, 1993	-
12	Ratio of Earnings to Fixed Charges	30
20(9)	Selected financial statements from Boise Cascade Corporation's Report to Shareholders for the Third Quarter of 1994	31
27	Financial Data Schedule	37
(1)	This information appears only in the manually signed original of the report on Form 10-Q.	
(2)	The Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, was filed as Exhibit 4 in the Registration Statement on Form S-3, No. 33-5673, filed May 13, 1986. The First Supplemental Indenture, dated December 20, 1989, to the Trust Indenture was filed as Exhibit 4.2 in the Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3, No. 33-32584, filed December 20, 1989. The Second Supplemental Indenture, dated August 1, 1990, to the Trust Indenture was filed as Exhibit 4.1 in the Company's Current Report on Form 8-K filed on August 10, 1990. Each of the above documents referenced in this footnote is incorporated herein by this reference.	
(3)	The 1994 Revolving Loan Agreement was filed as Exhibit 4.2 in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994, and is incorporated herein by this reference.	
(4)	The Rights Agreement, amended as of September 25, 1990, was filed as Exhibit 1 in the Company's Form 8-K filed with the Securities and Exchange Commission on September 25, 1990, and is incorporated herein by this reference.	
(5)	The Certificate of Designation of Convertible Preferred Stock, Series D, dated July 10, 1989, was filed as Exhibit 4.4 in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989, and is incorporated herein by this reference.	
(6)	The Certificate of Designation of Conversion Preferred Stock, Series E, dated January 21, 1992, was filed as Exhibit 3.3 in the Company's Report on Form 10-K for the year ended December 31, 1991, and is incorporated herein by this reference.	
(7)	The Certificate of Designation of Cumulative Preferred Stock, Series F, dated January 29, 1993, was filed as Exhibit 3.4 in the Company's Report on Form 10-K for the year ended December 31, 1993, and is incorporated herein by this reference.	
(8)	The Certificate of Designation of Conversion Preferred Stock, Series G, dated September 22, 1993, was filed as Exhibit 3.6 in the Company's Report on Form 10-K for the year ended December 31, 1993, and is incorporated herein by this reference.	
(9)	The Balance Sheets, Statements of Loss, and Statements of Cash Flows are unaudited financial statements produced as a part of Boise Cascade Corporation's 1994 Report to Shareholders for the Third Quarter.	

BYLAWS

OF

BOISE CASCADE CORPORATION

As Amended to September 29, 1994

Offices

Section 1. The registered office of the corporation in Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

Meetings of Stockholders

Section 3. All meetings of the stockholders for the election of directors shall be held in Boise, Idaho, at such place as may be fixed from time to time by the board of directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

At a meeting of the stockholders, only business shall be conducted which has been properly brought before the meeting. To be properly brought before a meeting of the stockholders, business must be specified in the notice of meeting (or any supplement thereto) given by, or at the direction of, the board of directors or otherwise properly brought before the meeting by a stockholder. For business to be properly brought before a meeting by a stockholder, the stockholder must have given timely notice of the business to the corporate secretary. To be timely, a stockholder's notice must be in writing delivered to or mailed, postage prepaid, and received by the corporate secretary not less than 60 days nor more than 90 days prior to the meeting; provided, however, that if less than 65 days' notice or prior public disclosure of the date of the meeting is given to stockholders, notice by the stockholder to be timely must be received by the corporate secretary not later than the close of business on the 7th day following the day on which notice of the date of the meeting was mailed or public disclosure was made. For each matter the stockholder proposes to bring before the meeting, the notice to the corporate secretary shall include (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting the business at the meeting, (ii) the name and record address of the stockholder proposing the business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at the meeting except in accordance with the procedures set forth in this Section 3.

The chairman of a meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 3. If the chairman determines that business was not properly brought before the meeting, the business shall not be transacted.

Section 4. Annual meetings of stockholders, at such date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which the stockholders shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting. Elections of directors may be by voice vote, rather than by written ballot, unless by resolution adopted by the majority vote of the stockholders represented at the meeting, the election of directors by written ballot is required.

Section 5. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days (or in the case a vote of stockholders on a merger or consolidation is one of the stated purposes of the

annual meeting, not less than twenty nor more than sixty days) before the date of the meeting.

Section 6. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 7. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the chairman of the board and shall be called by the chairman of the board or corporate secretary at the request in writing of a majority of the board of directors or a majority of the executive committee. Such request shall state the purpose or purposes of the proposed meeting.

Section 8. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days (or in the case of a merger or consolidation, not less than twenty nor more than sixty days) before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 9. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 10. The holders of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute, by the certificate of incorporation or by these bylaws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 11. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy, excluding, however, any shares where the holder has expressly indicated that the holder is abstaining from voting on the matter, shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation or of these bylaws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 12. Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. In the election of each director of the corporation, each holder of stock shall have one vote for each share held.

Section 13. Any action required or permitted to be taken at any annual or special meeting of stockholders must be taken at such a meeting duly called, upon proper notice to all stockholders entitled to vote. No action required to be taken or which may be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote.

Section 14. The number of directors which shall constitute the whole board of directors shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the entire board of directors of the corporation, except that the minimum number of directors shall be fixed at no less than three and the maximum number of directors shall be fixed at no more than fifteen. The directors shall be divided into three classes, as provided in the Certificate of Incorporation, and each class shall consist, as nearly equal in number as possible, of one-third of the total number of directors constituting the entire board of directors. Except as provided in Section 15 of the Bylaws, the directors for all classes shall be elected at the 1985 Annual Meeting of the stockholders, and thereafter one class of directors shall be elected at each annual meeting of the stockholders: Class I in 1986, Class II in 1987, Class III in 1988, Class I in 1989 and so on. Each director elected shall hold office for the term specified for his or her class in the Certificate of Incorporation and until his or her successor is elected and qualified or until his or her earlier resignation or removal. No person shall serve as a director of this corporation after the annual stockholders meeting next following his or her 72nd birthday.

Nominations for election to the board of directors of the corporation at a meeting of stockholders may be made by the board, on behalf of the board, by any nominating committee appointed by that board, or by any stockholder of the corporation entitled to vote for the election of directors at the meeting. Nominations, other than those made by or on behalf of the board, shall be made by notice in writing delivered to or mailed, postage prepaid, and received by the corporate secretary not less than 30 days nor more than 60 days prior to any meeting of stockholders called for the election of directors; provided, however, that if less than 35 days' notice or prior public disclosure of the date of the meeting is given to stockholders, the nomination must be received by the corporate secretary not later than the close of business on the 7th day following the day on which the notice of meeting was mailed. The notice shall set forth: (i) the name and address of the stockholder who intends to make the nomination; (ii) the name, age, business address and, if known, residence address of each nominee; (iii) the principal occupation or employment of each nominee; (iv) the number of shares of stock of the corporation which are beneficially owned by each nominee and by the nominating stockholder; (v) any other information concerning the nominee that must be disclosed of nominees in proxy solicitations pursuant to Regulation 14A of the Securities Exchange Act of 1934; and (vi) the executed consent of each nominee to serve as a director of the corporation if elected.

The chairman of the meeting of stockholders may, if the facts warrant, determine that a nomination was not made in accordance with the foregoing procedures, and if the chairman should so determine, the chairman shall so declare to the meeting and the defective nomination shall be disregarded.

Removal of directors shall be as provided in the Certificate of Incorporation.

Section 15. Vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled by a majority of the remaining directors then in office, even though less than a quorum, or by a sole remaining director. Any additional director of any class elected to fill a vacancy in such a class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the next annual meeting for the year in which his or her term expires and until the director's successor shall have been elected and qualified or until his or her earlier resignation or removal.

Section 16. The business of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

Meetings of the Board of Directors

Section 17. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 18. The first meeting of each newly elected board of directors shall be held without other notice than this bylaw,

immediately after, and at the same place as, the annual meeting of stockholders. In the event of the failure to hold the first meeting of a newly elected board at such time and place, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 19. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 20. Special meetings of the board may be called by the chairman of the board on not less than forty-eight hours' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the chairman of the board or corporate secretary in like manner and on like notice on the written request of two directors.

Section 21. At all meetings of the board a majority of the total number of directors then constituting the whole board shall constitute a quorum for the transaction of business and the vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum shall be present.

Section 22. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee; and any member of the board of directors or of any committee thereof designated by such board may participate in a meeting of such board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting.

Committees of Directors

Section 23. The board of directors shall have an executive committee and such other committees as they may designate by resolution passed by a majority of the whole board, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution, when the board of directors is not in session, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. The member of a committee of one or a majority of the members of any other committee shall constitute a quorum for the transaction of business at a meeting thereof, and action by any committee must be authorized by the affirmative vote of the member of a committee of one or of a majority of the members of any other committee present at a meeting at which a quorum is present. If a member of a committee is absent or disqualified from voting at any meeting, the member or members thereof present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member; provided that at any such meeting, the committee shall not revise or rescind any previous action of the committee without the affirmative vote of a majority of the regular members present.

Special meetings of any committee of the board may be called by the chairman of the board or the chairman of the committee on not less than forty-eight hours' notice to each member of the committee, either personally or by mail or by telegram. Special meetings of any committee of the board at which members participate by means of conference telephone or similar communications equipment as provided by Section 22 of these bylaws, and at which at least a majority of the members of the committee participate, may be called by the chairman of the board on not less than six hours' notice to each member of the committee either personally or by telegram.

Section 24. Each committee shall have a chairman, appointed

by the board of directors, who shall preside at all meetings of such committee. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Compensation of Directors

Section 25. The directors shall receive such compensation and reimbursement of expenses, if any, of attendance at regular and special meetings of the board of directors as may be set from time to time by the board. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees, including the executive committee, may receive such compensation as shall be approved from time to time by the board.

Notices

Section 26. Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given when the notice is mailed. Notice to directors may also be given by telegram, and shall be deemed to be given at the time of delivery to the telegraph company. Notice to members of committees of the directors as such may also be given orally.

Section 27. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Officers

Section 28. The officers of the corporation shall be a chairman of the board, a president, one or more vice presidents (the number and designation thereof to be determined by the board of directors), a treasurer, a controller, when such controller is deemed necessary by the board of directors, a corporate secretary, and such assistant treasurers, assistant secretaries or other officers as may be elected or appointed by the board of directors. Any two or more offices may be held by the same person. The board of directors shall designate either the chairman of the board or the president as the chief executive officer of the corporation and may designate other officers as the chief operating officer and the chief financial officer of the corporation.

Section 29. Officers of the corporation shall be elected by the board of directors. Each officer shall hold office until his successor is chosen and qualified or until his earlier resignation or removal.

Section 30. The board of directors may from time to time appoint such other officers and agents as it shall deem advisable, who shall hold their offices for such terms and shall perform such duties as from time to time may be prescribed by the chairman of the board or the board of directors.

Section 31. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Chief Executive Officer

Section 31A. The chief executive officer of the corporation, who shall be designated from time to time by the board of directors and who shall be either the chairman of the board or the president (as hereinabove provided), shall have general authority over the business and affairs of the corporation, subject to the board of directors, and shall see that all orders and resolutions of the board of directors are carried out.

Chairman of the Board

Section 32. The chairman of the board shall preside at all meetings of the stockholders and the board of directors. The chairman of the board may sign certificates for shares of the corporation, and any deeds, mortgages, bonds, contracts, or other

instruments which the board of directors has authorized to be executed, whether or not under the seal of the corporation, except in cases where the execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed, and shall perform such other duties and have such other powers as from time to time may be prescribed by the board of directors.

President

Section 33. The president shall have general direction and supervision of the operations of the corporation, subject to the board of directors and the chairman of the board. In the absence of the chairman of the board, or in the event of his or her inability to act, the president shall perform the duties of the chairman of the board and when so acting shall have all the powers of, and be subject to all the restrictions upon, the chairman of the board. The president may sign certificates for shares of the corporation, and any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, whether or not under the seal of the corporation, except in cases where the execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed, and shall perform such other duties as from time to time may be prescribed by the board of directors or as may be delegated by the chairman of the board.

Vice Presidents

Section 34. In the absence of the president, or in the event of his inability to act, the vice presidents (or if there be more than one, the executive vice president, senior vice presidents or the vice presidents in the order designated, or in the absence of any designation then in the order of their election or in the order named for election) shall perform the duties of the president and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. Each vice president shall perform such other duties as from time to time may be assigned to him by the chairman of the board, the president or the board of directors.

Treasurer

Section 35. The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, and the deposit of all moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected or approved by the board of directors; and in general shall perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the chairman of the board or the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine.

Controller

Section 36. The controller shall be the principal officer in charge of the accounts of the corporation, and shall perform such duties as from time to time may be assigned to him by the chairman of the board or the board of directors.

Corporate Secretary

Section 37. The corporate secretary shall: (a) keep the minutes of the stockholders' and the board of directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all certificates for shares prior to the issue thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; (d) sign with the chairman of the board, the president or a vice president, certificates for shares of the corporation, the issue of which shall have been authorized by resolution of the board of directors; (e) have general charge of the stock transfer books of the corporation; and (f) in general perform all duties incident to the office of corporate secretary and such other duties as from time to time may be assigned to him by the chairman of the board or the board of directors.

Assistant Treasurers, Assistant Controllers

Section 38. The assistant treasurers shall respectively, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine. The assistant secretaries as thereunto authorized by the board of directors may sign with the chairman of the board, the president or a vice president, certificates for shares of the corporation, the issue of which shall have been authorized by a resolution of the board of directors. The assistant treasurers, assistant controllers and assistant secretaries in general shall perform such duties as from time to time may be delegated to them by the treasurer, controller or the corporate secretary, respectively, or assigned to them by the chairman of the board or the board of directors.

Compensation of Officers

Section 39. The salaries (including bonuses and similar supplemental payments) of the officers other than of assistant treasurers, assistant controllers and assistant secretaries shall be fixed or approved from time to time by the board of directors or by the committee of directors to whom such authority shall be delegated by the board of directors, and no officer shall be prevented from receiving such salaries, bonuses or similar supplemental payments by reason of the fact that he is also a director of the corporation.

Voting and Transfer of Stock in Other Corporations

Section 40. The board of directors may by resolution designate an officer or any other person to act for the corporation and vote its shares in any company in which it may own or hold stock, and may direct in what manner, and for or against what propositions and in case of elections for whom its vote shall be cast. In case, however, the board of directors has not taken express action, the chairman of the board, the president, any vice president, the treasurer, or the corporate secretary may act for this corporation on all stockholder matters connected with any such company, including voting the shares owned or held by this corporation and executing and delivering proxies, waivers and stockholder consents. Certificates of stock owned by this corporation in any other company may be endorsed for transfer by any one of the above listed officers.

Indemnification of Directors, Officers and Others

Section 41. Each person who is or was a director, officer or employee of the corporation, and each person who serves or may have served at the request of the corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise (and the heirs, executors, administrators and estates of any such person), shall be entitled to indemnity to the fullest extent now or hereafter permitted or authorized by the General Corporation Law of the State of Delaware against any expenses, judgments, fines and settlement amounts actually and reasonably incurred by such person arising out of his or her status as such director, officer or employee. The corporation shall indemnify any director or officer of the corporation unless the board of directors acting reasonably and in good faith makes a determination that the person has not acted in good faith and in a manner he or she reasonably believed to have been in, or not opposed to, the best interests of the corporation. Such determination shall be made by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding out of which the claim for indemnification arose, or, if such a quorum is not obtainable, by independent legal counsel selected by the board of directors. Except as expressly provided in any Indemnification Agreement, indemnification and any advancement of expenses under this bylaw will not be mandatory for any person seeking indemnity in connection with a proceeding voluntarily initiated by such person unless the proceeding was authorized by a majority of the entire Board of Directors. Expenses incurred by a director or officer in defending a civil or criminal action, suit or proceeding arising out of his or her status as a director or officer shall be paid by the corporation, as these expenses become due, in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay amounts advanced only if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. The provisions of this Section 41 shall not be deemed exclusive of any other rights to which any person seeking indemnification may be lawfully entitled under the law of Delaware or any other competent jurisdiction. Any amendment or repeal of this bylaw shall not limit the right of any person to indemnity with respect to actions taken or omitted to be taken by such person prior to such amendment or

repeal.

Certificates for Shares and Their Transfer

Section 42. Each holder of stock in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the chairman of the board, the president or a vice president and by the corporate secretary or an assistant secretary, or the treasurer or an assistant treasurer of the corporation, certifying the number of shares owned by him and sealed with the seal or a facsimile of the seal of the corporation. Any of or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 43. Upon surrender to the corporation or any transfer agent of the corporation of a certificate for shares of the corporation duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the corporation or transfer agent shall cancel the old certificate, record the transaction on the books of the corporation, and either issue a new certificate to the person entitled thereto or credit the proper number of shares to an account of the person entitled thereto maintained on the books of the corporation. Upon request the corporation or transfer agent shall issue a certificate for all or any part of the shares held in such an account.

Section 44. The board of directors may authorize the issuance of a new certificate in lieu of a certificate alleged by the holder thereof to have been lost, stolen or destroyed, upon compliance by such holder, or his legal representatives, with such requirements as the board of directors may impose or authorize. Such authorization by the board of directors may be general or confined to specific instances.

Fixing Record Date

Section 45. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Registered Stockholders

Section 46. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Dividends

Section 47. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 48. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks

Section 49. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may, from time to time, designate.

Fiscal Year

Section 50. The fiscal year shall begin on the first day of January in each year.

Seal

Section 51. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Amendments

Section 52. These bylaws may be altered, amended or repealed or new bylaws may be adopted by the stockholders or by the board of directors at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new bylaws is contained in the notice of such special meeting.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

	1989	Year Ended December 31			Nine Months Ended September 30		
		1990	1991	1992	1993	1993	1994
	(dollar amounts expressed in thousands)						
Interest costs	\$ 109,791	\$ 142,980	\$ 201,006	\$ 191,026	\$ 172,170	\$ 130,552	\$ 131,748
Interest capitalized during the period	15,981	35,533	6,498	3,972	2,036	1,873	1,489
Interest factor related to noncapitalized leases(1)	3,387	3,803	5,019	7,150	7,485	4,935	6,572
Total fixed charges	\$ 129,159	\$ 182,316	\$ 212,523	\$ 202,148	\$ 181,691	\$ 137,360	\$ 139,809
Income (loss) before income taxes	\$ 436,870	\$ 121,400	\$(128,140)	\$(252,510)	\$(125,590)	\$(85,600)	\$(105,160)
Undistributed (earnings) losses of less than 50% owned persons, net of distributions received	(68)	2,966	(1,865)	(2,119)	(922)	(1,639)	(2,435)
Total fixed charges	129,159	182,316	212,523	202,148	181,691	137,360	139,809
Less: Interest capitalized	(15,981)	(35,533)	(6,498)	(3,972)	(2,036)	(1,873)	(1,489)
Guarantee of interest on ESOP debt	(12,236)	(24,869)	(24,283)	(23,380)	(22,208)	(16,665)	(15,557)
Total earnings (losses) before fixed charges	\$ 537,744	\$ 246,280	\$ 51,737	\$ (79,833)	\$ 30,935	\$ 31,583	\$ 15,168
Ratio of earnings to fixed charges(2)	4.16	1.35	-	-	-	-	-

(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, and \$150,756,000 for the years ended December 31, 1991, 1992, and 1993 and \$105,777,000 and \$124,641,000 for the nine-month periods ended September 30, 1993 and 1994.

BALANCE SHEETS (Unaudited) Boise Cascade Corporation and Subsidiaries

	1994	September 30 1993	December 31 1993
(expressed in thousands)			
ASSETS			
CURRENT			
Cash and cash items	\$ 30,644	\$ 4,300	\$ 14,860
Short-term investments at cost, which approximates market	4,972	5,365	7,569
	35,616	9,665	22,429
Receivables, less allowances of \$2,155,000, \$1,815,000, and \$1,264,000	393,530	388,513	358,859
Receivables from equity affiliates	181,834	6,236	7,328
Inventories	397,519	448,898	446,609
Deferred income tax benefits	44,522	42,209	38,831
Other	18,112	16,510	13,397
	1,071,133	912,031	887,453
PROPERTY			
Property and equipment			
Land and land improvements	37,289	57,136	56,871
Buildings and improvements	437,847	568,515	571,712
Machinery and equipment	4,051,459	4,592,133	4,642,434
	4,526,595	5,217,784	5,271,017
Accumulated depreciation	(2,025,993)	(2,209,348)	(2,261,360)
	2,500,602	3,008,436	3,009,657
Timber, timberlands, and timber deposits	403,914	369,998	366,054
	2,904,516	3,378,434	3,375,711
INVESTMENTS IN EQUITY AFFILIATES	214,585	21,717	22,700
OTHER ASSETS	268,140	222,791	227,109
TOTAL ASSETS	\$4,458,374	\$4,534,973	\$4,512,973
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Notes payable	\$ 62,000	\$ 10,000	\$ 31,000
Current portion of long-term debt	83,010	105,531	145,185
Accounts payable	306,631	298,498	288,300
Accrued liabilities			
Compensation and benefits	103,977	111,218	103,188
Interest payable	30,847	30,018	32,194
Other	105,983	110,096	88,568
	692,448	665,361	688,435
DEBT			
Long-term debt, less current portion	1,768,527	1,583,176	1,593,348
Guarantee of ESOP debt	245,027	260,839	246,856
	2,013,554	1,844,015	1,840,204
OTHER			
Deferred income taxes	128,953	240,244	222,464
Other long-term liabilities	263,923	238,467	257,346
	392,876	478,711	479,810
SHAREHOLDERS' EQUITY			
Preferred stock - no par value; 10,000,000 shares authorized; Series D ESOP: \$.01 stated value; 6,311,734, 6,415,275, and 6,395,047 shares outstanding	284,028	288,687	287,777
Deferred ESOP benefit	(245,027)	(260,839)	(246,856)
Series E: \$.01 stated value; 862,500 shares outstanding in each period	191,466	191,471	191,466
Series F: \$.01 stated value; 115,000 shares outstanding in each period	111,043	111,055	111,043
Series G: \$.01 stated value; 862,500 shares outstanding in each period	176,404	176,705	176,404
Common stock - \$2.50 par value; 200,000,000 shares authorized; 38,232,914, 37,967,129, and 37,987,529 shares outstanding	95,582	94,918	94,969
Retained earnings	746,000	944,889	889,721
Total shareholders' equity	1,359,496	1,546,886	1,504,524
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,458,374	\$4,534,973	\$4,512,973
SHAREHOLDERS' EQUITY PER COMMON SHARE	\$22.01	\$27.39	\$25.92

STATEMENTS OF LOSS (Unaudited) Boise Cascade Corporation and Subsidiaries

Three Months Ended	September 30	Nine Months Ended	September 30
1994	1993	1994	1993

(expressed in thousands)

REVENUES				
Sales	\$1,089,960	\$1,003,370	\$3,031,510	\$2,961,400
Other income, net	2,370	310	6,930	12,560
	1,092,330	1,003,680	3,038,440	2,973,960
COSTS AND EXPENSES				
Materials, labor, and other operating expenses	893,630	858,350	2,537,910	2,519,500
Depreciation and cost of company timber harvested	59,350	68,530	176,380	200,520
Selling and administrative expenses	99,910	80,840	285,580	241,840
	1,052,890	1,007,720	2,999,870	2,961,860
EQUITY IN NET INCOME (LOSS) OF AFFILIATES	(11,040)	9,410	(24,160)	11,990
INCOME FROM OPERATIONS	28,400	5,370	14,410	24,090
Interest expense	(38,350)	(37,690)	(110,030)	(112,720)
Interest income	270	260	790	1,000
Foreign exchange gain (loss)	1,280	1,710	(130)	2,030
Loss on sale of subsidiary's stock	(10,200)	-	(10,200)	-
	(47,000)	(35,720)	(119,570)	(109,690)
LOSS BEFORE INCOME TAXES	(18,600)	(30,350)	(105,160)	(85,600)
Income tax provision (benefit)	13,110	(6,120)	(16,690)	(32,140)
NET LOSS	\$ (31,710)	\$ (24,230)	\$ (88,470)	\$ (53,460)
NET LOSS PER COMMON SHARE				
Primary	\$(1.19)	\$(.91)	\$(3.40)	\$(2.19)
Fully diluted	\$(1.19)	\$(.91)	\$(3.40)	\$(2.19)

The computation of fully diluted net loss per common share was antidilutive in each of the periods presented; therefore, the amounts reported for primary and fully diluted loss are the same.

SEGMENT INFORMATION

SEGMENT SALES

Paper and paper products	\$ 467,196	\$ 491,586	\$1,271,211	\$1,444,330
Office products	246,171	171,839	649,439	502,931
Building products	434,121	390,460	1,261,553	1,142,546
Intersegment eliminations and other	(57,528)	(50,515)	(150,693)	(128,407)
	\$ 1,089,960	\$1,003,370	\$3,031,510	\$2,961,400

SEGMENT OPERATING INCOME (LOSS)

Paper and paper products	\$ 2,273	\$ (27,813)	\$ (81,627)	\$ (103,601)
Office products	10,733	8,387	31,730	27,921
Building products	34,311	30,306	113,268	126,233
Equity in net income (loss) of affiliates	(11,040)	9,410	(24,160)	11,990
Corporate and other	(7,877)	(14,920)	(24,801)	(38,453)

INCOME FROM OPERATIONS	\$ 28,400	\$ 5,370	\$ 14,410	\$ 24,090
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STATEMENTS OF CASH FLOWS (Unaudited) Boise Cascade Corporation and Subsidiaries

Nine Months Ended September 30
1994 1993
(expressed in thousands)

CASH PROVIDED BY (USED FOR) OPERATIONS

Net loss	\$ (88,470)	\$ (53,460)
Items in loss not using (providing) cash		
Equity in net (income) loss of affiliates	16,267	(3,690)
Loss on sale of subsidiary's stock	10,200	-
Depreciation and cost of company timber harvested	176,380	200,520
Deferred income tax benefit	(16,724)	(33,696)
Amortization and other	12,434	10,135
Gain on sales of operating assets	-	(8,300)
Receivables	(64,813)	(28,849)
Inventories	32,048	(32,968)
Accounts payable and accrued liabilities	53,699	38,201
Current and deferred income taxes	6,053	12,332
Other	5,881	(6,033)
Cash provided by operations	142,955	94,192

CASH PROVIDED BY (USED FOR) INVESTMENT

Expenditures for property and equipment	(132,862)	(148,452)
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Expenditures for timber and timberlands	(4,256)	(3,699)
Investment in equity affiliates	(32,068)	298
Purchases of facilities	(78,428)	-
Sales of operating assets	-	23,992
Other	(47,825)	10,142
Cash used for investment	(295,439)	(117,719)
CASH PROVIDED BY (USED FOR) FINANCING		
Cash dividends paid		
Common stock	(17,109)	(17,077)
Preferred stock	(40,449)	(26,948)
	(57,558)	(44,025)
Notes payable	31,000	6,000
Additions to long-term debt	247,335	58,650
Payments of long-term debt	(56,207)	(293,849)
Issuance of preferred stock	-	287,760
Other	2,221	(1,676)
Cash provided by financing	166,791	12,860
INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	14,307	(10,667)
BALANCE AT THE BEGINNING OF THE YEAR	21,309	20,332
BALANCE AT SEPTEMBER 30	\$ 35,616	\$ 9,665

NOTES TO FINANCIAL STATEMENTS

These statements are unaudited financial statements and should be read in conjunction with the 1993 Annual Report of the Company.

On September 29, 1994, the Company's Canadian subsidiary, Rainy River Forest Products Inc. ("Rainy River"), agreed to the sale of C\$420,000,000 units of common stock and debentures in an initial public offering, primarily in Canada, and US\$110,000,000 of senior secured notes in a public offering in the United States. The sale was completed October 13, 1994. The equity 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 \$6,800,000 after tax, or 18 cents per fully diluted common share, in the third quarter 1994. In addition, recognition by the Company of a noncash charge for U.S. taxes on previously undistributed Canadian earnings amounted to \$20,200,000, or 53 cents per fully diluted common share.

Boise Cascade holds approximately 60% of Rainy River's economic equity, but only 49% of its voting equity. Since the Company will no longer exercise control, Rainy River has been 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 months and nine months ended September 30, 1994, Rainy River's results of operations are included in "Equity in net income (loss) of affiliates." Equity in net income and losses of other affiliates has also been reclassified for all periods presented.

Results for the third quarter of 1993 included a net pretax gain of \$5,300,000, or 9 cents per fully diluted common share after tax, which was primarily attributable to an asset sale.

Effective as of January 1, 1993, the Company adopted Financial Accounting Standards Board requirements that govern the way deferred taxes are calculated and reported. Adoption of these requirements entailed a one-time adjustment that had no effect on the Company's first quarter 1993 net loss.

In the second quarter of 1993, the Canadian federal government reduced the statutory tax rate applicable to the Company. In the third quarter of 1993, the U.S. federal government increased the statutory rate. In accordance with the provisions of the adopted accounting standard, net deferred tax liabilities are adjusted when rate changes are adopted. The one-time second-quarter adjustment resulted in a benefit of \$5,020,000, or 13 cents per fully diluted common share, and the third-quarter adjustment resulted in a charge of \$7,120,000, or 19 cents per fully diluted share.

The estimated tax rate for the first nine months of 1994, exclusive of the impact of the charge for U.S. taxes on previously undistributed earnings, was 35%, compared with an estimated rate of 40%, for the first three months and six months of 1994 and a rate of 40%, exclusive of the impact of the adjustments to net deferred tax liabilities, for the first nine months of 1993. The decrease in the benefit rate was due

primarily to reflecting the 1994 results of operations of Rainy River, including the tax effect, in "Equity in net income (loss) of affiliates." These rates were based on actual year-to-date results and projected results for the remainder of the year.

During the first quarter of 1993, the Company sold its interest in a specialty paper producer at a pretax gain of \$8,644,000, or 14 cents per fully diluted common share after taxes.

The data schedule contains summary financial information extracted from Boise Cascade Corporation's Balance Sheet at September 30, 1994, and from its Statement of Loss for the nine months ended September 30, 1994. The information presented is qualified in its entirety by reference to such financial statements.

9-MOS		
	DEC-31-1994	
	SEP-30-1994	
		30,644
		4,972
		393,530
		2,155
		397,519
	1,071,133	
		4,930,509
	2,025,993	
	4,458,374	
692,448		
		2,013,554
		95,582
	0	
		762,941
		500,973
4,458,374		
		3,031,510
	3,038,440	
		2,714,290
	2,999,870	
		0
		0
	110,030	
	(105,160)	
	(16,690)	
(88,470)		
		0
		0
		0
	(88,470)	
	(3.40)	
	(3.40)	