

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

BOISE CASCADE CORP

CIK: **12978** | IRS No.: **820100960** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-05057** | Film No.: **94554770**
SIC: **2621** Paper mills

Business Address
*ONE JEFFERSON SQ
P.O.BOX 50
BOISE ID 83702
2083846161*

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): October 13, 1994

Boise Cascade Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware

1-5057

82-0100960

(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
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One Jefferson Square, Boise, Idaho

83702

(Address of Principal Executive Offices)	(ZIP Code)
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Registrant's Telephone Number, Including Area Code: 208/384-6161

Item 2. Acquisition or Disposition of Assets

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. Concurrently with the sale of the Units, Rainy River also sold to the public U.S. \$110 million aggregate principal amount of 10 3/4% Senior Secured Notes due 2001 (the "Senior Notes").

The sale of Cdn. \$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 Cdn. \$210 million and Cdn. \$210 million principal amount 8.0% Convertible Unsecured Subordinated Debentures due October 15, 2004 (the "Convertible Debentures") sold to the public at 100% of the principal amount thereof plus accrued interest, if any. Net proceeds to Rainy River, after payment of underwriters' fees, from the Unit offering was Cdn. \$199.5 million with respect to the common shares and Cdn. \$199.5 with respect to the Convertible Debentures. The initial public offering price of the Units was determined through negotiations between Rainy River and the underwriters. The Units were separated into common shares and Convertible Debentures at the closing of the Unit offering.

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.

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 U.S. \$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.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(b) Pro forma financial information:

The unaudited pro forma Boise Cascade Corporation and Subsidiaries financial information giving effect to the transactions discussed in Item 2 of this report on Form 8-K are set forth in Exhibit 20 attached hereto and filed herewith.

(c) Exhibits:

- 2 Underwriting Agreement, dated September 29, 1994, between Rainy River and certain underwriters, with

respect to the common shares and Convertible Debentures of Rainy River (incorporated herein by reference to Exhibit 10.18 to the registration statement on Form F-1 (Registration No. 33-79104) of Rainy River Forest Products Inc.).

- 20 Unaudited pro forma Boise Cascade Corporation and Subsidiaries financial information, including: condensed balance sheet as of September 30, 1994; consolidated statement of income (loss) for the nine months ended September 30, 1994; consolidated statement of income (loss) for the twelve months ended December 31, 1993; and notes to unaudited pro forma financial information.

SIGNATURE

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

BOISE CASCADE CORPORATION

IRVING LITTMAN
Irving Littman
Vice President and Treasurer

Date: October 24, 1994

Exhibit Index

Exhibit No.	Description	Page
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20	Unaudited pro forma Boise Cascade	

Corporation and Subsidiaries financial information, including: condensed balance sheet as of September 30, 1994; consolidated statement of income (loss) for the nine months ended September 30, 1994; consolidated statement of income (loss) for the twelve months ended December 31, 1993; and notes to unaudited pro forma financial information.

Unaudited pro forma Boise Cascade Corporation and Subsidiaries financial information, including: condensed balance sheet as of September 30, 1994; consolidated statement of income (loss) for the nine months ended September 30, 1994; consolidated statement of income (loss) for the twelve months ended December 31, 1993; and notes to unaudited pro forma financial information.

Unaudited Pro Forma Boise Cascade Corporation
and Subsidiaries
Financial Information

The following unaudited pro forma consolidated condensed balance sheet as of September 30, 1994, and the unaudited pro forma consolidated statements of income (loss) for the nine months ended September 30, 1994, and the twelve months ended December 31, 1993, give effect to the following transactions:

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. Concurrently with the sale of the Units, Rainy River also sold to the public U.S. \$110 million aggregate principal amount of 10 3/4% Senior Secured Notes due 2001 (the "Senior Notes").

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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.

On October 13, 1994 the Company received cash of \$181,724,000 from Rainy River which included payment of the consideration for these transactions and repayment of cash advances.

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 historical consolidated financial statements.

The unaudited pro forma consolidated financial information is presented as if these transactions had been completed as of September 30, 1994, for the pro forma consolidated condensed balance sheet and as of the first day of each period for which pro forma consolidated statements of income (loss) are presented.

The pro forma financial information does not purport to be indicative of the actual financial position as it will finally be recorded, or the results of operations which would actually have been reported if the transactions had occurred on the dates or for the periods indicated, or which may be reported in the future. The pro forma financial information should be read in conjunction with the separate historical consolidated financial statements and the related notes to such financial statements of Boise Cascade and Rainy River.

<TABLE>

Boise Cascade Corporation and Subsidiaries
Pro Forma Condensed Balance Sheet
September 30, 1994
(expressed in thousands)
(unaudited)

<CAPTION>

	Historical			Pro Forma
	Boise Cascade Corporation and Subsidiaries (Note 1)	Rainy River (Note 1)	Pro Forma Adjustments (Note 2)	Boise Cascade Corporation and Subsidiaries
<S>	<C>	<C>	<C>	<C>
ASSETS				
Current				
Cash and cash items	\$ 30,644	\$ -	\$ (9,639) (b)	\$ 21,005
Short-term investments	4,972	-	-	4,972
	<u>35,616</u>	<u>-</u>	<u>(9,639)</u>	<u>25,977</u>
Receivables, net	393,530	-	-	393,530
Receivables from equity affiliates	181,834	-	(181,724) (a)	9,749
	-	-	9,639 (b)	-
Inventories	397,519	-	-	397,519
Deferred income tax benefits	44,522	-	-	44,522
Other	18,112	-	-	18,112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	1,071,133	-	(181,724)	889,409
Property				
Property and equipment	4,526,595	-	-	4,526,595
Accumulated depreciation	(2,025,993)	-	-	(2,025,993)
	2,500,602	-	-	2,500,602
Timber, timberlands, and timber deposits	403,914	-	-	403,914
	2,904,516	-	-	2,904,516
Investments in equity affiliates	214,585	-	-	214,585
Other assets	268,140	-	-	268,140
Total assets	\$4,458,374	\$ -	\$ (181,724)	\$4,276,650

LIABILITIES AND SHAREHOLDERS' EQUITY

Current				
Notes payable	\$ 62,000	\$ -	\$ -	\$ 62,000
Current portion of long-term debt	83,010	-	-	83,010
Accounts payable	306,631	-	-	306,631
Accrued liabilities	240,807	-	-	240,807
	692,448	-	-	692,448
Debt				
Long-term debt, less current portion	1,768,527	-	(181,724) (a)	1,586,803
Guarantee of ESOP debt	245,027	-	-	245,027
	2,013,554	-	(181,724)	1,831,830
Other				
Deferred income taxes	128,953	-	-	128,953
Other long-term liabilities	263,923	-	-	263,923
	392,876	-	-	392,876
Shareholders' equity				
Preferred stock	762,941	-	-	762,941
Deferred ESOP benefit	(245,027)	-	-	(245,027)
Common stock	95,582	-	-	95,582
Retained earnings	746,000	-	-	746,000
Total shareholders' equity	1,359,496	-	-	1,359,496
Total liabilities and shareholders' equity	\$4,458,374	\$ -	\$ (181,724)	\$4,276,650

</TABLE>

The accompanying notes are an integral part of this pro forma information.

<TABLE>

Boise Cascade Corporation and Subsidiaries
Pro Forma Statement of Income (Loss)
Nine Months Ended September 30, 1994

(expressed in thousands)
(unaudited)

<CAPTION>

	Historical		Pro Forma Adjustments (Note 2)	Pro Forma Boise Cascade Corporation and Subsidiaries
	Boise Cascade Corporation and Subsidiaries (Note 1)	Rainy River (Note 1)		
<S>	<C>	<C>	<C>	<C>
Revenues				
Sales	\$3,031,510	\$ -	\$ (5,450) (a)	\$3,026,060
Other income, net	6,930	-	-	6,930
	<u>3,038,440</u>	<u>-</u>	<u>(5,450)</u>	<u>3,032,990</u>
Cost and expenses				
Materials, labor, and other operating expenses	2,537,910	-	1,460 (b)	2,539,370
Depreciation and cost of company timber harvested	176,380	-	-	176,380
Selling and administrative expenses	285,580	-	(10,070) (c)	275,510
	<u>2,999,870</u>	<u>-</u>	<u>(8,610)</u>	<u>2,991,260</u>
Equity in net income (loss) of affiliates	(24,160)	26,590	(16,890) (d)	(14,460)
Income (loss) from operations	<u>14,410</u>	<u>26,590</u>	<u>(13,730)</u>	<u>27,270</u>
Interest expense	(110,030)	-	5,810 (e)	(104,220)
Interest income	790	-	-	790
Foreign exchange loss	(130)	-	-	(130)
Loss on sale of subsidiary's stock	(10,200)	-	10,200 (f)	-
	<u>(119,570)</u>	<u>-</u>	<u>16,010</u>	<u>(103,560)</u>
Income (loss) before income taxes	(105,160)	26,590	2,280	(76,290)
Income tax provision (benefit)	(16,690)	6,500	(20,200) (g)	(23,500)
	-	-	6,890 (h)	-
Net income (loss)	<u>\$ (88,470)</u>	<u>\$ 20,090</u>	<u>\$ 15,590</u>	<u>\$ (52,790)</u>
Primary and fully diluted net loss per share	\$ (3.40)			\$ (2.53)
Average common shares outstanding	38,057			38,057

</TABLE>

The accompanying notes are an integral part of this pro forma information.

<TABLE>

Boise Cascade Corporation and Subsidiaries
Pro Forma Statement of Income (Loss)
Twelve Months Ended December 31, 1993
(expressed in thousands)
(unaudited)

<CAPTION>

	Historical			Pro Forma
	Boise Cascade Corporation and Subsidiaries (Note 1)	Rainy River (Note 1)	Pro Forma Adjustments (Note 2)	Boise Cascade Corporation and Subsidiaries
<S>	<C>	<C>	<C>	<C>
Revenues				
Sales	\$3,958,300	\$ (309,950)	\$ (7,310) (a)	\$3,641,040
Other income (expense), net	10,570	(1,140)	-	9,430
	<u>3,968,870</u>	<u>(311,090)</u>	<u>(7,310)</u>	<u>3,650,470</u>
Cost and expenses				
Materials, labor, and other operating expenses	3,373,300	(306,800)	(950) (b)	3,065,550
Depreciation and cost of company timber harvested	267,710	(33,790)	-	233,920
Selling and administrative expenses	321,650	(930)	(13,040) (c)	307,680
	<u>3,962,660</u>	<u>(341,520)</u>	<u>(13,990)</u>	<u>3,607,150</u>
Equity in net income (loss) of affiliates	13,570	-	(15,940) (d)	(2,370)
Income (loss) from operations	19,780	30,430	(9,260)	40,950
Interest expense	(148,310)	5,510	6,880 (e)	(135,920)
Interest income	1,330	(80)	-	1,250
Foreign exchange gain (loss)	1,610	(2,830)	-	(1,220)
	<u>(145,370)</u>	<u>2,600</u>	<u>6,880</u>	<u>(135,890)</u>
Income (loss) before income taxes	(125,590)	33,030	(2,380)	(94,940)
Income tax provision (benefit)	(48,450)	26,790	5,270 (h)	(16,390)
Net income (loss)	<u>\$ (77,140)</u>	<u>\$ 6,240</u>	<u>\$ (7,650)</u>	<u>\$ (78,550)</u>
Primary and fully diluted net loss per share	\$ (3.17)			\$ (3.20)
Average common shares outstanding	37,958			37,958

</TABLE>

The accompanying notes are an integral part of this pro forma information.

Boise Cascade Corporation and Subsidiaries
Notes to Pro Forma Financial Information
(unaudited)

1. Basis of Reporting

The accompanying pro forma consolidated condensed balance sheet as of September 30, 1994, and the pro forma consolidated statements of income (loss) for the nine months ended September 30, 1994, and the year ended December 31, 1993, give effect to the following transactions:

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. Concurrently with the sale of the Units, Rainy River also sold to the public U.S. \$110 million aggregate principal amount of 10 3/4% Senior Secured Notes due 2001 (the "Senior Notes").

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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.

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 U.S. \$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.

On October 13, 1994 the Company received cash of \$181,724,000 from Rainy River which included payment of the consideration for these transactions and repayment of cash advances.

Since the Company will no longer exercise control, Rainy River has been accounted for on the equity method retro-active to January 1, 1994, in the Company's historical consolidated financial statements.

The unaudited pro forma consolidated financial information is presented as if these transactions had been completed as of September 30, 1994, for the pro forma consolidated condensed balance sheet and as of the first day of each period for which pro forma consolidated statements of income (loss) are presented.

The pro forma financial information does not purport to be indicative of the actual financial position as it will finally be recorded, or the results of operations which would actually have been reported if the transactions had occurred on the dates or for the periods indicated, or which may be reported in the future. The pro forma financial information should be read in conjunction with the separate historical consolidated financial statements and the related notes to such financial statements of Boise Cascade and Rainy River.

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.

2. Pro Forma Balance Sheet Adjustments

The pro forma consolidated condensed balance sheet gives effect to the adjustment described below:

- (a) To record Boise Cascade's use of proceeds from the transaction to reduce long-term debt.
- (b) To record additional cash advances to Rainy River from September 30, 1994 to October 13, 1994.

3. Pro Forma Statements of Income (Loss) Adjustments

The pro forma consolidated statements of income (loss) give effect to the adjustments described below:

- (a) To record the reduction in revenues resulting from the Newsprint Marketing Agreement between Boise Cascade and Rainy River. Rainy River will purchase all newsprint produced at Boise Cascade's DeRidder mill, at a brokerage discount of up to 5%, for resale to Rainy River customers.
- (b) To record the adjustment in "Materials, labor, and other operating expenses" resulting from the Pulp Sale Agreement between Boise Cascade and Rainy River, whereby Rainy River's Fort Frances mill will continue to sell market pulp to Boise Cascade. The price paid by Boise Cascade for the pulp as defined in the agreement may have been more or less than the historical price paid by Boise Cascade. Beginning in June 1994, the effects of this agreement have already been included in the historical balances as presented herein.
- (c) To record the reduction in "Selling and administrative expenses" to reflect the amount which Rainy River would have

reimbursed Boise Cascade for the performance of certain administrative services.

- (d) To adjust to Boise Cascade's 59.66% equity in net losses of Rainy River's pro forma net loss assuming the effects of the transactions.
- (e) To record the reduction in interest expense resulting from interest expense saved due to reducing long-term debt by the amount of proceeds received.
- (f) To eliminate the nonrecurring charge related to the loss recognized for the sale of Rainy River securities
- (g) To eliminate the nonrecurring charge associated with Boise Cascade's recognition of a charge for U.S. taxes on undistributed Canadian earnings now required to be recognized as a result of the transaction.
- (h) To record the tax effects of pro forma adjustments (a), (b), (c), (e) and (f).