NETLOGIC MICROSYSTEMS INC
Form 8-K/A
November 13, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K/A

Current Report

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

Date of Report (Date of earliest event reported): August 29, 2007

NetLogic Microsystems, Inc.

(Exact name of registrant as specified in its charter)

000-50838

(Commission File Number)

Delaware	**77-0455244**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification No.)**

1875 Charleston Road, Mountain View, CA 94043

(Address of principal executive offices, with zip code)

(650) 961-6676

(Registrant s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

This amendment to the Current Report on Form 8-K originally dated August 29, 2007, is being filed in order to include the historical financial statements of certain assets relating to the acquired TCAM2 and TCAM2-CR network search engine products (the NSE Assets) from Cypress Semiconductor Corporation and the unaudited pro forma financial information listed below. The description of the transaction as originally reported also is set forth below and updated.

Item 2.01 Completion of Acquisition or Disposition of Assets

On August 29, 2007, NetLogic Microsystems, Inc. (NetLogic) purchased the TCAM2 and TCAM2-CR network search engine products and certain related assets from Cypress Semiconductor Corporation (Cypress) for $12 million, plus approximately $2.4 million in inventory, pursuant to an Agreement for the Purchase and Sale of Assets dated August 29, 2007 (the Acquisition).

On August 29, 2007, NetLogic reported that it may record a one-time charge for purchased in-process research and development in connection with the Acquisition and that the Acquisition would increase NetLogic s quarterly revenues commencing in the fourth quarter of 2007 by approximately $2 million. NetLogic did not record a one-time charge for purchased in-process research and development and the Acquisition is expected to increase NetLogic s revenues by more than previously expected in the fourth quarter of 2007.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

The following financial statements of the NSE Assets are included in this report:

Audited Statements of NSE Assets as of December 31, 2006 and January 1, 2006 and Statements of Revenues and Expenses Related to NSE Assets for each of the three years ended December 31, 2006 and accompanying notes prepared by Cypress Semiconductor Corporation.

Unaudited Statement of NSE Assets as of July 1, 2007 and Statements of Revenues and Expenses Related to NSE Assets for six months ended July 1, 2007 and July 2, 2006 and accompanying notes prepared by Cypress Semiconductor Corporation.

(b) Pro Forma Financial Information

The following unaudited pro forma condensed financial information is being filed herewith:

Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet as of June 30, 2007 and Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations for the year ended December 31, 2006 and for the six months ended June 30, 2007.

(d) Exhibits

23.1 Consent of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Cypress Semiconductor Corporation:

We have audited the accompanying statements of assets and the statements of revenues and expenses related to certain products in the network search engine (NSE) product family (NSE Assets) of Cypress Semiconductor Corporation (Cypress) as of December 31, 2006 and January 1, 2006, and for each of the three years in the period ended December 31, 2006, as more fully described in Note 1. These financial statements are the responsibility of the management of Cypress. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in the Current Report on Form 8-K of NetLogic Microsystems, Inc., and are not intended to be a complete presentation of the NSE Assets financial position or results of operations.

In our opinion, the financial statements referred to above present fairly, in all material respects, the NSE Assets as of December 31, 2006 and January 1, 2006, and the revenues and expenses related to the NSE Assets for each of the three years in the period ended December 31, 2006, as described in Note 1, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

San Jose, California

October 26, 2007

CYPRESS SEMICONDUCTOR CORPORATION

STATEMENTS OF NSE ASSETS

	(Unaudited) July, 1 2007	December 31, 2006	January 1, 2006
	(in thousands)	(in thousands)	
Inventories	$ 2,686	$ 4,368	$ 4,262
Total NSE Assets	$ 2,686	$ 4,368	$ 4,262

The accompanying notes are an integral part of these financial statements

CYPRESS SEMICONDUCTOR CORPORATION

STATEMENTS OF REVENUES AND EXPENSES RELATED TO NSE ASSETS

	(Unaudited) Six Months Ended (in thousands)		Year Ended (in thousands)		
	July 1, 2007	July 2, 2006	December 31, 2006	January 1, 2006	January 2, 2005
Revenues	$ 9,061	$ 16,476	$ 29,655	$ 34,118	$ 47,350
Cost and expenses:					
Cost of revenues	5,832	8,578	15,256	23,364	28,825
Research and development	21	37	70	1,042	3,405
Selling, general and administrative	1,134	2,172	3,958	7,805	7,053
Restructuring				165	
Total costs and expenses	6,987	10,787	19,284	32,376	39,283
Excess of revenues over expenses related to NSE Assets	$ 2,074	$ 5,689	$ 10,371	$ 1,742	$ 8,067

The accompanying notes are an integral part of these financial statements

CYPRESS SEMICONDUCTOR CORPORATION

NOTES TO FINANCIAL STATEMENTS RELATED TO NSE ASSETS

NOTE 1. OVERVIEW AND BASIS OF PRESENTATION

Description of Transaction

On August 29, 2007, Cypress Semiconductor Corporation (the Company) completed the sale of certain assets associated with its network search engine (NSE) product family targeting the high-volume desktop switching market to NetLogic Microsystems, Inc. (NetLogic), pursuant to an Agreement for the Purchase and Sale of Assets (the Agreement). NetLogic is a publicly-traded fabless semiconductor company that designs, develops and markets high performance knowledge-based processors for a variety of advanced Internet, corporate and other networking systems. The assets sold to NetLogic in this transaction included the TCAM2 product line (the NSE Assets). Upon closing of the transaction, NetLogic paid the Company $14.4 million in cash consideration. The Company s NSE product family is a component of the Data Communications Division.

In connection with the transaction, the Company will provide certain transitional services to NetLogic for a limited time following the completion of the sale.

Basis of Presentation

Fiscal Years:

The Company s fiscal year ends on the Sunday closest to December 31. Fiscal 2006 ended on December 31, 2006 and included 52 weeks. Fiscal 2005 ended on January 1, 2006 and included 52 weeks. Fiscal 2004 ended on January 2, 2005 and included 53 weeks. The second quarter of fiscal 2007 ended on July 1, 2007 and the second quarter of fiscal 2006 ended on July 2, 2006.

Financial Statement Preparation:

The accompanying financial statements of the NSE Assets as of July 1, 2007, December 31, 2006 and January 1, 2006 and the revenues and expenses related to the NSE Assets for the six months ended July 1, 2007 and July 2, 2006 and each of the three years in the period ended December 31, 2006 have been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. The NSE Assets were not operated as a separate business unit or legal entity by the Company, but was an integrated part of the Company s consolidated operations. The Company has not historically prepared complete, stand-alone financial statements of the NSE Assets.

The accompanying financial statements have been derived from the historical records of the Company in order to present statements of NSE Assets and statements of revenues and expenses related to the NSE Assets in accordance with accounting principles generally accepted in the United States of America. In the opinion of management, the accompanying financial statements contain all adjustments considered necessary to fairly present the NSE Assets and the revenues and expenses related to the NSE Assets. These statements are not intended to be a complete presentation of NSE Assets financial position or results of operations. The historical operating results of the NSE Assets may not be indicative of their results in the future.

All cash flow requirements of the NSE Assets were funded by the Company and cash management functions were not performed at the NSE Assets level. Therefore, a statement of cash flows, including cash flows from operating, investing and financing activities, is not presented as the NSE Assets did not maintain a separate cash balance.

The statements of NSE Assets include only the specific assets that were sold in accordance with the terms of the Agreement. The statements of revenues and expenses related to the NSE Assets include primarily the revenues and expenses attributable to the development, design, manufacture, sale and distribution of the products comprising the NSE Assets, including the allocation of certain indirect common costs, as described in Notes 2 and 3. The statements also include restructuring and stock-based compensation costs associated with the NSE Assets. Management believes that the allocations of costs are reasonable; however, these allocated expenses are not necessarily indicative of costs that would be incurred on a stand-alone basis due to economies of scale, differences in management judgment, a requirement for more or fewer employees, or other factors. The statements of revenues and expenses do not include interest income and expense, other non-operating income and expense, income taxes or any other indirect expenses not noted in Notes 2 and 3.

Management Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from these estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market (see Note 7). Market is based on estimated net realizable value. The Company maintains provisions for reducing inventories to lower of cost or market, including provisions for excess and obsolete inventories. Such provisions are recorded when the inventory for a device exceeds demand for that device and/or when individual parts have not been sold for greater than a certain period. Inventory provisions are not relieved until the related inventory has been sold or scrapped.

Masks

Masks were capitalized and amortized over their estimated useful lives. They were fully amortized in fiscal 2005. Amortization expense totaled approximately $0.3 million and $0.2 million in fiscal 2005 and 2004, respectively.

Revenue Recognition

The Company recognizes revenues from product sales related to the NSE Assets when the following fundamental criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the price to the customer is fixed or determinable, and (iv) collection of the resulting accounts receivable is reasonably assured.

For all sales, the Company uses a binding purchase order or a signed agreement as evidence of an arrangement. Delivery occurs when goods are shipped and title and risk of loss transfer to the customer, in accordance with the terms specified in the arrangement with the customer. The customer s obligation to pay and the payment terms are set at the time of shipment and are not dependent on the subsequent resale of the products.

Cost of Revenues

Cost of revenues includes all variable and fixed costs associated with manufacturing and testing the product, including the cost of goods purchased from third parties, direct labor, packaging supplies and fixed costs. In addition, cost of revenues includes allocated costs of certain indirect factory overhead, including indirect labor and support functions such as quality assurance, factory accounting, logistics, information technology, all of which represent costs of products sold. As such, allocations are based on the percentage of units sold.

Research and Development

Research and development expenses consist of costs related to the design and development of new products and process technology and are expensed as incurred. Research and development expenses also include certain expenses allocated to the NSE Assets based upon management estimates of resources utilized. Management estimates of resources utilized are based on various measures relevant to the expense being allocated, including estimates of time devoted to activities associated with NSE Assets.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of costs related to product management, market planning, market operations and advertising. In addition, selling, general and administrative expenses include the allocation of certain corporate sales and marketing expenses based on the percentage of revenues.

Corporate Overhead Costs

Corporate overhead costs relating to functions such as executive, finance and accounting, human resources and legal have been allocated to the NSE Assets based on management estimates of resources utilized and on the percentage of revenues. Management estimates of resources utilized are based on various measures relevant to the expense being allocated, including estimates of time devoted to activities associated with NSE Assets.

NOTE 3. ALLOCATION OF INDIRECT COSTS

As described in Note 2, the Company allocated certain indirect costs to the accompanying statements of revenues and expenses related to the NSE Assets. The following table summarizes the allocated amounts:

	(Unaudited) Six Months Ended		Year Ended		
	July 1, 2007	July 2, 2006	December 31, 2006	January 1, 2006	January 2, 2005
	(in thousands)			(in thousands)	
Cost of revenues	$ 663	$ 463	$ 783	$ 3,265	$ 1,000
Research and development	21	37	70	1,042	3,405
Selling, general and administrative	1,134	2,172	3,958	7,805	7,053
Total allocated indirect costs	$ 1,818	$ 2,672	$ 4,811	$ 12,112	$ 11,458

NOTE 4. STOCK-BASED COMPENSATION

Effective January 2, 2006, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 123(R), Share-Based Payment, which requires the Company to measure the stock-based compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the requisite employee service periods. Stock-based compensation expenses related to the NSE Assets totaled approximately $0.2 million and $0.1 million for the six months ended July 1, 2007 and July 2, 2006, respectively, and $0.3 million in fiscal 2006 and were primarily recorded in selling, general and administrative expenses. The allocation of stock-based compensation expenses was based on the same methodologies described in Note 2.

Prior to the adoption of SFAS No. 123(R), the Company applied SFAS No. 123, Accounting for Stock-Based Compensation, as amended by SFAS No. 148, Accounting for Stock-Based Compensation Transition and Disclosure, which allowed companies to apply the accounting rules under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. The Company recorded no stock-based compensation expenses related to the NSE Assets under APB Opinion No. 25 in fiscal 2005 and 2004.

The following table illustrates the effect on excess of revenues over expenses related to NSE Assets as if the Company had applied the fair value recognition provisions of SFAS No. 123:

	Year Ended	
	January 1, 2006	January 2, 2005
	(in thousands)	
Excess of revenues over expenses related to NSE Assets - as reported	$ 1,742	$ 8,067
Deduct: Total stock-based compensation expense determined under fair value based method, net of tax effects	(385)	(559)
Excess of revenues over expenses related to NSE Assets - pro forma	$ 1,357	$ 7,508

NOTE 5. RESTRUCTURING

During the first quarter of fiscal 2005, the Company implemented a company-wide restructuring plan aimed to reorganize its internal structure and reduce operating costs. Restructuring charge allocated to the accompanying statements of revenues and expenses represents severance and benefits associated with the termination of employees related to the NSE Assets. The majority of these terminated employees were engaged in research and development activities. All obligations related to restructuring have been completed as of the end of fiscal 2005.

NOTE 6. GOODWILL

The NSE product family includes goodwill which had previously been acquired in conjunction with business combinations by the Company. However, no amount of goodwill has been allocated to the NSE Assets as goodwill was not listed as an asset in the Agreement.

NOTE 7. INVENTORIES

Components of inventories are as follows:

	(Unaudited) July 1, 2007	December 31, 2006	January 1, 2006
	(in thousands)	(in thousands)	
Work-in-process	$ 1,508	$ 2,713	$ 2,764
Finished goods	1,178	1,655	1,498
Total inventories	$ 2,686	$ 4,368	$ 4,262

NOTE 8. REVENUE INFORMATION

Geographic Information

Revenues by geographic areas are as follows:

	(Unaudited) Six Months Ended		Year Ended		
	July 1, 2007	July 2, 2006	December 31, 2006	January 1, 2006	January 2, 2005
	(in thousands)			(in thousands)	
North America	$ 143	$ 276	$ 632	$ 3,346	$ 14,423
Asia-Pacific	8,918	16,200	29,023	30,772	32,927
Total revenues	$ 9,061	$ 16,476	$ 29,655	$ 34,118	$ 47,350

Significant Customers

For all years presented, one customer accounted for 100% of the total revenues.

ITEM 9.01 (b) PROFORMA FINANCIAL INFORMATION

The following unaudited pro forma condensed combined consolidated balance sheet gives the effect to the purchase of certain assets related to TCAM2 and TCAM2-CR network search engine products (the NSE Assets) of Cypress Semiconductor Corporation (Cypress) by NetLogic Microsystems, Inc. (NetLogic). The transaction was accounted for as an asset purchase, and accordingly, the total estimated purchase price, calculated as described in Note 1 to these unaudited pro forma condensed combined consolidated financial information, is allocated to the net tangible and intangible assets of the NSE assets purchased in connection with the asset purchase agreement, based on the estimated fair values as of the completion of the acquisition. Management has estimated the fair value of assets acquired based on the net realizable value attributable to the actual net tangible and intangible assets of the NSE Assets that existed as of the date of the completion of the acquisition.

The NSE Assets were not operated as a stand-alone business, but were an integrated part of Cypress consolidated business. As such, no separate audited financial statements of the NSE Assets have ever been prepared and Cypress did not maintain the distinct and separate accounts necessary to prepare the full financial statements of the NSE Assets. The statements of NSE Assets include only the specific assets related to the NSE Assets that were sold to NetLogic. The statements of revenues and expenses related to the NSE Assets include the net revenues and operating expenses directly attributable to the development, manufacture, sale and distribution of the products comprising the NSE Assets as well as an allocation of corporate selling and marketing expenses. Cypress management believes that the allocations are reasonable; however, these allocated expenses are not necessarily indicative of costs that would be incurred on a stand-alone basis due to economies of scale, differences in management judgment, a requirement for more or fewer employees, and other factors. Future results of operations and financial position could differ materially from the historical amounts presented herein. The statements of revenues and expenses related to the NSE Assets do not include interest income, income taxes or any other indirect expenses not noted above. Complete financial statements for the NSE Assets were not prepared as the NSE Assets were not maintained as a separate reporting unit and therefore it was impracticable to prepare full financial statements as required by Rule 3-05 of Regulation S-X.

The unaudited pro forma condensed combined consolidated balance sheet as of June 30, 2007 gives the effect to the purchase as if it occurred on June 30, 2007 and, due to the different fiscal period ends, combines the historical balance sheet of NetLogic at June 30, 2007 and the condensed statement of net assets of the NSE Products at July 1, 2007. The NetLogic unaudited condensed consolidated balance sheet information was derived from its Quarterly Report on 10-Q for the three months ended June 30, 2007. The statement of net assets of the NSE Products included was derived from the unaudited statement of NSE assets as of July 1, 2007 included herein.

The unaudited pro forma condensed combined consolidated statement of operations for the year ended December 31, 2006 and the six months ended June 30, 2007 gives the effect to the purchase as if it occurred on January 1, 2006. The NetLogic condensed consolidated statement of operations information for the year ended December 31, 2006 was derived from the consolidated statements of operations included in its Annual Report on 10-K for the year ended December 31, 2006. The NetLogic condensed consolidated statement of operations information for the six months ended June 30, 2007 was derived from its Quarterly Report on Form 10-Q for the three months ended June 30, 2007. The statement of revenues and expenses related to NSE assets included was derived from the statements of revenues and expenses related to NSE assets for the six months ended July 1, 2007 and the year ended December 31, 2006 included herein.

The unaudited pro forma condensed combined consolidated financial statements have been prepared by NetLogic management for illustrative purposes only and are not necessarily indicative of the condensed consolidating financial position or the results of operations in future periods or the results that actually would have been realized had NetLogic and the NSE Products been a combined company during the specified periods. The pro forma adjustments are based on the information available at the time of the preparation of these statements. The unaudited pro forma condensed combined consolidated financial statements, including any notes thereto, are qualified in their entirety by reference to, and should be read in conjunction with, the historical consolidated financial statements of NetLogic included in its Form 10-K for the fiscal year ended December 31, 2006 and Form 10-Q for the three months ended June 30, 2007 filed with the Securities and Exchange Commission.

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET

(in thousands)

Historical				
NetLogic at June 30, 2007	Cypress NSE Assets at July 1, 2007	Pro Forma Adjustments (Note 2)		Pro Forma Combined
73,717	$	(14,448)(a)	$	
30,982				
7,924				
9,770	2,686	404(b)		
1,881		300(c)		
124,274	2,686	(13,744)		
6,456				
4,713		11,246(c)		
37,069				
108				
172,620	$ 2,686	$ (2,498)	$	
4,908	$		$	
7,681		188(d)		
208				
2,083				
14,880		188		
275				
15,155		188		

235,703		
(42)		
	2,686	(2,686)(e)
(18)		

Stock Ownership Guidelines

In 1999, the committee established stock ownership guidelines for executive officers. These guidelines are intended to increas equity stake in the company and more closely align their interests with those of our shareholders. These guidelines provide that, ov

- the chief executive officer should acquire and maintain stock ownership equal to three times his base salary;
- the senior vice presidents should acquire and maintain stock ownership equal to twice their base salary; and
- the vice presidents should acquire and maintain stock ownership equal to their base salary.

Stock held directly, common stock and preferred stock held indirectly through our SSRP, stock units held under our deferred c plan, a portion of each restricted stock award, and a portion of an executive officer's unexercised stock options were all taken into c when calculating whether an officer met his or her stock ownership guidelines. All our executive officers have met or are making p toward meeting their stock ownership guidelines.

Executive Compensation Committee of the Board of Directors

Gary G. Michael, Chair
Claire S. Farley
Rakesh Gangwal
Richard R. Goodmanson
Jane E. Shaw
Ward W. Woods

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Performance Graph

The following graph compares the five-year cumulative total return (assuming dividend reinvestment) for the Standard & Poo the Standard & Poor's 500 Specialty Stores Index, Boise, and a peer group of paper and forest products companies. The companies 500 Specialty Stores Index are AutoNation, AutoZone, Bed Bath & Beyond, Boise, Office Depot, Staples, Tiffany & Co., and Toys companies in the peer group are Boise, Georgia-Pacific, International Paper, Louisiana-Pacific, MeadWestvaco, and Weyerhaeuser

Stock Ownership

Directors and Executive Officers

The directors, nominees for director, and executive officers furnished the following information to us regarding the shares of c stock that they beneficially owned on December 31, 2003.

Ownership of Boise Common Stock

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership
Directors(1)	
Claire S. Farley	17,730

Rakesh Gangwal	17,808
Richard R. Goodmanson	12,415
Edward E. Hagenlocker	12,572
George J. Harad	1,786,890
Gary G. Michael	17,731
A. William Reynolds	36,277
Francesca Ruiz de Luzuriaga	17,417
Jane E. Shaw	25,720
Carolyn M. Ticknor	10,500
Ward W. Woods	43,665
Other Named Executives(2)	
Christopher C. Milliken	225,928
Theodore Crumley	470,802
John W. Holleran	370,543
John C. Bender	258,637
All directors, nominees for director, and executive officers as a group (1)(2)(3)	3,775,400
*Less than 1% of class	

(1)

Beneficial ownership for the directors includes all shares held of record or in street name, plus options granted but unexercised under the Compensation Plan ("DSCP"), Director Stock Option Plan ("DSOP"), and Boise Incentive and Performance Plan ("BIPP"), described be page 9 under "Director Compensation." The number of shares subject to options under the DSCP included in the beneficial ownership ta follows: Ms. Farley, 5,558 shares; Ms. Ruiz de Luzuriaga, 3,917 shares; Ms. Shaw, 9,220 shares; and Messrs. Gangwal, 5,308 shares; G 2,915 shares; Hagenlocker, 72 shares; Michael, 2,741 shares; Reynolds, 9,777 shares; Woods, 17,165 shares; and directors as a group, 5 The number of shares subject to options under the DSOP included in the beneficial ownership table is as follows: Ms. Farley, 6,500 shar Luzuriaga, 9,500 shares; Ms. Shaw, 13,500 shares; Ms. Ticknor, 6,500 shares; and Messrs. Gangwal, 9,500 shares; Goodmanson, 6,500 Hagenlocker, 9,500 shares; Michael, 7,500 shares; Reynolds, 13,500 shares; Woods, 13,500 shares; and directors as a group, 96,000 sha number of shares subject to options under the BIPP included in the beneficial ownership table is as follows: Ms. Farley, 3,000 shares; M Luzuriaga, 3,000 shares; Ms. Shaw, 3,000 shares; Ms. Ticknor, 3,000 shares; and Messrs. Gangwal, 3,000 shares; Goodmanson, 3,000 s Hagenlocker, 3,000 shares; Michael, 3,000 shares; Reynolds, 3,000 shares; Woods, 3,000 shares; and directors as a group, 30,000 shares

(2)

The beneficial ownership for these executive officers includes all shares held of record or in street name, plus options previously granted unexercised under the Key Executive Stock Option Plan, which was replaced by the 2003 Boise Incentive and Performance Plan; interes common stock held in the Boise Cascade Common Stock Fund by the trustee of the company's Savings and Supplemental Retirement Pl defined contribution plan qualified under Section 401(a) of the Internal Revenue Code; deferred stock units held under the 2001 Key Ex Deferred Compensation Plan; and restricted stock granted under the 2003 Boise Incentive and Performance Plan. The executive officers restricted stock but may not sell or transfer it during the maximum three-year restriction period. For further information regarding vestin restricted stock, see footnote 4 under the "Summary Compensation Table." The following table indicates the nature of each executive's s and also shows the

number of shares of convertible preferred stock, Series D, held in the Employee Stock Ownership Plan ("ESOP") fund of the SSRP that included in the beneficial ownership table.

	Common Shares Owned	Unexercised Option Shares	Restricted Stock	Deferred Stock Units	SSRP (Common Stock)	(
George J. Harad	6,611	1,471,100	260,300	38,814	10,065	
Christopher C. Milliken	4,600	175,633	25,700	12,705	7,290	
Theodore Crumley	1,247	369,500	74,200	4,216	21,639	
John W. Holleran	79	292,800	60,000	12,165	5,499	
John C. Bender	132	200,400	40,100	18,005	0	
All executive officers as a group	14,685	2,871,258	528,400	103,917	45,305	

(3)

Our executive officers (individually or as a group) do not own more than 1% of the company's Series D Preferred Stock (ESOP).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and any person who owns 10% of a registered class of our equity securities, to file reports of holdings and transactions in Boise shares with the SEC and the N Stock Exchange. Based on our records and other information, we believe that in 2003 our directors and reporting officers met all ap filing requirements.

Ownership of More Than 5% of Boise Stock

As of December 31, 2003, the table below describes each person or entity that we know to be the beneficial owner of more tha class of our voting securities.

Name and Address of Beneficial Owner	Voting Power		Investment Power		Total Amount of Beneficial Ownership
	Sole	Shared	Sole	Shared	
<u>Common Stock, $2.50 Par Value</u>					
Morgan Stanley 1585 Broadway New York, NY 10036	0	6,500,801	0	6,500,801	6,681,059
Common Stock, $2.50 Par Value, and Common Stock Equivalents(1)					
State Street Bank and Trust Company 225 Franklin St. Boston, MA 02110	2,035,397	5,155,839	2,152,317	4,348,024	6,500,341
Convertible Preferred Stock, Series D(2)					
State Street Bank and Trust Company, as Trustee for the Boise Cascade Corporation Employee Stock Ownership Plan (ESOP) 225 Franklin St. Boston, MA 02110	0	4,117,827	0	4,117,827	4,117,827

(1) State Street Bank and Trust Company, as trustee for three of the company's defined contribution plans and for the Employee Stock Own ("ESOP") fund of the Savings and Supplemental Retirement Plan, reported on a Schedule 13G that it was the beneficial owner of 6,500, the company's common stock. This represents 3,191,379 shares of the company's common stock and 4,117,827 shares of the company's Preferred Stock, Series D (held by the ESOP). The shares of preferred stock held by the ESOP are convertible into approximately 3,308, common stock (using a conversion ratio of 1 share of preferred stock = .80357 common shares). Included in the reported shares were 1,0 of Boise common stock held by State Street as trustee for the company's defined contribution plans (approximately 15.98% of the total s These shares represent approximately 1.1% of the company's common stock outstanding as of December 31, 2003. The trustee, subject t instructions, has voting and investment authority for the shares held in the company's plans and for the ESOP shares. State Street Bank a Company has sole voting power for 2,035,397 shares and sole investment power for 2,152,317 shares not held as trustee for the compan plans.

(2) The shares of preferred stock held by the ESOP represent approximately 4.5% of the company's voting securities outstanding as of Dece For further information regarding the Series D preferred stock, see footnote (1) above.

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Compensation Tables

The following tables present compensation information for our chief executive officer and the five next most highly compensa
officers.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation Awards		
Name and Principal Position	**Year**	**Salary ($) (1)**	**Bonus ($) (2)**	**Other Annual Compensation($) (3)**	**Restricted Stock Awards ($) (4)**	**Securities Underlying Options/ SARs (#) (5)**	**A Comp**
George J. Harad,	2003	$ 1,000,008	$ 783,608	$	$ 6,835,637		$
Chairman and Chief	2002	1,000,008	882,807			335,700	
Executive Officer	2001	975,009	531,304			297,000	
Christopher C. Milliken,	2003	547,965	314,432		637,103		
Senior Vice President and	2002	531,600	368,678			61,700	
Chief Executive Officer, Boise Office Solutions	2001	508,377	238,032			61,900	
Theodore Crumley,	2003	462,204	247,288		1,839,418		
Senior Vice President and	2002	456,654	265,213			86,700	
Chief Financial Officer	2001	430,003	151,933			72,600	
John W. Holleran,	2003	412,008	204,886		1,487,400		
Senior Vice	2002	409,008	236,410			60,300	
President, Human Resources and General Counsel	2001	388,506	138,123			52,900	
John C. Bender,	2003	394,608	216,623		994,079		
Senior Vice President,	2002	392,208	226,426			44,000	
Boise Building Solutions	2001	369,756	132,943			52,900	

(1) Includes amounts deferred under the company's SSRP and 2001 Key Executive Deferred Compensation Plan.

(2) Payments, if any, under the company's variable incentive compensation program. See "Annual Variable Incentive Compensation (Bonus
The amounts reported for Mr. Milliken in 2001 and 2002 include $60,375 and $60,375, respectively, earned under the Boise Cascade Of
Corporation (BCOP) Key Executive Retention and Incentive Plan, which was adopted by the company in connection with its repurchase
outstanding minority interest in 2000. As a result of regulatory changes that affected the company's existing split-dollar life program for
officers, Boise elected to terminate this benefit plan for the named executives in 2003. For 2003, the company made a special, one-time
named executives that allowed them, if they so chose, to pay directly the 2003 annual premium payment for the split-dollar life policy in
maintain coverage while other life insurance alternatives were pursued. The amounts reported for Messrs. Harad, Crumley, Holleran, an
$116,403, $46,830, $26,198, and $35,482, respectively.

(3) The amounts, if any, shown in this column reflect the amount of federal income tax incurred by the named executive and paid by the co
to various executive officer benefits. The cost incurred by the company during these years for various other perquisites provided to each
executive officers is not included in this column, because the amount did not exceed the lesser of $50,000 or 10% of the executive's com
during each year.

(4) Awards under the company's long-term incentive compensation program. See "Long-Term Incentive Compensation (Restricted Stock A
page 18. The dollar values shown in this column are based on our closing stock price on the date of grant. Messrs. Milliken, Crumley, H

Bender were granted 25,700, 74,200, 60,000, and 40,100 shares of restricted stock, respectively, on July 31, 2003. The closing price of B
stock on that date was $24.79. Some or all of these shares may vest prior to July 31, 2006 (but no earlier than January 31, 2005), if key p
goals are met. The performance goals include both stock price appreciation and cash flow requirements. The stock price performance ob
four share price appreciation levels. If the share price trades at or above the price level for 10 consecutive trading days, 25% of the grant
accelerated vesting for each level that is achieved, but in no case sooner than January 31, 2005. The cash flow

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performance goal restricts the number of shares that can vest in any year (on a fair market value basis) to a specified percentage of the co
flow for the prior year. Shares that would have otherwise vested according to the terms of the award but do not vest due to this restrictio
forfeited. The cash flow performance goals do not apply to any shares that vest pursuant to a change in control.

Mr. Harad was granted 140,300 shares of restricted stock on July 31, 2003, and an additional 120,000 shares of restricted stock on Octob
The closing price of Boise's common stock on July 31, 2003, was $24.79, and the closing price of Boise's common stock on October 17,
$27.98. Each of Mr. Harad's grants is subject to the same performance-based vesting schedule applicable to Messrs. Milliken, Crumley,
Bender, as described in the immediately preceding paragraph. In addition, Mr. Harad's October 17 grant is subject to additional performa
related to the timely acquisition and integration of OfficeMax and the evaluation of strategic alternatives for the company's paper and bu
businesses. Before any shares may vest, Boise's Executive Compensation Committee must determine, in its sole and absolute discretion,
Mr. Harad has satisfied these additional performance criteria. Depending on that determination, the committee may maintain the full am
granted shares or reduce the number of shares that will vest to a lesser amount, including a reduction to zero.

As of December 31, 2003 (based on a closing price of Boise's common stock on that date of $32.86), Mr. Harad's 260,300 restricted sha
of $8,553,458; Mr. Milliken's 25,700 restricted shares had a value of $844,502; Mr. Crumley's 74,200 restricted shares had a value of $2
Mr. Holleran's 60,000 restricted shares had a value of $1,971,600; and Mr. Bender's 40,100 restricted shares had a value of $1,317,686.
accrue on these restricted shares and are paid at vesting.

(5) Grants under the company's Key Executive Stock Option Plan.

(6) Amounts disclosed in this column include the following:

Name	Year	Company Matching Contributions to the Executive Officer Deferred Compensation or SSRP Plans ($)(*)	Above-Market Accruals of Interest on Executive Officer Deferred Compensation Plans Balances ($)	Company Allocations to the Employee Stock Ownership Plan ($)	Compa Paid Por of Execu Officer Insura Progran
George J. Harad	2003	$ 153,838	$ 82,688	$	$
	2002	114,952	81,315		
	2001	82,090	71,536		
Christopher C. Milliken	2003	73,860	42,023		
	2002	42,968	42,535		
	2001	20,936	34,655		
Theodore Crumley	2003	31,510	37,570		
	2002	26,498	35,056		
	2001	20,747	29,990		
John W. Holleran	2003	39,291	31,131		
	2002	32,842	30,113		
	2001	27,474	25,389		
John C. Bender	2003	60,176	22,642		
	2002	49,348	24,245		
	2001	37,606	17,068		

(*)
The company's 2001 Key Executive Deferred Compensation Plan, into which the accrued account balances under its previous deferred c plans were merged (with the exception of some of the accrued account balances under the 1982 Executive Officer Deferred Compensati unfunded plan. Under this plan, executive officers may irrevocably elect to defer receipt of a portion (6% to 25%) of their base salary an termination of employment or beyond. For amounts deferred through December 31, 2003, a participant's account is generally credited w interest at a rate equal to 130% of Moody's Composite Average of Yields on Corporate Bonds or with stock units. Each stock unit is equ one share of the company's common stock. The company makes an additional contribution to each participant's stock unit account equal participant's contribution. In addition, participants may choose to receive their company matching contribution (normally made to each p SSRP ESOP Fund) in either Boise's deferred compensation plan or its SSRP. The matching contribution is equal to $.70 on the dollar ($ dollar for Boise Office Solutions participants) up to the first 6% of eligible compensation. The company's SSRP is a profit-sharing plan Section 401(a) of the Internal Revenue Code that contains a cash or deferred arrangement meeting the requirements of Section 401(k) of

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Stock Option Table

This table sets forth the shares acquired and gross value (without adjustment for personal income taxes and fees, if any) realiz five executives when they exercised their stock options during 2003 and also states the year-end gross value of unexercised stock o these executives.

Aggregate Option/SAR Exercises for 2003 and 2003 Option/SAR Values

Name	Shares Acquired Upon Exercise	Value Realized(1)	Number of Securities Underlying Unexercised Options/SARs at 12/31/03(#) Exercisable/ Unexercisable	Value of Unexe In-the-Mon Options/SA at 12/31/03 Exercisab Unexercisab
George J. Harad	39,200	$ 154,856	1,471,100/0	$
Christopher C. Milliken			175,633/0	
Theodore Crumley	9,300	34,410	369,500/0	
John W. Holleran	12,800	47,921	292,800/0	
John C. Bender			200,400/0	

(1)
The "value realized" represents the difference between the option's exercise price and the value of the company's common stock at the ti

(2)
This column indicates the aggregate amount, if any, by which the common stock share price on December 31, 2003, $32.86, exceeded th exercise price.

Equity Compensation Plan Information

Our shareholders have approved all the company's equity compensation plans, including the Director Stock Compensation Pla 2003 Boise Incentive and Performance Plan (BIPP). These plans are designed to further align our directors' and management's inter company's long-term performance and the long-term interests of our shareholders. In 2003, our shareholders also approved an amen increasing the number of shares of common stock available for issuance under the BIPP.

The following table summarizes the number of shares of our common stock that may be issued under our equity compensatio
December 31, 2003.

Equity Compensation Plan Information

Plan Category(*)	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants, and Rights(#)	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights ($)	Number of Securities Available for Future Issu Under Equity Comp Plans (Excluding S Reflected in the First
Equity compensation plans approved by security holders	8,457,888	$ 32.16	
Equity compensation plans not approved by security holders			
Total	8,457,888	$ 32.16	

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(*)

The number of securities to be issued upon the exercise of outstanding options, warrants, and rights also includes options previously gra Director Stock Option Plan and 1984 Key Executive Stock Option Plan. Both of these plans were replaced by the Boise Incentive and Pe Plan. Neither (a) interests in shares of common stock in the Boise Cascade Common Stock Fund or Series D Preferred Stock in the Emp Ownership Plan (ESOP) fund held by the trustee of the company's 401(k) Savings and Supplemental Retirement Plan nor (b) the deferre component of the company's 2001 Key Executive Deferred Compensation Plan is included in this table. For information regarding the n of common stock and ESOP preferred stock held by the 401(k) trustee, see "Ownership of More Than 5% of Boise Stock" on page 23. F regarding the deferred stock unit component of our DCP, see the "Summary Compensation Table" on page 24. As of December 31, 200 158,667 stock units outstanding in the deferred stock unit component of the DCP.

Other Benefit Plans

Deferred Compensation

Under our 1982 Executive Officer Deferred Compensation Plan, executive officers elected before January 1, 1987, could defe and 10% of their total compensation earned during a period of four years. In addition, each participant could elect to have an amou of his or her compensation imputed to deferrals under the plan in lieu of matching contributions to the Savings and Supplemental R Plan ("SSRP"). This plan is not funded, and its cost is largely offset by participant salary deferrals.

The benefit payable to each participant under this plan upon retirement at age 65 is determined by the amount of salary deferre amount we have contributed, and the number of years to normal retirement age at the time of contribution. We pay the benefits in e installments up to 15 years. Participants may also elect to receive their accrued balance in a lump sum, but they will incur a 10% pe be suspended from making contributions to any of our deferred compensation plans for a period of 12 months.

The following table outlines the contributions and benefits under this plan for Mr. Harad as of December 31, 2003. Mr. Harad one of our named executive officers to participate in this plan.

Name	Projected Years of Service Upon Attainment of Age 65	Participant's Total Contribution	Annua at A

George J. Harad	38	$	87,225	$

Pension Plan

In 2003, we amended our defined benefit pension plan. The pension plan previously entitled each vested employee, including officers, to receive a pension benefit at normal retirement (age 65) equal to 1.25% of the average of the highest five consecutive ye compensation out of the last 10 years of employment, multiplied by the employee's years of service.

Our pension plan now entitles each vested employee, including executive officers, to receive a pension benefit at normal retire to:

1.25% of the average of the highest five consecutive years of compensation (as defined in the plan) out of the la employment, multiplied by the participant's years of service through December 31, 2003, ***plus***

1% of the average of the highest five consecutive years of compensation (as defined in the plan) out of the last employment multiplied by the participant's years of service after December 31, 2003.

The following table reflects estimated annual benefits payable based on various compensation and years of service combinatio

Pension Plan Table

	Years of Service				
Remuneration	**15**	**20**	**25**	**30**	**35**
$ 300,000	$ 56,250	$ 75,000	$ 93,750	$ 112,500	$ 131,250
400,000	75,000	100,000	125,000	150,000	175,000
500,000	93,750	125,000	156,250	187,500	218,750
600,000	112,500	150,000	187,500	225,000	262,500
700,000	131,250	175,000	218,750	262,500	306,250
800,000	150,000	200,000	250,000	300,000	350,000
900,000	168,750	225,000	281,250	337,500	393,750
1,000,000	187,500	250,000	312,500	375,000	437,500
1,200,000	225,000	300,000	375,000	450,000	525,000
1,400,000	262,500	350,000	437,500	525,000	612,500
1,600,000	300,000	400,000	500,000	600,000	700,000

Benefits under the plan for existing Boise Office Solutions participants, including executive officers, were frozen as of Decem with one additional year of service granted to those participants on January 1, 2004, based on a 1% (rather than 1.25%) formula. Ef November 1, 2003, new employees, rehired employees, or hourly employees who transfer to a salaried position are not eligible to p the Boise Cascade Corporation Pension Plan for Salaried Employees.

Under the plan, "compensation" is the employee's base salary plus any amounts earned under the company's variable incentive compensation programs (only "Salary" and "Bonus" from the Summary Compensation Table). As of December 31, 2003, the avera highest five consecutive years of compensation for 1994 through 2003 and the years of service for the named executives are as foll

Name		Compensation	Years
George J. Harad	$	1,533,684	
Christopher C. Milliken		744,375	
Theodore Crumley		593,506	
John W. Holleran		526,577	
John C. Bender		456,920	

As shown in the Pension Plan Table above, benefits are computed on a straight-life annuity basis and are not offset by social s other retirement-type benefits. An employee is 100% vested in his or her pension benefit after five years of service, except for brea If an employee is entitled to a greater benefit under the plan's formula than the Internal Revenue Code allows for tax-qualified plan benefits will be paid from the company's general assets under the unfunded Supplemental Pension Plan. The Supplemental Pension also provide payments to the extent that participation in the deferred compensation plans has the effect of reducing an individual's p benefit under the qualified plan.

In the event of a change in control (as defined in the plan), the plan restricts our ability or our successor's ability to recoup sur assets, if any exist. In general, after a change in control, the participants and beneficiaries will receive the plan's surplus assets, if an rata basis if the plan is terminated, merged, or consolidated with another plan, or the assets are transferred to

another plan. After a change in control, a majority (in both number and interest) of plan participants and beneficiaries must consent provision.

Supplemental Early Retirement Plan

The Supplemental Early Retirement Plan applies to executive officers:

- 55 years old or older;
- who have ten or more years of service;
- who have served as an executive officer for at least five full years; and
- who retire before age 65.

Eligible officers receive an early retirement benefit prior to age 65 equal to the benefit calculated under the Pension Plan for S Employees without reduction due to the officer's early retirement.

Executive Officer Agreements

Our executive officers have agreements that formalize their severance benefits if the executive officer is terminated after a cha of the company (as defined in the agreement). The agreements provide severance benefits and protect other benefits that the officer already earned or reasonably expect to receive under our employee benefit plans. The officer will receive the benefits provided und agreement if, after a change in control, the officer's employment is terminated other than for cause or disability (as defined in the ag if the officer terminates employment after actions (as specified in the agreement) that adversely affect the officer are taken. Under t the officer must remain employed with us for six months following the first potential change in control.

These agreements help ensure that we will have the benefit of these officers' services without distraction in the face of a poten control. The board of directors believes that the agreements are in the best interests of our shareholders and the company.

The benefits under the agreements include:

- the officer's salary through the termination date;

- severance pay equal to three times the officer's annual base salary and target incentive pay, less any severance p officer receives under the severance pay policy for Executive Officers, which is currently the amount of the off base salary;

- pay for accrued but unused time off according to our "Your Time Off" policy;

- any earned but unpaid bonus under the Boise Incentive and Performance Plan (or any substitute plan) for the ye termination;

- an award under the Boise Incentive and Performance Plan (or any substitute plan) equal to the greater of:

  (a) the officer's target award prorated through the month in which the officer is terminated; or

  (b) the actual award through the end of the month prior to termination based upon the award criteria for t plan, prorated through the month in which the officer is terminated;

- additional pension benefits, including immediate eligibility under the Supplemental Early Retirement Plan, witl additional years of age and service granted to vice presidents and

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three additional years of age and service granted to senior vice presidents and higher (not applicable to Boise O Solutions executive officers); and

- other employee benefits.

The agreements provide four additional benefits. First, we will maintain for up to one year for vice presidents and up to three y senior vice presidents and higher all employee benefit plans and programs in which the officer was entitled to participate immediate termination, or we will substitute similar arrangements. Second, we will pay premiums for our supplemental life insurance plan for following a change in control of the company. Third, if there is a dispute, we will pay reasonable legal fees and expenses that the o to enforce his or her rights or benefits under the agreement. Fourth, we will increase the officer's total payments under the agreeme any excise taxes imposed by the Internal Revenue Service as a result of such payments.

The estimated amount of payments and other benefits (not including legal fees, if any) each named executive officer would rec the agreement based on 2003 compensation figures (in excess of the benefits to which the officer is entitled without the agreement)

George J. Harad	$	8,793,057
Christopher C. Milliken		3,704,481
Theodore Crumley		3,421,086
John W. Holleran		3,832,390
John C. Bender		3,137,893

(Payments that would be made subsequent to the termination date have been discounted as of December 31, 2003, at a rate of 4.22% to the requirements of Section 280G of the Internal Revenue Code.) Actual payments made under the agreements at any future date depending in part upon what the executive has accrued under the variable compensation plans and benefit plans and upon the mark common stock.

Each agreement is effective until December 31, 2006. The agreements are automatically extended each January 1 for a new th
period, unless we notify the officers by September 30 of the preceding year that we do not wish to extend the agreements.

Deferred Compensation and Benefits Trust

The company has established a deferred compensation and benefits trust. The trust will not increase the benefits to which any participant is entitled under the covered plans and agreements. If a potential change in control or an actual change in control of Boi in the plans and the agreements) occurs, the trust will be funded at the discretion of Boise's Executive Compensation Committee. If in fact, funded, it will pay benefits to participants and beneficiaries under our nonqualified and unfunded deferred compensation pl executive officer agreements in accordance with the plans and agreements. The trustee will receive fees and expenses either from u trust assets. If the company becomes bankrupt or insolvent, the trust assets will be accessible to the claims of the company's credito

Indemnification

To the extent that Delaware law permits, we will indemnify our directors and officers against liabilities they incur in connectio or threatened proceedings to which they are or may become parties and that arise from their status as directors and officers. We ins stated limits, the directors and officers against these liabilities. The aggregate premium on the insurance policies for 2003 was $1,0

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Corporate Governance

We maintain a corporate governance page on our website that includes key information about our corporate governance initiat information includes our Corporate Governance Guidelines, Code of Ethics, and charters for our Audit, Executive Compensation, a Governance and Nominating Committees, as well as our Committee of Outside Directors. The corporate governance page can be fo www.bc.com, by clicking on "Investor Relations," and then "Corporate Governance." You also may obtain copies of these policies contacting our Corporate Communications Department, 1111 West Jefferson Street, PO Box 50, Boise, Idaho 83728, or by calling 208/384-7990.

Our policies and practices reflect corporate governance initiatives that comply with the New York Stock Exchange listing requ the corporate governance requirements of the Sarbanes-Oxley Act, including:

- our board of directors adopted clear corporate governance policies, including independence standards for deter director independence;
- with the exception of Mr. Harad, our chairman and CEO, Boise's board has determined that all our directors me independence requirements of the New York Stock Exchange;
- all members of our Audit, Executive Compensation, and Governance and Nominating Committees are indepen
- our board committee charters clearly establish their respective roles and responsibilities;
- our non-management directors meet at least twice a year without management present, under the direction of ou director;
- we have a Code of Ethics that applies to all Boise's officers, directors, employees, associates, and agents and to that we own or manage;

our internal audit function maintains critical oversight over the key areas of our business, financial processes, a and reports regularly to our Audit Committee;

we have a toll-free reporting service available that permits employees to report violations of our Code of Ethics issues of significant concern on a confidential basis; and

callers on our toll-free reporting service may request that an issue relating to accounting, internal accounting, in controls, or auditing be reported to the Audit Committee.

Other Information

Shareholder Proposals for the 2005 Annual Meeting

If you wish to submit a proposal to be included in our 2005 proxy statement, we must receive it no later than November 12, 20

All other proposals to be presented at the meeting must be delivered to our corporate secretary, in writing, no later than Januar According to our Bylaws, your notice must include:

a brief description of the business you wish to bring before the meeting and the reasons for conducting the busi meeting;

your name and address;

the class and number of shares of our stock that you beneficially own; and

any material interest you have in the business to be brought before the meeting.

The chairperson of the meeting may disregard any business not properly brought before the meeting according to our Bylaws.

Shareholder Nominations for Directors

If you wish to suggest a nominee for the Governance and Nominating Committee's consideration, write to Karen E. Gowland, president and corporate secretary, 1111 West Jefferson Street, PO Box 50, Boise, Idaho 83728. You should describe in detail your nominee's qualifications and other relevant biographical information and indicate whether the proposed nominee is willing to accep

The Governance and Nominating Committee will consider director nominees from shareholders for election at the annual shar meeting if our corporate secretary receives a written nomination not less than 30 days or more than 60 days in advance of the meeti According to our Bylaws, your notice of nomination must include:

your name and address;

each nominee's name, age, and address;

each nominee's principal occupation or employment;

the number of shares of our stock that the nominee beneficially owns;

the number of shares of our stock that you beneficially own;

any other information that must be disclosed about nominees in proxy solicitations under Regulation 14A of th
Exchange Act of 1934; and

each nominee's executed consent to serve as our director if elected.

The chairperson of the meeting may disregard any nomination not made in accordance with the above procedures.

Boise's Annual Report on Form 10-K

We are mailing you our 2003 Form 10-K with this proxy statement. Additional copies of our Annual Report on Form 10-K ca
at no charge from our Corporate Communications Department, 1111 West Jefferson Street, PO Box 50, Boise, Idaho 83728, 208/3
SEC filings, including our 2003 Form 10-K, are available online, at no charge, at www.bc.com, Investor Relations, SEC filings, or
Securities and Exchange Commission's website at www.sec.gov.

We request that you promptly sign, date, and return the enclosed proxy so that it will be available for use at the meeting.

Karen E. Gowland
Vice President
and Corporate Secretar

March 8, 2004

APPENDIX A
Audit Committee Charter

RESOLVED THAT: Pursuant to Section 23 of the corporation's Bylaws, the Board of Directors hereby adopts the following c
Audit Committee ("Committee") of the Board of Directors. This charter shall govern the Committee's scope of responsibility and a

1. *Purpose*: The Board established this Committee to oversee the company's accounting and financial reporting processes, s
internal controls, and the audits of the company's financial statements. The Committee shall also assist the Board in the o
the company's compliance with legal and regulatory requirements; the independence, performance, and qualifications of t
independent auditor; and the performance of the company's internal audit function.

2. *Committee Membership*: The Committee shall consist of at least five members. All members of the Committee shall mee
independence requirements for audit committee members as established by the New York Stock Exchange. The members
Committee shall be appointed by the independent members of the Board on the recommendation of the Governance and
Committee and may be removed by the Board in its discretion. All members shall have sufficient financial experience an
enable them to discharge their responsibilities and at least one member of the Committee must be a financial expert, as th
defined by the Securities and Exchange Commission.

3.

Committee Authority and Responsibilities. The Committee shall:

3.1 Discuss with management and the independent auditor the annual audited financial statements and quarterly financ including matters required to be reviewed under applicable legal, regulatory, or New York Stock Exchange require

3.2 Discuss with management and the independent auditor, as appropriate, earnings press releases, analyst guidance, ar financial information provided to the public;

3.3 Recommend, for shareholder approval, the independent auditor to examine the company's accounts, controls, and fi statements. The Committee shall have the sole authority and responsibility to select, terminate, and determine the c of the independent auditor. The Committee or an authorized Committee member must preapprove any audit and pe nonaudit service provided to the company by the company's independent auditor;

3.4 Discuss with management and the independent auditor, as appropriate, any audit problems or difficulties and mana response and the company's risk assessment and risk management policies, including the company's major financia exposure and steps taken by management to monitor and mitigate such exposure;

3.5 Review the company's financial reporting and accounting standards and principles, significant changes in such stan principles or in their application, and the key accounting decisions affecting the company's financial statements, inc alternatives to, and the rationale for, the decisions made;

3.6 Review and approve the internal corporate audit staff functions, including: (i) purpose, authority, and organizationa lines and (ii) annual audit plan, budget, and staffing;

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3.7 Review, with the chief financial officer, the controller, the director of internal corporate audit functions, or such oth Committee deems appropriate, the company's internal system of audit, financial, and disclosure controls and the res internal audits;

3.8 Obtain and review at least annually a written report from the independent auditor delineating: the auditing firm's in control procedures; any material issues raised within the preceding five years by the auditing firm's internal quality review, by peer reviews of the firm, or by any governmental or other inquiry or investigation relating to any audit c the firm. The Committee will also review steps taken by the auditing firm to address any findings in any of the fore reviews. Also, to assess auditor independence and the absence of conflicts of interest, the Committee will review at annually all relationships between the independent auditor and the company;

3.9 Prepare and publish an annual Committee report in the company's proxy statement;

3.10 Set policies for hiring employees or former employees of the company's independent auditor;

3.11 Review and investigate matters pertaining to the integrity of management, including conflicts of interest or adheren ethics as required in the policies of the company. In connection with these reviews, the Committee will meet, as de appropriate, with the general counsel and other company officers and employees; and

3.12 Establish procedures concerning the submissions, receipt, retention, and treatment of complaints and concerns rega accounting, internal accounting controls, or audit matters.

4.

Committee Procedure:

4.1 The Committee shall review and reassess this Charter annually and recommend any proposed changes to the Board.

4.2 The Committee will meet as often as necessary, but not less than quarterly, to carry out its responsibilities. The Comm meet separately with management, with the corporate audit staff, and with the company's independent auditors. The m be called by the Committee chair, the chairman of the Board, or the CEO.

4.3 The Committee shall keep minutes and shall report Committee activities to the Board.

4.4 The Committee shall annually review its own performance.

4.5 The Committee shall have the authority to retain any accounting firm to assist it in the carrying out of its responsibiliti have sole authority to approve the firm's fees and the other terms and conditions of the firm's retention. The Committe have the authority to obtain advice and assistance from internal or external legal, accounting, or other advisors as it de appropriate.

4.6 The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, f personnel of the company.

4.7 This standing resolution will remain in effect until it is duly modified or rescinded. This supersedes all prior board or resolutions with respect to this subject matter.

This Notice and Proxy Statement is printed on Lightweight Opaque paper produced by
Boise's papermakers at our St. Helens, Oregon, mill.

ANNUAL MEETING OF SHAREHOLDERS, APRIL 15, 2004

PROXY FOR THE
CONVERTIBLE PREFERRED STOCK, SERIES D

BOISE CASCADE CORPORATION

1111 West Jefferson Street
P.O. Box 50
Boise Idaho 83728-0001

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The trustee signing this card appoints George J. Harad, John W. Holleran, and Karen E. Gowland as proxies, each with the power t substitute. They are directed to vote all the shares of Boise Cascade Corporation stock held of record by the trustee on February 23, company's annual meeting to be held on April 15, 2004, and at any adjournment of that meeting. They are also given discretionary vote on any other matters that may properly be presented at the meeting.

The Board of Directors recommends a vote **FOR** all nominees listed below, **FOR** proposal 2, and **AGAINST** proposal 3.

1. Election of Directors: **Claire S. Farley** **Rakesh Gangwal** **Gary G. Michael** **A. William Reynolds**

	FOR	WITHHOLD
Claire S. Farley		
Rakesh Gangwal		

Gary G. Michael

A. William Reynolds

2. Appointment of KPMG LLP as independent accountants for 2004:

SHARES FOR:	SHARES AGAINST:	SHARES ABSTAINING:

3. Shareholder proposal regarding separation of position of chairman of the board and chief executive officer:

SHARES FOR:	SHARES AGAINST:	SHARES ABSTAINING:

This proxy will be voted according to your instructions. If you sign and return this proxy but do not vote on these matters, t nominees and proposal 2 will receive FOR votes and proposal 3 will receive an AGAINST vote. You, as trustee, must sign a this proxy for the Plan shares to be counted.

This proxy provides voting authority for all holdings of Boise Cascade Corporation Convertible Preferred Stock, Series D (ESOP).

Please sign exactly as the name appears below, including your full title as trustee.

STATE STREET BANK AND TRUST COMPANY, as trustee for the Boise Cascade Corporation Savings and Supplemental Retirement Plan and Employee Stock Ownership Plan. ____ Shares

Date: April __, 2004

Signature of Trustee ______________________

Forward this form to Corporate Election Services,
P.O. Box 1150, Pittsburgh, PA 15230-9954

2

Dear Shareholder:

The Boise Cascade Corporation annual meeting of shareholders will be held in the company's corporate headquarters building in B 2 p.m., Mountain daylight time, April 15, 2004. Shareholders of record on February 23, 2004, are entitled to vote by proxy, before meeting.

Shareholders of record, including those holding shares in the Dividend Reinvestment Plan, may use the proxy card at the bottom of designate proxies. As "named fiduciaries," participants in the Boise Cascade Corporation stock funds of the employee savings plan use this proxy card to instruct the plan trustee on how to vote. The trustee will vote any shares in the employee savings plans that ar unallocated in the same proportion as the shares voted by the participants.

Corporate Election Services, Inc., an independent tabulator, will receive and tabulate individual proxy/voting instruction cards.

Please indicate your voting preferences on the card, **sign** and **date** the card, and return it to the independent tabulator in the envelo **Your votes are confidential.**

Thank you.

(fold and tear along perforation)

PROXY AND VOTING INSTRUCTION CARD

Boise Cascade
Annual Meeting of
A

THIS PROXY AND THESE INSTRUCTIONS ARE SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The shareholder signing this card appoints George J. Harad, John W. Holleran, and Karen E. Gowland as proxies, each with the power to appoint a are directed to vote (as indicated on the reverse side of this card) all the shareholder's Boise Cascade Corporation stock held on February 23, 2004, company's annual meeting to be held on April 15, 2004, and at any adjournment of that meeting. They are also given discretionary authority to vote matters that may properly be presented at the meeting. If the shareholder is a current or former company employee, this card also provides voting in the Trustee for shares held in any company employee savings plans.

This proxy will be voted according to your instructions. If you sign and return the card but do not vote on these matters, then the nominees and prop receive **FOR** votes and proposal 3 will receive an **AGAINST** vote.

Signature of Shareholder

Signature of Shareholder

You must sign as your name appears in the account registration prin
Forward this card to Corporate Election Services,
P.O. Box 1150, Pittsburgh, PA 15230

Printed on Boise's 65# card stock.

PROXY AND VOTING INSTRUCTION CARD

Boise Cascade
Annual Meeting of
A

The Board of Directors recommends a vote FOR all nominees listed below.

1. Election of Directors: **Claire S. Farley**, **Rakesh Gangwal**, **Gary G. Michael**, **A. William Reynolds**

o FOR all nominees (except as you may indicate otherwise)

o WITHHOLD AUTHORITY for all nominees

o WITHHOLD AUTHORITY for the following nominee(s) only:

	Directors Recommend		
2. Appointment of KPMG LLP as independent accountants for 2004.	***FOR***	FOR o	AGAINST o
3. Shareholder proposal regarding separation of position of chairman of the board and chief executive officer.	***AGAINST***	FOR o	AGAINST o

PROXY

Annual Meeting of Shareholders, April 15, 2004
1111 West Jefferson Street (83702) PO Box 50 Boise, Idaho 83728

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.
The shareholder signing this card appoints George J. Harad, John W. Holleran, and Karen E. Gowland as proxies, each with the power to appoint a are directed to vote all the shareholder's Boise Cascade Corporation stock held on February 23, 2004, at the company's annual meeting to be held o 2004, and at any adjournment of that meeting. They are also given discretionary authority to vote on any other matters that may properly be present meeting.

The Board of Directors recommends a vote FOR all nominees listed below, FOR proposal 2, and AGAINST proposal 3.

1. **Election of Directors:** **Claire S. Farley**, **Rakesh Gangwal**, **Gary G. Michael**, **A. William Reynolds**

o FOR all nominees (except as you may indicate otherwise)

o WITHHOLD AUTHORITY for all nominees

WITHHOLD AUTHORITY for the following nominee(s) only

2. **Appointment of KPMG LLP as independent accountants for 2004.** **o FOR** **o AGAINST** **o A**

3. **Shareholder proposal regarding separation of position of chairman of the board and chief executive officer.** **o FOR** **o AGAINST** **o A**

This proxy will be voted according to your instructions. If you sign and return the card but do not vote on these matters, th nominees and proposal 2 will receive FOR votes and proposal 3 will receive an AGAINST vote.

This card provides voting authority for all beneficial holdings of Boise Cascade Corporation shares.

Please sign exactly as your name appears below and date this card. When shares are held by joint tenants, both should sign. When s attorney, executor, administrator, trustee, or guardian, give full title as such. When signing as a corporation, sign in full corporate n authorized officer. When signing as a partnership, sign in partnership name by an authorized person.

Signature of Shareholder Date

Signature of Shareholder Date

Forward this card to D. F. King (solicitor) or to Corporate Election Services (independent tabulator), P.O. Box 1150, Pittsburgh, PA 15230

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