

BOISE INC.  
Form 10-Q  
May 05, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 10-Q**

**x**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR  
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2009**

OR

**o**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR  
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 001-33541**

**Boise Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**20-8356960**

(I.R.S. Employer Identification No.)

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1111 West Jefferson Street, Suite 200  
Boise, Idaho 83702-5388

(Address of principal executive offices) (Zip Code)

(208) 384-7000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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

Class	Shares Outstanding as of April 30, 2009
Common Stock, \$.0001 Par Value	84,481,557

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All reports we file with the Securities and Exchange Commission (SEC) are available free of charge via the Interactive Data Electronic Applications (IDEA) System through the SEC website at [www.sec.gov](http://www.sec.gov). We also provide copies of our SEC filings at no charge upon request and make electronic copies of our reports available through our website at [www.boiseinc.com](http://www.boiseinc.com) as soon as reasonably practicable after filing such material with the SEC.

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Boise Inc.****Consolidated Statements of Income (Loss)**

(unaudited, in thousands, except share and per-share data)

	<b>Boise Inc.</b>		<b>Predecessor</b>
	<b>Three Months Ended March 31, 2009</b>	<b>Three Months Ended March 31, 2008</b>	<b>January 1 Through February 21, 2008</b>
<b>Sales</b>			
Trade	\$ 484,868	\$ 226,044	\$ 258,430
Related parties	15,417	1,944	101,490
	500,285	227,988	359,920
<b>Costs and expenses</b>			
Materials, labor, and other operating expenses	413,139	195,429	313,931
Fiber costs from related parties	5,703	18,629	7,662
Depreciation, amortization, and depletion	31,972	12,747	477
Selling and distribution expenses	13,782	5,943	9,097
General and administrative expenses	10,373	4,549	6,606
St. Helens mill restructuring	3,648		
Other (income) expense, net	239	(28)	(989)
	478,856	237,269	336,784
<b>Income (loss) from operations</b>	<b>21,429</b>	<b>(9,281)</b>	<b>23,136</b>
Foreign exchange gain (loss)	(678)	(853)	54
Change in fair value of interest rate derivatives	(132)		
Interest expense	(22,154)	(11,435)	(2)
Interest income	54	1,821	161
	(22,910)	(10,467)	213
<b>Income (loss) before income taxes</b>	<b>(1,481)</b>	<b>(19,748)</b>	<b>23,349</b>
Income tax (provision) benefit	565	3,377	(563)
<b>Net income (loss)</b>	<b>\$ (916)</b>	<b>\$ (16,371)</b>	<b>\$ 22,786</b>
<b>Weighted average common shares outstanding:</b>			
<b>Basic and diluted</b>	<b>77,491,233</b>	<b>62,682,834</b>	
<b>Net income (loss) per common share:</b>			
<b>Basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.26)</b>	<b>\$</b>

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See accompanying notes to unaudited quarterly consolidated financial statements.

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**Boise Inc.**  
**Consolidated Balance Sheets**  
(unaudited, in thousands)

	March 31, 2009	Boise Inc.	December 31, 2008
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 27,510		\$ 22,518
Receivables			
Trade, less allowances of \$979 and \$961	183,606		220,204
Related parties	2,532		1,796
Other	5,805		4,937
Inventories	309,952		335,004
Deferred income taxes	8,791		5,318
Prepaid and other	7,638		6,289
	545,834		596,066
<b>Property</b>			
Property and equipment, net	1,250,219		1,262,810
Fiber farms and deposits	14,496		14,651
	1,264,715		1,277,461
<b>Deferred financing costs</b>	69,718		72,570
<b>Intangible assets, net</b>	34,425		35,075
<b>Other assets</b>	6,454		7,114
<b>Total assets</b>	<b>\$ 1,921,146</b>		<b>\$ 1,988,286</b>

See accompanying notes to unaudited quarterly consolidated financial statements.

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**Boise Inc.**  
**Consolidated Balance Sheets (continued)**  
(unaudited, in thousands, except share data)

**Boise Inc.**  
**March 31,**  
**2009**