



News Release

Media Contact

Bob Anderson
Office 218 285 5312 Cell 218 240 4233

For Immediate Release: July 13, 2006

BOISE SIGNS DEFINITIVE AGREEMENT TO SELL MD&W RAILWAY

Watco Companies, Inc. to purchase stock of Boise's railway in International Falls, Minnesota

INTERNATIONAL FALLS, Minnesota -- Boise Cascade announced today that the company has reached a definitive agreement to sell the stock of its Minnesota, Dakota & Western (MD&W) railway in International Falls, Minnesota, to Watco Companies, Inc. The sale of the railway will include MD&W's portion of the International Bridge, a rail and toll bridge that links the communities of International Falls and Fort Frances, Ontario, Canada. Abitibi Consolidated will continue to own the Canadian portion of the bridge. The sale is subject to the approval of both company's boards of directors and is expected to close by the end of August 2006.

"We are pleased about the sale of MD&W to Watco," says Brett Norseth, director of transportation. "We have had a relationship with Watco for over 20 years including service at our paper mills in DeRidder, Louisiana, and Wallula, Washington, and we know Watco will provide quality service to its customers and maintain the high standards of MD&W." MD&W includes four miles of mainline railway and 20 miles of track used for internal purposes at the Boise mill in International Falls. In addition to Boise, the railway serves Abitibi Consolidated and several local enterprises. After the sale, Watco is committed to providing long-term freight service to the facilities currently serviced by MD&W.

Originally established in 1910, MD&W was purchased by a Boise subsidiary in 1965 and has been operated by the company since that time. The railway currently has nine salaried and 25 hourly employees. "One of the biggest strengths of our workforce," says Garry Neumann, MD&W general manager, "is our employees' commitment to safety, and our operation has an excellent safety record."

According to Rick Webb, chief executive officer, Watco Companies, Inc., "Boise has been part of the Watco family from the first day of our existence. Boise was our first customer in DeRidder, Louisiana, and we are excited to welcome the employees of the MD&W into our company." Webb adds, "We are committed to working with Boise, Abitibi, the communities of International Falls and Fort Frances, and any potential new customers to grow the business on the MD&W, and we will continue the tradition of excellent customer service that the entire MD&W team is known for in the railroad industry."

About Boise

Boise, headquartered in Boise, Idaho, manufactures engineered wood products, plywood, lumber, and particleboard and distributes a broad line of building materials, including wood products manufactured by the company. Boise also manufactures a wide range of specialty and premium products, including imaging papers for the office and home and papers for pressure-sensitive applications, as well as printing and converting papers, containerboard and corrugated boxes, newsprint, and market pulp. Visit Boise's website at www.bc.com.

About Watco Companies, Inc.

Watco Companies, Inc. is a Pittsburg, Kansas-based company operating 16 railroads in 14 states. Watco operates the Alabama Southern, Arkansas Southern, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Louisiana Southern, Mission Mountain, Mississippi Southern, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central, Timber Rock, Vicksburg Southern and Yellowstone Valley railroads. Watco also operates industrial switching locations and mechanical and locomotive shops across the United States. More information about Watco can be found at www.watcocompanies.com.

Forward-looking statement:

This news release may include forward-looking statements under the federal securities laws. These statements are subject to a number of risks and uncertainties that could cause our results to differ materially from our expectations. Forward-looking statements should be read in conjunction with the company's reports filed with the Securities and Exchange Commission. These reports contain a discussion of the company's businesses and the various factors that affect them.