



Universal Forest Products Posts Record First Quarter Results

April 15, 2002

GRAND RAPIDS, Mich., Apr 15, 2002 /PRNewswire-FirstCall via COMTEX/ -- Universal Forest Products (Nasdaq: UFPI) today announced record results for the first quarter of 2002, including net sales for the quarter of \$341.7 million, a 20.3% increase over net sales of \$284.1 million reported in the same quarter last year. Diluted earnings per share for the quarter totaled \$0.32.

At the beginning of 2002, the Company adopted a new accounting standard, which discontinued the amortization of goodwill. Under the new standard, pro forma diluted earnings per share for the first quarter of 2001 would have been \$0.28 compared to the reported amount of \$0.25.

"Our performance this quarter is a result of the exceptional execution by the people of Universal," said William G. Currie, UFPI's chief executive officer. "We were also aided by a combination of factors, including a relatively mild winter, a favorable lumber market, a redemption of our shares, and sound acquisitions we completed in 2001."

By market, Universal posted first quarter sales of:

- * \$147.2 million in D-I-Y/retail, up 15.3% over last year;
- * \$68.5 million in site-built construction, an increase of 10.9% over last year;
- * \$67.2 million in manufactured housing, a 35.8% increase over last year; and
- * \$58.7 million in industrial/agricultural, up 30.1% over last year.

The Company continues to target annual sales growth of 6% to 10% and diluted earnings per share growth of 18% to 22%, which includes the effect of discontinuing goodwill amortization in 2002.

Universal Forest Products will conduct a conference call to discuss information included in this news release and related matters at 11:00 a.m. EDT on Tuesday, April 16, 2002. The conference call will be hosted by William G. Currie and will be available for analysts and institutional investors domestically at 800-521-5414 or internationally at 303-224-6997. Use conference call ID #1439502. The conference call will be available simultaneously, and in its entirety, to all interested investors and news media through a web cast at www.ufpi.com.

Universal Forest Products markets, manufactures, and engineers products for D-I-Y retail home centers, structural lumber products for the manufactured housing industry, engineered wood components for the site-built construction market and specialty wood packaging for various industries. For information about Universal Forest Products on the Internet, please contact the Company's web site at www.ufpi.com, or call 888-Buy-UFPI.

Included in this report are certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on the beliefs of the Company's management as well as on assumptions made by and information currently available to the Company at the time such statements were made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially are the following: Adverse lumber market trends, competitive activity, negative economic trends, government regulations, and weather. These risk factors and additional information are included in the company's reports on Form 10K and 10Q on file with the Securities and Exchange Commission.

Financial Highlights to Follow

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)
FOR THE THREE MONTHS ENDED
MARCH 2002/2001

(In thousands, except per share data)	Quarter Period			
	2002		2001	
NET SALES	\$341,656	100%	\$284,069	100%
COST OF GOODS SOLD	290,379	84.99	240,950	84.82
GROSS PROFIT	51,277	15.01	43,119	15.18

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	37,798	11.06	32,273	11.36
EARNINGS FROM OPERATIONS	13,479	3.95	10,846	3.82
INTEREST EXPENSE	2,908	0.85	3,199	1.13
INTEREST REVENUE	(113)	-0.03	(72)	-0.03
	2,795	0.82	3,127	1.10
EARNINGS BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY IN EARNINGS (LOSS) OF INVESTEE	10,684	3.13	7,719	2.72
INCOME TAXES	3,973	1.16	2,856	1.01
EARNINGS BEFORE MINORITY INTEREST AND EQUITY IN EARNINGS OF INVESTEE	6,711	1.96	4,863	1.71
MINORITY INTEREST	(629)	-0.18	(67)	-0.02
EQUITY IN EARNINGS OF INVESTEE	-	0.00	181	0.06
REPORTED NET EARNINGS	\$6,082	1.78	\$4,977	1.75
ADD: GOODWILL AMORTIZATION, net of tax			695	0.24
ADJUSTED NET EARNINGS	\$6,082	1.78	\$5,672	2.00
REPORTED EARNINGS PER SHARE - BASIC	\$0.33		\$0.25	
ADD: GOODWILL AMORTIZATION, net of tax			0.04	
ADJUSTED EARNINGS PER SHARE - BASIC	\$0.33		\$0.29	
REPORTED EARNINGS PER SHARE - DILUTED	\$0.32		\$0.25	
ADD: GOODWILL AMORTIZATION, net of tax			0.03	
ADJUSTED EARNINGS PER SHARE - DILUTED	\$0.32		\$0.28	
WEIGHTED AVERAGE SHARES OUTSTANDING	18,210		19,714	
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	19,024		20,243	

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SUPPLEMENTAL SALES DATA

Market Classification	Quarter Period			
	2002	%	2001	%
Do-It-Yourself	\$147,224	43%	\$127,674	45%
Site-Built Construction	68,485	20%	61,736	22%
Manufactured Housing	67,200	20%	49,489	17%
Industrial and Other	58,747	17%	45,170	16%
Total	\$341,656	100%	\$284,069	100%

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)
MARCH 2002/2001

(In thousands)

ASSETS	2002	2001	LIABILITIES AND SHAREHOLDERS' □ EQUITY	2002	2001
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$12,503	\$5,273	Notes payable	\$2,025	\$795
Restricted cash equivalents	-	1,281	Accounts payable and accrued liabilities	111,567	89,798
Accounts receivable	135,218	105,338	Current portion of long-term debt and capital leases	20,512	18,260
Inventories	167,661	148,187			
Other current assets	3,472	8,852			
TOTAL CURRENT ASSETS	318,854	268,931	TOTAL CURRENT LIABILITIES	134,104	108,853
OTHER ASSETS	6,548	11,758	LONG-TERM DEBT AND CAPITAL LEASES, less current portion	240,174	197,336
GOODWILL AND NON-COMPETE	123,523	113,671	OTHER □ LIABILITIES	24,962	18,458
PROPERTY, PLANT AND EQUIPMENT, NET	187,531	170,752	SHAREHOLDERS' EQUITY	237,216	240,465
TOTAL ASSETS	\$636,456	565,112	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$636,456	\$565,112

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED
MARCH 2002/2001

(In thousands)	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES: □		
Net earnings	\$6,082	\$4,977
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	5,611	4,577
Amortization of non-compete agreements and goodwill	301	1,045
Loss on sale or impairment of property, plant and equipment	66	-
Changes in:		
Accounts receivable	(46,490)	(37,032)
Inventories	(44,856)	(23,587)
Accounts payable	22,111	22,600

Accrued liabilities and other	915	(7,198)
NET CASH FROM OPERATING ACTIVITIES	(56,260)	(34,618)
CASH FLOWS FROM INVESTING ACTIVITIES: □		
Purchases of property, plant, and equipment	(5,255)	(7,781)
Acquisitions, net of cash received	(359)	(10,498)
Proceeds from sale of property, plant and equipment	161	481
Other	1,222	(391)
NET CASH FROM INVESTING ACTIVITIES	(4,231)	(18,189)
CASH FLOWS FROM FINANCING ACTIVITIES: □		
Net borrowings under revolving credit facilities and notes payable	86,453	58,759
Repayment of long-term debt	(158)	(2,864)
Proceeds from issuance of common stock	62	48
Distributions to minority shareholder	(250)	-
Repurchase of common stock	(36,000)	(255)
NET CASH FROM FINANCING ACTIVITIES	50,107	55,688
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,384)	2,881
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	22,887	2,392
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$12,503	\$5,273

SOURCE Universal Forest Products

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