



Universal Forest Products, Inc. Supports Confidence With Record Results In Second Quarter

July 14, 2003

Net sales rise 9.4% to \$552.5 million; Diluted earnings per share jump 14.6% to \$0.94

GRAND RAPIDS, Mich., Jul 14, 2003 /PRNewswire-FirstCall via COMTEX/ -- Universal Forest Products (Nasdaq: UFPI) today announced record net sales and record earnings per share for the second quarter of 2003.

Net sales totaled \$552.5 million for the second quarter of 2003, a 9.4% increase over net sales of \$504.9 million reported for the same period last year. Net sales for the first six months of 2003 were \$908.1 million, a 7.3% increase over sales of \$846.6 million for the same period of 2002.

Diluted earnings per share for the quarter were \$0.94, a 14.6% increase over diluted earnings per share of \$0.82 for the same period last year. Diluted earnings per share for the year-to-date were \$1.19, a 4.4% increase over 2002 year-to-date diluted earnings per share of \$1.14.

"In March, we expressed optimism for the quarters ahead and we delivered," said CEO William G. Currie. "We demonstrated the strength of our strategies and systems and the power of having the best, most innovative employees in the workplace. They are the reason for our success."

Inclement weather continued to be a factor in the site-built and DIY industries with portions of the Southeast posting their wettest springs ever and record rainfall elsewhere in the Northeast. However, that was partially mitigated by the positive effects low interest rates have had on the construction and home improvement markets.

"Our performance largely is a result of our focus on new five-year goals that call for us to substantially grow our sales and profitability," Currie said. "We pride ourselves on doing what we say we're going to do and hitting our goals. And our people are just getting started on this aggressive new initiative."

By market, Universal posted second quarter sales of:

- * \$302.6 million D-I-Y/retail, up 14.3% over the same quarter last year;
- * \$101.4 million in site-built construction, an increase of 14.7% over last year;
- * \$78.2 million in industrial/other, up 10.4% over last year; and
- * \$70.2 million in manufactured housing, a 13.4% decrease over last year (despite a decrease in industry production of approximately 27%).

OUTLOOK

While the company beat its expectations for the second quarter of 2003 and remains optimistic about the rest of the year, it is adjusting the top end of its targets from 12% to 10% for both annual sales growth and diluted earnings per share to reflect the effects of weather on the first quarter. The company now estimates it will achieve annual sales growth of 7% to 10% and diluted earnings per share growth of 7% to 10% for 2003.

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, July 15, 2003. The conference call will be hosted by William G. Currie and will be available for analysts and institutional investors domestically at (800) 960-1012 or internationally at (952) 556-2834. Use conference call ID #186603. 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 SIX MONTHS ENDED
JUNE 2003/2002

(In thousands, except per share data)	Quarter Period			
	2003		2002	
NET SALES	\$552,463	100%	\$504,944	100%
COST OF GOODS SOLD	473,721	85.75	436,321	86.41
GROSS PROFIT	78,742	14.25	68,623	13.59
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	46,697	8.45	41,345	8.19
EARNINGS FROM OPERATIONS	32,045	5.80	27,278	5.40
INTEREST EXPENSE	3,958	0.72	3,047	0.60
INTEREST REVENUE	(84)	-0.02	(52)	-0.01
GAIN ON SALE OF ASSETS	-	0.00	(1,082)	-0.21
	3,874	0.70	1,913	0.38
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	28,171	5.10	25,365	5.02
INCOME TAXES	10,458	1.89	9,400	1.86
EARNINGS BEFORE MINORITY INTEREST	17,713	3.21	15,965	3.16
MINORITY INTEREST	(551)	-0.10	(611)	-0.12
NET EARNINGS	\$17,162	3.11	\$15,354	3.04
EARNINGS PER SHARE - BASIC	\$0.97		\$0.86	
EARNINGS PER SHARE - DILUTED	\$0.94		\$0.82	
WEIGHTED AVERAGE SHARES OUTSTANDING	17,741		17,884	
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	18,193		18,705	

(In thousands, except per share data)	Year to Date			
	2003		2002	
NET SALES	\$908,082	100%	\$846,600	100%
COST OF GOODS SOLD	777,536	85.62	726,700	85.84
GROSS PROFIT	130,546	14.38	119,900	14.16

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	86,885	9.57	79,143	9.35
EARNINGS FROM OPERATIONS	43,661	4.81	40,757	4.81
INTEREST EXPENSE	7,745	0.85	5,955	0.70
INTEREST REVENUE	(131)	-0.01	(165)	-0.02
GAIN ON SALE OF ASSETS	-	0.00	(1,082)	-0.13
	7,614	0.84	4,708	0.56
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	36,047	3.97	36,049	4.26
INCOME TAXES	13,249	1.46	13,373	1.58
EARNINGS BEFORE MINORITY INTEREST	22,798	2.51	22,676	2.68
MINORITY INTEREST	(1,136)	-0.13	(1,240)	-0.15
NET EARNINGS	\$21,662	2.39	\$21,436	2.53
EARNINGS PER SHARE - BASIC	\$1.22		\$1.19	
EARNINGS PER SHARE - DILUTED	\$1.19		\$1.14	
WEIGHTED AVERAGE SHARES OUTSTANDING	17,735		18,047	
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	18,222		18,865	

SUPPLEMENTAL SALES DATA

Market Classification	Quarter Period			
	2003	%	2002	%
Do-It-Yourself/Retail	\$302,613	55%	\$264,656	52%
Site-Built Construction	101,433	18%	88,398	18%
Manufactured Housing	70,208	13%	81,040	16%
Industrial and Other	78,209	14%	70,850	14%
Total	\$552,463	100%	\$504,944	100%

Market Classification	Year to Date			
	2003	%	2002	%
Do-It-Yourself/Retail	\$459,646	50%	\$411,420	48%
Site-Built Construction	178,137	20%	156,987	19%
Manufactured Housing	127,569	14%	148,401	18%
Industrial and Other	142,730	16%	129,792	15%
Total	\$908,082	100%	\$846,600	100%

CONSOLIDATED BALANCE SHEETS (UNAUDITED)
JUNE 2003/2002

(In thousands)

ASSETS	2003	2002	LIABILITIES AND SHAREHOLDERS' EQUITY	
			2003	2002
CURRENT ASSETS			CURRENT LIABILITIES	
Cash and cash			Notes	

equivalents	\$16,139	\$18,020	payable	\$1,679	\$2,001
Accounts <input type="checkbox"/>					
receivable	200,033	178,017	Accounts payable and		
Inventories	166,742	137,999	accrued		
			liabilities	157,801	140,699
Other current					
assets	4,944	3,425	Current portion of long-term		
			debt and capital		
			leases	6,271	19,025
TOTAL CURRENT					
ASSETS	387,858	337,461	TOTAL CURRENT		
			LIABILITIES	165,751	161,725
OTHER ASSETS	6,401	6,334			
INTANGIBLE <input type="checkbox"/>			LONG-TERM DEBT AND CAPITAL		
ASSETS	131,858	125,583	LEASES, less current		
			portion	255,975	219,675
PROPERTY,			OTHER		
PLANT AND			LIABILITIES	29,819	23,679
EQUIPMENT, <input type="checkbox"/>					
NET	211,277	188,677	SHAREHOLDERS' <input type="checkbox"/>		
			EQUITY	285,849	252,976
TOTAL ASSETS	\$737,394	658,055	TOTAL LIABILITIES AND		
			SHAREHOLDERS'		
			EQUITY	\$737,394	\$658,055

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED
JUNE 2003/2002

(In thousands)	2003	2002
CASH FLOWS FROM OPERATING		
ACTIVITIES: <input type="checkbox"/>		
Net earnings	\$21,662	\$21,436
Adjustments to reconcile net		
earnings to net cash		
from operating activities:		
Depreciation	12,202	11,322
Amortization of intangibles	1,033	587
Deferred income taxes	(1,438)	(251)
Loss on sale or impairment of		
property, plant and equipment	640	(949)
Changes in:		
Accounts receivable	(94,237)	(89,290)
Inventories	(736)	(15,194)
Accounts payable	52,039	43,027
Accrued liabilities and		
other	11,755	9,598
NET CASH FROM OPERATING		
ACTIVITIES	2,920	(19,714)
CASH FLOWS FROM INVESTING		
ACTIVITIES: <input type="checkbox"/>		
Purchases of property, plant, and		
equipment	(20,689)	(13,481)
Purchases of licensing agreements	(150)	(2,000)
Acquisitions, net of cash received	(187)	(359)
Proceeds from sale of property,		
plant and equipment	1,147	2,545

Other	1,961	1,094
NET CASH FROM INVESTING ACTIVITIES	(17,918)	(12,201)
CASH FLOWS FROM FINANCING ACTIVITIES: □		
Net borrowings under revolving credit facilities and notes payable	26,437	71,827
Repayment of long-term debt	(6,167)	(7,557)
Proceeds from issuance of common stock	873	716
Distributions to minority shareholder	(633)	(585)
Dividends paid to shareholders	(798)	(806)
Repurchase of common stock	(2,029)	(36,547)
NET CASH FROM FINANCING ACTIVITIES	17,683	27,048
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,685	(4,867)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,454	22,887
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$16,139	\$18,020

SOURCE Universal Forest Products

Lynn Afendoulis of Director of Public Affairs of Universal Forest Products, +1-616-364-6161; or Tom Smith, Vice President of Fleishman Hillard, +1-212-453-2240