



Universal Forest Products, Inc. Reports a 63% Increase in Diluted Earnings Per Share for 1st Quarter 2005

April 11, 2005

GRAND RAPIDS, Mich., April 11 /PRNewswire-FirstCall/ -- Universal Forest Products, Inc. (Nasdaq: UFPI) today announced a strong first quarter, marked by an increase in diluted earnings per share to \$0.49, up 63.3% over diluted earnings per share of \$0.30 reported for the same period last year. The Company posted net sales of \$537.2 million, up 15.4% over net sales of \$465.7 million in the first quarter of 2004.

"In our 50th year, the story of our success continues to be one of strong, steady growth driven by the hard work of a dedicated workforce," said Universal CEO and Vice Chairman William G. Currie. "These results also reflect the strengths of our business model, which relies on diversification for continued balance and growth."

Overall, the Company posted a sales increase of 15.4%, which includes an estimated 9% increase in unit sales. The remaining increase in sales was attributable to higher prices driven by the lumber market.

By market, Universal posted first quarter sales of:

- * \$177.6 million D-I-Y/retail, down 0.7% over last year;
- * \$151.9 million in site-built construction, an increase of 32.3% over last year;
- * \$111.3 million in industrial, up 17.2% over last year; and
- * \$96.3 million in manufactured housing, a 25.2% increase over 2004.

"We have not wavered in our commitment to and belief in the manufactured housing business and it has paid off," Currie said. "We've also emphasized growth in sales to the modular market and our performance there can be attributed to new proprietary products and to strong relationships we've forged over many decades."

"Site-built construction and industrial remain strong growth markets for Universal," Currie added. "As the leading national supplier to both, we're gaining market share and continuing to consolidate these two large, fragmented markets."

Sales to the D-I-Y/retail market experienced a decline in unit sales in the first quarter of 2005 over the same period of 2004, reflecting both the Company's efforts to create greater balance and diversification in its customer base and a late spring in the Northeast and Midwest.

Currie noted that earnings from operations increased almost 39%, to \$17.4 million in the first quarter 2005 from \$12.5 million for the first quarter last year, which was well in excess of the Company's 9% increase in unit sales. Earnings in 2004 were affected by operating losses from a framing operation in the West. That business entity has since been downsized and is operating more efficiently.

OUTLOOK

The Company anticipates continued growth in its business in 2005 and reaffirms its annual targets of a 7% to 12% increase in unit sales and a 10% to 15% increase in net earnings over results reported for 2004.

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 12, 2005. The conference call will be hosted by William G. Currie and will be available for analysts and institutional investors domestically at (866) 835-8893 or internationally at (703) 639-1409. Use conference call ID #680965. The conference call will be available simultaneously, and in its entirety, to all interested investors and news media through a webcast at <http://www.ufpi.com>.

Celebrating its 50th anniversary, Universal Forest Products markets, manufactures and engineers wood and wood-alternative 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. Among the company's newest and fastest-growing ventures are framing services for the site-built sector. In conjunction with its customers, Universal uses its engineering and manufacturing expertise, coupled with highly skilled employees, to design and construct buildings and housing. For information about Universal Forest Products on the Internet, please visit the Company's web site at <http://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.

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)
FOR THE THREE MONTHS ENDED
MARCH 2005/2004

(In thousands, except per share data)	Quarter Period			
	2005		2004	
NET SALES	\$537,160	100%	\$465,665	100%
COST OF GOODS SOLD	469,931	87.48	409,304	87.90
GROSS PROFIT	67,229	12.52	56,361	12.10
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	49,851	9.28	43,840	9.41
EARNINGS FROM OPERATIONS	17,378	3.24	12,521	2.69
OTHER EXPENSE (INCOME)				
Interest expense	3,775	0.70	3,631	0.78
Interest income	(149)	-0.03	(83)	-0.02
Net gain on sale of real estate and interest in subsidiary	(1,272)	-0.24	(369)	-0.08
	2,354	0.44	3,179	0.68
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	15,024	2.80	9,342	2.01
INCOME TAXES	5,759	1.07	3,644	0.78
EARNINGS BEFORE MINORITY INTEREST	9,265	1.72	5,698	1.22
MINORITY INTEREST	(36)	-0.01	(131)	-0.03
NET EARNINGS	\$9,229	1.72	\$5,567	1.20
EARNINGS PER SHARE - BASIC	\$0.51		\$0.31	
EARNINGS PER SHARE - DILUTED	\$0.49		\$0.30	
WEIGHTED AVERAGE SHARES OUTSTANDING	18,187		17,961	
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	18,972		18,709	

(In thousands, except per share data)	Year to Date			
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SUPPLEMENTAL SALES DATA

Market Classification	Quarter Period			
	2005	%	2004	%
Do-It-Yourself/Retail	\$177,622	33%	\$178,885	38%
Site-Built Construction	151,901	28%	114,842	25%
Manufactured Housing	96,344	18%	76,975	17%
Industrial	111,293	21%	94,963	20%
Total	\$537,160	100%	\$465,665	100%

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)
MARCH 2005/2004

(In thousands)

ASSETS	2005	2004	LIABILITIES AND SHAREHOLDERS'
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EQUITY			2005	2004
CURRENT ASSETS			CURRENT LIABILITIES	
Cash and cash equivalents	\$28,396	\$22,052	Accounts payable and accrued liabilities	\$188,786
Accounts receivable	179,954	206,508		\$167,869
Inventories	286,835	219,204	Current portion of long-term debt and capital leases	21,910
Other current assets	15,429	6,009		6,010
TOTAL CURRENT ASSETS	510,614	453,773	TOTAL CURRENT LIABILITIES	210,696
OTHER ASSETS	8,303	8,523	LONG-TERM DEBT AND CAPITAL LEASES, less current portion	251,806
INTANGIBLE ASSETS, NET	131,108	128,839	OTHER LIABILITIES	36,515
PROPERTY, PLANT AND EQUIPMENT, NET	218,369	211,533	SHAREHOLDERS' EQUITY	311,949
TOTAL ASSETS	\$868,394	\$802,668	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$868,394
				\$802,668

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED
MARCH 2005/2004

(In thousands)	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$9,229	\$5,567
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	7,345	6,672
Amortization of intangibles	544	471
Deferred income taxes	19	20
Minority interest	36	131
Loss on sale of interest in subsidiary	-	193
Gain on sale of property, plant and equipment	(1,131)	(603)
Changes in:		
Accounts receivable	(28,643)	(73,128)
Inventories	(73,913)	(48,711)
Accounts payable	36,108	37,850
Accrued liabilities and other	(6,103)	1,184
NET CASH FROM OPERATING ACTIVITIES	(56,509)	(70,354)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment	(10,604)	(7,295)
Acquisitions, net of cash received	-	(5,360)
Sale of interest in subsidiary	-	4,679
Proceeds from sale of property, plant		

and equipment	2,295	740
Other, net	366	178
NET CASH FROM INVESTING ACTIVITIES	(7,943)	(7,058)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under revolving credit facilities	66,713	81,516
Repayment of long-term debt	(138)	(58)
Proceeds from issuance of common stock	1,462	857
Distributions to minority shareholders	(536)	(125)
Repurchase of common stock	-	(116)
Other, net	73	(40)
NET CASH FROM FINANCING ACTIVITIES	67,574	82,034
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,122	4,622
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	25,274	17,430
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$28,396	\$22,052

SOURCE Universal Forest Products, Inc.

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