



## Universal Forest Products® Inc. Meets Earnings Target Reporting \$0.25 Per Share

April 24, 2001

GRAND RAPIDS, Mich., April 24 /PRNewswire/ -- Universal Forest Products® (Nasdaq: UFPI) today announced results for the first quarter of 2001, including net earnings of \$5.0 million or \$0.25 per share (diluted). Earnings were in line with company targets for the quarter of \$0.23 to \$0.25 per share (diluted). Net sales for the quarter of \$284.6 million, were below the company's target of \$300 million to \$315 million.

"Although our earnings were in line with our target for the quarter, they could have been better," said William G. Currie, UFPI's chief executive officer. "Extremely difficult weather over much of the country negatively impacted sales and overall earnings for the quarter. Weakness in both lumber prices and the manufactured housing market continued to affect our performance, but were anticipated in our forecast."

Given normal weather conditions, the company believes they would have exceeded both earnings and sales targets for the quarter. While there has been a dramatic up-trend in the lumber market over the last several weeks, lumber prices for the first quarter averaged 25% behind the first quarter of 2000. Significant unit sales increases in three of the markets Universal serves were not enough to offset the effect of lower lumber prices during the quarter.

"The manufactured housing industry continues to be adversely effected by excess inventories, increased repossessions, and tight credit conditions. Industry statistics show shipments of manufactured homes were down over 40% for January and February 2001. We have been redirecting our sales efforts and manufacturing capacity to our other three markets since early last year. The results of these efforts is demonstrated by an increase in unit sales," concluded Currie.

### ACQUISITIONS

The company closed on three previously announced acquisitions:

- D&R Framing Contactors - The company acquired 50% of the assets of D&R Framing Contractors of Englewood, Colorado on February 28, 2001.
- Thorndale Roof Systems Inc. and Edcor Floor Systems Inc. - On March 2, 2001, the company acquired the remaining 50% of the stock of ECJW Holdings, Inc. and its two subsidiaries, Thorndale Roof Systems Inc. and Edcor Floor Systems Inc. The company acquired the initial 50% in April 2000.
- Sunbelt Wood Components - On April 3, 2001, the company acquired certain assets of KEVCO's Sunbelt Wood Components Division. The assets include manufacturing facilities in North Carolina, Alabama, Georgia, and Arizona, which serve the manufactured housing market.

All acquisitions are expected to be immediately accretive, and are in line with management's growth objectives.

### OUTLOOK

The company noted evidence of a dramatic turnaround in lumber prices. After reaching 8-year lows, the market began an up-trend in the first quarter of 2001. If this trend continues, prices will soon reach levels equal to the second quarter of 2000, positively impacting sales. A significant improvement in the manufactured housing industry is not expected until the end of 2001. The company does expect to continue its growth in the Do-It-Yourself (D-I-Y), site-built construction, and industrial/agricultural markets through the end of the year. With these factors, and current economic conditions in mind, management has set targets for the second quarter of 2001, including sales ranging from \$460 million to \$490 million, and earnings between \$0.63 to \$0.67 per share (diluted). The company continues to target sales and earnings per share growth from 7% to 10% on an annual basis. Possible new business acquisitions are not included in the company's forecast.

Universal Forest Products will conduct a conference call to discuss information included in this news release and related matters at 11 a.m. EDT on Tuesday, April 24, 2001. The conference call will be hosted by William G. Currie and will be available for analysts and institutional investors domestically at 800-553-2239 or internationally at 303-224-6998, use conference call ID #1006390. 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](http://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 investor relations web site at [www.ufpi.com](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 2001/2000

(In thousands, except per share data)	Quarter Period			
	2001		2000	
NET SALES	\$284,638	100%	\$304,072	100%
COST OF GOODS SOLD	241,519	84.85	263,661	86.71
GROSS PROFIT	43,119	15.15	40,411	13.29
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	32,273	11.34	27,318	8.98
EARNINGS FROM OPERATIONS	10,846	3.81	13,093	4.31
INTEREST EXPENSE	3,199	1.12	3,168	1.04
INTEREST REVENUE	(72)	-0.03	(86)	-0.03
	3,127	1.09	3,082	1.01
EARNINGS BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY IN EARNINGS (LOSS) OF INVESTEE	7,719	2.72	10,011	3.30
INCOME TAXES	2,856	1.00	3,953	1.30
EARNINGS BEFORE MINORITY INTEREST AND EQUITY IN EARNINGS OF INVESTEE	4,863	1.72	6,058	2.00
MINORITY INTEREST	(67)	-0.02	(23)	-0.01
EQUITY IN EARNINGS OF INVESTEE	181	0.05	46	0.01
NET EARNINGS	\$4,977	1.75	\$6,081	2.00
EARNINGS PER SHARE - BASIC	\$0.25		\$0.30	
EARNINGS PER SHARE - DILUTED	\$0.25		\$0.30	
WEIGHTED AVERAGE SHARES OUTSTANDING	19,714		20,135	
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	20,243		20,524	

SUPPLEMENTAL SALES DATA

Market Classification	Quarter Period			
	2001	%	2000	%
Do-It-Yourself	\$127,704	45%	\$134,280	44%
Manufactured Housing	50,835	18%	78,182	26%
Site-Built Construction	62,198	22%	48,615	16%
Industrial and Other	43,901	15%	42,995	14%
Total	\$284,638	100%	\$304,072	100%

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)  
MARCH 2001/2000

(In thousands)

ASSETS	2001	2000	LIABILITIES AND SHAREHOLDERS' EQUITY	2001	2000
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$5,273	\$2,405	Notes payable	\$795	\$1,428
Restricted cash equivalents	1,281	-	Accounts payable and accrued liabilities	89,798	96,127
Accounts receivable	105,338	107,051	Current portion of long-term capital leases	18,260	7,277
Inventories	148,187	159,629			
Other debt and current assets	8,852	7,231			
TOTAL CURRENT ASSETS	268,931	276,316	TOTAL CURRENT LIABILITIES	108,853	104,832
OTHER ASSETS	11,758	10,988	LONG-TERM DEBT AND CAPITAL LEASES, less current portion	197,336	191,702
GOODWILL AND NON-COMPETE	113,671	92,424	OTHER LIABILITIES	18,458	16,662
PROPERTY, PLANT AND EQUIPMENT, NET	170,752	152,432	SHAREHOLDERS' EQUITY	240,465	218,964
TOTAL ASSETS	\$565,112	\$532,160	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$565,112	\$532,160

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
FOR THE THREE MONTHS ENDED  
MARCH 2001/2000

(In thousands)	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$4,977	\$6,081
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	4,577	3,830
Amortization of non-compete agreements and goodwill	1,045	791
(Gain) loss on sale of property, plant and equipment	-	(88)
Changes in:		

Accounts receivable	(37,032)	(37,040)
Inventories	(23,587)	(28,095)
Accounts payable	22,600	22,737
Accrued liabilities and other	(7,198)	(5,089)
NET CASH FROM OPERATING ACTIVITIES	(34,618)	(36,873)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment	(7,781)	(7,271)
Acquisitions, net of cash received	(10,498)	-
Proceeds from sale of property, plant and equipment	481	209
Other	(391)	(261)
NET CASH FROM INVESTING ACTIVITIES	(18,189)	(7,323)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (repayments) under revolving credit facility and notes payable	58,759	42,908
Proceeds from issuance of long-term debt	-	1,949
Repayment of long-term debt	(2,864)	(379)
Proceeds from issuance of common stock	48	65
Repurchase of common stock	(255)	(2,048)
NET CASH FROM FINANCING ACTIVITIES	55,688	42,495
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,881	(1,701)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,392	4,106
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$5,273	\$2,405

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SOURCE Universal Forest Products® , Inc.

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