



Universal Forest Products®, Inc. Exceeds 4th QTR Earnings Target

January 30, 2001

Grand Rapids, MI, January 30, 2001 -- Universal Forest Products® (Nasdaq: UFPI) today announced results for the fourth quarter 2000, including net earnings of \$0.16 per share (diluted), surpassing its previously announced target of \$0.12 to \$0.15 per share (diluted). Net sales for the quarter of \$282.8 million was within the company's targeted range of \$270 to \$290 million. For the fourth quarter of 1999, sales were \$299.7 million and earnings per share (diluted) were \$0.18.

For the full year ending December 30, 2000, the company reported earnings of \$1.49 per share (diluted), up slightly from \$1.48 per share (diluted) for 1999. Net sales for 2000 were \$1.39 billion, down 3.2% compared to net sales of \$1.44 billion last year.

"In 2000, UFPI successfully positioned itself for future growth by balancing manufacturing capacity to meet customer demands, introducing new products and closing key acquisitions," said William G. Currie, UFPI's chief executive officer. "We achieved increased unit sales to the Do-it-Yourself (D-I-Y), site-built construction, and industrial markets, but our financial performance in the last six months of 2000 was impacted by dramatic price deflation in the wood fiber market, and persistent softness in the manufactured housing industry. Lumber prices declined 26% in the fourth quarter, and 19% for the full year when compared to 1999.

"The manufactured housing industry continues to be plagued by excessive inventories, increased repossessions, and tight credit conditions. Industry statistics show shipments of manufactured homes were down 27% through November of 2000. 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 to these markets," continued Currie.

The company surpassed its earnings per share target for the fourth quarter despite recording costs to close plants dedicated to the manufactured housing industry in Laurinburg, North Carolina and Jackson, Mississippi. Affected customers will be supplied out of existing UFPI facilities in the Southeast.

OUTLOOK

The company does not expect a sustained increase in lumber prices for the first six months of 2001, or improvement in manufactured housing until the end of 2001. The company does expect, however, to continue its growth in the D-I-Y, site-built construction, and industrial/agricultural markets. With these factors and current economic conditions in mind, management has set targets for the first quarter of 2001, including sales ranging from \$300 to \$315 million, and earnings between \$0.23 and \$0.25 per share (diluted). On an annual basis, the company has targeted sales and EPS growth between 7% and 10%. These targets anticipate an improved business climate in the second half of 2001. Possible business acquisitions are not included in the company's forecast.

"As we begin 2001, the focus of our employees and management team is on the accomplishment of our stated 'Performance 2002' objectives. Current economic factors will make some of our targets more difficult, but we have every intention on meeting our growth targets for the benefit of our shareholders," concluded Currie.

Universal Forest Products will conduct a conference call to discuss information included in this news release and related matters at 3:00 p.m. EST on Tuesday, January 30, 2001. The conference call will be hosted by William G. Currie and will be available for analysts and institutional investors domestically at 800-720-5830 or internationally at 904-779-4773, use conference call ID #7998976. 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, and will be available for replay on www.ufpi.com through Tuesday, February 6, 2001.

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, or call 1-888-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.

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