



## Universal Forest Products®, Inc. Announces Record First Quarter Earnings of \$0.30 Per Share

April 18, 2000

GRAND RAPIDS, Mich., April 18 /PRNewswire/ -- Universal Forest Products®, Inc. (Nasdaq: UFPI) today announced results for the first quarter of 2000, including record earnings per share of \$0.30 (diluted) vs. \$0.25 (diluted) for the first quarter of 1999. Net sales for the first quarter were \$304.1 million, compared with \$300.2 million for the same 1999 quarter, a 1.3% increase. Net earnings increased 13.4% to \$6.1 million from \$5.4 million for the comparable quarter.

"Our performance this quarter reflects the success of our strategy to be the leading supplier in four related, but diverse, markets," said William G. Currie, UFPI's chief executive officer. "Despite the challenges we faced in the first quarter, including continued weakness in the manufactured housing industry and severe winter weather during January and February which curtailed sales in the Mid-Atlantic States, we still reported increased sales and record first quarter profits. Our strategy to diversify our sales across four market segments, and geographically across the United States, dilutes the effect of negative economic or weather related events and allows us to balance our business. Going forward, we expect continued growth in our Do-It-Yourself retail and industrial/agricultural market segments, which increased sales 12% and 19% respectively, as well as an upturn in sales growth in the site-built construction market resulting from increased demand for engineered wood components and our additional capacity to supply this demand."

FINANCIAL HIGHLIGHTS	Three Months and YTD		% Change
Period Ended March 25/27	2000	1999	

(In thousands, except per share data)

Net sales	\$304,072	\$300,180	+1.3
Gross profit	40,411	39,757	+1.6
Net earnings	6,081	5,361	+13.4
Earnings per share (Diluted)	\$0.30	\$0.25	+20.0
Weighted average shares outstanding with common stock equivalents	20,524	21,415	-4.2

Since the beginning of the year, the company has announced three new acquisitions. Letters of intent have been signed to acquire three lumber treating facilities in Youngstown, Ohio; Blanchester, Ohio; and Westville, Indiana, from Walker-Williams Lumber Company, and two combination lumber treating and remanufacturing facilities from Aljoma Lumber of Medley, Florida. The company also closed on the purchase of 50% of the outstanding shares of ECJW Holdings Inc., of London, Ontario, and its wholly-owned subsidiaries, Thorndale Roof Systems and Edcor Floor Systems.

"During the sixteen months from December of 1997 to March of 1999, we completed 13 transactions," continued Currie. "Since March of 1999, we have been working to integrate those acquisitions and develop a pipeline of new opportunities. We remain disciplined in our acquisition strategy to acquire strategically located, 'best in class,' companies that are accretive to earnings and can operate autonomously while achieving the company's revenue and growth targets. We feel strongly that our recent acquisitions meet these and other stringent criteria," concluded Currie.

Universal Forest Products®, Inc. 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®, Inc. on the Internet, please contact the company's investor relations web site at [www.ufpi.com](http://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. 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 2000/1999

(In thousands, except per share data)	Quarter Period			
	2000		1999	
NET SALES	\$304,072	100%	\$300,180	100%
COST OF GOODS SOLD	263,661	86.71	260,423	86.76
GROSS PROFIT	40,411	13.29	39,757	13.24
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	27,318	8.98	28,385	9.46
EARNINGS FROM OPERATIONS	13,093	4.31	11,372	3.79
INTEREST EXPENSE	3,168	1.04	2,919	0.97
INTEREST REVENUE	(86)	-0.03	(149)	-0.05
	3,082	1.01	2,770	0.92
EARNINGS BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY IN EARNINGS OF INVESTEE	10,011	3.29	8,602	2.87
INCOME TAXES	3,953	1.30	3,355	1.12
EARNINGS BEFORE MINORITY INTEREST AND EQUITY IN EARNINGS OF INVESTEE	6,058	1.99	5,247	1.75
MINORITY INTEREST	(23)	-0.01	(81)	-0.03
EQUITY IN EARNINGS OF INVESTEE	46	0.02	195	0.06
NET EARNINGS	\$6,081	2.00	\$5,361	1.79
EARNINGS PER SHARE - BASIC	\$0.30		\$0.26	
EARNINGS PER SHARE - DILUTED	\$0.30		\$0.25	
WEIGHTED AVERAGE SHARES OUTSTANDING	20,135		20,710	
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	20,524		21,415	

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

Market Classification	Quarter Period			
	1999	%	1998	%
Do-It-Yourself	\$134,280	44%	\$120,177	40%
Manufactured Housing	78,182	26%	96,258	32%
Site-Built Construction	48,615	16%	47,507	16%
Industrial and Other	42,995	14%	36,238	12%
Total	\$304,072	100%	\$300,180	100%

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)  
MARCH 2000/1999

(In thousands)

ASSETS	2000	1999
CURRENT ASSETS		
Cash and cash equivalents	\$2,405	\$2,189
Accounts receivable	107,051	92,613
Inventories	159,629	148,713
Other current assets	7,231	7,458
TOTAL CURRENT ASSETS	276,316	250,973
OTHER ASSETS		
GOODWILL AND NON-COMPETE	10,988	10,095
PROPERTY, PLANT AND EQUIPMENT, NET	92,424	95,085
	152,432	138,144

TOTAL ASSETS	\$532,160	\$494,297
LIABILITIES AND SHAREHOLDERS' EQUITY	2000	1999
CURRENT LIABILITIES		
Notes payable	\$1,428	\$2,038
Accounts payable and accrued liabilities	96,127	86,106
Current portion of long-term debt and capital leases	7,277	9,182
TOTAL CURRENT LIABILITIES	104,832	97,326
LONG-TERM DEBT AND CAPITAL LEASES, less current portion	136,902	135,782
REVOLVING CREDIT FACILITY	54,800	49,600
OTHER LIABILITIES	16,662	15,028
SHAREHOLDERS' EQUITY	218,964	196,561
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$532,160	\$494,297

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
FOR THE THREE MONTHS ENDED  
MARCH 2000/1999

(In thousands)	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$6,081	\$5,361
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	3,830	3,571
Amortization of non-compete agreements and goodwill	791	821
(Gain) loss on sale of property, plant and equipment	(88)	17
Changes in:		
Accounts receivable	(37,040)	(29,767)
Inventories	(28,095)	(40,314)
Other	7,232	176
Accounts payable	22,737	21,755
Accrued liabilities	(12,321)	(3,285)
NET CASH FROM OPERATING ACTIVITIES	(36,873)	(41,665)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment	(7,271)	(9,746)
Proceeds from sale of property, plant and equipment	209	-
Other	(261)	831
NET CASH FROM INVESTING ACTIVITIES	(7,323)	(8,915)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(379)	(836)
Proceeds from issuance of long-term debt	1,949	20,300
Net borrowings (repayments) under revolving credit facility and notes payable	42,908	33,262
Proceeds from issuance of common stock	66	61
Repurchase of common stock	(2,049)	(938)

NET CASH FROM FINANCING ACTIVITIES	42,495	51,849
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,701)	1,269
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,106	920
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$2,405	\$2,189

SOURCE Universal Forest Products(R), Inc.

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