UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 24, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-22684

UNIVERSAL FOREST PRODUCTS, INC.
(Exact name of registrant as specified in its charter)

Michigan	38-1465835
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2801 East Beltline NE, Grand Rapids, Michigan	49525
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (616) 364-6161

NONE
(Former name or former address, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate the number of shares of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of August 1, 2000
Common stock, no par value	20,127,586

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UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(in thousands, except share data)

	June 24, 2000	December 25, 1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,748	$ 4,106
Accounts receivable (net of allowance for doubtful accounts of $1,450 and $1,379)	119,044	70,012
Inventories:		
Raw materials	49,561	44,722
Finished goods	96,207	86,813
	145,768	131,535
Other current assets	7,005	9,853
TOTAL CURRENT ASSETS	274,565	215,506
OTHER ASSETS	11,304	10,836
GOODWILL AND NON-COMPETE AGREEMENTS, NET	107,372	93,183
PROPERTY, PLANT AND EQUIPMENT:		
Property, plant and equipment	245,423	222,742
Accumulated depreciation and amortization	(80,433)	(73,629)
PROPERTY, PLANT AND EQUIPMENT, NET	164,990	149,113
TOTAL ASSETS	$ 558,231	$ 468,638
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	$ 2,278	$ 1,520
Accounts payable	71,335	46,621
Accrued liabilities:		
Compensation and benefits	24,686	32,491
Other	11,790	3,148
Current portion of long-term debt and capital lease obligations	7,058	7,402
TOTAL CURRENT LIABILITIES	117,147	91,182
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, less current portion	191,619	146,896
DEFERRED INCOME TAXES	8,566	8,398
OTHER LIABILITIES	9,506	7,600
TOTAL LIABILITIES	326,838	254,076
SHAREHOLDERS' EQUITY:		
Preferred stock, no par value; shares authorized 1,000,000; issued and outstanding, none		
Common stock, no par value; shares authorized 40,000,000; issued and outstanding, 20,183,689 and 20,212,385	20,184	20,212
Additional paid-in capital	79,700	78,625
Retained earnings	131,608	115,327
Accumulated other comprehensive earnings	1,175	1,033
	232,667	215,197
Officers' stock notes receivable	(1,274)	(635)
TOTAL SHAREHOLDERS' EQUITY	231,393	214,562
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 558,231	$ 468,638

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 24, 2000	June 26, 1999	June 24, 2000	June 26, 1999
NET SALES	$ 431,578	$ 446,751	$ 735,650	$ 746,931
COST OF GOODS SOLD	374,280	392,691	637,941	653,114
GROSS PROFIT	57,298	54,060	97,709	93,817
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	32,045	29,962	59,363	58,347
EARNINGS FROM OPERATIONS	25,253	24,098	38,346	35,470
INTEREST, NET:				
Interest expense	3,607	3,318	6,775	6,237
Interest income	(160)	(155)	(246)	(304)
	3,447	3,163	6,529	5,933
EARNINGS BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY IN EARNINGS (LOSS) OF INVESTEE	21,806	20,935	31,817	29,537
INCOME TAXES	8,563	8,459	12,516	11,814
EARNINGS BEFORE MINORITY INTEREST AND EQUITY IN EARNINGS (LOSS) OF INVESTEE	13,243	12,476	19,301	17,723
MINORITY INTEREST	(307)	(53)	(330)	(134)
EQUITY IN EARNINGS (LOSS) OF INVESTEE	(19)	325	27	520
NET EARNINGS	$ 12,917	$ 12,748	$ 18,998	$ 18,109
EARNINGS PER SHARE - BASIC	$ 0.64	$ 0.61	$ 0.94	$ 0.87
EARNINGS PER SHARE - DILUTED	$ 0.63	$ 0.60	$ 0.93	$ 0.85
WEIGHTED AVERAGE SHARES OUTSTANDING	20,144	20,745	20,140	20,727
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	20,501	21,291	20,513	21,353

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(in thousands, except share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings	Officers' Stock Notes Receivable	Total
BALANCE AS OF 12/25/99................	$ 20,212	$ 78,625	$ 115,327	$ 1,033	($ 635)	$ 214,562
Comprehensive earnings:						
Net earnings....................			6,081			
Foreign currency translation adjustment....................				154		
Total comprehensive earnings......						6,235
Issuance of 7,296 shares..........	7	84				91
Repurchase of 159,500 shares......	(159)		(1,889)			(2,048)
Payments received on officers' stock notes receivable..........					124	124
BALANCE AS OF 03/25/00................	$ 20,060	$ 78,709	$ 119,519	$ 1,187	($ 511)	$ 218,964
Comprehensive earnings:						
Net earnings....................			12,917			
Foreign currency translation adjustment....................				(12)		
Total comprehensive earnings......						12,905
Dividends paid....................			(808)			(808)
Issuance of 65,132 shares.........	65	251				316
Repurchase of 2,000 shares........	(2)		(20)			(22)
Issuance of officers' stock notes receivable................	61	740			(801)	0
Payments received on officers' stock notes receivable..........					38	38
BALANCE AS OF 06/24/00................	$ 20,184	$ 79,700	$ 131,608	$ 1,175	($ 1,274)	$ 231,393

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(in thousands, except share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings	Officers' Stock Notes Receivable	Total
BALANCE AS OF 12/26/98................	$ 20,710	$ 77,526	$ 95,221	($ 1,072)	($ 802)	$ 191,583
Comprehensive earnings:						
Net earnings....................			5,361			
Foreign currency translation adjustment....................				303		
Total comprehensive earnings......						5,664
Issuance of 5,237 shares..........	6	92				98
Repurchase of 50,000 shares.......	(50)		(887)			(937)
Payments received on officers' stock notes receivable..........					153	153
BALANCE AS OF 3/27/99.................	$ 20,666	$ 77,618	$ 99,695	($ 769)	($ 649)	$ 196,561
Comprehensive earnings:						
Net earnings....................			12,748			
Foreign currency translation adjustment....................				512		
Total comprehensive earnings......						13,260
Dividends paid....................			(728)			(728)
Issuance of 164,743 shares........	164	560				724
Repurchase of 57,201 shares.......	(57)		(1,071)			(1,128)
Payments received on officers' stock notes receivable..........					12	12
BALANCE AS OF 6/26/99................	$ 20,773	$ 78,178	$ 110,644	($ 257)	($ 637)	$ 208,701

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)

	Six Months Ended	
	June 24, 2000	June 26, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 18,998	$ 18,109
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	7,862	7,535
Amortization of non-compete agreements and goodwill	1,639	1,592
(Gain) loss on sale of property, plant and equipment	5	(89)
Changes in:		
Accounts receivable	(40,083)	(49,494)
Inventories	(9,577)	(27,861)
Accounts payable	23,647	26,462
Accrued liabilities and other	3,209	5,690
NET CASH FROM OPERATING ACTIVITIES	5,700	(18,056)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(15,623)	(21,153)
Business acquisitions, net of cash received	(32,386)	
Proceeds from sale of property, plant and equipment	440	1,633
Other	(520)	1,405
NET CASH FROM INVESTING ACTIVITIES	(48,089)	(18,115)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(7,181)	(7,736)
Proceeds from issuance of long-term debt	1,937	20,306
Net borrowings under revolving credit facilities and notes payable	48,774	26,131
Cash dividends paid	(808)	(728)
Proceeds from issuance of common stock	379	784
Repurchase of common stock	(2,070)	(2,065)
NET CASH FROM FINANCING ACTIVITIES	41,031	36,692
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,358)	521
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,106	920
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,748	$ 1,441
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 6,117	$ 6,111
Income taxes	3,359	4,800
NON-CASH FINANCING ACTIVITIES:		
Stock exchanged for note receivable	$ 801	

See notes to consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

A. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated condensed financial statements (the "Financial Statements") of Universal Forest Products, Inc. and its wholly-owned and majority-owned subsidiaries and partnerships (together, the "Company"), have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the Financial Statements do not include all of the information and footnotes normally included in the annual consolidated financial statements prepared in accordance with generally accepted accounting principles. All significant intercompany transactions and balances have been eliminated. The equity method of accounting has been used for the Company's 50% or less owned affiliates over which the Company has the ability to exercise a significant influence.

In the opinion of management, the Financial Statements contain all material adjustments necessary to present fairly the consolidated financial position, results of operations and cash flows, and changes in shareholders' equity of the Company for the interim periods presented. All such adjustments are of a normal recurring nature. These Financial Statements should be read in conjunction with the consolidated financial statements, and footnotes thereto, included in the Company's Annual Report to Shareholders on Form 10-K for the fiscal year ended December 25, 1999.

Certain reclassifications have been made to the Financial Statements for 1999 to conform to the classifications used in 2000.

B. EARNINGS PER COMMON SHARE

A reconciliation of the changes in the numerator and the denominator from the calculation of basic EPS to the calculation of diluted EPS follows (in thousands, except per share data):

	Three Months Ended 6/24/00			Three Months Ended 6/26/99		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
NET EARNINGS	$12,917			$12,748		
EPS - BASIC						
Income available to common stockholders	12,917	20,144	$0.64	12,748	20,745	$0.61
EFFECT OF DILUTIVE SECURITIES						
Options		357			546	
EPS - DILUTED						
Income available to common stockholders and assumed options exercised	$12,917	20,501	$0.63	$12,748	21,291	$0.60

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS - CONTINUED

	Six Months Ended 6/24/00			Six Months Ended 6/26/99		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
NET EARNINGS	$18,998			$18,109		
EPS - BASIC						
Income available to common stockholders	18,998	20,140	$0.94	18,109	20,727	$0.87
EFFECT OF DILUTIVE SECURITIES						
Options		373			626	
EPS - DILUTED						
Income available to common stockholders and assumed options exercised	$ 18,998	20,513	$0.93	$ 18,109	21,353	$0.85

Options to purchase 654,812 shares of common stock at exercise prices ranging from $13.18 to $36.01 were outstanding at June 24, 2000, but were not included in the computation of diluted EPS for the quarter and six months ended June 24, 2000 because the options' exercise prices were greater than the average market price of the common stock and, therefore, would be antidilutive.

C. STOCK OPTIONS AND STOCK-BASED COMPENSATION

Options to purchase 40,000 and 80,000 shares were granted during the six months ended June 24, 2000 and June 26, 1999, respectively, at exercise prices which exceeded the market price on the date of grant. Weighted-average exercise prices were $21.56 and $29.25 for options granted during the six month periods ended June 24, 2000 and June 26, 1999, respectively.

As permitted under Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," the Company continues to apply the provisions of APB Opinion No. 25 which recognizes compensation expense under the intrinsic value method. Had compensation cost for the stock options been determined under the fair value based method defined in SFAS 123, the Company's net earnings and earnings per share would have been reduced to the following pro forma amounts (in thousands, except per share data).

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS - CONTINUED

	Three Months Ended		Six Months Ended	
	June 24, 2000	June 26, 1999	June 24, 2000	June 26, 1999
Net Earnings:				
As Reported..............	$12,917	$12,748	$18,998	$18,109
Pro Forma................	12,750	12,613	18,684	17,839
EPS - Basic:				
As Reported..............	$0.64	$0.61	$0.94	$0.87
Pro Forma................	$0.63	$0.61	$0.93	$0.86
EPS - Diluted:				
As Reported..............	$0.63	$0.60	$0.93	$0.85
Pro Forma................	$0.62	$0.59	$0.91	$0.84

The fair value of each option granted in the six months ended June 24, 2000 and June 26, 1999 is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted-average assumptions.

	2000	1999
Risk Free Interest Rate.............	6.20%	6.20%
Expected Life........................	6.1 years	6.3 years
Expected Volatility..................	27.09%	27.75%
Expected Dividend Yield.............	0.40%	0.40%

Stock option activity for the six months ended June 24, 2000 is as follows:

	Shares of Common Stock Attributable to Options	Weighted-Average Exercise Price of Options
Outstanding on December 25, 1999	1,317,515	$12.66
Granted	355,964	$13.58
Exercised	0	n/a
Forfeited	(70,065)	$16.42
Outstanding on March 25, 2000	1,603,414	$12.72
Granted	150,000	$12.38
Exercised	(60,000)	$4.25
Forfeited	(15,703)	$15.23
Outstanding on June 24, 2000	1,677,711	$12.97

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS - CONTINUED

The following table summarizes information concerning options on June 24, 2000 (there are no options exercisable at June 24, 2000):

Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life
$4.50 - $10.00	592,500	3.64
$10.01 - $25.00	975,211	5.32
$25.01 - $36.01	110,000	11.27
	1,677,711	

D. BUSINESS COMBINATIONS

On April 17, 2000, the Company acquired fifty percent of the stock of ECJW Holdings, Inc. which has two subsidiaries, Thorndale Roof Systems, Inc. and Edcor Floor Systems, Inc. ("TED"). Thorndale Roof Systems, Inc. manufactures engineered roof trusses for residential and light commercial building applications. Edcor Floor Systems, Inc. is a licensed manufacturer of the patented Open Joist 2000(TM) web floor truss system. Located in London, Ontario, both companies service Ontario, Eastern Michigan and Northern Ohio, including the major markets of Detroit and Toronto. The total purchase price for the stock of TED was approximately $3.2 million, funded through the Company's revolving credit facility. This transaction has been accounted for as a purchase and, accordingly, the purchase price has been allocated to the assets acquired based on their estimated fair market values at the date of acquisition. The excess of the purchase price over the estimated fair value of the acquired assets, assumed liabilities and minority interest was $2.3 million, and has been recorded as goodwill, to be amortized on a straight-line basis over 20 years. TED's results of operations are included in the Company's consolidated condensed financial statements since the date of acquisition.

On June 5, 2000, the Company acquired substantially all of the assets and assumed certain liabilities of Gang-Nail Components, Inc. ("Gang-Nail") of Fontana, CA, a manufacturer of engineered wood components. The new name of this operation is Universal Truss, Inc. ("UTI"). The total purchase price for the net assets was approximately $29.2 million, funded through the Company's revolving credit facility. This transaction has been accounted for as a purchase and, accordingly, the purchase price has been allocated to the assets acquired based on their estimated fair market values at the date of acquisition. The excess of the purchase price over the estimated fair value of the acquired assets and assumed liabilities was $13.4 million, and has been recorded as goodwill, to be amortized on a straight-line basis over 20 years. UTI's results of operations are included in the Company's consolidated condensed financial statements since the date of acquisition.

On June 19, 2000, the Company announced that it and Aljoma Lumber had terminated acquisition negotiations previously reported on March 29, 2000.

UNIVERSAL FOREST PRODUCTS, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS - CONTINUED

The following unaudited pro forma consolidated results of operations for the six months ended June 24, 2000 and June 26, 1999 assumes the acquisitions of TED and Gang-Nail occurred as of the beginning of the periods presented (in thousands, except per share data).

	Six Months Ended June 24, 2000	Six Months Ended June 26, 1999
Net sales	$754,681	$774,368
Net earnings	19,778	19,971
Earnings per share:		
Basic	$0.98	$0.96
Diluted	$0.96	$0.94
Weighted average shares outstanding:		
Basic	20,140	20,727
Diluted	20,513	21,353

The pro forma results above include certain adjustments to give effect to amortization of goodwill, interest expense, compensation of management, certain other adjustments and related income tax effects. The pro forma results are not necessarily indicative of the operating results that would have occurred had the acquisitions been completed as of the beginning of the period presented, nor are they necessarily indicative of future operating results.

E. SUBSEQUENT EVENTS

On June 29, 2000, the Company acquired the wood preservation facilities of Walker-Williams Lumber Company located in Blanchester, OH and Westville, IN. The total purchase price for the assets was appropriately $3.3 million, funded through the Company's revolving credit facility. The Company is currently conducting due diligence to acquire a third plant located in Youngstown, OH for $1.3 million.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RISK FACTORS

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. The forward-looking statements are based on the beliefs and assumptions of management of the Company together with information available to the Company when the statements were made. Future results could differ materially from those included in such forward-looking statements as a result of, among other things, the factors set forth below and certain economic and business factors which may be beyond the control of the Company. Investors are cautioned that all forward-looking statements involve risks and uncertainty.

Lumber Market Volatility:

The Company experiences significant fluctuations in the cost of commodity lumber products from primary producers. A variety of factors over which the Company has no control, including government regulations, environmental regulations, weather conditions, economic conditions and natural disasters, impact the cost of lumber products and the Company's selling prices. The Company attempts to minimize its risk from severe price fluctuations. However, prolonged trends in lumber prices can affect the Company's financial results. The Company anticipates that price fluctuations will continue in the future. The Company relies on the Random Lengths composite price (see "Fluctuations in Lumber Prices"), which is a weighted average of nine key framing lumber prices chosen from major producing areas and species, as a broad measure of price movement in the commodity lumber market ("Lumber Market").

Competition:

The Company is subject to competitive selling and pricing pressures in its major markets. While the Company is generally aware of its existing competitors' capabilities, it is subject to entry in its markets by new competitors, which could negatively impact financial results.

Market Growth:

The Company's sales growth is dependent, in part, upon growth of the markets it serves. If the Company's markets do not achieve anticipated growth, or if the Company fails to maintain its market share, financial results could be impaired. Certain segments of the manufactured housing industry served by the Company still are hampered by market conditions including an oversupply of product and tightened credit policies. The Company has planned for a continued reduction in sales and production, but if the manufactured housing industry enters into a prolonged downturn, it could adversely affect the Company's operating results.

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS - CONTINUED

Economic Trends:

Management believes the Company's ability to achieve growth in sales and margins to the site-built construction market is somewhat dependent on housing starts. If housing starts decline significantly, the Company's financial results could be impacted. One factor which could impact housing starts is an increase in mortgage interest rates.

Business Combinations:

A key component of the Company's growth strategy is to complete business combinations. Business combinations involve inherent risks, including assimilation and successfully managing growth. While the Company conducts extensive due diligence and has taken steps to ensure successful assimilation, factors beyond the Company's control could influence the results of these acquisitions.

Consolidation:

The Company, like most companies, is witnessing consolidation by its customers. These consolidations will result in a larger portion of the Company's sales being made to some customers. Consolidation may limit the number of customers the Company is able to serve.

Government Regulations:

The Company is subject to a variety of government regulations which create a financial burden on the Company. If additional laws and regulations are enacted in the future, or if existing laws are interpreted differently, it could increase the financial cost to the Company.

Weather Conditions:

The majority of the Company's products are used in outdoor construction activities, therefore its sales volume and profits can be negatively affected by adverse weather conditions. In addition, adverse weather conditions can negatively impact its productivity and costs per unit.

Seasonality:

Some aspects of the Company's business are seasonal in nature and results of operations vary from quarter to quarter. The Company's treated lumber and outdoor specialty products, such as fencing, decking and lattice, experience the greatest seasonal effects. Sales of treated lumber, primarily consisting of Southern Yellow Pine ("SYP"), also experience the greatest Lumber Market risk. Treated lumber sales are generally at their highest levels between the months of April through August. This sales peak, combined with capacity constraints in the wood treatment process, requires

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

the Company to build its inventory of treated lumber throughout the winter and spring. Since sales prices of treated lumber products are generally indexed to the Lumber Market at the time they are shipped, the Company's profits can be negatively affected by prolonged declines in the Lumber Market during its primary selling season. To mitigate this risk, programs are maintained with certain vendors and customers that are intended to decrease the Company's exposure. These programs include those materials which are most susceptible to adverse changes in the Lumber Market. Vendor programs also allow the Company to carry a lower investment in inventories.

E-Business/E-Commerce:

While the Company has invested heavily in technology and established electronic business-to-business efficiencies with certain customers and vendors, the willingness of customers and vendors to modify existing distribution strategies poses a potential risk. The Company believes the nature of its products, together with the value-added services the Company provides, ensures that it has a solid position in the supply chain.

When analyzing this report to assess the future performance of the Company, please recognize the potential impact of the various factors set forth above.

BUSINESS COMBINATIONS

On April 17, 2000, the Company acquired fifty percent of the stock of ECJW Holdings, Inc. which has two subsidiaries, Thorndale Roof Systems, Inc. and Edcor Floor Systems, Inc. ("TED"). Thorndale Roof Systems, Inc. manufactures engineered roof trusses for residential and light commercial building applications. Edcor Floor Systems, Inc. is a licensed manufacturer of the patented Open Joist 2000(TM) web floor truss system. Located in London, Ontario, both companies service Ontario, Eastern Michigan and Northern Ohio, including the major markets of Detroit and Toronto. The total purchase price for the stock of TED was approximately $3.2 million. TED had net sales in fiscal 1999 totaling $11.2 million.

On June 5, 2000, the Company acquired substantially all of the assets and assumed certain liabilities of Gang-Nail Components, Inc. ("Gang-Nail") of Fontana, CA, a manufacturer of engineered wood components. The total purchase price for the net assets was approximately $29.2 million. Gang-Nail had net sales in fiscal 1999 totaling $41.7 million.

FLUCTUATIONS IN LUMBER PRICES

The following table presents the Random Lengths framing lumber composite price for the six months ended June 24, 2000 and June 26, 1999:

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

	Random Lengths Composite Average $/MBF	
	2000	1999
January	$386	$370
February	385	386
March	382	394
April	359	393
May	326	421
June	331	454
Second quarter average	$339	$423
Year-to-date average	$362	$403
Second quarter percentage decrease from 1999	-19.9%	
Year-to date percentage decrease from 1999	-10.2%	

In addition, a SYP composite price, prepared and used by the Company, is presented below. Sales of products produced using this species comprise up to fifty percent of the Company's sales volume.

	Random Lengths SYP Average $/MBF	
	2000	1999
January	$488	$471
February	490	497
March	494	513
April	483	496
May	439	523
June	456	563
Second quarter average	$459	$527
Year-to-date average	$475	$511
Second quarter percentage decrease from 1999	-12.9%	
Year-to date percentage decrease from 1999	-7.0%	

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

The effects of the Lumber Market on the Company's results of operations are discussed below under the caption "Net Sales."

RESULTS OF OPERATIONS

The following table presents, for the periods indicated, the components of the Company's Consolidated Condensed Statement of Earnings as a percentage of net sales.

	For the Three Months Ended		For the Six Months Ended	
	June 24, 2000	June 26, 1999	June 24, 2000	June 26, 1999
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	86.7	87.9	86.7	87.4
Gross profit	13.3	12.1	13.3	12.6
Selling, general, and administrative expenses	7.4	6.7	8.1	7.8
Earnings from operations	5.9	5.4	5.2	4.8
Interest, net	0.8	0.7	0.9	0.8
Earnings before income taxes, minority interest and equity in earnings (loss) of investee	5.1	4.7	4.3	4.0
Income taxes	2.0	1.9	1.7	1.6
Earnings before minority interest and equity in earnings (loss) of investee	3.1	2.8	2.6	2.4
Minority interest	(0.1)	(0.0)	(0.0)	(0.0)
Equity in earnings (loss) of investee	(0.0)	0.1	0.0	0.0
Net earnings	3.0%	2.9%	2.6%	2.4%

NET SALES

The Company engineers, manufactures, treats and distributes lumber and other building products to the do-it-yourself ("DIY"), manufactured housing, wholesale lumber, industrial and conventional site-built construction markets. The Company's strategic sales objectives include:

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

- Diversifying the Company's end market sales mix by increasing its sales of specialty wood packaging to industrial users and engineered wood products to the site-built construction market. Engineered wood products include roof trusses, wall panels and engineered floor systems.

- Increasing sales of "value-added" products. Value-added product sales consist of fencing, decking, lattice and other specialty products sold to the DIY market; specialty wood packaging; and engineered wood products. A long-term goal of the Company is to achieve a ratio of value-added sales to total sales of at least 50%. Although the Company considers the treatment of dimensional lumber with preservatives a value-added process, management does not include treated lumber as a component of value-added sales.

- Maximizing profitable top-line sales growth while increasing DIY market share.

- Maintaining manufactured housing market share.

In order to measure its progress toward attaining these objectives, management analyzes the following financial data:

- Sales by market classification.

- The percentage change in sales attributable to changes in overall selling prices versus changes in the quantity of units shipped.

- The ratio of value-added product sales to total sales.

The following table presents, for the periods indicated, the Company's net sales (in thousands) and percentage of total net sales by market classification.

	For the Three Months Ended				For the Six Months Ended			
Market Classification	June 24, 2000	%	June 26, 1999	%	June 24, 2000	%	June 26, 1999	%
DIY	$229,711	53.2%	$236,912	53.0%	$363,991	49.5%	$357,068	47.8%
Manufactured Housing	87,939	20.4	108,811	24.4	166,121	22.6	205,079	27.5
Site-Built Construction	63,008	14.6	53,858	12.1	111,623	15.2	101,374	13.6
Industrial	29,952	6.9	24,866	5.5	56,332	7.6	45,004	6.0
Wholesale Lumber	20,968	4.9	22,304	5.0	37,583	5.1	38,406	5.1
Total	$431,578	100.0%	$446,751	100.0%	$735,650	100.0%	$746,931	100.0%

Net sales in the second quarter of 2000 decreased $15.2 million, or 3.4%, compared to the second quarter of 1999, reflecting a decrease in overall selling prices, partially offset by a slight increase in units shipped. Overall selling prices decreased due to the deflated Lumber Market (see

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

"Fluctuations in Lumber Prices"). The increase in units shipped was primarily driven by sales from newly acquired plants serving the site-built construction market, increased unit sales to the industrial market and additional business with the Company's largest DIY customer. Net sales in the first six months of 2000 decreased $11.3 million, or 1.5%, compared to the same period of 1999. This sales decrease was primarily due to a decrease in overall selling prices due to the deflated Lumber Market in the first six months of 2000 compared to the prior year period, as unit sales increased slightly.

The following table presents, for the periods indicated, the Company's percentage of value- added and commodity-based sales to total sales.

	Three Months Ended		Six Months Ended	
	June 24, 2000	June 26, 1999	June 24, 2000	June 26, 1999
Value-Added...........................	41.4%	39.1%	42.5%	41.0%
Commodity-Based.......................	58.6%	60.9%	57.5%	59.0%

Note: In the second quarter of 2000, the Company reviewed the classification of its value-added and commodity-based products and made certain reclassifications. Prior year information has been restated due to these reclassifications.

The ratio of value-added sales to total sales increased slightly to 41.4% in the second quarter of 2000 compared to 39.1% in the same period of 1999. This ratio increased to 42.5% from 41.0% in the first six months of 2000 compared to 1999. These increases are primarily due to increased sales of engineered roof trusses, I-joists and Open Joist 2000 products to the site-built construction market. In addition, treated and commodity lumber sales decreased due to a decline in units shipped to the manufactured housing market and a decline in overall selling prices due to the deflated Lumber Market.

DIY:

Net sales to the DIY market decreased approximately $7.2 million, or 3.0%, in the second quarter of 2000 compared to the same period of 1999. This decrease is primarily due to a decrease in overall selling prices due to the deflated Lumber Market in the second quarter of 2000 compared to the same period of 1999. In addition, the Company's sales to two national customers decreased due to a decline in their financial position. This sales decrease was partially offset by an increase in sales to the Company's largest customer. Net sales in the first six months of 2000 increased $6.9 million, or 1.9% compared to the same period of 1999, due primarily to the increase in sales to the Company's largest customer.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

Manufactured Housing:

Net sales to the manufactured housing market decreased approximately $20.9 million, or 19.2%, in the second quarter of 2000 compared to the same period of 1999. Net sales for the first six months of 2000 decreased $39.0 million, or 19.0%. These decreases were primarily due to a decrease in unit sales to certain large customers. These customers continued to reduce production in the second quarter of 2000 due to an oversupply of finished homes at the retail level and tightening credit for consumers. The industry expects this situation to continue into the year 2001.

Site-Built Construction:

Net sales to the site-built construction market increased approximately $9.2 million, or 17.0% in the second quarter of 2000 compared to the same period of 1999. Net sales for the first six months of 2000 increased $10.2 million, or 10.1%. This increase was primarily due to increased unit sales as a result of the acquisition of TED and Gang-Nail, along with increases at certain existing locations.

Industrial:

Net sales to the industrial market increased approximately $5.1 million, or 20.5%, in the second quarter of 2000 compared to the same period of 1999. Net sales for the first six months of 2000 increased $11.3 million, or 25.2%. These increases were primarily due to increased market share in several regions due to continued focus on growth, combined with the effects of redirecting sales efforts and manufacturing capacity at certain plants as a result of the downturn in the manufactured housing market.

COST OF GOODS SOLD AND GROSS PROFIT

Gross profit as a percentage of net sales increased to 13.3% in the second quarter of 2000 compared to 12.1% in the same period of 1999. Gross profit as a percentage of net sales increased to 13.3% for the first six months of 2000 compared to 12.6% for the same period of 1999. These increases were primarily due to increased sales of certain higher margin products relative to total sales.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased approximately $2.1 million, or 7.0%, comparing the second quarter of 2000 to the same period of 1999. Selling, general and administrative expenses increased approximately $1.0 million, or 1.7%, comparing the first six months of 2000 to the same period of 1999. These increases were primarily due to new operations

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

and increased compensation related to headcount. Emphasis on growing the site-built and industrial business has required additional sales, engineering and other technical professionals.

INTEREST, NET

Net interest costs increased approximately $0.3 million comparing the second quarter of 2000 to the same period of 1999. Net interest costs increased approximately $0.6 million comparing the first six months of 2000 to the same period of 1999. These increases were primarily due to a higher average debt balance as a result of recent business acquisitions and share repurchases.

INCOME TAXES

The Company's effective tax rate was 39.3% in the second quarter of 2000 compared to 40.4% in the same period of 1999. The effective tax rate was 39.3% in the first six months of 2000 compared to 40.0% in the same period of 1999. Effective tax rates differ from statutory federal income tax rates, primarily due to:

- Provisions for state and local income taxes.

- Permanent tax differences.

This decrease is primarily due to lower estimated state and local income taxes.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows provided by operating activities for the first six months of 2000 increased $23.8 million over the same period of 1999. This improvement is primarily due to the impact of a lower Lumber Market on sales, receivables and inventory, combined with a change in buying practices on certain products. At the end of 1999, the Company purchased certain inventory well in advance of the spring DIY selling season in order to meet expected demand.

Due to the seasonality of its business and the effects of the Lumber Market, management believes the Company's cash cycle (days sales outstanding plus days supply of inventory less days payables outstanding) is a good indicator of its working capital management. The Company's cash cycle increased to 45 days in the first six months of 2000 from 42 days in the first six months of 1999 primarily due to higher average inventory levels associated with a change in buying practices on certain items, partially offset by a longer payment cycle with certain vendors.

Capital expenditures totaled $15.6 million in the first six months of 2000 compared to $21.2 million in the same period of 1999. The Company's capital expenditures during the second quarter of 2000 primarily consisted of several projects to improve efficiencies and expand manufacturing

UNIVERSAL FOREST PRODUCTS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - CONTINUED

capacity for products sold to the DIY, site-built construction and industrial markets. The Company expects to spend between $17 million and $20 million on capital expenditures for the balance of 2000, which includes outstanding purchase commitments on capital projects totaling approximately $12.3 million on June 24, 2000. The Company intends to satisfy these commitments utilizing its revolving credit facility.

The Company spent approximately $32.4 million in the first six months of 2000 related to business acquisitions which are discussed earlier in this document under the caption "Business Combinations." The Company funded the purchase price of these acquisitions using its revolving credit facility.

On June 24, 2000, the Company had $60.4 million outstanding on its $175 million revolving credit facility. Approximately $28 million of the amount outstanding relates to seasonal working capital requirements which generally last until October.

Cash flows provided by financing activities increased to $41.0 million in the first six months of 2000 from $36.7 million in the same period of 1999 primarily due to an increase in borrowings associated with business acquisitions, offset by the increase in cash flows from operations discussed above.

ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

The Company is self-insured for environmental impairment liability, and accrues for the estimated cost of monitoring or remediation activities. As of August 1, 2000, the Company owns and/or operates 21 wood preserving facilities throughout the United States that treat lumber products with a chemical preservative. In accordance with applicable federal, state and local environmental laws, ordinances and regulations, the Company may be potentially liable for costs and expenses related to the environmental condition of the Company's real property. The Company has established reserves for remediation activities at its North East, MD; Union City, GA; Stockertown, PA; Elizabeth City, NC; Auburndale, FL; and Schertz, TX facilities.

The Company has accrued in other long-term liabilities amounts totaling $2.3 million on June 24, 2000 and June 26, 1999 for the activities described above. Management believes that the potential future costs of known remediation efforts will not have a material adverse effect on its future financial position, results of operations or liquidity.

UNIVERSAL FOREST PRODUCTS, INC.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risks related to fluctuations in interest rates on its variable rate debt, which consists of a revolving credit facility and industrial development revenue bonds. The Company does not currently use interest rate swaps, futures contracts or options on futures, or other types of derivative financial instruments to mitigate this risk.

For fixed rate debt, changes in interest rates generally affect the fair market value, but not earnings or cash flows. Conversely, for variable rate debt, changes in interest rates generally do not influence fair market value, but do affect future earnings and cash flows. The Company does not have an obligation to prepay fixed rate debt prior to maturity, and as a result, interest rate risk and changes in fair market value should not have a significant impact on such debt until the company would be required to refinance it.

UNIVERSAL FOREST PRODUCTS, INC.

PART II. OTHER INFORMATION

Item 2. Changes in Securities.

(a) None.

(b) None.

(c) Sales of equity securities in the second quarter not registered under the Securities Act.

	Date of Sale	Class of Stock	Number of Shares	Purchasers	Consideration Exchanged
Stock Gift Program	Various	Common	200	Eligible persons	None
Stock Option Exercises	04/29/00	Common	60,000	Eligible officers	$255,000

UNIVERSAL FOREST PRODUCTS, INC.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

The following matters were voted upon at the Company's Annual Meeting of Shareholders on April 19, 2000.

(1) Election of the following Directors for three year terms expiring in 2003:

	For	Withheld
John W. Garside	18,664,844	169,412
Peter F. Secchia	17,763,356	1,070,900

Other Directors whose terms of office continued after the meeting are as follows:

John C. Canepa
William G. Currie
Philip M. Novell
Carroll M. Shoffner
Louis A. Smith

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNIVERSAL FOREST PRODUCTS, INC.

Date: August 4, 2000
By: /s/ William G. Currie
William G. Currie
Its: Vice Chairman of the Board and Chief Executive Officer

Date: August 4, 2000
By: /s/ Michael R. Cole
Michael R. Cole
Its: Chief Financial Officer

UNIVERSAL FOREST PRODUCTS, INC.

EXHIBIT INDEX

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1,000

6-MOS
DEC-30-2000
DEC-26-1999
JUN-24-2000
2,748
0
120,494
1,450
145,768
274,565
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