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 March 29, 2003

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 checkmark 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 by checkmark whether the registrant is an accelerated filer (as defined by Rule 12b-2 of the Exchange Act). 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 March 29, 2003
Common stock, no par value	17,694,133

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

(in thousands, except share data)

	March 29, 2003	December 28, 2002	March 30, 2002
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 7,295	$ 13,454	$ 12,503
Restricted cash equivalents	1,383	1,383	
Accounts receivable (net of allowances of $2,580, $2,427 and $2,394)	149,327	105,217	135,218
Inventories:			
Raw materials	89,873	83,557	57,005
Finished goods	106,355	82,449	110,656
	196,228	166,006	167,661
Other current assets	7,851	8,037	3,472
TOTAL CURRENT ASSETS	362,084	294,097	318,854
OTHER ASSETS	6,608	6,738	6,548
GOODWILL	126,620	126,299	120,276
NON-COMPETE AND LICENSING AGREEMENTS (net of accumulated amortization of $2,713, $2,463 and $1,731)	5,122	4,516	3,247
PROPERTY, PLANT AND EQUIPMENT:			
Property, plant and equipment	338,185	328,499	298,112
Accumulated depreciation and amortization	(131,064)	(125,355)	(110,581)
PROPERTY, PLANT AND EQUIPMENT, NET	207,121	203,144	187,531
TOTAL ASSETS	$ 707,555	$ 634,794	$ 636,456
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term debt	$ 1,701	$ 1,758	$ 2,025
Accounts payable	72,012	57,515	69,988
Accrued liabilities:			
Compensation and benefits	25,656	36,610	25,924
Other	9,137	6,463	15,655
Current portion of long-term debt and capital lease obligations	6,611	6,495	20,512
TOTAL CURRENT LIABILITIES	115,117	108,841	134,104
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, less current portion	297,020	235,319	240,174
DEFERRED INCOME TAXES	12,922	13,328	10,413
MINORITY INTEREST	7,263	7,040	6,659
OTHER LIABILITIES	6,567	5,832	6,386
TOTAL LIABILITIES	438,889	370,360	397,736
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, 17,694,133, 17,741,982 and 17,792,986	17,694	17,742	17,793
Additional paid-in capital	82,957	82,139	81,091
Deferred stock compensation	1,424	1,434	1,504
Retained earnings	167,191	164,221	138,759
Accumulated other comprehensive earnings	617	299	674
	269,883	265,835	239,821
Officers' stock notes receivable	(1,217)	(1,401)	(1,101)
TOTAL SHAREHOLDERS' EQUITY	268,666	264,434	238,720
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 707,555	$ 634,794	$ 636,456

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	
	March 29, 2003	March 30, 2002
NET SALES	$ 355,619	$ 341,656
COST OF GOODS SOLD	303,815	290,379
GROSS PROFIT	51,804	51,277
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	40,188	37,798
EARNINGS FROM OPERATIONS	11,616	13,479
OTHER EXPENSE (INCOME):		
Interest expense	3,787	2,908
Interest income	(47)	(113)
	3,740	2,795
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	7,876	10,684
INCOME TAXES	2,791	3,973
EARNINGS BEFORE MINORITY INTEREST	5,085	6,711
MINORITY INTEREST	(585)	(629)
NET EARNINGS	$ 4,500	$ 6,082
EARNINGS PER SHARE - BASIC	$ 0.25	$ 0.33
EARNINGS PER SHARE - DILUTED	$ 0.25	$ 0.32
WEIGHTED AVERAGE SHARES OUTSTANDING	17,729	18,210
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	18,252	19,024

See notes to consolidated condensed financial statements.

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

(in thousands)

	Three Months Ended	
	March 29, 2003	March 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 4,500	$ 6,082
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	5,949	5,611
Amortization of intangible assets	322	301
Deferred income taxes	(405)	(153)
Loss on sale or impairment of property, plant, and equipment	86	66
Changes in:		
Accounts receivable	(44,110)	(46,490)
Inventories	(30,222)	(44,856)
Accounts payable	14,497	22,111
Accrued liabilities and other	(7,715)	1,068
NET CASH FROM OPERATING ACTIVITIES	(57,098)	(56,260)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,809)	(5,255)
Acquisitions, net of cash received		(359)
Proceeds from sale of property, plant and equipment	144	161
Other	44	1,222
NET CASH FROM INVESTING ACTIVITIES	(9,621)	(4,231)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings of notes payable and revolving credit facilities	61,752	86,453
Repayment of long-term debt	(22)	(158)
Proceeds from issuance of common stock	730	62
Distributions to minority shareholder	(273)	(250)
Repurchase of common stock	(1,627)	(36,000)
NET CASH FROM FINANCING ACTIVITIES	60,560	50,107
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,159)	(10,384)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,454	22,887
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 7,295	$ 12,503
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:		
Cash paid (refunded) during the period for:		
Interest	$ 863	$ 719
Income taxes	820	(2,097)
NON-CASH INVESTING ACTIVITIES:		
Non-compete agreements in exchange for future payments		$ 216
Non-compete agreements with Chairman of the Board in exchange for future payments	$ 856	

See notes to consolidated condensed financial statements.

A. BASIS OF PRESENTATION

The accompanying unaudited, interim, consolidated, condensed financial statements (the "Financial Statements") include our accounts and those of our wholly-owned and majority-owned subsidiaries and partnerships, and 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 accounting principles generally accepted in the United States. All significant intercompany transactions and balances have been eliminated.

In our opinion, the Financial Statements contain all material adjustments necessary to present fairly our consolidated financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. These Financial Statements should be read in conjunction with the annual consolidated financial statements, and footnotes thereto, included in our Annual Report to Shareholders on Form 10-K for the fiscal year ended December 28, 2002.

Certain reclassifications have been made to the Financial Statements for 2002 to conform to the classifications used in 2003.

B. COMPREHENSIVE INCOME

Comprehensive income consists of net income and foreign currency translation adjustments. Comprehensive income was approximately $4.8 million and $6.2 million for the quarter ended March 29, 2003 and March 30, 2002, respectively.

C. 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 03/29/03			Three Months Ended 03/30/02		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
NET EARNINGS	$4,500			$6,082		
EPS - BASIC						
Income available to common stockholders	4,500	17,729	$0.25	6,082	18,210	$0.33
EFFECT OF DILUTIVE SECURITIES						
Options		523			814	
EPS - DILUTED						
Income available to common stockholders and assumed options exercised	$4,500	18,252	$0.25	$6,082	19,024	$0.32

Options to purchase 918,109 shares of common stock at exercise prices ranging from $18.25 to $36.01 were outstanding at March 29, 2003, but were not included in the computation of diluted EPS for the quarter ended March 29, 2003 because the options' exercise prices were greater than the average market price of the common stock during the period and, therefore, would be antidilutive.

Options to purchase 195,000 shares of common stock at exercise prices ranging from $22.88 to $36.01 were outstanding at March 30, 2002, but were not included in the computation of diluted EPS for the quarter ended March 30, 2002 because the options' exercise prices were greater than the average market price of the common stock during the period and, therefore, would be antidilutive.

D. GOODWILL AND OTHER INTANGIBLE ASSETS

On December 31, 2002, the Chairman of the Board of Directors ("Chairman") retired as an employee of Universal Forest Products, Inc., and we entered into a non-compete agreement with the Chairman which provides for monthly payments of $12,500 for a term of seven years. The present value of these payments has been recorded in Other Liabilities.

On March 29, 2003, non-compete assets totaled $5.6 million with accumulated amortization totaling $2.2 million, and licensing agreements totaled $2.2 million with accumulated amortization totaling $0.5 million.

Estimated amortization expense for intangible assets as of March 29, 2003 for each of the five succeeding fiscal years is as follows (in thousands):

2003	$ 839
2004	1,120
2005	1,119
2006	1,050
2007	530
Thereafter	464

The changes in the net carrying amount of goodwill for the quarter ended March 29, 2003 are as follows (in thousands):

Balance as of December 28, 2002	$126,299
Goodwill acquired	
Foreign currency translation effects and other, net	321
Balance as of March 29, 2003	$126,620

E. BUSINESS COMBINATIONS

The acquisitions in 2002 were not significant to the operating results individually nor in aggregate, and thus pro forma results are not presented.

The purchase price allocations for Quality Wood Treating Co., Inc. and J.S. Building Products, Inc., acquired in the fourth quarter of 2002, remain preliminary and will be revised as final estimates of intangible asset values are made in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141, Business Combinations.

F. STOCK-BASED COMPENSATION

As permitted under SFAS No.123, Accounting for Stock-Based Compensation, ("SFAS 123"), we continue to apply the provisions of APB Opinion No. 25, Accounting for Stock Issued to Employees, which recognizes compensation expense under the intrinsic value method. Had compensation cost for the stock options granted and stock purchased in the first quarter of 2003 and 2002 been determined under the fair value based method defined in SFAS 123, our net earnings and earnings per share would have been reduced to the following pro forma amounts (in thousands, except per share data):

	Three Months Ended March 29, 2003	Three Months Ended March 30, 2002
Net Earnings:		
As reported	$ 4,500	$ 6,082
Deduct: compensation expense - fair value method	(385)	(318)
Pro Forma	$ 4,115	$ 5,764
EPS - Basic:		
As reported	$ 0.25	$ 0.33
Pro forma	$ 0.23	$ 0.32
EPS - Diluted:		
As reported	$ 0.25	$ 0.32
Pro forma	$ 0.23	$ 0.31

G. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

We are self-insured for environmental impairment liability through a wholly owned subsidiary, UFP Insurance Ltd., a licensed captive insurance company. We own and operate a number of facilities throughout the United States that treat lumber products with chemical preservatives. In connection with the ownership and operation of these and other real properties, and the disposal or treatment of hazardous or toxic substances, we may, under various federal, state and local environmental laws, ordinances and regulations, be potentially liable for removal and remediation costs, as well as other potential costs, damages and expenses. Insurance reserves have been established to cover remediation activities at our Union City, GA; Stockertown, PA; Elizabeth City, NC; and Schertz, TX wood preservation facilities. Additionally, a reserve is in place to cover the removal of lead and asbestos containing materials from property we purchased in Thornton, CA.

Including amounts recorded in our captive insurance company, we reserved amounts totaling approximately $1.9 million and $2.4 million on March 29, 2003 and March 30, 2002, respectively, representing the estimated costs to complete remediation efforts.

As part of its re-registration process and in response to allegations by certain environmental groups that CCA poses health risks, the EPA has been conducting a scientific review of CCA, a wood preservative we use to extend the useful life of wood fiber. In April of 2003, the EPA announced the re-registration of CCA preservative for certain industrial and commercial uses. The manufacturers of CCA preservative agreed to voluntarily discontinue the registration of CCA for certain residential applications by December 31, 2003. All of our facilities are presently capable of using a new preservative to treat wood products.

In addition to the EPA review, an environmental group petitioned the Consumer Products Safety Commission ("CPSC") to ban the use of CCA treated wood in playsets. On February 7, 2003, the CPSC issued a staff report on its study of the risks of children playing on treated playsets. While the staff report indicates potential for elevated risks associated with arsenic, it relies in part on a flawed Taiwanese study to measure this risk. The study does not recommend removal of product, and proposes the CPSC take no further action until the EPA concludes its assessment. The EPA has previously stated that CCA treated lumber does not pose an unreasonable risk to human health.

We have been requested by a customer to defend it from purported class action lawsuits filed against it in Florida and Louisiana. The complaints allege that CCA treated lumber is defective. While our customer has charged us for certain expenses incurred in the defense of these claims, we have not formally accepted liability of these costs. In February 2003, the judge in the Florida case denied the plaintiff's motion for certification of the class.

We, along with others in the industry, were previously named as a defendant in the purported class action lawsuit in Louisiana. We have been dismissed from this litigation.

In addition, various special interest environmental groups have petitioned certain states requesting restrictions on the use or disposal of CCA treated products. The wood preservation industry trade groups are working with the individual states and their regulatory agencies to provide an accurate, factual background which demonstrates that the present method of uses and disposal is scientifically supported.

On March 29, 2003, we were parties either as plaintiff or a defendant to a number of lawsuits and claims arising through the normal course of our business. In the opinion of management, our consolidated financial statements will not be materially affected by the outcome of these legal proceedings.

On March 29, 2003, we had outstanding purchase commitments on capital projects of approximately $11 million.

We provide a variety of warranties for products we manufacture. Historically, warranty claims have not been material.

In certain cases we jointly bid on contracts with framing companies to supply building materials to site-built construction projects. In some of these instances we are required to post payment and performance bonds to insure the owner that the products and installation services are completed in accordance with our contractual obligations. We have agreed to indemnify the surety for claims made against the bonds. Historically, we have not had any claims for indemnity from our sureties. As of March 29, 2003, we had approximately $22.3 million in outstanding performance bonds which expire during the next three to eighteen months.

We have entered into operating leases for certain assets that include a guarantee of a portion of the residual value of the leased assets. If at the expiration of the initial lease term we do not exercise our option to purchase the leased assets and these assets are sold by the lessor for a price below a predetermined amount, we are required to reimburse the lessor for a certain portion of the shortfall. These operating leases will expire periodically over the next five years. The estimated maximum aggregate exposure of these guarantees is less than $350,000.

On March 29, 2003, we had outstanding letters of credit totaling $31.1 million, primarily related to certain insurance contracts and industrial development revenue bonds.

In lieu of cash deposits, we provide irrevocable letters of credit in favor of our insurers to guarantee our performance under certain insurance contracts. We currently have irrevocable letters of credit outstanding totaling approximately $11 million for these types of insurance arrangements. We have reserves recorded on our balance sheet, in accrued liabilities, that reflect our expected future liabilities under these insurance arrangements.

We are required to provide irrevocable letters of credit in favor of the bond trustees for all of the industrial development revenue bonds that we have issued. These letters of credit guarantee principal and interest payments to the bondholders. We currently have irrevocable letters of credit outstanding totaling approximately $18.3 million related to our outstanding industrial development revenue bonds. These letters of credit have varying terms but may be renewed at the option of the issuing banks.

Our wholly owned domestic subsidiaries have guaranteed the indebtedness of Universal Forest Products, Inc. in certain debt agreements, including the 1994 Senior Notes, Series 1998-A Senior Notes, Series 2002-A Senior Notes and our revolving credit facility. The maximum exposure of these guarantees is limited to the indebtedness outstanding under these debt arrangements and this exposure will expire concurrent with the expiration of the debt agreements.

We did not enter into any new guarantee arrangements during the first quarter of 2003 which would require us to recognize a liability on our balance sheet.

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

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, together with information available to us 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 our control. Investors are cautioned that all forward-looking statements involve risks and uncertainty.

RISK FACTORS

WE ARE SUBJECT TO FLUCTUATIONS IN THE PRICE OF LUMBER. We experience significant fluctuations in the cost of commodity lumber products from primary producers (the "Lumber Market"). A variety of factors over which we have no control, including government regulations, environmental regulations, weather conditions, economic conditions and natural disasters, impact the cost of lumber products and our selling prices. While we attempt to minimize our risk from severe price fluctuations, substantial, prolonged trends in lumber prices can negatively affect our sales volume, our gross margins and our profitability. We anticipate that these fluctuations will continue in the future.

OUR GROWTH MAY BE LIMITED BY THE MARKETS WE SERVE. Our sales growth is dependent, in part, upon the growth of the markets we serve. If our markets do not achieve anticipated growth, or if we fail to maintain our market share, financial results could be impaired.

The manufactured housing industry is currently hampered by market conditions, including a high rate of repossessions and tightened credit policies. Significant lenders who previously provided financing to consumers of these products and industry participants have either restricted credit or exited the market. A continued shortage of financing to this industry could adversely affect our operating results.

Our 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, our financial results could be negatively impacted.

We are witnessing consolidation by our customers. These consolidations will result in a larger portion of our sales being made to some customers and may limit the customer base we are able to serve.

A SIGNIFICANT PORTION OF OUR SALES ARE CONCENTRATED WITH ONE CUSTOMER. Our sales to The Home Depot comprised 28% of our total sales in the first quarter of 2003.

OUR GROWTH MAY BE LIMITED BY OUR ABILITY TO MAKE SUCCESSFUL ACQUISITIONS. A key component of our growth strategy is to complete business combinations. Business combinations involve inherent risks, including assimilation and successfully managing growth. While we conduct extensive due diligence and have taken steps to ensure successful assimilation, factors beyond our control could influence the results of these acquisitions.

WE MAY BE ADVERSELY AFFECTED BY THE IMPACT OF ENVIRONMENTAL AND SAFETY REGULATIONS. We are subject to the requirements of federal, state and local environmental and occupational health and safety laws and regulations. There can be no assurance that we are at all times in complete compliance with all of these requirements. We have made and will continue to make capital and other expenditures to comply with environmental regulations. If additional laws and regulations are enacted in the future, which restrict our ability to manufacture and market our products, including our treated lumber products, it could adversely affect our sales and profits. If existing laws are interpreted differently, it could also increase the financial cost to us. Several states have proposed legislation to limit the uses of CCA treated lumber. (See "Environmental Considerations and Regulations.")

SEASONALITY AND WEATHER CONDITIONS COULD ADVERSELY AFFECT US. Some aspects of our business are seasonal in nature and results of operations vary from quarter to quarter. Our 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 (see "Historical Lumber Prices"). Treated lumber sales are generally at their highest levels between April and August. This sales peak, combined with capacity constraints in the wood treatment process, requires us to build our inventory of treated lumber throughout the winter and spring. This also has an impact on our receivables balances, which tend to be significantly higher at the end of the second and third quarters. Because sales prices of treated lumber products may be indexed to the Lumber Market at the time they are shipped, our profits can be negatively affected by prolonged declines in the Lumber Market during our primary selling season. To mitigate this risk, programs are maintained with certain vendors and customers that are intended to decrease our exposure. These programs include those materials which are most susceptible to adverse changes in the Lumber Market. Vendor programs also allow us to carry a lower investment in inventories.

The majority of our products are used or installed in outdoor construction activities; therefore, short-term sales volume, our gross margins and our profits can be negatively affected by adverse weather conditions. In addition, adverse weather conditions can negatively impact our productivity and costs per unit.

WE MAY BE ADVERSELY AFFECTED IF OUR CUSTOMERS AND VENDORS ARE NOT WILLING TO MODIFY OUR EXISTING DISTRIBUTION STRATEGIES. While we have 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. We believe the nature of our products, together with our value-added services, ensures that we have a secure position in the supply chain.

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

HISTORICAL LUMBER PRICES

The following table presents the Random Lengths framing lumber composite price for the three months ended March 29, 2003 and March 30, 2002:

	Random Lengths Composite Average $/MBF	
	2003	2002
January	$278	$297
February	295	317
March	277	339
First quarter average	$283	$318
First quarter percentage decrease from 2002	(11.0%)	

In addition, a SYP composite price, which we prepare and use, is presented below. Sales of products produced using this species comprise up to 50% of our sales volume.

	Random Lengths SYP Average $/MBF	
	2003	2002
January	$387	$410
February	394	434
March	392	464
First quarter average	$391	$436
First quarter percentage decrease from 2002	(10.3%)	

IMPACT OF THE LUMBER MARKET ON OUR OPERATING RESULTS

We generally price our products to pass lumber costs through to our customers so that our profitability is based on the value-added manufacturing, distribution and services we provide. As a result, our sales levels (and working capital requirements) are impacted by the lumber costs of our products.

Our gross margins are impacted by both (1) the relative level of the Lumber Market (i.e. whether prices are higher or lower from comparative periods), and (2) the trend in the market price of lumber (i.e. whether the price of lumber is increasing or decreasing within a period or from period to period). Moreover, as explained below, our products are priced differently. Some of our products have fixed selling prices, while the selling prices of other products are indexed to the reported Lumber Market with a fixed dollar adder to cover conversion costs and profits. Consequently, the level and trend of the Lumber Market impact our products differently.

Below is a general description of the primary ways in which our products are priced.

- Products with fixed selling prices. These products include value-added products such as decking and fencing sold to do-it-yourself/retail ("DIY/retail") customers, as well as trusses, wall panels and other components sold to the site-built construction market. Prices for these products are generally fixed at the time of the sales quotation for a specified period of time or are based upon a specific quantity. In order to maintain margins and eliminate or reduce any exposure to adverse trends in the price of component lumber products, we attempt to lock in costs for these sales commitments with our suppliers. Also, the time periods and quantity limitations generally allow us to reprice our products for changes in lumber prices from our suppliers.

- Products with selling prices indexed to the reported Lumber Market with a fixed dollar "adder" to cover conversion costs and profits. These products include treated lumber, remanufactured lumber and trusses sold to the manufactured housing industry. For these products, we estimate the customers' needs and carry anticipated levels of inventory. Because lumber costs are incurred in advance of final sale prices, subsequent increases or decreases in the market price of lumber impact our gross margins. For these products, our margins are exposed to changes in the trend of lumber prices.

Changes in the trend of lumber prices have their greatest impact on those products that have significant inventory levels with low turnover rates. This particularly impacts treated lumber, which comprises almost twenty-five percent of our total annual sales. In other words, the longer the period of time that products remain in inventory, the greater the exposure to changes in the price of lumber.

This exposure is less significant with remanufactured lumber, trusses sold to the manufactured housing market and other similar products, due to the higher rate of inventory turnover.

In addition to the impact of Lumber Market trends on gross margins, changes in the level of the market causes fluctuations in gross margins when comparing operating results from period to period. This is explained in the following example, which assumes the price of lumber has increased from period one to period two, with no changes in the trend within each period.

	Period 1	Period 2
Lumber cost	$300	$400
Conversion cost	50	50
= Product cost	350	450
Adder	50	50
= Sell price	400	500
Gross margin	12.5%	10.0%

As is apparent from the preceding example, the level of lumber prices does not impact our overall profits, but does impact our margins. Gross margins are negatively impacted during periods of high lumber prices; conversely, we experience margin improvement when lumber prices are relatively low.

RESULTS OF OPERATIONS

The following table presents, for the periods indicated, the components of our Consolidated Condensed Statements of Earnings as a percentage of net sales.

	For the Three Months Ended	
	March 29, 2003	March 30, 2002
Net sales	100.0%	100.0%
Cost of goods sold	85.4	85.0
Gross profit	14.6	15.0
Selling, general, and administrative expenses	11.3	11.0
Earnings from operations	3.3	4.0
Other expense, (income)	1.1	0.8

	For the Three Months Ended	
	March 29, 2003	March 30, 2002
Earnings before income taxes and minority interest	2.2	3.2
Income taxes	0.8	1.2
Earnings before minority interest	1.4	2.0
Minority interest	(0.1)	(0.2)
Net earnings	1.3%	1.8%

NET SALES

We engineer, manufacture, treat, distribute and install lumber, composite, plastic, and other building products for the DIY/retail, site-built construction, manufactured housing, industrial and other lumber markets. Our strategic sales objectives include:

- Diversifying our end market sales mix by increasing 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 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/retail market, specialty wood packaging, engineered wood products, and "wood alternative" products. Although we consider the treatment of dimensional lumber with certain chemical preservatives a value-added process, treated lumber is not presently included in the value-added sales totals.

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

- Maintaining manufactured housing market share.

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

	For the Three Months Ended			
Market Classification	March 29, 2003	%	March 30, 2002	%
DIY/Retail	$156,968	44.1%	$146,757	43.0%
Site-Built Construction	76,724	21.6	68,591	20.0
Manufactured Housing	57,382	16.1	67,368	19.7
Industrial and Other	64,545	18.2	58,940	17.3
Total	$355,619	100.0%	$341,656	100.0%

Note: In the first quarter of 2003, we reviewed the classification of our customers and made certain reclassifications. Prior year information has been restated to reflect these classifications.

Net sales in the first quarter of 2003 increased 4% compared to the first quarter of 2002 resulting from an increase in units shipped of approximately 7%. Overall selling prices decreased as a result of the Lumber Market (see Historical Lumber Prices). We estimate that our unit sales increased by 4% as a result of business acquisitions completed after the first quarter of 2002. Our unit sales out of existing facilities increased by 3% in the first quarter of 2003, despite being hampered by inclement weather in February in several regions of the country.

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

	Three Months Ended	
	March 29, 2003	March 30, 2002
Value-Added...........................	54.6%	52.7%
Commodity-Based.......................	45.4%	47.3%

Value-added sales increased 8% in the first quarter of 2003, primarily due to increased sales of engineered wood products, industrial products and other specialty products supplied to the DIY/retail market. Commodity-based sales remained flat.

DIY/Retail:

Net sales to the DIY/retail market increased $10 million, or 7%, in the first quarter of 2003 compared to 2002. This increase was primarily due to an $11 million, or 13%, increase in sales to our largest customer, partially attributable to acquisitions completed in 2002. We experienced an 8% increase in unit sales to this customer out of existing facilities primarily due to increased fencing sales.

Site-Built Construction:

Net sales to the site-built construction market increased 12% in the first quarter of 2003 compared to the same period of 2002 due to increased sales from acquisitions completed in 2002, new operations, and increased sales out of several existing plants that were unaffected by adverse weather conditions.

Manufactured Housing:

Net sales to the manufactured housing market decreased 15% in the first quarter of 2003 compared to the same period of 2002 as a result of a 28% decrease in industry production.

Industrial and Other:

Net sales to the industrial and other market increased 10% in the first quarter of 2003 compared to the same period of 2002 due to an increase in unit sales out of several of our existing facilities, offset partially by a decline in selling prices due to the Lumber Market.

COST OF GOODS SOLD AND GROSS PROFIT

Gross profit as a percentage of net sales decreased in the first quarter of 2003 compared to the same period of 2002 despite lower overall selling prices (approximately 3%) and material costs due to the Lumber Market. Generally, a lower Lumber Market results in higher gross margins. (See "Impact of the Lumber Market on Our Operating Results."). The decrease was due to cost inefficiencies and lost profit primarily associated with 154 lost production days and lost sales due to inclement winter weather in several regions of the country. These inefficiencies resulted in unfavorable cost variances which totaled approximately $2.5 million and are included in our cost of goods sold.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses as a percentage of sales increased to 11.3% compared to 11.0% in the same period of 2002. This increase was primarily due to the impact of the lower Lumber Market on our selling prices and lost sales due to inclement weather.

INTEREST, NET

Net interest costs increased in the first quarter of 2003 compared to the same period of 2002. The increase was due to a higher average debt balance combined with an increase in our average borrowing rates as a result of issuing $55 million of unsecured notes payable in December 2002. The proceeds from the note issuance were used to reduce amounts outstanding under our revolving credit facility, which bears interest at a lower rate.

INCOME TAXES

Our effective tax rate was 35.4% in the first quarter of 2003 compared to 37.2% in the same period of 2002. Effective tax rates differ from statutory federal income tax rates, primarily due to provisions for state and local income taxes and permanent tax differences. The decrease in our effective tax rate was primarily due to a permanent tax difference associated with the effect of minority interest in earnings of a subsidiary.

OFF-BALANCE SHEET TRANSACTIONS

We have no significant off-balance sheet transactions other than operating leases.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows used in operating activities in the first three months of 2003 were comparable to the same period of 2002. Our operating cash flows in the first quarter are negative due to seasonality. For comparative purposes, we have included the March 30, 2002 balances in the accompanying unaudited consolidated condensed balance sheets.

Due to the seasonality of our business and the effects of the Lumber Market, we believe our cash cycle (days sales outstanding plus days supply of inventory less days payables outstanding) is a good indicator of our working capital management. Our cash cycle increased to 62 days in the first three months of 2003 from 53 days in the first three months of 2002, primarily due to an increase in our days supply of inventory. This increase was primarily due to a combination of "opportunity buying" by our purchasing managers at the end of 2002 due to the low level of the Lumber Market and the effect of winter weather on sales. This resulted in higher inventory levels carried for a longer period of time in 2003.

Capital expenditures totaled $10 million in the first three months of 2003 compared to $5 million in the same period of 2002. Our capital expenditures increased during the first quarter of 2003 primarily due to a project to expand the manufacturing capacity of the wood composite plant we purchased in November 2002. We expect to spend approximately $31 million on capital expenditures for the balance of 2003, which includes outstanding purchase commitments on capital projects totaling approximately $11 million on March 29, 2003. We intend to fund capital expenditures and purchase commitments through a combination of operating cash flow and availability under our revolving credit facility.

We spent approximately $1.6 million to repurchase 98,234 shares of our common stock. We have authorization from the Board of Directors to purchase an additional 1.6 million shares.

On March 29, 2003, we had $115 million outstanding on our $200 million revolving credit facility. The revolving credit facility supports letters of credit totaling approximately $17.9 million on March 29, 2003. Financial covenants on our revolving credit facilities and senior unsecured notes include a minimum net worth requirement, a minimum interest coverage test and a maximum leverage ratio. The agreements also restrict the amount of additional indebtedness we may incur and the amount of assets which may be sold. We were within our requirements at March 29, 2003.

ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

We are self-insured for environmental impairment liability through a wholly owned subsidiary, UFP Insurance Ltd., a licensed captive insurance company. We own and operate a number of facilities throughout the United States that treat lumber products with chemical preservatives. In connection with the ownership and operation of these and other real properties, and the disposal or treatment of hazardous or toxic substances, we may, under various federal, state and local environmental laws, ordinances and regulations, be potentially liable for removal and remediation costs, as well as other potential costs, damages and expenses. Insurance reserves have been established to cover remediation activities at our Union City, GA; Stockertown, PA; Elizabeth City, NC; and Schertz, TX wood preservation facilities. Additionally, a reserve is in place to cover the removal of lead and asbestos containing material from property we purchased in Thornton, CA.

Including amounts recorded in our captive insurance company, we reserved amounts totaling approximately $1.9 million and $2.4 million on March 29, 2003 and March 30, 2002, respectively, representing the estimated costs to complete remediation efforts.

As part of its re-registration process and in response to allegations by certain environmental groups that CCA poses health risks, the EPA has been conducting a scientific review of CCA, a wood preservative we use to extend the useful life of wood fiber. In April of 2003, the EPA announced the re-registration of CCA preservative for certain industrial and commercial uses. The manufacturers of CCA preservative agreed to voluntarily discontinue the registration of CCA for certain residential applications by December 31, 2003. All of our facilities are presently capable of using a new preservative to treat wood products.

In addition to the EPA review, an environmental group petitioned the Consumer Products Safety Commission ("CPSC") to ban the use of CCA treated wood in playsets. On February 7, 2003, the CPSC issued a staff report on its study of the risks of children playing on treated playsets. While the staff report indicates potential for elevated risks associated with arsenic, it relies in part on a flawed Taiwanese study to measure this risk. The study does not recommend removal of product, and proposes the CPSC take no further action until the EPA concludes its assessment. The EPA has previously stated that CCA treated lumber does not pose an unreasonable risk to human health.

We have been requested by a customer to defend it from purported class action lawsuits filed against it in Florida and Louisiana. The complaints allege that CCA treated lumber is defective. While our customer has charged us for certain expenses incurred in the defense of these claims, we have not formally accepted liability of these costs. In February 2003, the judge in the Florida case denied the plaintiff's motion for certification of the class.

We, along with others in the industry, were previously named as a defendant in the purported class action lawsuit in Louisiana. We have been dismissed from this litigation.

In addition, various special interest environmental groups have petitioned certain states requesting restrictions on the use or disposal of CCA treated products. The wood preservation industry trade groups are working with the individual states and their regulatory agencies to provide an accurate, factual background which demonstrates that the present method of uses and disposal is scientifically supported.

On March 29, 2003, we were parties either as plaintiff or a defendant to a number of lawsuits and claims arising through the normal course of our business. In the opinion of management, our consolidated financial statements will not be materially affected by the outcome of these legal proceedings.

CRITICAL ACCOUNTING POLICIES

In preparing our consolidated financial statements, we follow accounting principles generally accepted in the United States. These principles require us to make certain estimates and apply judgments that affect our financial position and results of operations. We continually review our accounting policies and financial information disclosures. There have been no material changes in our policies or estimates since December 28, 2002.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risks related to fluctuations in interest rates on our variable rate debt, which consists of a revolving credit facility and industrial development revenue bonds. We do 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. We do 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 we would be required to refinance it.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures. With the participation of management, our chief executive officer and chief financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a - 14 and 15d - 14) on March 29, 2003 (the "Evaluation Date"), have concluded that, as of such date, our disclosure controls and procedures were adequate and effective to ensure that material information relating to us and our consolidated subsidiaries would be made known to them in connection with our filing of this first quarter report on Form 10-Q.

(b) Changes in Internal Controls. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the Evaluation Date through the date of this filing of Form 10-Q, nor were there any significant deficiencies or material weaknesses in our internal controls that would require corrective actions.

PART II. OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds.

(a) None.

(b) None.

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

	Date of Sale	Class of Stock	Number of Shares	Purchasers	Consideration Exchanged
Stock Gift Program	Various	Common	375	Eligible persons	None
Directors Stock Grant Program	01/06/03	Common	1,600	Directors	Directors' Services

PART II. OTHER INFORMATION

Item 5. Other Information.

In the first quarter of 2003, the audit committee approved up to $50,000 of tax compliance services to be provided by our independent auditors, Ernst & Young LLP.

Item 6. Exhibits and Reports on Form 8-K.

(a) The following exhibits (listed by number corresponding to the Exhibit Table as Item 601 in Regulation S-K) are filed with this report:

99.1 Certificate of the Chief Executive Officer of Universal Forest Products, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

99.2 Certificate of the Chief Financial Officer of Universal Forest Products, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

SIGNATURES

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

UNIVERSAL FOREST PRODUCTS, INC.

Date: April 28, 2003

By: /s/ William G. Currie

William G. Currie

Its: Vice Chairman of the Board and Chief Executive Officer

Date: April 28, 2003

By: /s/ Michael R. Cole

Michael R. Cole

Its: Chief Financial Officer

UNIVERSAL FOREST PRODUCTS, INC.

CERTIFICATION

I, William G. Currie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Forest Products, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have;

    (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    (c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent function):

    (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 28, 2003 /s/ William G. Currie

William G. Currie
Chief Executive Officer

UNIVERSAL FOREST PRODUCTS, INC.

CERTIFICATION

I, Michael R. Cole, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Forest Products, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have;

   (a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   (c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent function):

   (a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 28, 2003

/s/ Michael R. Cole

Michael R. Cole
Chief Financial Officer

EXHIBIT INDEX

99.1	Certificate of the Chief Executive Officer of Universal Forest Products, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
99.2	Certificate of the Chief Financial Officer of Universal Forest Products, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

EXHIBIT 99.1

CERTIFICATE OF THE
CHIEF EXECUTIVE OFFICER OF
UNIVERSAL FOREST PRODUCTS, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, William G. Currie, Chief Executive Officer of Universal Forest Products, Inc., certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended March 29, 2003, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended March 29, 2003 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date: April 28, 2003

By: /s/ William G. Currie
William G. Currie
Its: Chief Executive Officer

EXHIBIT 99.2

CERTIFICATE OF THE
CHIEF FINANCIAL OFFICER OF
UNIVERSAL FOREST PRODUCTS, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, Michael R. Cole, Chief Financial Officer of Universal Forest Products, Inc., certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended March 29, 2003, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended March 29, 2003 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date: April 28, 2003

By: /s/ Michael R. Cole
Michael R. Cole
Its: Chief Financial Officer