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

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934. For the fiscal year ended December 31, 2011.

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934. For the transition period of ____ to _____.

Commission File No.: 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 No.)
2801 East Beltline, N.E., Grand Rapids, Michigan	**49525**
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title Of Each Class	Name of Each Exchange on Which Registered
Common Stock, no par value	**The NASDAQ Global Select Market**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes o No x

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 in the past 90 days.
Yes x No o

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by checkmark if disclosure of delinquent filers pursuant to Items 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. (Check one):
Large accelerated filer o Accelerated filer x Non-accelerated filer o Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-2 of the Act.)
Yes o No x

The aggregate market value of the common stock held by non-affiliates of the registrant (i.e. excluding shares held by executive officers, directors, and control persons as defined in Rule 405, 17 CFR 230.405) on June 26, 2010 was $472,281,629 computed at the closing price of $26.36 on that date.

As of March 3, 2012, 19,708,273 shares of the registrant's common stock, no par value, were outstanding.

Documents incorporated by reference:

(1) Certain portions of the registrant's Annual Report to Shareholders for the fiscal year ended December 31, 2011 are incorporated by reference into Part I and II of this Report.

(2) Certain portions of the registrant's Proxy Statement for its 2012 Annual Meeting of Shareholders are incorporated by reference into Part III of this Report.

Exhibit Index located on page E-1.

ANNUAL REPORT ON FORM 10-K
DECEMBER 31, 2011
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PART I

Item 1. Business.

General Development of the Business.

Universal Forest Products, Inc. (the “Company”) was organized as a Michigan corporation in 1955 and is a holding company that provides capital, management and administrative resources to subsidiaries that design, manufacture and market wood and wood-alternative products for retail building home centers and other retailers, structural lumber and other products for the manufactured housing industry, engineered wood components for the residential construction market, and specialty wood packaging and components and packing materials for various industries. The Company’s subsidiaries also provide framing services for the residential market and forming products for concrete construction. The Company's consumer products operations offers a large portfolio of outdoor living products, including wood composite decking, decorative balusters, post caps and plastic lattice. Its lawn and garden group offers an array of products, such as trellises and arches, to retailers nationwide. The Company is headquartered in Grand Rapids, Michigan, and its subsidiaries operate facilities throughout North America. For more about Universal Forest Products, Inc. go to www.ufpi.com.

Information relating to current developments in our business is incorporated by reference from our Annual Report to Shareholders for the fiscal year ended December 31, 2011 ("2011 Annual Report") under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." Selected portions of the 2011 Annual Report are filed as Exhibit 13 with this Form 10-K Report.

Financial Information About Segments.

ASC 280, *Segment Reporting* (“ASC 280”) defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. In the fourth quarter of 2011, we undertook a realignment to separately manage our Site-Built business, which was formerly included in the Atlantic division operating segment. This realignment improves management oversight to more effectively evaluate growth opportunities and other operational decisions. The remaining component of the former Atlantic division represented core operations and was realigned under Eastern division operating segment management.

Our operating segments consist of the Eastern, Western, Site-Built, Consumer Products and Distribution divisions. In accordance with ASC 280, due to the similar economic characteristics, nature of products, distribution methods, and customers, we have aggregated our Eastern and Western operating segments into one reportable segment. The Site-Built division is considered a separate reportable segment. Our other divisions do not collectively form a reportable segment because their respective operations are dissimilar and they do not meet the applicable quantitative requirements. These operations have been included in “All Other”. The Corporate column includes unallocated administrative costs. Separate financial information about industry segments is incorporated by reference from Note O of the Consolidated Financial Statements presented under Item 8 herein.

Narrative Description of Business.

We design, manufacture and market wood and wood-alternative products for national home centers and other retailers, structural lumber and other products for the manufactured housing industry, engineered wood components for the residential and commercial construction, and specialty wood packaging, components and packing materials for various industries. Each of our markets is discussed in the paragraphs which follow.

Retail Building Materials Market. The customers comprising this market are primarily national home center retailers, retail-oriented regional lumberyards and contractor-oriented lumberyards. Generally, terms of sale are established for annual periods, and orders are placed with our regional facilities in accordance with established terms. One customer, The Home Depot, accounted for approximately 23% of our total sales in fiscal 2011, 28% in 2010 and 32% in 2009.

From time to time we enter into certain sales contracts with The Home Depot. The contracts are limited to the establishment of general sales terms and conditions, such as delivery, invoicing, warranties and other standard, commercial matters. Sales are made by the release of purchase orders to us for particular quantities of certain products. We also enter into marketing agreements and rebate agreements with The Home Depot. The marketing agreements provide a certain percentage of our sales revenue or a minimum dollar amount will be committed to generate sales for us and The Home Depot.

We currently supply customers in this market from many of our locations. These regional facilities are able to supply mixed truckloads of products which can be delivered to customers with rapid turnaround from receipt of an order. Freight costs are a factor in the ability to competitively service this market, especially with treated wood products because of their heavier weight. The close proximity of our regional facilities to the various outlets of these customers is a significant advantage when negotiating annual sales programs.

The products offered to customers in this market include dimensional lumber (both preserved and unpreserved) and various "value-added products," some of which are sold under our trademarks. In addition to our conventional lumber products, we offer composite wood and plastic products. We also sell engineered wood products to this market, which include roof trusses, wall panels and engineered floor systems (see "Residential & Commercial Construction Markets" below).

We are not aware of any competitor that currently manufactures, treats and distributes a full line of both value-added and commodity products on a national basis. We face competition on individual products from several different producers, but the majority of these competitors tend to be regional in their efforts and/or do not offer a full line of outdoor lumber products. We believe the breadth of our product offering, geographic dispersion, customer relationships, close proximity of our plants to core customers, purchasing and manufacturing expertise and service capabilities provide significant competitive advantages in this market.

Residential & Commercial Construction Markets. We entered these markets through strategic business acquisitions. The residential housing customers comprising the residential construction market are primarily large-volume, multi-tract builders and smaller volume custom builders. We also supply builders engaged in multi-family and commercial construction. Generally, terms of sale and pricing are determined based on quotes for each order. In addition, We supply wood forms and related products to set or form concrete for various structures including garages, stadiums and bridges.

We currently supply customers in these markets from manufacturing facilities located in many different states. These facilities manufacture various engineered wood components used to frame residential or commercial projects, including roof and floor trusses, wall panels, Open Joist 2000®, I-joists and lumber packages. Freight costs are a factor in the ability to competitively service this market due to the space requirements of these products on each truckload.

We also provide framing services for customers in certain regional markets, in which we erect the wood structure. We believe that providing a comprehensive framing package, including installation, provides a competitive advantage. Terms of sale are based on a construction contract.

Competition in this market is primarily fragmented, but we do compete with a small number of national and regional retail contractor yards who also manufacture components and provide framing services, as well as regional manufacturers of components. Our long-term objective is to continue to increase our manufacturing capacity and framing capabilities for this market in certain regions we do not currently serve in order to expand our national presence. We believe our primary competitive advantages relate to the engineering and design capabilities of our regional staff, customer relationships, purchasing and manufacturing expertise, product quality and timeliness of delivery.

Manufactured Housing Market. The customers comprising the manufactured housing market are producers of mobile, modular and prefabricated homes and recreational vehicles. Products sold to customers in this market consist primarily of roof trusses, lumber cut and shaped to the customer's specification, plywood, particle board and dimensional lumber, all intended for use in the construction of manufactured housing. Sales are made by personnel located at each regional facility based on customer orders. We entered the distribution business through strategic business acquisitions and distribute certain products such as siding, electrical and plumbing to manufactured housing and RV customers.

Our principal competitive advantages include our customer relationships, product knowledge, the strength of our engineering support services, the close proximity of our regional facilities to our customers, our purchasing and manufacturing expertise and our ability to provide national sales programs to certain customers. These factors have enabled us to accumulate significant market share in the products we supply.

Industrial Market. We define our industrial market as industrial manufacturers and agricultural customers who use pallets, specialty crates and wooden boxes for packaging, shipping and material handling purposes. Many of the products sold to this market may be produced from the by-product of other manufactured products, thereby allowing us to increase our raw material yields while expanding our business. Competition is fragmented and includes virtually every supplier of lumber convenient to the customer. We service this market with our dedicated local sales teams and national sales support efforts, combined with our competitive advantages in manufacturing, purchasing, and material utilization.

Suppliers. We are one of the largest domestic buyers of solid sawn softwood lumber from primary producers (lumber mills). We use primarily southern yellow pine in our pressure-treating operations and site-built component plants in the Southeastern United States, which we obtain from mills located throughout the states comprising the Sunbelt. Other species we use include "spruce-pine-fir" from various provinces in Canada; hemlock, Douglas fir and cedar from the Pacific Northwest; inland species of pine, plantation grown radiata and southern yellow pines from South America; and European spruce. There are numerous primary producers for all varieties we use, and we are not dependent on any particular source of supply. Our financial resources and size, in combination with our strong sales network and ability to remanufacture lumber, enable us to purchase a large percentage of a primary producer's output, (as opposed to only those dimensions or grades in immediate need), thereby lowering our average cost of raw materials and allowing us to obtain programs such as consigned inventory. We believe this represents a competitive advantage.

Intellectual Property. We own several patents and have several patents pending on technologies related to our business. In addition, we own numerous registered trademarks and claim common law trademark rights to several others. As we develop proprietary brands, we may pursue registration or other formal protection. While we believe our patent and trademark rights are valuable, the loss of a patent or any trademark would not be likely to have a material adverse impact on our competitive position.

Backlog. Due to the nature of our DIY/retail, manufactured housing and industrial businesses, backlog information is not meaningful. The maximum time between receipt of a firm order and shipment does not usually exceed a few days. Therefore, we would not normally have a backlog of unfilled orders in a material amount. The relationships with our major customers are such that we are either the exclusive supplier of certain products and/or certain geographic areas, or the designated source for a specified portion of the customer's requirements. In such cases, either we are able to forecast the customer's requirements or the customer may provide an estimate of its future needs. In neither case, however, will we receive firm orders until just prior to the anticipated delivery dates for the products in question.

On December 31, 2011 and December 25, 2010, we estimate that backlog orders associated with the site-built construction business approximated $67.2 million and $51.2 million, respectively. With respect to the former, we expect that these orders will be primarily filled within the current fiscal year, however, it is possible that some orders could be canceled.

Environmental. Information required for environmental disclosures is incorporated by reference from Note M of the Consolidated Financial Statements presented under Item 8 herein.

Seasonality. Information required for seasonality disclosures is incorporated by reference from Item 1A. Risk Factors under the caption "*Seasonality and weather conditions could adversely affect us*."

Employees. On December 31, 2011, we had approximately 4,800 employees.

Financial Information About Geographic Areas.

The dominant portion of our operations and sales occur in the United States. Separate financial information about foreign and domestic operations and export sales is incorporated by reference from Note O of the Consolidated Financial Statements presented under Item 8 herein.

Available Information.

Our Internet address is www.ufpi.com. Through our Internet website under "Financial Information" in the Investor Relations section, we make available free of charge, as soon as reasonably practical after such information has been filed with the SEC, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act. Also available through our Internet website under "Corporate Governance" in the Investor Relations section is our Code of Ethics for Senior Financial Officers.

Reports to Security Holders.

Not applicable.

Enforceability of Civil Liabilities Against Foreign Persons.

Not applicable.

Item 1A. Risk Factors.

We are subject to regional, national and global economic conditions. The decline in economic conditions throughout the United States could depress demand for our products further.

We may be impacted by a decline in the value of the U.S. dollar. With unprecedented debt levels in the U.S., it may be difficult for the U.S. to maintain the value of its currency. We purchase a variety of raw materials and finished goods from sources around the world. Our purchase prices could increase if the U.S. dollar declines in value.

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.

Our ability to achieve sales and margin goals, particularly on sales to the site-built construction and manufactured housing markets, is impacted by housing starts and industry production of manufactured homes. If housing starts and manufactured housing production declines significantly, our financial results could be negatively impacted.

A significant portion of our sales are concentrated with one customer. Our sales to The Home Depot comprised 23% of our total sales in 2011, 28% in 2010, and 32% in 2009.

Current economic and credit market conditions have increased the risk that we may not collect a greater percentage of our receivables. Economic and credit conditions may significantly impact our bad debt expense. We continue to monitor our customers' credit profiles carefully and make changes in our terms when necessary in response to this heightened risk.

We may be impacted by excess capacity among suppliers. There is significant excess capacity among suppliers in each of the markets we serve. Our selling prices and gross margins have been impacted by this excess capacity.

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, 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 our financial costs. Current legislation requiring the use of alternate fuel and energy sources is expected to increase our energy costs. If additional laws and regulations regarding carbon emission, mandating the use of more expensive energy choices, cap and trade, or taxes and fees on resource use are enacted, it will significantly increase our costs of operation, raise costs to our customers, and create a further barrier to demand for United States manufactured products.

The current version of federal health care legislation will dramatically increase our costs. The federal health care legislation enacted in 2010 and future regulations called for under the legislation may have a significant cost implication for our company.

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, also experience the greatest Lumber Market risk (see "Historical Lumber Prices" in Management's Discussion and Analysis of Financial Condition and Results of Operations which is presented under Item 7 of this Form 10-K and is incorporated herein by reference). 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, consignment inventory programs are negotiated with certain vendors that are intended to decrease our exposure to the Lumber Market by correlating the purchase price of the material with the related sell price to the customer. These programs include those materials which are most susceptible to adverse changes in the Lumber Market.

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, particularly in our first and fourth quarters. In addition, adverse weather conditions can negatively impact our productivity and costs per unit.

Inbound and outbound transportation costs represent a significant part of our cost structure. A rapid and prolonged increase in fuel prices will significantly increase our costs. While we attempt to pass these costs along to our customers, there can be no assurance that they would agree to these price increases.

New alternatives may be developed to replace traditional treated wood products. The manufacturers of wood preservatives continue to develop new preservatives. While we believe treated products are reasonably priced relative to alternative products such as composites or vinyl, new alternatives may impact the sales of treated wood products. In addition, new preservatives could increase our cost of treating products in the future.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

Our corporate headquarters building is located in suburban Grand Rapids, Michigan. We currently have approximately 75 facilities located throughout the United States, Canada, and Mexico. Depending upon function and location, these facilities typically utilize office space, manufacturing space, treating space and covered storage. Of these facilities, approximately 20 facilities were closed to better align manufacturing capacity with the current business environment and are currently listed for sale.

We own all of our properties, free from any significant mortgage or other encumbrance, except for approximately 26 regional facilities which are leased. We believe all of these operating facilities are adequate in capacity and condition to service existing customer locations.

Item 3. Legal Proceedings.

Information regarding our legal proceedings is set forth in Note M of our Consolidated Financial Statements which are presented under Item 8 of this Form 10-K and are incorporated herein by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

Additional Item: Executive Officers of the Registrant.

The following table lists the names, ages, and positions of our executive officers as of February 1, 2012. Executive officers are elected annually by the Board of Directors at the first meeting of the Board following the annual meeting of shareholders.

Name	Age	Position
Matthew J. Missad	51	Chief Executive Officer, Universal Forest Products, Inc.
Patrick M. Webster	52	President and Chief Operating Officer, Universal Forest Products, Inc.
Michael R. Cole	45	Chief Financial Officer and Treasurer, Universal Forest Products, Inc.
Robert W. Lees	58	President, UFP Eastern Division, Inc.
Allen T. Peters	44	President, UFP Western Division, Inc.
Robert D. Coleman	57	Executive Vice President of Manufacturing, Universal Forest Products, Inc.
Joseph F. Granger	56	Executive Vice President of Universal Consumer Products, Inc. and UFP Distribution, Inc.
C. Scott Greene	55	Executive Vice President of New Business Development
Donald L. James	52	Executive Vice President of National Sales
Michael F. Mordell	54	Executive Vice President of UFP Purchasing, Inc.

Matthew J. Missad joined us in 1985. In February 1996, Mr. Missad was promoted to Executive Vice President of the Company. On July 1, 2011, Mr. Missad became Chief Executive Officer of the Company.

Patrick M. Webster joined us in 1985. Mr. Webster became Vice President of the Far West Region in 1999, on July 1, 2007, became President of UFP Western Division, Inc., and on January 1, 2009 became President and Chief Operating Officer of the Company.

Michael R. Cole, CPA, CMA, joined us in 1993. On July 19, 2000, Mr. Cole became Chief Financial Officer of the Company.

Robert W. Lees joined us in 1977. In 1986 he became Regional Vice President of our Northeast Region. On January 1, 2010, Mr. Lees became President of UFP Atlantic Division, LLC. On October 1, 2011, Mr. Lees became President of UFP Eastern Division, Inc.

Allen T. Peters joined us in 1997. In 2004 he became the General Manager of Operations of our plant in Harrisonville, MO and in 2007 became Regional Vice President of our Gulf Region. On January 1, 2011, Mr. Peters became President of UFP Western Division, Inc.

Robert D. Coleman, joined us in 1979. On January 1, 1999, Mr. Coleman was named the Executive Vice President of Manufacturing of the Company.

Joseph F. Granger joined us in 1988. In 2002 he became Regional Vice President of the Southeast Region, and on January 1, 2007, he became Executive Vice President of Sales and Marketing of the Company.

C. Scott Greene joined us in 1991. During early 2000, Mr. Greene became President of UFP Eastern Division, Inc. On January 1, 2010, Mr. Greene became President of UFP Northern Division, Inc., which was subsequently realigned and is now UFP Eastern Division, Inc. On October 1, 2011, Mr. Greene became Executive Vice President of New Business Development.

Donald L. James joined us in 1998. On October 1, 2011, Mr. James became Executive Vice President of National Sales. Before this, he was Regional Vice President of operations in UFP Eastern Division, Inc.

Michael F. Mordell joined us in 1993. In 1999 he became Executive Vice President of Purchasing of Universal Forest Products Western Division, Inc. In November 2007, he became General Manager of Operations for our facility in Lafayette, CO, and on January 1, 2010, Mr. Mordell became Executive Vice President of UFP Purchasing, Inc.

PART II

The following information items in this Part II, which are contained in the 2011 Annual Report, are specifically incorporated by reference into this Form 10-K Report. These portions of the 2011 Annual Report that are specifically incorporated by reference are filed as Exhibit 13 with this Form 10-K Report.

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities.

(a) The information relating to market, holders and dividends is incorporated by reference from the 2011 Annual Report under the captions “Price Range of Common Stock and Dividends” and “Stock Performance Graph.”

There were no recent sales of unregistered securities.

(b) Not applicable.

(c) Issuer purchases of equity securities during the fourth quarter.

Fiscal Month	(a)	(b)	(c)	(d)
September 25 – October 29, 2011[1]				2,988,229
October 30 – November 26, 2011				2,988,229
November 27 – December 31, 2011				2,988,229

(a) Total number of shares purchased.
(b) Average price paid per share.
(c) Total number of shares purchased as part of publicly announced plans or programs.
(d) Maximum number of shares that may yet be purchased under the plans or programs.

(1) On November 14, 2001 the Board of Directors approved a share repurchase program (which succeeded a previous program) allowing us to repurchase up to 2.5 million shares of our common stock. On October 14, 2010, our Board authorized an additional 2 million shares to be repurchased under our share repurchase program. The total number of shares that may be repurchased under the program is almost 3 million shares.

Item 6. Selected Financial Data.

The information required by this Item is incorporated by reference from the 2011 Annual Report under the caption "Selected Financial Data."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required by this item is incorporated by reference from the 2011 Annual Report under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 7A. 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.

On December 31, 2011, the estimated fair value of our long-term debt, including the current portion, was $54.0 million, which was $1.5 million greater than the carrying value. The estimated fair value is based on rates anticipated to be available to us for debt with similar terms and maturities. The estimated fair value of notes payable included in current liabilities and the revolving credit facility approximated the carrying values.

Expected cash flows over the next five years related to debt instruments are as follows:

	2012	2013	2014	2015	2016	Thereafter	Total
($US equivalents, in thousands)							
Long-term Debt:							
Fixed Rate ($US)	$ 40,270						$ 40,270
Average interest rate	6.2%						
Variable Rate ($US)						$ 12,200	$ 12,200
Average interest rate(1)						0.38%	

(1) Average of rates at December 31, 2011.

Item 8. Financial Statements and Supplementary Data.

The information required by this Item is incorporated by reference from the 2011 Annual Report under the following captions:

"Management's Annual Report on Internal Control Over Financial Reporting"
"Report of Independent Registered Public Accounting Firm On Internal Control over Financial Reporting"
"Report of Independent Registered Public Accounting Firm On Financial Statements"
"Consolidated Balance Sheets"
"Consolidated Statements of Earnings"
"Consolidated Statements of Shareholders' Equity"
"Consolidated Statements of Cash Flows"
"Notes to Consolidated Financial Statements"

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

(1) 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 - 15e and 15d - 15e) as of the year ended December 31, 2011 (the "Evaluation Date"), have concluded that, as of such date, our disclosure controls and procedures were effective.

(2) Management's Annual Report on Internal Control Over Financial Reporting. Management's Annual Report on Internal Control Over Financial Reporting is included in the 2011 Annual Report under the caption "Management's Annual Report on Internal Control Over Financial Reporting" and is incorporated herein by reference. Our independent registered public accounting firm's attestation Report on our internal control over financial reporting is also included in the 2011 Annual Report in the caption "Report of Independent Registered Public Accounting Firm On Internal Control over Financial Reporting" and is incorporated herein by reference.

(3) Changes in Internal Controls. During the fourth quarter ended December 31, 2011, there were no changes in our internal control over financial reporting that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information relating to our directors, compliance with Section 16(a) of the Securities and Exchange Act of 1934 and various corporate governance matters is incorporated by reference from our definitive Proxy Statement for the year ended December 31, 2011 for the 2012 Annual Meeting of Shareholders, as filed with the Commission ("2012 Proxy Statement"), under the captions "Election of Directors," "Corporate Governance and Board Matters," and "Section 16(a) Beneficial Ownership Reporting Compliance." Information relating to executive officers is included in this report in the last Section of Part I under the caption "Additional Item: Executive Officers of the Registrant." Information relating to our code of ethics is included in this report in Part I, Item 1 under the caption “Available Information”.

Item 11. Executive Compensation.

Information relating to director and executive compensation is incorporated by reference from the 2012 Proxy Statement under the caption "Executive Compensation." The "Personnel and Compensation Committee Report" included in the 2012 Proxy Statement is incorporated hereby by reference for the purpose of being furnished herein and is not and shall not be deemed to be filed under the Securities Exchange Act of 1934, as amended.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

Information relating to security ownership of certain beneficial owners and management is incorporated by reference from our 2012 Proxy Statement under the captions "Ownership of Common Stock" and "Securities Ownership of Management."

Information relating to securities authorized for issuance under equity compensation plans as of December 31, 2011, is as follows:

	Number of shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of shares remaining available for future issuance under equity compensation plans [excluding shares reflected in column (a)] [1]
	(a)	(b)	(c)
Equity compensation plans approved by security holders	191,334	$ 26.06	2,790,618
Equity compensation plans not approved by security holders	none		

[1] The number of shares remaining available for future issuance under equity compensation plans, excluding options, warrants, or similar rights, as of December 31, 2011, is as follows: 150,871 shares for our 2002 Employee Stock Purchase Plan, 58,501 shares for our Directors' Retainer Stock Plan, and 1,091 shares for our Employee Stock Gift Program. In addition, of the remaining 2,580,155 shares available for future issuance under our Long-Term Stock Incentive Plan, those awards may be made in the form of options as well as stock appreciation rights, restricted stock, performance shares, or other stock-based awards.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information relating to certain relationships and related transactions, and director independence is incorporated by reference from the 2012 Proxy Statement under the captions "Election of Directors", “Affirmative Determination Regarding Director Independence and Other Matters” and "Related Party Transactions."

Item 14. Principal Accountant Fees and Services.

Information relating to the types of services rendered by our Independent Registered Public Accounting Firm and the fees paid for these services is incorporated by reference from our 2012 Proxy Statement under the caption "Independent Registered Public Accounting Firm – Disclosure of Fees.”

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) 1. Financial Statements. The following are incorporated by reference, under Item 8 of this report, from the 2011 Annual Report:

Management’s Annual Report on Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm On Internal Control over Financial Reporting
Report of Independent Registered Public Accounting Firm On Financial Statements
Consolidated Balance Sheets
Consolidated Statements of Earnings
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements

2. Financial Statement Schedules. All schedules required by this Form 10-K Report have been omitted because they were inapplicable, included in the Consolidated Financial Statements or Notes to Consolidated Financial Statements, or otherwise not required under instructions contained in Regulation S-X.

3. Exhibits. Reference is made to the Exhibit Index which is included in this Form 10-K Report.

(b) Reference is made to the Exhibit Index which is included in this Form 10-K Report.

(c) Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: March 14, 2012

UNIVERSAL FOREST PRODUCTS, INC.

By: /s/ Matthew J. Missad

Matthew J. Missad,
Chief Executive Officer and
Principal Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on this 14th day of March, 2012, by the following persons on behalf of us and in the capacities indicated.

By: /s/ Matthew J. Missad
Matthew J. Missad,
Chief Executive Officer and
Principal Executive Officer

By: /s/ Michael R. Cole
Michael R. Cole,
Chief Financial Officer,
Principal Financial Officer and
Principal Accounting Officer

Each Director whose signature appears below hereby appoints Matthew J. Missad and Michael R. Cole, and each of them individually, as his attorney-in-fact to sign in his name and on his behalf as a Director, and to file with the Commission any and all amendments to this report on Form 10-K to the same extent and with the same effect as if done personally.

/s/ William G. Currie
William G. Currie, Director

/s/ Dan M. Dutton
Dan M. Dutton, Director

/s/ John M. Engler
John M. Engler, Director

/s/ John W. Garside
John W. Garside, Director

/s/ Matthew J. Missad
Matthew J. Missad, Director

/s/ Gary F. Goode
Gary F. Goode, Director

/s/ Bruce A. Merino
Bruce A. Merino, Director

/s/ Mark A. Murray
Mark A. Murray, Director

/s/ William R. Payne
William R. Payne, Director

/s/ Louis A. Smith
Louis A. Smith, Director

EXHIBIT INDEX

Exhibit #		Description
3		Articles of Incorporation and Bylaws.
	(a)	Registrant's Articles of Incorporation were filed as Exhibit 3(a) to a Registration Statement on Form S-1 (No. 33-69474) and the same is incorporated herein by reference.
	(b)	Registrant's Bylaws were filed as Exhibit 3(b) to a Registration Statement on Form S-1 (No. 33-69474) and the same is incorporated herein by reference.
4		Instruments Defining the Rights of Security Holders.
	(a)	Specimen form of Stock Certificate for Common Stock was filed as Exhibit 4(a) to a Registration Statement on Form S-1 (No. 33-69474) and the same is incorporated herein by reference.
10		Material Contracts.
	*(a)(5)	Conditional Share Grant Agreement with William G. Currie dated April 17, 2002 was filed as Exhibit 10(a)(5) to a Form 10-K, Annual Report for the year ended December 25, 2010 and the same is incorporated herein by reference.
	*(a)(6)	Form of Conditional Share Grant Agreement utilized under the Company’s Long Term Stock Incentive Plan was filed as Exhibit 10(a)(6) to a Form 10-K, Annual Report for the year ended December 25, 2010 and the same is incorporated herein by reference.
	*(a)(7)	Consulting and Non-Compete Agreement with William G. Currie, dated December 17, 2007 was filed as Exhibit 10(a)(7) to a Form 10-K, Annual Report for the year ended December 29, 2007 and the same is incorporated herein by reference.
	*(a)(8)	Employment, Consulting (and Non-Competition) Agreement with Robert K. Hill, dated June 15, 2007 was filed as Exhibit 10(a)(8) to a Form 10-K, Annual Report for the year ended December 29, 2007 and the same is incorporated herein by reference.
	*(a)(9)	Consulting and Non-Compete Agreement with Michael B. Glenn, dated June 20, 2011.

	(b)	Form of Indemnity Agreement entered into between the Registrant and each of its directors was filed as Exhibit 10(b) to a Registration Statement on Form S-1 (No. 33-69474) and the same is incorporated herein by reference.
	*(e)(1)	Form of Executive Stock Option Agreement was filed as Exhibit 10(e)(1) to a Registration Statement on Form S-1 (No. 33-69474) and the same is incorporated herein by reference.
	*(e)(2)	Form of Officers' Stock Option Agreement was filed as Exhibit 10(e)(2) to a Registration Statement on Form S-1 (No. 33-69474) and the same is incorporated herein by reference.
	*(f)	Performance Bonus Plan Summary Plan Description was filed as Exhibit 10(f) to a Form 10-K, Annual Report for the year ended December 25, 2010 and the same is incorporated herein by reference.
	*(g)	Universal Forest Products, Inc. Deferred Compensation Plan as amended and restated effective June 1, 2011.
	*(h)	Executive Stock Grant Program.
	(i)(5)	Series 2004-A, Credit Agreement dated February 12, 2007 was filed as Exhibit 10(i) to a Form 8-K Current Report dated February 15, 2007 and the same is incorporated herein by reference. Schedules and Exhibits to such Agreement were filed as Exhibit 10(i)(5) to a Form 10-Q dated September 26, 2009 and the same is incorporated herein by reference.
	(i)(6)	Credit Agreement dated November 14, 2011 was filed as Exhibit 10(i) to a Form 8-K Current Report dated November 16, 2011 and the same is incorporated herein by reference.
	(j)(2)	Series 2002-A, Senior Note Agreement dated December 18, 2002. Schedules and Exhibits to such Agreement were filed as Exhibit 10(j)(2) to a Form 10-Q dated September 26, 2009 and the same is incorporated herein by reference.
13	Selected portions of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 2011.	
14	Code of Ethics for Senior Financial Officers	
	(a)	Code of Ethics for Chief Financial Officer was filed as Exhibit 14(a) to a Form 10-K, Annual Report for the year ended December 25, 2010 and the same is incorporated herein by reference.

21	Subsidiaries of the Registrant.	
23	Consent of Ernst & Young LLP.	
31	Certifications.	
	(a)	Certificate of the Chief Executive Officer of Universal Forest Products, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
	(b)	Certificate of the Chief Financial Officer of Universal Forest Products, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
32		Certifications.
	(a)	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).
	(b)	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).

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* Indicates a compensatory arrangement

EXHIBIT 10(a) (9)

CONFIDENTIAL CONSULTING AND NONCOMPETE AGREEMENT

DATE: June 20, 2011

PARTIES:

Michael Glenn
7420 Biscayne Way, S.E.
Grand Rapids, MI 49546
(herein "Executive")

Universal Forest Products, Inc.
2801 East Beltline, N.E.
Grand Rapids, MI 49525
(herein "UFP" or the "Company")

The parties agree as follows:

SECTION 1. RESIGNATION.

1.1 Effective June 20, 2011, Executive shall be deemed to have resigned as an employee, officer and director of the Company; provided that Executive shall continue to serve as the Company's Chief Executive Officer until written notice to Executive by the Board of Directors of the Company.

SECTION 2. CONSULTING SERVICES.

2.1 Retention as Consultant. Executive agrees to provide management consulting services to UFP from the date his service as CEO ends under Section 1.1 (the "Effective Date") until December 31, 2011. Executive shall perform such consulting services faithfully for UFP during this term. Executive accepts such consulting relationship on the terms and conditions set forth in this Agreement. The initial consulting services are listed on attached Appendix A and may be amended in writing as agreed by the parties.

2.2 Independent Contractor. In performing any such consulting services, Executive shall be an independent contractor and shall not be the employee, servant, agent, partner, or joint venturer of UFP, or any of its officers, directors, or consultants. Except as expressly provided herein, Executive shall not have the right to or be entitled to any of the employee benefits of UFP or its affiliates or subsidiaries except as expressly agreed in writing. Executive has no authority to assume or create any obligation or liability, express or implied, on UFP's behalf or in its name or to bind UFP in any manner whatsoever. Executive agrees to arrange for Executive's own liability, disability, and workers' compensation insurance, and that of Executive's employees, if any. Executive agrees to sign independent contractor agreement(s) containing terms sufficient to comply with Michigan and federal law regarding his status as an independent contractor.

2.3 Expenses. For any consulting work done, UFP will reimburse Executive for reasonable and necessary business expenses as agreed by the Board of Directors of the Company or a Committee thereof.

SECTION 3. RELEASE.

3.1 UFP's obligations under this Agreement, including but not limited to the compensation and benefits described in Sections 4 and 5 of this Agreement, are expressly conditioned upon the execution of the Full and Final Release by Executive on or before the earlier of: (a) July 31, 2011, or (b) the last day of the month following the completion of Executive's services as CEO under Section 1.1 above. The Full and Final Release is attached as Appendix B.

SECTION 4. CONSULTING COMPENSATION.

4.1 Consulting Fees. In exchange for the consulting services described in Section 2 above, UFP shall continue to pay an amount equivalent to Executive's base salary at its present level through December 2011, payable in equal monthly payments of Fifty Thousand Five Hundred Eighty Three Thousand and 33/100 Dollars ($50,583.33) on the last day of each month following the Effective Date (less any salary paid to Executive for that month) up to and including December 31, 2011.

SECTION 5. OBLIGATIONS OF UFP.

5.1 In consideration of and conditioned upon Executive's compliance with the conditions and covenants of Executive under Section 7 and 8 of this Agreement, including the execution and delivery of the Release attached as Appendix B, Executive shall receive the following benefits. Executive acknowledges and agrees that UFP shall have no obligations under this Section 5 in the event Executive breaches any of his obligations or covenants to the Company under Sections 7 or 8 of this Agreement.

a. Salary Continuation. UFP shall continue to pay an amount equivalent to Executive's base, as in effect as of the Effective Date, from January 2012 through December 2015, payable in forty-eight (48) equal monthly payments of Fifty Thousand Five Hundred Eighty Three Thousand and 33/100 Dollars ($50,583.33) on the last day of each month, up to and including December 31, 2015 (the "Salary Continuation Period"). In the event of Executive's death during the Salary Continuation Period, and conditioned upon Executive's prior compliance with the covenants of Executive hereunder, the amounts set forth in this Section 5.1(c) shall be paid and payable to Executive's heirs or designated beneficiary.

b. Health Care Coverage. Executive and his currently covered dependents shall be eligible for COBRA continuation of medical benefits effective as of the Effective Date. UFP will pay for the cost of such COBRA coverage from the Effective Date through December 20, 2012. The value of this coverage will be recorded on Executive's 1099 for tax purposes. On the last day of each month from January 5, 2013 until Executive reaches age 66, UFP shall reimburse Executive for the monthly premium cost of an insurance policy covering Executive and his spouse comparable to that maintained by the Company as of the Effective Date, subject to review and approval by the Company of the terms and costs of such coverage. Executive shall be responsible for all deductible, co-pays, and policy limitations.

c. Other. Executive shall have the right to use the Company's Captiva Island condominium for one week in calendar year 2012 and 2013, for the standard usage fee charged to Company employee users. Such use shall be contingent on the Company's continued ownership of the condo, shall be approved by the Company in advance, and may not occur in March or April.

SECTION 6. TAX CONSEQUENCES.

6.1 Executive agrees to be responsible for Executive's own tax obligations accruing as a result of payments and benefits received under this Agreement. It is expressly understood and agreed by Executive that should UFP for any reason incur tax liability or charges whatsoever as a result of this Agreement, Executive will reimburse and indemnify UFP for the same.

SECTION 7. DISCLOSURE OF INFORMATION.

7.1 Executive acknowledges that UFP's trade secrets, private or secret processes as they exist from time to time, and information concerning customers and their identity, products, developments, manufacturing techniques, new product plans, equipment, inventions, discoveries, patent applications, ideas, designs, engineering drawings, sketches, renderings, other drawings, manufacturing and test data, computer programs, progress reports, materials, costs, specifications, processes, methods, research, procurement and sales activities and procedures, promotion and pricing techniques, and credit and financial data concerning customers of UFP, as well as information relating to the management, operation, or planning of UFP, herein the ("Proprietary Information") are valuable, special, and unique assets of UFP. In light of the highly competitive nature of the industry in which UFP conducts business, Executive agrees that all Proprietary Information obtained by Executive as a result of his relationship with UFP shall be considered confidential. In recognition of this fact, Executive agrees that Executive will not disclose any of such Proprietary Information to any person or entity for any reason or purpose whatsoever, and Executive will not make use of any Proprietary Information for Executive's own purposes or for the benefit of any other person or entity (except UFP) under any circumstances. Notwithstanding anything herein to the contrary, no obligation or liability shall accrue hereunder with respect to any of the Proprietary Information to the extent that such Proprietary Information (1) is or becomes publicly available other than as a result of acts by Executive in violation of this Agreement; or (2) is, on the advice of counsel, required to be disclosed by law or legal process.

SECTION 8. NONCOMPETITION AGREEMENT.

8.1 In order to further protect the confidentiality of the Proprietary Information and in recognition of the highly competitive nature of the industries in which UFP and its affiliates and subsidiaries conduct its businesses as well as Executive's prior senior-level leadership position in the Company, and for the consideration set forth herein, Executive further agrees that during and for the period beginning on the Effective Date and ending on December 31, 2015:

a. Executive will not directly or indirectly engage in any Business Activities (hereinafter defined), other than on behalf of UFP or its affiliates or subsidiaries, whether such engagement is as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than 1% of the outstanding capital stock of a publicly-traded corporation), consultant, advisor, agent, or other participant, in any geographic area in which the products or services of UFP have been distributed or provided during the Executive's employment and the term set forth above. For purposes of this Agreement, the term "Business Activities" shall mean the design, development, manufacture, sale, marketing, or servicing of UFP's products, together with all other activities engaged in by UFP or any of its affiliates or subsidiaries at any time during Executive's employment by UFP or the term set forth above.

b. Executive will not directly or indirectly engage in any of the Business Activities (other than on behalf of UFP) by supplying products or providing services to any customer with whom UFP has done any business during his employment or the term set forth above, whether such engagement is as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than 1% of the outstanding capital stock of a publicly traded corporation), consultant, advisor, agent, or other participant.

c. Executive will not directly or indirectly assist others in engaging in any of the Business Activities in any manner prohibited to Executive under this Agreement.

8.2 Executive acknowledges and agrees that each and every restraint imposed by this Section 8 is reasonable with respect to subject matter, time period and geographical area. Executive further acknowledges and agrees that the potential harm to the Company of its non-enforcement outweighs any harm to Executive of its enforcement by injunction or otherwise. If at the time of enforcement of this Section 8 of this Agreement a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated time period, scope or area. Because of Executive's past leadership role with the Company and because Executive has had access to confidential information relating to the Company's Business Activities, the parties agree that money damages would not be an adequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, the Company or its successors and assigns may, in addition to other rights and remedies, including the suspension and/or termination of the Company's obligations under Section 5, above apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions of this Agreement (without posting the bonds or other security).

SECTION 9. MISCELLANEOUS PROVISIONS.

9.1 Assignment. This Agreement shall not be assignable by either party, except by UFP to any subsidiary or affiliate of UFP (now or hereafter existing) or to any successor in interest to UFP's business.

9.2 Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties.

9.3 Notice. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, postage prepaid, addressed to the parties at the address stated on the first page of this Agreement. The address of a party to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other party.

9.4 Litigation Expense. In the event of a default under this Agreement, the defaulting party shall reimburse the nondefaulting party for all costs and expenses reasonably incurred by the nondefaulting party in connection with the default, including without limitation attorney's fees. Additionally, in the event a suit or action is filed to enforce this Agreement or with respect to this Agreement, the prevailing party or parties shall be reimbursed by the other party for all costs and expenses incurred in connection with the suit or action, including without limitation reasonable attorney's fees at the trial level and on appeal.

9.5 Waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.6 Applicable Law. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of Michigan. Venue for any action brought to enforce this Agreement shall be brought in the courts of the State of Michigan.

9.7 Entire Agreement. This Agreement constitutes the entire Agreement between the parties pertaining to its subject matter, and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties, except for the terms and conditions of any Stock Option Agreements and Stock Award Agreements between Executive and the Company and the terms and conditions of the Company's 2011 Performance Bonus Plan, under which Executive shall be eligible for any earned bonus under that Plan for 2011, subject to pro-ration through the Effective Date. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all parties.

UNIVERSAL FOREST PRODUCTS, INC.:

By: ______________________________

Its: ______________________________

EXECUTIVE: ______________________________

____
(Signature)

INITIAL CONSULTING SERVICES

1. Provide consultation to the Board of Directors, the CEO and/or the President of UFP, or other employees of the Company, as approved or directed by the Board of Directors of the Company or a Committee thereof.

2. Provide information on Executive's past activities on behalf of the Company.

3. Cooperate with UFP to ensure a smooth management transition.

FULL AND FINAL RELEASE

In consideration of the benefits provided to me by Universal Forest Products, Inc. contained in the Confidential Consulting and Noncompete Agreement (the “Agreement”) dated June 20, 2011, I hereby agree as follows:

1. **The Company**. When used herein, "the Company" includes any parent, subsidiary, and affiliated companies of Universal Forest Products, Inc. and its and their successors, assigns, officers, directors, agents, employees and attorneys, past, present or future, jointly and individually (collectively, "the Company").

2. **Release of Claim**. I release and forever discharge the Company from any and all claims, disputes, causes of action, administrative proceedings, legal actions, whether arising out of statutory law, common law or equity, and damages, known or unknown, which I have or may have against the Company, however denominated (the "Claims"), including, but not limited to, Claims related to my employment, the conduct of business during my employment, any claims of discrimination under any Federal, state or local law, rule or regulation, including claims under the Age Discrimination in Employment Act (ADEA), any claims under the Older Workers Benefits Protection Act, Title VII of the Civil Rights Acts of 1964, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Michigan Elliott-Larsen Civil Rights Act, the Michigan Handicappers' Civil Rights Act, the Michigan Workers Disability Compensation Act, the Americans with Disabilities Act, any Claim for violation of any other federal, state or local law, rule or regulation, any Claim for wrongful termination of employment, wrongful layoff, failure to recall to work, breach of contract, violation of any policy, practice or procedure of the Company, denial of any employment benefit, constructive discharge, retaliatory discharge, breach of the covenant of good faith and fair dealings, detrimental reliance, termination in violation of public policy, violation of any whistleblowers statute, negligent supervision, negligent conducting of performance appraisal, libel, slander, defamation, sexual or any other type of harassment, intentional or negligent infliction of emotional distress, tortious interference with business relations or prospective employers, providing false references, any Claims to reinstatement or future employment, any Claim for damages, attorney fees or costs and any Claims occurring or existing through the date of this Release. Employee does not waive the right to file a lawsuit to enforce the Agreement and this Appendix B. The right to file the lawsuit shall apply solely to the equity powers of the court to enforce the arbitration provisions herein.

3. **Scope of Release**. Except as provided below, this Release covers all Claims arising from or in connection with my employment with and separation from the Company as well as any Claims occurring or existing through the date of this Release. This Release does not apply to (a) my rights under the Agreement, (b) Claims against any person other than the Company that is unrelated to my employment and the conduct of business during my employment.

4. **Prior Claims**. I have not filed any claim, administrative proceedings or legal action against the Company.

5. **Subsequent Legal Action**. I will not initiate, assist or cooperate in any charge, claim, complaint or legal action against the Company with any federal, state or local administrative agency or court, or with any other person (the term "person" shall mean and include an individual, a partnership, a joint venture, a corporation, a limited liability entity, a trust, an unincorporated organization, and a government or any department or agency thereof), unless so ordered by a duly authorized court, legislative committee or grand jury, as for enforcement of this Agreement.

6. **Derogatory Comments**. I shall not make any derogatory statements regarding the Company.

7. **Resignations**. Effective with the date of my separation from employment, I resign as an employee, officer and /or a director of the Company, and its subsidiaries and affiliates.

8. **Finality of Release**. I recognize that I may be mistaken as to the facts and/or law upon which I may be relying in executing this Release or that additional facts may exist of which I am not presently aware. Nonetheless, I have been fully advised and understand the finality of this Release and intend to be bound by it.

9. **Review of Document**. I acknowledge that the Company has advised me in writing to consult with an attorney regarding this Agreement. I have had the opportunity to read and discuss this Release with the Company and I have had an opportunity to review this Release with my own legal counsel.

10. **Review and Revocation Periods**. I have been given twenty one (21) days within which to consider this Release before executing it. I have been advised that I may revoke this Release for a period of seven (7) calendar days following the execution of this Release and that this Release is not effective until the revocation period has expired.

11. **Authority to Release**. I have the authority to release the claims which are released herein, and no claims referred to herein have been previously assigned to or are owned by any other person or entity.

12. **Arbitration**. Any dispute arising out of the interpretation or application of this Agreement shall be submitted to binding arbitration and the fees and expenses of the Arbitrator shall be paid by the unsuccessful party.

13. **Entire Agreement**. No other written or oral promises, inducement or agreements have been made by the Company to me other than those made in the Confidential Severance Agreement, attached hereto. I understand that this Release may not be modified, altered or changed in any respect, except upon the express prior written consent by me and the Company.

14. **Severability**. If after the date of execution of this Release, any provision of this Release is held to be illegal, invalid or unenforceable, such provision shall be fully severable. In lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

15. **Governing Law**. This Release shall be construed in accordance with and shall be governed by the internal laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have executed this Release as of the date first above written.

THIS IS A RELEASE. READ BEFORE SIGNING.

	UNIVERSAL FOREST PRODUCTS, INC.:
Witness:	
______________________________	By: ______________________________
	Its: ______________________________
Witness:	
______________________________	______________________________

EXHIBIT 10.(g)

UNIVERSAL FOREST PRODUCTS, INC.

DEFERRED COMPENSATION PLAN

(Restated effective June 1, 2011)

Prepared by:
Miller Johnson
250 Monroe Avenue, N.W., Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
(616) 831-1700

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UNIVERSAL FOREST PRODUCTS, INC.
DEFERRED COMPENSATION PLAN

Article 1

Establishment and Purpose

1.1 History of the Plan

Universal Forest Products, Inc. (the "Company") established the Universal Forest Products, Inc. Deferred Compensation Plan (the "Plan") as of December 27, 1995. The Plan has periodically been amended. The Plan was most recently amended and restated effective January 1, 2009.

1.2 This Document

By this document, the Company is amending and restating the Plan as of June 1, 2011.

1.3 Purpose

The Company desires to retain the services of a select group of executives who contribute to the profitability and success of the Company. The Company maintains the Plan to provide the executives who participate in the Plan with the opportunity to defer a portion of their Compensation and have additional retirement income.

1.4 Status of Plan Under ERISA

The Plan is intended to be "unfunded" and maintained "primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" for purposes of ERISA. Accordingly, the Plan is not intended to be covered by Parts 2 through 4 of Subtitle B of Title I of ERISA. The existence of any Trust Fund is not intended to change this characterization of the Plan.

1.5 Compliance with Section 409A

To the extent the Plan provides deferred compensation under Section 409A of the Code, the Plan is intended to comply with Section 409A. The Plan is intended to be interpreted consistent with the requirements of Section 409A of the Code.

Article 2

Definitions

The following terms shall have the meanings described in this Article unless the context clearly indicates another meaning. All references in the Plan to specific articles or sections shall refer to Articles or Sections of the Plan unless otherwise stated.

2.1 Account

"Account" means the bookkeeping record of the Participant's benefits under the terms of the Plan.

2.2 Administrative Committee

"Administrative Committee" means the administrative committee periodically appointed by the Board of Directors to assist the Plan Administrator with the day-to-day operation of the Plan.

2.3 Base Salary

"Base Salary" means a Participant's regular wage or salary and commissions from the Company, not including Bonuses or other types of irregular compensation. Base Salary excludes any amounts earned before a Participant's election to make Elective Deferrals from such wage or salary.

2.4 Beneficiary

"Beneficiary" means the beneficiary designated in writing by the Participant to receive benefits from the Plan in the event of his death. The Beneficiary shall be designated on a form provided by the Plan Administrator, and the Participant may change the Beneficiary designation at any time by signing and delivering a new form to the Plan Administrator.

If the Participant designates a trust as Beneficiary, the Plan Administrator shall determine the rights of the trustee without responsibility for determining the validity, existence, or provisions of the trust. Further, the Plan Administrator shall not have responsibility for the application of sums paid to the trustee or for the discharge of the trust.

If a Participant designates the Participant's spouse as Beneficiary and the Participant and spouse are subsequently divorced, the judgment of divorce shall be considered to revoke the prior Beneficiary designation of the spouse.

The rules of this paragraph apply unless provided otherwise in the Participant's Beneficiary designation form. If the Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits shall be payable to the secondary Beneficiary. If the Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits shall be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If the Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are completed, the share payable to the deceased Beneficiary shall be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If the Participant fails to designate a Beneficiary, or if no designated Beneficiary survives the Participant, payment shall be made to the Participant's estate.

The facts shown by the records of the Plan Administrator at the time of death shall be conclusive as to the identity of the proper payee, and the records of Trustee shall be conclusive as to the amount properly payable. The distribution made in accordance with such state of facts shall constitute a complete discharge of all obligations under the provisions of the Plan.

2.5 Board

"Board" means the governing body of Universal Forest Products, Inc.

2.6 Bonus

"Bonus" means a payment of cash compensation other than Base Salary to a Participant on or about March 15 each year as a reward for exceptional performance during the prior Calendar Year.

2.7 Calendar Year

"Calendar Year" means the period of January 1 through the following December 31.

2.8 Change in Control

"Change in Control" means that one of the following events has occurred with regard to Universal Forest Products, Inc.:

(a) Sale of 40% or more of the material operating assets of Universal Forest Products, Inc. to a person or entity not affiliated with Universal Forest Products, Inc.;

(b) The acquisition of more than 30% of the common stock of Universal Forest Products, Inc. by a person, entity or group of people or entities acting as a group for voting or control purposes, who are not affiliated with Universal Forest Products, Inc.; or

(c) Replacement of a majority of the members of the Board during a 12-month period by directors whose appointment or election is not endorsed by a majority of the Board before the appointments or elections.

For purposes of the Plan, Universal Forest Products, Inc. is "affiliated with" another person if that person has an ownership interest in Universal Forest Products, Inc. Universal Forest Products, Inc. is "affiliated with" another entity if the other entity has an ownership interest in Universal Forest Products, Inc.

2.9 Code

"Code" means the Internal Revenue Code of 1986, as amended.

2.10 Company

"Company" means Universal Forest Products, Inc. and its wholly owned subsidiaries and affiliates, except to the extent that any such subsidiary or affiliate maintains its own plan providing similar benefits or is expressly excluded from participation under the Plan, and any successor thereto.

2.11 Compensation

"Compensation" means the sum of the following:

(a) A Participant's wages and other payments which are reported on IRS Form W-2. However, this amount shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code).

(b) An Employee's salary deferral contributions to a Code Section 401(k) plan.

(c) A Participant's pay reduction contributions to a cafeteria plan under Section 125 of the Code.

(d) A Participant's pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code.

(e) A Participant's pay reduction contributions to a simplified employee pension plan under Section 402(h)(1)(B) of the Code.

2.12 Determination Period

"Determination Period" means with respect to an Employee who has a Separation from Service from the Company between January 1 and March 31, the second Calendar Year preceding the Calendar Year during which the Separation from Service occurred. If the Employee has a Separation from Service between April 1 and December 31, the Determination Period is the preceding Calendar Year.

2.13 Distributable Event

"Distributable Event" means a "triggering" event for a distribution to a Participant. A Participant's Distributable Events are described in Section 5.1.

2.14 Elective Deferrals

"Elective Deferrals" are the amounts by which a Participant agrees to reduce his Base Salary or Bonus in order to have amounts credited to his Account.

2.15 Employee

"Employee" means any individual who, for tax purposes, is considered to be a common-law employee of the Company. An individual who is treated by the Company as an independent contractor for tax purposes is not an Employee.

2.16 ERISA

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.17 Investment Results

"Investment Results" means the hypothetical earnings, gains and losses achieved by an investment fund elected by a Participant under Section 4.3. The Investment Results for a Participant shall be determined as if the portion of his Account which was deemed to be invested in the investment fund had actually been invested in the investment fund during the relevant time period.

2.18 Key Employee

"Key Employee" means any Employee who at any time during the Determination Period was:

(a) An officer of the Company or a Related Employer whose annual Compensation from the Company and all Related Employers is more than $145,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2007);

(b) A person having more than a 5% ownership interest in the Company or a Related Employer; or

(c) A person having more than a 1% ownership interest in the Company or a Related Employer and whose annual Compensation from the Company and all Related Employers is more than $150,000.

The determination of who is a Key Employee shall be made in accordance with Sections 409A and 416(i)(1) of the Code and the applicable regulations and guidance.

2.19 Participant

"Participant" means an Employee or former Employee of the Company who has met the requirements for participation under Article 3, and who is or may become eligible to receive benefits from the Plan.

2.20 Plan

"Plan" means the Universal Forest Products, Inc. Deferred Compensation Plan.

2.21 Plan Administrator

"Plan Administrator" means the fiduciary responsible for the operation and administration of the Plan as provided in Article 7. Universal Forest Products, Inc. shall be the Plan Administrator.

2.22 Plan Year

"Plan Year" means the 12-consecutive-month period beginning on January 1 and ending on the following December 31.

2.23 Related Employer

"Related Employer" means:

(a) Any member of a controlled group of corporations in which the Company is a member, as defined in Section 414(b) of the Code, but substituting "at least 20%" for "at least 80%" each place it appears in Section 414(b) of the Code and the Treasury regulations issued thereunder; or

(b) Any other trade or business under common control of or with the Company, as defined in Section 414(c) of the Code, but substituting "at least 20%" for "at least 80%" each place it appears in Section 414(b) of the Code and the Treasury regulations issued thereunder.

2.24 Separation from Service

"Separation from Service" means a "separation from service" under Section 409A of the Code. Generally, this occurs if the Employee is reasonably anticipated to have a substantial permanent reduction in the bona fide level of services provided to the Company and all Related Employers (whether provided as an employee or an independent contractor). The reduction shall be "substantial" only if the reduced bona fide level of services is less than 50% of the average bona fide level of services provided by the Employee to the Company and all Related Employers during the immediately preceding 36 months (or the Participant's entire period of service, if less than 36 months).

2.25 Total Disability

"Total Disability" means the Participant meets one of the following requirements:

(a) The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable mental or physical impairment which can be expected to result in death or can be expected to last for a continuous period of at least 12 months; or

(b) The Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a Company-sponsored disability plan.

The existence of a Total Disability shall be established by the certification of a physician or physicians selected by the Plan Administrator, unless the Plan Administrator determines that an examination is unnecessary. Alternatively, a Participant shall be considered to have a Total Disability if the Participant is determined to be disabled by the Social Security Administration.

2.26 Trust Agreement

"Trust Agreement" means the trust agreement used to establish the Trust Fund.

2.27 Trust Fund

"Trust Fund" means the assets held under the Trust Agreement.

2.28 Trustee

"Trustee" means the financial institution designated as trustee by the Company pursuant to Article 6.

2.29 UFP Stock

"UFP Stock" means shares of Universal Forest Products, Inc. Common Stock.

2.30 Year of Service

"Year of Service" means a 12-month period of employment with the Company or any Related Employer. Individual periods of service are aggregated at the rate of one month for each 30 days.

Article 3

Participation

3.1 Eligibility for Participation

The Administrative Committee, with the approval of the Board, shall determine the Employees who are eligible to participate in the Plan. An Employee shall begin to participate in the Plan on the date designated by the Administrative Committee. It is intended that participation be limited to Employees who will qualify as members of a "select group of management or other highly compensated employees" under Title I of ERISA. In general, the Employees who are eligible to participate are the officers, general managers of operations, operations managers, sales managers, plant managers, Executive Account Managers, and past and present members of the President's Club (as such group is now or hereafter named and constituted) of the Company as well as select corporate department heads, purchasing directors, regional executive managers and senior managers of the Company.

As a condition for participation in the Plan, the Employee must sign a participation agreement provided by the Administrative Committee. The Employee shall acknowledge in the participation agreement that he is an unsecured creditor of the Company with regard to any benefits under the Plan and waive any right to a priority claim with regard to the benefits. The Employee may also be required to complete other forms as a condition for participation.

3.2 Termination of Active Participation

The Administrative Committee may remove an Employee from further active participation in the Plan. If this occurs, the Employee shall not have any additional amounts credited to his Account under Section 4.2. But amounts shall continue to be credited to a Participant's Account under Section 4.3 until the amounts credited to the Participant's Account are distributed.

Article 4

Amounts Credited to Accounts

4.1 Participants' Accounts

The Plan Administrator shall maintain an Account for each Participant to record the Participant's benefits under the terms of the Plan. A Participant's Account is for bookkeeping purposes only. The Company is not required to make contributions to the Trust Fund to fund the amounts credited to a Participant's Account.

Amounts shall be credited to a Participant's Account as provided in this Article.

4.2 Amounts Credited Based Upon Elective Deferrals

The Plan Administrator shall credit a Participant's Account with the amount of a Participant's Elective Deferrals as follows:

(a) **Time of Election--Base Salary** Before the beginning of each Calendar Year, a Participant may make a written election to make Elective Deferrals equal to a specified dollar amount of the Participant's Base Salary earned during that Calendar Year. But the following special rules apply:

(1) If an Employee initially becomes a Participant during a Calendar Year, the Employee may make an election within 30 days after the Employee becomes a Participant to make Elective Deferrals from any Base Salary earned after the election is made.

(2) If a Participant does not make a new election for a Calendar Year, no amount shall be deferred from the Participant's Base Salary for that Calendar Year.

(3) All Elective Deferrals of Base Salary shall be deducted in equal amounts from the Participant's last paycheck of each month until the Participant has deferred the maximum annual amount described in subsection (c) below or the maximum annual amount elected by the Participant.

Except as provided in subsection (e) or (f), a Participant's election to make Elective Deferrals from Base Salary earned during a Calendar Year is irrevocable during that Calendar Year.

(b) **Time of Election--Bonus** No later than June 30 of each Calendar Year, a Participant may make a written election to make Elective Deferrals equal to a specified percentage or dollar amount of the Participant's Bonus earned during that Calendar Year. If a Participant does not make a new election for a Calendar Year, no amount shall be deferred out of the Participant's Bonus for that Calendar Year.

Except as provided in subsection (e) or (f), a Participant's election to make Elective Deferrals from Bonuses earned during a Calendar Year is irrevocable after June 30 of the Calendar Year.

(c) **Maximum Amount of Elective Deferrals** A Participant may defer up to the following amounts otherwise payable to the Participant each Calendar Year:

(1) $15,000 of Base Salary.

(2) 50% of Bonuses not to exceed $100,000 for executive officers, $50,000 for other officers, $25,000 for general managers of operations, operations managers and corporate department heads, and $10,000 for all other Participants.

The Plan Administrator may also periodically establish additional rules relating to a Participant's Elective Deferrals (for example, a minimum amount permitted).

(d) **Crediting of Elective Deferrals to Accounts** A Participant's Elective Deferrals shall be credited to his Account as soon as administratively feasible after the amounts otherwise would have been paid to the Participant.

(e) **Suspension After Hardship Withdrawal from Plan** Despite any other provision, if a Participant receives a hardship withdrawal as a result of an unforeseeable emergency under 5.5 hereof on or after January 1, 2012, any Base Salary or Bonus deferral election previously made by the Participant shall be cancelled. Any deferral election made after the date of a hardship withdrawal under Section 5.5 hereof must be made in accordance with subsection (a) or (b) above.

(f) **Suspension After Hardship Withdrawal from 401(k) Plan** Despite any other provision, if a Participant receives a hardship withdrawal under the Universal Forest Products, Inc. Employees' Profit Sharing and 401(k) Plan, no Elective Deferrals shall be deducted from the Participant's Base Salary or Bonus or credited to the Participant's Account for six months after receipt of the hardship withdrawal. At the end of the six-month period, Elective Deferrals may only begin again if the Participant makes a new election in accordance with subsection (a) or (b), to defer his Base Salary or Bonus for a Calendar Year beginning at least six months after the hardship withdrawal was made.

(g) **Elections Relating to In-Service Distributions** A Participant may also make an election to receive an in-service distribution of the portion of the Bonus he elected to defer for any Calendar Year (but not Base Salary deferrals or investment earnings). The election will only be effective if:

(1) The election is made by the deadline for making a Bonus deferral election for a Calendar Year;

(2) The payment date is at least 12 months after the end of the Calendar Year during which the Bonus was deferred; and

(3) The Participant remains employed by the Company or a Related Employer until the elected payment date.

The amount distributed will be the lesser of the amount of the Bonus the Participant elected to be paid as of the date it was deferred and the value of the Bonus on the date of distribution.

(h) **Withholding of Payroll Taxes** Any payroll taxes the Company must withhold on a Participant's Base Salary or Bonus deferrals (including any amount that must be withheld because of the discount on UFP Stock provided to Participants whose deferrals are treated as invested in UFP Stock for the year) will be withheld from the portion of the Participant's Base Salary or Bonus that the Participant does not elect to defer before any amount is credited to the Participant's Account.

4.3 **Amounts Credited Based Upon Investment Results**

A Participant may choose among different investment funds made available by the Plan Administrator for purposes of determining the Investment Results credited to his Account. The Plan Administrator may change these investment funds.

The Plan Administrator shall periodically establish administrative rules for a Participant to make and change his investment elections and rules regarding the crediting of Investment Results. Amounts shall be credited to a Participant's Account under this Section until the Participant's Account is completely distributed.

The Company shall be under no obligation to make investments that correspond to the Participant's investment elections, even though the Participant's elections are used to determine the Participant's Investment Results.

If all or a portion of a Participant's Elective Deferrals for a Calendar Year are deemed to be invested in UFP Stock, the number of shares of UFP Stock credited to the Participant's Account shall be increased to reflect a fifteen percent (15%) discount to market, determined based on the closing market price of UFP Stock on the day the amount would have been paid to the Participant if he had not elected to defer it. The number of shares credited to the Participant's Account as a result of any deferral of Base Salary or Bonus shall equal:

$$\frac{(x\ ,\ .85)}{z}$$

where x equals the amount the Participant defers and z equals the closing market price of UFP Stock on the day the amount would have been paid to the Participant if he had not elected to defer it. Elective Deferrals that are treated as being invested in UFP Stock shall continue to be treated as invested in UFP Stock until the Elective Deferrals are distributed to the Participant.

4.4 **Required Investments in UFP Stock**

(a) A Participant's Elective Deferrals from Base Salary for any Calendar Year will be deemed to be invested in UFP Stock unless:

(1) If the Participant has less than five Years of Service with the Company as of the December 31 immediately preceding the first day of the Calendar Year, the Participant owns UFP Stock with a market value as of the preceding September 30 of at least one (1) times the Participant's annualized box 1 W-2 compensation for the second Calendar Year preceding the Calendar Year for which the Elective Deferrals are being made;

(2) If the Participant has at least five but less ten Years of Service with the Company as of the December 31 immediately preceding the first day of the Calendar Year, the Participant owns UFP Stock with a market value as of the preceding September 30 of at least two (2) times the Participant's annualized box 1 W-2 compensation for the second Calendar Year preceding the Calendar Year for which the Elective Deferrals are being made; or

(3) If the Participant has ten or more Years of Service with the Company as of the December 31 immediately preceding the first day of the Calendar Year, the Participant owns UFP Stock with a market value as of the preceding September 30 of at least three (3) times the Participant's annualized box 1 W-2 compensation for the second Calendar Year preceding the Calendar Year for which the Elective Deferrals are being made.

For purposes of this subsection, if a Participant's box 1 W-2 compensation for any Calendar Year is for work performed for less than a 12-month period, the Participant's box 1 W-2 compensation for the Calendar Year shall be annualized by multiplying his box 1 W-2 compensation by 12 and dividing it by the number of full and partial months he worked during the year.

(b) If the applicable requirement detailed in subsection (a) above is met as of the December 31 of the preceding Calendar Year, the Participant may direct that his Elective Deferrals from Base Salary for the Calendar Year be credited with earnings or losses based on any investment option available under the Plan.

(c) A Participant's Elective Deferrals from Bonuses for a Calendar Year will be deemed to be invested in UFP Stock unless:

(1) If the Participant has less than five Years of Service with the Company as of the December 31 preceding the June 30 by which the election must be made, the Participant owns UFP Stock with a market value as of the preceding April 30 of at least one (1) times the Participant's annualized box 1 W-2 compensation for the Calendar Year preceding the Calendar Year for which the Elective Deferral from his Bonus is made.

(2) If the Participant has at least five but less than ten Years of Service with the Company as of the December 31 preceding the June 30 by which the election must be made, the Participant owns UFP Stock with a market value as of the preceding April 30 of at least two (2) times the Participant's annualized box 1 W-2 compensation for the Calendar Year preceding the Calendar Year for which the Elective Deferral from his Bonus is made; or

(3) If the Participant has ten or more Years of Service with the Company as of the December 31 preceding the date by which the election must be made, the Participant owns UFP Stock with a market value as of preceding April 30 of at least three (3) times the Participant's annualized box 1 W-2 compensation for the Calendar Year preceding the Calendar Year for which the Elective Deferral from his Bonus is made.

For purposes of this subsection, if a Participant's box 1 W-2 compensation for any Calendar Year is for work performed for less than a 12-month period, the Participant's box 1 W-2 compensation for the Calendar Year shall be annualized by multiplying his box 1 W-2 compensation by 12 and dividing it by the number of full and partial months he worked during the year.

(d) If the applicable requirement detailed in subsection (c) above is met as of the June 30 by which the Participant's Bonus deferral election must be made, the Participant may direct that his Elective Deferrals from his Bonus for the Calendar Year be credited with earnings or losses based on any investment option available under the Plan.

(e) For example, if a Participant who has completed three Years of Service with the Company as of December 31, 2006 defers $10,000 of his Base Salary for 2007, his Elective Deferrals from his Base Salary will be invested in UFP Stock unless he owns UFP Stock with a market value as of September 30, 2006 equal to his 2005 compensation as reported in box 1 of his 2005 W-2 (assuming he worked for the Company for all of 2005). If the Participant elects to defer all or any portion of his 2007 Bonus that is payable in 2008, his Elective Deferrals from his Bonus will be invested in UFP Stock unless he owns UFP Stock with a market value as of April 30, 2007 equal to his 2006 compensation as reported in box 1 of his 2006 W-2 (assuming he worked for the Company for all of 2006).

4.5 Vesting in a Participant's Account

Except as provided in Section 5.3, all amounts credited to a Participant's Account are always 100% vested.

Article 5

Distribution of Benefits

5.1 Distributable Events

A Participant shall have a Distributable Event for purposes of the Plan on the date the first of the following events occurs:

(a) The Participant has a Separation from Service;

(b) The Participant dies while employed by the Company;

(c) The Participant incurs a Total Disability while employed by the Company; or

(d) A Change in Control occurs.

5.2 Amount of Benefits

A Participant's benefits under the Plan shall be equal to the amount credited to the Participant's Account on the date determined by the Company that is no more than one month prior to the date the amount is distributed to the Participant.

5.3 Time of Payment

A Participant's benefits from the Plan shall be paid in a single lump sum payment on the one-year anniversary of his Separation from Service. Notwithstanding the preceding sentence, in the event a Participant dies, suffers a Total Disability or has a Separation from Service after attaining age 55 and in the event of a Change in Control, payment will be made within 60 days after the Participant's Distributable Event occurs. In no event, however, will any distribution be made to a Key Employee as a result of a Separation from Service earlier than the six-month anniversary of the date of the Participant's Separation from Service, unless the Participant dies prior to the end of the six-month period.

If, during the Participant's employment with the Company or the twelve (12) month period following his Separation from Service, the Participant violates any confidentiality agreement, intellectual property agreement or non-competition agreement with the Company or any Related Employer in effect while the Participant is employed by the Company or a Related Employer or at the time of the Separation from Service, the Participant's Account shall be reduced to reflect the value that is the lesser of:

(a) The actual Account value on the date of Separation from Service; or

(b) The value the Account would have been on the date of Separation from Service if it had been credited with an earnings rate of 0% from the time the Elective Deferrals were initially credited to the Account and no discount had been available for deemed investments in UFP Stock.

5.4 <u>Form of Payment</u>

A Participant's benefits from the Plan shall be distributed in cash, except all amounts treated as invested in UFP Stock shall be distributed in the form of certificates for UFP Stock.

5.5 <u>Hardship Withdrawals</u>

A Participant who has an unforeseeable financial emergency may receive payment while employed by the Company of all or part of the amount credited to the Participant's Account.

For purposes of this Section, an unforeseeable financial emergency is a severe financial hardship of the Participant resulting from: a sudden and unexpected illness or accident of the Participant or a dependent of the Participant; loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. However, the Participant will not be considered to have an unforeseeable emergency if the hardship is or may be relieved:

(a) Through reimbursement or compensation by insurance or otherwise;

(b) By liquidation of the Participant's assets, to the extent the liquidation of such assets would itself not cause severe financial hardship; or

(c) By the cessation of Elective Deferrals and elective deferrals to the Universal Forest Products, Inc. Employees' Profit Sharing and 401(k) Plan.

The need to send a Participant's child to college or the desire to purchase a home are not unforeseeable financial emergencies for purposes of this Section.

A Participant may only withdraw the amount reasonably needed to satisfy the financial emergency need. The amount of the financial need may include amounts necessary to pay any federal, state or local taxes or penalties relating to the distribution.

The Plan Administrator may periodically establish administrative rules regarding withdrawals under this Section.

5.6 Tax Withholding

Any applicable federal, state, or local income taxes shall be withheld from the benefits paid to a Participant or the Participant's Beneficiary to the extent required by law or elected by the Participant or Beneficiary.

5.7 Spendthrift Provision

No benefit or interest under the Plan is subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of a Participant or the Participant's Beneficiary.

Article 6

Funding

6.1 Establishment of Trust Fund

The Company may enter into a Trust Agreement with an unrelated financial institution, as Trustee, to establish a Trust Fund. If a Trust Fund is established, the Company may, but is not required to, make contributions to the Trust Fund. However, if a Change in Control occurs, the Company shall establish a Trust Fund and shall contribute to the Trust Fund an amount, if any, necessary so that the assets of the Trust Fund are sufficient to pay all amounts credited to Participants' Accounts.

6.2 Status as Grantor Trust

The Trust Fund shall be a grantor trust under Sections 671 through 678 of the Code. The Trust Agreement shall provide that the assets of the Trust Fund are subject to the claims of the Company's general creditors if the Company becomes insolvent. If any assets of the Trust Fund are seized by general creditors of the Company, a Participant's right to receive benefits under the Plan shall not be changed.

6.3 Status of Participants as Unsecured Creditors

The obligation of the Company to pay benefits under the Plan shall be unsecured. Each Participant is an unsecured creditor of the Company. The Plan constitutes a mere promise by the Company to make benefit payments in the future.

The establishment of an Account for a Participant and the Company's payment of contributions to the Trust Fund are not intended to create any security for payment of benefits under the Plan or change the status of the Plan as an unfunded plan for tax purposes or Title I of ERISA.

Article 7

Administration

7.1 Plan Administrator

The Company shall have the sole responsibility for the administration of the Plan and is designated as named fiduciary and Plan Administrator. The Plan Administrator shall have the power and duties which are described in this Article. The Administrative Committee shall carry out the functions of the Plan Administrator with respect to the day-to-day operations of the Plan. If a member of the Administrative Committee is a Participant, the member shall abstain from voting on any matter relating to the member's benefits under the Plan.

7.2 Powers of Plan Administrator

The Plan Administrator shall have all discretionary powers necessary to administer and satisfy its obligations under the Plan, including, but not limited to, the following:

(a) Maintain records pertaining to the Plan.

(b) Interpret the terms and provisions of the Plan.

(c) Establish procedures by which Participants may apply for benefits under the Plan and appeal a denial of benefits.

(d) Determine the rights under the Plan of any Participant applying for or receiving benefits.

(e) Administer the appeal procedure provided in this Article.

(f) Perform all acts necessary to meet the reporting and disclosure obligations imposed by Sections 101 through 111 of ERISA (if any are applicable).

(g) Delegate specific responsibilities for the operation and administration of the Plan to such Employees or agents as it deems advisable and necessary.

(h) Issue reports to Participants no less than once per year.

7.3 Standard of Care

The Plan Administrator shall administer the Plan solely in the interest of Participants and for the exclusive purposes of providing benefits to the Participants and their Beneficiaries. The Plan Administrator shall administer the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

The Plan Administrator shall not be liable for any act or omission relating to its duties under the Plan unless the act or omission violates the standard of care described in this Section.

7.4 <u>Appeal Procedure</u>

Any Participant whose application for benefits under the Plan has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Plan Administrator. The notice shall be in easily understood language and shall indicate the reasons for denial and the specific provisions of the Plan on which the denial is based. The notice shall explain that the Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to approve the Participant's claim and explain why such information is necessary.

A Participant may make a written request to the Plan Administrator for a review of any denial of benefits under the Plan. The request for review must be in writing and must be made within 60 days after the mailing date of the notice of denial. The request shall refer to the provisions of the Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

A Participant who requests a review of a denial of benefits in accordance with this appeal procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant may have a duly authorized representative act on his behalf in exercising his right to request a review and any other rights granted by this appeal procedure. The Plan Administrator shall provide a review of the decision denying the claim for benefit within 60 days after receiving the written request for review.

A Participant shall not be permitted to commence any legal action against the Company regarding his benefits under the Plan before exhausting the appeal procedure contained in this Section.

7.5 <u>Indemnification of Administrative Committee</u>

The Company shall indemnify and hold harmless the members of the Administrative Committee and their duly appointed agents against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct by any such member or agent of the Administrative Committee.

Article 8

Miscellaneous

8.1 No Employment Rights

The existence of the Plan shall not grant a Participant any legal right to continue as an Employee, nor affect the right of the Company to discharge a Participant.

8.2 Amendment

The Company shall have the right to amend the Plan at any time. But no amendment shall reduce the amount credited to a Participant's Account.

8.3 Termination

The Company shall have the right to terminate the Plan at any time. If the Plan is terminated, no additional amounts shall be credited to a Participant's Account under Section 4.2. But the Participant's Account shall be adjusted for Investment Results under Section 4.3 until the Participant's benefits are distributed to the Participant.

The Participant shall be entitled to receive the amounts credited to his Account upon satisfying the requirements for payment of benefits under the Plan. However, the Company may pay the Participant the amount credited to the Participant's Account at any time after the Plan is terminated if the payment is permitted by Section 409A of the Code.

8.4 Severability

The unenforceability of any provision of the Plan shall not affect the enforceability of the remaining provisions of the Plan.

8.5 Construction

Words used in the masculine shall apply to the feminine where applicable. Wherever the context of the Plan dictates, the plural shall be read as the singular and the singular as the plural.

8.6 Governing Law

To the extent that Michigan law is not preempted by ERISA, the provisions of the Plan shall be governed by the laws of the state of Michigan.

Signature

The Company has signed the amended and restated Universal Forest Products, Inc. Deferred Compensation Plan this ______ day of ________________, 2011.

UNIVERSAL FOREST PRODUCTS, INC.

By ______________________________

Its ______________________________

EXHIBIT 10.(h)

UNIVERSAL FOREST PRODUCTS, INC.

EXECUTIVE STOCK GRANT PROGRAM

(Amended and Restated Effective June 1, 2011)

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UNIVERSAL FOREST PRODUCTS, INC.
EXECUTIVE STOCK GRANT PROGRAM

Article 1

Establishment and Purpose

1.2 History of the Program

Universal Forest Products, Inc. (the "Company") established the Universal Forest Products, Inc. Executive Stock Grant Program (the "Program") under Article 10 of the Company's Long Term Stock Incentive Plan, as amended and restated (the "Plan"). The Program became effective on January 1, 2009 and is being amended and restated effective June 1, 2011. Except as otherwise provided herein, the Program shall be administered in accordance with the Plan, and the Shares subject to Awards under this Program shall be granted under the Plan.

1.2 Status of Program Under ERISA

The Program is intended to be "unfunded" and maintained "primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" for purposes of ERISA. Accordingly, the Program is not intended to be covered by Parts 2 through 4 of Subtitle B of Title I of ERISA. No portion of the Program covering the members of the Board is intended to be subject to ERISA.

1.3 Compliance with Section 409A

To the extent the Program provides deferred compensation under Section 409A of the Code, the Program is intended to comply with Section 409A. The Program is intended to be interpreted consistent with the requirements of Section 409A of the Code.

Article 2

Definitions

The following terms shall have the meanings described in this Article unless the context clearly indicates another meaning. All other defined terms shall have the meanings set forth in the Plan.

2.1 Accounts

"Accounts" means the bookkeeping records of the Participants' benefits under the terms of the Program.

2.2 Administrator

"Administrator" means the fiduciary responsible for the operation and administration of the Program as provided in Article 7. The Company shall be the Administrator.

2.3 Annual Grant

"Annual Grant" means the number of Shares credited and allocated to a Participant's Account for each Year of participation in the Program.

2.4 Beneficiary

"Beneficiary" means the beneficiary designated in writing by the Participant to receive benefits from the Program in the event of his or her death. The Beneficiary shall be designated on a form provided by the Plan Administrator, and the Participant may change the Beneficiary designation at any time by signing and filing a new form with the Program Administrator.

If the Participant designates a trust as Beneficiary, the Program Administrator shall determine the rights of the trustee without responsibility for determining the validity, existence, or provisions of the trust. Further, the Plan Administrator shall not have responsibility for the application of sums paid to the trustee or for the discharge of the trust.

If a Participant designates the Participant's spouse as Beneficiary and the Participant and spouse are subsequently divorced, the judgment of divorce shall be considered to revoke the prior Beneficiary designation of the spouse.

The rules of this Section 2.4 apply unless provided otherwise in the Participant's Beneficiary designation form. If the Participant designates one primary Beneficiary and the Beneficiary dies after the Participant, but before benefit payments are completed, any remaining benefits shall be payable to the secondary Beneficiary. If the Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits shall be payable to the deceased primary Beneficiary's heirs in the manner described below. If the Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are completed, the share payable to the deceased Beneficiary shall be paid to the deceased Beneficiary's heirs in the manner described below as if the Beneficiary was the Participant.

If the Participant fails to designate a Beneficiary or if no designated Beneficiary survives the Participant, distribution shall be made in equal shares to the members of the first of the classes listed below having a living member on the date the distribution is payable. The classes, in order of priority, are as follows:

(a) The Participant's spouse;

(b) The Participant's children or their then-living issue, by right of representation; and

(c) The legal heirs of the Participant under the laws of the Participant's state of residence on the date of the Participant's death.

The facts as shown by the records of the Plan Administrator at the time of death shall be conclusive as to the identity of the proper payee, and the records of the Trustee shall be conclusive as to the amount properly payable. The distribution made in accordance with such state of facts shall constitute a complete discharge of all obligations under the provisions of the Program.

2.5 <u>Determination Period</u>

"Determination Period" means with respect to a Participant who has a Separation from Service between January 1 and March 31, the second Year preceding the Year during which the Separation from Service occurred. If the Participant has a Separation from Service between April 1 and December 31, the Determination Period is the preceding Plan Year.

2.6 <u>Distributable Event</u>

"Distributable Event" means the Participant is employed by the Company or a Subsidiary on the date:

(a) The Participant has a Separation from Service;

(b) The Participant dies;

(c) The Participant incurs a Total Disability; or

(d) A Change in Control occurs.

2.7 <u>ERISA</u>

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.8 <u>Gross Misconduct</u>

"Gross Misconduct" means one or more of the following:

(a) Embezzlement or theft from the Company or any Subsidiary;

(b) An unauthorized disclosure of the trade secrets or other proprietary information of the Company or a Subsidiary; or

(c) A breach of the duty of loyalty described in Section 5.4.

The definition of "Gross Misconduct" is relevant only for purposes of the forfeiture provisions in Section 5.3 and does not change the status of a Participant as an "employee at will."

2.9 Key Employee

"Key Employee" means any employee of the Company or a Subsidiary who at any time during the Determination Period was:

(a) An officer of the Company or a Subsidiary whose annual compensation from the Company and any Subsidiary is more than $150,000 (as adjusted under Section 416(i)(1) of the Code for Years beginning after December 31, 2008);

(b) A person having more than a 5% ownership interest in the Company or a Subsidiary; or

(c) A person having more than a 1% ownership interest in the Company or a Subsidiary, and whose annual Compensation from the Company and all Subsidiaries is more than $150,000.

The determination of who is a Key Employee shall be made in accordance with Sections 409A and 416(i)(1) of the Code and the applicable regulations and guidance.

2.10 Separation from Service

"Separation from Service" means a "separation from service" under Section 409A of the Code. Generally, this occurs if a Participant is reasonably anticipated to have a substantial permanent reduction in the bona fide level of services provided to the Company and all Subsidiaries (whether provided as an employee or an independent contractor). The reduction shall be "substantial" only if the reduced bona fide level of services is less than 50% of the average bona fide level of services provided by Participant to the Company and all Subsidiaries during the immediately preceding 36 months (or the Participant's entire period of service, if less than 36 months). A member of the Board shall be treated as having a Separation from Service as of the date that he or she is no longer a member of the Board.

2.11 Shares

"Shares" means shares of the common stock of the Company.

2.12 Total Disability

"Total Disability" means the Participant meets one of the following requirements:

(a) The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable mental or physical impairment which can be expected to result in death or can be expected to last for a continuous period of at least 12 months; or

(b) The Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under a Company-sponsored disability plan.

The existence of a Total Disability shall be established by the certification of a physician or physicians selected by the Administrator, unless the Administrator determines that an examination is unnecessary. Alternatively, a Participant shall be considered to have a Total Disability if the Participant is determined to be disabled by the Social Security Administration.

2.13 Trust Agreement

"Trust Agreement" means the trust agreement used to establish the Trust Fund.

2.14 Trust Fund

"Trust Fund" means the assets held under the Trust Agreement.

2.15 Trustee

"Trustee" means the financial institution designated as trustee by the Company pursuant to Article 6.

2.16 Year

"Year" means the 12-consecutive-month period beginning on January 1 and ending on December 31.

Article 3

Participation

3.1 Eligibility for Participation

The Committee shall determine the employees and non-employee members of the Board (a "Non-Employee Director") who are eligible to participate in the Program (a "Participant"). An employee or Non-Employee Director shall begin to participate in the Program on the date designated by the Committee. It is intended that participation be limited to (a) Non-Employee Directors, and (b) employees who will qualify as members of a "select group of management or other highly compensated employees" under Title I of ERISA and members of the Board.

3.2 Termination of Active Participation

The Committee may remove an employee or Non-Employee Director from further active participation in the Program. If this occurs, the Employee or Non-Employee Director shall not have any additional amounts credited to his or her Account under Section 4.2; however, amounts shall continue to be credited to a Participant's Account under Section 4.3 until the amounts credited to the Participant's Account are distributed or forfeited.

Article 4

Amounts Credited to Accounts

4.1 Participants' Accounts

The Administrator shall maintain an Account for each Participant to record the Participant's benefits under the terms of the Program. Amounts shall be credited to a Participant's Account as provided in this Article. The Shares granted under the Program shall be allocated to each Participant's Account in accordance with the respective number of Shares granted to that Participant. Any and all dividends paid on Shares allocated to a Participant's Account shall be used to purchase additional Shares (or fractional Shares) for that Participant's Account (which shall be referred to collectively as "Participant Shares"). Each Participant shall be entitled to exercise all voting rights attributable to the Participant Shares allocated to his or her Account.

4.2 Amounts Credited for Annual Grants

A Participant shall be granted the number of Shares listed below, as approved by the Committee each Year. The number of Shares granted to a Participant for a Year shall be credited to the Participant's Account once per Year on a date specified by the Committee (the "Grant Date"), but in no event later than February 28 of the Year. For Years beginning on or after January 1, 2012:

(a) Each Non-Employee Director shall be granted 1,000 Shares.

(b) Each Participant who is not granted Shares under 4.2(a) above shall be granted Shares equal to $0.85 for every $1.00 of Base Salary and/or Bonus (each as defined in the Deferred Compensation Plan) which the Participant defers under Section 4.2(a) or (b) of the Universal Forest Products, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan") for the prior year and which is deemed to be invested in Shares under Section 4.3 or 4.4 of the Deferred Compensation Plan. For purposes of determining the number of Shares to be credited under this Section 4.2, the price of the Shares will be determined as of the date the Base Salary or Bonus would otherwise have been paid to the Participant. In no event shall the aggregate Elective Deferrals (as defined in the Deferred Compensation Plan) to be considered in the calculation of Annual Grant Shares under this Section 4.2(b) exceed the following limits:

Job Category/Title	Maximum Elective Deferrals for Annual Grant Calculations	
CEO	$	100,000
President	$	100,000
Executive Officers	$	50,000
Officers	$	35,000
General Manager of Operations	$	25,000
Directors	$	15,000
Sales Managers	$	15,000
Executive Account Managers	$	15,000
Current and Former Members of the Presidents' Club	$	15,000

4.3 Elections Relating to In-Service Distributions

A Participant may make an election to defer the receipt of all or a portion of the Distribution Shares (as defined in Section 4.4(b) below) provided that:

(a) The Participant is a Non-Employee Director;

(b) The election is made on or before the 30th day after the Grant Date, and the election specifies the percentage of Distribution Shares to be deferred; and

(c) The payment date selected, in writing, by the Participant (the "Payment Date") is after the fifth (5th) anniversary of the Grant Date.

If a Participant who has elected to defer receipt of payment of the Distribution Shares credited to his or her Account receives a hardship distribution prior to his or her Payment Date, the number of Shares to be distributed to the Participant on the Payment Date shall be reduced (but not below zero) by the number of Shares distributed to the Participant as a hardship distribution.

4.4 Vesting, Forfeiture, and Designation of Vested Shares

(a) **Vesting and Forfeiture**. Each Participant shall become vested in the Participant Shares credited to that Participant's Account as provided in this Section 4.4.

(1) **General Rule**. Each grant of Participant Shares shall vest, in full, separately on the fifth anniversary of the Grant Date, provided that the Participant remains (i) employed by the Company or a Subsidiary on such fifth anniversary, or (ii) a Non-Employee Director. Therefore, a separate subaccount shall be maintained for each grant of Shares to a Participant.

(2) **Age 60, Death, Disability or Change in Control**. A Participant shall become fully vested in all Participant Shares in the event that the Participant attains age 60, dies, incurs a Total Disability or a Change in Control occurs, while the Participant is employed by the Company or a Subsidiary or is a Non-Employee Director.

(3) **Forfeiture**. If a Participant has a Separation from Service before becoming 100% vested in any of the Shares, the nonvested Shares shall be forfeited immediately. The Participant's forfeiture shall not be reallocated to the Accounts of other Participants, but shall reduce the Company's liability under the Plan.

(b) **Designation of Distribution Shares**. Immediately upon the vesting of the Participant Shares under Section 4.4(a) above (the "Vesting Date"), fifty percent (50%) of any Shares which were credited to a Participant's Account prior to January 1, 2012, shall be designated as "Distribution Shares" and shall be distributed in accordance with Section 5.1(a) or (b) below, as applicable. Furthermore, fifty percent (50%) of any Shares credited on or after January 1, 2012 to the Account of a Participant who is a Non-Employee Director on the Grant Date, shall be designated as "Distribution Shares" and shall be distributed in accordance with Section 5.1(a) or (b) below, as applicable.

Article 5

Distribution of Benefits

5.1 Distributable Events for All Accounts

(a) For a Participant who has not reached age 60, the Distribution Shares shall be distributed to the Participant (or the Participant's Beneficiary, if applicable) on the Vesting Date, unless Participant has made an election under Section 4.3 above (including elections made by a Participant that is not a Non-Employee Director prior to 2012), in which case payment shall be made in accordance with Section 5.5 on the earlier of (1) the Payment Date, or (2) the date a Distributable Event occurs.

(b) For a Participant who has reached age 60, the Distribution Shares shall be distributed to the Participant (or the Participant's Beneficiary, if applicable), along with any Shares purchased with dividends attributable to such Distribution Shares, on the earlier of the fifth anniversary of the Grant Date or the date the Participant has a Distributable Event, unless Participant has made an election under Section 4.3 above (including elections made by a Participant that is not a Non-Employee Director prior to 2012), in which case payment shall be made in accordance with Section 5.5 on the earlier of (1) the Payment Date, or (2) the date a Distributable Event occurs.

(c) The remaining Participant Shares vested under Section 4.4(a) above shall be distributed to the Participant (or the Participant's Beneficiary, if applicable) on the date a Distributable Event occurs.

5.2 Hardship Withdrawals

A Participant who has an unforeseeable financial emergency may receive payment while employed by the Company or a Subsidiary of all or part of the vested amount credited to the Participant's Account. A Participant may only withdraw the amount reasonably needed to satisfy the financial emergency need, including taxes reasonably anticipated to result from the distribution.

For purposes of this Section 5.2, an unforeseeable financial emergency is a severe financial hardship of the Participant resulting from: a sudden and unexpected illness or accident of the Participant or a dependent of the Participant; loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. But the Participant will not be considered to have an unforeseeable emergency if the hardship is or may be relieved:

(a) Through reimbursement or compensation by insurance or otherwise; or

(b) By liquidation of the Participant's assets, to the extent the liquidation of such assets would itself not cause severe financial hardship.

The need to send a Participant's child to college or the desire to purchase a home are not unforeseeable emergencies for purposes of this Section 5.2.

The Administrator may periodically establish administrative rules regarding withdrawals under this Section 5.2. Any hardship withdrawals made by a Participant shall reduce the amount distributed to the Participant under Section 5.1.

5.3 Forfeiture of Vested Benefits

The Participant shall forfeit all vested and unvested amounts credited to his or her Account if:

(a) The Participant has a voluntary or involuntary Separation from Service after the Participant commits Gross Misconduct.

(b) The Participant fails to comply with the duty of loyalty described in Section 5.4.

The amount of any forfeitures under this Section 5.3 shall reduce the Company's liability under the Plan and shall not be reallocated to the Accounts of other Participants.

5.4 Duty of Loyalty

Each Participant has a duty of loyalty to the Company and its Subsidiaries. While the Participant is employed by the Company or a Subsidiary, this duty includes the following:

(a) The Participant shall use the Participant's best efforts in performing any job duties assigned to the Participant.

(b) The Participant shall not have an ownership interest in any other entity if that ownership interest detracts from the Participant's job duties for the Company or a Subsidiary, or is inconsistent with the best interests of the Company or a Subsidiary.

(c) The Participant shall not provide services to any other entity if those services detract from the Participant's job duties for the Company or is in any way inconsistent with the best interests of the Company or a Subsidiary.

(d) The Participant shall not take advantage of any business opportunities for the Participant's individual benefit if the business opportunity should have been provided to the Company or a Subsidiary.

If the Company notifies a Participant that the Participant is in violation of the duty of loyalty described in this Section 5.4, the Participant shall have ten days to cure any violation as required by the Company or forfeit all rights to subsequent benefits from the Plan. If the Participant cures a violation of the duty of loyalty, but then violates the duty of loyalty a second time, the Participant shall immediately forfeit all rights to subsequent benefits from the Plan without being given the right to cure the violation.

The determination of whether a Participant has violated the duty of loyalty described in this Section 5.4 shall be made by the Administrator in its sole discretion.

5.5 <u>Time of Payment</u>

The time of a Participant's benefit payment or payments shall be determined in accordance with the following:

(a) Subject to (b), (c) and (d) below, distributions payable in accordance with a Participant's election under Section 4.3 shall be made on the applicable Payment Date.

(b) If a Distributable Event occurs as a result of the Participant's Total Disability or Separation from Service, the Participant's benefit which is payable at that time shall be paid not later than 90 days after the Distributable Event.

(c) If the Participant has a Distributable Event because of a Change in Control, the Participant's benefit shall be paid on the date of the Change in Control.

(d) If a Participant has a Distributable Event because of the Participant's death, the Participant's benefit shall be paid to the Participant's Beneficiary no later than 90 days after the Participant's death. But if the Participant's Beneficiary cannot be identified or there is a dispute regarding who is the Beneficiary, payment may be delayed in the discretion of the Administrator.

Notwithstanding the preceding provisions of this Section 5.5, payment to a Key Employee as a result of a Separation from Service will be delayed until the six-month anniversary of the date the Key Employee has a Separation from Service or the date of the Key Employee's death, if earlier.

5.6 Form of Benefit Payments

All distributions under the Program shall be made in one lump sum and in Shares of Common Stock, except for any fractional Shares, which shall be paid in cash.

5.7 Spendthrift Provision

No benefit or interest under the Plan is subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of a Participant or the Participant's Beneficiary.

Article 6

Funding

6.1 Establishment of Trust Fund

The Company shall enter into a Trust Agreement to establish a Trust Fund and shall contribute Shares to the Trust Fund as such Shares are granted to Participants. Any Shares forfeited by Participants may be retained in the Trust and used to reduce future contributions to be made by the Company.

6.2 Status as Grantor Trust

The Trust Fund shall be a grantor trust. The Trust Agreement shall provide that the assets of the Trust Fund are subject to the claims of the Company's general creditors if the Company becomes insolvent. If any assets of the Trust Fund are seized by general creditors of the Company, a Participant's right to receive benefits under the Plan shall not be changed.

6.3 Status of Participants as Unsecured Creditors

The obligation of the Company to pay benefits under the Plan shall be unsecured. Each Participant is an unsecured creditor of the Company. The Plan constitutes a mere promise by the Company to make benefit payments in the future.

The establishment of an Account for a Participant and the Company's payment of contributions to the Trust Fund are not intended to create any security for payment of benefits under the Plan or change the status of the Plan as an unfunded plan.

Article 7

Administration

7.1 Administrator

The Company shall have the sole responsibility for the administration of the Plan and is designated as named fiduciary and Administrator. The Administrator shall have the power and duties which are described in this Article. The Committee shall carry out the functions of the Administrator with respect to the day-to-day operation of the Program. If a member of the Committee is a Participant, the member shall abstain from voting on any matter relating to the member's benefits under the Program.

7.2 Powers of Administrator

The Administrator shall have all discretionary powers necessary to administer and satisfy its obligations under the Program, including, but not limited to, the following:

(a) Maintain records pertaining to the Program.

(b) Interpret the terms and provisions of the Program.

(c) Establish procedures by which Participants may apply for benefits under the Program and appeal a denial of benefits.

(d) Determine the rights under the Program of any Participant applying for or receiving benefits.

(e) Administer the appeal procedure provided in this Article.

(f) Perform all acts necessary to meet the reporting and disclosure obligations imposed by applicable law.

(g) Delegate specific responsibilities for the operation and administration of the Program to such employees of the Company or agents as it deems advisable and necessary.

(h) Issue reports to Participants no less than once per year.

7.3 Standard of Care

The Administrator shall administer the Program solely in the interest of Participants and for the exclusive purposes of providing benefits to the Participants and their Beneficiaries. The Administrator shall administer the Program with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

The Administrator shall not be liable for any act or omission relating to its duties under the Program unless the act or omission violates the standard of care described in this Section 7.3.

7.4 Appeal Procedure

Any Participant whose application for benefits under the Program has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Administrator. The notice shall be in easily understood language and shall indicate the reasons for denial and the specific provisions of the Program on which the denial is based. The notice shall explain that the Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to approve the Participant's claim and explain why such information is necessary.

A Participant may make a written request to the Committee for a review of any denial of benefits under the Program. The request for review must be in writing and must be made within 60 days after the mailing date of the notice of denial. The request shall refer to the provisions of the Program or Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

A Participant who requests a review of a denial of benefits in accordance with this appeal procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant may have a duly authorized representative act on his or her behalf in exercising his or her right to request a review and any other rights granted by this appeal procedure. The Committee shall provide a review of the decision denying the claim for benefit within 60 days after receiving the written request for review.

A Participant shall not be permitted to commence any legal action against the Company regarding his or her benefits under the Plan before exhausting the appeal procedure contained in this Section 7.4.

7.5 Indemnification of Committee

The Company shall indemnify and hold harmless the members of the Committee and their duly appointed agents against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct by any such member or agent of the Committee.

Article 8

Miscellaneous

8.1 Employment Rights

The existence of the Plan and the Program shall not grant a Participant any legal right to continue as an employee of the Company or any Subsidiary nor affect the right of the Company or a Subsidiary to discharge a Participant from employment.

8.2 Amendment

The Company shall have the right to amend the Program at any time; however, no amendment or termination shall reduce the amount credited to a Participant’s Accounts.

8.3 Termination

The Company shall have the right to terminate the Program at any time. If the Program is terminated, no additional amounts shall be credited to a Participant’s Account under Section 4.2, but the Participant’s Account shall continue to be adjusted for dividends under Section 4.3 until the Participant’s benefits are distributed to the Participant as his or her Beneficiary. The Participant shall be entitled to receive the amounts credited to his or her Account upon satisfying the requirements for payment of benefits under the Program, unless the Company elects to make payment at an earlier time in accordance with the requirements of Section 409A of the Code.

Signature

The Company has restated the Universal Forest Products, Inc. Executive Stock Grant Program this ______ day of _______________, 2012.

UNIVERSAL FOREST PRODUCTS, INC.

By ________________________________

Its ________________________________

EXHIBIT 13

UNIVERSAL FOREST PRODUCTS, INC.
FINANCIAL INFORMATION

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SELECTED FINANCIAL DATA
(In thousands, except per share and statistics data)

	2011	2010	2009	2008	2007
Consolidated Statement of Earnings Data					
Net sales	$ 1,822,336	$ 1,890,851	$ 1,673,000	$ 2,232,394	$ 2,513,178
Gross profit	199,727	229,955	243,664	254,201	309,029
Earnings before income taxes	8,845	27,041	38,597	7,146	38,609
Net earnings attributable to controlling interest	4,549	17,411	24,272	4,343	21,045
Diluted earnings per share	$ 0.23	$ 0.89	$ 1.25	$ 0.23	$ 1.09
Dividends per share	$ 0.400	$ 0.400	$ 0.260	$ 0.120	$ 0.115
Weighted average shares outstanding with common stock equivalents	19,533	19,476	19,468	19,225	19,362
Consolidated Balance Sheet Data					
Working capital(1)	$ 225,399	$ 263,578	$ 248,165	$ 230,308	$ 337,800
Total assets	764,007	789,396	776,868	802,682	935,740
Total debt and capital lease obligations	52,470	55,291	53,854	101,174	206,071
Shareholders' equity	582,599	581,176	568,946	548,226	547,044
Statistics					
Gross profit as a percentage of net sales	11.0%	12.2%	14.6%	11.4%	12.3%
Net earnings attributable to controlling interest as a percentage of net sales	0.3%	0.9%	1.5%	0.2%	0.8%
Return on beginning equity(2)	0.8%	3.1%	4.4%	0.8%	4.0%
Current ratio	2.70	3.21	3.06	2.68	3.39
Debt to equity ratio	0.09	0.10	0.09	0.18	0.38
Book value per common share(3)	$ 29.69	$ 30.06	$ 29.50	$ 28.72	$ 28.93

(1) Current assets less current liabilities.
(2) Net earnings attributable to controlling interest divided by beginning shareholders’ equity.
(3) Shareholders’ equity divided by common stock outstanding.

Universal Forest Products, Inc. ("the Company") is a holding company that provides capital, management and administrative resources to subsidiaries that design, manufacture and market wood and wood-alternative products for retail building materials home centers and other retailers, structural lumber and other products for the manufactured housing industry, engineered wood components for the residential construction market, and specialty wood packaging and components and packing materials for various industries. The Company's subsidiaries also provide framing services for the residential market and forming products for concrete construction. The Company's consumer products operations offer a large portfolio of outdoor living products, including wood composite decking, decorative balusters, post caps and plastic lattice. Its lawn and garden group offers an array of products, such as trellises and arches, to retailers nationwide. The Company is headquartered in Grand Rapids, Michigan, and its subsidiaries operate facilities throughout North America. For more about Universal Forest Products, Inc., go to www.ufpi.com.

Please be aware that: Any statements included in this report that are not historical facts are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on the beliefs of the Company's management as well as on assumptions made by, and information currently available to, the Company at the time such statements were made. The Company does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially from forward-looking statements are the following: adverse lumber market trends, competitive activity, negative economic trends, government regulations and weather. Certain of these risk factors and additional information are included in the Company's reports on Form 10-K and 10-Q on file with the Securities and Exchange Commission. We are pleased to present this overview of 2011.

OVERVIEW

Our results for 2011 were impacted by the following:

- Our results for 2011 include one extra week of activity, a 53-week year compared to a 52-week year in 2010. This additional week added an additional $16 million in sales to 2011. An additional week of cost of goods sold and expenses also impacted our results for 2011 compared to 2010.

- Our overall unit sales increased 2% primarily due to increases in unit sales to our commercial construction and concrete forming and industrial markets, offset by a decline in unit sales to our residential construction and retail building materials markets. During 2011, we believe we gained additional share of the concrete forming and industrial markets we serve. These share gains were achieved by adding many new customers. We believe we have maintained our share of the retail building materials market based on the number of stores we serve of our customers compared to last year. We have also maintained our share of the manufactured housing market in the product lines we offer. Finally, within the last 18 months we closed several plants that supply the residential construction market in order to achieve profitability and cash flow goals. Consequently, we believe that these actions temporarily caused us to lose some market share in 2011.

- We experience significant fluctuations in the cost of commodity lumber products from primary producers ("Lumber Market"). In 2011, the overall Lumber Market and Southern Yellow Pine ("SYP") market were down 3.9% and 11.2%, respectively, compared to 2010. We estimate that lower lumber prices and competitive price pressure reduced our overall selling prices by approximately 5% comparing 2011 and 2010.

- The retail building materials market has been adversely impacted by a decline in consumer demand attributed to several factors, including high unemployment rates, tighter credit availability, and home values which continue to decline in many parts of the country. The primary products we sell to this market include decking, fencing and other outdoor specialty products used in higher cost home improvement projects.

- National housing starts increased approximately 2% in the period from December 2010 through November of 2011 (our sales trail housing starts by about a month), compared to the same period of 2010.

- Shipments of HUD code manufactured homes were up 1% in the period from January through November of 2011 compared to the same period of 2010.

- Our gross profit percentage decreased to 11.0% from 12.2% comparing 2011 to 2010. In addition, our gross profit dollars decreased by 13% comparing 2011 to 2010, which compares unfavorably to our 2% increase in unit sales. The decline in our gross margin and profitability was due to several factors.
    - Inclement weather in the first quarter resulted in many lost production days and adversely impacted our efficiencies and profitability.
    - Gross margins on sales to the retail building materials market declined primarily due to an increase in material costs as a percentage of sales to this market. This was primarily due to the Lumber Market, which decreased 11 consecutive weeks from the end of March 2011 through the end of May 2011, our busiest selling season of the year. As a result, this adversely impacted our gross margins on products whose prices were indexed to the current Lumber Market at the time they are sold. Conversely, we were selling into a rising Lumber Market from January through most of May of 2010, which increased our gross margins on these products.
    - A decline in sales to our retail building materials and residential construction markets adversely impacted our margins due to fixed manufacturing costs. In addition, as these markets have contracted, competitive pricing pressure has become greater and adversely impacted 2011 margins.
    - We recorded a $2 million loss during the second quarter on a construction project.
    - Freight costs as a percentage of sales increased primarily due to higher year over year fuel prices and rates charged by carriers due to a shortage of capacity.

- On June 20, 2011 our chief executive officer resigned and we entered into a consulting and non-competition agreement with him. We accrued for the present value of the future payments under the agreement totaling $2.6 million in June 2011.

- We recorded a $2.5 million impairment charge in the fourth quarter related to the value of real estate of certain idle plants.

- In the fourth quarter of 2010, we eliminated a valuation allowance we had recorded against a deferred tax asset totaling approximately $2.3 million.

HISTORICAL LUMBER PRICES

The following table presents the Random Lengths framing lumber composite price.

	Random Lengths Composite Average $/MBF		
	2011	2010	2009
January	$ 301	$ 264	$ 198
February	296	312	199
March	294	310	195
April	275	351	208
May	259	333	198
June	262	267	222
July	269	251	238
August	265	245	239
September	262	250	236
October	261	254	235
November	257	275	245
December	267	279	252
Annual average	$ 272	$ 283	$ 222
Annual percentage change	(3.9%)	27.5%	

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

	Random Lengths SYP Average $/MBF		
	2011	2010	2009
January	$ 282	$ 269	$ 241
February	289	331	233
March	290	337	232
April	266	382	241
May	254	374	231
June	246	293	236
July	253	264	253
August	263	249	241
September	239	252	244
October	244	249	242
November	248	262	247
December	256	260	250
Annual average	$ 261	$ 294	$ 241
Annual percentage change	(11.2%)	22.0%	

IMPACT OF THE LUMBER MARKET ON OUR OPERATING PROFITS

We experience significant fluctuations in the cost of commodity lumber products from primary producers ("Lumber Market"). 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, engineering, and other services we provide. As a result, our sales levels (and working capital requirements) are impacted by the lumber costs of our products. Lumber costs are a significant percentage of our cost of goods sold.

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 retail building materials customers, as well as trusses, wall panels and other components sold to the residential construction market, and most industrial packaging products. 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 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 period and quantity limitations generally allow us to re-price our products for changes in lumber costs 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 primarily 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. As a result of the decline in the housing market and our sales to residential and commercial builders, a greater percentage of our sales fall into this general pricing category. Consequently, we believe our profitability may be impacted to a much greater extent to changes in the trend of lumber prices.

Changes in the trend of lumber prices have their greatest impact on the following products:

- Products with significant inventory levels with low turnover rates, whose selling prices are indexed to the Lumber Market. In other words, the longer the period of time these products remain in inventory, the greater the exposure to changes in the price of lumber. This would include treated lumber, which comprises approximately 17% of our total sales. 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. We attempt to mitigate the risk associated with treated lumber through vendor consignment inventory programs. However, these currently comprise only 5% of our total inventory on December 31, 2011. (*Please refer to the "Risk Factors" section of our annual report on form 10-K, filed with the United States Securities and Exchange Commission.*)

- Products with fixed selling prices sold under long-term supply arrangements, particularly those involving multi-family construction projects. We attempt to mitigate this risk through our purchasing practices by locking in costs.

In addition to the impact of the Lumber Market trends on gross margins, changes in the level of the market cause 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.

BUSINESS COMBINATIONS AND ASSET PURCHASES

See Notes to Consolidated Financial Statements, Note C, "Business Combinations."

RESULTS OF OPERATIONS

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

	Years Ended		
	December 31, 2011	December 25, 2010	December 26, 2009
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	89.0	87.8	85.4
Gross profit	11.0	12.2	14.6
Selling, general, and administrative expenses	10.0	10.5	12.0
Net loss (gain) on disposition of assets and other impairment and exit charges	0.4	0.1	(0.0)
Earnings from operations	0.7	1.6	2.6
Interest, net	0.2	0.2	0.3
Earnings before income taxes	0.5	1.4	2.3
Income taxes	0.2	0.4	0.8
Net earnings	0.3	1.1	1.5
Less net earnings attributable to noncontrolling interest	(0.1)	(0.1)	(0.0)
Net earnings attributable to controlling interest	0.2%	0.9%	1.5%

Note: Actual percentages are calculated and may not sum to total due to rounding.

GROSS SALES

We design, manufacture and market wood and wood-alternative products for national home centers and other retailers, structural lumber and other products for the manufactured housing industry, engineered wood components for the residential and commercial construction industry, and specialty wood packaging, components and packing materials for various industries. Our strategic long-term sales objectives include:

- Diversifying our end market sales mix by increasing sales of specialty wood packaging to industrial users, increasing our penetration of the concrete forms market, increasing our sales of engineered wood components for custom home, multi-family and light commercial construction, and increasing our market share with independent retailers.

- Expanding geographically in our core businesses, domestically and internationally.

- Increasing sales of "value-added" products. Value-added product sales primarily consist of fencing, decking, lattice, and other specialty products sold to the retail building materials market, specialty wood packaging, engineered wood components, and "wood alternative" products. Engineered wood components include roof trusses, wall panels, and floor systems. Wood alternative products consist primarily of composite wood and plastics. 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.

● Developing new products and expanding our product offering for existing customers.

● Maximizing unit sales growth while achieving return on investment goals.

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

	Years Ended				
Market Classification	December 31, 2011	% Change	December 25, 2010	% Change	December 26, 2009
Retail Building Materials	$ 838,994	(8.5)	$ 916,469	2.9	$ 890,691
Residential Construction	203,217	(15.8)	241,314	15.0	209,919
Commercial Construction and Concrete Forming	77,503	13.7	68,183	(4.7)	71,573
Industrial	493,038	9.5	450,407	27.2	354,004
Manufactured Housing	244,662	(0.5)	245,769	32.0	186,178
Total Gross Sales	1,857,414	(3.4)	1,922,142	12.3	1,712,365
Sales Allowances	(35,078)		(31,291)		(39,365)
Total Net Sales	$ 1,822,336	(3.6)	$ 1,890,851	13.0	$ 1,673,000

Note: In the second quarter of 2011, we made changes to our customer market classifications to improve our reporting by better aligning our customer market designations with available industry reporting and end market research. In addition, certain customers have been reclassified to a different market in subsequent periods. Prior year information has been restated to reflect these changes.

The following table presents estimates, for the periods indicated, of our percentage change in gross sales which were attributable to changes in overall selling prices versus changes in units shipped.

	% Change		
	in Sales	in Selling Prices	in Units
2011 versus 2010	-3%	-5%	2%
2010 versus 2009	12%	7%	5%
2009 versus 2008	-25%	-6%	-19%

Gross sales in 2011 decreased 3% compared to 2010 primarily due to an estimated 5% decrease in overall selling prices, while overall unit sales increased by 2%. Our overall selling prices decreased as a result of the Lumber Market (see "Historical Lumber Prices") and competitive price pressure. While unit sales had declined in the first six months of the year due to weak end market demand, particularly in our retail building materials market, unit sales rebounded in the fourth quarter due to our industrial and manufactured housing markets and our extra week of sales (see "Overview").

Gross sales in 2010 increased 12% compared to 2009 primarily due to an estimated 5% increase in unit sales and a 7% increase in overall selling prices. We estimate that our unit sales increased 2% as a result of business acquisitions and new plants, increased 5% as a result of existing operations, and declined 2% due to operations we recently closed. Our overall selling prices increased as a result of the Lumber Market.

Changes in our sales by market are discussed below.

Retail Building Materials:

Gross sales to the retail building materials market decreased 8% in 2011 compared to 2010 primarily due to an estimated 3% decrease in overall unit sales and a 5% decrease in overall selling prices due to the Lumber Market and competitive price pressure due to excess supplier capacity. We believe unit sales declined due to a decrease in consumer spending for "big ticket" building materials products such as decking and fencing. As unemployment remains high and housing projects have decreased, we believe many homeowners have delayed plans for these projects. In addition, our sales of composite decking decreased as we are preparing to launch a new product in 2012.

Gross sales to the retail building materials market increased 3% in 2010 compared to 2009 primarily due to an estimated increase in overall selling prices due to the Lumber Market, offset by an estimated decrease in overall unit sales. Unit sales declined due to a decrease in consumer spending which is evidenced by a drop in same store sales reported by our "big box" customers.

Residential Construction:

Gross sales to the residential construction market decreased 16% in 2011 compared to 2010 due to an estimated 11% decrease in selling prices and a 5% decrease in unit sales. Unit sales declined 13% as a result of operations we have recently closed, offset by an estimated 8% increase in unit sales out of existing plants that were operating in both periods. By comparison, national housing starts increased approximately 2% in the period from December 2010 through November of 2011 (our sales trail housing starts by about a month), compared to the same period of 2010. Increased unit sales out of existing plants were primarily due to our increased penetration of the multi-family market.

Gross sales to the residential construction market increased 15% in 2010 compared to 2009, due to an increase in unit sales and an increase in selling prices primarily due to the Lumber Market. Our unit sales increased as a result of increases from new plants and existing operations. National housing starts increased approximately 6% for 2010 compared to the same period of 2009.

Commercial Construction and Concrete Forming:

Gross sales to the commercial construction and concrete forming market increased 14% in 2011 compared to 2010. Volume increased as a result of adding several large commercial accounts and continuing to gain share of the concrete forming market.

Gross sales to the commercial construction and concrete forming market decreased 5% in 2010 compared to 2009. This decrease was primarily due to several plant closure actions taken in order to achieve profitability and cash flow objectives. These operations served the commercial and residential construction markets. Our sales to the concrete forming customers increased in 2010 compared to 2009.

Industrial:

Gross sales to the industrial market increased 9% in 2011 compared to the same period of 2010, due to an estimated 12% increase in unit sales offset by an estimated 3% decrease in selling prices. We added many new customers in 2011 which allowed us to continue to add market share and grow unit sales. Unit sales to existing customers increased an estimated 12%.

Gross sales to the industrial market increased 27% in 2010 compared to the same period of 2009, due to increases in unit sales and selling prices. The industrial market improved as the U.S. economy showed signs of recovery, but more significantly, we have been able to continue to gain market share due, in part, to adding many new customers.

Manufactured Housing:

Gross sales to the manufactured housing market remained flat in 2011 compared to the same period of 2010 primarily due to an estimated 3% decrease in selling prices due to the Lumber Market and an estimated 3% increase in unit sales of new operations we acquired in 2010. By comparison, shipments of HUD code manufactured homes were up 1% in January through November of 2011 compared to the same period of 2010.

Gross sales to the manufactured housing market increased 32% in 2010 compared to the same period of 2009 primarily due to an estimated 17% increase in selling prices due to the Lumber Market and an estimated 15% increase in unit sales. The increase in unit sales was comprised of an estimated 6% increase out of existing plants and an estimated 10% increase due to acquisitions, offset by a 1% decline due to operations we recently closed. Shipments of HUD code manufactured homes were up 2% for 2010 compared to 2009. Industry production of modular homes increased 12% for the year.

Value-Added and Commodity-Based Sales:

The following table presents, for the periods indicated, our percentage of value-added and commodity-based sales to total sales. Value-added products generally carry higher gross margins than our commodity-based products.

	Value-Added	Commodity-Based
2011	58.8%	41.2%
2010	58.6%	41.4%
2009	59.4%	40.6%

COST OF GOODS SOLD AND GROSS PROFIT

- Our gross profit percentage decreased to 11.0% from 12.2% comparing 2011 to 2010. In addition, our gross profit dollars decreased by 13% comparing 2011 to 2010, which compares unfavorably to our 2% increase in unit sales. The decline in our gross margin and profitability was due to several factors.
    - Inclement weather in the first quarter resulted in many lost production days and adversely impacted our efficiencies and profitability.
    - Gross margins on sales to the retail building materials market declined primarily due to an increase in material costs as a percentage of sales to this market. This was primarily due to the Lumber Market, which decreased 11 consecutive weeks from the end of March 2011 through the end of May 2011, our busiest selling season of the year. As a result, this adversely impacted our gross margins on products whose prices were indexed to the current Lumber Market at the time they are sold. Conversely, we were selling into a rising Lumber Market from January through most of May of 2010, which increased our gross margins on these products.
    - A decline in sales to our retail building materials and residential construction markets adversely impacted our margins due to fixed manufacturing costs. In addition, as these markets have contracted, competitive pricing pressure has become greater and adversely impacted 2011 margins.
    - We recorded a $2 million loss during the second quarter on a construction project.
    - Freight costs as a percentage of sales increased primarily due to higher year over year fuel prices and rates charged by carriers due to a shortage of capacity.

Our gross profit percentage decreased to 12.2% in 2010 from 14.6% in 2009. In addition, our gross profit dollars decreased by 5.6%, which compares unfavorably with our 5% increase in unit sales. The decrease was primarily due to unusual Lumber Market volatility from January through the end of June of 2010. During this period, prices increased 48% to a peak of $367/MBF in April and subsequently declined to $247/MBF by the end of June. Thereafter, lumber prices stabilized for the balance of the year. In order to meet anticipated customer demand during the peak of the selling season, our inventory purchases are generally very high from January through May, when lumber prices happened to be at their highest level in 2010. The subsequent decline in lumber prices resulted in a significant adverse impact on our gross margins from June through October on products we purchase and produce for inventory to meet anticipated demand and whose selling prices are indexed to the Lumber Market at the time they are shipped to the customer (such as high-volume treated lumber). (See "Impact of the Lumber Market on Our Operating Results".) Additionally, we achieved lower labor and overhead costs as a percentage of sales due to efficiency gains, which offset some of the decline in gross margin discussed above.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general and administrative ("SG&A") expenses decreased by approximately $16.3 million, or 8.2%, in 2011 compared to 2010, while we reported a 2% increase in unit sales. The decline in SG&A was primarily due to decreases in compensation and related expenses, accrued bonus expense, stock grant expense and several other expenses as a result of our continuing efforts to reduce our cost structure.

Selling, general and administrative ("SG&A") expenses decreased by approximately $3.3 million, or 1.7%, in 2010 compared to 2009, while we reported a 5% increase in unit sales. New operations added $4.8 million of expenses, operations we closed decreased expenses by $21.4 million, and existing operations increased expenses by $13.3 million. The increase in SG&A expenses at our existing operations was primarily due to increases in wages and other compensation related costs, variable selling costs, and accrued expense associated with an officer retirement plan. These increases were partially offset by decreases in bad debt expense and accrued bonus expense. Our SG&A expenses decreased as a percentage of sales primarily due to the factors above. The higher level of the Lumber Market also contributed to the improvement in this ratio.

NET LOSS (GAIN) ON DISPOSITION OF ASSETS, EARLY RETIRMENT AND OTHER IMPAIRMENT AND EXIT CHARGES

We incurred $6.4 million, $2.0 million and $4.1 million of charges in 2011, 2010 and 2009, respectively, relating to asset impairments and other costs associated with idled facilities and down-sizing efforts. These costs were offset by gains on the sale of certain real estate totaling $4.2 million in 2009. See Notes to Consolidated Financial Statements, Note D "Assets Held for Sale and Net Loss (Gain) on Disposition of Assets, Early Retirement and Other Impairment and Exit Charges."

On June 20, 2011 our chief executive officer resigned and we entered into a consulting and non-competition agreement with him. We accrued for the present value of the future payments under the agreement totaling $2.6 million in June 2011.

We regularly review the performance of each of our operations and make decisions to permanently or temporarily close operations based on a variety of factors including:

● Current and projected earnings, cash flow and return on investment
● Current and projected market demand
● Market share

- Competitive factors
- Future growth opportunities
- Personnel and management

We currently have 13 operations which are experiencing operating losses and negative cash flow for 2011. The net book value of the long-lived assets of these operations, which could be subject to an impairment charge in the future in the event a closure action is taken, was $12.5 million at the end of 2011. In addition, these operations had future fixed operating lease payments totaling $2.0 million at the end of 2011.

INTEREST, NET

Net interest costs were comparable in 2011 and 2010 as there were no significant changes in our debt structure or borrowing rates.

Net interest costs decreased $1.0 million in 2010 compared to 2009 primarily due to lower debt balances throughout 2010 and payments to reduce long-term debt during 2009, which carried higher rates of interest.

INCOME TAXES

Effective tax rates differ from statutory federal income tax rates, primarily due to provisions for state and local income taxes and permanent tax differences. Our effective tax rate increased to 32.5% in 2011 compared to 26.6% in 2010. This increase is primarily due to certain 2010 adjustments for a reduction in reserves for uncertain tax positions as a result of a federal tax settlement and removing a valuation allowance against a deferred tax asset for a net operating loss carryforward related to one of our wholly-owned foreign subsidiaries that was considered more likely than not to be realized. See Notes to Consolidated Financial Statements, Note K, "Income Taxes".

Our effective tax rate decreased to 26.6% in 2010 compared to 35.9% in 2009. This decrease in 2010 is primarily due to a reduction in reserves for uncertain tax positions as a result of a federal tax settlement and removing a valuation allowance against a deferred tax asset related to one of our wholly-owned foreign subsidiaries that was considered more likely than not to be realized.

OFF-BALANCE SHEET TRANSACTIONS AND CONTRACTUAL OBLIGATIONS

We have no significant off-balance sheet transactions other than operating leases. The following table summarizes our contractual obligations as of December 31, 2011 (in thousands).

	Payments Due by Period				
Contractual Obligation	Less than 1 Year	1 – 3 Years	3 – 5 Years	After 5 Years	Total
Long-term debt and capital lease obligations	$ 40,270			$ 12,200	$ 52,470
Estimated interest on long-term debt	2,511	$ 94	$ 94	348	3,047
Operating leases	5,980	5,732	1,832	89	13,633
Capital project purchase obligations	2,494				2,494
Total	$ 51,255	$ 5,826	$ 1,926	$ 12,637	$ 71,644

As of December 31, 2011, we also had $31.3 million in outstanding letters of credit issued during the normal course of business, as required by some vendor contracts.

LIQUIDITY AND CAPITAL RESOURCES

The table below presents, for the periods indicated, a summary of our cash flow statement (in thousands):

	December 31, 2011	December 25, 2010	December 26, 2009
Cash from operating activities	$ 11,256	$ 29,337	$ 126,874
Cash from investing activities	(33,000)	(42,773)	(3,329)
Cash from financing activities	(10,314)	(10,611)	(56,135)
Net change in cash and cash equivalents	(32,058)	(24,047)	67,410
Cash and cash equivalents, beginning of year	43,363	67,410	0
Cash and cash equivalents, end of year	$ 11,305	$ 43,363	$ 67,410

In general, we financed our growth in the past through a combination of operating cash flows, our revolving credit facility, industrial development bonds (when circumstances permit), and issuances of long-term notes payable at times when interest rates are favorable. We have not issued equity to finance growth except in the case of a large acquisition. We manage our capital structure by attempting to maintain a targeted ratio of debt to equity and debt to earnings before interest, taxes, depreciation and amortization. We believe this is one of many important factors to maintaining a strong credit profile, which in turn helps ensure timely access to capital when needed. We are currently below our internal targets and plan to manage our capital structure conservatively in light of current economic conditions.

Seasonality has a significant impact on our working capital from March to August which historically resulted in negative or modest cash flows from operations in our first and second quarters. Conversely, we experience a substantial decrease in working capital from September to February which typically results in significant cash flow from operations in our third and fourth quarters.

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 50 days in 2011 from 45 days in 2010 due to a 5 day increase in our days supply of inventory, due to much higher inventory levels this year. In preparation for the 2011 selling season, we changed our purchasing strategy to buy inventory earlier at opportune times in an attempt to protect margins and avoid buying as much inventory during the peak of the season when lumber prices tend to rise.

Cash provided by operating activities was approximately $11.3 million in 2011, which was comprised of net earnings of $4.5 million and $39.5 million of non-cash expenses, offset by a $32.7 million increase in working capital since the end of 2010. Working capital increased primarily due to an increase in sales volume and an additional week of operations in 2011 which allowed for compensation and other accrued liabilities due to be paid before December 31.

Capital expenditures were $32.9 million in 2011 and we have outstanding purchase commitments on existing capital projects totaling approximately $2.5 million on December 31, 2011. We intend to fund capital expenditures and purchase commitments through our operating cash flows.

Cash flows used in investing activities also includes $2.5 million of notes receivable we advanced to finance a new joint venture with our Mexican partnership.

In 2011, cash flows used in financing activities included $7.8 million for dividends. Our Board of Directors approved two semi-annual dividends of $0.20 per share each, which were paid in June and December of 2011. In 2010, we spent approximately $5.0 million for repurchases of our common stock. On October 14, 2010, our Board authorized an additional 2 million shares to be repurchased under our share repurchase program. The total number of shares that may be repurchased under this program is almost 3 million shares. Our practice has been to repurchase an appropriate number of shares each year to offset share issuances occurring under certain of our employee benefit plans, and to purchase additional shares at opportune times when the price is at a pre-determined level.

On November 14, 2011, we entered into a five-year, $265 million unsecured revolving credit facility which replaced our $300 million unsecured revolving credit facility. On December 31, 2011, we had no outstanding balance on our $265 million revolving credit facility, which matures in November of 2016. The revolving credit facility supports letters of credit totaling approximately $31.3 million on December 31, 2011. Financial covenants on the unsecured revolving credit facility and unsecured notes include a minimum net worth requirement, minimum interest and fixed charge coverage tests, 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 all of our lending requirements on December 31, 2011.

ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

See Notes to Consolidated Financial Statements, Note M, "Commitments, Contingencies, and Guarantees".

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. Following is a summary of our more significant accounting policies that require the use of estimates and judgments in preparing the financial statements.

ACCOUNTS RECEIVABLE ALLOWANCES

We record provisions against gross revenues for estimated returns and cash discounts in the period when the related revenue is recorded. These estimates are based on factors that include, but are not limited to, historical discounts taken, analysis of credit memorandum activity, and customer demand. We also evaluate the allowance for uncollectible accounts receivable and discounts based on historical collection experience and specific identification of other potential problems, including the economic climate. Actual collections can differ, requiring adjustments to the allowances.

LONG-LIVED ASSETS AND GOODWILL

We evaluate long-lived assets for indicators of impairment when events or circumstances indicate that this risk may be present. Our judgments regarding the existence of impairment are based on market conditions, operational performance and estimated future cash flows. If the carrying value of a long-lived asset is considered impaired, an impairment charge is recorded to adjust the asset to its fair value. Changes in forecasted operations and changes in discount rates can materially affect these estimates. In addition, we test goodwill annually for impairment by utilizing the discounted cash flow method. The first step of the goodwill impairment test requires that the estimated fair value of the applicable reporting unit be compared with its recorded value. As of December 31, 2011, we have no reporting units that are at risk of failing this step.

SELF-INSURANCE RESERVES

We are primarily self-insured for certain employee health benefits, and have self-funded retentions for general liability, automobile liability, property and workers' compensation. We are fully self-insured for environmental liabilities. The general liability, automobile liability, property, workers' compensation, and certain environmental liabilities are managed through a wholly-owned insurance captive; the related assets and liabilities of which are included in the consolidated financial statements as of December 31, 2011. Our accounting policies with respect to the reserves are as follows:

- General liability, automobile, property and workers' compensation reserves are accrued based on third party actuarial valuations of the expected future liabilities.

- Health benefits are self-insured by us up to our pre-determined stop loss limits. These reserves, including incurred but not reported claims, are based on internal computations. These computations consider our historical claims experience, independent statistics, and trends.

- The environmental reserve is based on known remediation activities at certain wood preservation facilities and the potential for undetected environmental matters at other sites. The reserve for known activities is based on expected future costs and is computed by in-house experts responsible for managing our monitoring and remediation activities.

INCOME TAXES

Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax asset and liability computations are based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred income tax assets to the amounts expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred income tax assets and liabilities.

REVENUE RECOGNITION

Earnings on construction contracts are reflected in operations using percentage-of-completion accounting, under either cost to cost or units of delivery methods, depending on the nature of the business at individual operations. Under percentage-of-completion using the cost to cost method, revenues and related earnings on construction contracts are measured by the relationships of actual costs incurred related to the total estimated costs. Under percentage-of-completion using the units of delivery method, revenues and related earnings on construction contracts are measured by the relationships of actual units produced related to the total number of units. Revisions in earnings estimates on the construction contracts are recorded in the accounting period in which the basis for such revisions becomes known. Projected losses on individual contracts are charged to operations in their entirety when such losses become apparent.

FORWARD OUTLOOK

LONG-TERM GOALS

Our previously announced goals were to achieve the following by 2014:

- Increase sales to $3 billion through a recovery of our markets from the current economic and housing downturn and by increasing our market share and expanding our product lines.

- Improve productivity by 15%.

- Improve profitability by three hundred basis points through productivity improvements, cost reductions, and growth.

- Improve receivables cycles in our industrial, residential and manufactured housing markets by 10% by reducing the amount of our receivables that are paid past the agreed upon due date.

- Improve inventory turnover by 10%.

The pace of the economic recovery and in particular, the recovery of the housing market, has been much slower than we or industry analysts anticipated. As a result, this has significantly impacted our ability to achieve the financial goals above by 2014. Due to the substantial uncertainty about the timing and strength of the economic recovery, we are not targeting any specific long-term goals, including those referenced above.

Our general long-term objectives continue to be to:

- Achieve sales growth through new product introduction, international business expansion, and gaining additional share, particularly of our industrial and concrete forming markets;

- Increase our profitability through cost reductions, productivity improvements as volume improves, and a more favorable mix of higher margin value-added products;

- And earn a return on invested capital in excess of our weighted average cost of capital.

RETAIL BUILDING MATERIALS MARKET

Harvard's Joint Center for Housing Studies projects home improvement spending to trend up later in the year during 2012. The Home Improvement Research Institute ("HIRI") also anticipates growth in home improvement spending and has forecasted a 4.0% growth rate in 2012. HIRI's long-term forecast is for spending to grow between 3.4% and 5.9% from 2013 to 2015.

In 2012, it is reasonable to expect that we will lose overall market share with certain home improvement and other retailers due to pricing pressure. However, it is our long-term objective to offset this loss of volume by gaining new customers and increasing our market share with other existing customers. In addition, we believe our product mix will change to include more sales of value added products such as composite decking and less sales of low margin treated lumber.

On a long-term basis, it is our goal to achieve sales growth by:

- Increasing our market share of value-added wood products and preservative-treated products as a result of our national presence, service capabilities that meet stringent customer requirements, diversified product offering, and purchasing leverage.

- Increasing our sales of wood alternative products, which may take market share from preservative-treated products. Although we expect this trend to continue to some extent, we believe wood products will continue to maintain a dominant market share for the foreseeable future as a result of its cost advantages over wood alternative products.

- Increasing our market penetration of products distributed by our Consumer Products Division, including decorative balusters, accessories, and post caps, plastic lattice, and other proprietary plastic products which have greatly enhanced our deck and fencing product lines.

- Developing new value-added products, such as our Eovations product line, and services for this market.

- Adding new products or new markets through strategic business acquisitions or alliances.

RESIDENTIAL CONSTRUCTION MARKET & COMMERCIAL CONSTRUCTION AND CONCRETE FORMING MARKET

The *Mortgage Bankers Association of America* forecasts a 13% increase in national housing starts to an estimated 690,000 starts in 2012. The *National Association of Home Builders* forecasts starts of 709,000, a 17% increase from 2011. In 2012, we believe we are well-positioned to capture our share of any increase that may occur in housing starts. However, due to our focus on profitability and cash flow our growth may trail the market in 2012.

On a long-term basis, we anticipate growth in our sales to the residential construction market as market conditions improve and as a result of market share gains as weaker competitors exit the market. In addition, it is our goal to improve our diversification of sales to these markets by increasing our sales to the multi-family, light commercial, military and customer home building markets.

INDUSTRIAL MARKET

One of our key strategic objectives is to increase our sales of wood packaging products to industrial users. We believe the vast amount of hardwood and softwood lumber consumed for industrial applications, combined with the highly fragmented nature of this market provides us with significant market share growth opportunities as a result of our competitive cost advantages in manufacturing, purchasing, and material utilization. To take advantage of these opportunities, we plan to continue to obtain market share through an internal growth strategy utilizing our current manufacturing capabilities and dedicated industrial sales force. On a long-term basis, we plan to evaluate strategic acquisition opportunities and continue to gain market share with concrete forming customers, and expand our product offering to customers.

MANUFACTURED HOUSING MARKET

The *National Association of Home Builders* forecasts a 17% increase in manufactured home shipments in 2012. It is our goal to maintain our current market share of trusses produced for the HUD code market. On a long-term basis, we believe the HUD code market will regain a greater share of the single-family market as credit conditions normalize and as consumers seek more affordable housing alternatives.

Sales of modular homes are expected to continue to be impacted by the current oversupply of single-family housing and tight credit conditions. It is our goal to maintain our market share of trusses produced for the modular market as a result of our strong relationships with modular builders, design services and proprietary products. On a long-term basis, we anticipate modular housing will gain additional share of the single-family market as a result of more developers adopting the controlled building environment of modular construction as a method of cost control.

In addition, on a long-term basis, it is our goal to continue to expand our product offering to distribute additional products to our manufactured housing customers. We may continue to use strategic business acquisitions to help us achieve this goal.

GROSS PROFIT

We believe the following factors may impact our gross profits and margins in 2012:

- We lost market share on lower margin treated lumber business with a major retail customer. We have offset some of this lost share with additional sales of composite decking and other products with new and existing customers.

- Our ability to maintain sales and gross margins on products sold to our largest customers. We believe our level of service, geographic diversity, and quality of products provides an added value to our customers. However, if our customers are unwilling to pay for these advantages, our sales and gross margins may be reduced.

- Product mix.

- Through at least the first half of 2012 we expect to continue to experience soft demand in each of our markets, which, in turn, may impact our sales prices, capacity utilization, and profitability.

- Fluctuations in the relative level of the Lumber Market and the trend in the market place of lumber. (See "Impact of the Lumber Market on our Operating Results.")

- Fuel and transportation cost trends.

- Our ability to continue to achieve productivity improvements and planned cost reductions through our Continuous Improvement and other initiatives.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Since the third quarter of 2008, as a result of weak market conditions, we have continuously taken actions to close plants to better align our manufacturing capacity with the current business environment and reduce our headcount and certain overhead costs to better align our cost structure with current demand and sales. We expect that these actions will continue to favorably impact our SG&A expenses in 2012. In addition, bonus expense for all salaried employees is based on operating profits and return on investment and will continue to fluctuate based on our operating results.

On a long-term basis, we expect that our SG&A expenses will primarily be impacted by:

- Our growth in sales to the industrial market and, when industry conditions improve, the residential construction market.

- Our sales to these markets require a higher ratio of SG&A costs due, in part, to product design requirements. Sales of new products which may require higher marketing and advertising costs.

- Our incentive compensation program which is tied to pre-bonus operating profits and return on investment.

- Our growth and success in achieving Continuous Improvement objectives.

LIQUIDITY AND CAPITAL RESOURCES

Our cash cycle will continue to be impacted in the future based on our mix of sales by market. Sales to the residential construction and industrial markets require a greater investment in working capital (inventory and accounts receivable) than our sales to the retail building materials and manufactured housing markets.

Management expects to spend $35 to $40 million on capital expenditures in 2012 and incur depreciation of approximately $30 million and amortization and other non-cash expenses of approximately $5 million. On December 31, 2011, we had outstanding purchase commitments on capital projects of approximately $2.5 million. We intend to fund capital expenditures and purchase commitments through our operating cash flows and cash on hand.

We have no present intention to change our dividend policy, which is currently $0.20 per share paid semi-annually.

Our Board of Directors has approved a share repurchase program, and as of December 31, 2011, we have authorization to buy back approximately 3.0 million shares. In the past, we have repurchased shares in order to offset the effect of issuances resulting from our employee benefit plans and at opportune times when our stock price falls to a pre-determined level.

We are also obligated to pay amounts due on long-term debt totaling approximately $40.3 million in 2012. We intend to pay this using operating cash flows and our revolving credit facility.

Management's Annual Report on Internal Control Over Financial Reporting

The management of Universal Forest Products, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system was designed to provide reasonable assurance to us and the Board of Directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

We assessed the effectiveness of our internal control over financial reporting as of December 31, 2011, and management has concluded that as of December 31, 2011, our internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which follows our report.

Universal Forest Products, Inc.

March 14, 2012

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Universal Forest Products, Inc.

We have audited Universal Forest Products, Inc. and subsidiaries internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Universal Forest Products, Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Universal Forest Products, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the COSO criteria**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Universal Forest Products, Inc. and subsidiaries as of December 31, 2011 and December 25, 2010 and the related consolidated statements of earnings, shareholder's equity, and cash flows for each of the three fiscal years in the period ended December 31, 2011, and our report dated March 14, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Grand Rapids, Michigan
March 14, 2012

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Universal Forest Products, Inc.

We have audited the accompanying consolidated balance sheets of Universal Forest Products, Inc. and subsidiaries as of December 31, 2011 and December 25, 2010, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three fiscal years in the period ended December 31, 2011. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Universal Forest Products, Inc. and subsidiaries at December 31, 2011 and December 25, 2010, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Universal Forest Products, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 14, 2012, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Grand Rapids, Michigan
March 14, 2012

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	December 31, 2011	December 25, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 11,305	$ 43,363
Accounts receivable, net	131,292	126,780
Inventories:		
Raw materials	111,526	113,049
Finished goods	83,171	77,341
Total inventories	194,697	190,390
Assets held for sale		2,446
Refundable income taxes	3,482	816
Deferred income taxes	9,694	9,278
Other current assets	7,724	9,742
TOTAL CURRENT ASSETS	358,194	382,815
OTHER ASSETS	15,380	11,455
GOODWILL	154,702	154,702
INDEFINITE-LIVED INTANGIBLE ASSETS	2,340	2,340
OTHER INTANGIBLE ASSETS, NET	10,924	15,933
PROPERTY, PLANT AND EQUIPMENT:		
Land and improvements	112,042	105,857
Building and improvements	164,757	162,995
Machinery, equipment and office furniture	257,529	245,764
Construction in progress	2,880	3,177
PROPERTY, PLANT AND EQUIPMENT, GROSS	537,208	517,793
Less accumulated depreciation and amortization	(314,741)	(295,642)
PROPERTY, PLANT AND EQUIPMENT, NET	222,467	222,151
TOTAL ASSETS	$ 764,007	$ 789,396
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 49,433	$ 59,481
Accrued liabilities:		
Compensation and benefits	30,920	43,909
Other	12,172	15,135
Current portion of long-term debt and capital lease obligations	40,270	712
TOTAL CURRENT LIABILITIES	132,795	119,237
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, less current portion	12,200	54,579
DEFERRED INCOME TAXES	19,049	20,631
OTHER LIABILITIES	17,364	13,773
TOTAL LIABILITIES	181,408	208,220
SHAREHOLDERS' EQUITY:		
Controlling interest 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, 19,623,803 and 19,333,122	$ 19,624	$ 19,333
Additional paid-in capital	143,988	138,573
Retained earnings	410,848	414,108
Accumulated other comprehensive earnings	3,600	4,165
Employee stock notes receivable	(1,255)	(1,670)
Total controlling interest shareholders' equity	576,805	574,509
Noncontrolling interest	5,794	6,667
TOTAL SHAREHOLDERS' EQUITY	582,599	581,176
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 764,007	$ 789,396

See notes to consolidated financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)

	Year Ended		
	December 31, 2011	December 25, 2010	December 26, 2009
NET SALES	$ 1,822,336	$ 1,890,851	$ 1,673,000
COST OF GOODS SOLD	1,622,609	1,660,896	1,429,336
GROSS PROFIT	199,727	229,955	243,664
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	181,363	197,617	200,939
NET LOSS (GAIN) ON DISPOSITION OF ASSETS, EARLY RETIREMENT AND OTHER IMPAIRMENT AND EXIT CHARGES	6,353	2,049	(92)
EARNINGS FROM OPERATIONS	12,011	30,289	42,817
INTEREST EXPENSE	3,732	3,549	4,611
INTEREST INCOME	(566)	(301)	(391)
NON-OPERATING EXPENSE	3,166	3,248	4,220
EARNINGS BEFORE INCOME TAXES	8,845	27,041	38,597
INCOME TAXES	2,874	7,200	13,852
NET EARNINGS	5,971	19,841	24,745
LESS NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(1,422)	(2,430)	(473)
NET EARNINGS ATTRIBUTABLE TO CONTROLLING INTEREST	$ 4,549	$ 17,411	$ 24,272
EARNINGS PER SHARE - BASIC	$ 0.23	$ 0.91	$ 1.26
EARNINGS PER SHARE - DILUTED	$ 0.23	$ 0.89	$ 1.25
WEIGHTED AVERAGE SHARES OUTSTANDING	19,407	19,232	19,256
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	19,533	19,476	19,468

See notes to consolidated financial statements.

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except share and per share data)

	Controlling Interest Shareholders' Equity						
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings	Employees Stock Notes Receivable	Noncontrolling Interest	Total
Balance at December 27, 2008	**$ 19,089**	**$ 128,830**	**$ 393,312**	**$ 2,353**	**$ (1,701)**	**$ 6,343**	**$ 548,226**
Comprehensive earnings:							
Net earnings			24,272			473	
Foreign currency translation adjustment				1,280		85	
Total comprehensive earnings							26,110
Capital contribution from noncontrolling interest						14	14
Purchase of additional noncontrolling interest		(853)				(917)	(1,770)
Distributions to noncontrolling interest						(270)	(270)
Cash dividends - $0.260 per share			(5,017)				(5,017)
Issuance of 130,265 shares under employee stock plans	130	2,290					2,420
Issuance of 79,216 shares under stock grant programs	80	29					109
Issuance of 74,229 shares under deferred compensation plans	74	(74)					-
Repurchase of 90,122 shares	(90)		(3,289)				(3,379)
Received 1,602 shares for the exercise of stock options	(2)	(33)					(35)
Tax benefits from non-qualified stock options exercised		730					730
Deferred income tax asset reversal for deferred compensation plans		(518)					(518)
Expense associated with share-based compensation arrangements		1,597					1,597
Accrued expense under deferred compensation plans		646					646
Issuance of 3,721 shares in exchange for employee stock notes receivable	4	121			(125)		-
Payments received on employee stock notes receivable					83		83
Balance at December 26, 2009	**$ 19,285**	**$ 132,765**	**$ 409,278**	**$ 3,633**	**$ (1,743)**	**$ 5,728**	**$ 568,946**
Comprehensive earnings:							
Net earnings			17,411			2,430	
Foreign currency translation adjustment				532		235	
Total comprehensive earnings							20,608
Capital contribution from noncontrolling interest						450	450
Purchase of additional noncontrolling interest		(295)				(932)	(1,227)
Distributions to noncontrolling interest						(1,244)	(1,244)
Cash dividends - $0.400 per share			(7,727)				(7,727)
Issuance of 111,258 shares under employee stock plans	111	2,222					2,333
Issuance of 73,857 shares under stock grant programs	74	140					214
Issuance of 9,046 shares under deferred compensation plans	9	(9)					-
Repurchase of 144,900 shares	(145)		(4,854)				(4,999)
Tax benefits from non-qualified stock options exercised		598					598
Expense associated with share-based compensation arrangements		2,418					2,418
Accrued expense under		776					776

deferred compensation plans				
Issuance of 1,298 shares in exchange for employee stock notes receivable	1	49	(50)	-
Note receivable adjustment	(2)	(91)	42	(51)
Payments received on employee stock notes receivable			81	81

	Controlling Interest Shareholders' Equity						
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulat-ed Other Comprehen-sive Earnings	Employees Stock Notes Receivable	Noncontrolling Interest	Total
Balance at December 25, 2010	**$ 19,333**	**$ 138,573**	**$ 414,108**	**$ 4,165**	**$ (1,670)**	**$ 6,667**	**$ 581,176**
Comprehensive earnings:							
Net earnings			4,549			1,422	
Foreign currency translation adjustment				(565)		(560)	
Total comprehensive earnings							4,846
Capital contribution from noncontrolling interest						80	80
Purchase of additional noncontrolling interest						(402)	(402)
Distributions to noncontrolling interest						(1,413)	(1,413)
Cash dividends - $0.400 per share			(7,818)				(7,818)
Issuance of 137,029 shares under employee stock plans	137	2,834					2,971
Issuance of 150,376 shares under stock grant programs	150	8	9				167
Issuance of 7,995 shares under deferred compensation plans	8	(8)					-
Tax benefits from non-qualified stock options exercised		684					684
Expense associated with share-based compensation arrangements		1,361					1,361
Accrued expense under deferred compensation plans		744					744
Note receivable adjustment	(4)	(208)			209		(3)
Payments received on employee stock notes receivable					206		206
Balance at December 31, 2011	**$ 19,624**	**$ 143,988**	**$ 410,848**	**$ 3,600**	**$ (1,255)**	**$ 5,794**	**$ 582,599**

See notes to consolidated financial statements

UNIVERSAL FOREST PRODUCTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended		
	December 31, 2011	December 25, 2010	December 26, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings attributable to controlling interest	$ 4,549	$ 17,411	$ 24,272
Adjustments to reconcile net earnings attributable to controlling interest to net cash from operating activities:			
Depreciation	30,804	30,429	32,917
Amortization of intangibles	5,183	6,919	8,308
Expense associated with share-based compensation arrangements	1,361	2,418	1,597
Excess tax benefits from share-based compensation arrangements	(36)	(430)	(603)
Expense associated with stock grant plans	167	214	109
Deferred income taxes (credit)	(1,939)	(2,708)	4,744
Net earnings attributable to noncontrolling interest	1,422	2,430	473
Net loss (gain) on sale or impairment of property, plant and equipment	2,490	1,239	(773)
Changes in:			
Accounts receivable	(7,043)	(18,428)	31,071
Inventories	(4,496)	(24,946)	31,522
Accounts payable	(9,964)	9,646	(862)
Accrued liabilities and other	(11,242)	5,143	(5,901)
NET CASH FROM OPERATING ACTIVITIES	11,256	29,337	126,874
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(32,932)	(26,950)	(15,604)
Investment in joint venture			(659)
Acquisitions, net of cash received		(6,529)	
Proceeds from sale of property, plant and equipment	1,814	835	11,724
Purchase of patents & product technology	(175)	(4,589)	
Advances on notes receivable	(2,468)	(5,780)	(14)
Collections on notes receivable	472	227	171
Insurance proceeds			1,023
Other, net	289	13	30
NET CASH FROM INVESTING ACTIVITIES	(33,000)	(42,773)	(3,329)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net borrowings (repayments) under revolving credit facilities	(2,109)	2,109	(30,257)
Repayment of long-term debt	(745)	(744)	(19,207)
Borrowings of long-term debt			800
Debt issuance costs	(946)		
Proceeds from issuance of common stock	2,971	2,333	2,420
Purchase of additional noncontrolling interest	(402)	(1,227)	(1,770)
Distributions to noncontrolling interest	(1,413)	(1,244)	(270)
Capital contribution from noncontrolling interest	80	450	14
Dividends paid to shareholders	(7,818)	(7,727)	(5,017)
Repurchase of common stock		(4,999)	(3,379)
Excess tax benefits from share-based compensation arrangements	36	430	603
Other, net	32	8	(72)
NET CASH FROM FINANCING ACTIVITIES	(10,314)	(10,611)	(56,135)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(32,058)	(24,047)	67,410
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	43,363	67,410	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 11,305	$ 43,363	$ 67,410

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

(In thousands)

	Year Ended		
	December 31, 2011	December 25, 2010	December 26, 2009
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:			
Cash paid (refunded) during the period for:			
Interest	$ 3,654	$ 3,554	$ 4,905
Income taxes	6,163	(1,698)	12,346
NON-CASH INVESTING ACTIVITIES:			
Stock acquired through employees' stock notes receivable		50	125
NON-CASH FINANCING ACTIVITIES:			
Common stock issued under deferred compensation plans	246	306	338

See notes to consolidated financial statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS

We design, manufacture and market wood and wood-alternative products for national home centers and other retailers, structural lumber and other products for the manufactured housing industry, engineered wood components for the residential and commercial construction industry, and specialty wood packaging and components and packing materials for various industries. Our principal products include preservative-treated wood, remanufactured lumber, lattice, fence panels, deck components, specialty packaging, engineered trusses, wall panels, and other building products.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include our accounts and those of our wholly-owned and majority-owned subsidiaries and partnerships. In addition, we consolidate 50% owned entities over which we exercise control. Intercompany transactions and balances have been eliminated.

NONCONTROLLING INTEREST IN SUBSIDIARIES

Noncontrolling interest in results of operations of consolidated subsidiaries represents the noncontrolling shareholders' share of the income or loss of various consolidated subsidiaries. The noncontrolling interest reflects the original investment by these noncontrolling shareholders combined with their proportional share of the earnings or losses of these subsidiaries, net of distributions paid.

FISCAL YEAR

Our fiscal year is a 52 or 53 week period, ending on the last Saturday of December. Unless otherwise stated, references to 2011, 2010, and 2009 relate to the fiscal years ended December 31, 2011, December 25, 2010, and December 26, 2009, respectively. Fiscal year 2011 was comprised of 53 weeks. Fiscal years 2010 and 2009 were comprised of 52 weeks.

FAIR VALUE DISCLOSURES OF FINANCIAL INSTRUMENTS

We follow ASC Topic 820, *Fair Value Measurements and Disclosures*, which provides a consistent definition of fair value, focuses on exit price, prioritizes the use of market-based inputs over entity-specific inputs for measuring fair value and establishes a three-tier hierarchy for fair value measurements. This topic requires fair value measurements to be classified and disclosed in one of the following three categories:

- Level 1 — Financial instruments with unadjusted, quoted prices listed on active market exchanges.

- Level 2 — Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. Financial instrument values are determined using prices for recently traded financial instruments with similar underlying terms and direct or indirect observational inputs, such as interest rates and yield curves at commonly quoted intervals.

- Level 3 — Financial instruments not actively traded on a market exchange and there is little, if any, market activity. Values are determined using significant unobservable inputs or valuation techniques.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and highly-liquid investments purchased with an original maturity of three months or less. Cash equivalents totaled approximately $5.4 million and $44.1 million as of December 31, 2011 and December 25, 2010, respectively.

ACCOUNTS RECEIVABLE

We perform periodic credit evaluations of our customers and generally do not require collateral. Accounts receivable are due under a range of terms we offer to our customers. Discounts are offered, in most instances, as an incentive for early payment.

ACCOUNTS RECEIVABLE ALLOWANCES

We base our allowances related to receivables on historical credit and collections experience, and the specific identification of other potential problems, including the general economic climate. Actual collections can differ, requiring adjustments to the allowances. Individual accounts receivable balances are evaluated on a monthly basis, and those balances considered uncollectible are charged to the allowance.

The following table presents the activity in our accounts receivable allowances (in thousands):

	Beginning Balance	Additions Charged to Costs and Expenses	Deductions*	Ending Balance
Year Ended December 31, 2011:				
Allowance for possible losses on accounts receivable	$ 2,611	$ 18,144	$ (18,702)	$ 2,053
Year Ended December 25, 2010:				
Allowance for possible losses on accounts receivable	$ 2,897	$ 14,967	$ (15,253)	$ 2,611
Year Ended December 26, 2009:				
Allowance for possible losses on accounts receivable	$ 2,440	$ 25,057	$ (24,600)	$ 2,897

* Includes accounts charged off, discounts given to customers and actual customer returns and allowances.

We record estimated sales returns, discounts, and other applicable adjustments as a reduction of net sales in the same period revenue is recognized.

INVENTORIES

Inventories are stated at the lower of cost or market. The cost of inventories includes raw materials, direct labor, and manufacturing overhead. Cost is determined on a weighted average basis. Raw materials consist primarily of unfinished wood products expected to be manufactured or treated prior to sale, while finished goods represent various manufactured and treated wood products ready for sale.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are stated at cost. Expenditures for renewals and betterments are capitalized, and maintenance and repairs are expensed as incurred. Amortization of assets held under capital leases is included in depreciation and amortized over the shorter of the estimated useful life of the asset or the lease term. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	5 to 15 years
Buildings and improvements	15 to 31.5 years
Machinery, equipment and office furniture	3 to 10 years

LONG-LIVED ASSETS

In accordance with ASC 360, *Property, Plant, and Equipment* (“ASC 360”), when an indicator of potential impairment exists, we evaluate the recoverability of our long-lived assets by determining whether unamortized balances could be recovered through undiscounted future operating cash flows over the remaining lives of the assets. If the sum of the expected future cash flows was less than the carrying value of the assets, an impairment loss would be recognized for the excess of the carrying value over the fair value.

FOREIGN CURRENCY

Our foreign operations use the local currency as their functional currency. Accordingly, assets and liabilities are translated at exchange rates as of the balance sheet date and revenues and expenses are translated using weighted average rates, with translation adjustments included as a separate component of shareholders' equity. Gains and losses arising from re-measuring foreign currency transactions are included in earnings.

SELF-INSURANCE RESERVES

We are primarily self-insured for certain employee health benefits, and have self-funded retentions for general liability, automobile liability, property and workers' compensation. We are fully self-insured for environmental liabilities. The general liability, automobile liability, property, workers' compensation, and certain environmental liabilities are managed through a wholly-owned insurance captive; the related assets and liabilities of which are included in the consolidated financial statements as of December 31, 2011 and December 25, 2010. Our policy is to accrue amounts equal to actuarially determined or internally computed liabilities. The actuarial and internal valuations are based on historical information along with certain assumptions about future events. Changes in assumptions for such matters as legal actions, medical cost trends, and changes in claims experience could cause these estimates to change in the future.

INCOME TAXES

Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax asset and liability computations are based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred income tax assets to the amounts expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred income tax assets and liabilities.

REVENUE RECOGNITION

Revenue is recognized at the time the product is shipped to the customer. Generally, title passes at the time of shipment. In certain circumstances, the customer takes title when the shipment arrives at the destination. However, our shipping process is typically completed the same day.

Earnings on construction contracts are reflected in operations using percentage-of-completion accounting, under either the cost to cost or units of delivery methods, depending on the nature of the business at individual operations. Under percentage-of-completion using the cost to cost method, revenues and related earnings on construction contracts are measured by the relationships of actual costs incurred related to the total estimated costs. Under percentage-of-completion using the units of delivery method, revenues and related earnings on construction contracts are measured by the relationships of actual units produced related to the total number of units. Revisions in earnings estimates on the construction contracts are recorded in the accounting period in which the basis for such revisions becomes known. Projected losses on individual contracts are charged to operations in their entirety when such losses become apparent.

The following table presents the balances of percentage-of-completion accounts on December 31, 2011 and December 25, 2010 which are included in other current assets and other accrued liabilities, respectively (in thousands):

	2011	2010
Cost and Earnings in Excess of Billings	$ 3,670	$ 3,604
Billings in Excess of Cost and Earnings	2,668	2,126

SHIPPING AND HANDLING OF PRODUCT

Shipping and handling costs that are charged to and reimbursed by the customer are recognized as revenue. Costs incurred related to the shipment and handling of products are classified in cost of goods sold.

EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated based on the weighted average number of common shares outstanding during the periods presented. Diluted EPS is calculated based on the weighted average number of common and common equivalent shares outstanding during the periods presented, giving effect to stock options granted and conditional stock grants (see Note I) utilizing the "treasury stock" method.

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):

	2011			2010			2009		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net Earnings	$ 4,549			$ 17,411			$ 24,272		
EPS - Basic									
Income available to common stockholders	4,549	19,407	$ 0.23	17,411	19,232	$ 0.91	24,272	19,256	$ 1.26
Effect of Dilutive Securities									
Options		126			244			212	
EPS - Diluted									
Income available to common stockholders and assumed options exercised	$ 4,549	19,533	$ 0.23	$ 17,411	19,476	$ 0.89	$ 24,272	19,468	$ 1.25

Options to purchase 105,000, 10,000 and 10,000 shares of common stock were not included in the computation of diluted EPS for 2011, 2010 and 2009, respectively, because the options' exercise prices were greater than the average market price of the common stock during the period and, therefore, would be antidilutive.

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. We believe our estimates to be reasonable; however, actual results could differ from these estimates.

RECLASSIFICATIONS

Certain prior year information has been reclassified to conform to the current year presentation.

RECENTLY ISSUED ACCOUNTING STANDARDS

In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-05, *Presentation of Comprehensive Income* ("ASU 2011-05"). ASU 2011-05 eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity. Under ASU 2011-05, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a continuous statement of comprehensive income or in two separate consecutive statements. In December 2011, FASB issued Accounting Standards Update No. 2011-12, *Deferral of Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05* to defer the effective date of ASU 2011-05 as it pertains to the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income for all periods presented. The guidance is effective for financial periods beginning after December 15, 2011, and is not expected to have a material effect on the Company's consolidated financial position or results of operations.

In September 2011, the FASB issued ASU No. 2011-08, *Testing Goodwill for Impairment* (ASU 2011-08). ASU 2011-08 amended existing accounting literature by allowing an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment to determine whether it should calculate the fair value of a reporting unit. The amendments are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of ASU 2011-08 is not expected to significantly effect the Company's consolidated financial position, results of operations or cash flows.

In 2011, the FASB amended the provisions of the *Intangibles-Goodwill and Other* topic of the FASB Codification. The amended provisions were issued to simplify how entities test goodwill for impairment. This topic will allow companies to assess qualitative factors to determine if it is more-likely-than-not that goodwill might be impaired and whether it is necessary to perform the two-step goodwill impairment test required under current accounting standards. These amended provisions are effective for fiscal years beginning after December 15, 2011, and is not expected to have a material effect on the Company’s consolidated financial position or results of operations.

B. FAIR VALUE

We apply the provisions of ASC 820, *Fair Value Measurements and Disclosures*, to assets and liabilities measured at fair value. Assets and liabilities measured at fair value are as follows:

(in thousands)	December 31, 2011 Quoted Prices in Active Markets (Level 1)	December 31, 2011 Prices with Other Observable Inputs (Level 2)	December 31, 2011 Total	December 25, 2010 Quoted Prices in Active Markets (Level 1)	December 25, 2010 Prices with Other Observable Inputs (Level 2)	December 25, 2010 Total
Recurring:						
Money market funds	$ 99		$ 99	$ 67		$ 67
Mutual funds:						
Domestic stock funds	496		496	459		459
International stock funds	426		426	408		408
Target funds	119		119	119		119
Bond funds	106		106	55		55
Total mutual funds	1,147		1,147	1,041		1,041
Non-Recurring:						
Property, plant and equipment		$ 7,196	7,196		$ 1,071	1,071
	$ 1,246	$ 7,196	$ 8,442	$ 1,108	$ 1,071	$ 2,179

Mutual funds are valued at prices quoted in an active exchange market and are included in “Other Assets”. Property, plant and equipment are valued based on relevant information for sales of similar assets. We have elected not to apply the fair value option under ASC 825, *Financial Instruments*, to any of our financial instruments except for those expressly required by U.S. GAAP.

We do not maintain any Level 3 assets or liabilities that would be based on significant unobservable inputs.

C. BUSINESS COMBINATIONS

We completed the following business combinations in fiscal 2010, which were accounted for using the purchase method (in millions). No business combinations were completed in fiscal 2011 and 2009.

Company Name	**Acquisition Date**	**Purchase Price**	**Intangible Assets**	**Net Tangible Assets**	**Operating Segment**	**Business Description**
Shepherd Distribution Co. (“Shepherd”)	April 29, 2010	$5.9 (asset purchase)	$ 2.2	$ 3.7	Distribution Division	Distributes shingle underlayment, bottom board, house wrap, siding, poly film and other products to manufactured housing and RV customers. Headquartered in Elkhart, Indiana, it has distribution capabilities throughout the United States. Purchased a percentage of certain assets.
Service Supply Distribution, Inc. (“Service Supply”)	March 8, 2010	$0.6 (asset purchase)	$ 0.0	$ 0.6	Distribution Division	Distributes certain plumbing, electrical, adhesives, flooring, paint and other products to manufactured housing and RV customers. Headquartered in Cordele, Georgia, it has distribution capabilities throughout the United States. Purchased a percentage of certain assets.

The amounts assigned to major intangible classes for business combinations mentioned above are as follows (in millions):

	Non-compete agreements	Customer Relationships	Goodwill	Goodwill - Tax Deductible
Shepherd	$ 0.5	$ 1.4	$ 0.3	$ 0.3

The business combinations mentioned above were not significant to our operating results individually or in aggregate, and thus pro forma results for 2010 and 2009 are not presented.

D. ASSETS HELD FOR SALE AND NET LOSS (GAIN) ON DISPOSITION OF ASSETS, EARLY RETIRMENT AND OTHER IMPAIRMENT AND EXIT CHARGES

Included in "Assets held for sale" on our Consolidated Balance Sheets are certain property, plant and equipment totaling $2.4 million on December 25, 2010. The assets held for sale consist of certain vacant land and facilities we closed to better align manufacturing capacity with the current business environment. The fair values were determined based on broker assessment of value or recent offers to acquire assets. These and other idle assets were evaluated based on the requirements of ASC 360, which resulted in impairment and other exit charges included in "Net loss (gain) on disposition of assets, early retirement and other impairment and exit charges" for the years ended December 31, 2011, December 25, 2010 and December 26, 2009, respectively. These amounts include the following, separated by reporting segment (in millions):

	December 31, 2011				December 25, 2010				December 26, 2009			
	Eastern and Western	Site-Built	All Other	Total	Eastern and Western	Site-Built	All Other	Total	Eastern and Western	Site-Built	All Other	Total
Severances and early retirement	$ 0.7		$ 3.1	$ 3.8	$ 0.6	$ 0.2		$ 0.8	$ 0.3	$ 0.4		$ 0.7
Property, plant and equipment			(0.1)	(0.1)	0.5	0.1		0.6	1.9	0.2	$ 0.4	2.5
Loss (gain) on impairment or sale of real estate	0.8	$ 1.8	0.1	2.7					(3.4)	(0.8)		(4.2)
Lease termination									0.1		0.5	0.6
Other intangibles					0.6			0.6			0.3	0.3
Total	$ 1.5	$ 1.8	$ 3.1	$ 6.4	$ 1.7	$ 0.3	$-	$ 2.0	$ (1.1)	$ (0.2)	$ 1.2	$ (0.1)

On June 20, 2011 our chief executive officer resigned and we entered into a consulting and non-competition agreement with him. We accrued for the present value of the future payments under the agreement totaling $2.6 million in June 2011.

The changes in assets held for sale are as follows (in thousands):

Description	Net Book Value	Date of Sale	Net Sales Price
Assets held for sale as of December 26, 2009	$ -		
Additions	2,446		
Assets held for sale as of December 25, 2010	2,446		
Additions	5,082		
Transfers to held for use	(6,701)		
Sale of certain real estate in Indianapolis, Indiana	(827)	May 17, 2011	$0.7 million
Assets held for sale as of December 31, 2011	$ -		

In 2011, we transferred certain assets back to held for use because we did not believe we would sell these assets within a year due to difficult economic conditions and competitive factors. Appropriate “catch-up” adjustments were recorded for depreciation associated with the transfer of these assets to held for use that were not significant to operating results.

E. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the excess of the purchase price over the fair value of net tangible and identifiable intangible assets of acquired businesses. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment tests at least annually in accordance with ASC 350, *Intangibles-Goodwill and Other.* We review the carrying amounts of goodwill and other non-amortizable intangibles by reporting unit to determine if such assets may be impaired. As the carrying amount of these assets are recoverable based upon a discounted cash flow and market approach analysis, no impairment was recognized.

The following amounts were included in other intangible assets, net as of December 31, 2011 and December 25, 2010 (in thousands):

	2011		2010	
	Assets	Accumulated Amortization	Assets	Accumulated Amortization
Non-compete agreements	$ 6,439	$ (5,125)	$ 12,569	$ (9,214)
Customer relationships	8,860	(4,221)	16,219	(9,199)
Licensing agreements	4,589	(688)	4,589	(229)
Patents	3,155	(2,085)	2,980	(1,782)
Total	$ 23,043	$ (12,119)	$ 36,357	$ (20,424)

Amortization is computed principally by the straight-line method over the estimated useful lives of the intangible assets as follows:

Non-compete agreements	5 to 10 years
Customer relationship	5 to 8 years
Licensing agreements	10 years

Amortization expense of intangibles totaled $5.2 million, $6.9 million and $8.3 million in 2011, 2010 and 2009, respectively. The estimated amortization expense for intangibles for each of the five succeeding fiscal years is as follows (in thousands):

2012	$ 2,918
2013	2,170
2014	1,836
2015	1,612
2016	607
Thereafter	1,781
Total	$ 10,924

The changes in the net carrying amount of goodwill and indefinite-lived intangible assets for the years ended December 31, 2011 and December 25, 2010, are as follows (in thousands):

	Goodwill	Indefinite-Lived Intangible Assets
Balance as of December 26, 2009	$ 154,718	$ 2,340
Acquisitions	309	
Final purchase price allocations	(325)	
Balance as of December 25, 2010 December 31, 2011	$ 154,702	$ 2,340

F. DEBT

We had a five-year, $300 million unsecured revolving credit facility, which included amounts reserved for letters of credit. Cash borrowings were charged interest based upon an index equal to the Eurodollar rate (in the case of borrowings in US Dollars) or the bankers' acceptance rate quoted (in the case of borrowings in Canadian Dollars), plus a margin (ranging from 27 to 90 basis points, based upon our financial performance). We were also charged an annual facility fee on the entire amount of the lending commitment (ranging from 8 to 25 basis points, based upon our performance), and a usage premium (ranging from 5 to 12.5 basis points, based upon our performance) at times when borrowings in US Dollars exceed $150 million. The average borrowing rate on this facility was 0.8% in both 2011 and 2010. The amount outstanding on the revolving credit facility is included in the long-term debt summary below.

On November 14, 2011, we entered into a five-year, $265 million unsecured revolving credit facility, which includes amounts reserved for letters of credit. This facility replaced our $300 million unsecured revolving credit facility. Cash borrowings are charged interest based upon an index we elect, equal to the U.S. prime rate (in the case of borrowings in US Dollars), the Canadian prime rate as determined by the agent (in the case of borrowings in Canadian Dollars), or the Eurodollar rate (in the case of any borrowing, including foreign currency borrowings), in each case, plus a margin ranging from 110 to 165 basis points, determined based upon our financial performance. We are also charged a facility fee on the entire amount of the lending commitment, at a per annum rate ranging from 15 to 35 basis points, also determined based upon our performance.

Outstanding letters of credit extended on our behalf on December 31, 2011 and December 25, 2010 aggregated $31.3 million, which includes approximately $12.4 million related to industrial development revenue bonds. Letters of credit have one year terms and include an automatic renewal clause. The letters of credit are charged an annual interest rate ranging from 110 to 165 and 27 to 90 basis points under the $265 and $300 million facilities, respectively, based upon our financial performance.

Long-term debt and capital lease obligations are summarized as follows on December 31, 2011 and December 25, 2010 (amounts in thousands):

	2011	2010
Series 2002-A Senior Notes Tranche B, due on December 18,2012, interest payable semi-annually at 6.16%	$ 40,000	$ 40,000
Revolving credit facility		2,109
Series 1999 Industrial Development Revenue Bonds, due on August 1, 2029, interest payable monthly at a floating rate (0.42% on December 31, 2011)	3,300	3,300
Series 2000 Industrial Development Revenue Bonds, due on October 1, 2020, interest payable monthly at a floating rate (0.38% on December 31, 2011)	2,700	2,700
Series 2001 Industrial Development Revenue Bonds, due on November 1, 2021, interest payable monthly at a floating rate (0.38% on December 31, 2011)	2,500	2,500
Series 2002 Industrial Development Revenue Bonds, due on December 1, 2022, interest payable monthly at a floating rate (0.36% on December 31, 2011)	3,700	3,700
Capital lease obligations		458
Other	270	524
	52,470	55,291
Less current portion	(40,270)	(712)
Long-term portion	$ 12,200	$ 54,579

Financial covenants on the unsecured revolving credit facility and unsecured notes include a minimum net worth requirement, minimum interest coverage tests, 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 all of our lending requirements on December 31, 2011 and December 25, 2010.

On December 31, 2011, the principal maturities of long-term debt and capital lease obligations are as follows (in thousands):

2012	$	40,270
2013		
2014		
2015		
2016		
Thereafter		12,200
	$	52,470

On December 31, 2011, the estimated fair value of our long-term debt, including the current portion, was $54.0 million, which was $1.5 million greater than the carrying value. The estimated fair value is based on rates anticipated to be available to us for debt with similar terms and maturities.

G. LEASES

We lease certain real estate under operating lease agreements with original terms ranging from one to ten years. We are required to pay real estate taxes and other occupancy costs under these leases. Certain leases carry renewal options of five to fifteen years. We also lease motor vehicles, equipment, and an aircraft under operating lease agreements for periods of one to ten years. Future minimum payments under non-cancelable operating leases on December 31, 2011 are as follows (in thousands):

	Operating Leases
2012	$ 5,980
2013	3,453
2014	2,279
2015	1,351
2016	481
Thereafter	89
Total minimum lease payments	$ 13,633

There was no leased property included in the balance sheet on December 31, 2011. Leased property included in the balance sheet on December 25, 2010 is as follows (in thousands):

	2010
Machinery and equipment	$ 1,345
Less accumulated amortization	(672)
	$ 673

Rent expense was approximately $9.6 million, $13.8 million, and $16.7 million in 2011, 2010, and 2009, respectively.

H. DEFERRED COMPENSATION

We have a program whereby certain executives irrevocably elected to defer receipt of certain compensation in 1985 through 1988. Deferred compensation payments to these executives will commence upon their retirement. We purchased life insurance on such executives, payable to us in amounts which, if assumptions made as to mortality experience, policy dividends, and other factors are realized, will accumulate cash values adequate to reimburse us for all payments for insurance and deferred compensation obligations. In the event cash values are not sufficient to fund such obligations, the program allows us to reduce benefit payments to such amounts as may be funded by accumulated cash values. The deferred compensation liabilities and related cash surrender value of life insurance policies totaled $2.0 million on December 31, 2011 and December 25, 2010 and are included "Other Liabilities" and "Other Assets," respectively.

We also maintain a non-qualified deferred compensation plan (the "Plan") for the benefit of senior management employees who may elect to defer a portion of their annual bonus payments and salaries. The Plan provides investment options similar to our 401(k) plan, including our stock. The investment in our stock is funded by the issuance of shares to a Rabbi trust, and may only be distributed in kind. Assets held by the Plan totaled approximately $1.2 million and $1.1 million on December 31, 2011 and December 25, 2010, respectively, and are included in "Other Assets." Related liabilities totaled $5.5 million and $5.3 million on December 31, 2011 and December 25, 2010, respectively, and are included in "Other Liabilities" and "Shareholders' Equity." Assets associated with the Plan are recorded at fair market value. The related liabilities are recorded at fair market value, with the exception of obligations associated with investments in our stock which are recorded at the market value on the date of deferral.

I. COMMON STOCK

In April 2002, our shareholders approved the 2002 Employee Stock Purchase Plan ("Stock Purchase Plan") to succeed the Employee Stock Purchase Plan originally approved in 1994. In April 2008, our shareholders authorized additional shares to be allocated to the Stock Purchase Plan and extended the term of the Stock Purchase Plan to 2018. The plan allows eligible employees to purchase shares of our stock at a share price equal to 85% of fair market value on the purchase date. We have expensed the fair value of the compensation associated with these awards, which approximates the discount.

In April 1994, our shareholders approved the Directors' Retainer Stock Plan ("Stock Retainer Plan"). In April 2007, our shareholders authorized additional shares to be distributed pursuant to this plan. The Stock Retainer Plan allows eligible members of the Board of Directors to defer their retainer fees and receive shares of our stock at the time of their retirement, disability or death. The number of shares to be received is equal to the amount of the retainer fee deferred multiplied by 110%, divided by the fair market value of a share of our stock at the time of deferral. The number of shares is increased by the amount of dividends paid on the Company's common stock. We recognized expense for this plan of $0.5 million, $0.5 million and $0.3 million in 2011, 2010 and 2009, respectively.

On April 15, 2010, our shareholders approved an amended and restated Long Term Stock Incentive Plan (the "LTSIP"). The LTSIP reserves 1,000,000 shares, plus a balance of unused shares from prior plans of approximately 1.6 million shares, plus an annual increase of no more than 200,000 shares per year which may be added on the date of the annual meeting of shareholders. The LTSIP provides for the granting of stock options, reload options, stock appreciation rights, restricted stock, performance shares and other stock-based awards.

A summary of the transactions under the stock option plans is as follows:

	Stock Under Option	Weighted-Average Exercise Price Per Share	Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 27, 2008	600,047	$ 22.16	3.62	$ 2,686,949
Exercised	(114,651)	17.14		
Forfeited or expired	(11,518)	23.48		
Outstanding at December 26, 2009	473,878	23.34	2.97	7,049,362
Exercised	(96,310)	19.80		
Forfeited or expired	(17,571)	28.60		
Outstanding at December 25, 2010	359,997	24.04	2.35	5,012,758
Exercised	(122,517)	21.33		
Forfeited or expired	(46,146)	20.57		
Outstanding at December 31, 2011	191,334	26.60	1.83	872,441
Vested or expected to vest at December 31, 2011	(102,000)			
Exercisable at December 31, 2011	89,334	$ 27.61	1.45	$ 293,986

The total intrinsic value of options exercised during 2011, 2010 and 2009 was $1.2 million $1.8 million and $2.3 million, respectively.

The unrecognized compensation expense for stock options is not significant for 2011, 2010 or 2009.

A summary of the nonvested restricted shares issued under stock award plans is as follows:

	Restricted Awards	Weighted-Average Grant Date Fair Value	Unrecognized Compensation Expense (in millions)	Weighted-Average Period to Recognize Expense
Nonvested at December 27, 2008	135,929	$ 28.09	$ 2.6	2.33 years
Granted	79,250	21.04		
Vested	(28,000)	22.24		
Forfeited	(13,333)	27.88		
Nonvested at December 26, 2009	173,846	25.83	2.3	2.47 years
Granted	79,761	34.14		
Vested	(17,011)	32.61		
Forfeited	(16,802)	27.77		
Nonvested at December 25, 2010	219,794	28.17	2.8	2.30 years
Granted	71,950	38.19		
Vested	(113,244)	29.13		
Forfeited	(15,500)	30.12		
Nonvested at December 31, 2011	163,000	$ 31.75	$ 3.4	3.37 years

Under the Stock Purchase Plan and LTSIP, we recognized share-based compensation expense of $1.4 million, $2.4 million, and $1.6 million and the related total income tax benefits of $0.5 million, $0.9 million, and $0.6 million in 2011, 2010 and 2009, respectively.

In 2011, 2010 and 2009, cash received from option exercises and share issuances under our plans was $3.0 million, $2.3 million and $2.4 million, respectively. The actual tax benefit realized in 2011, 2010 and 2009 for the tax deductions from option exercises totaled $0.7 million, $0.6 million and $0.7 million, respectively.

As of December 31, 2011, a total of approximately 3.0 million shares are reserved for issuance under the plans mentioned above.

On November 14, 2001, the Board of Directors approved a share repurchase program (which succeeded a previous program) allowing us to repurchase up to 2.5 million shares of our common stock. On October 14, 2010, our Board authorized an additional 2 million shares to be repurchased under our share repurchase program. We repurchased 144,900 shares under this program in 2010. As of December 31, 2011, the cumulative total authorized shares available for repurchase is approximately 3.0 million shares.

J. RETIREMENT PLANS

We have a profit sharing and 401(k) plan for the benefit of substantially all of our employees, excluding the employees of certain wholly-owned subsidiaries. Amounts contributed to the plan are made at the discretion of the Board of Directors. We matched 25% of employee contributions in 2011 and 2010, on a discretionary basis, totaling $1.5 million and $1.4 million, respectively. The basis for matching contributions may not exceed the lesser of 6% of the employee's annual compensation or the IRS limitation.

On July 14, 2011, the compensation committee of the board of directors approved a retirement plan for officers whereby we will pay, upon retirement, benefits totaling 150% of the officer’s highest base salary in the three years immediately preceding separation from service plus health care benefits for a specified period of time if certain eligibility requirements are met. Approximately $2.5 million and $1.4 million are accrued in “Other Liabilities” for this plan at December 31, 2011 and December 25, 2010, respectively.

K. INCOME TAXES

Income tax provisions for the years ended December 31, 2011, December 25, 2010, and December 26, 2009 are summarized as follows (in thousands):

	2011	2010	2009
Currently Payable:			
Federal	$ 453	$ 4,762	$ 4,411
State and local	1,419	1,768	1,452
Foreign	3,000	3,344	2,602
	4,872	9,874	8,465
Net Deferred:			
Federal	(1,884)	384	4,868
State and local	(137)	(689)	337
Foreign	23	(2,369)	182
	(1,998)	(2,674)	5,387
	$ 2,874	$ 7,200	$ 13,852

The components of earnings before income taxes consist of the following:

	2011	2010	2009
U.S.	$ 268	$ 16,115	$ 29,806
Foreign	8,577	10,926	8,791
Total	$ 8,845	$ 27,041	$ 38,597

The effective income tax rates are different from the statutory federal income tax rates for the following reasons:

	2011	2010	2009
Statutory federal income tax rate	34.0%	35.0%	35.0%
State and local taxes (net of federal benefits)	8.2	2.4	1.9
Effect of noncontrolling owned interest in earnings of partnerships	(3.0)	(1.8)	0.1
Manufacturing deduction	(1.9)	(1.6)	(0.8)
Research and development tax credits	(13.4)	(1.4)	(1.8)
Change in valuation allowance	-	(10.5)	(1.4)
Nondeductible amortization of intangibles	4.9	1.6	1.2
Meals and entertainment	4.4	1.6	1.1
Other, net	(0.7)	1.3	0.6
Effective income tax rate	32.5%	26.6%	35.9%

Temporary differences which give rise to deferred income tax assets and (liabilities) on December 31, 2011 and December 25, 2010 are as follows (in thousands):

	2011	2010
Employee benefits	$ 6,609	$ 6,626
Foreign subsidiary and state net operating loss	2,224	3,130
Inventory	141	148
Accrued expenses	2,562	2,075
Other, net	4,046	3,836
Deferred income tax assets	15,582	15,815
Depreciation	(13,605)	(17,762)
Intangibles	(11,226)	(9,269)
Other, net	(106)	(137)
Deferred income tax liabilities	(24,937)	(27,168)
Net deferred income tax liability	$ (9,355)	$ (11,353)

L. <u>ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES</u>

ASC 740, *Income Taxes* (“ASC 740”) clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. ASC 740 also provides guidance on derecognition, measurement, classification, interest and penalties, and disclosure requirements.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	2011	2010	2009
Gross unrecognized tax benefits beginning of year	$ 1,253	$ 10,110	$ 10,786
Increase in tax positions for prior years	225		84
Increase in tax positions for current year	391	260	591
Settlements with taxing authorities		(8,690)	(778)
Lapse in statute of limitations	(32)	(427)	(573)
Gross unrecognized tax benefits end of year	$ 1,837	$ 1,253	$ 10,110

We recognized interest and penalties for unrecognized tax benefits in our provision for income taxes. The liability for unrecognized tax benefits included accrued interest and penalties of $0.3 million, $0.2 million and $0.2 million at December 31, 2011, December 25, 2010 and December 26, 2009, respectively.

We file income tax returns in the United States and in various state, local and foreign jurisdictions. During 2010, the Internal Revenue Service examination for tax years 2004 – 2008 was resolved. For the majority of state and foreign jurisdictions, we are no longer subject to income tax examinations for years before 2007. A number of state and local examinations are currently ongoing. It is possible that these examinations may be resolved within the next twelve months. Due to the potential for resolution of state examinations, and the expiration of various statutes of limitation, it is reasonably possible that our gross unrecognized tax benefits may change within the next twelve months by a range of $0.4 million to $1.8 million.

M. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

We are self-insured for environmental impairment liability, including certain liabilities which are insured through a wholly owned subsidiary, Ardellis Insurance Ltd., (f/k/a UFP Insurance Ltd.), a licensed captive insurance company.

We own and operate a number of facilities throughout the United States that chemically treat lumber products. 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. Environmental reserves, calculated with no discount rate, have been established to cover remediation activities at our affiliates' wood preservation facilities in Stockertown, PA; Elizabeth City, NC; Auburndale, FL; Janesville, WI; and Medley, FL. In addition, a reserve was established for our affiliate's facility in Thornton, CA to remove certain lead containing materials which existed on the property at the time of purchase. During 2009, a subsidiary entered into a consent order with the State of Florida to conduct additional testing at the Auburndale, FL facility. We admitted no liability and the costs are not expected to be material.

On a consolidated basis, we have reserved approximately $3.4 million on December 31, 2011 and December 25, 2010, representing the estimated costs to complete future remediation efforts. These amounts have not been reduced by an insurance receivable.

From time to time, 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. Our affiliates market a modest amount of CCA treated products for permitted, non-residential applications.

We have not accrued for any potential loss related to the contingencies above. However, potential liabilities of this nature are not conducive to precise estimates and are subject to change.

In addition, on December 31, 2011, 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 contingencies and claims.

On December 31, 2011, we had outstanding purchase commitments on capital projects of approximately $2.5 million.

We provide a variety of warranties for products we manufacture. Historically, warranty claims have not been material. We distribute products manufactured by other companies, some of which are no longer in business. While we do not warrant these products, we have received claims as a distributor of these products when the manufacturer no longer exists or has the ability to pay. Historically, these costs have not had a material affect on our consolidated financial statements.

In certain cases we supply building materials and labor to residential construction projects or we jointly bid on contracts with framing companies for such projects. In some 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. As of December 31, 2011, we had approximately $13.3 million in outstanding payment and performance bonds, which expire during the next two years. In addition, approximately $22.7 million in payment and performance bonds are outstanding for completed projects which are still under warranty.

On December 31, 2011 we had outstanding letters of credit totaling $31.3 million, primarily related to certain insurance contracts and industrial development revenue bonds described further below.

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 $18.9 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 $12.4 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.

Certain wholly owned domestic subsidiaries have guaranteed the indebtedness of Universal Forest Products, Inc. in certain debt agreements, including the 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.

Many of our wood treating operations utilize "Subpart W" drip pads, defined as hazardous waste management units by the EPA. The rules regulating drip pads require that the pad be “closed” at the point that it is no longer intended to be used for wood treating operations or to manage hazardous waste. Closure involves identification and disposal of contaminants which are required to be removed from the facility. The cost of closure is dependent upon a number of factors including, but not limited to, identification and removal of contaminants, cleanup standards that vary from state to state, and the time period over which the cleanup would be completed. Based on our present knowledge of existing circumstances, it is considered probable that these costs will approximate $0.7 million. As a result, this amount is recorded in other long-term liabilities on December 31, 2011.

We did not enter into any new guarantee arrangements during 2011 which would require us to recognize a liability on our balance sheet.

N. CONSULTING & NON-COMPETE AGREEMENTS

On June 20, 2011 we entered into a consulting and non-compete agreement with our CEO which provides for monthly payments through December 2015 that began upon resignation from Universal Forest Products, Inc. All amounts were fully accrued and vested on the date of resignation. The present value of these payments totaled approximately $2.3 million at December 31, 2011 and is accrued in other liabilities.

On December 17, 2007 we entered into a consulting and non-compete agreement with our former CEO which provides for monthly payments for a term of three years that began upon retirement from Universal Forest Products, Inc. All amounts were fully accrued and vested on the date of retirement. The present value of these payments totaled approximately $0.4 million and $1.1 million at December 31, 2011 and December 25, 2010, respectively, and is accrued in other liabilities.

O. SEGMENT REPORTING

ASC 280, *Segment Reporting* ("ASC 280") defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. In the fourth quarter of 2011, we undertook a realignment to separately manage our Site-Built business, which was formerly included in the Atlantic division operating segment. This realignment improves management oversight to more effectively evaluate growth opportunities and other operational decisions. The remaining component of the former Atlantic division represented core operations and was realigned under Eastern division operating segment management.

Our operating segments consist of the Eastern, Western, Site-Built, Consumer Products and Distribution divisions. In accordance with ASC 280, due to the similar economic characteristics, nature of products, distribution methods, and customers, we have aggregated our Eastern and Western operating segments into one reportable segment. The Site-Built division is considered a separate reportable segment. Our other divisions do not collectively form a reportable segment because their respective operations are dissimilar and they do not meet the applicable quantitative requirements. These operations have been included in the "All Other" column of the table below. The "Corporate" column includes unallocated administrative costs.

	2011				
	Eastern and Western Divisions	Site-Built	All Other	Corporate	Total
Net sales to outside customers	$ 1,486,058	$ 183,120	$ 153,158	$ -	$ 1,822,336
Intersegment net sales	77,858	24,907	28,636	-	131,401
Interest expense	440	154	-	3,138	3,732
Amortization expense	3,571	-	1,612	-	5,183
Depreciation expense	19,036	2,380	3,240	6,148	30,804
Segment operating profit	28,198	(6,349)	(8,731)	(1,107)	12,011
Segment assets	520,506	87,160	82,993	73,348	764,007
Capital expenditures	14,870	1,007	8,856	8,199	32,932

	2010				
	Eastern and Western Divisions	Site-Built	All Other	Corporate	Total
Net sales to outside customers	$ 1,566,094	$ 179,113	$ 145,644	$ -	$ 1,890,851
Intersegment net sales	104,186	17,482	45,174	-	166,842
Interest expense	424	45	-	3,080	3,549
Amortization expense	4,492	96	2,331	-	6,919
Depreciation expense	20,140	2,509	3,069	4,711	30,429
Segment operating profit	35,515	(5,471)	1,400	(1,155)	30,289
Segment assets	525,482	86,128	80,576	97,210	789,396
Capital expenditures	14,205	394	4,832	7,519	26,950

	2009				
	Eastern and Western Divisions	Site-Built	All Other	Corporate	Total
Net sales to outside customers	$ 1,423,140	$ 141,091	$ 108,769	$ -	$ 1,673,000
Intersegment net sales	98,019	12,830	33,171	-	144,020
Interest expense	523	30	53	4,005	4,611
Amortization expense	4,874	750	2,684	-	8,308
Depreciation expense	22,543	2,704	3,080	4,590	32,917
Segment operating profit	49,112	(10,980)	5,845	(1,160)	42,817
Segment assets	503,468	91,442	67,819	114,139	776,868
Capital expenditures	6,954	359	4,881	3,410	15,604

In 2011, 2010, and 2009, 23%, 28%, and 32% of net sales, respectively, were to a single customer.

Information regarding principal geographic areas was as follows (in thousands):

	2011		2010		2009	
	Net Sales	Long-Lived Assets	Net Sales	Long-Lived Assets	Net Sales	Long-Lived Assets
United States	$ 1,779,909	$ 388,232	$ 1,844,289	$ 373,709	$ 1,630,763	$ 374,831
Foreign	42,427	17,582	46,562	16,076	42,237	18,688
Total	$ 1,822,336	$ 405,814	$ 1,890,851	$ 389,785	$ 1,673,000	$ 393,519

Sales generated in Canada and Mexico are primarily to customers in the United States of America.

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

	Value-Added	Commodity-Based
2011	58.8%	41.2%
2010	58.6%	41.4%
2009	59.4%	40.6%

Value-added product sales consist of fencing, decking, lattice, and other specialty products sold to the retail building materials market, specialty wood packaging, engineered wood components, and wood-alternative products. Engineered wood components include roof trusses, wall panels, and floor systems. Wood-alternative products consist primarily of composite wood and plastics. 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. Commodity-based product sales consist primarily of remanufactured lumber and preservative treated lumber.

The following table presents, for the periods indicated, our gross sales (in thousands) by major product classification.

	Years Ended		
	December 31, 2011	December 25, 2010	December 26, 2009
Value-Added Sales			
Trusses – residential, modular and manufactured housing	$ 148,711	$ 167,165	$ 160,242
Fencing	145,486	162,314	167,311
Decking and railing – composite, wood and other	126,832	162,699	156,400
Turn-key framing and installed sales	120,321	117,340	98,785
Industrial packaging and components	174,056	142,369	130,593
Engineered wood products (eg. LVL; i-joist)	41,313	46,069	35,386
Manufactured brite and other lumber	49,375	50,540	40,224
Wall panels	19,049	26,093	25,774
Outdoor DIY products (eg. stakes; landscape ties)	40,716	46,610	42,745
Construction and building materials (eg. door packages; drywall)	94,767	73,629	35,990
Lattice – plastic and wood	42,792	45,819	47,304
Manufactured brite and other panels	39,779	37,046	28,427
Siding, trim and moulding	20,088	19,469	20,384
Hardware	12,094	12,204	11,544
Manufactured treated lumber	11,728	11,706	12,535
Manufactured treated panels	5,411	4,562	2,991
Other	98	92	135
Total Value-Added Sales	1,092,616	1,125,726	1,016,770
Commodity-Based Sales			
Non-manufactured brite and other lumber	304,104	315,634	255,836
Non-manufactured treated lumber	285,305	305,756	296,936
Non-manufactured brite and other panels	145,547	147,845	116,645
Non-manufactured treated panels	22,075	21,330	21,373
Other	7,767	5,851	4,805
Total Commodity-Based Sales	764,798	796,416	695,595
Total Gross Sales	1,857,414	1,922,142	1,712,365
Sales allowances	(35,078)	(31,291)	(39,365)
Total Net Sales	$ 1,822,336	$ 1,890,851	$ 1,673,000

P. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table sets forth selected financial information for all of the quarters, each consisting of 13 weeks (except fourth quarter of 2011 which consisted of 14 weeks) during the years ended December 31, 2011 and December 25, 2010 (in thousands, except per share data):

	First		Second		Third		Fourth	
	2011	2010	2011	2010	2011	2010	2011	2010
Net sales	$ 387,233	$ 392,958	$ 544,139	$ 638,635	$ 468,941	$ 480,574	$ 422,023	$ 378,685
Gross profit	41,414	51,634	56,587	77,886	54,358	54,415	47,368	46,021
Net earnings (loss)	(3,429)	1,720	4,478	14,468	5,988	3,198	(1,066)	455
Net earnings (loss) attributable to controlling interest	(3,670)	987	4,277	13,716	5,616	2,584	(1,674)	124
Basic earnings (loss) per share	(0.19)	0.05	0.22	0.71	0.29	0.13	(0.09)	0.01
Diluted earnings (loss) per share	(0.19)	0.05	0.22	0.70	0.29	0.13	(0.09)	0.01

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock trades on The Nasdaq Stock Market ("NASDAQ") under the symbol UFPI. The following table sets forth the range of high and low sales prices as reported by NASDAQ.

Fiscal 2011	High	Low	Fiscal 2010	High	Low
Fourth Quarter	31.75	22.91	Fourth Quarter	39.01	27.84
Third Quarter	31.95	23.02	Third Quarter	33.09	25.76
Second Quarter	37.53	26.00	Second Quarter	46.63	30.36
First Quarter	39.84	32.27	First Quarter	40.00	31.84

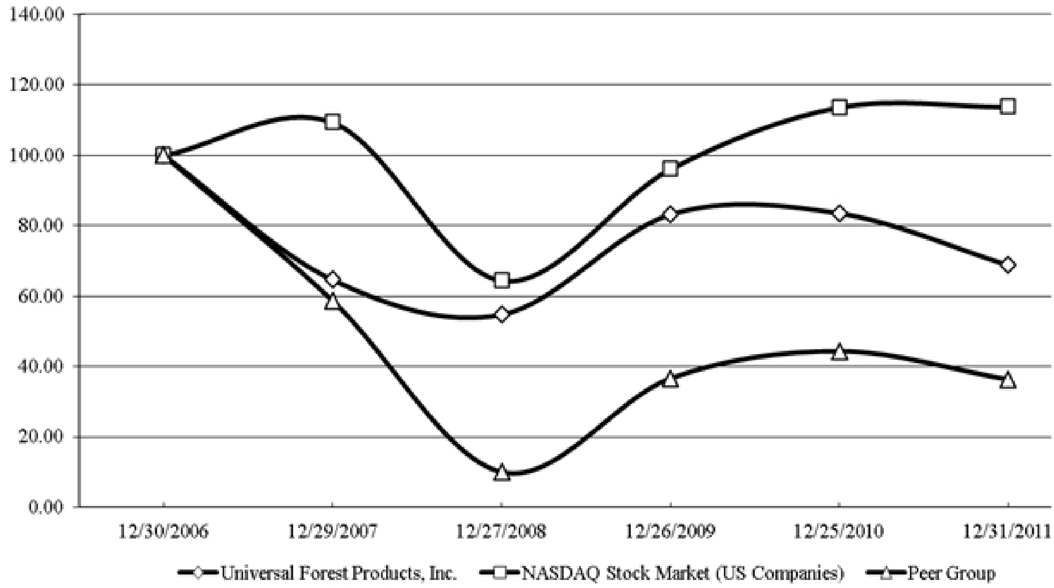
There were approximately 1,300 shareholders of record as of February 29, 2012.

In 2011 and 2010, we paid dividends on our common stock of $0.200 per share each in June and December. We intend to continue with our current semi-annual dividend policy for the foreseeable future.

STOCK PERFORMANCE GRAPH

The following graph depicts the cumulative total return on our common stock compared to the cumulative total return on the indices for The Nasdaq Stock Market (all U.S. companies) and an industry peer group we selected. The graph assumes an investment of $100 on December 31, 2006, and reinvestment of dividends in all cases.

Comparison of 5 Year Cumulative Total Return
Assumes Initial Investment of $100
December 2011



The companies included in our self-determined industry peer group are as follows:

Bluelinx Holdings Inc.
Louisiana-Pacific Corp.
Builders FirstSource, Inc.

The returns of each company included in the self-determined peer group are weighted according to each respective company's stock market capitalization at the beginning of each period presented in the graph above. In determining the members of our peer group, we considered companies who selected UFPI as a member of their peer group, and looked for similarly sized companies or companies that are a good fit with the markets we serve.

Directors and Executive Officers

BOARD OF DIRECTORS

William G. Currie
Chairman of the Board
Universal Forest Products, Inc.

Matthew J. Missad
Chief Executive Officer
Universal Forest Products, Inc.

Dan M. Dutton
Chairman of the Board
Stimson Lumber Co.

John M. Engler
President
Business Roundtable

John W. Garside
President and Treasurer
Woodruff Coal Company

Gary F. Goode, CPA
Chairman
Titan Sales & Consulting, LLC

Mark A. Murray
President
Meijer, Inc.

William R. Payne
Chief of Staff
Amway, Inc.

Louis A. Smith
President
Smith and Johnson, Attorneys, P.C.

Bruce A. Merino

EXECUTIVE OFFICERS

Matthew J. Missad
Chief Executive Officer

Patrick M. Webster
President and Chief Operating Officer

Michael R. Cole
Chief Financial Officer and Treasurer

Robert W. Lees
President
UFP Eastern Division, Inc.

Allen T. Peters
President
UFP Western Division, Inc.

Robert D. Coleman
Executive Vice President Manufacturing

Joseph F. Granger
Executive Vice President
Universal Consumer Products, Inc. and
UFP Distribution, Inc.

C. Scott Greene
Executive Vice President
New Business Development

Donald L. James
Executive Vice President
National Sales

Michael F. Mordell
Executive Vice President
UFP Purchasing, Inc.

Shareholder Information

ANNUAL MEETING

The annual meeting of Universal Forest Products, Inc. will be held at 8:30 a.m. on April 18, 2012, at 2880 East Beltline Lane NE, Grand Rapids, MI 49525.

SHAREHOLDER INFORMATION

Shares of the Company's stock are traded under the symbol UFPI on the NASDAQ Stock Market. The Company's 10-K report, filed with the Securities and Exchange Commission, will be provided free of charge to any shareholder upon written request. For more information contact:

Investor Relations Department
Universal Forest Products, Inc.
2801 East Beltline NE
Grand Rapids, MI 49525
Telephone: (616) 364-6161
Web: www.ufpi.com

SECURITIES COUNSEL

Varnum, LLP
Grand Rapids, MI

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Grand Rapids, MI

TRANSFER AGENT/SHAREHOLDER INQUIRIES

American Stock Transfer & Trust Company serves as the transfer agent for the Corporation. Inquiries relating to stock transfers, changes of ownership, lost or stolen stock certificates, changes of address, and dividend payments should be addressed to:

American Stock Transfer & Trust Co.
59 Maiden Lane
New York, NY 10005
Telephone: (718) 921-8210

UNIVERSAL FOREST PRODUCTS®, INC., CORPORATE HEADQUARTERS

2801 East Beltline NE
Grand Rapids, MI 49525
Telephone: (616) 364-6161
Facsimile: (616) 364-5558

UNIVERSAL FOREST PRODUCTS®, INC., AND ITS AFFILIATES

Ashburn, GA
Auburndale, FL
Belchertown, MA
Berlin, NJ
Blanchester, OH
Burlington, NC
Chaffee, NY
Chandler, AZ
Chesapeake, VA
Conway, SC
Cordele, GA
Denver, CO
Durango, Durango, Mexico
Eatonton, GA
Elizabeth City, NC
Elkhart, IN
Emlenton, PA
Evans City, PA
Gordon, PA
Grandview, TX
Grand Rapids, MI
Granger, IN
Greene, ME
Haleyville, AL
Harrisonville, MO
Hillsboro, TX
Hudson, NY
Hutchinson, MN
Janesville, WI
Jefferson, GA
Lacolle, Quebec, Canada
Lafayette, CO
Liberty, NC
Lodi, OH
McMinnville, OR
Medley, FL
Minneota, MN
Morristown, TN
Moultrie, GA
Muscle Shoals, AL
New London, NC
New Waverly, TX
New Windsor, MD
Parker, PA
Pearisburg, VA
Plainville, MA
Ponce, Puerto Rico
Prairie du Chien, WI
Ranson, WV
Riverside, CA
Saginaw, TX
Salisbury, NC
San Antonio, TX
Schertz, TX
Sidney, NY
Stockertown, PA
Thornton, CA
Turlock, CA
Union City, GA
Warrens, WI
White Bear Lake, MN
White Pigeon, MI
Windsor, CO
Woodburn, OR

EXHIBIT 21

LIST OF REGISTRANT'S SUBSIDIARIES AND AFFILIATES

Aljoma Holding Company, LLC	Michigan	UFP Lansing, LLC	Michigan
Aljoma Lumber, Inc.	Florida	UFP McMinnville, LLC	Michigan
Ardellis Insurance Ltd.	Bermuda	UFP Mexico Embalaje y Distribution S. DE R. L. DE C.V. (33% owned)	Mexico
Caliper Building Systems, LLC	Michigan	UFP Mid-Atlantic, LLC	Michigan
D & L Framing, LLC (100% owned)	Nevada	UFP Minneota, LLC	Michigan
D&R Framing Contractors, L.L.C. (50% owned)	Michigan	UFP Morristown, LLC	Michigan
Eovations, LLC	Michigan	UFP Moultrie, LLC	Michigan
Great Lakes Framing, LLC	Michigan	UFP New London, LLC	Michigan
Gulf Coast Components, LLC (50% owned)	Michigan	UFP New Waverly, LLC	Michigan
International Wood Industries, Inc.	California	UFP New Windsor, LLC	Michigan
Maine Ornamental, LLC	Michigan	UFP New York, LLC	Michigan
Mid Atlantic Framing, LLC	Michigan	UFP Northeast, LLC	Michigan
Pinelli Universal TKT, S. de R.L. de C.V. (50% owned)	Mexico	UFP Parker, LLC	Michigan
Pinelli Universal, S. de R.L. de C.V. (50% owned)	Mexico	UFP Purchasing, Inc.	Michigan
PR Distribution, LLC	Michigan	UFP Ranson, LLC	Michigan
Shawnlee Construction LLC	Michigan	UFP Real Estate, Inc.	Michigan
Shepardville Construction, LLC	Michigan	UFP Riverbank, LLC	Michigan
Titan Foundations, LLC	Michigan	UFP Riverside, LLC	Michigan
TKT Real Estate, S. de R.L. de C.V. (50% owned)	Mexico	UFP Saginaw, LLC	Michigan
Treating Services of Minnesota, LLC	Michigan	UFP Salisbury, LLC	Michigan
Tresstar, LLC	Michigan	UFP San Antonio, LLC	Michigan
U.F.P Mexico Holdings, S. de R.L. de C.V.	Mexico	UFP Schertz, LLC	Michigan
UFP Ashburn, LLC	Michigan	UFP Southeast, LLC	Michigan
UFP Atlantic Division, LLC	Michigan	UFP Southern Holding Company, Inc.	Michigan
UFP Atlantic, LLC	Michigan	UFP Southwest, LLC	Michigan
UFP Auburndale, LLC	Michigan	UFP Stockertown, LLC	Michigan
UFP Belchertown, LLC	Michigan	UFP Tennessee, LLC	Michigan
UFP Berlin, LLC	Michigan	UFP Thorndale Partnership (70% owned)	Canada
UFP Blanchester, LLC	Michigan	UFP Thornton, LLC	Michigan
UFP Burleson, LLC	Michigan	UFP Transportation, Inc.	Michigan
UFP Chandler, LLC	Michigan	UFP Union City, LLC	Michigan
UFP Distribution, LLC	Michigan	UFP Ventures II, Inc.	Michigan
UFP Eastern Division, Inc.	Michigan	UFP Warrens, LLC	Michigan
UFP Eatonton, LLC	Michigan	UFP West Central, LLC	Michigan
UFP Elizabeth City, LLC	Michigan	UFP Western Division, Inc.	Michigan

UFP Emlenton, LLC	Michigan	UFP Western Holding Company, Inc.	Michigan
UFP Far West, LLC	Michigan	UFP White Bear Lake, LLC	Michigan
UFP Gordon, LLC	Michigan	UFP Windsor, LLC	Michigan
UFP Grandview, LLC	Michigan	UFP Woodburn, LLC	Michigan
UFP Granger, LLC	Michigan	United Lumber & Reman, LLC (50% owned)	Michigan
UFP Great Lakes, LLC	Michigan	Universal Consumer Products, Inc.	Michigan
UFP Gulf, LLC	Michigan	Universal Forest Products of Canada, Inc.	Canada
UFP Haleyville, LLC	Michigan	Universal Forest Products RMS, LLC	Michigan
UFP Harrisonville, LLC	Michigan	Universal Forest Products Texas LLC	Michigan
UFP Hillsboro, LLC	Michigan	Universal Forest Products, Inc.	Michigan
UFP Holding Company, Inc.	Michigan	Universal Truss, Inc.	Michigan
UFP Houston, LLC	Michigan	Western Building Professionals of California II Limited Partnership	Michigan
UFP Janesville, LLC	Michigan	Western Building Professionals of California, Inc.	Michigan
UFP Lafayette, LLC	Michigan	Western Building Professionals, LLC	Michigan

Exhibit 23–Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Universal Forest Products, Inc. and subsidiaries of our reports dated March 14, 2012, with respect to the consolidated financial statements of Universal Forest Products, Inc. and subsidiaries, and the effectiveness of internal control over financial reporting of Universal Forest Products, Inc. and subsidiaries, included in the fiscal 2010 Annual Report to Shareholders of Universal Forest Products, Inc. and subsidiaries.

We also consent to the incorporation by reference in the Registration Statement file numbers 33-81128, 33-81116, 33-81450, 333-60630, 333-88056, 333-150345 and 333-156596 on Form S-8 related to various employee option and incentive stock plans and Registration Statement file number 333-75278 on Form S-3 of our reports dated February 22, 2011, with respect to the consolidated financial statements of Universal Forest Products, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Universal Forest Products, Inc. and subsidiaries, incorporated by reference in this Annual Report (Form 10-K) for the fiscal year ended December 25, 2010.

/s/ Ernst & Young LLP

Grand Rapids, Michigan
March 14, 2012

EXHIBIT 31(a)

Universal Forest Products, Inc.

Certification

I, Matthew J. Missad, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2012

/s/ Matthew J. Missad
Matthew J. Missad
Chief Executive Officer and
Principal Executive Officer

EXHIBIT 31(b)

Universal Forest Products, Inc.

Certification

I, Michael R. Cole, certify that:

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

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2012

/s/ Michael R. Cole
Michael R. Cole
Chief Financial Officer,
Principal Financial Officer and
Principal Accounting Officer

EXHIBIT 32(a)

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, Matthew J. Missad, 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 report on Form 10-K for the year ended December 31, 2011, 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 report on Form 10-K for the period ended December 31, 2011 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date: March 14, 2012

By: /s/ Matthew J. Missad
Matthew J. Missad
Its: Chief Executive Officer and
Principal Executive Officer

The signed original of this written statement required by Section 906, or any other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Universal Forest Products, Inc. and will be retained by Universal Forest Products, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32(b)

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 report on Form 10-K for the period ended December 31, 2011, 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 report on Form 10-K for the period ended December 31, 2011 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date:	March 14, 2012	By:	/s/ Michael R. Cole
			Michael R. Cole
		Its:	Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer

The signed original of this written statement required by Section 906, or any other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Universal Forest Products, Inc. and will be retained by Universal Forest Products, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.