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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 27, 2009

OR

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

Commission File Number 0-22684

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

Michigan	38-1465835
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2801 East Beltline NE, Grand Rapids, Michigan	49525
(Address of principal executive offices)	(Zip Code)

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☑ Accelerated Filer o Non-Accelerated Filer o Smaller reporting company o

Indicate by checkmark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes o No ☑

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

Class	Outstanding as of June 27, 2009
Common stock, no par value	19,308,699

TABLE OF CONTENTS

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

(in thousands, except share data)	June 27, 2009	December 27, 2008	June 28, 2008
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 32,633	$ 13,337	$ 32,483
Accounts receivable, net	197,901	138,043	227,963
Inventories:			
Raw materials	95,288	109,942	122,262
Finished goods	70,202	83,554	100,675
	165,490	193,496	222,937
Assets held for sale	3,057	8,296	10,334
Refundable income taxes		6,283	489
Other current assets	19,728	21,453	34,339
TOTAL CURRENT ASSETS	418,809	380,908	528,545
OTHER ASSETS	3,456	5,927	7,657
GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS	156,936	159,263	158,287
OTHER INTANGIBLE ASSETS, net	20,767	22,751	28,377
PROPERTY, PLANT AND EQUIPMENT:			
Property, plant and equipment	506,519	505,177	514,347
Accumulated depreciation and amortization	(271,010)	(258,007)	(250,712)
PROPERTY, PLANT AND EQUIPMENT, NET	235,509	247,170	263,635
TOTAL ASSETS	$ 835,477	$ 816,019	$ 986,501
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 98,805	$ 63,184	$ 122,345
Accrued liabilities:			
Compensation and benefits	50,580	49,306	53,327
Other	34,879	22,620	35,766
Current portion of long-term debt and capital lease obligations	396	15,490	945
TOTAL CURRENT LIABILITIES	184,660	150,600	212,383
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, less current portion	55,108	85,684	177,063
DEFERRED INCOME TAXES	17,746	17,056	24,491
OTHER LIABILITIES	14,766	14,453	17,746
TOTAL LIABILITIES	272,280	267,793	431,683
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, 19,308,699, 19,088,880 and 18,989,644	$ 19,309	$ 19,089	$ 18,990
Additional paid-in capital	130,405	128,830	125,225
Retained earnings	407,035	393,312	397,201
Accumulated other comprehensive earnings	2,615	2,353	4,653
	559,364	543,584	546,069
Employee stock notes receivable	(1,797)	(1,701)	(1,775)
	557,567	541,883	544,294
Noncontrolling interest	5,630	6,343	10,524
TOTAL EQUITY	563,197	548,226	554,818
TOTAL LIABILITIES AND EQUITY	$ 835,477	$ 816,019	$ 986,501

See notes to unaudited consolidated condensed financial statements.

Table of Contents

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

(in thousands, except per share data)	Three Months Ended June 27, 2009	Three Months Ended June 28, 2008	Six Months Ended June 27, 2009	Six Months Ended June 28, 2008
NET SALES	$ 514,945	$ 708,485	$ 876,667	$ 1,197,997
COST OF GOODS SOLD	432,460	623,607	747,361	1,058,299
GROSS PROFIT	82,485	84,878	129,306	139,698
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	56,020	61,712	105,112	120,256
NET (GAIN) LOSS ON DISPOSITION OF ASSETS AND OTHER IMPAIRMENT AND EXIT CHARGES	(716)	408	(1,852)	1,215
EARNINGS FROM OPERATIONS	27,181	22,758	26,046	18,227
INTEREST EXPENSE	1,429	3,290	2,503	6,884
INTEREST INCOME	(96)	(179)	(179)	(552)
	1,333	3,111	2,324	6,332
EARNINGS BEFORE INCOME TAXES	25,848	19,647	23,722	11,895
INCOME TAXES	9,393	7,470	8,430	4,120
NET EARNINGS	16,455	12,177	15,292	7,775
LESS NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(367)	(514)	(411)	(688)
NET EARNINGS ATTRIBUTABLE TO CONTROLLING INTEREST	$ 16,088	$ 11,663	$ 14,881	$ 7,087
EARNINGS PER SHARE — BASIC	$ 0.84	$ 0.61	$ 0.77	$ 0.37
EARNINGS PER SHARE — DILUTED	$ 0.83	$ 0.61	$ 0.77	$ 0.37
WEIGHTED AVERAGE SHARES OUTSTANDING	19,241	19,048	19,213	19,022
WEIGHTED AVERAGE SHARES OUTSTANDING WITH COMMON STOCK EQUIVALENTS	19,459	19,267	19,370	19,224

See notes to unaudited consolidated condensed financial statements.

Table of Contents

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

	Controlling Interest Shareholders' Equity						
(in thousands, except share and per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings	Employees Stock Notes Receivable	Noncontrolling Interest	Total
Balance at December 29, 2007	**$ 18,908**	**$ 123,368**	**$ 391,253**	**$ 4,704**	**$ (1,565)**	**$ 10,376**	**$ 547,044**
Comprehensive income:							
Net earnings			7,087			688	
Foreign currency translation adjustment				(51)		263	
Total comprehensive income							7,987
Capital contribution from noncontrolling interest						419	419
Purchase of additional noncontrolling interest						(844)	(844)
Distributions to noncontrolling interest						(378)	(378)
Cash dividends — $0.060 per share			(1,139)				(1,139)
Issuance of 77,325 shares under employee stock plans	77	956					1,033
Issuance of 2,965 shares under stock grant programs	3	82					85
Issuance of 11,525 shares under deferred compensation plans	12	(12)					—
Received 17,396 shares for the exercise of stock options	(17)	(563)					(580)
Tax benefits from non-qualified stock options exercised		106					106
Expense associated with share-based compensation arrangements		564					564
Accrued expense under deferred compensation plans		494					494
Issuance of 7,374 shares in exchange for employee stock notes receivable	7	230			(237)		—
Payments received on employee stock notes receivable					27		27
Balance at June 28, 2008	**$ 18,990**	**$ 125,225**	**$ 397,201**	**$ 4,653**	**$ (1,775)**	**$ 10,524**	**$ 554,818**
Balance at December 27, 2008	**$ 19,089**	**$ 128,830**	**$ 393,312**	**$ 2,353**	**$ (1,701)**	**$ 6,343**	**$ 548,226**
Comprehensive income:							
Net earnings			14,881			411	
Foreign currency translation adjustment				262		(37)	
Total comprehensive income							15,517
Purchase of additional noncontrolling interest		(853)				(917)	(1,770)
Distributions to noncontrolling interest						(170)	(170)
Cash dividends — $0.060 per share			(1,158)				(1,158)
Issuance of 65,933 shares under employee stock plans	66	1,111					1,177
Issuance of 78,706 shares under stock grant programs	79	10					89
Issuance of 72,989 shares under deferred compensation plans	73	(73)					—
Received 1,530 shares for the exercise of stock options	(2)	(30)					(32)
Tax benefits from non-qualified stock options exercised		276					276
Change in deferred tax asset		(518)					(518)
Expense associated with share-based compensation arrangements		1,089					1,089
Accrued expense under deferred compensation plans		442					442
Issuance of 3,721 shares in exchange for employees' stock notes receivable	4	121			(125)		—
Payments received on employee stock notes receivable					29		29
Balance at June 27, 2009	**$ 19,309**	**$ 130,405**	**$ 407,035**	**$ 2,615**	**$ (1,797)**	**$ 5,630**	**$ 563,197**

See notes to unaudited consolidated condensed financial statements.

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

(in thousands)	Six Months Ended June 27, 2009	Six Months Ended June 28, 2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings attributable to controlling interest	$ 14,881	$ 7,087
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	16,510	19,331
Amortization of intangibles	4,520	4,778
Expense associated with share-based compensation arrangements	1,089	564
Excess tax benefits from share-based compensation arrangements	(211)	(42)
Expense associated with stock grant plans	89	85
Deferred income taxes	195	(212)
Net earnings attributable to noncontrolling interest	411	688
Net (gain) loss on sale or impairment of property, plant and equipment	(2,457)	573
Changes in:		
Accounts receivable	(59,701)	(83,169)
Inventories	27,980	16,043
Accounts payable	35,576	37,659
Accrued liabilities and other	23,798	22,170
NET CASH FROM OPERATING ACTIVITIES	62,680	25,555
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(7,279)	(10,469)
Acquisitions, net of cash received	—	(23,338)
Proceeds from sale of property, plant and equipment	10,241	26,827
Advances on notes receivable	(14)	(997)
Collections of notes receivable	68	448
Insurance proceeds	1,023	—
Other, net	11	(97)
NET CASH FROM INVESTING ACTIVITIES	4,050	(7,626)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayments under revolving credit facilities	(30,257)	(28,295)
Repayment of long-term debt	(16,213)	(492)
Borrowings of long-term debt	800	—
Proceeds from issuance of common stock	1,177	805
Additional 5% purchase of Shawnlee	(1,770)	—
Distributions to noncontrolling interest	(170)	(378)
Investment received from minority shareholder	—	419
Dividends paid to shareholders	(1,158)	(1,139)
Excess tax benefits from share-based compensation arrangements	211	42
Other, net	(54)	(13)
NET CASH FROM FINANCING ACTIVITIES	(47,434)	(29,051)
NET CHANGE IN CASH AND CASH EQUIVALENTS	19,296	(11,122)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,337	43,605
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 32,633	$ 32,483

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

(in thousands)	Six Months Ended June 27, 2009	Six Months Ended June 28, 2008
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:		
Cash paid (refunded) during the period for:		
Interest	$ 2,790	$ 6,977
Income taxes	(6,050)	(10,330)
NON-CASH FINANCING ACTIVITIES:		
Stock acquired through employees’ stock notes receivable	$ 125	$ 237
NON-CASH FINANCING ACTIVITIES:		
Common stock issued under deferred compensation plans	$ 2,392	$ 331
Stock received for the exercise of stock options, net	32	352

See notes to unaudited consolidated condensed financial statements.

UNIVERSAL FOREST PRODUCTS, INC.

NOTES TO UNAUDITED
CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

The accompanying unaudited, interim, consolidated, condensed financial statements (the “Financial Statements”) include our accounts and those of our wholly-owned and majority-owned subsidiaries and partnerships, and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the Financial Statements do not include all of the information and footnotes normally included in the annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States. All intercompany transactions and balances have been eliminated.

In our opinion, the Financial Statements contain all material adjustments necessary to present fairly our consolidated financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. These Financial Statements should be read in conjunction with the annual consolidated financial statements, and footnotes thereto, included in our Annual Report to Shareholders on Form 10-K for the fiscal year ended December 27, 2008.

Effective at the beginning of the fiscal year ending December 26, 2009, we adopted SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (“SFAS 160”). SFAS 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this statement requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent’s equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. SFAS 160 clarifies that changes in a parent’s ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this statement requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Such gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. SFAS 160 also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. The adoption of SFAS 160 did not have a material impact on our consolidated financial statements.

Effective at the beginning of the fiscal year ending December 26, 2009, we adopted FASB Staff Postion No. EITF 03-06-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities* (“FSP EITF 03-06-01”). FSP EITF 03-06-01 clarifies that unvested share-based payment awards with a right to receive nonforfeitable dividends are participating securities and also provides guidance on how to allocate earnings to participating securities and compute basic earnings per share using the two-class method.

The adoption of FSP EITF 03-06-01 impacts our Executive Stock Grant Plan and its related effect on our earnings per share calculation was not significant.

Subsequent events have been evaluated through our filing date.

B. FAIR VALUE

Effective at the beginning of the fiscal year ended December 27, 2008, we adopted SFAS No. 157, *Fair Value Measurements* ("SFAS 157"). This new standard establishes a framework for measuring the fair value of assets and liabilities. This framework is intended to provide increased consistency in how fair value determinations are made under various existing accounting standards which permit, or in some cases require, estimates of fair market value. SFAS 157 also expands financial statement disclosure requirements about a company's use of fair value measurements, including the effect of such measures on earnings. The adoption has not had a material impact on our consolidated financial statements. SFAS 157 requires fair value measurements be classified and disclosed in one of three categories.

Effective at the beginning of the fiscal year ended December 26, 2009, we adopted the nonfinancial asset and liability provisions of SFAS 157 as previously deferred by FSP No. 157-2, *Effective Date of FASB Statement No. 157* ("FSP 157-2").

Assets and liabilities measured at fair value are as follows:

	June 27, 2009			June 28, 2008		
(in thousands)	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)
Assets:						
Trading marketable securities	$ 749	$ 749		$ 4,562	$ 4,562	
Assets held for sale				410		$ 410
Property, plant and equipment	1,204		$ 1,204	1,140		1,140
	$ 1,953	$ 749	$ 1,204	$ 6,112	$ 4,562	$ 1,550

Effective at the beginning of the fiscal year ended December 27, 2008, we adopted SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS 159"). SFAS 159 allows companies to choose to measure certain financial instruments and certain other items at fair value. The statement requires that unrealized gains and losses are reported in earnings for items measured using the fair value option and establishes presentation and disclosure requirements. We have elected not to apply the fair value option to any of our financial instruments except for those expressly required by U.S. GAAP.

C. REVENUE RECOGNITION

Earnings on construction contracts are reflected in operations using either percentage-of-completion accounting, which includes the cost to cost and units of delivery methods, or completed contract accounting, 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. Under the completed contract method, revenues and related earnings are recorded when the contracted work is complete and losses are charged to operations in their entirety when such losses become apparent.

The following table presents the balances of percentage-of-completion accounts which are included in "Other current assets" and "Accrued liabilities: Other", respectively (in thousands):

	June 27, 2009	December 27, 2008	June 28, 2008
Cost and Earnings in Excess of Billings	$ 7,086	$ 7,934	$ 15,155
Billings in Excess of Cost and Earnings	7,728	5,882	13,124

UNIVERSAL FOREST PRODUCTS, INC.

D. EARNINGS PER SHARE

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

	Three Months Ended June 27, 2009			Three Months Ended June 28, 2008		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net Earnings Attributable to Controlling Interest	$ 16,088			$ 11,663		
EPS — Basic						
Income available to common stockholders	16,088	19,241	$ 0.84	11,663	19,048	$ 0.61
Effect of dilutive securities						
Options		218			219	
EPS — Diluted						
Income available to common stockholders and assumed options exercised	$ 16,088	19,459	$ 0.83	$ 11,663	19,267	$ 0.61

	Six Months Ended June 27, 2009			Six Months Ended June 28, 2008		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net Earnings Attributable to Controlling Interest	$ 14,881			$ 7,087		
EPS — Basic						
Income available to common stockholders	14,881	19,213	$ 0.77	7,087	19,022	$ 0.37
Effect of dilutive securities						
Options		157			202	
EPS — Diluted						
Income available to common stockholders and assumed options exercised	$ 14,881	19,370	$ 0.77	$ 7,087	19,224	$ 0.37

Options to purchase 10,000 shares of common stock were not included in the computation of diluted EPS for the quarter ended June 27, 2009 because the options’ exercise price was greater than the average market price of the common stock during the period and, therefore would be antidilutive.

Options to purchase 120,000 shares of common stock were not included in the computation of diluted EPS for the six months ended June 27, 2009 because the options’ exercise price was greater than the average market price of the common stock during the period and, therefore would be antidilutive.

Options to purchase 10,000 shares of common stock were not included in the computation of diluted EPS for the quarter and six months ended June 28, 2008 because the options’ exercise price was greater than the average market price of the common stock during the period and, therefore would be antidilutive.

E. SALE OF ACCOUNTS RECEIVABLE

On March 8, 2006 we entered into an accounts receivable sale arrangement with a bank that was terminated on September 26, 2008. Under the terms of this arrangement:

- We sold specific receivables to the bank at an agreed-upon price at terms ranging from one month to one year.
- We serviced the receivables sold and outstanding on behalf of the bank at a rate of 0.50% per annum.
- We received an incentive servicing fee, which we account for as a retained interest in the receivables sold. Our retained interest is determined based on the fair market value of anticipated collections in excess of the Agreed Base Value of the receivables sold. Appropriate valuation allowances are recorded against the retained interest.
- The maximum amount of receivables, net of retained interest, which may be sold and outstanding at any point in time under this arrangement was $50 million.

No receivables were outstanding as of June 27, 2009. On June 28, 2008, $54.1 million of receivables were sold and outstanding, and we recorded $4.1 million of retained interest in “Other current assets”. A summary of the transactions we completed for the first six months of 2008 are presented below (in thousands).

	Six Months Ended June 28, 2008
Accounts receivable sold	$ 295,800
Retained interest in receivables	(2,432)
Expense from sale	(818)
Servicing fee received	111
Net cash received from sale	$ 292,661

F. ASSETS HELD FOR SALE AND NET (GAIN) LOSS ON DISPOSITION OF ASSETS AND OTHER IMPAIRMENTS AND EXIT CHARGES

Included in “Assets held for sale” on our Consolidated Condensed Balance Sheets are certain property, plant and equipment totaling $3.1 million on June 27, 2009 and $10.3 million on June 28, 2008. The assets held for sale consist of certain vacant land and several facilities we closed to better align manufacturing capacity with the current business environment. The fair values were determined based on appraisals or recent offers to acquire the assets. These and other idle assets were evaluated based on the requirements of SFAS 144, which resulted in certain impairment and other exit charges. “Net (gain) loss on disposition of assets and other impairment and exit charges” consists of the following amounts, separated by reporting segment, for the periods presented below (in thousands):

	Three Months Ended June 27, 2009		Three Months Ended June 28, 2008	
	Eastern and Western Divisions	All Other	Eastern and Western Divisions	All Other
Severances	$ 142		$ 97	
Property, plant and equipment	273		311	
Gain on sale of real estate	(1,131)			

	Six Months Ended June 27, 2009		Six Months Ended June 28, 2008	
	Eastern and Western Divisions	All Other	Eastern and Western Divisions	All Other
Severances	$ 605		$ 685	
Property, plant and equipment	1,063		573	
Gain on sale of real estate	(3,520)		(43)	

The changes in assets held for sale in 2009 are as follows (in thousands):

Description	Net Book Value	Date of Sale	Net Sale Price
Assets held for sale as of December 27, 2008	$ 8,296		
Additions	1,030		
Sale of certain real estate in Woodburn, Oregon	(2,806)	February 6, 2009	$5.2 million
Sale of certain real estate in Dallas, Texas	(2,433)	May 13, 2009	$3.4 million
Sale of certain real estate in Murrieta, California	(1,030)	June 10, 2009	$0.9 million
Assets held for sale as of June 27, 2009	$ 3,057		

G. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

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

We own and operate a number of facilities throughout the United States that 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; Gordon, PA; Janesville, WI; Medley, FL; and Ponce, PR. 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 the second quarter, 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 $4.3 million on June 27, 2009 and $4.4 million on June 28, 2008, 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. We 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 June 27, 2009, 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 June 27, 2009, we had outstanding purchase commitments on capital projects of approximately $1.2 million.

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

In certain cases we supply building materials and labor to site-built 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 June 27, 2009, we had approximately $16.7 million in outstanding payment and performance bonds, which expire during the next two years. In addition, approximately $24.4 million in payment and performance bonds are outstanding for completed projects which are still under warranty.

We have entered into operating leases for certain personal property assets that include a guarantee of a portion of the residual value of the leased assets. If at the expiration of the initial lease term we do not exercise our option to purchase the leased assets and these assets are sold by the lessor for a price below a predetermined amount, we will reimburse the lessor for a certain portion of the shortfall. These operating leases will expire periodically over the next five years. The estimated maximum aggregate exposure of these guarantees is approximately $2.0 million.

On June 27, 2009, we had outstanding letters of credit totaling $32.2 million, primarily related to certain insurance contracts and industrial development revenue bonds as further described 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 $17.4 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 $14.8 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 $0.4 million. As a result, this amount is recorded in other long-term liabilities on June 27, 2009.

We did not enter into any new guarantee arrangements during the second quarter of 2009 which would require us to recognize a liability on our balance sheet.

H. BUSINESS COMBINATIONS

No business combinations were completed in fiscal 2009. We completed the following business combinations in fiscal 2008 which were accounted for using the purchase method (in millions).

Company Name	Acquisition Date	Purchase Price	Intangible Assets	Net Tangible Assets	Reportable Segment	Business Description
D-Stake Mill and Manufacturing Country ("D-Stake")	June 9, 2008	$7.1 (asset purchase)	$ 5.1	$ 2.0	Western Division	Manufactures kiln stickers, lath, stakes, decking, and pallets and pallet components for a variety of industries including manufacturing, retail and agriculture. Plants are located in McMinnville, OR and Independence, OR. Combined 2007 sales were $18.5 million. Purchased 100% of the inventory, property, plant and equipment, and intangibles
Shawnlee Construction, LLC ("Shawnlee")	April 1, 2008	$1.8 (asset purchase)	$ 1.0	$ 0.8	Eastern Division	Provides framing services for multi-family construction in the northeast. Located in Plainville, MA. As of April 1, 2008 we owned a 90% membership interest and have purchased and additional 5% interest each year.
Romano Construction Company, Ltd. ("Romano")	March 15, 2008	$0.4 (asset purchase)	$ 0.2	$ 0.2	Eastern Division	Provides framing services and is located in Middletown, NY. Purchased 100% of the property, plant and equipment and intangibles
International Wood Industries, Inc. ("IWI")	February 4, 2008	$14.0 (stock purchase)	$ 10.6	$ 3.4	Western Division	Manufactures and distributes industrial products, including specialty boxes, crates, pallets and skids. Headquartered in Turlock, CA with distribution sites in Hawaii and Alaska. 2007 sales were $40.0 million. Purchased 100% voting interest

UNIVERSAL FOREST PRODUCTS, INC.

The purchase price allocation for D-Stake is final and any adjustments will be recognized in the income statement. The amounts assigned to major intangible classes for business combinations mentioned above are as follows (in millions):

	Non-compete agreements	Customer Relationships	Goodwill — Total	Goodwill — Tax Deductible
D-Stake	$ 2.6		$ 2.5	$ 2.5
Shawnlee	0.3	$ 0.4	0.3	0.3

The purchase price allocation for IWI was finalized during the first quarter as follows (in millions).

	Non-compete agreements	Customer Relationships	Goodwill — Total	Goodwill — Tax Deductible
IWI — preliminary	5.4		5.2	
Final purchase price allocations	(3.0)	5.6	(2.6)	
IWI — final	2.4	5.6	2.6	0.0

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

I. SEGMENT REPORTING

SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information* ("SFAS 131") 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.

Under the definition of a segment, our Eastern, Western and Consumer Products Divisions may be considered an operating segment of our business. Under SFAS 131, segments may be aggregated if the segments have similar economic characteristics and if the nature of the products, distribution methods, customers and regulatory environments are similar. Based on this criteria, we have aggregated our Eastern and Western Divisions into one reporting segment. Our Consumer Products Division is included in the "All Other" column in the table below. Our divisions operate manufacturing and treating facilities throughout North America. A summary of results for the first six months of 2009 and 2008 are presented below (in thousands).

	Six Months Ended June 27, 2009			Six Months Ended June 28, 2008		
	Eastern and Western Divisions	All Other	Total	Eastern and Western Divisions	All Other	Total
Net sales to outside customers	$ 812,108	$ 64,559	$ 876,667	$1,152,132	$ 45,865	$1,197,997
Intersegment net sales	0	20,950	20,950	0	16,015	16,015
Segment operating profit	21,432	4,614	26,046	16,238	1,989	18,227

UNIVERSAL FOREST PRODUCTS, INC.

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

Included in this report are certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements are based on the beliefs and assumptions of management, together with information available to us when the statements were made. Future results could differ materially from those included in such forward-looking statements as a result of, among other things, the factors set forth below and certain economic and business factors which may be beyond our control. Investors are cautioned that all forward-looking statements involve risks and uncertainty. We also encourage you to read our Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission. That report includes "Risk Factors" that you should consider in connection with any decision to buy or sell our securities. We are pleased to present this overview of 2009.

OVERVIEW

Our results for the second quarter of 2009 were impacted by the following:

- We experienced sales decreases in all of our markets; nonetheless, we believe we have gained additional share in each of the markets we serve, except manufactured housing. We have been able to maintain our significant share of the manufactured housing market.

- Our overall unit sales decreased 19%, as sales out of existing facilities and operations we closed decreased by 20% this quarter and we experienced a 1% increase in unit sales as a result of acquisitions.

- Single-family housing starts decreased approximately 43% in April and May of 2009, compared to the same periods of 2008, as a result of an excess supply of homes, tight credit conditions, and an increase in foreclosures. In addition multi-family and commercial construction has decreased approximately 65% and 34%, respectively, in April and May 2009 compared to the same periods of 2008.

- Consumer spending for large repair/remodel projects has decreased due to general economic conditions, among other factors. The Consumer Confidence Index has fallen from 51 in June of 2008 to 49 in June of 2009, and the same store sales of "big box" home improvement retailers have declined by low double-digit rates.

- Shipments of HUD code manufactured homes were down 46% in April and 45% in May of 2009, compared to the same periods of 2008. Industry sales of modular homes have also continued to decline. Weak market conditions are due, in part, to an excess supply of site-built homes and tight credit conditions.

- The industrial market has declined due to the general weakening of the U.S. economy. We gained additional share of this market due, in part, to acquisitions and adding new concrete forming business.

- Our gross margin increased to 16.0% from 12.0% in 2008 primarily due to:

  - An improvement in material costs as a percentage of net sales.

  - An improvement in labor and plant overhead as a percentage of net sales.

  - Lower freight costs.

  - The lower level of the Lumber Market.

- Our SG&A expenses are down approximately $5.7 million, or 9%, from the second quarter of 2008, due to our right-sizing efforts and plant consolidation actions we took last year, offset somewhat by an increase in bad debt and incentive compensation expense.

- Our net interest costs decreased by $1.8 million, or 57%, as our interest-bearing debt and amounts outstanding under our sale of receivables program declined from $178 million at the end of June of 2008 to $56 million at the end of June of 2009. This decrease was slightly offset by approximately $360,000 of expense related to a make-whole provision we incurred by electing to pay off a $15 million senior unsecured note six months early. We will save approximately $420,000 in the last six months of 2009 because of this pre-payment.

- We are pleased to report operating and investing cash flows totaling almost $67 million for the first six months of 2009 due to improved profitability, effective working capital management, and reduced working capital requirements due to weak demand.

Outlook

We expect the current challenging conditions to prevail throughout 2009; however, our strong financial position, solid business model, diverse business opportunities and ability to adjust appropriately to our opportunities position us well to endure challenging times. We believe that current economic conditions and uncertainties limit our ability to provide meaningful guidance for ranges of likely financial performance; therefore, we will not provide annual sales or net earnings targets for the foreseeable future.

Route 2012

Since we discussed our Growth & Opportunity 2010 (“GO 2010”) goals in our annual report on form 10-K for the period ended December 30, 2006, industry and general economic conditions have significantly deteriorated. In addition, the Lumber Market has declined from an average of $388/mbf in 2005 to an average of $203/mbf in 2009; a 48% decline from when we first set our goals, which has adversely impacted our sales.

In place of our GO 2010 goals, we have a new four-year growth plan titled “Route 2012,” which includes goals to be achieved by the end of our fiscal year 2012 including:

- Increase sales to $3 billion.
- Improve productivity by 15% through our Continuous Improvement initiative.
- Improve profitability by three hundred basis points through productivity improvements, cost reductions, and growth.
- Improve receivables cycles in our industrial, site-built 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%.

HISTORICAL LUMBER PRICES

The following table presents the Random Lengths framing lumber composite price for the six months ended June 27, 2009 and June 28, 2008:

	Random Lengths Composite Average $/MBF 2009	2008
January	$ 198	$ 249
February	199	244
March	195	240
April	208	255
May	198	281
June	222	268
Second quarter average	$ 209	$ 268
Year-to-date average	$ 203	$ 256
Second quarter percentage change from 2008	(22.0%)	
Year-to-date percentage change from 2008	(20.7%)	

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

	Random Lengths SYP Average $/MBF	
	2009	2008
January	$ 241	$ 269
February	233	264
March	232	264
April	241	272
May	231	324
June	236	318
Second quarter average	$ 236	$ 285
Year-to-date average	$ 236	$ 305
Second quarter percentage change from 2008	(17.2%)	
Year-to-date percentage change from 2008	(22.6%)	

IMPACT OF THE LUMBER MARKET ON OUR OPERATING RESULTS

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 DIY/retail customers, as well as trusses, wall panels and other components sold to the site-built 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.

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 12% 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. (*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.

UNIVERSAL FOREST PRODUCTS, INC.

BUSINESS COMBINATIONS

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

RESULTS OF OPERATIONS

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

	For the Three Months Ended		For the Six Months Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	84.0	88.0	85.2	88.4
Gross profit	16.0	12.0	14.8	11.6
Selling, general, and administrative expenses	10.9	8.7	12.0	10.0
Net (gain) loss on disposition of assets and other impairment and exit charges	(0.1)	0.1	(0.2)	0.1
Earnings from operations	5.2	3.2	3.0	1.5
Interest, net	0.2	0.4	0.3	0.5
Earnings before income taxes	5.0	2.8	2.7	1.0
Income taxes	1.9	1.1	1.0	0.3
Net earnings	3.1	1.7	1.7	0.7
Less net earnings attributable to noncontrolling interest	(0.0)	(0.1)	(0.0)	(0.1)
Net earnings attributable to controlling interest	3.1%	1.6%	1.7%	0.6%

GROSS SALES

We market, manufacture and engineer wood and wood-alternative products for the DIY/retail market, structural lumber products for the manufactured housing market, engineered wood components for the site-built construction market, and specialty wood packaging for various markets. We also provide framing services for the site-built construction market and various forms for concrete construction. 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, and increasing our sales of engineered wood components for custom home, multi-family and light commercial construction.
- Expanding geographically in our core businesses.

- Increasing sales of "value-added" products and framing services. Value-added product sales primarily consist of fencing, decking, lattice, and other specialty products sold to the DIY/retail 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.

- 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.

	For the Three Months Ended			For the Six Months Ended		
Market Classification	June 27, 2009	June 28, 2008	% Change	June 27, 2009	June 28, 2008	% Change
DIY/Retail	$ 291,540	$ 337,061	(13.5)	$ 459,674	$ 512,520	(10.3)
Site-Built Construction	60,830	132,085	(54.0)	121,595	239,093	(49.1)
Industrial	131,281	172,285	(23.8)	234,940	311,893	(24.7)
Manufactured Housing	44,668	84,167	(46.9)	81,218	160,609	(49.4)
Total Gross Sales	528,319	725,598	(27.2)	897,427	1,224,115	(26.7)
Sales Allowances	(13,374)	(17,113)		(20,760)	(26,118)	
Total Net Sales	$ 514,945	$ 708,485	(27.3)	$ 876,667	$1,197,997	(26.8)

Note: In the first quarter of 2009, we reviewed the classification of our customers and made certain reclassifications. Prior year information has been restated to reflect these reclassifications.

Gross sales in the second quarter of 2009 decreased 27% compared to the second quarter of 2008. We estimate that our unit sales decreased by 19% and overall selling prices decreased by 8% comparing the two periods. We estimate that our unit sales increased 1% as a result of business acquisitions, while unit sales from existing and closed facilities decreased 20%. Our overall selling prices may fluctuate as a result of the Lumber Market (see "Historical Lumber Prices) and competitive factors.

Gross sales in the first six months of 2009 decreased 27% compared to the first six months of 2008 resulting from an estimated decrease in units shipped of approximately 20%, while overall selling prices decreased by 7%. We estimate that our unit sales increased 1% as a result of business acquisitions and new plants, while our unit sales from existing and closed facilities decreased by 21%.

Changes in our sales by market are discussed below.

DIY/Retail:

Gross sales to the DIY/retail market decreased 14% in the second quarter of 2009 compared to 2008 primarily due to an estimated 6% decrease in overall unit sales and an estimated 8% decrease in overall selling prices due to the Lumber Market. We estimate that our unit sales increased 1% as a result of acquisitions, while unit sales from existing and closed facilities decreased 7%. Unit sales declined due to the impact of the housing market on our retail customers whose business is closely correlated with single-family housing starts and a decline in consumer spending as evidenced by low double-digit declines in same store sales reported by our “big box” customers. We achieved market share gains in 2009 which offset some of the impact of these adverse market conditions.

Gross sales to the DIY/retail market decreased 10% in the first six months of 2009 compared to 2008 primarily due to an estimated 4% decrease in overall unit sales and an estimated 6% decrease in overall selling prices due to the Lumber Market. We estimate that our unit sales increased 1% as a result of acquisitions, while unit sales from existing and closed facilities decreased 5%. The decrease in unit sales is primarily due to the same factors mentioned in the paragraph above.

Site-Built Construction:

Gross sales to the site-built construction market decreased 54% in the second quarter of 2009 compared to 2008 due to an estimated 42% decrease in unit sales out of existing plants and an estimated 12% decrease in our average selling prices primarily due to the Lumber Market. National single-family housing starts were off a reported 43% for April and May of 2009 compared to the same period of 2008. Multi-family and commercial construction activity declined approximately 65% and 34%, respectively, in April and May 2009 compared to the same period of 2008.

Gross sales to the site-built construction market decreased 49% in the first six months of 2009 compared to 2008, due to an estimated 39% decrease in unit sales and an estimated 10% decrease in selling prices. National single-family housing starts were off a reported 40% through May of 2009 compared to the same period of 2008. Multi-family and commercial construction activity declined approximately 55% and 25%, respectively, through May of 2009 compared to the same period of 2008.

Industrial:

Gross sales to the industrial market decreased 24% in the second quarter of 2009 compared to the same period of 2008, due to an estimated 15% decrease in unit sales and an estimated 9% decrease in selling prices. We continue to experience a decline in sales to certain of our customers that supply the housing market or have been impacted by the weakening U.S. economy. We have been able to offset some of the impact of a decline in demand with market share gains and our continued penetration of the concrete forming market.

Gross sales to the industrial market decreased 25% in the first six months of 2009 compared to the same period of 2008, due to an estimated 20% decrease in units and an estimated 5% decrease in selling prices. Unit sales decreased for the reasons mentioned in the paragraph above.

Manufactured Housing:

Gross sales to the manufactured housing market decreased 47% in the second quarter of 2009 compared to the same period of 2008, primarily due to an estimated 41% decrease in unit sales and an estimated 6% decrease in selling prices due to the Lumber Market. Our decline in unit sales was the result of an overall decline in industry production. The industry most recently reported a decrease in HUD code production of 46% in April and 45% in May of 2009 compared to the same period of 2008. Modular home production was similarly down during the period.

Gross sales to the manufactured housing market decreased 49% in the first six months of 2009 compared to the same period of 2008. This decrease resulted from an estimated 45% decrease in unit sales combined with an estimated 4% decrease in selling prices. Industry production of HUD code homes was off a reported 46% through May of 2009 compared to the same period of 2008. Modular home production was similarly down during the period.

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.

	Three Months Ended		Six Months Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Value-Added	61.2%	61.4%	61.0%	61.2%
Commodity-Based	38.8%	38.6%	39.0%	38.8%

Value-added sales decreased 27% in the second quarter of 2009 compared to 2008, primarily due to decreased sales of trusses, turn-key framing and installed sales, engineered wood products, fencing and manufactured component lumber. Commodity-based sales decreased 27% comparing the second quarter of 2009 with the same period of 2008, primarily due to decreased sales of non-manufactured and treated lumber.

Value-added sales decreased 27% in the first six months of 2009 compared to 2008, primarily due to decreased sales of trusses, turn-key framing and installed sales, engineered wood products and manufactured component lumber. Commodity-based sales decreased 27% comparing the first six months of 2009 with the same period of 2008, primarily due to decreased sales of non-manufactured lumber and panels and treated lumber.

COST OF GOODS SOLD AND GROSS PROFIT

Our gross profit percentage increased to 16.0% from 12.0% comparing the second quarter of 2009 with the same period of 2008. In addition, our gross profit dollars decreased by only 3% comparing the second quarter of 2009 with the same period of 2008, which compares favorably with our 19% decrease in unit sales. Our improved gross margin is primarily due to:

- An improvement in material costs as a percentage of net sales as a result of better inventory management to protect margins.
- An improvement in labor and plant overhead as a percentage of net sales due to plant consolidation and right-sizing efforts previously taken.
- Lower freight costs.
- The lower level of the Lumber Market.

Our gross profit percentage increased to 14.8% from 11.6% comparing the first six months of 2009 with the same period of 2008. In addition, our gross profit dollars decreased by approximately 7% comparing the first six months of 2009 with the same period of 2008, which compares favorably with our 20% decrease in unit sales. Our improved gross margin comparing these two periods was primarily due to the factors mentioned in the paragraph above.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative ("SG&A") expenses decreased by approximately $5.7 million, or 9.2%, in the second quarter of 2009 compared to the same period of 2008, while we reported a 19% decrease in unit sales. Operations we closed decreased $4.1 million and existing operations decreased $1.6 million. The decrease in SG&A expenses at our existing operations was primarily due to a decline in wages and related costs due to a reduction in headcount and a decline in many other account categories as a result of efforts to control costs. These decreases were partially offset by an increase in accrued bonus and bad debt expense. Our SG&A expenses increased as a percentage of sales primarily due to the lower level of the Lumber Market, accrued bonus, and bad debt expense.

Selling, general and administrative ("SG&A") expenses decreased by approximately $15.1 million, or 12.6%, in the first six months of 2009 compared to the same period of 2008, while we reported a 20% decrease in unit sales. Operations we closed decreased $9.1 million and existing operations decreased $6.0 million. The decrease in SG&A expenses at our existing operations was primarily due to a decline in wages and related costs due to a reduction in headcount and a decline in many other account categories as a result of efforts to control costs combined with several smaller decreases. These decreases were partially offset by an increase in accrued bonus and bad debt expense. Our SG&A expenses increased as a percentage of sales primarily due to the lower level of the Lumber Market, accrued bonus, and bad debt expense.

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

We incurred $0.4 million of charges in the second quarter of 2009 relating to asset impairments and other costs associated with idled facilities and down-sizing efforts. These costs were offset by a $1.1 million gain on the sale of certain real estate in 2009. We believe these actions will improve our cost structure, profitability and cash flow in future reporting periods.

We incurred $1.6 million of charges in the first six months of 2009 relating to asset impairments and other costs associated with idled facilities and down-sizing efforts. These costs were offset by $3.5 million of gains on the sale of certain real estate in 2009.

INSURANCE PROCEEDS

In May, 2008 our plant in Windsor, Colorado was hit by a tornado. In accordance with Financial Interpretation No. (“FIN”) 30, *Accounting for Involuntary Conversions of Non-Monetary Assets to Monetary Assets*, we have written off the net book value of the destroyed inventory and property totaling $0.7 million. The insured value of the property exceeded its net book value, which was recorded as a gain in 2008. In 2008, we collected $0.8 million of the insurance receivable and in 2009 we collected $1.0 million. As of June 27, 2009, there is no remaining insurance receivable.

INTEREST, NET

Net interest costs were lower in the second quarter and first six months of 2009 compared to the same periods of 2008 due to lower debt balances combined with a decrease in short-term interest rates upon which our variable rate debt is based. In addition, in June of 2009 we incurred $360,000 of expense related to a make-whole provision as a result of electing to pay off one of our senior unsecured notes six months early. We will save approximately $420,000 in the last six months of 2009 because of this pre-payment.

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 decreased to 36.3% in the second quarter of 2009, compared to 38.0% in the second quarter of 2008 primarily due to the research & development tax credit. In 2008, this credit did not receive legislative approval until October.

Our effective tax rate increased to 35.5% in the first six months of 2009 from 34.6% in the same period of 2008. The year to date rate comparison is impacted by the same factors discussed above and a tax benefit recognized in the first quarter of 2008 as a result of foreclosing on a note receivable from a joint venture.

OFF-BALANCE SHEET TRANSACTIONS

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

UNIVERSAL FOREST PRODUCTS, INC.

LIQUIDITY AND CAPITAL RESOURCES

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

	Six Months Ended	
	June 27, 2009	June 28, 2008
Cash from operating activities	$ 62,680	$ 25,555
Cash from investing activities	4,050	(7,626)
Cash from financing activities	(47,434)	(29,051)
Net change in cash and cash equivalents	19,296	(11,122)
Cash and cash equivalents, beginning of period	13,337	43,605
Cash and cash equivalents, end of period	$ 32,633	$ 32,483

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 issuance 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 results in significant cash flow from operations in our third and fourth quarters. For comparative purposes, we have included the June 28, 2008 balances in the accompanying unaudited consolidated condensed balance sheets.

Due to the seasonality of our business and the effects of the Lumber Market, we believe our cash cycle (days of sales outstanding plus days supply of inventory less days payables outstanding) is a good indicator of our working capital management. Our cash cycle (excluding the impact of our sale of receivables program) increased to 47 days in the first six months of 2009 from 46 days in the first six months of 2008, due to a 1 day increase in our days supply of inventory. The increase in our days supply of inventory was primarily due to a combination of lower than planned sales early in the year and inventory positions we have taken to protect margins on future business.

Cash provided by operating activities was approximately $63 million in the first six months of 2009. Our net earnings of $14.9 million included $20.1 million of non-cash expenses and a $27.7 million decrease in working capital. Working capital decreased primarily due to reductions in inventory as we reached our primary selling season, the impact of a lower Lumber Market on our inventory levels, and an increase in accounts payable as purchases and volumes increase. These reductions are offset by an increase in accounts receivable due to higher sales volumes. In addition, through June of 2008, there was approximately $23 million of positive cash flow included in operating activities related to our sale of receivables program. Specifically, at the end of December 2007 and June 2008 we had approximately $27 million and $50 million, respectively, of receivables sold and outstanding under this program. This program was terminated in September 2008.

We have made the decision to limit our investing activities in 2009 and make debt repayment our first priority for use of our operating cash flows. As a result, we have curtailed our capital expenditures and currently plan to spend approximately $13 million in 2009, which includes outstanding purchase commitments on existing capital projects totaling approximately $1.2 million on June 27, 2009. We intend to fund capital expenditures and purchase commitments through our operating cash flows. In addition, we sold certain real estate, for which we had no planned future use, for approximately $10 million.

On June 27, 2009, we had no outstanding balance on our $300 million revolving credit facility, which matures in February of 2012. The revolving credit facility also supports letters of credit totaling approximately $29.7 million on June 27, 2009. 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 June 27, 2009.

Our Series 2002-A Senior Notes totaling $15.0 million, due on December 18, 2009, were pre-paid during the second quarter of 2009.

ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

See Notes to Consolidated Condensed Financial Statements, Note G, “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. There have been no material changes in our policies or estimates since December 27, 2008.

UNIVERSAL FOREST PRODUCTS, INC.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

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

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

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures. With the participation of management, our chief executive officer and chief financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a — 15e and 15d — 15e) as of the quarter ended June 27, 2009 (the “Evaluation Date”), have concluded that, as of such date, our disclosure controls and procedures were effective.

(b) Changes in Internal Controls. During the quarter ended June 27, 2009, 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.

UNIVERSAL FOREST PRODUCTS, INC.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) None.

(b) None.

(c) Issuer purchases of equity securities.

Fiscal Month	(a)	(b)	(c)	(d)
March 29, 2009 — May 2, 2009(1)				1,223,323
May 3 — 30, 2009				1,223,323
May 31, 2009 — June 27, 2009				1,223,323

(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. As of June 27, 2009, cumulative total authorized shares available for repurchase is 1.2 million shares.

UNIVERSAL FOREST PRODUCTS, INC.

PART II. OTHER INFORMATION

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

The following matters were voted upon at our Annual Meeting of Shareholders on April 15, 2009:

(a) Election of three Directors for three year terms expiring in 2012:

	For	Withheld
Dan M. Dutton	17,864,305	476,081
William R. Payne	17,465,166	875,221
Louis A. Smith	17,205,900	1,134,486

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

William G. Currie
John M. Engler
John W. Garside
Michael B. Glenn
Gary F. Goode
Mark A. Murray

(b) Amendment to our 1999 Long Term Stock Incentive Plan:

For	Withheld	Abstain
11,183,701	5,775,517	19,546

(c) Ratification of the appointment of Ernst & Young LLP as independent public accountants for fiscal 2009:

For	Withheld	Abstain
18,033,868	300,170	6,348

Item 5. Other Information.

In the second quarter of 2009, the Audit Committee approved $2,000 of non-audit services to be provided by our independent auditors, Ernst & Young LLP, for 2009.

UNIVERSAL FOREST PRODUCTS, INC.

PART II. OTHER INFORMATION

Item 6. Exhibits.

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

10 Material Contracts.

*(a)(9) Amended and restated Consulting and Non-Compete Agreement with William G. Currie, dated Ju1y 10, 2009.

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).

---

* Indicates a compensatory arrangement.

UNIVERSAL FOREST PRODUCTS, INC.

SIGNATURES

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

UNIVERSAL FOREST PRODUCTS, INC.

Date: July 20, 2009	By: /s/ Michael B. Glenn Michael B. Glenn Its: Chief Executive Officer
Date: July 20, 2009	By: /s/ Michael R. Cole Michael R. Cole Its: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10	Material Contracts.
	*(a)(9) Amended and restated Consulting and Non-Compete Agreement with William G. Currie, dated July 10, 2009.
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).

* Indicates a compensatory arrangement.

AMENDED AND RESTATED CONSULTING AND NON-COMPETE AGREEMENT

DATE: July 10, 2009

PARTIES:

William G. Currie
1830 Beard Dr. SE
Grand Rapids, MI 49546

(herein the "Advisor")

Universal Forest Products, Inc.
(and its affiliates and subsidiaries)
2801 East Beltline NE
Grand Rapids, MI 49525
(herein "UFP")

Whereas, the parties entered into a Consulting and Non-Compete Agreement dated December 17, 2007; and,

Whereas, the agreement provided a formula for calculation of the amount of payments due to the Advisor based in part on the compensation of the advisor subsequent to December 17, 2007;

Now, therefore, the parties hereby amend and restate the Consulting Agreement to provide the actual payments due under the formula, and to combine the Consulting Agreement and Nondisclosure Agreement, the latter of which is hereby terminated.

PURPOSE OF THE AGREEMENT.

Advisor has served UFP for many years as its Senior Executive Officer and presently serves as Chairman of the Board of Directors. Advisor's leadership has been an important force in the success, growth and prosperity of UFP.

Advisor intends to retire as an officer of UFP as of July 21, 2009. UFP wishes to continue to utilize the experience, ability and skills of Advisor as an advisor and consultant following his retirement. Advisor has agreed to (1) provide those services upon the terms and conditions set forth in this Agreement, and (2) restrict his services from being provided to any competitors of UFP.

The Parties agree as follows:

SECTION 1. RETENTION OF ADVISOR.

1.1 Effective Date. Effective with Advisor's retirement from UFP, July 21, 2009, (herein the "Effective Date") and during the Consulting Term described in Section 4.1, UFP shall retain Advisor as an independent contractor and consultant. Advisor accepts such consulting relationship upon the terms and conditions set forth in this Agreement.

1.2 <u>Services</u>. Advisor agrees to provide business leadership, management, and investor relations consulting services, as requested by senior management or the Board of Directors of UFP, for the exclusive benefit of UFP. Advisor shall perform such consulting services faithfully for UFP during the term of this Agreement. Such consulting services will require approximately five hundred (500) hours per year of Advisor's time. UFP will not pay consulting fees if the services are not provided. Advisor agrees to serve on UFP's Board of Directors during the term of this Agreement.

1.3 <u>Provision of Services</u>. Advisor agrees to submit recommendations to the Chief Executive Officer and Board of Directors of UFP regarding business leadership, management, and investor relations, and such other aspects of the business of UFP as he, in his professional judgment and discretion, deems appropriate. Advisor shall also provide specific consultation and recommendations on particular issues or areas, as submitted to him by senior management or the Board of Directors of UFP. Advisor shall, in providing these services, exercise autonomy in determining the means and methods of accomplishing the result. If at any time during the Consulting Term, Advisor engages in other full time employment, Advisor shall not be deemed to be in breach of this Agreement, only if such employment consists of the Advisor providing services to one or more (a) charitable or non-profit organizations, or (b) Advisor's family-owned for profit entities, including corporations, trusts, partnerships, or LLC's, otherwise the Consulting Term shall terminate except for the provisions of Section 6 hereof, and UFP shall have no further obligations under this Agreement. Notwithstanding the foregoing, subject to Section 6 hereof, during the Consulting Term, Advisor may provide part-time services to third parties, including serving as a member of the board of directors of any such party. For purposes of this Agreement, full-time employment shall mean Advisor working in a position or positions, other than with UFP, which require Advisor to devote substantially all of a standard forty (40) hour work week.

1.4 <u>Personal Services</u>. Advisor agrees that this Consulting Agreement is for the personal services of the Advisor, based on his significant experience with the industry and his thirty five (35) years of service to UFP, and may be assigned to Currie Holdings LLC or a third party controlled by Advisor, provided however that the obligations to provide consulting services, board services and not to compete with UFP shall remain personal obligations of Advisor.

SECTION 2. CONSULTING FEE AND EXPENSE REIMBURSEMENT.

2.1 <u>Consulting and Non-Compete Fee</u>. In full satisfaction for any and all consulting, board service and non-compete payments to Advisor during the Consulting Term under this Agreement, UFP shall pay Advisor an annual fee equal to the average of the previous five years (2004-2008 inclusive) of compensation paid to Advisor while he was employed by UFP. The average annual compensation for this period is $1,413,157.

The fee will be paid in monthly installments in arrears in the amount of One Hundred Seventeen Thousand Seven Hundred Sixty-Three Dollars ($117,763.00).

2.2 <u>Health Insurance</u>. UFP will provide reimbursement to Advisor for health insurance coverage pursuant to COBRA for eighteen (18) months after the Effective Date. Thereafter, UFP will provide reimbursement to Advisor for health insurance costs up to Twelve Thousand Dollars ($12,000.00) per year.

2.3 <u>Other Compensation and Fringe Benefit</u>. Except as set forth in Section 3 of this Agreement, Advisor shall not receive any other payments from UFP, nor shall Advisor or any individual with whom he contracts to assist in the providing of services under this Agreement be eligible to participate in or receive benefits under any UFP fringe benefit programs, including, without limitation, disability, life insurance, and 401(k) benefits.

2.4 <u>Allocation of Consideration</u>. The consideration for the consulting services shall be Five Hundred Thousand Dollars ($500,000.00) per year. The consideration for serving as Chairman of the Board will be One Hundred Fifty Thousand Dollars ($150,000.00). Seven Hundred Sixty Three Thousand One Hundred Fifty Seven Dollars ($763,157.00) shall be allocated to Advisor's obligations under Section 6 hereof.

2.5 <u>Treatment of Stock Options</u>. During the Consulting Term, Advisor will be considered as an Employee for the sole purpose of the reference contained in the stock option agreements and the stock grant described in Schedule 2.5.

SECTION 3. NATURE OF RELATIONSHIP; EXPENSES.

3.1 <u>Independent Contractor</u>. Except as otherwise expressly stated in this Agreement, Advisor shall be an independent contractor and shall not be an employee, servant, agent, partner, or joint venturer of UFP, or any of its officers, directors, or employees.

3.2 Insurance and Taxes. Advisor agrees to arrange for Advisor's own liability, disability, and workers' compensation insurance to cover himself and any of Advisor's employees. Advisor agrees to be responsible for Advisor's own tax obligations accruing as a result of payments for services rendered under this Agreement, as well as for the tax withholding obligations with respect to Advisor's employees, if any. It is expressly understood and agreed by Advisor that should UFP for any reason incur tax liability or charges whatsoever as a result of not making any withholdings from payments for services under this Agreement, Advisor will reimburse and indemnify UFP for the same.

3.3 Equipment, Tools, Employees, and Overhead. Other than the expense reimbursement provided herein, UFP shall have no obligation to provide equipment or tools needed to provide services under this Agreement, including the salaries of and benefits provided to any employees of Advisor. Advisor shall be responsible for all of Advisor's overhead costs and expenses.

SECTION 4. TERM.

4.1 Initial Term; Renewal. Unless otherwise terminated pursuant to the provisions of Section 4.2, this Agreement shall commence on the Effective Date and continue in effect until the third anniversary of the Effective Date (the "Consulting Term").

4.2 Early Termination. The consulting fees and board fees payable under this Agreement shall be terminated upon the death or Disability of Advisor, or by written notice from UFP that, in UFP's reasonable determination: (a) Advisor has refused, failed, or is unable to render consulting services under this Agreement; or (b) Advisor has breached any of Advisor's other obligations under this Agreement. If the consulting relationship is terminated for any of the reasons set forth in the preceding sentence, the right of Advisor to the compensation set forth in Section 2 of this Agreement shall cease on the date of such termination, and UFP shall have no further obligation to Advisor under any of the provisions of this Agreement. Disability shall mean a physical or mental injury or illness that totally and permanently renders Advisor unable to perform all of the functions called for under this Agreement.

4.3 Non-Compete Payments. In the event of death or disability of Advisor, as defined in paragraph 4.2 above, the non-compete payments described in Section 6 will continue to be made to the beneficiary of Advisor or to the Advisor's conservator.

4.4 Life Insurance. Advisor and UFP may agree to insure payment of amounts due upon the death of Advisor through a term life insurance policy or similar vehicle.

4.5 Effect of Termination. Termination of the consulting relationship shall not affect the provisions of the covenants set forth in Section 6, which provisions shall survive a termination of this Agreement in accordance with their terms.

SECTION 5. DESIGNS, INVENTIONS, PATENTS AND COPYRIGHTS.

5.1 Intellectual Property. Advisor and UFP shall agree, at the outset of any project, as to the scope of the project and Advisor's role therein (the "Project Scope"). Advisor shall promptly disclose, grant, and assign to UFP for its sole use and benefit any and all designs, inventions, improvements, technical information, know-how and technology, and suggestions within the Project Scope relating in any way to the products of UFP or capable of beneficial use by customers to whom products or services of UFP are sold or provided, that Advisor may conceive, develop, or acquire while consulting with UFP (whether or not during usual working hours), together with all copyrights, trademarks, design patents, patents, and applications for copyrights, trademarks, divisions of pending patent applications, applications for reissue of patents and specific assignments of such applications that may at any time be granted for or upon any such designs, inventions, improvements, technical information, know-how, or technology (Intellectual Property).

5.2 Assignments and Assistance. In connection with the rights of UFP to the Intellectual Property, Advisor shall promptly execute and deliver such applications, assignments, descriptions, and other instruments as may be necessary or proper in the opinion of UFP to vest in UFP title to the Intellectual Property and to enable UFP to obtain and maintain the entire right and title to the Intellectual Property throughout the world. Advisor shall also render to UFP, at UFP's expense, such assistance as UFP may require in the prosecution of applications for said patents or reissues thereof, in the prosecution or defense of interferences which may be declared involving any of said applications or patents, and in any litigation in which UFP may be involved relating to the Intellectual Property.

5.3 Copyrights. Advisor agrees to, and hereby grants to UFP, title to all copyrightable material first designed, produced, or composed in the course of or pursuant to the performance of work under this Agreement, which material shall be deemed "works made for hire" under Title 17, United States Code, Section 1.01 of the Copyright Act of 1976. Advisor hereby grants to UFP a royalty-free, nonexclusive, and irrevocable license to reproduce, translate, publish, use, and dispose of, and to authorize others so to do, any and all copyrighted or copyrightable material created by Advisor as a result of work performed under this Agreement but not first produced or composed by Advisor in the performance of this Agreement, provided that the license granted by this paragraph shall be only to the extent Advisor now has, or prior to the completion of work under this Agreement or under any later agreements with UFP relating to similar work may acquire, the right to grant such licenses without UFP becoming liable to pay compensation to others solely because of such grant.

SECTION 6. NON-COMPETE AGREEMENT

6.1 Advisor 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, access to and knowledge of which may be essential to the performance of Advisor's duties under this Agreement. In light of the highly competitive nature of the industries in which UFP conducts businesses, Advisor agrees that all Proprietary Information obtained by Advisor as a result of his relationship with UFP shall be considered confidential. In recognition of this fact, Advisor agrees that except as may be necessary for UFP's benefit, in Advisor's reasonable judgment, Advisor will not, during and after the Non-Compete Period, disclose any of such Proprietary Information to any person or entity for any reason or purpose whatsoever without the written consent of UFP, and Advisor will not make use of any Proprietary Information for Advisor's own purposes or for the benefit of any other person or entity (except UFP) under any circumstances.

6.2 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 conducts its businesses, and for the consideration set forth herein, Advisor further agrees that during and for the period commencing on July 21, 2009 and ending on July 21, 2012 (the "Non-Compete Period"):

(a) Advisor will not directly or indirectly engage in any Business Activities (hereinafter defined), other than on behalf of UFP, 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), advisor, agent, or other participant, in any geographic area in which the products or services of UFP have been distributed or provided immediately prior to or during the Consulting Term. 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 subsidiaries at any time immediately prior to the Consulting Term, and activities in any way related to activities with respect to which Advisor renders consulting services under this Agreement.

(b) Advisor 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 the consulting relationship with UFP, whether such engagement is as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than one percent (1%) of the outstanding capital stock of a publicly traded corporation), advisor, agent, or other participant.

(c) **<u>Assistance to Others</u>.** Advisor will not directly or indirectly assist others in engaging in any of the Business Activities in any manner prohibited to Advisor under this Agreement.

(d) **<u>UFP's Employees</u>.** Advisor will not directly or indirectly induce employees of UFP to engage in any activity hereby prohibited to Advisor or to terminate their employment with UFP.

SECTION 7. INTERPRETATION.

Although Advisor and UFP consider the restrictions contained in Sections 6.1 and 6.2 of this Agreement reasonable for the purpose of preserving the goodwill, proprietary rights, and going concern value of UFP, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in Section 6.2 is an unenforceable restriction on the activities of Advisor, the provisions of such restriction shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable. Alternatively, if the court referred to above finds that any restriction contained in Section 6.2 or any remedy provided in Section 7 of this Agreement is unenforceable, and such restriction or remedy cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained in this Agreement or the availability of any other remedy. The provisions of Sections 6.1 and 6.2 shall in no respect limit or otherwise affect the obligations of Advisor under other agreements with UFP.

SECTION 8. REMEDIES.

Advisor acknowledges and agrees that UFP's remedy at law for a breach or threatened breach of any of the provisions of Section 5 or Section 6 of this Agreement would be inadequate and, in recognition of this fact, in the event of a breach or threatened breach by Advisor of any of the provisions of Section 5, Advisor agrees that, in addition to its remedies at law, at UFP's option, all rights of Advisor, and obligations of UFP, under this Agreement may be terminated. UFP shall be entitled to equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, or any other equitable remedy that may then be available. UFP shall not be required to post bond, and Advisor agrees not to oppose UFP's request for equitable relief. Advisor acknowledges that the granting of a temporary injunction, temporary restraining order or permanent injunction merely prohibiting the use of Proprietary Information would not be an adequate remedy upon breach or threatened breach of Section 5 or Section 6, and consequently agrees upon any such breach or threatened breach to the granting of injunctive relief prohibiting the design, development, manufacture, marketing or sale of products and providing of services of the kind designed, developed, manufactured, marketed, sold or provided by UFP or its subsidiaries during the term of Advisor's relationship with UFP. Nothing contained in this Section 7 shall be construed as prohibiting UFP from pursuing, in addition, any other remedies available to it for such breach or threatened breach.

SECTION 9. MISCELLANEOUS PROVISIONS.

9.1 Assignment. Except as otherwise provided herein, 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, provided that in the case of assignment to an affiliate or subsidiary, UFP shall remain liable as a guarantor for any payments due to Advisor hereunder.

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 non-defaulting party for all costs and expenses reasonably incurred by the non-defaulting party in connection with the default, including without limitation reasonable attorney's fees. The non-defaulting party may seek reimbursement in a court of competent jurisdiction. 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.

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. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all parties.

UNIVERSAL FOREST PRODUCTS, INC.:

By: ____________________________________
Its: ___________________________________

ADVISOR:

____
William G. Currie

SCHEDULE 2.5

Stock Options

Grant Date of Option:	April 17, 2002	March 1, 2003
Date Exercisable:	April 17, 2011	March 1, 2012
Expiration Date of Option:	April 17, 2012	March 1, 2013
Exercise Price:	$ 24.46	$ 17.10
Number of Shares:	30,000	30,000

Stock Grant

Date of Grant:	April 17, 2002
Number of Shares:	10,000
Conditions to Grant:	Shares are granted upon the first to occur of: (1) Advisor's 65th birthday; (2) A change in control; or (3) Advisor's death.

Exhibit 31(a)

Universal Forest Products, Inc.

Certification

I, Michael B. Glenn, certify that:

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

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this 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 be 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 the registrant’s board of directors (or persons performing the equivalent function):

   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: July 20, 2009

/s/ Michael B. Glenn
Michael B. Glenn
Chief 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-Q of Universal Forest Products, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this 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 be 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 the registrant's board of directors (or persons performing the equivalent function):

   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: July 20, 2009

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

(1) The quarterly report on Form 10-Q for the quarterly period ended June 27, 2009, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended June 27, 2009 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date: July 20, 2009

By: /s/ Michael B. Glenn
Michael B. Glenn
Its: Chief 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 quarterly report on Form 10-Q for the quarterly period ended June 27, 2009, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended June 27, 2009 fairly presents, in all material respects, the financial condition and results of operations of Universal Forest Products, Inc.

UNIVERSAL FOREST PRODUCTS, INC.

Date: July 20, 2009

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