

UNIVERSAL FOREST PRODUCTS



Universal Forest Products



DIY



Site-Built



Industrial

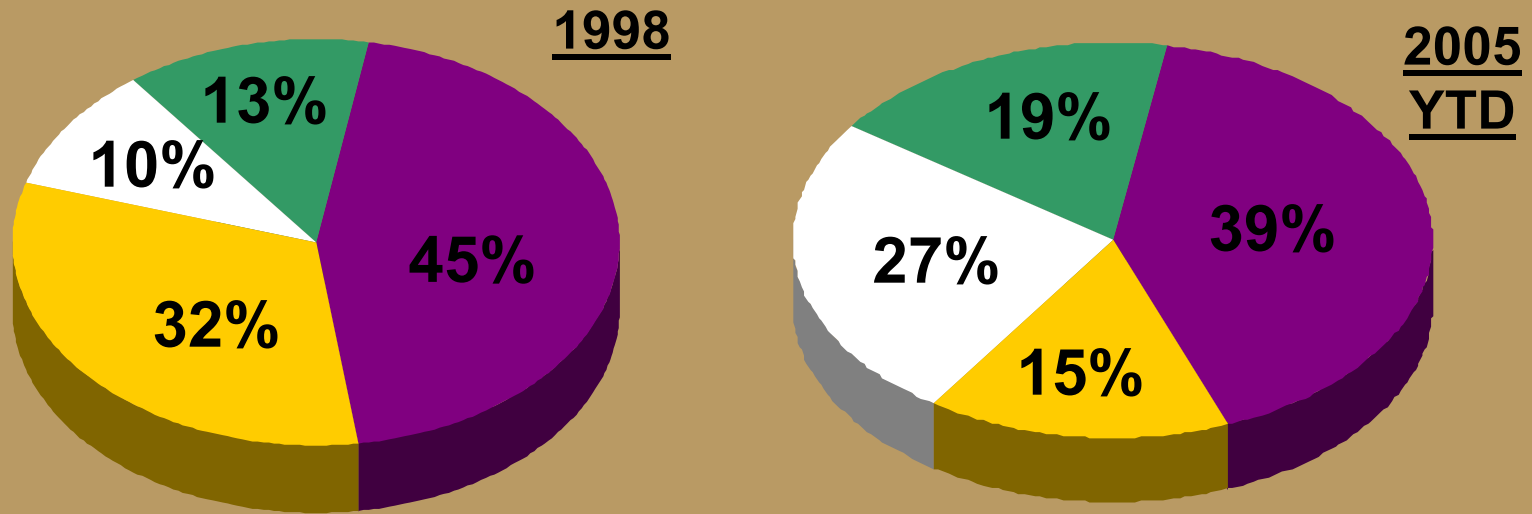






MH/RV

Universal Forest Products is a national supplier to four key markets:

- DIY/retail
- Site-built construction
- Industrial
- Manufactured housing

Balanced Business Model



-  D-I-Y/Retail
-  Manufactured Housing
-  Site-Built Construction
-  Industrial

Universal Forest Products

Strategy

- These cyclical, non-cyclical and counter cyclical markets allow Universal to achieve balance
- Because of the needs of these markets, UFPI can buy entire runs from mills



Our “Whole Log” Purchasing Model

- We use:
 - Appearance grade for exterior applications (*DIY*)
 - Stronger tensile grades for engineered components (*Site Built*)
 - Standard grades for trusses and framing lumber (*MH and Site Built*)
 - Lower grades and our own downfall for many industrial products (*Industrial*)



Universal Forest Products

Universal:

- Is a Midwest company with a strong work ethic
- Is an employer of choice that challenges and nurtures employees, treats them fairly and demands – and gets – excellence
- Is 50 years old and 9,000 people strong
- Values hard work, loyalty, integrity, and an entrepreneurial spirit

Universal's Management Team

Operations Committee	Title	Years of Service
William G. Currie	CEO and Vice Chairman	34
Michael B. Glenn	President and COO	31
Scott Greene	President, Eastern Division	14
Robert K. Hill	President, Western Division	19
Matthew J. Missad	Executive Vice President and Secretary	20
Michael R. Cole	Chief Financial Officer and Treasurer	12
Robert D. Coleman	Executive VP Manufacturing	26

Universal's Management Team

Officers	Title	Years of Service UFPI
Kent A. Bathurst	Vice President Installed Sales	12
Scott W. Conklin	Vice President Wood Preservation	12
Dick Gauthier	Vice President Marketing	21
Robert A. Hendricks	Vice President Legal Services	10
Douglas P. Honholt	Vice President Industrial Sales	34
Ronald G. Klyn	Chief Information Officer	12
Eric S. Maxey	Vice President Administration	24
James A. Overbeek	Vice President Corporate Services	20
David H. Phelps	Exec. VP Purchasing UFP Eastern Div.	16
Michael F. Mordell	Exec. VP Purchasing UFP Western Div.	12
Joseph F. Granger	Vice President Southeast Region	17
Peter R. Boven	Vice President Operations, Southeast region	26

Universal's Management Team

	Title	Years of Service UFPI
Robert W. Lees	Vice President Northeast Region	28
Richard L. McBride	Vice Pres. Great Lakes Region (core plants)	21
Brian K. Ellenberger	Vice Pres. Great Lakes Region (site-built)	7
C. Lee Denham	Vice Pres. Operations Southeast Region	25
Kevin O'Neill	Vice President Home Depot Business Development Unit	27
Claude J. Parent	Vice President Purchasing Eastern Div.	26
Lee W. Currie	Vice President West Central	28
Don James	Vice President Atlantic Region	7
Michael R. Dube	Vice President Operations Southwest Region	13
Eric M. James	Vice President Operations Southwest Region	19
Richard M. Frazier	Vice President Southwest Region	20
Patrick M. Webster	Vice President Far West Region	20

Universal's Culture

Stock Ownership

- Minimum ownership guidelines for managers and above
- Stock note financing for non-Section 16 officers
- Deferred compensation and employee stock purchase plans

Management Structure

- Plants operate as individual profit centers
- Develops strong people
- Extremely low senior management turnover

Compensation

- Compensation structure heavily weighted to bonus tied to profits and ROI hurdle for all salaried personnel

**Result: Managers
act as owners**

Strategically Located Facilities



Universal Forest Products: Our markets



DIY



Site-Built



Industrial



Manufactured housing

UFPI and Do-It-Yourself Retail



- Top products include pressure-treated lumber; wood, vinyl and aluminum fencing; lattice, fascia (trim), engineered wood products and roof trusses.
- Wood-alternative products include composite decking (including Latitudes[®]), TechTrim[™] and plastic lattice.



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1955-2005

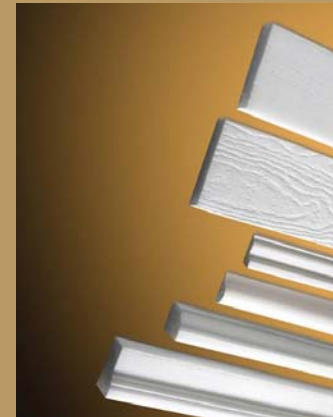
UFPI and The Home Depot



- Long-standing relationship with the Home Depot is difficult to duplicate
 - UFPI delivered Depot its first truckload of treated lumber in 1979.
 - Scale of business (we supply them with 50% of their needs of the SKUs we produce)
 - UFPI Home Depot Business Dev. Unit
 - UMPs (in-store staff; customer clinics)
 - E-business partnership
 - Extensive marketing support
 - J.-I.-T. delivery

Wood alternative

- Composite products:
 - Latitudes[®] Decking and Railing
 - Premier decking product; low-maintenance; wood look without the drawbacks.
 - Veranda[™]
 - Home Depot's private-label composite decking.
 - TechTrim[™]
 - A polymer trim board that looks, feels, cuts, nails, and screws like real wood.



Composite decking



- 2004/2005 Latitudes® launch
 - EverX® product re-branded as “Latitudes®” in 2004 with targeted regional marketing campaigns.
 - Marketing focuses on independent retailers, distributors and consumers and features unique accessories mix.



D-I-Y Growth Opportunities

Composite decking market

- 2005 estimated decking and railing sales: \$4.2 billion. Composite sales equaled approximately 15% of the market.
- Composite market is growing at approximately 20% per year.
- UFPI capacity: \$40 million

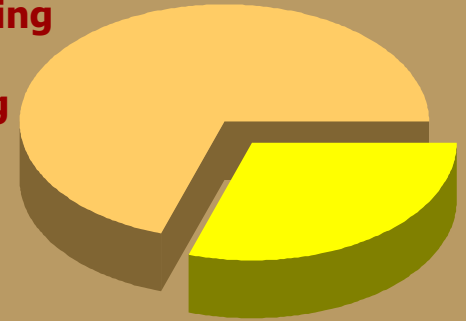
Sources: Freedonia Group, Inc., Company data

D-I-Y Growth Opportunities

Growth Drivers

- There are approximately 123 million housing units in the USA. 83% of these are 25+ years old and need remodeling and improvements
- Consolidation: desire for national supplier
- Mature industry looking for new products (like Latitudes and TechTrim)
- Spending on home improvement products is expected to increase to \$286.5 billion in 2005 (5.8% increase over 2004)

83% of housing units need remodeling



Sources: Harvard University's Joint Center for Housing Studies and the Home Improvement Research Institute, U.S. Census Bureau

UFPI and Site-Built Construction



- A supplier of value-added products: roof trusses, wall panels, floor trusses, I-joists, Open Joist 2000®.
- Entered the market in 1997; today we're the leading national supplier to the industry's largest, most respected homebuilders.



Site-Built Growth Opportunities

Growth Drivers

- More engineered wood components being used to save cost, reduce waste and on-site job theft, improve quality, and to answer critical shortage of skilled labor
- Consolidation of large multi-tract builders
- Desire for national supplier

Site-Built Growth Opportunities



Large national builders looking for framing partners

- UFPI has framing operations in several markets
- Vertically integrated to supply our components to our framing operations

UFPI and Industrial



- 70% packaging; 30% industrial products such as door components, bed frame components, tree boxes
- Leading national supplier in this fragmented industry
- Strong utilization opportunity for the company's TechTrim™ and composite materials



Industrial Products



Industrial Products



Industrial Growth Opportunities

Growth Drivers



- Integrated, highly motivated sales organization (ISAT)
- Use of by-product lumber drives margins
 - Creative use of waste (although not all industrial products are created from low-grade material)
- Fragmented competition
- Cost advantage through purchasing strategy and manufacturing expertise

Industrial Growth Opportunities

- Minimal infrastructure required
 - Growth through existing facilities (organic)
 - Low investment/high return
- UFPI provides engineering and production expertise in a field that's not accustomed to either and is asking for both.

UFPI and Manufactured Housing



- Universal was incorporated in 1955 as a supplier to this market.
- Today, we're the leading supplier of engineered trusses as well as cut-to-order structural lumber components, plywood, and engineered wood products.
- UFPI serves 474 customer locations including these leading manufacturers:

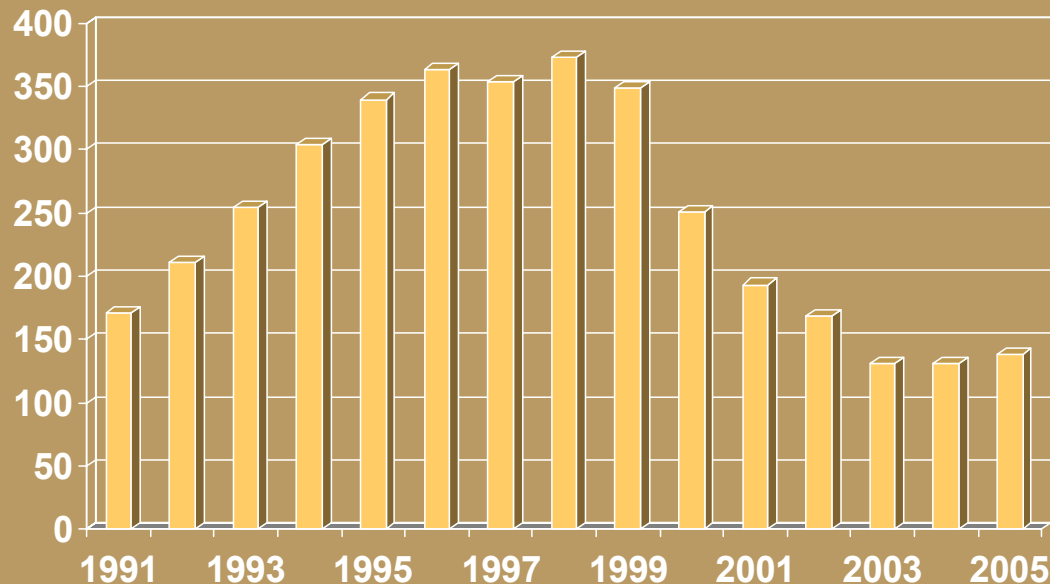


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MH Growth Opportunities

- UFPI has increased its focus on modular market.
- UFPI has proprietary products that are gaining demand.
- The industry's rate of decline has leveled off; UFPI is well-positioned to serve strengthening market.



MH shipments in thousands of units.

Manufactured Housing

Universal has developed new products that are providing opportunities for manufacturers to improve and customize their homes. A few of these products include:

- Pop-Up dormers
- Open Joist 2000[®]
- Double-hinge plates



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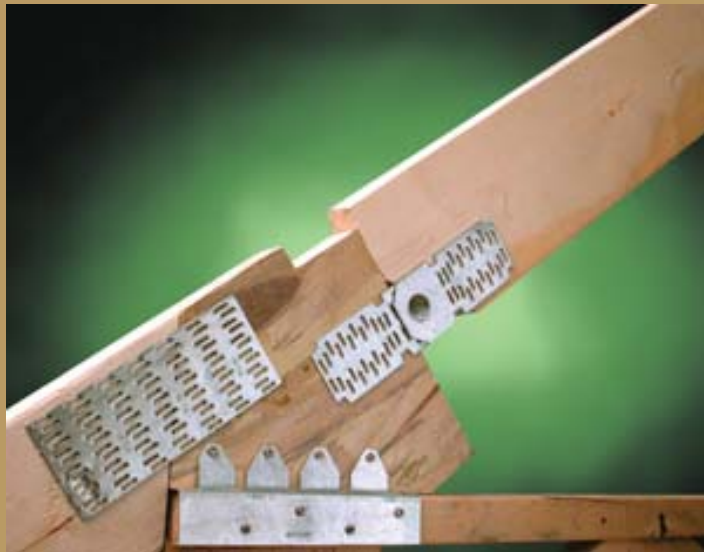
50

1955-2005

Manufactured Housing

Pop-up Dormer

Allows manufacturers to “pop up” pre-assembled dormers on the job site.



Manufactured Housing

Open Joist 2000®

A finger-jointed joist that provides enhanced strength and allows mechanical systems to be installed through its open-web design.

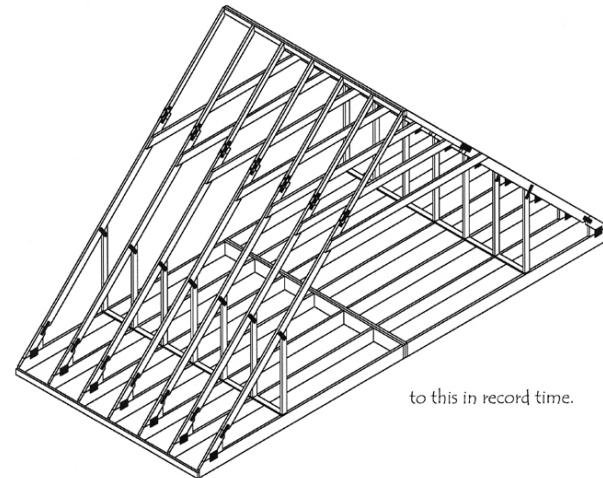
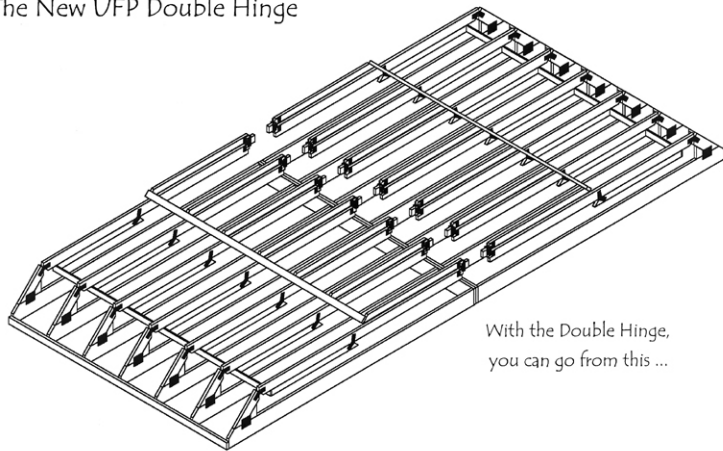


Manufactured Housing

The Double-Hinge Plate

Allows a manufacturer to finish the peak of a roof in the plant instead of on-site (the roof peak unfolds with the DHP plate). It also can allow for a larger overhang, giving the home a more customized look.

The New UFP Double Hinge



Universal Performance

- UFPI hit its goals in its five-year plan that ended in 2002. Its new five-year plan calls for the company to hit these targets by 2007:
 - Grow sales by more than \$1 billion (to \$2.65 billion)
 - Increase working capital efficiency by 10%
 - Increase pre-bonus ROI by 33%
- UFPI is on track to reach these goals.

Acquisitions

- Plan calls for our growth to be 50% organic and 50% acquisition.
- Acquisition criteria include:
 - Strategic business and geographic fit
 - Strong management team that will stay to operate business
 - Target purchase price of 4.0 to 6.0 x average trailing EBIT
 - Targets: Treating consolidation, new products/ services, engineered wood components, framing, and specialty packaging





Financial Strength

2004 Results

In thousands, except per-share data

Financial Highlights	Twelve Months		% Change
	2004	2003	
YTD Net Sales	\$2,453.3m	\$1,898.8m	+29.2
YTD Net Earnings	\$48,603	\$40,119	+21.1
YTD Diluted Earnings Per Share	\$2.59	\$2.18	+18.8

Sales by Market – 2004

		% Change
	D-I-Y	+9.0%
	Site-Built	+56.7%
	Manufactured Housing	+36.6%
	Industrial	+45.1%
	Total	+29.2%

September 2005 YTD Results

In thousands, except per share data

Financial Highlights	Nine Months		% Change
	2005	2004	
YTD Net Sales	\$2,038.2m	\$1,917.5m	+6.3
YTD Net Earnings	\$51,190	\$39,949	+28.1
YTD Diluted Earnings Per Share	\$2.69	\$2.13	+26.3

Sales by Market – September 2005 YTD

% Change



D-I-Y

-0.7%



Site-Built

+13.2%



**Manufactured
Housing**

+8.6%



Industrial

+11.1%

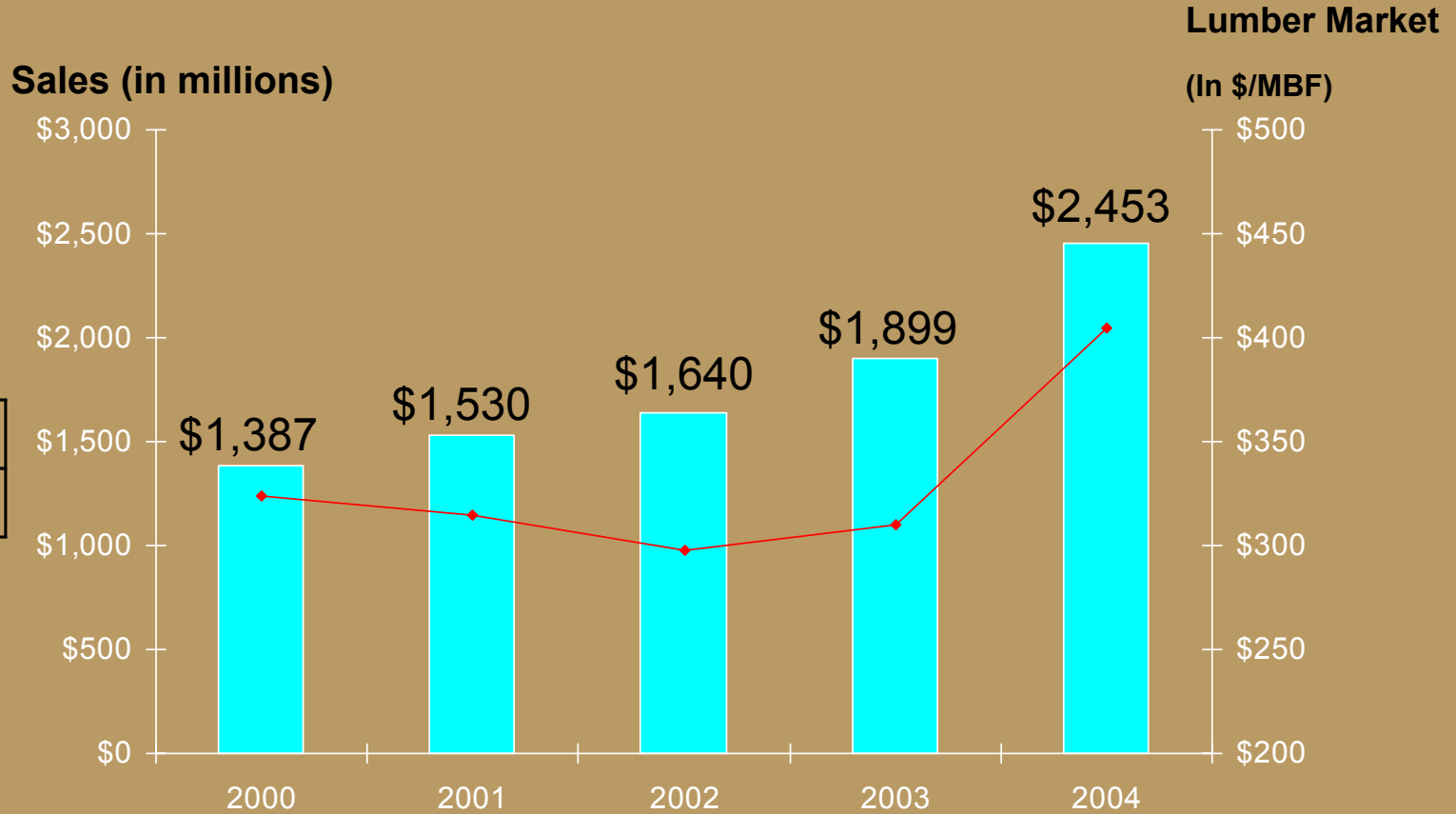
Total

+6.3%

Sales Growth

Unit Sales CAGR

1 yr.	11%
5 yr.	10%



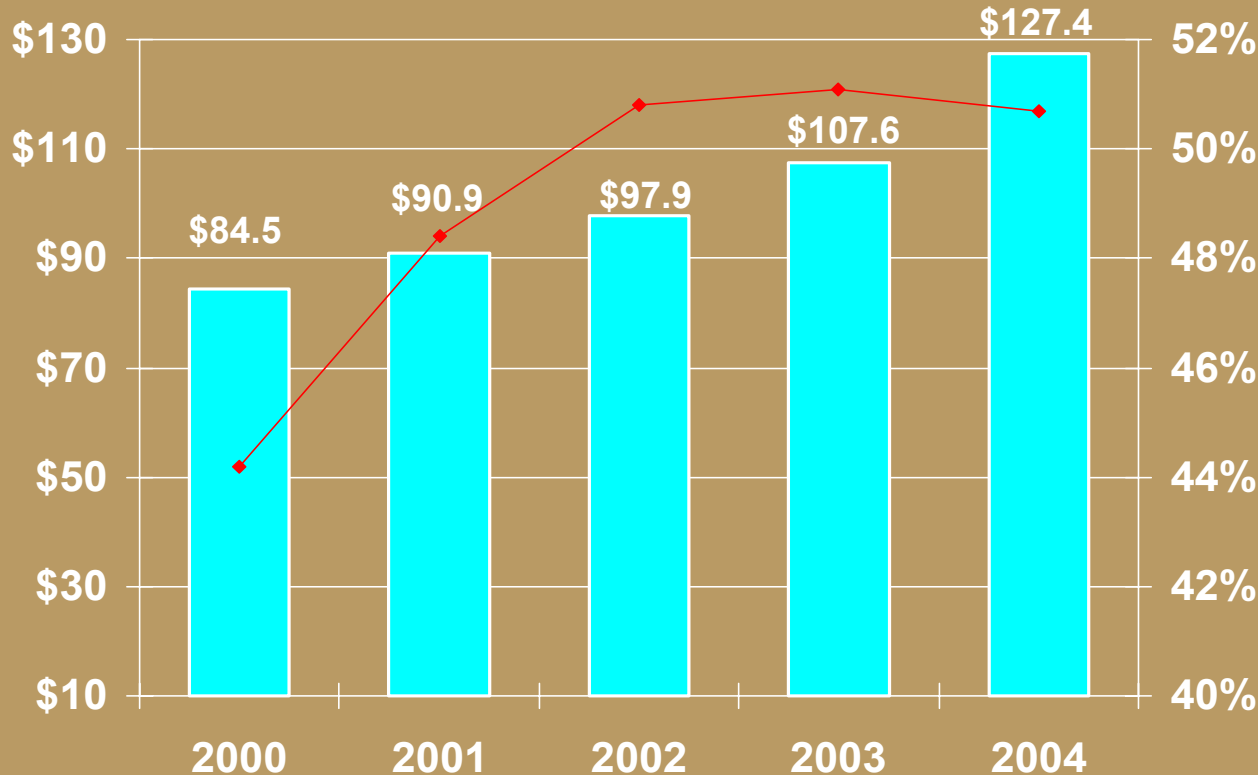
 Net Sales

 Average Lumber Market (\$/MBF)

EBITDA Growth

EBITDA
(In Millions)

VAS %



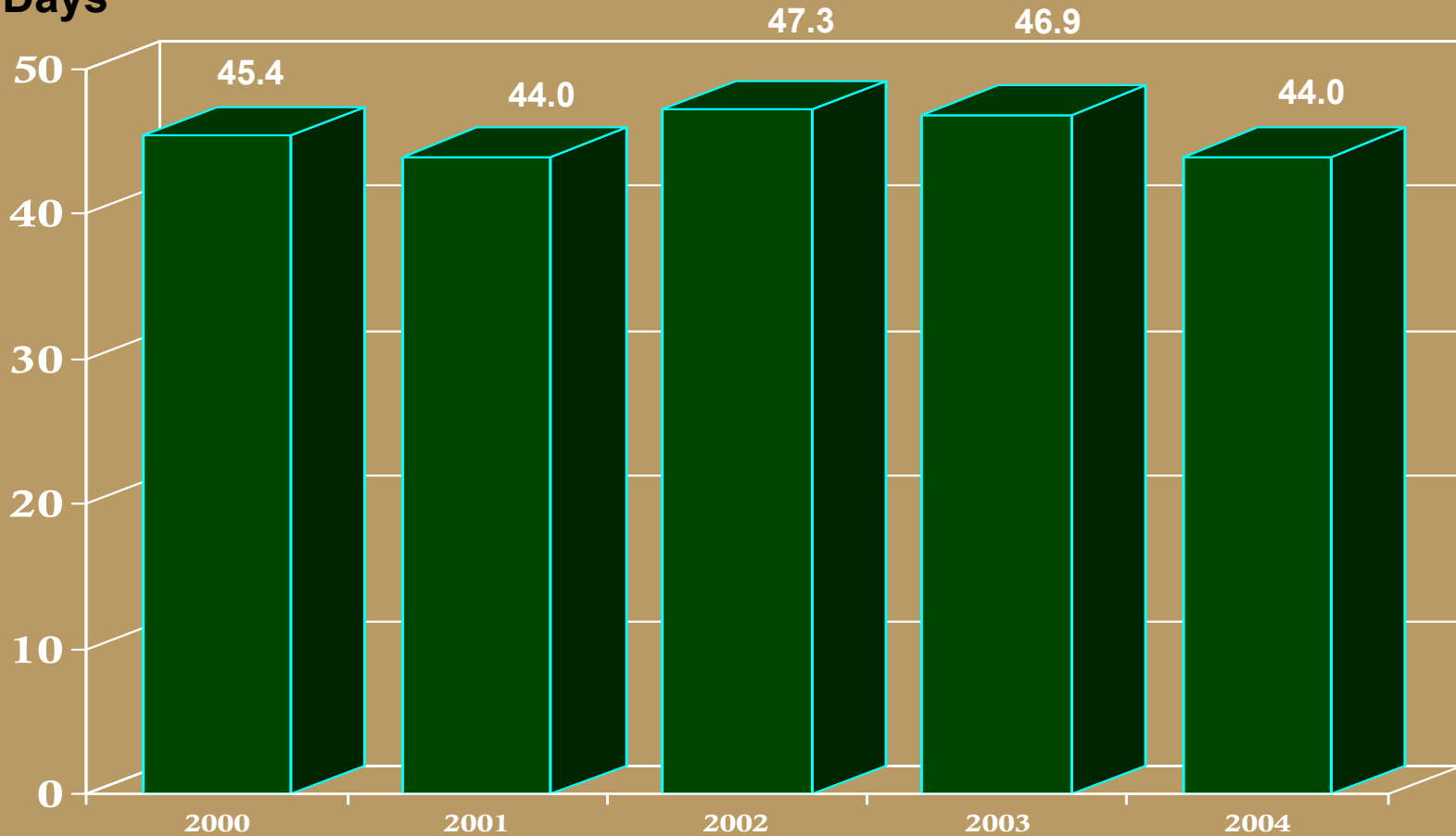
EBITDA CAGR

1 yr.	18.4%
5 yr.	11.7%

█ EBITDA
 — Value-Added Sales %

Cash Cycle

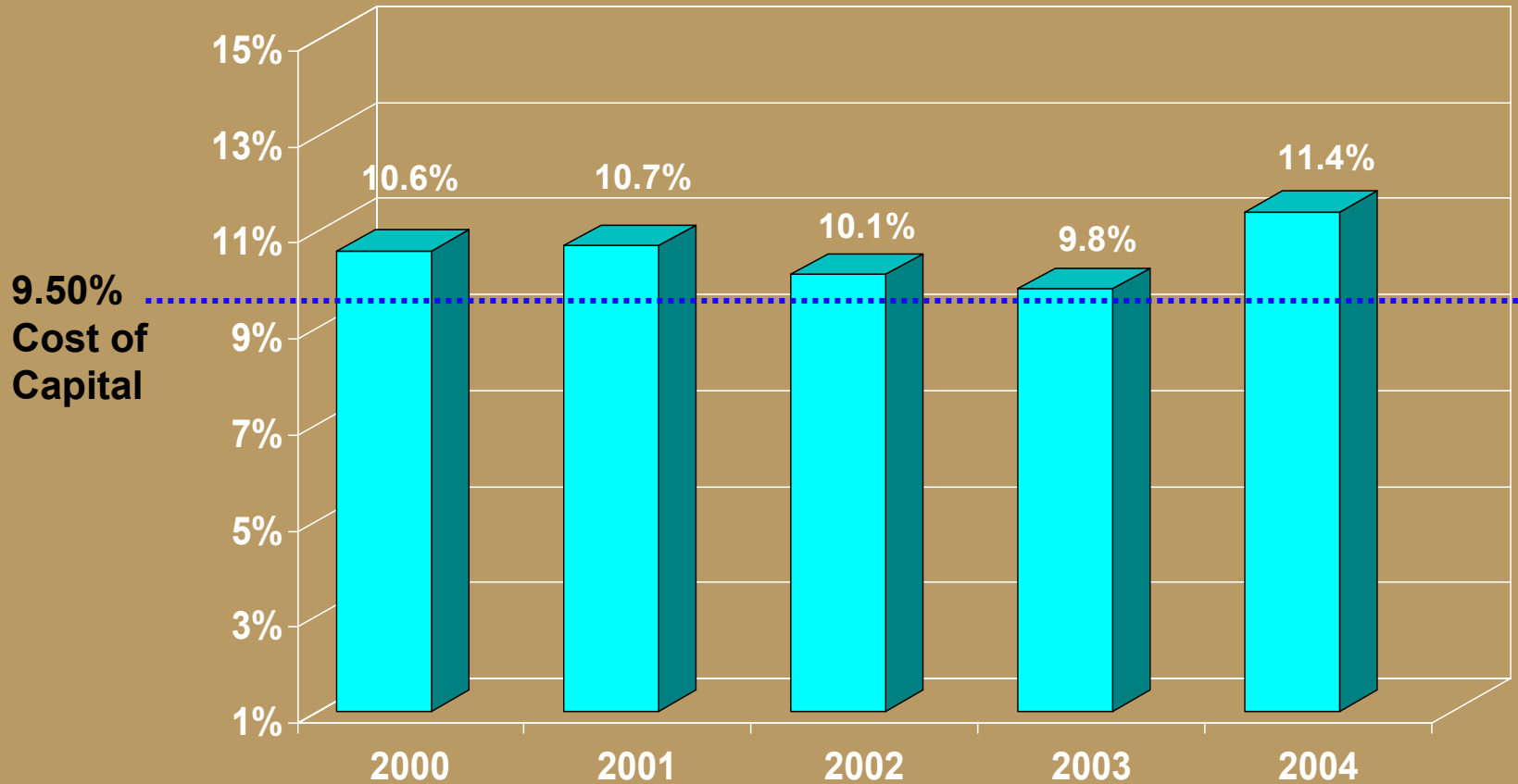
Days



NOTE: Cash cycle = Days Receivables Outstanding + Days Supply of Inventory - Days Payables Outstanding.

Return on Capital

Hurdle Rate = 12%

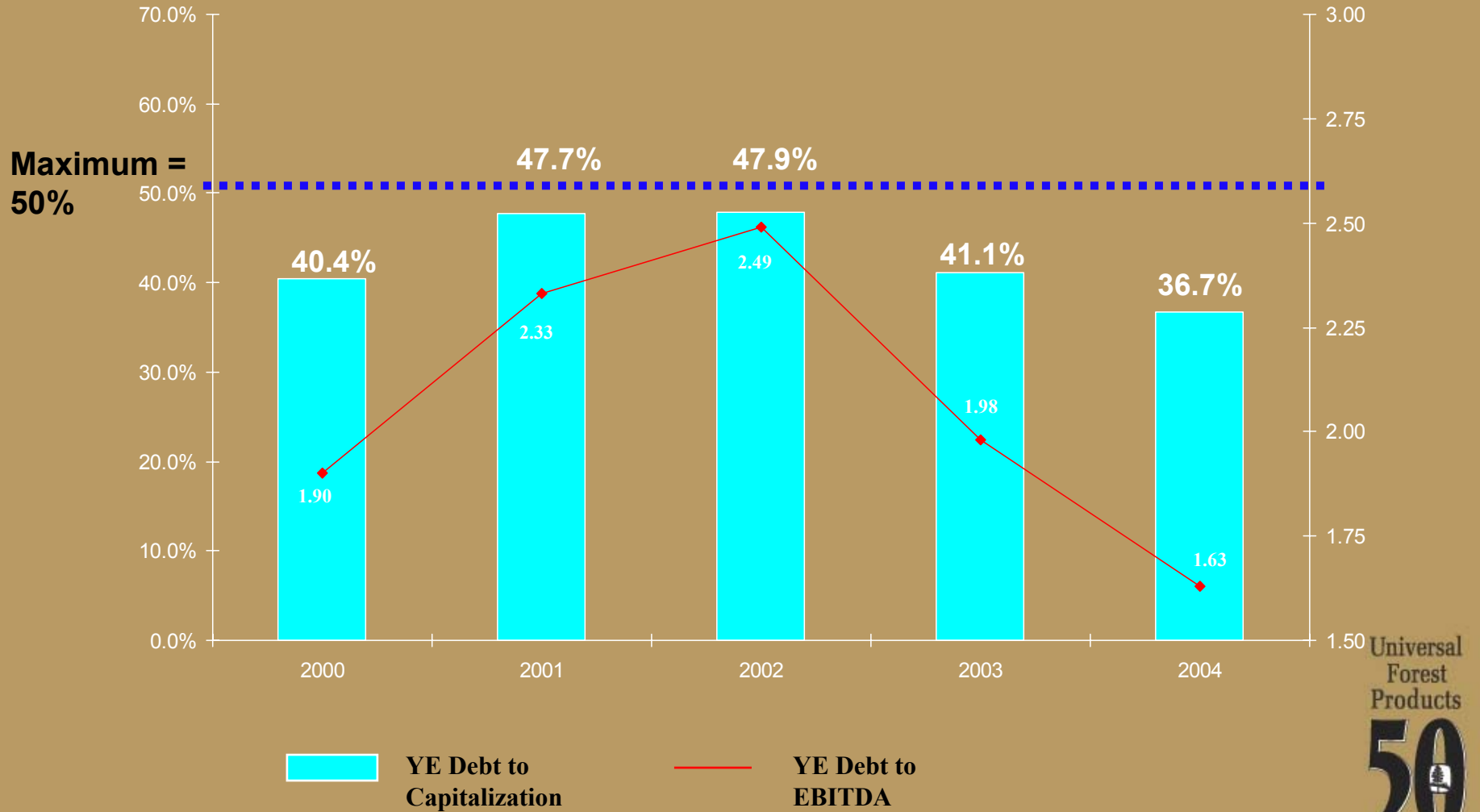


Note: Please see the company's website, www.ufpi.com, for reconciliation to related GAAP measurement.

Capital Structure

Debt to Capitalization

Debt to EBITDA



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1955-2005

UFPI spells opportunity



Summary

- Universal achieves strategic balance through cyclical, counter-cyclical, and non-cyclical markets
- Consolidation among customers has created a need for national suppliers and producers: UFPI's competitive advantage

UFPI spells opportunity



Summary

- Growing demand for value-added products and EWP enhances profitability because of higher margins generated by these products
- UFPI is flexible; can shift production and sales focus to high demand markets
- UFPI has tremendous purchasing power

UFPI spells opportunity



Summary

- Track record of setting and achieving goals
- Strong and growing market share
- Strong culture
- Well-trained workforce and strong management team

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