

PW EAGLE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Three months ended March 31,	
	2004	2003
NET SALES	\$106,091	\$ 70,038
COST OF GOODS SOLD	96,065	59,104
Gross profit	10,026	10,934
OPERATING EXPENSES:		
Selling expenses	9,932	6,501
General and administrative expenses	2,420	2,798
Restructuring and related costs	658	-
	13,010	9,299
OPERATING INCOME (LOSS)	(2,984)	1,635
NON-OPERATING EXPENSES (INCOME):		
Interest expense	3,541	2,584
Other (income) expense, net	(26)	4
Equity in earnings of affiliate	(219)	-
	3,296	2,588
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(6,280)	(953)
INCOME TAX BENEFIT	(2,405)	(365)
LOSS FROM CONTINUING OPERATIONS	(3,875)	(588)
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAXES	-	32
NET LOSS	\$(3,875)	\$(556)
LOSS PER COMMON SHARE:		
Basic	\$(0.56)	\$(0.08)
Diluted	\$(0.56)	\$(0.08)
LOSS PER COMMON SHARE FROM CONTINUING OPERATIONS:		
Basic	\$(0.56)	\$(0.09)
Diluted	\$(0.56)	\$(0.09)
INCOME PER COMMON SHARE FROM DISCONTINUED OPERATIONS:		
Basic	-	\$0.01
Diluted	-	\$0.01
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:		
Basic	6,891	6,820
Diluted	6,891	6,820

PW EAGLE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except for shares and per share amounts)

ASSETS	March 31, 2004	December 31, 2003
CURRENT ASSETS:		
Cash and cash equivalents	\$ 754	\$ 431
Accounts receivable, net	48,346	26,566
Inventories	39,576	45,545
Deferred income taxes	1,456	1,944
Other current assets	1,475	3,896
Total current assets	91,607	78,382
Property and equipment, net	61,807	62,146
Goodwill	3,651	3,651
Intangible assets	3,084	3,150
Other assets	21,280	17,849
TOTAL ASSETS	\$ 181,429	\$ 165,178
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Borrowings under revolving credit facility	\$ 46,238	\$ 34,631
Current maturities of long-term debt and financing lease obligations	3,121	3,967
Accounts payable	35,670	25,214
Book overdraft	2,648	6,168
Accrued liabilities	12,971	12,012
Total current liabilities	100,648	81,992
Other long-term liabilities	7,191	8,124
Long-term debt, less current maturities	11,015	14,861
Financing lease obligations, less current maturities	18,178	13,016
Senior subordinated debt	32,529	31,950
TOTAL LIABILITIES	169,561	149,943
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Series A preferred stock; 7% cumulative dividend; convertible; \$2 per share liquidation preference; no par value; 2,000,000 shares authorized; none issued and outstanding	-	-
Undesignated stock, \$.01 par value; 14,490,000 shares authorized; none issued and outstanding	-	-
Stock warrants	6,998	6,936
Common stock; \$.01 par value; 30,000,000 shares authorized; issued and outstanding 7,223,033 and 7,258,850 shares, respectively	72	73
Class B Common stock, \$.01 par value; 3,500,000 shares authorized; none issued and outstanding	-	-
Additional paid-in capital	31,952	31,281
Unearned compensation	(1,355)	(1,104)
Notes receivable from officers and employees on common stock purchases	(350)	(350)
Accumulated other comprehensive income	398	371
Accumulated deficit	(25,847)	(21,972)
Total stockholders' equity	11,868	15,235
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 181,429	\$ 165,178