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(Nasdaq-NMS: "PWEI")

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## PW EAGLE REPORTS 2002 FOURTH QUARTER AND YEAR-END RESULTS

**Fourth Quarter and 2002 Results Conference Call and Webcast Scheduled for  
February 12, 2003 at 11 a.m. Central Time**

**MINNEAPOLIS — February 10, 2003** — PW Eagle, Inc. (Nasdaq-NMS: "PWEI") today reported its financial results for the three months and full year ended December 31, 2002. A summary of the unaudited results for the fourth quarter and for the year ending December 31, 2002 and 2001 is set forth in the following table:

### Income Statement Information

(In thousands, except for per share amounts)

	Three months ended		Year ended	
	December 31,		December 31,	
	2002	2001	2002	2001
Net sales	\$58,252	\$48,312	\$251,275	\$246,130
Gross profit	\$3,972	\$2,511	\$45,479	\$26,471
Net income (loss)	\$(4,043)	\$(5,641)	\$571	\$(12,856)
Adjustments to reconcile to EBITDA:				
Interest	\$2,626	\$3,029	\$11,001	\$11,775
Taxes	\$(2,491)	\$(2,852)	\$373	\$(7,329)
Depreciation	\$2,224	\$2,711	\$8,958	\$9,751
Amortization	-	\$28	-	\$112
EBITDA	\$(1,684)	\$(2,725)	\$20,903	\$1,453
Basic earnings (loss) per share	\$(0.60)	\$(0.84)	\$0.09	\$(1.80)
Diluted earnings (loss) per share	\$(0.60)	\$(0.84)	\$0.06	\$(1.80)

William H. Spell, PW Eagle CEO, commented, “2002 was a much better year than 2001 in many respects. Our operating results for 2002 are a significant improvement over our operating results in 2001. This improvement was the result of a stronger economy, improved GDP growth, and internal cost reduction measures. In addition, as a result of our improved operating results and financial restructurings which included the sale-leaseback of some of our facilities and a revised senior credit facility, our balance sheet at the end of 2002 is much stronger than at the end of 2001. Our net working capital has gone from a negative \$1.4 million at the end of 2001 to a positive \$13.6 million at the end of 2002. Also, the availability under our revolving credit facility has increased from a shortfall of \$2.6 million at the end of 2001 to \$20.2 million at year end 2002, for an increase of \$22.8 million. The fourth quarter of 2002 was also better than 2001, although we did experience a net loss in the fourth quarter of 2002. The loss was the result of the normal seasonal slow down experienced by our industry in the fourth quarter.”

Looking to next year, Mr. Spell said, “Given current industry conditions, we are optimistic about 2003. We anticipate that, due to shortages and high prices for the raw materials that make PVC resin, the demand for PVC resin may be greater than its supply this year, resulting in higher PVC resin prices. PVC resin producers have already implemented a two-cent per pound price increase for January and have announced two-cent per pound increases for each of February, March and April. PW Eagle and other PVC pipe manufacturers have announced and implemented pipe price increases in response to these PVC resin price increases and would normally expect to experience expanding margins in this environment. The industry has experienced stronger demand and rising prices during January of this year than would be seasonally expected. These factors make us optimistic that 2003 could be a good year for PW Eagle and the industry. As usual, we expect to experience the normal seasonality in our business and our results will be highly dependent on the performance of the economy as a whole and particularly within our market areas.”

#### **Fourth Quarter 2002 Webcast & Conference Call**

PW Eagle will hold its fourth quarter webcast and conference call on **Wednesday, February 12, 2003 at 11 a.m. Central Time** to discuss the fourth quarter and 2002 results. The conference call will be available live on the Internet at [www.pweagleinc.com](http://www.pweagleinc.com). The call will also be archived at that location for one week following its original webcast. **The conference call telephone number is 1-800-289-0569. Use 683494 as the confirmation code** to access the call.

PW Eagle, Inc. is a leading extruder of PVC pipe and polyethylene tubing products. The Company operates eight manufacturing facilities in the midwestern and western United States. PW Eagle’s common stock is traded on the Nasdaq National Market under the symbol “PWEI”.

#### **THIS PRESS RELEASE CONTAINS FORWARD-LOOKING INFORMATION AND ACTUAL RESULTS MAY DIFFER**

Statements that PW Eagle, Inc. may publish, including those in this announcement that are not strictly historical are “forward-looking” statements made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements made in this press release, particularly those made by William H. Spell, regarding the Company’s outlook for 2003,

including the anticipation of shortages and high prices for the raw materials used to make PVC resin and of higher PVC resin prices and corresponding expanded margins are “forward-looking” statements which involves known and unknown risks and uncertainties that may cause the actual results to differ materially from those expected and stated in this announcement. Actual results could differ if the economy and particularly the segments of the economy that impact the Company’s business do not grow and perform at least as well as in 2002. In addition, actual results could differ as a result of: (i) a slowdown in the United States economy, particularly west of the Mississippi; (ii) the failure of the Gross Domestic Product to grow beyond its 2002 level; (iii) an increase in interest rates; (iv) a decline in the construction of commercial and residential building; (v) a decline in our raw material prices; and (vi) a greater supply of PVC and PE pipe than market demand for such products caused by cyclical fluctuations in the supply and demand for pipe. It is not possible to foresee or identify all factors that could cause actual results to differ from expected or historical results. As such, you should not consider any list of such factors to be an exhaustive statement of all risks, uncertainties or potential inaccurate assumptions. We undertake no obligation to update “forward-looking” statements. In addition, the use of the term “EBITDA” is not intended to be an alternative to the financial results under generally accepted accounting principles in the United States of America.

**- financials follow -**

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

	<b>Three months ended Dec. 31,</b>		<b>Year ended Dec. 31,</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
NET SALES	\$58,252	\$48,312	\$251,275	\$246,130
COST OF GOODS SOLD	54,280	45,801	205,796	219,659
Gross profit	3,972	2,511	45,479	26,471
OPERATING EXPENSES:				
Selling expenses	5,637	5,529	24,559	24,725
General and administrative expenses	2,243	2,416	9,232	8,612
Nonrecurring items	-	(18)	-	1,167
	7,880	7,927	33,791	34,504
OPERATING INCOME (LOSS)	(3,908)	(5,416)	11,688	(8,033)
OTHER EXPENSES (INCOME):				
Interest expense	2,626	3,029	11,001	11,775
Other income, net	-	48	(257)	377
	2,626	3,077	10,744	12,152
INCOME (LOSS) BEFORE INCOME TAXES	(6,534)	(8,493)	944	(20,185)
INCOME TAX EXPENSE (BENEFIT)	(2,491)	(2,852)	373	(7,329)
NET INCOME (LOSS)	\$(4,043)	\$(5,641)	\$571	\$(12,856)
NET INCOME (LOSS) PER COMMON SHARE:				
Basic	\$(0.60)	\$(0.84)	\$0.09	\$(1.80)
Diluted	\$(0.60)	\$(0.84)	\$0.06	\$(1.80)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:				
Basic	6,731	6,704	6,717	7,139
Diluted	6,731	6,704	9,376	7,139

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

<b>ASSETS</b>	<u>Dec. 31, 2002</u>	<u>Dec. 31, 2001</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 337	\$ 624
Accounts receivable, net	19,202	12,918
Inventories	38,917	33,390
Deferred income taxes	1,455	2,033
Income tax receivable	-	4,156
Other	650	1,250
Total current assets	60,561	54,371
Property and equipment, net	58,899	67,827
<b>OTHER ASSETS:</b>		
Deferred financing costs, net	3,963	3,349
Assets held for sale	1,447	1,447
Goodwill, net	3,651	3,651
Deferred income taxes	2,986	3,465
Other	1,895	3,300
	13,942	15,212
<b>TOTAL ASSETS</b>	<b>\$ 133,402</b>	<b>\$ 137,410</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Borrowings under revolving credit facility	\$ 15,036	\$ 27,996
Current maturities of long-term debt	3,027	3,595
Accounts payable	19,654	16,145
Accrued liabilities	9,222	8,066
Total current liabilities	46,939	55,802
OTHER LONG-TERM LIABILITIES	1,817	3,625
LONG-TERM DEBT, less current maturities	14,750	24,271
CAPITAL LEASE OBLIGATION, less current maturities	13,105	-
SENIOR SUBORDINATED DEBT	30,870	29,453
Total liabilities	107,481	113,151
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Series A preferred stock, 7% cumulative dividend; convertible; \$2 per share liquidation preference; no par value; 2,000,000 shares authorized; issued and outstanding none and 18,750 shares, respectively	-	-
Undesignated stock, \$.01 par value; 14,490,000 shares authorized; none issued and outstanding	-	-
Stock warrants	6,296	5,887
Common stock, \$.01 par value; 30,000,000 shares authorized; issued and outstanding 7,002,950 and 6,886,625 shares, respectively	70	69
Class B Common stock, \$.01 par value; 3,500,000 shares authorized; none issued and outstanding	-	-
Additional paid-in capital	30,488	29,757
Unearned compensation	(920)	(434)
Notes receivable from officers and employees on common stock purchases	(835)	(1,039)
Accumulated other comprehensive income (loss)	74	(156)
Retained earnings(accumulated deficit)	(9,252)	(9,825)
Total stockholders' equity	25,921	24,259
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 133,402</b>	<b>\$ 137,410</b>

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