



**For Immediate Release
October 22, 2002**

GIBRALTAR REPORTS 2002 THIRD-QUARTER NET INCOME UP 98 %

Net Income Up 74 % in First Nine Months of 2002

BUFFALO, NEW YORK (October 22, 2002) – Gibraltar (Nasdaq: ROCK) today reported its sales and earnings for the three and nine months ended September 30, 2002.

Sales in the third quarter of 2002 were \$173.2 million, an increase of seven percent from \$161.5 million in the third quarter of 2001. Sales in the first nine months of 2002 were \$489.4 million, an increase of three percent from \$475.6 million in the first nine months of 2001.

Net income of \$7.1 million in the third quarter of 2002 increased 98 percent compared to \$3.6 million in the third quarter of 2001. For the first nine months of 2002, net income was \$19.1 million, an increase of 74 percent compared to \$11.0 million in the first nine months of 2001.

Earnings per share in the third quarter of 2002 were \$.44, an increase of 57 percent from \$.28 per share in the third quarter of 2001, on a 27 percent increase in weighted average shares outstanding as a result of Gibraltar's successful completion of its secondary stock offering of 3,150,000 shares in March. During the first nine months of 2002, earnings per share were \$1.25, a 45 percent increase from \$.86 in the first nine months of 2001, on a 20 percent increase in weighted average shares outstanding.

"Every part of our company turned in a stronger performance in the third quarter of 2002 than it did in the third quarter of last year, generating higher sales and more importantly higher operating income. This is an especially noteworthy accomplishment in light of the continuing weakness in the economy, especially the industrial economy, even though there are pockets of strength like the automotive and housing markets," said Brian J. Lipke, Gibraltar's Chairman and Chief Executive Officer.

"As we work our way through a difficult and uncertain economy, we continue to benefit from the steps we took to diversify our customer base and business mix, our geographic diversification, and our push into higher-margin products and services. Our ongoing efforts to control and cut costs and our focus on asset management have put us in a much stronger position to successfully weather the slowdown," said Mr. Lipke.

"In spite of a slow and struggling economy, this is shaping up as a very good year for Gibraltar, with the successful completion of our secondary stock offering in March, the restructuring of our debt, improved performances from our existing operations, the immediately accretive acquisition of B&W Heat Treating in July, and sharply higher earnings in the first nine months of the year," said Mr. Lipke.

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“Our constant focus on asset management and return on investment positions us to take full advantage of business opportunities as the economy improves. Moreover, the increased resources and financial flexibility from our stock offering allows us to actively pursue opportunities – with our existing operation and through acquisitions – that will enhance our profitability and growth,” said Mr. Lipke.

“This strategy will benefit us in the fourth quarter, even though it is historically the slowest period for Gibraltar, as a result of holidays and plant shutdowns in the automotive industry and seasonal slowing in the building industry due to weather conditions.

“We expect our positive sales and earnings momentum will continue in the fourth quarter, and our fourth-quarter earnings per share will be in the range of \$.20 to \$.28 (on approximately 16.2 million shares outstanding) compared to \$.12 in the fourth quarter of 2001 (on approximately 12.8 million shares outstanding), barring a significant change in business conditions,” said Mr. Lipke.

Gibraltar is one of North America’s leading metal processors, a manufacturer of more than 5,000 steel and other metal products, and North America’s second-largest commercial heat treater. The Company serves approximately 10,000 customers in a variety of industries in all 50 states, Canada, and Mexico. It has approximately 3,400 employees and operates 56 facilities in 21 states, Canada, and Mexico.

Information contained in this release, other than historical information, should be considered forward-looking, and may be subject to a number of risk factors, including: the impact of changing steel prices on the Company’s results of operations; changing demand for the Company’s products; risks associated with the integration of acquisitions; and changes in interest or tax rates.

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Gibraltar will review its third-quarter results and discuss its outlook for the fourth quarter during its quarterly conference call, which will be held at 2 p.m. Eastern Time on October 22. Investors and the general public are invited to listen to an Internet Web cast of the call, details of which can be found on Gibraltar’s Web site, (www.gibraltar1.com).

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Gibraltar’s news releases, along with comprehensive information about the Company, are available on the Internet, at www.gibraltar1.com.

GIBRALTAR STEEL CORPORATION
Financial Highlights
(in thousands, except per share data)

	Three Months Ended	
	<u>September 30, 2002</u>	<u>September 30, 2001</u>
	(unaudited)	
Net Sales	\$ 173,160	\$ 161,484
Net Income	\$ 7,111	\$ 3,594
Net Income Per Share-Basic	\$.45	\$.29
Weighted Average Shares Outstanding-Basic	15,981	12,597
Net Income Per Share-Diluted	\$.44	\$.28
Weighted Average Shares Outstanding-Diluted	16,234	12,821

	Nine Months Ended	
	<u>September 30, 2002</u>	<u>September 30, 2001</u>
	(unaudited)	
Net Sales	\$ 489,393	\$ 475,584
Net Income	\$ 19,151	\$ 10,998
Net Income Per Share-Basic	\$ 1.27	\$.87
Weighted Average Shares Outstanding-Basic	15,039	12,587
Net Income Per Share-Diluted	\$ 1.25	\$.86
Weighted Average Shares Outstanding-Diluted	15,289	12,768

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	September 30, 2002 (unaudited)	December 31, 2001 (audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 5,810	\$ 8,150
Accounts receivable	104,426	76,696
Inventories	95,388	75,847
Other current assets	7,380	5,922
Total current assets	213,004	166,615
Property, plant and equipment, net	233,582	228,443
Goodwill	133,452	132,717
Other assets	9,128	7,265
	\$ 589,166	\$ 535,040
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 53,791	\$ 43,612
Accrued expenses	28,181	17,126
Current maturities of long-term debt	623	813
Total current liabilities	82,595	61,551
Long-term debt	166,570	211,462
Deferred income taxes	43,175	38,043
Other non-current liabilities	7,729	5,637
Shareholders' equity		
Preferred shares	-	-
Common shares	160	126
Additional paid-in capital	123,488	69,221
Retained earnings	168,083	150,578
Accumulated comprehensive loss	(2,634)	(1,578)
Total shareholders' equity	289,097	218,347
	\$ 589,166	\$ 535,040

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(in thousands, except per share date)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
	(unaudited)		(unaudited)	
Net Sales	\$ 173,160	\$ 161,484	\$ 489,393	\$ 475,584
Cost of sales	<u>138,517</u>	<u>131,154</u>	<u>392,139</u>	<u>384,688</u>
Gross profit	34,643	30,330	97,254	90,896
Selling, general and administrative expense	<u>19,885</u>	<u>20,479</u>	<u>57,359</u>	<u>59,249</u>
Income from operations	14,758	9,851	39,895	31,647
Interest expense	<u>2,806</u>	<u>3,811</u>	<u>7,708</u>	<u>13,163</u>
Income before taxes	11,952	6,040	32,187	18,484
Provision for income taxes	<u>4,841</u>	<u>2,446</u>	<u>13,036</u>	<u>7,486</u>
Net income	<u>\$ 7,111</u>	<u>\$ 3,594</u>	<u>\$ 19,151</u>	<u>\$ 10,998</u>
Net income per share-Basic	<u>\$ 0.45</u>	<u>\$ 0.29</u>	<u>\$ 1.27</u>	<u>\$ 0.87</u>
Weighted average shares outstanding - Basic	<u>15,981</u>	<u>12,597</u>	<u>15,039</u>	<u>12,587</u>
Net income per share-Diluted	<u>\$ 0.44</u>	<u>\$ 0.28</u>	<u>\$ 1.25</u>	<u>\$ 0.86</u>
Weighted average share outstanding - Diluted	<u>16,234</u>	<u>12,821</u>	<u>15,289</u>	<u>12,768</u>

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands)

	Nine Months Ended September 30,	
	2002	2001
	(unaudited)	
<u>Cash flows from operating activities</u>		
Net income	\$ 19,151	\$ 10,998
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	15,255	17,539
Provision for deferred income taxes	3,809	3,578
Undistributed equity investment income	241	478
Other noncash adjustments	346	88
Increase (decrease) in cash resulting from changes in (net of acquisitions):		
Accounts receivable	(25,806)	(17,251)
Inventories	(19,541)	17,299
Other current assets	(1,279)	(1,332)
Accounts payable and accrued expenses	21,153	23,639
Other assets	(3,260)	626
	10,069	55,662
<u>Cash flows from investing activities</u>		
Acquisitions, net of cash acquired	(8,847)	(10,832)
Purchases of property, plant and equipment	(11,699)	(11,831)
Net proceeds from sale of property and equipment	1,235	316
	(19,311)	(22,347)
<u>Cash flows from financing activities</u>		
Long-term debt reduction	(116,350)	(62,822)
Proceeds from long-term debt	71,234	33,995
Payment of dividends	(1,629)	(1,197)
Net proceeds from issuance of common stock	53,647	469
	6,902	(29,555)
Net (decrease) increase in cash and cash equivalents	(2,340)	3,760
Cash and cash equivalents at beginning of year	8,150	1,701
Cash and cash equivalents at end of period	\$ 5,810	\$ 5,461

GIBRALTAR STEEL CORPORATION
Segment Information
(in thousands)

Three Months Ended September 30,

	<u>2002</u> (unaudited)	<u>2001</u> (unaudited)	Increase (Decrease)	
			<u>\$</u>	<u>%</u>
Net Sales				
Processed Steel	\$ 70,475	\$ 66,319	\$ 4,156	6.3%
Building Products	81,259	78,297	2,962	3.8%
Heat Treating	21,426	16,868	4,558	27.0%
Total Sales	\$ 173,160	\$ 161,484	\$ 11,676	7.2%
Income from Operations				
Processed Steel	\$ 8,378	\$ 7,332	\$ 1,046	14.3%
Building Products	7,237	5,254	1,983	37.7%
Heat Treating	2,367	1,643	724	44.1%
Corporate	(3,224)	(4,378)	1,154	26.4%
Total Operating Income	\$ 14,758	\$ 9,851	\$ 4,907	49.8%
Operating Margin				
Processed Steel	11.9%	11.1%		
Building Products	8.9%	6.7%		
Heat Treating	11.0%	9.7%		

Nine Months Ended September 30,

	<u>2002</u> (unaudited)	<u>2001</u> (unaudited)	Increase (Decrease)	
			<u>\$</u>	<u>%</u>
Net Sales				
Processed Steel	\$ 204,109	\$ 192,656	\$ 11,453	5.9%
Building Products	225,565	228,333	(2,768)	(1.2)%
Heat Treating	59,719	54,595	5,124	9.4%
Total Sales	\$ 489,393	\$ 475,584	\$ 13,809	2.9%
Income from Operations				
Processed Steel	\$ 24,658	\$ 22,091	\$ 2,567	11.6%
Building Products	18,046	16,204	1,842	11.4%
Heat Treating	7,694	6,979	715	10.2%
Corporate	(10,503)	(13,627)	3,124	22.9%
Total Operating Income	\$ 39,895	\$ 31,647	\$ 8,248	26.1%
Operating Margin				
Processed Steel	12.1%	11.5%		
Building Products	8.0%	7.1%		
Heat Treating	12.9%	12.8%		