



**For Immediate Release
April 23, 2002**

GIBRALTAR REPORTS HIGHER FIRST-QUARTER EARNINGS

First Quarter Net Income up 41 Percent, Earnings Per Share up 33 Percent

BUFFALO, NEW YORK (April 23, 2002) – Gibraltar (Nasdaq: ROCK) today reported strong gains in its net income and earnings per share for the quarter ended March 31, 2002.

Sales in the first quarter of 2002 were \$144.7 million, down 4 percent from \$150.6 million in the first quarter of 2001, but up 3 percent from \$140.4 million in the fourth quarter of 2001. Net income in the first quarter of 2002 was \$4.1 million, up 41 percent from \$2.9 million in the first quarter of 2001, and up 166 percent from \$1.5 million the fourth quarter of 2001.

Earnings per diluted share were \$.30 in the first quarter of 2002, an increase of 33 percent compared to \$.23 per diluted share in the first quarter of 2001, and included a 6 percent increase in weighted average diluted shares outstanding as a result of Gibraltar's successful completion of its secondary stock offering of 3,150,000 shares on March 7. The first-quarter 2002 results also include a benefit of \$1 million due to the elimination of goodwill amortization as a result of Gibraltar's adoption of the new accounting rules on January 1, 2002.

"The success of our stock offering – which generated net proceeds of \$51 million, and reduced our debt-to-capitalization ratio to 37 percent (our lowest level since 1996) – gives us a much stronger balance sheet. We reduced our inventory levels substantially during 2001, which carried over into 2002. As a result of lower interest rates and decreased debt levels (we have reduced our debt by more than \$100 million in the last 12 months), our quarterly interest expense decreased by approximately \$2 million," said Brian J. Lipke, Chairman and Chief Executive Officer.

"We are clearly benefiting from the many steps we took during the last 18 months to respond to the slowdown. We attacked expenses, including the re-engineering of our health-care plans, to control and reduce annual costs. We realigned our overhead to match our sales volume. And we incurred one-time costs in 2001 (for example, to consolidate facilities by shifting business to other locations) that will not recur this year. The streamlining of our operations last year allowed us to enter 2002 in a far stronger position," said Mr. Lipke.

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“Those steps, coupled with the beginning of what appears to be an upward trend – most notably the increased automotive production in the first quarter, and an improving outlook for the second quarter – give us increased confidence for 2002. We are also moving into the seasonally strongest quarters for our building products business (the second and third quarters) and we expect our second-quarter diluted earnings per share will be in the range of \$.35 to \$.45, barring a significant change in business conditions,” said Mr. Lipke.

“Coupled with our tight operating controls, \$250-\$300 million of available capacity at our existing facilities, and numerous acquisition opportunities, we are well positioned for continued growth,” said Mr. Lipke.

“Even though the economy is starting to improve and our business is beginning to show signs of growth, we remain clearly focused on those areas that successfully brought us through the recession: controlling and cutting costs, debt reduction, tight control of our inventories, and asset management. We remain committed to driving our gross and operating margins higher, and continuing our efforts to generate improvements in our returns on invested capital, assets, and equity,” 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 the nation’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 3,300 employees and operates 54 facilities in 20 states 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 first-quarter results and discuss 2002 during its quarterly conference call, which will be held at 11 a.m. Eastern Time on April 24. 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>March 31, 2002</u>	<u>March 31, 2001</u>
Net Sales	\$ 144,713	\$ 150,550
Net Income	\$ 4,078	\$ 2,886
Net Income Per Share-Basic	\$.31	\$.23
Weighted Average Shares Outstanding-Basic	13,272	12,577
Net Income Per Share-Diluted	\$.30	\$.23
Weighted Average Shares Outstanding-Diluted	13,444	12,681

GIBRALTAR STEEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands, except share and per share data)

	March 31, 2002 <u>(unaudited)</u>	December 31, 2001 <u>(audited)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,854	\$ 8,150
Accounts receivable	90,958	76,696
Inventories	77,156	75,847
Other current assets	7,824	5,922
Total current assets	<u>178,792</u>	<u>166,615</u>
Property, plant and equipment, net	225,825	228,443
Goodwill	132,717	132,717
Other assets	7,091	7,265
	<u>\$ 544,425</u>	<u>\$ 535,040</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 48,346	\$ 43,612
Accrued expenses	18,192	17,126
Current maturities of long-term debt	794	813
Total current liabilities	<u>67,332</u>	<u>61,551</u>
Long-term debt	159,556	211,462
Deferred income taxes	39,242	38,043
Other non-current liabilities	5,186	5,637
Shareholders' equity		
Preferred shares	-	-
Common shares	158	126
Additional paid-in capital	120,070	69,221
Retained earnings	154,104	150,578
Accumulated comprehensive loss	(1,223)	(1,578)
Total shareholders' equity	<u>273,109</u>	<u>218,347</u>
	<u>\$ 544,425</u>	<u>\$ 535,040</u>

GIBRALTAR STEEL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(in thousands, except per share data)

	Three Months Ended March 31,	
	2002 (unaudited)	2001 (unaudited)
Net sales	\$ 144,713	\$ 150,550
Cost of sales	117,499	122,065
Gross profit	27,214	28,485
Selling, general and administrative expense	17,597	18,743
Income from operations	9,617	9,742
Interest expense	2,763	4,892
Income before taxes	6,854	4,850
Provision for income taxes	2,776	1,964
Net income	\$ 4,078	\$ 2,886
Net income per share – Basic	\$.31	\$.23
Weighted average shares outstanding - Basic	13,272	12,577
Net income per share – Diluted	\$.30	\$.23
Weighted average shares outstanding - Diluted	13,444	12,681

GIBRALTAR STEEL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Three Months Ended March 31,	
	2002 (unaudited)	2001 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 4,078	\$ 2,886
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	5,009	5,670
Provision for deferred income taxes	880	1,241
Undistributed equity investment income	191	138
Other noncash adjustments	28	29
Increase (decrease) in cash resulting from changes in (net of effects from acquisitions):		
Accounts receivable	(14,262)	(13,409)
Inventories	(1,309)	8,671
Other current assets	(1,810)	(1,153)
Accounts payable and accrued expenses	5,822	6,946
Other assets	(159)	(503)
	(1,532)	10,516
Net cash (used in) provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions, net of cash acquired	-	(10,832)
Investments in property, plant and equipment	(2,387)	(5,372)
Net proceeds from sale of property and equipment	137	152
	(2,250)	(16,052)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt reduction	(58,511)	(9,699)
Proceeds from long-term debt	6,586	16,903
Payment of dividends	(442)	(377)
Net proceeds from issuance of common stock	50,853	169
	(1,514)	6,996
Net cash (used in) provided by financing activities		
Net (decrease) increase in cash and cash equivalents	(5,296)	1,460
Cash and cash equivalents at beginning of year	8,150	1,701
Cash and cash equivalents at end of period	\$ 2,854	\$ 3,161