



**Second Quarter 2009**

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**Investor Review**

**August 6, 2009**

## FORWARD LOOKING STATEMENT

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The Company wishes to take advantage of the Safe harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the “Act”). Certain information set forth herein contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the Company’s business, and guarantees of future performance and involve certain risks, uncertainties and assumptions. Statements by the Company, other than historical information, constitute “forward-looking statements” within the meaning of the Act and may be subject to a number of risk factors and uncertainty. Before making any investment decisions regarding our company, we strongly advise you to read the section entitled “Risk Factors” in our most recent annual report on Form 10-K which can be accessed under the “SEC Filings” link of the “Investor Info” page of our website at [www.Gibraltar1.com](http://www.Gibraltar1.com). The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law or regulation.

# Highlights



## Operating Profit rise vs. Q109

- From \$18M loss to \$10M profit, excluding Q1 impairment
- Margin expansion on only \$12M of incremental revenue
- Effective cost actions

## Sequential Revenue Rise

- Building Products segment rose 15% sequentially

## \$33M Free Cash Flow in Q2

- \$57M in 1H 2009
- Working capital reduced 21% in 1H 2009

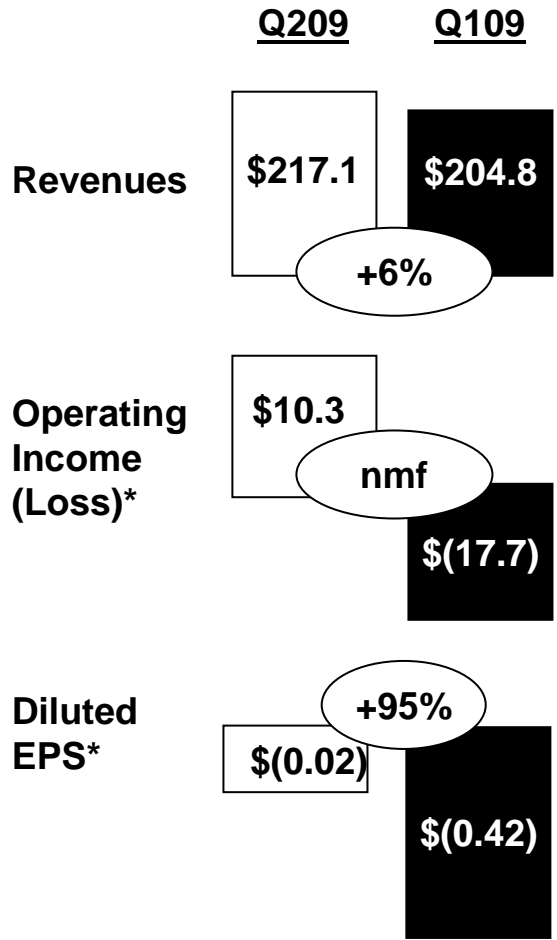
## Debt Reduction another 7% or \$24M in Q209

- Debt reduced 14% in 1H09...to 36% debt-to-capitalization

## Amended Senior Credit Agreement

- Announced July 27
- Financial flexibility for the future

# Sequential Improvement



◆ **Revenues**

- Building Products' modest seasonal increase
- Processed Metals demand hampered by GM & Chrysler Chp 11s

◆ **Operating Income (Loss)**

- Aggressive cost actions.
- Less costly inventory sold compared to Q109
- Leverage from higher revenues in Building Products Segment

◆ **EPS from Continuing Operations**

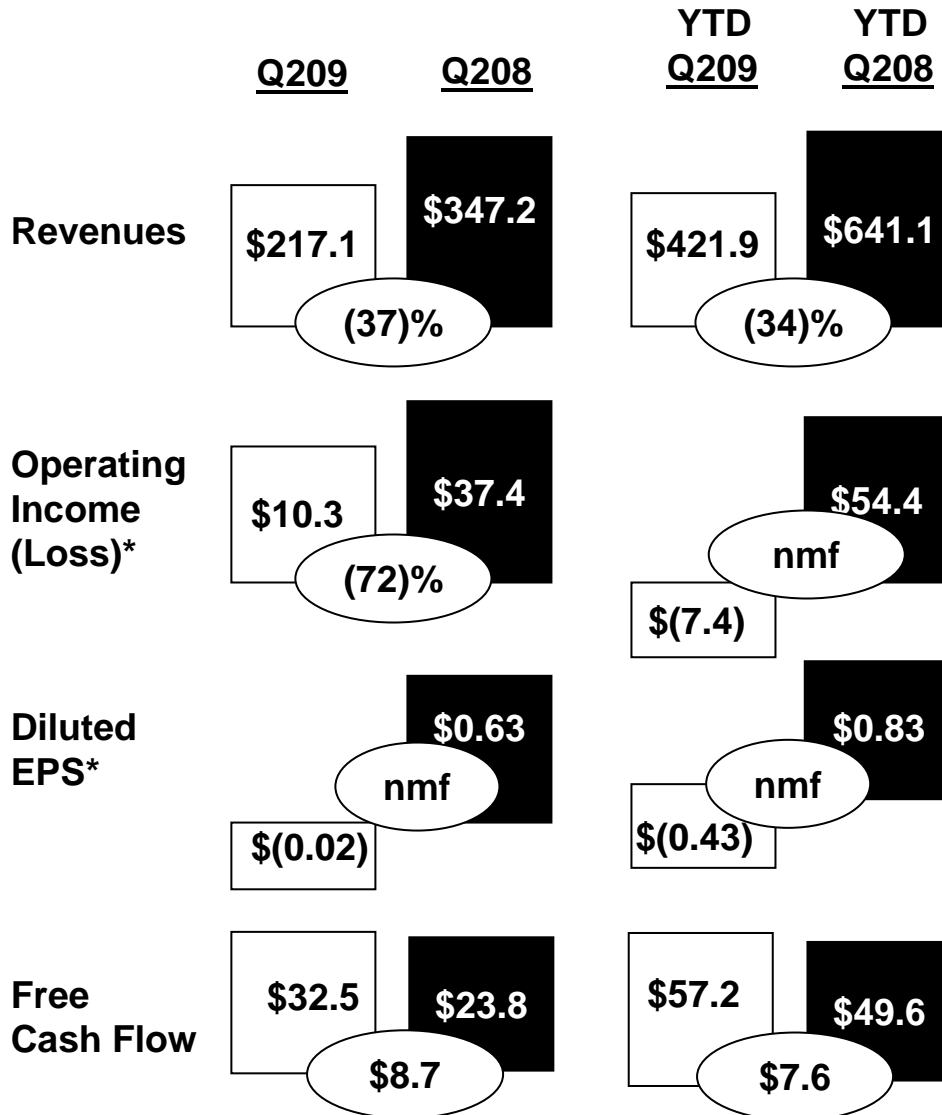
- Improvement from both Segments.
- Lower interest expense from continued de-leveraging
- Q209 includes \$0.12 per share decrease for true-up to income tax expense; the updated full year estimated effective tax rate.

•Excludes Q109 goodwill impairment charge of \$25.5M pre-tax, or \$0.50 per diluted share. See non-GAAP reconciliations on Slides 13 and 14.

*nmf – not meaningful*



# Financial Results



## ◆ Revenues

- Both segments unfavorable to prior year periods.
- Automotive OEM plant closures in Q209
- Building Products has sequential rise of +15%

## ◆ Operating Income (Loss)

- Building Products Segment to +9% operating margin in Q209 from -2% in Q109.
- Processed Metals Segment: Q209 loss 63% smaller than Q109.

## ◆ EPS from Continuing Operations

- Substantially lower volume offsetting cost reductions and lower interest expense in Q209 & 1H09.

## ◆ FCF

- Continued improvement from working capital reductions, plus
- Reduced capex in 2009, and
- Dividends suspended.

*FCF = Cash from Operations less Capital Expenditures less Dividends paid*

*\* Excludes Q109 goodwill impairment charge of \$25.5M pre-tax, or \$0.50 EPS. Non-GAAP reconciliations on Slides 13 and 14.*

# Net Income / EPS

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	<u>Q209</u>	<u>Q208</u>	<u>Var</u>	<u>YTD Q209 *</u>	<u>YTD Q208</u>	<u>Var</u>
Segments' operating income	\$ 13.9	\$ 45.9	\$ (32.0)	\$ 1.1	\$ 68.8	\$ (67.7)
Corporate Expenses	(3.6)	(8.5)	4.9	(8.5)	(14.4)	5.9
Operating income (loss)	10.3	37.4	(27.1)	(7.4)	54.4	(61.8)
Net interest	(5.8)	(7.3)	1.5	(11.7)	(15.3)	3.6
Other income; i.e. JV income	0.1	0.3	(0.2)	0.1	0.4	(0.3)
Income tax (expense) benefit	(5.2)	(11.4)	6.2	6.0	(14.5)	20.5
Net (loss) income - continuing ops	(0.6)	19.0	(19.6)	(13.0)	25.0	(38.0)
<b>Diluted EPS - continuing ops</b>	<b>-\$0.02</b>	<b>\$0.63</b>	<b>-\$0.65</b>	<b>-\$0.43</b>	<b>\$0.83</b>	<b>-\$1.26</b>

\* YTD Q209 amounts exclude \$25.5M pre-tax goodwill impairment charge and related \$10.4M tax effect which was recognized during Q109. See non-GAAP reconciliations on Slides 13 and 14.



# Cash Flow

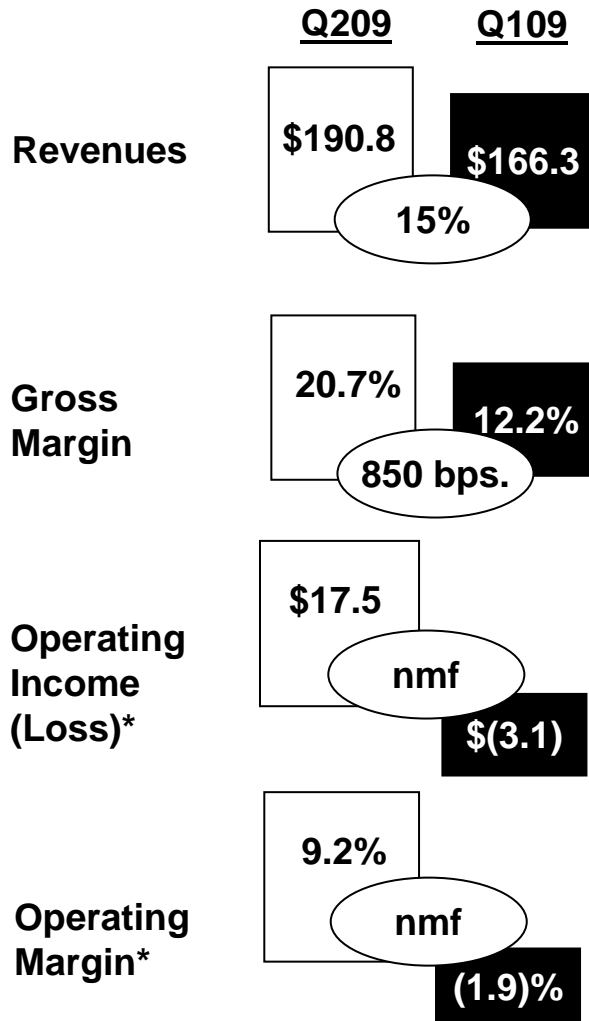
	<u>Q209</u>	<u>Q109</u>	<u>Q408</u>	<u>Q308</u>
Net (loss) income from continuing operations	\$ (0.6)	\$ (27.5)	\$ (10.0)	\$ 18.4
Depreciation and amortization	8.0	8.1	8.1	8.7
Non-cash goodwill impairment charge, net of deferred tax benefit	-	15.1	-	-
Compensation expense of stock-based plans	1.0	1.5	1.0	0.8
Working capital & other balance sheet sources	26.9	32.1	29.6	(18.9)
Other	(0.4)	0.4	2.7	4.0
Discontinued operations	0.6	(0.1)	(0.5)	2.2
Subtotal --- Cash Flow from Operations	35.5	29.6	30.9	15.2
Capital Expenditures	(3.0)	(3.4)	(8.0)	(4.4)
Dividends	-	(1.5)	(1.5)	(1.5)
Free Cash Flow	<u>\$ 32.5</u>	<u>\$ 24.7</u>	<u>\$ 21.4</u>	<u>\$ 9.3</u>

<b>FCF as a % of net sales</b>	<b>15%</b>	<b>12%</b>	<b>9%</b>	<b>3%</b>
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# Debt Reduction

	<u>Jun 09</u>	<u>Mar 09</u>	<u>Dec 08</u>	<u>Dec 07</u>
Short-Term Debt	\$ 2.7	\$ 2.7	\$ 2.7	\$ 3.0
Long-Term Debt	<u>303.2</u>	<u>326.7</u>	<u>353.6</u>	<u>484.6</u>
Total Debt	305.9	329.4	356.3	487.6
Cash and Cash Equivalents	<u>17.1</u>	<u>8.5</u>	<u>11.3</u>	<u>35.3</u>
Net Debt	<u>\$ 288.8</u>	<u>\$ 320.9</u>	<u>\$ 345.0</u>	<u>\$ 452.3</u>
Total Debt / Total Capitalization	36%	38%	39%	46%

# Building Products Segment



## ◆ Revenues

- Market conditions stabilized or improved
- Introduction of new products and market share gains
- Modest seasonal construction increase

## ◆ Gross Margin

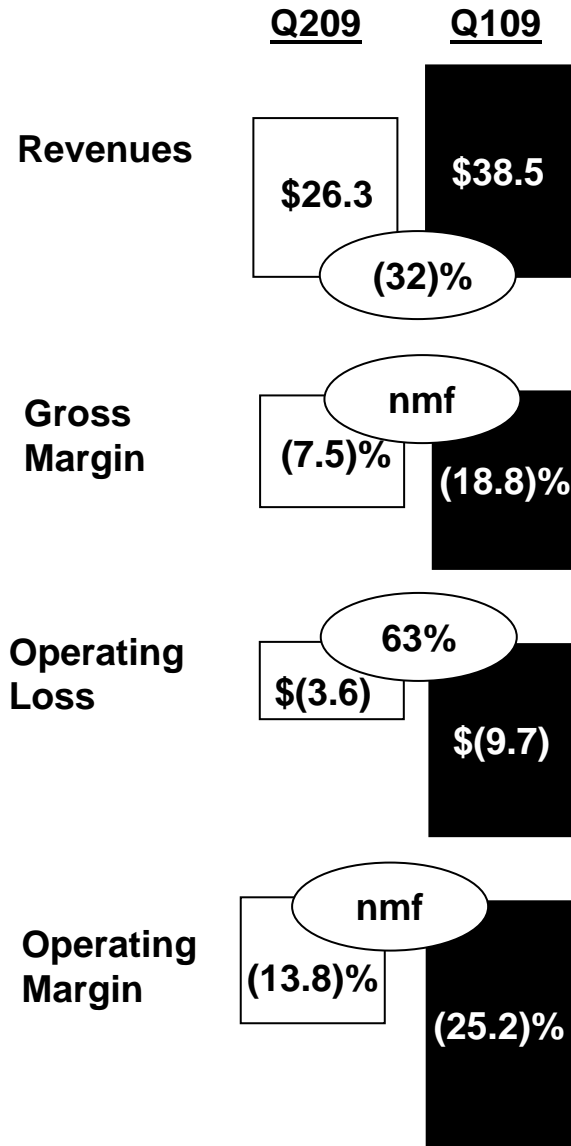
- Aggressive cost-reduction initiatives
- Smaller impact from the FIFO effect of inventory
- Unit volume increase

## ◆ Operating Income & Margin

- Significant leverage
- SG&A reduction of 7% vs Q1

\* Q109 amounts exclude \$25.5M pre-tax goodwill impairment charge. See non-GAAP reconciliations on Slides 13 and 14.

# Processed Metal Products Segment



## ◆ Revenues

- Volume down on weak automotive demand
- Chp 11 filings by Chrysler & GM in Q209

## ◆ Gross Margin

- Aggressive cost-reduction initiatives
- FIFO effect of higher cost inventory diminished in Q2
- \$2M lower-of-cost-or-market charge in Q109

## ◆ Operating Loss & Margin

- SG&A reduction of 30% vs Q1
- Q209 loss smaller by 63% amid 32% lower revenues

# FY2009 Market Assumptions

<u>Q408</u>		Expectations as of:	<u>Q109</u>	<u>Q209</u>	<u>Q309</u>	<u>Q409</u>
-6.3%	GDP (% Change) *	Previous		0.5%	0.4%	1.2%
		Now	-5.5%	-1.0%	0.2%	0.4%
0.750	Housing Starts, SAAR **	Previous		0.658	0.716	0.808
		Now	0.528	0.506	0.570	0.619
10.0	Vehicle Sales, SAAR **	Previous		11.5	13.0	13.6
		Now	9.5	9.6	10.0	10.2

\* Q408 from Bureau of Economic Analysis (BEA)

\*\* SAAR = seasonally adjusted annual rate, amounts in millions

2009 Sources: Global Insight and Manufacturers Alliance/MAPI

# **Q & A Session**

## ***Second Quarter Earnings***

# Non-GAAP Reconciliation 6-mos June 2009

Amounts in millions,  
except per share data

	<u>As Reported in GAAP Statements</u>	<u>Goodwill Impairment</u>	<u>Results Excluding Impairment</u>
Segments' operating (loss) income:			
Building Products	\$ (11.1)	(25.5)	\$ 14.4
Processed Metal Products	(13.3)	-	(13.3)
Corporate	(8.5)	-	(8.5)
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Operating loss	(32.9)	(25.5)	(7.4)
Net interest expense	(11.7)	-	(11.7)
Other income; i.e. JV income	0.1	-	0.1
Income tax benefit	16.4	10.4	6.0
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Net (loss) from continuing ops	\$ (28.1)	\$ (15.1)	\$ (13.0)
	<hr/>	<hr/>	<hr/>
Diluted EPS - continuing ops	\$ (0.93)	\$ (0.50)	\$ (0.43)
Segments' operating margins:			
Building Products	-3.1%	-7.1%	4.0%
Processed Metal Products	-20.5%	0.0%	-20.5%
Consolidated Operating Margin	-7.8%	-6.0%	-1.7%

# Non-GAAP Reconciliation 3-mos March 2009

Amounts in millions,  
except per share data

	<u>As Reported in GAAP Statements</u>	<u>Goodwill Impairment</u>	<u>Results Excluding Impairment</u>
Segments' operating loss:			
Building Products	\$ (28.6)	(25.5)	\$ (3.1)
Processed Metal Products	(9.6)	-	(9.6)
Corporate	(5.0)	-	(5.0)
Operating loss	<u>(43.2)</u>	<u>(25.5)</u>	<u>(17.7)</u>
Net interest expense	(6.0)	-	(6.0)
Other expense; i.e. JV loss	-	-	-
Income tax benefit	21.6	10.4	11.2
Net (loss) from continuing ops	<u>\$ (27.6)</u>	<u>\$ (15.1)</u>	<u>\$ (12.5)</u>
Diluted EPS - continuing ops	<u>\$ (0.92)</u>	<u>\$ (0.50)</u>	<u>\$ (0.42)</u>
Segments' operating margins:			
Building Products	-17.2%	-15.3%	-1.9%
Processed Metal Products	-25.0%	0.0%	-25.0%
Consolidated Operating Margin	-21.1%	-12.5%	-8.6%