



**For Immediate Release
July 23, 2002**

GIBRALTAR REPORTS HIGHEST-EVER QUARTERLY NET INCOME

Second-Quarter Net Income Increases 76 Percent on Five Percent Sales Gain

BUFFALO, NEW YORK (July 23, 2002) – Gibraltar (Nasdaq: ROCK) today reported increased sales and earnings for the three months ended June 30, 2002. Sales in the second quarter of 2002 were \$171.5 million, an increase of approximately five percent from \$163.6 million in the second quarter of 2001. Sales in the first six months of 2002 were \$316.2 million, compared to \$314.1 million in the first half of 2001.

Net income of \$8.0 million in the second quarter of 2002 was a quarterly record, and increased 76 percent from \$4.5 million in the second quarter of 2001. During the first half of 2002, net income was \$12.0 million, an increase of 63 percent from \$7.4 million in the first half of 2001.

Earnings per share in the second quarter of 2002 were \$.49, an increase of 40 percent from \$.35 per share in the second quarter of 2001, on a 26 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 half of 2002, earnings per share were \$.81, an increase of 40 percent from \$.58 in the first half of 2001, on a 16 percent increase in weighted average shares outstanding.

"As we said earlier this month, our second-quarter results were even stronger than expected, with modest sales growth, record quarterly earnings, and higher margins. The economy has improved – and certain areas, like automotive production, are stronger than last year. Our ongoing efforts to control and cut costs, reduce debt, and our focus on asset management continue to serve us well," said Brian J. Lipke, Gibraltar's Chairman and Chief Executive Officer.

"With the successful completion of our secondary stock offering in March, the recent restructuring of our debt, stronger performances from our existing operations, our acquisition of B&W Heat Treating, and our solid first-half results, we are well on our way to generating improved sales and significantly higher earnings in 2002," said Mr. Lipke.

On July 8, Gibraltar announced that it had acquired B&W Heat Treating, Canada's largest independent commercial heat treater. This was Gibraltar's 16th acquisition in the last seven years, and the Company said that numerous opportunities continue to exist. On July 9, the Company announced that it had extended its secured revolving credit facility (\$225 million, with a \$50 million expansion feature) for a five-year term through June 2007, and that it completed a \$50 million private placement of debt.

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Gibraltar Reports Highest-Ever Quarterly Net Income
Page Two

“Barring a significant change in business conditions, we expect our third-quarter earnings per share will be in the range of \$.36 to \$.45 on approximately 16.2 million shares outstanding, compared to \$.28 in the third quarter of 2001 on approximately 12.8 million shares outstanding. Our constant focus on asset management and return on investment positions us to take advantage of business opportunities as the economy continues to improve,” 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 57 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.

--30--

Gibraltar will review its second-quarter results and discuss 2002 during its quarterly conference call, which will be held at 2 p.m. Eastern Time on July 23. 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>June 30, 2002</u>	<u>June 30, 2001</u>
	(unaudited)	
Net Sales	\$ 171,520	\$ 163,550
Net Income	\$ 7,962	\$ 4,518
Net Income Per Share-Basic	\$.50	\$.36
Weighted Average Shares Outstanding-Basic	15,835	12,588
Net Income Per Share-Diluted	\$.49	\$.35
Weighted Average Shares Outstanding-Diluted	16,158	12,802

	Six Months Ended	
	<u>June 30, 2002</u>	<u>June 30, 2001</u>
	(unaudited)	
Net Sales	\$ 316,233	\$ 314,100
Net Income	\$ 12,040	\$ 7,404
Net Income Per Share-Basic	\$.83	\$.59
Weighted Average Shares Outstanding-Basic	14,561	12,583
Net Income Per Share-Diluted	\$.81	\$.58
Weighted Average Shares Outstanding-Diluted	14,808	12,741

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	June 30, 2002 (unaudited)	December 31, 2001 (audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,814	\$ 8,150
Accounts receivable	103,258	76,696
Inventories	83,461	75,847
Other current assets	7,281	5,922
Total current assets	197,814	166,615
Property, plant and equipment, net	223,041	228,443
Goodwill	133,452	132,717
Other assets	7,386	7,265
	\$ 561,693	\$ 535,040
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 51,891	\$ 43,612
Accrued expenses	24,087	17,126
Current maturities of long-term debt	812	813
Total current liabilities	76,790	61,551
Long-term debt	156,737	211,462
Deferred income taxes	39,878	38,043
Other non-current liabilities	6,357	5,637
Shareholders' equity		
Preferred shares	-	-
Common shares	159	126
Additional paid-in capital	122,208	69,221
Retained earnings	161,432	150,578
Accumulated comprehensive loss	(1,868)	(1,578)
Total shareholder's equity	281,931	218,347
	\$ 561,693	\$ 535,040

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(in thousands, except per share date)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
	(unaudited)		(unaudited)	
Net Sales	\$ 171,520	\$ 163,550	\$ 316,233	\$ 314,100
Cost of sales	<u>136,123</u>	<u>131,469</u>	<u>253,622</u>	<u>253,534</u>
Gross profit	35,397	32,081	62,611	60,566
Selling, general and administrative expense	<u>19,877</u>	<u>20,027</u>	<u>37,474</u>	<u>38,770</u>
Income from operations	15,520	12,054	25,137	21,796
Interest expense	<u>2,139</u>	<u>4,460</u>	<u>4,902</u>	<u>9,352</u>
Income before taxes	13,381	7,594	20,235	12,444
Provision for income taxes	<u>5,419</u>	<u>3,076</u>	<u>8,195</u>	<u>5,040</u>
Net income	<u>\$ 7,962</u>	<u>\$ 4,518</u>	<u>\$ 12,040</u>	<u>\$ 7,404</u>
Net income per share-Basic	<u>\$ 0.50</u>	<u>\$ 0.36</u>	<u>\$ 0.83</u>	<u>\$ 0.59</u>
Weighted average shares outstanding - Basic	<u>15,835</u>	<u>12,588</u>	<u>14,561</u>	<u>12,583</u>
Net income per share-Diluted	<u>\$ 0.49</u>	<u>\$ 0.35</u>	<u>\$ 0.81</u>	<u>\$ 0.58</u>
Weighted average share outstanding - Diluted	<u>16,158</u>	<u>12,802</u>	<u>14,808</u>	<u>12,741</u>

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands)

	Six Months Ended June 30,	
	2002	2001
	(unaudited)	
<u>Cash flows from operating activities</u>		
Net income	\$ 12,040	\$ 7,404
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	10,050	11,582
Provision for deferred income taxes	2,324	2,351
Undistributed equity investment income	133	266
Other noncash adjustments	228	58
Increase (decrease) in cash resulting from changes in (net of acquisitions):		
Accounts receivable	(26,562)	(18,997)
Inventories	(7,614)	11,291
Other current assets	(1,150)	(1,690)
Accounts payable and accrued expenses	15,328	20,612
Other assets	(1,271)	(694)
Net cash provided by operating activities	<u>3,506</u>	<u>32,183</u>
<u>Cash flows from investing activities</u>		
Acquisitions, net of cash acquired	-	(10,832)
Purchases of property, plant and equipment	(4,527)	(7,915)
Net proceeds from sale of property and equipment	160	177
Net cash used in investing activities	<u>(4,367)</u>	<u>(18,570)</u>
<u>Cash flows from financing activities</u>		
Long-term debt reduction	(75,942)	(35,334)
Proceeds from long-term debt	21,179	20,394
Payment of dividends	(994)	(755)
Net proceeds from issuance of common stock	52,282	419
Net cash used in financing activities	<u>(3,475)</u>	<u>(15,276)</u>
Net decrease in cash and cash equivalents	(4,336)	(1,663)
Cash and cash equivalents at beginning of year	<u>8,150</u>	<u>1,701</u>
Cash and cash equivalents at end of period	<u>\$ 3,814</u>	<u>\$ 38</u>

GIBRALTAR STEEL CORPORATION
Segment Information
(in thousands)

	<u>Three Months Ended June 30,</u>			
	<u>2002</u>	<u>2001</u>	Increase (Decrease)	
	(unaudited)	(unaudited)	<u>\$</u>	<u>%</u>
Net Sales				
Processed Steel	\$ 70,622	\$ 63,492	\$ 7,130	11.2%
Building Products	81,086	81,553	(467)	-0.6%
Heat Treating	19,812	18,505	1,307	7.1%
Total Sales	\$ 171,520	\$ 163,550	\$ 7,970	4.9%
Income from Operations				
Processed Steel	\$ 8,812	\$ 8,083	\$ 729	9.0%
Building Products	8,314	7,054	1,260	17.9%
Heat Treating	2,710	2,268	442	19.5%
Corporate	(4,316)	(5,351)	1,035	-19.3%
Total Operating Income	\$ 15,520	\$ 12,054	\$ 3,466	28.8%
Operating Margin				
Processed Steel	12.5%	12.7%		
Building Products	10.3%	8.6%		
Heat Treating	13.7%	12.3%		

	<u>Six Months Ended June 30,</u>			
	<u>2002</u>	<u>2001</u>	Increase (Decrease)	
	(unaudited)	(unaudited)	<u>\$</u>	<u>%</u>
Net Sales				
Processed Steel	\$ 133,634	\$ 126,337	\$ 7,297	5.8%
Building Products	144,306	150,036	(5,730)	-3.8%
Heat Treating	38,293	37,727	566	1.5%
Total Sales	\$ 316,233	\$ 314,100	\$ 2,133	0.7%
Income from Operations				
Processed Steel	\$ 16,280	\$ 14,759	\$ 1,521	10.3%
Building Products	10,809	10,950	(141)	-1.3%
Heat Treating	5,327	5,336	(9)	-0.2%
Corporate	(7,279)	(9,249)	1,970	-21.3%
Total Operating Income	\$ 25,137	\$ 21,796	\$ 3,341	15.3%
Operating Margin				
Processed Steel	12.2%	11.7%		
Building Products	7.5%	7.3%		
Heat Treating	13.9%	14.1%		