



**For Immediate Release
October 18, 2001**

GIBRALTAR REPORTS THIRD-QUARTER SALES AND EARNINGS

BUFFALO, NEW YORK (October 18 2001) – Gibraltar (Nasdaq: ROCK) today reported its sales and earnings for the quarter and nine months ended September 30, 2001.

Sales in the third quarter of 2001 were \$161.5 million, a decrease of 9.4 percent from \$178.3 million in the third quarter of 2000. Sales in the first nine months of 2001 were \$475.6 million, a decrease of 9.8 percent from \$527.5 million in the first nine months of 2000.

Net income in the third quarter of 2001 was \$3.6 million, or \$.28 per diluted share, compared to \$7.2 million, or \$.57 per diluted share, in the third quarter of 2000. Included in third-quarter results is a non-cash charge to net income relating to the Company's E-commerce investment for approximately \$.6 million, or \$.05 per diluted share. Excluding the charge, the Company would have reported diluted earnings per share of \$.33 for the quarter.

For the first nine months of the year, net income was \$11.0 million, or \$.86 per diluted share, compared to \$21.1 million, or \$1.66 per diluted share, in the first nine months of 2000.

Gibraltar's sales and earnings for the three and nine months ended September 30, 2000, were the best-ever results for those periods, which made for difficult comparisons.

“Our performance in the difficult operating environment of the third quarter was a direct result of our longstanding efforts to diversify our customer base and business mix, our geographic diversification, our push into higher-margin products and services, and the hard work and dedication of our people,” said Brian J. Lipke, Chairman and Chief Executive Officer.

“In recognition of the difficult and volatile operating environment, we continued to focus on relentlessly driving costs from our business and strengthening relationships with our customers.

“In the first nine months of 2001, we have been successful in our efforts to reduce inventory and debt. During the third quarter, we reduced our inventories by an additional \$6.0 million, even as sales held fairly constant with the previous quarter. In the first nine months of 2001, we have reduced our inventory by \$17.3 million, or 17 percent, and our debt by approximately \$29 million,” said Mr. Lipke.

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“In a period of great uncertainty, we continue to take steps to control all of the variables that we can. In addition, we continued to benefit from lower raw material costs and lower interest rates during the third quarter,” 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. It has approximately 3,500 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 third-quarter results during its quarterly conference call, which will be held at 9 a.m. Eastern time on October 19. 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, at 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, 2001</u>	<u>September 30, 2000</u>
	(unaudited)	
Net Sales	\$ 161,484	\$ 178,326
Net Income	\$ 3,594	\$ 7,248
Net Income Per Share-Basic	\$.29	\$.58
Weighted Average Shares Outstanding-Basic	12,597	12,580
Net Income Per Share-Diluted	\$.28	\$.57
Weighted Average Shares Outstanding-Diluted	12,821	12,708

	Nine Months Ended	
	<u>September 30, 2001</u>	<u>September 30, 2000</u>
	(unaudited)	
Net Sales	\$ 475,584	\$ 527,483
Net Income	\$ 10,998	\$ 21,117
Net Income Per Share-Basic	\$.87	\$ 1.68
Weighted Average Shares Outstanding-Basic	12,587	12,580
Net Income Per Share-Diluted	\$.86	\$ 1.66
Weighted Average Shares Outstanding-Diluted	12,768	12,700

GIBRALTAR STEEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	September 30, 2001 <u>(unaudited)</u>	December 31, 2000 <u>(audited)</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 5,461	\$ 1,701
Accounts receivable	96,237	78,358
Inventories	83,688	100,987
Other current assets	<u>7,383</u>	<u>6,548</u>
Total current assets	192,769	187,594
Property, plant and equipment, net	230,837	229,159
Goodwill	133,766	130,368
Other assets	<u>7,556</u>	<u>8,925</u>
	<u>\$ 564,928</u>	<u>\$ 556,046</u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 60,404	\$ 39,285
Accrued expenses	18,195	15,575
Current maturities of long-term debt	<u>530</u>	<u>327</u>
Total current liabilities	79,129	55,187
Long-term debt	226,496	255,526
Deferred income taxes	36,445	34,325
Other non-current liabilities	6,202	2,660
Shareholders' equity		
Preferred shares	-	-
Common shares	126	126
Additional paid-in capital	69,032	68,475
Retained earnings	149,484	139,747
Accumulated comprehensive loss	<u>(1,986)</u>	<u>-</u>
Total shareholders' equity	<u>216,656</u>	<u>208,348</u>
	<u>\$ 564,928</u>	<u>\$ 556,046</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
	<u>(unaudited)</u>		<u>(unaudited)</u>	
Net sales	\$ 161,484	\$ 178,326	\$ 475,584	\$ 527,483
Cost of sales	<u>131,154</u>	<u>142,463</u>	<u>384,688</u>	<u>420,456</u>
Gross profit	30,330	35,863	90,896	107,027
Selling, general and administrative expense	<u>20,479</u>	<u>18,595</u>	<u>59,249</u>	<u>58,025</u>
Income from operations	9,851	17,268	31,647	49,002
Interest expense	<u>3,811</u>	<u>5,086</u>	<u>13,163</u>	<u>13,511</u>
Income before taxes	6,040	12,182	18,484	35,491
Provision for income taxes	<u>2,446</u>	<u>4,934</u>	<u>7,486</u>	<u>14,374</u>
Net income	<u>\$ 3,594</u>	<u>\$ 7,248</u>	<u>\$ 10,998</u>	<u>\$ 21,117</u>
Net income per share - Basic	<u>\$.29</u>	<u>\$.58</u>	<u>\$.87</u>	<u>\$ 1.68</u>
Weighted average number of shares outstanding-Basic	<u>12,597</u>	<u>12,580</u>	<u>12,587</u>	<u>12,580</u>
Net income per share-Diluted	<u>\$.28</u>	<u>\$.57</u>	<u>\$.86</u>	<u>\$ 1.66</u>
Weighted average number of shares outstanding-Diluted	<u>12,821</u>	<u>12,708</u>	<u>12,768</u>	<u>12,700</u>

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

	Nine Months Ended September 30,	
	2001	2000
	(unaudited)	
<u>Cash flows from operating activities</u>		
Net income	\$ 10,998	\$ 21,117
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,539	15,763
Provision for deferred income taxes	3,578	3,358
Undistributed equity investment income	478	(461)
Other noncash adjustments	88	87
Increase (decrease) in cash resulting from changes in (net of effects from acquisitions):		
Accounts receivable	(17,251)	(14,481)
Inventories	17,299	(1,977)
Other current assets	(1,332)	(460)
Accounts payable and accrued expenses	23,639	(96)
Other assets	626	(3,175)
	55,662	19,675
<u>Cash flows from investing activities</u>		
Acquisitions, net of cash acquired	(10,832)	(43,267)
Purchases of property, plant and equipment	(11,831)	(13,849)
Net proceeds from sale of property and equipment	316	7,335
	(22,347)	(49,781)
<u>Cash flows from financing activities</u>		
Long-term debt reduction	(62,822)	(43,929)
Proceeds from long-term debt	33,995	73,911
Payment of dividends	(1,197)	(1,069)
Net proceeds from issuance of common stock	469	35
	(29,555)	28,948
Net increase (decrease) in cash and cash equivalents	3,760	(1,158)
Cash and cash equivalents at beginning of year	1,701	4,687
Cash and cash equivalents at end of period	\$ 5,461	\$ 3,529