



GIBRALTAR

For Immediate Release
April 24, 2001

GIBRALTAR REPORTS FIRST-QUARTER RESULTS

Company Expects Sales and Earnings to Improve in the Second and Third Quarters

BUFFALO, NEW YORK (April 24, 2001) – Gibraltar (Nasdaq: ROCK) today reported its sales and earnings for the quarter ended March 31, 2001. The Company also said that, in spite of a difficult operating environment in the first quarter, it completed an acquisition, and continued to implement its cost-reduction and revenue-enhancement strategies, to position it for a stronger performance in the second half of 2001, and beyond.

Sales in the first quarter of 2001 were \$150.6 million, down ten percent from \$167.6 million in the first quarter of 2000. Net income in the first quarter of 2001 was \$2.9 million, or \$.23 per diluted share, compared to \$6.0 million, or \$.47 per diluted share, in the first quarter of 2000.

“As we discussed in our previous earnings release and conference call, the sharp slowdown in the economy – especially in the automotive area, which still represents approximately 30 percent of our business (versus 58 percent in 1993) – impacted our sales and earnings in the first quarter,” said Brian J. Lipke, Chairman and Chief Executive Officer.

“Our geographic, customer, and product diversification – and our continuous focus on margin improvement – puts us in an excellent position to weather a downturn better and come out of it sooner than our competitors. And while the economic downturn has temporarily interrupted our longstanding record of sales and earnings growth, we intend to come out of this slowdown leaner, more efficient, and positioned to fully capitalize on our profit potential,” said Mr. Lipke.

“Looking ahead to the balance of the year, we see a number of positives. Interest rates have decreased 200 basis points, and the Federal Reserve has indicated that there will very likely be further reductions. The second and third quarters are historically the strongest for our business. Many of our customers (most notably, Home Depot and Lowe’s) have aggressive growth plans for 2001. And the auto companies substantially reduced their inventories during the first quarter, as demand was better than expected, which put them on pace for their third-best year in spite of the slowdown,” said Mr. Lipke.

“During the first quarter, we continued to pare down our operations to match our cost structure with our current volumes. We lowered our inventories by \$8.7 million, or approximately nine percent, during the quarter. We consolidated a number of our facilities to eliminate excess capacity. And we continue to take other steps to further control and cut costs, and improve our results,” said Mr. Lipke.

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“In spite of a difficult operating environment, we continue to see many opportunities – with our existing businesses and in the acquisition arena – to continue our strategic growth. To that end, we made our fifteenth acquisition in the last six years when Pennsylvania Industrial Heat Treaters joined the Gibraltar organization in February. We continue to evaluate additional growth opportunities,” said Mr. Lipke.

“As the economy rebounds and begins to regain momentum, our goal is to resume our historic sales and earnings growth. We expect the economy and our business to strengthen later this year. It is our intention to get back on track with our 20 percent top and bottom line growth targets and reach our \$1 billion annual sales and \$45 million annual net income goals by 2003, or sooner,” said Mr. Lipke.

Gibraltar is a growth-oriented company, with expanding operations in the building and construction products, metal processing, and commercial heat-treating markets. 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 first-quarter results and discuss 2001 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, 2001</u>	<u>March 31, 2000</u>
	(unaudited)	
Net Sales	\$ 150,550	\$ 167,634
Net Income	\$ 2,886	\$ 6,015
Net Income Per Share-Basic	\$.23	\$.48
Weighted Average Shares Outstanding-Basic	12,577	12,579
Net Income Per Share-Diluted	\$.23	\$.47
Weighted Average Shares Outstanding-Diluted	12,681	12,717

GIBRALTAR STEEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	March 31, <u>2001</u> (unaudited)	December 31, <u>2000</u> (audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,161	\$ 1,701
Accounts receivable	92,395	78,358
Inventories	92,316	100,987
Other current assets	<u>7,271</u>	<u>6,548</u>
Total current assets	<u>195,143</u>	<u>187,594</u>
Property, plant and equipment, net	234,150	229,159
Goodwill	135,839	130,368
Other assets	<u>9,200</u>	<u>8,925</u>
	\$ 574,332 =====	\$ 556,046 =====
 <u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 48,973	\$ 39,285
Accrued expenses	14,073	15,575
Current maturities of long-term debt	<u>— 327</u>	<u>327</u>
Total current liabilities	<u>63,373</u>	<u>55,187</u>
Long-term debt	261,730	255,526
Deferred income taxes	34,807	34,325
Other non-current liabilities	4,277	2,660
Shareholders' equity		
Preferred shares	—	—
Common shares	126	126
Additional paid-in capital	68,673	68,475
Retained earnings	142,255	139,747
Accumulated comprehensive loss	<u>(909)</u>	<u>—</u>
Total shareholders' equity	<u>210,145</u>	<u>208,348</u>
	\$ 574,332 =====	\$ 556,046 =====

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

	Three Months Ended March 31,	
	2001	2000
	(unaudited)	
Net sales	\$ 150,550	\$ 167,634
Cost of sales	<u>122,065</u>	<u>133,086</u>
Gross profit	28,485	34,548
Selling, general and administrative expense	<u>18,743</u>	<u>20,230</u>
Income from operations	9,742	14,318
Interest expense	<u>4,892</u>	<u>4,208</u>
Income before taxes	4,850	10,110
Provision for income taxes	<u>1,964</u>	<u>4,095</u>
Net income	\$ 2,886 =====	\$ 6,015 =====
Net income per share-Basic	\$.23 =====	\$.48 =====
Weighted average shares outstanding-Basic	12,577 =====	12,579 =====
Net income per share-Diluted	\$.23 =====	\$.47 =====
Weighted average shares outstanding-Diluted	12,681 =====	12,717 =====

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

	Three Months Ended March 31,	
	2001	2000
	(unaudited)	
<u>Cash flows from operating activities</u>		
Net income	\$ 2,886	\$ 6,015
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,670	5,116
Provision for deferred income taxes	1,241	81
Undistributed equity investment income	138	(318)
Other noncash adjustments	29	29
Increase (decrease) in cash resulting from changes in (net of acquisitions):		
Accounts receivable	(13,409)	(14,974)
Inventories	8,671	(3,185)
Other current assets	(1,153)	(165)
Accounts payable and accrued expenses	6,946	5,431
Other assets	(503)	(329)
Net cash provided by (used in) operating activities	<u>10,516</u>	<u>(2,299)</u>
<u>Cash flows from investing activities</u>		
Acquisitions, net of cash acquired	(10,832)	-
Purchases of property, plant and equipment	(5,372)	(5,302)
Net proceeds from sale of property and equipment	152	7,114
Net cash (used in) provided by investing activities	<u>(16,052)</u>	<u>1,812</u>
<u>Cash flows from financing activities</u>		
Long-term debt reduction	(9,699)	(14,771)
Proceeds from long-term debt	16,903	13,872
Payment of dividends	(377)	(314)
Net proceeds from issuance of common stock	169	35
Net cash provided by (used in) financing activities	<u>6,996</u>	<u>(1,178)</u>
Net increase (decrease) in cash and cash equivalents	1,460	(1,665)
Cash and cash equivalents at beginning of year	<u>1,701</u>	<u>4,687</u>
Cash and cash equivalents at end of period	<u>\$ 3,161</u> =====	<u>\$ 3,022</u> =====