



**Third Quarter 2009**

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**Investor Review**

**November 5, 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 rose 73% vs. Q209

- From \$10.7M to \$18.5M profit, excluding special charges
- Margin expansion on \$8M of incremental revenue
- Effective cost actions & inventory reduction

## Sequential Revenue Rise

- Processed Metal segment rose 32% sequentially

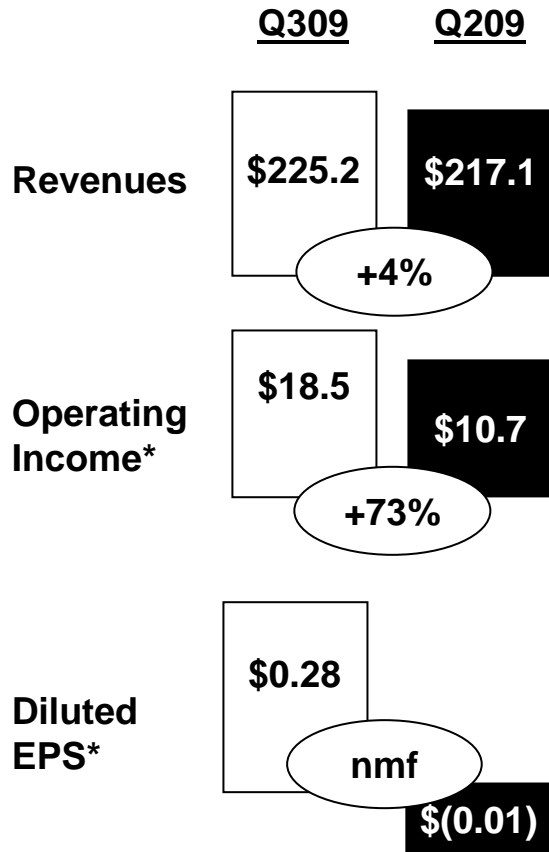
## \$45M Free Cash Flow in Q3

- \$102M YTD
- Working capital reduced 35% YTD

## Debt Reduction another 13% or \$40M in Q309

- Debt reduced \$91M or 26% YTD... to 32% debt-to-capitalization
- Revolver has zero drawn

# Sequential Improvement



## ◆ Revenues

- Building Products' seasonal rise sustained from Q2.
- Processed Metals' demand up significantly as OEMs replenish dealers.

## ◆ Operating Income

- Aggressive cost actions.
- Less costly inventory sold compared to Q209.

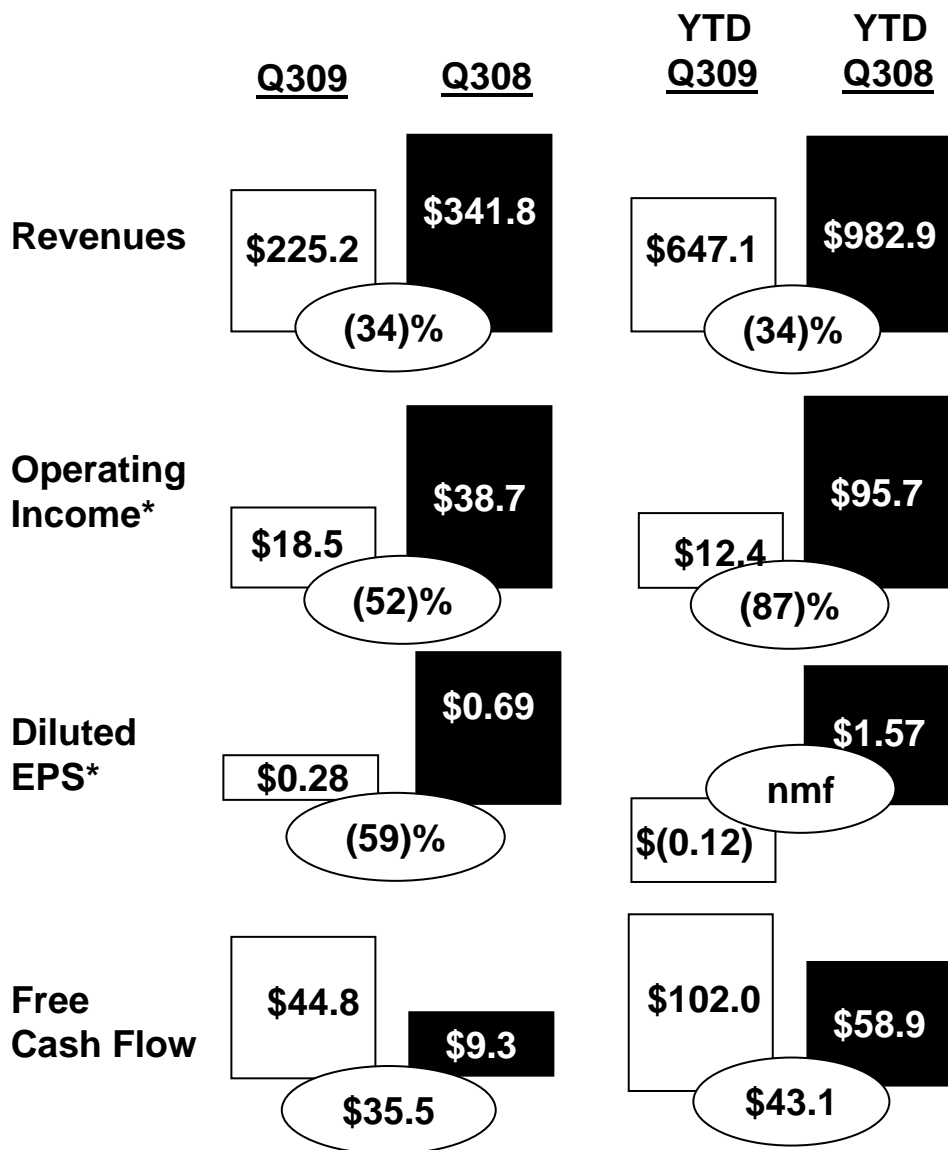
## ◆ EPS from Continuing Operations

- Improvement from both Segments.
- Tax rate favorable compared to Q2' true-up.
- Q309 excluded \$0.12 per share for debt amendment and exit activity charges.

\* Excludes special charges. See non-GAAP reconciliations in Appendix.

nmf – not meaningful

# Financial Results vs. Prior Year



- ◆ **Revenues**
  - Both segments unfavorable to prior year periods.
  - Automotive OEM plant closures in Q209.
  
- ◆ **Operating Income**
  - Significant volume reductions & less price realization.
  - Negative FIFO effect of higher cost inventory concluded in Q309.
  
- ◆ **EPS from Continuing Operations**
  - Lower volume offsetting cost reductions and lower interest expense.
  
- ◆ **FCF**
  - Continued improvement from working capital reductions, plus
  - Reduced capex in 2009, and
  - Dividends suspended.

\* Excludes special charges. See non-GAAP reconciliations in Appendix.



# Net Income / EPS

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	<u>Q309</u>	<u>Q308</u>	<u>Var</u>	<u>YTD</u> <u>Q309</u>	<u>YTD</u> <u>Q308</u>	<u>Var</u>
Segments' operating income*	\$ 22.8	\$ 46.9	\$ (24.1)	\$ 25.3	\$ 118.3	\$ (93.0)
Corporate expenses*	(4.3)	(8.2)	3.9	(12.9)	(22.6)	9.7
Operating income*	18.5	38.7	(20.2)	12.4	95.7	(83.3)
Net interest*	(6.7)	(7.0)	0.3	(18.5)	(22.3)	3.8
Other income i.e. JV income	-	0.3	(0.3)	0.2	0.8	(0.6)
Income tax (expense) benefit*	(3.5)	(11.2)	7.7	2.2	(26.7)	28.9
Net income (loss) - continuing ops*	<u>8.3</u>	<u>20.8</u>	<u>(12.5)</u>	<u>(3.7)</u>	<u>47.5</u>	<u>(51.2)</u>
<b>Diluted EPS - continuing ops*</b>	<b>\$0.28</b>	<b>\$0.69</b>	<b>(\$0.41)</b>	<b>(\$0.12)</b>	<b>\$1.57</b>	<b>(\$1.69)</b>

\* Amounts exclude special charges. See non-GAAP reconciliations in Appendix.



# Strong Cash Flow

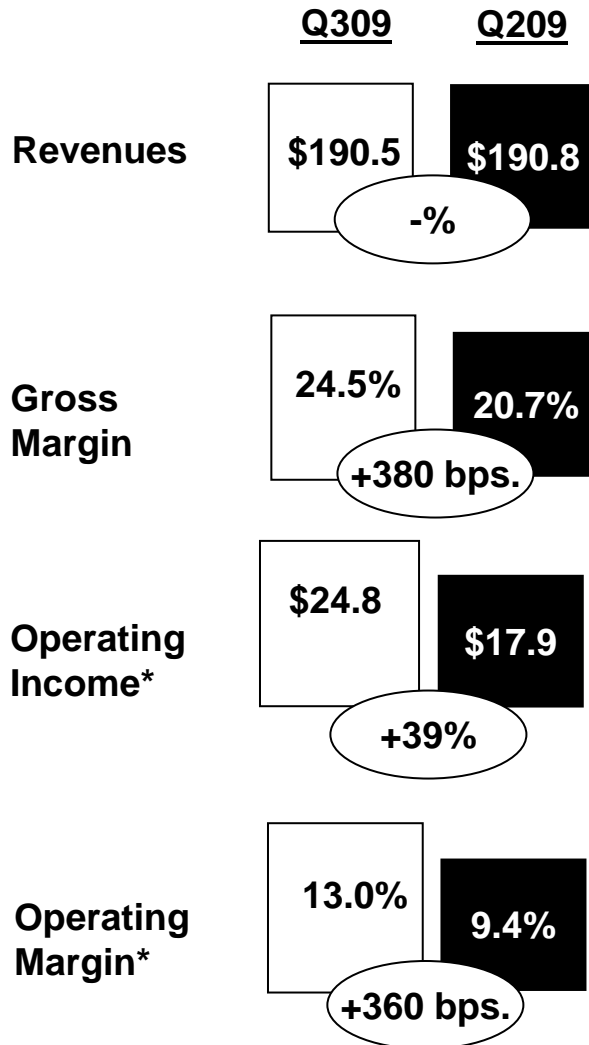
	<u>Q309</u>	<u>Q209</u>	<u>Q109</u>	<u>Q408</u>
Net income (loss) from continuing operations	\$ 4.9	\$ (0.6)	\$ (27.5)	\$ (10.0)
Depreciation and amortization	8.0	8.0	8.1	8.1
Non-cash goodwill impairment charge, net of deferred tax benefit	-	-	15.1	-
Compensation expense of stock-based plans	0.9	1.0	1.5	1.0
Working capital & other balance sheet sources	30.0	26.9	32.1	29.6
Other	2.6	(0.4)	0.4	2.7
Discontinued operations	-	0.6	(0.1)	(0.5)
Subtotal --- Cash Flow from Operations	46.4	35.5	29.6	30.9
Capital Expenditures	(1.6)	(3.0)	(3.4)	(8.0)
Dividends	-	-	(1.5)	(1.5)
Free Cash Flow	<u>\$ 44.8</u>	<u>\$ 32.5</u>	<u>\$ 24.7</u>	<u>\$ 21.4</u>

<b>FCF as % of revenues</b>	<b>20%</b>	<b>15%</b>	<b>12%</b>	<b>9%</b>
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# Debt Reduction Continues

	<u>Sep 09</u>	<u>Jun 09</u>	<u>Mar 09</u>	<u>Dec 08</u>
Short-Term Debt	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7
Long-Term Debt	<u>262.7</u>	<u>303.2</u>	<u>326.7</u>	<u>353.6</u>
Total Debt	265.4	305.9	329.4	356.3
Cash and Cash Equivalents	<u>15.1</u>	<u>17.1</u>	<u>8.5</u>	<u>11.3</u>
Net Debt	<u>\$ 250.3</u>	<u>\$ 288.8</u>	<u>\$ 320.9</u>	<u>\$ 345.0</u>
Total Debt / Total Capitalization	32%	36%	38%	39%

# Building Products Segment



## ◆ Revenues

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

## ◆ Gross Margin

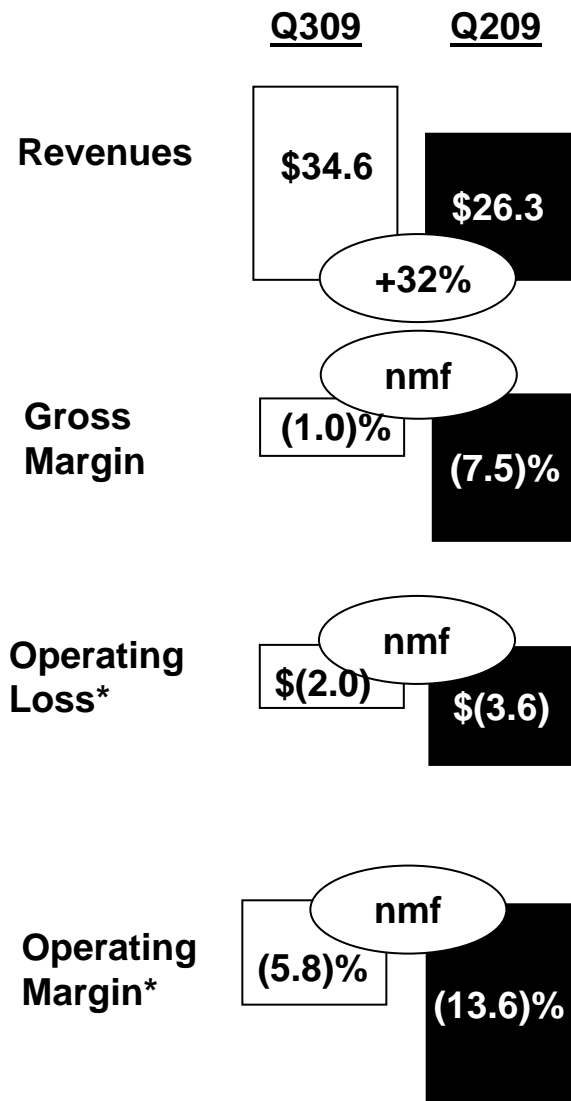
- Aggressive cost-reduction initiatives.
- Smaller impact from the FIFO effect of inventory.
- Favorable product mix and modest pricing.

## ◆ Operating Income & Margin

- Margin expansion.
- Leverage from lower cost structure.

\* Excludes special charges. See non-GAAP reconciliations in Appendix.

# Processed Metal Products Segment



## ◆ Revenues

- Volume up on higher automotive demand.
- Q209 low demand included Chp 11 filings by Chrysler & GM.

## ◆ Gross Margin

- Aggressive cost-reduction initiatives.
- Leverage on incremental sales.

## ◆ Operating Loss & Margin

- Quarter loss continued to shrink.
- September “in the black”.

\* Excludes special charges. See non-GAAP reconciliations in Appendix.

# FY2009 Market Assumptions

<u>Q408</u>		Expectations as of:	<u>Q109</u>	<u>Q209</u>	<u>Q309</u>	<u>Q409</u>
-5.4%	GDP (% Change) *	Previous			1.9%	2.5%
		Now	-6.4%	-0.7%	3.5%	2.5%
0.658	Housing Starts, SAAR **	Previous			0.590	0.619
		Now	0.528	0.540	0.613	0.675
10.5	Vehicle Sales, SAAR **	Previous			9.1	10.2
		Now	9.5	9.6	11.8	10.4

\* 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**

## ***Third Quarter Earnings***

# Non-GAAP Reconciliation

3-mos September 2009

Amounts in thousands,

except per share data

	<u>As Reported in GAAP Statements</u>	<u>Exit Activity Costs</u>	<u>Deferred Financing Costs</u>	<u>Non-GAAP Item Reported</u>
Segments' operating income (loss):				
Building Products	23,287	1,525	-	24,812
Processed Metal Products	(3,425)	1,426	-	(1,999)
Corporate	(5,007)	293	379	(4,335)
Operating income	14,855	3,244	379	18,478
Interest expense	7,863	-	(1,154)	6,709
Equity in partnership's income and other income	(56)	-	-	(56)
Income before income taxes	7,048	3,244	1,533	11,825
Provision for income taxes	2,100	938	443	3,481
Income from continuing operations	<u>\$ 4,948</u>	<u>\$ 2,306</u>	<u>\$ 1,090</u>	<u>\$ 8,344</u>
Income from continuing operations per share - diluted	<u>\$ 0.16</u>	<u>\$ 0.08</u>	<u>\$ 0.04</u>	<u>\$ 0.28</u>
Segments' operating margins:				
Building Products	12.2%	0.8%	0.0%	13.0%
Processed Metal Products	-9.9%	4.1%	0.0%	-5.8%
Consolidated operating margin	6.6%	1.4%	0.2%	8.2%

# Non-GAAP Reconciliation

9-mos September 2009

Amounts in thousands,

except per share data

	<u>As Reported in GAAP Statements</u>	<u>Impairment Charge</u>	<u>Exit Activity Costs</u>	<u>Deferred Financing Costs</u>	<u>Non-GAAP Item Reported</u>
Segments' operating income (loss):					
Building Products	12,214	25,501	2,174	-	39,889
Processed Metal Products	(16,685)	-	2,032	-	(14,653)
Corporate	(13,547)	-	293	379	(12,875)
Operating (loss) income	(18,018)	25,501	4,499	379	12,361
Interest expense	19,609	-	-	(1,154)	18,455
Equity in partnership's income and other income	(163)	-	-	-	(163)
Loss before income taxes	(37,464)	25,501	4,499	1,533	(5,931)
Benefit of income taxes	(14,276)	10,416	1,242	423	(2,195)
Loss from continuing operations	<u>\$ (23,188)</u>	<u>\$ 15,085</u>	<u>\$ 3,257</u>	<u>\$ 1,110</u>	<u>\$ (3,736)</u>
Loss from continuing operations per share - diluted	<u>\$ (0.77)</u>	<u>\$ 0.50</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>	<u>\$ (0.12)</u>
Segments' operating margins:					
Building Products	2.2%	4.7%	0.4%	0.0%	7.3%
Processed Metal Products	-16.8%	0.0%	2.0%	0.0%	-14.8%
Consolidated operating margin	-2.8%	3.9%	0.7%	0.1%	1.9%

# Non-GAAP Reconciliation

3-mos September 2008

Amounts in thousands,

except per share data

	<u>As Reported in GAAP Statements</u>	<u>Exit Activity Costs</u>	<u>Non-GAAP Item Reported</u>
Segments' operating income:			
Building Products	33,500	2,680	36,180
Processed Metal Products	10,708	-	10,708
Corporate	(9,339)	1,139	(8,200)
Operating income	<u>34,869</u>	<u>3,819</u>	<u>38,688</u>
Interest expense	6,994	-	6,994
Equity in partnership's income and other income	(383)	-	(383)
Income before income taxes	<u>28,258</u>	<u>3,819</u>	<u>32,077</u>
Provision for income taxes	9,896	1,337	11,233
Income from continuing operations	<u>\$ 18,362</u>	<u>\$ 2,482</u>	<u>\$ 20,844</u>
Income from continuing operations per share - diluted	<u>\$ 0.61</u>	<u>\$ 0.08</u>	<u>\$ 0.69</u>
Segments' operating margins:			
Building Products	12.1%	1.0%	13.1%
Processed Metal Products	16.6%	0.0%	16.6%
Consolidated operating margin	10.2%	1.1%	11.3%

# Non-GAAP Reconciliation

9-mos September 2008

Amounts in thousands,

except per share data

	<u>As Reported in GAAP Statements</u>	<u>Exit Activity Costs</u>	<u>Non-GAAP Item Reported</u>
Segments' operating income:			
Building Products	93,938	3,998	97,936
Processed Metal Products	19,056	1,333	20,389
Corporate	(23,746)	1,139	(22,607)
Operating income	<u>89,248</u>	<u>6,470</u>	<u>95,718</u>
Interest expense	22,317	-	22,317
Equity in partnership's income and other income	(806)	-	(806)
Income before income taxes	<u>67,737</u>	<u>6,470</u>	<u>74,207</u>
Provision for income taxes	24,368	2,329	26,697
Income from continuing operations	<u>\$ 43,369</u>	<u>\$ 4,141</u>	<u>\$ 47,510</u>
Income from continuing operations per share - diluted	<u>\$ 1.44</u>	<u>\$ 0.13</u>	<u>\$ 1.57</u>
Segments' operating margins:			
Building Products	11.9%	0.5%	12.4%
Processed Metal Products	9.8%	0.7%	10.5%
Consolidated operating margin	9.1%	0.7%	9.8%

# Non-GAAP Reconciliation

3-mos June 2009

Amounts in thousands,

except per share data

	<u>As Reported in GAAP Statements</u>	<u>Exit Activity Costs</u>	<u>Non-GAAP Item Reported</u>
Segments' operating income (loss):			
Building Products	17,548	376	17,924
Processed Metal Products	(3,628)	47	(3,581)
Corporate	(3,625)	-	(3,625)
Operating income	<u>10,295</u>	<u>423</u>	<u>10,718</u>
Interest expense	5,779	-	5,779
Equity in partnership's income and other income	(126)	-	(126)
Income before income taxes	<u>4,642</u>	<u>423</u>	<u>5,065</u>
Provision for income taxes	5,226	119	5,345
Loss from continuing operations	<u>\$ (584)</u>	<u>\$ 304</u>	<u>\$ (280)</u>
Loss from continuing operations per share - diluted	<u>\$ (0.02)</u>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>
Segments' operating margins:			
Building Products	9.2%	0.2%	9.4%
Processed Metal Products	-13.8%	0.2%	-13.6%
Consolidated operating margin	4.7%	0.2%	4.9%