

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-22462

Gibraltar Steel Corporation
(Exact name of Registrant as specified in its charter)

Delaware 16-1445150
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3556 Lake Shore Road, P.O. Box 2028, Buffalo, New York 14219-0228
(Address of principal executive offices)

(716) 826-6500
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

As of September 30, 2002, the number of common shares outstanding was: 15,995,124.

GIBRALTAR STEEL CORPORATION

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PART I FINANCIAL INFORMATION
Item 1. Financial Statements
GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	September 30, 2002 <u>(unaudited)</u>	December 31, 2001 <u>(audited)</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 5,810	\$ 8,150
Accounts receivable	104,426	76,696
Inventories	95,388	75,847
Other current assets	<u>7,380</u>	<u>5,922</u>
Total current assets	213,004	166,615
Property, plant and equipment, net	233,582	228,443
Goodwill	133,452	132,717
Other assets	<u>9,128</u>	<u>7,265</u>
	<u>\$ 589,166</u>	<u>\$ 535,040</u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 53,791	\$ 43,612
Accrued expenses	28,181	17,126
Current maturities of long-term debt	<u>623</u>	<u>813</u>
Total current liabilities	82,595	61,551
Long-term debt	166,570	211,462
Deferred income taxes	43,175	38,043
Other non-current liabilities	7,729	5,637
Shareholders' equity		
Preferred shares	-	-
Common shares	160	126
Additional paid-in capital	123,488	69,221
Retained earnings	168,083	150,578
Accumulated comprehensive loss	<u>(2,634)</u>	<u>(1,578)</u>
Total shareholders' equity	<u>289,097</u>	<u>218,347</u>
	<u>\$ 589,166</u>	<u>\$ 535,040</u>

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
	(unaudited)		(unaudited)	
Net sales	\$ 173,160	\$ 161,484	\$ 489,393	\$ 475,584
Cost of sales	<u>138,517</u>	<u>131,154</u>	<u>392,139</u>	<u>384,688</u>
Gross profit	34,643	30,330	97,254	90,896
Selling, general and administrative expense	<u>19,885</u>	<u>20,479</u>	<u>57,359</u>	<u>59,249</u>
Income from operations	14,758	9,851	39,895	31,647
Interest expense	<u>2,806</u>	<u>3,811</u>	<u>7,708</u>	<u>13,163</u>
Income before taxes	11,952	6,040	32,187	18,484
Provision for income taxes	<u>4,841</u>	<u>2,446</u>	<u>13,036</u>	<u>7,486</u>
Net income	<u>\$ 7,111</u>	<u>\$ 3,594</u>	<u>\$ 19,151</u>	<u>\$ 10,998</u>
Net income per share-Basic	<u>\$ 0.45</u>	<u>\$ 0.29</u>	<u>\$ 1.27</u>	<u>\$ 0.87</u>
Weighted average shares outstanding - Basic	<u>15,981</u>	<u>12,597</u>	<u>15,039</u>	<u>12,587</u>
Net income per share-Diluted	<u>\$ 0.44</u>	<u>\$ 0.28</u>	<u>\$ 1.25</u>	<u>\$ 0.86</u>
Weighted average share outstanding - Diluted	<u>16,234</u>	<u>12,821</u>	<u>15,289</u>	<u>12,768</u>

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30,	
	2002	2001
	(unaudited)	
<u>Cash flows from operating activities</u>		
Net income	\$ 19,151	\$ 10,998
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,255	17,539
Provision for deferred income taxes	3,809	3,578
Undistributed equity investment income	241	478
Other noncash adjustments	346	88
Increase (decrease) in cash resulting from changes in (net of acquisitions):		
Accounts receivable	(25,806)	(17,251)
Inventories	(19,541)	17,299
Other current assets	(1,279)	(1,332)
Accounts payable and accrued expenses	21,153	23,639
Other assets	(3,260)	626
Net cash provided by operating activities	<u>10,069</u>	<u>55,662</u>
<u>Cash flows from investing activities</u>		
Acquisitions, net of cash acquired	(8,847)	(10,832)
Purchases of property, plant and equipment	(11,699)	(11,831)
Net proceeds from sale of property and equipment	<u>1,235</u>	<u>316</u>
Net cash used in investing activities	<u>(19,311)</u>	<u>(22,347)</u>
<u>Cash flows from financing activities</u>		
Long-term debt reduction	(116,350)	(62,822)
Proceeds from long-term debt	71,234	33,995
Payment of dividends	(1,629)	(1,197)
Net proceeds from issuance of common stock	<u>53,647</u>	<u>469</u>
Net cash provided by (used in) financing activities	<u>6,902</u>	<u>(29,555)</u>
Net (decrease) increase in cash and cash equivalents	(2,340)	3,760
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>\$ 5,810</u>	<u>\$ 5,461</u>

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements as of September 30, 2002 and 2001 have been prepared by the Company without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows at September 30, 2002 and 2001 have been included.

Certain information and footnote disclosures including significant accounting policies normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements included in the Company's Annual Report to Shareholders for the year ended December 31, 2001.

The results of operations for the nine month period ended September 30, 2002 are not necessarily indicative of the results to be expected for the full year.

2. INVENTORIES

Inventories consist of the following:

	(in thousands)	
	September 30, <u>2002</u> (unaudited)	December 31, <u>2001</u> (audited)
Raw material	\$ 52,477	\$ 36,378
Finished goods and work-in-process	<u>42,911</u>	<u>39,469</u>
Total inventories	\$ 95,388 =====	\$ 75,847 =====

3. GOODWILL

On January 1, 2002, the Company implemented Statement of Financial Accounting Standards (SFAS) No. 141 Business Combinations which required that all business combinations be accounted for under the purchase method only and that certain acquired assets in a business combination be accounted for apart from goodwill. The implementation of SFAS No. 141 did not impact the Company's financial position or results of operations.

Also on January 1, 2002, the Company implemented SFAS No. 142 Goodwill and Other Intangible Assets which requires that ratable amortization of goodwill be replaced with periodic tests of the goodwill's impairment and that intangible assets other than goodwill should be amortized over their useful lives. The Company performed the required tests of goodwill as of January 1, 2002 and determined that no impairments were indicated. The impact of the adoption of SFAS No. 142 is summarized as follows:

	Three Months Ended September 30, <u>2002</u>		Nine Months Ended September 30, <u>2002</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(in thousands, except for per share data)			
Net income as reported	\$ 7,111	\$ 3,594	\$ 19,151	\$ 10,998
Add back: goodwill amortization after-tax	-	624	-	1,855
Adjusted net income	<u>\$ 7,111</u>	<u>\$ 4,218</u>	<u>\$ 19,151</u>	<u>\$ 12,853</u>
	=====	=====	=====	=====
Basic earnings per share:				
Net income as reported	\$ 0.45	\$ 0.29	\$ 1.27	\$ 0.87
Goodwill amortization after-tax	-	.05	-	0.15
Adjusted net income	<u>\$ 0.45</u>	<u>\$ 0.34</u>	<u>\$ 1.27</u>	<u>\$ 1.02</u>
	=====	=====	=====	=====
Diluted earnings per share:				
Net income as reported	\$ 0.44	\$ 0.28	\$ 1.25	\$ 0.86
Goodwill amortization after-tax	-	0.05	-	0.15
Adjusted net income	<u>\$ 0.44</u>	<u>\$ 0.33</u>	<u>\$ 1.25</u>	<u>\$ 1.01</u>
	=====	=====	=====	=====

4. SHAREHOLDERS' EQUITY

The changes in shareholders' equity consist of:

(in thousands)

	<u>Common Shares</u>	<u>Shares Amount</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Comprehensive Loss</u>
December 31, 2001	12,607	\$ 126	\$ 69,221	\$150,578	\$(1,578)
Net income	-	-	-	19,151	-
Issuance of common stock	3,183	32	51,155	181	-
Stock options exercised and tax benefit	149	2	2,423	-	-
Restricted stock granted	56	-	521	-	-
Earned portion of restricted stock	-	-	168	-	-
Cash dividends-\$.035 per share	-	-	-	(1,827)	-
Interest rate swap adjustments	-	-	-	-	(1,056)
September 30, 2002	15,995	\$ 160	\$123,488	\$168,083	\$(2,634)
	=====				

On January 1, 2001, the Company implemented the provisions of Statement of Financial Accounting Standards No. 133 *Accounting for Derivative Instruments and Hedging Activities* (FAS 133) and recognized the fair value of its interest rate swap agreements as other non-current liabilities. Gains or losses from changes in the fair value of the swap agreements are recorded, net of taxes, as components of Accumulated Comprehensive Loss.

5. EARNINGS PER SHARE

Basic net income per share equals net income divided by the weighted average shares outstanding for the three and nine months ended September 30, 2002 and 2001. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding.

Options to purchase 921,771 shares of the Company's common stock are outstanding as of September 30, 2002 and are exercisable at prices ranging from \$10.00 to \$22.50 per share. Included in diluted shares, are common stock equivalents relating to options of 249,486 and 180,425 for the nine month periods ended September 30, 2002 and 2001, respectively.

6. DEBT

The Company has \$50 million in private placement of debt, which consists of a \$25 million senior secured note due July 3, 2007 with a 7.35% interest rate and a \$25 million senior subordinated note due January 3, 2008 with an 8.98% interest rate.

7. ACQUISITIONS

On July 1, 2002, the Company purchased all the outstanding capital stock of B&W Heat Treating (1975) Limited (B&W Heat Treating) for approximately \$9.2 million. The purchase price consisted of approximately \$8.5 million payable in cash and 32,655 shares of the Company's common stock valued at \$.7 million. B&W Heat Treating, located in Ontario, Canada, is Canada's largest independent commercial heat treater.

On February 13, 2001, the Company purchased all the outstanding capital stock of Pennsylvania Industrial Heat Treaters, Inc. (PIHT) for approximately \$11 million, net of cash acquired. PIHT provides metallurgical heat treating services and specializes in heat treating powdered metal parts.

These acquisitions have been accounted for under the purchase method with the results of their operations consolidated with the Company's results of operations from the respective acquisition dates.

The following information presents the pro forma consolidated condensed results of operations as if the acquisitions had occurred on January 1, 2001. The pro forma amounts may not be indicative of the results that actually would have been achieved had the acquisitions occurred as of January 1, 2001 and are not necessarily indicative of future results of the combined companies.

	(in thousands, except per share data)	
	Nine Months Ended	
	September 30,	
	<u>2002</u>	<u>2001</u>
	(unaudited)	
Net sales	\$ 494,612	\$ 483,469
	=====	=====
Income before taxes	\$ 32,478	\$ 18,582
	=====	=====
Net income	\$ 19,323	\$ 11,057
	=====	=====
Net income per share-Basic	\$ 1.28	\$.88
	=====	=====

8. SEGMENT INFORMATION

The Company is organized into three reportable segments on the basis of the production process, and products and services provided by each segment, identified as follows:

- (i) Processed steel products, which primarily includes the intermediate processing of wide, open tolerance flat-rolled sheet steel through the application of several different processes to produce high-quality, value-added coiled steel products to be further processed by customers.

- (ii) Building products, which primarily includes the processing of sheet steel to produce a wide variety of building and construction products.

- (iii) Heat treating, which includes a wide range of metallurgical heat treating processes in which customer-owned metal parts are exposed to precise temperatures, atmospheres and quenchants to improve their mechanical properties, durability and wear resistance.

The following table illustrates certain measurements used by management to assess the performance of the segments described above as of and for the three and nine month periods ended September 30, 2002 and 2001 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
	(unaudited)		(unaudited)	
Net sales				
Processed steel products	\$ 70,475	\$ 66,319	\$ 204,109	\$ 192,656
Building products	81,259	78,297	225,565	228,333
Heat treating	21,426	16,868	59,719	54,595
	<u>\$ 173,160</u>	<u>\$ 161,484</u>	<u>\$ 489,393</u>	<u>\$ 475,584</u>
	=====	=====	=====	=====
Income from operations				
Processed steel products	\$ 8,378	\$ 7,332	\$ 24,658	\$ 22,091
Building products	7,237	5,254	18,046	16,204
Heat treating	2,367	1,643	7,694	6,979
Corporate	(3,224)	(4,378)	(10,503)	(13,627)
	<u>\$ 14,758</u>	<u>\$ 9,851</u>	<u>\$ 39,895</u>	<u>\$ 31,647</u>
	=====	=====	=====	=====
Depreciation and amortization				
Processed steel products	\$ 1,474	\$ 1,457	\$ 4,393	\$ 4,307
Building products	1,897	1,765	5,548	5,176
Heat treating	1,567	1,461	4,500	4,281
Corporate	267	1,274	814	3,775
	<u>\$ 5,205</u>	<u>\$ 5,957</u>	<u>\$ 15,255</u>	<u>\$ 17,539</u>
	=====	=====	=====	=====
Total assets				
Processed steel products			\$ 151,077	\$ 147,894
Building products			170,180	162,266
Heat treating			94,952	83,275
Corporate			172,957	171,493
			<u>\$ 589,166</u>	<u>\$ 564,928</u>
			=====	=====
Capital expenditures				
Processed steel products	\$ 1,305	\$ 1,208	\$ 2,307	\$ 3,201
Building products	1,686	2,008	4,163	6,186
Heat treating	4,017	595	4,728	1,936
Corporate	162	105	501	508
	<u>\$ 7,170</u>	<u>\$ 3,916</u>	<u>\$ 11,699</u>	<u>\$ 11,831</u>
	=====	=====	=====	=====

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Consolidated

Net sales of \$173.2 million for the third quarter ended September 30, 2002, increased approximately 7.2% from net sales of \$161.5 million for the prior year's third quarter. Net sales of \$489.4 million for the nine months ended September 30, 2002 increased approximately 2.9% from sales of \$475.6 million for the nine months ended September 30, 2001.

These increases were primarily due to increased sales resulting from increased production levels in the automotive industry in 2002 and the July 1, 2002 acquisition of B & W Heat Treating.

Gross profit as a percentage of net sales increased to 20.0% for the third quarter ended September 30, 2002 from 18.8% in the third quarter of 2001. Gross margin for the first nine months of 2002 was 19.9% compared to 19.1% for the same period in 2001. These increases were primarily due to lower raw material and freight costs partially offset by increased direct labor and health care costs.

Selling, general and administrative expenses decreased to 11.5% and 11.7% as a percentage of net sales respectively, for the three and nine months ended September 30, 2002 compared to 12.7% and 12.5% for the same periods in 2001. These decreases were primarily due to the elimination of goodwill amortization of \$1.0 million and \$3.1 million for the three and nine months ended September 30, 2002, respectively, as a result of the implementation of new accounting rules in 2002, offset by increased incentive compensation. Additionally, in the third quarter of 2001 we had a write-off of \$1.0 million related to the Company's E-Commerce investment.

As a result of the above, income from operations as a percentage of net sales for the third quarter ended September 30, 2002 increased to 8.5% from 6.1% for the prior year's third quarter. Income from operations as a percentage of net sales for the nine months ended September 30, 2002 was 8.2% compared to 6.6% for the same period in 2001.

Interest expense decreased by \$1.0 million and \$5.5 million for the third quarter and nine months ended September 30, 2002 compared to the prior year's comparable periods, primarily due to lower interest rates, lower average borrowings during 2002 due to the use of the proceeds from the Company's stock offering in mid-March 2002 and reduced working capital requirements resulting from the Company's focus on asset management.

As a result of the above, income before taxes increased by \$5.9 million and \$13.7 million for the third quarter and nine months ended September 30, 2002 from the same periods in 2001.

Income taxes for the third quarter and nine months ended September 30, 2002 approximated \$4.8 million and \$13.0 million, respectively and were based on a 40.5% effective tax rate in both periods.

The following provides further information by segment:

Processed Steel Products

Net sales of \$70.5 million for the third quarter ended September 30, 2002 increased 6.3% from \$66.3 million for the third quarter of 2001. Net sales for the first nine months of 2002 increased by 5.9% to \$204.1 million from \$192.7 million for the comparable period in 2001. These increases were primarily due to increased sales resulting from increased production levels in the automotive industry in 2002.

Income from operations as a percentage of sales for the third quarter ended September 30, 2002 was 11.9% compared to 11.1% for the same period in 2001. For the nine months ended September 30, 2002, income from operations increased to 12.1% from 11.5% for 2001. These increases were due primarily to lower raw material and freight costs partially offset by increased direct labor costs.

Building Products

Net sales of \$81.3 million for the third quarter ended September 30, 2002, increased 3.8% from \$78.3 million for the third quarter of 2001. Net sales for the first nine months of 2002 decreased by 1.2% to \$225.6 million from \$228.3 million for the comparable period in 2001. The decrease in net sales for the nine month period ended September 30, 2002 was primarily due to weaker demand due to general economic conditions in this segment's industry, partially offset by an improvement in these economic conditions in the third quarter, especially through sales to major retail outlets.

Income from operations increased to 8.9% of net sales for the third quarter ended September 30, 2002 from 6.7% for the prior year's third quarter. Income from operations for the first nine months of 2002 increased to 8.0% of net sales from 7.1% for the comparable period in 2001. These increases were primarily due to lower raw material costs, direct labor and salary expense partially offset by increased health care costs for the third quarter and nine months ended September 30, 2002, then in comparable periods of the prior year.

Heat Treating

Net sales of \$21.4 million for the third quarter ended September 30, 2002, increased 27.0% from \$16.9 million for the third quarter of 2001. Net sales for the first nine months of 2002 increased by 9.4% to \$59.7 million from \$54.6 million for the comparable period in 2001. These increases were primarily due to increased production levels in the automotive industry in 2002 and the July 1, 2002 acquisition of B & W Heat Treating.

Income from operations increased to 11.0% of net sales for the third quarter ended September 30, 2002 compared to 9.7% for the same period in 2001. For the nine months ended September 30, 2002, income from operations was comparable to the same period for 2001. The increase for the quarter was due primarily to decreased utility and fixed costs as a percentage of higher net sales.

Liquidity and Capital Resources

The Company's shareholders' equity increased by approximately \$70.8 million or 32% to \$289.1 million at September 30, 2002. This increase was primarily due to the receipt of \$50.7 million in net proceeds from the Company's stock offering in March of 2002. These proceeds were used to repay existing debt. During the first nine months of 2002, the Company's working capital increased \$25.3 million or 24% to approximately \$130.4 million.

The Company's principal capital requirements are to fund its operations, including working capital, the purchase and funding of improvements to its facilities, machinery and equipment and to fund acquisitions.

Net income of \$19.2 million plus depreciation and amortization of \$15.3 million, combined with an increase in accounts payable and accrued expenses of \$21.2 million, to provide cash of \$55.7 million. This cash was offset by \$49.9 million used for working capital purposes, primarily due to an increase in accounts receivable of \$25.8 million as a result of increased sales in the third quarter of 2002 compared to the fourth quarter of 2001 and a \$19.5 million increase in inventory levels to support this increased sales volume and to insure continued availability of material.

The \$10.1 million of net cash provided by operations and the net proceeds of \$50.7 million from the Company's stock offering plus cash on hand at the beginning of the period were used to pay down \$45.1 million of the Company's revolving credit facility, to fund operations, the \$8.8 million acquisition of B & W Heat Treating, capital expenditures of \$11.7 million and cash dividends of \$1.6 million.

At September 30, 2002, the Company had in use approximately \$113 million of its \$225 million secured revolving credit facility resulting in \$112 million of availability. Additionally, this credit facility also includes a \$50 million expansion feature.

On July 3, 2002, the Company entered into a \$50 million private placement of debt with a financial institution. The private placement, which has an average term of 5.25 years and a blended rate of 8.17%, consists of a \$25 million senior secured note and a \$25 million senior subordinated note. The proceeds of this private placement were used to pay down the Company's secured revolving credit facility.

The Company believes that availability of funds under its credit facility together with cash generated from operations will be sufficient to provide the Company with the liquidity and capital resources necessary to support its principal capital requirements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Within the 90 day period prior to the filing date of this Quarterly Report on Form 10-Q, the Company, under the supervision, and with the participation, of its management, including its principal executive officer and principal financial officer, performed an evaluation of the Company's disclosure controls and procedures, as contemplated by Securities Exchange Act Rule 13a-15. Based on that evaluation, the Company's principal executive officer and principal financial officer concluded that such disclosure controls and procedures are effective to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to them, particularly during the period for which the periodic reports are being prepared.

Changes in Internal Controls

No significant changes were made in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation performed pursuant to Securities Exchange Act Rule 13a-15 referred to above.

Safe Harbor Statement

The Company wishes to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the "Act"). 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. Factors that could affect these statements include, but are not limited to, the following: the impact of changing steel prices on the Company's results of operations; changing demand for the Company's products and services; and changes in interest or tax rates.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

1. Exhibits

- a. Exhibit 10.1 - Senior Secured Note Purchase Agreement among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York and The Prudential Insurance Company of America.
- b. Exhibit 10.2 - Senior Subordinated Note Purchase Agreement among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York and The Prudential Insurance Company of America.
- c. Exhibit 99.1 - Certification of the Chief Executive Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- d. Exhibit 99.2 - Certification of the President pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- e. Exhibit 99.3 - Certification of the Chief Financial Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

2. Reports on Form 8-K. There were no reports on Form 8-K during the three months ended September 30, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GIBRALTAR STEEL CORPORATION
(Registrant)

By /s/ Brian J. Lipke
Brian J. Lipke
Chief Executive Officer and
Chairman of the Board

By /s/ Walter T. Erazmus
Walter T. Erazmus
President

By /s/ John E. Flint
John E. Flint
Vice President
Chief Financial Officer
(Principal Financial and
Chief Accounting Officer)

Date: November 13, 2002

CERTIFICATIONS

I, Brian J. Lipke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gibraltar Steel Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002

/s/ Brian J. Lipke
Brian J. Lipke
Chairman and Chief Executive Officer

CERTIFICATIONS

I, Walter T. Erazmus, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gibraltar Steel Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002

/s/ Walter T. Erazmus
Walter T. Erazmus
President

CERTIFICATIONS

I, John E. Flint, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gibraltar Steel Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 13, 2002

/s/ John E. Flint

John E. Flint
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Gibraltar Steel Corporation (the "Company") on Form 10-Q for the period ended September 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian J. Lipke, Chairman and Chief Executive Officer of the Company, certify, pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian J. Lipke
Brian J. Lipke
Chairman and Chief Executive Officer
November 14, 2002

CERTIFICATION OF PRESIDENT PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Gibraltar Steel Corporation (the "Company") on Form 10-Q for the period ended September 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Walter T. Erazmus, President of the Company, certify, pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Walter T. Erazmus

Walter T. Erazmus

President

November 14, 2002

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Gibraltar Steel Corporation (the "Company") on Form 10-Q for the period ended September 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John E. Flint, Chief Financial Officer of the Company, certify, pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John E. Flint
John E. Flint
Chief Financial Officer
November 14, 2002