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

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

For the quarterly period ended March 31, 2001

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 incorporation or organization)	(I.R.S. Employer Identification No.)

3556 Lake Shore Road, P.O. Box 2028, Buffalo, NY 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 X . No .

As of March 31, 2001, the number of common shares outstanding was: 12,579,147.

GIBRALTAR STEEL CORPORATION

INDEX

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	March 31, 2001 (unaudited)	December 31, 2000 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 3,161	$ 1,701
Accounts receivable	92,395	78,358
Inventories	92,316	100,987
Other current assets	7,271	6,548
Total current assets	195,143	187,594
Property, plant and equipment, net	234,150	229,159
Goodwill	135,839	130,368
Other assets	9,200	8,925
	574,332	$ 556,046

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable	$ 48,973	$ 39,285
Accrued expenses	14,073	15,575
Current maturities of long-term debt	327	327
Total current liabilities	63,373	55,187
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	(909)	-
Total shareholders' equity	210,145	208,348
	$ 574,332	$ 556,046
	========	========

See accompanying notes to financial statements

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	122,065	133,086
Gross profit	28,485	34,548
Selling, general and administrative expense	18,743	20,230
Income from operations	9,742	14,318
Interest expense	4,892	4,208
Income before taxes	4,850	10,110
Provision for income taxes	1,964	4,095
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
	========	========

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Three Months Ended March 31, 2001 (unaudited)	2000
Cash flows from operating activities		
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	10,516	(2,299)
Cash flows from investing activities		
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	(16,052)	1,812
Cash flows from financing activities		
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	6,996	(1,178)
Net increase (decrease) in cash and cash equivalents	1,460	(1,665)
Cash and cash equivalents at beginning of year	1,701	4,687
Cash and cash equivalents at end of period	$ 3,161	$ 3,022
	=======	=======

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 March 31, 2001 and 2000 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 March 31, 2001 and 2000 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 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, 2000.

The results of operations for the three month period ended March 31, 2001 are not necessarily indicative of the results to be expected for the full year.

2. INVENTORIES

Inventories consist of the following:

	(in thousands) March 31, 2001 (unaudited)	December 31, 2000 (audited)
Raw material	$ 45,688	$ 54,640
Finished goods and work-in-process	46,628	46,347
Total inventories	$ 92,316	$100,987

3. SHAREHOLDERS' EQUITY

The changes in shareholders' equity consist of:

(in thousands)

	Common Shares	Shares Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss
December 31, 2000	12,567	$ 126	$ 68,475	$139,747	$ -
Implementation of FAS 133	-	-	-	-	(191)
Net Income	-	-	-	2,886	

Stock options exercised	12	-	169	-	-
Earned portion of Restricted Stock	-	-	29	-	-
Cash dividends- $.03 per share	-	-	-	(378)	-
Interest rate swap adjustments	-	-	-	-	(718)
March 31, 2001	12,579	$ 126	$ 68,673	$142,255	$ (909)

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.

4. EARNINGS PER SHARE

Basic net income per share equals net income divided by the weighted average shares outstanding for the three months ended March 31, 2001 and 2000. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding.

Options to purchase 1,139,344 shares of the Company's common stock are outstanding as of March 31, 2001 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 103,461 and 137,719 for 2001 and 2000, respectively.

5. ACQUISITIONS

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.

On July 17, 2000, the Company purchased all the outstanding capital stock of Milcor Limited Partnership (Milcor) for approximately $43 million in cash. Milcor manufactures a complete line of metal building products, including registers, vents, bath cabinets, access doors, roof hatches and telescoping doors.

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 aggregate excess of the purchase prices of these acquisitions over the fair market values of the net assets of the acquired companies is being amortized over 35 years from the acquisition dates using the straight-line method.

The following information presents the pro forma consolidated condensed results of operations as if the acquisitions had occurred on January 1, 2000. 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, 2000 and are not necessarily indicative of future results of the combined companies.

(in thousands, except per share data)
Three Months Ended

	March 31 2001 (unaudited)	March 31 2000 (unaudited)
Net sales	$ 151,210	$ 181,251
Income before taxes	$ 1,988	$ 10,563
Net income	$ 2,921	$ 6,284
Net income per share-Basic	.23	.50

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

Results of Operations

Net sales of $150.6 million for the first quarter ended March 31, 2001, which included net sales of Milcor (acquired July 17, 2000) and PIHT (acquired February 13, 2001)(collectively, the Acquisitions), decreased 10.2% from net sales of $167.6 million for the prior year's first quarter. This decrease was due to economic conditions, primarily automotive industry related.

Cost of sales as a percentage of net sales increased to 81.1% for the quarter ended March 31, 2001 from 79.4% for the prior year's quarter, primarily due to higher labor, fringe and utility costs.

Selling, general and administrative expenses decreased by approximately $1.5 million for the first quarter of 2001 primarily due to decreases in incentive based compensation offset by increases from the Acquisitions.

Interest expense for the first quarter ended March 31, 2001 increased by $.7 million from the same period in 2000 primarily due to higher interest rates in effect and higher average borrowings during 2001 to finance the Acquisitions and capital expenditures.

As a result of the above, income before taxes decreased by $5.3 million for the first quarter ended March 31, 2001 from the same period of 2000.

Income taxes for the first quarter ended March 31, 2001 approximated $2.0 million and were based on a 40.5% effective tax rate.

Liquidity and Capital Resources

Shareholders' equity increased by approximately $2 million at March 31, 2001 to $210 million. During the first three months of 2001, the Company's working capital remained constant at approximately $132 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 cash provided by operations of $10.5 million resulted primarily from net income of $2.9 million, depreciation and amortization of $5.7 million, and decreases in inventories of $8.7 million and increases in accounts payable and accrued expenses of $6.9 million offset by increases in accounts receivable of $13.4 million due to increased sales in March 2001 compared to December 2000.

The $10.5 million of net cash provided by operations and the $7.2 million in net borrowings under the Company's revolving credit facility were used to fund the $10.8 million acquisition of PIHT, capital expenditures of $5.4 million and cash dividends of $.4 million.

At March 31, 2001 the Company's revolving credit facility available approximated $310 million, with borrowings of approximately $256 million and an additional availability of approximately $54 million.

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

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 - First Amendment Dated March 30, 2001 to Third Amended and Restated

Credit Agreement Dated September 29, 2000 among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York,

Chase Manhattan Bank, N.A., as
Administrative Agent, and various
Financial Institutions that are
signatories thereto

2. Reports on Form 8-K. There were no reports on Form 8-K during the three months ended March 31, 2001.

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 and
Chief Financial Officer
(Principal Financial and Chief

Accounting Officer)

Date: May 11, 2001

Exhibit 10.1

FIRST AMENDMENT TO THIRD AMENDED
AND RESTATED CREDIT AGREEMENT

This First Amendment dated as of March 30, 2001 to Third Amended and Restated Credit Agreement dated as of September 29, 2000 ("Credit Agreement") by and among GIBRALTAR STEEL CORPORATION OF NEW YORK ("Borrower"); GIBRALTAR STEEL CORPORATION ("Company"); and THE CHASE MANHATTAN BANK, as administrative agent ("Administrative Agent") for THE CHASE MANHATTAN BANK ("Chase"); FLEET NATIONAL BANK; MELLON BANK, N.A., KEYBANK NATIONAL ASSOCIATION ("Key"); HSBC BANK USA; PNC BANK, N.A.; MANUFACTURERS AND TRADERS TRUST COMPANY; NATIONAL CITY BANK OF PENNSYLVANIA; FIFTH THIRD BANK, NORTHEASTERN OHIO; FIRSTAR BANK, N.A.; SUNTRUST BANK; and COMERICA BANK (collectively, "Banks").

A. Preliminary Statement

WHEREAS, the Borrower, the Company, the Administrative Agent and the Banks are parties to the Credit Agreement; and

WHEREAS, the Borrower, the Company and the Banks wish to amend certain terms of the Credit Agreement;

WHEREAS, unless otherwise defined herein, terms used in the Credit Agreement shall have such defined meanings when used herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, receipt of which is hereby acknowledged, and upon satisfaction of the conditions set forth in Section C, below, the Banks, the Borrower, the Company, and the Administrative Agent, hereby agree as follows:

B. Amendment

1. Section 1.1 of the Credit Agreement is amended so that in the definition of "Credit Pricing Agreement", the phrase "Third Amended Credit Pricing Agreement dated as of July 17, 2000" is deleted and the phrase "Fourth Amended and Restated Credit Pricing Agreement dated as of March 30, 2001" is substituted in its place.

2. Section 2.1(c) of the Credit Agreement is amended so that the second paragraph thereof is deleted and the following is substituted in its place:

> "If and when the Borrower wishes Chase to make a Swingloan, the Borrower shall, not later than 12:00 noon (New York time) on the Business Day on which the Swingloan is to be made, notify Chase of the amount of the Swingloan desired, which amount shall be at least $50,000.00. Chase shall determine and advise the Borrower promptly thereafter of the rate option applicable to the Swingloan, which rate shall be the overnight moneymarket rate offered by Chase plus the Swingloan Rate Increment determined in accordance with the Credit Pricing Agreement ("Swingloan Rate"). The Borrower shall immediately notify Chase if the Swingloan is to bear interest at the Swingloan Rate or the Prime Rate, which notice shall be irrevocable. Each Swingloan, together with the interest accrued thereon, shall be repaid by the Borrower to the Administrative Agent for the account of Chase prior to the close of business on the Business Day immediately following the Business Day on which such Swingloan is made."

3. Section 6.15 of the Credit Agreement (Interest Coverage Ratio) is deleted in its entirety and the following is substituted in its place:

> "6.15 Interest Coverage Ratio. Permit, in the case of the Company on a Consolidated Basis, the ratio of Earnings Before Taxes and Interest plus Depreciation and Amortization minus Capital Expenditures (excluding Capital Expenditures made in connection with permitted acquisitions) to interest payable on Total Liabilities, calculated on an annual rolling basis of four fiscal quarters to be less than: 2.75 to 1.00 as of the last day of the

fiscal quarter ending March 31, 2001; 2.75 to 1.00 as of the last day of the fiscal quarter ending June 30, 2001; or 3.00 to 1.00 as of the last day of the fiscal quarter ending September 30, 2001 and for every fiscal quarter thereafter."

4. Section 6.17 of the Credit Agreement (Funded Debt/EBITDA) is amended so that Section 6.17 is deleted in its entirety and the following is substituted in its place:

"6.17 Funded Debt/EBITDA. Permit, in the case of the Company on a Consolidated bases, the ratio of Funded Debt (as defined below) to Earnings Before Interest and Taxes plus Depreciation and Amortization ("EBITDA") as of the last day of any fiscal quarter, to be greater than 3.50 to 1.0 as of the last day of the fiscal quarter ending March 31, 2001; 3.50 to 1.0 as of the last day of the fiscal quarter ending June 30, 2001; 3.25 to 1.0 as of the last day of the fiscal quarter ending September 30, 2001; 3.25 to 1.0 as of the last day of the fiscal quarter ending December 31, 2001; or 3.00 to 1.0 as of the last day of the fiscal quarter ending March 31, 2002 and for each fiscal quarter thereafter, such calculations to be based on annual rolling basis of four fiscal quarters.

"Funded Debt" means debt for money borrowed which is bearing interest. For the purposes of calculating this covenant, upon the consummation of a permitted acquisition, up to 12 month historical EBITDA of the acquired entity shall be included in the calculation of the ratio, subject to the Banks' review and approval, in their discretion, of such acquired entity's financial information provided, however, such historical EBITDA shall only be included in the calculation of Funded Debt if the applicable acquired entity's EBITDA is not included in the Consolidated EBITDA of the Company for the applicable month."

5. Schedule 3.1.d of the Credit Agreement (Subsidiaries Required to Execute and Deliver Guaranties) is amended by inserting "Pennsylvania Heat Treaters, Inc." and "Pennsylvania" after "Milcor, Inc." and "Delaware".

C. Conditions. The effectiveness of this Agreement shall be conditioned upon the satisfaction of the following conditions:

1. Each Guarantor Subsidiary shall have executed and delivered to the Administrative Agent, for the benefit of the Banks, a Reaffirmation Agreement, in form acceptable to the Administrative Agent and the Banks, reaffirming and ratifying the unlimited continuing guaranties and security agreements previously given by each Guarantor Subsidiary to the Administrative Agent for the benefit of the Banks.

2. Borrower and Company shall execute and deliver to Administrative Agent, for the benefit of the Banks, a Fourth Amended and Restated Credit Pricing Agreement in form acceptable to the Administrative Agent and the Banks.

3. The Company and/or the Borrower shall have paid to each Bank signing below an amendment fee in the amount of $15,000.

4. The Borrower and/or the Company shall have paid all costs and expenses incurred by the Administrative Agent and the Banks in connection with the transactions contemplated by this Agreement including, without limitation, reasonable attorney's fees.

D. Other Provisions

1. Except as specifically set forth herein, the Credit Agreement shall remain in full force and effect and is hereby reaffirmed. The Borrower and the Company acknowledge that they are bound by all of the terms, covenants and conditions set forth in the Credit Agreement, and that, if there has occurred any Default or Event of Default, the Agent and the Banks shall have no obligation to make any Advances or Swingloans or to issue any Letters of Credit. If there has occurred a Default or an Event of Default, Agent and the Banks may condition the making of any subsequent Advances or Swingloans or the issuance of any Letters of Credit upon the execution and delivery by Borrower and Company of an amendment to the Credit Agreement which may include, without limitation, additional or revised covenants, an increased rate of interest on the Revolving Credit, increased Letter of Credit or other fees and such other terms, conditions and covenants as the Agent and the Banks may require.

2. The terms "Administrative Agent" and "Banks" as used herein shall include the successors and assigns of those parties and all of the entities listed on Schedule 1 hereto.

3. This Agreement shall be construed under, and governed by, the internal laws of the State of New York without regard to its conflict of laws and rules which would make the laws of another jurisdiction applicable.

4. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

[This Space Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers, all on the date hereof.

Borrower:

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ John E. Flint
John E. Flint
Vice President

Company:

GIBRALTAR STEEL CORPORATION

By: /s/ John E. Flint
John E. Flint
Vice President

THE CHASE MANHATTAN BANK,
as Administrative Agent

By: /s/ Robert J. McArdle
Robert J. McArdle
Vice President

Consented to this 30 day of March, 2001

THE CHASE MANHATTAN BANK

By: /s/ Robert J. McArdle
Robert J. McArdle
Vice President

Consented to this 30 day of March 2001

FLEET NATIONAL BANK

By: /s/ John C. Wright
John C. Wright
Vice President

Consented to this 30 day of March, 2001

MELLON BANK, N.A.

By: /s/ Brian Ciaverella
Brian Ciaverella
Vice President

Consented to this 30 day of March, 2001

KEYBANK NATIONAL ASSOCIATION

By: /s/ Mark F. Wachowiak
Mark F. Wachowiak
Assistant Vice President

Consented to this 30 day of March, 2001

HSBC BANK USA

By: /s/ William H. Graser
William H. Graser
Vice President

Consented to this 30 day of March, 2001

PNC BANK, N.A.

By: /s/ David B. Gookin
David B. Gookin
Vice President

Consented to this 30 day of March, 2001

MANUFACTURERS AND TRADERS
TRUST COMPANY

By: /s/ Wayne N. Keller
Wayne N. Keller
Vice President

Consented to this 30 day of March, 2001

NATIONAL CITY BANK OF PENNSYLVANIA

By: /s/ William A. Feldmann
William A. Feldmann
Vice President

Consented to this 30 day of March, 2001

FIFTH THIRD BANK, NORTHEASTERN OHIO

By: /s/ James P. Byrnes
James P. Byrnes
Vice President

Consented to this 30 day of March, 2001

FIRSTAR BANK, N.A.

By: /s/ David J. Dannemiller
David J. Dannemiller
Vice President

Consented to this 30 day of March, 2001

SUNTRUST BANK

By:/s/ W. David Wisdom
W. David Wisdom
Vice President

Consented to this 30 day of March, 2001

COMERICA BANK

By: /s/ Joel S. Gordon
Joel S. Gordon
Account Officer

Consented to this 30 day of March, 2001