
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 March 31, 2008

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 Industries, Inc.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

16-1445150

(I.R.S. Employer
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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.). Yes No

As of May 2, 2008, the number of common shares outstanding was: 29,937,340.

GIBRALTAR INDUSTRIES, INC.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	March 31, 2008 (unaudited)	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 35,107	\$ 35,287
Accounts receivable, net of reserve of \$3,263 and \$3,482 in 2008 and 2007, respectively	192,943	167,595
Inventories	203,843	212,909
Other current assets	19,427	20,362
Assets of discontinued operations	1,804	4,592
Total current assets	453,124	440,745
Property, plant and equipment, net	271,441	273,283
Goodwill	450,190	453,228
Acquired intangibles	99,871	96,871
Investments in partnerships	2,714	2,644
Other assets	14,505	14,637
	<u>\$ 1,291,845</u>	<u>\$ 1,281,408</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 113,251	\$ 89,551
Accrued expenses	47,404	41,062
Current maturities of long-term debt	2,946	2,955
Liabilities of discontinued operations	12	657
Total current liabilities	163,613	134,225
Long-term debt	459,836	485,654
Deferred income taxes	78,384	78,071
Other non-current liabilities	18,539	15,698
Shareholders' equity:		
Preferred stock, \$0.01 par value; authorized: 10,000,000 shares; none outstanding	—	—
Common stock, \$0.01 par value; authorized 50,000,000 shares; issued 29,972,561 and 29,949,229 shares in 2008 and 2007	300	300
Additional paid-in capital	220,686	219,087
Retained earnings	343,134	337,929
Accumulated other comprehensive income	7,769	10,837
	571,889	568,153
Less: cost of 63,011 and 61,467 common shares held in treasury in 2008 and 2007	416	393
Total shareholders' equity	<u>571,473</u>	<u>567,760</u>
	<u>\$ 1,291,845</u>	<u>\$ 1,281,408</u>

See accompanying notes to consolidated financial statements

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GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share date)
(unaudited)

	Three Months Ended March 31,	
	2008	2007
Net sales	\$ 325,548	\$ 304,338
Cost of sales	269,798	252,587
Gross profit	55,750	51,751
Selling, general and administrative expense	37,448	34,336
Income from operations	18,302	17,415
Other (income) expense:		
Equity in partnership income and other income	(94)	(362)
Interest expense	7,790	6,841
Total other expense	7,696	6,479
Income before taxes	10,606	10,936
Provision for income taxes	3,488	3,897
Income from continuing operations	7,118	7,039
Discontinued operations:		
Loss from discontinued operations before taxes	(663)	(1,370)
Income tax benefit	(245)	(499)
Loss from discontinued operations	(418)	(871)
Net income	<u>\$ 6,700</u>	<u>\$ 6,168</u>
Net income per share – Basic:		
Income from continuing operations	\$.24	\$.24
Income from discontinued operations	(.02)	(.03)
Net Income	<u>\$.22</u>	<u>\$.21</u>
Weighted average shares outstanding – Basic	<u>29,917</u>	<u>29,844</u>
Net income per share – Diluted:		
Income from continuing operations	\$.24	\$.23
Income from discontinued operations	(.02)	(.02)
Net Income	<u>\$.22</u>	<u>\$.21</u>
Weighted average shares outstanding – Diluted	<u>30,090</u>	<u>30,056</u>

See accompanying notes to consolidated financial statements

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GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2008	2007
Cash flows from operating activities		
Net income	\$ 6,700	\$ 6,168
Loss from discontinued operations	(418)	(871)
Income from continuing operations	7,118	7,039
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,267	7,266
Provision for deferred income taxes	(452)	(229)
Equity in partnerships (income) loss	(71)	279
Stock compensation expense	1,477	541
Other noncash adjustments	5	6
Increase (decrease) in cash resulting from changes in (net of acquisitions):		
Accounts receivable	(25,476)	(22,262)
Inventories	9,121	7,066
Other current assets and other assets	637	360
Accounts payable	23,799	16,308
Accrued expenses and other non-current liabilities	5,100	(2,874)
Net cash provided by continuing operations	30,525	13,500
Net cash provided by discontinued operations	1,365	3,217
Net cash provided by operating activities	<u>31,890</u>	<u>16,717</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,707)	(5,349)
Net proceeds from sale of property and equipment	—	445
Acquisitions, net of cash acquired	(187)	(22,492)
Net cash used in investing activities for continuing operations	(4,894)	(27,396)
Net cash provided by (used in) investing activities for discontinued operations	161	(20)
Net cash used in investing activities	<u>(4,733)</u>	<u>(27,416)</u>
Cash flows from financing activities		
Long-term debt reduction	(59,367)	(885)
Proceeds from long-term debt	33,430	20,284
Payment of deferred financing costs	(4)	(8)
Payment of dividends	(1,495)	(1,492)
Tax benefit from equity compensation	122	—
Purchase of treasury stock	(23)	—
Net cash (used in) provided by financing activities	<u>(27,337)</u>	<u>17,899</u>
Net (decrease) increase in cash and cash equivalents	(180)	7,200
Cash and cash equivalents at beginning of year	<u>35,287</u>	<u>13,475</u>
Cash and cash equivalents at end of period	<u>\$ 35,107</u>	<u>\$ 20,675</u>

See accompanying notes to consolidated financial statements

GIBRALTAR INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements as of March 31, 2008 and 2007 have been prepared by Gibraltar Industries, Inc. (the Company) without audit. In the opinion of management, all adjustments (consisting of normal recurring adjustments and accruals) necessary to present fairly the financial position at March 31, 2008 and December 31, 2007, and the results of operations and cash flows at March 31, 2008 and 2007, have been included therein in accordance with U.S. Securities and Exchange Commission (SEC) rules and regulations and prepared using the same accounting principles as are used for our annual audited financial statements.

Certain information and footnote disclosures, including significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted in accordance with the prescribed SEC rules. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report to Shareholders for the year ended December 31, 2007, as filed on Form 10-K.

The consolidated balance sheet at December 31, 2007 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The results of operations for the three month period ended March 31, 2008 are not necessarily indicative of the results to be expected for the full year.

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2. SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME

The changes in shareholders' equity and comprehensive income consist of (in thousands):

	Comprehensive Income	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock Shares	Treasury Stock Amount	Total Shareholders' Equity
Balance at January 1, 2008		29,949	\$ 300	\$ 219,087	\$ 337,929	\$ 10,837	61	\$ (393)	\$ 567,760
Comprehensive income:									
Net income	\$ 6,700	—	—	—	6,700	—	—	—	6,700
Other comprehensive income (loss):									
Foreign currency translation adjustment	(1,880)								
Amortization of other post retirement health care costs, net of tax of \$10	16								
Unrealized loss on interest rate swaps, net of tax of \$615	(1,204)								
Other comprehensive income	(3,068)	—	—	—	—	(3,068)	—	—	(3,068)
Total comprehensive income	\$ 3,632								

Equity based compensation expense		—	—	1,477	—	—	—	—	1,477
Cash dividends — \$.05 per share		—	—	—	(1,495)	—	—	—	(1,495)
Net settlement of restricted stock units		23			—	—	2	(23)	(23)
Tax benefit from equity compensation		—	—	122	—	—	—	—	122
Balance at March 31, 2008		<u>29,972</u>	<u>\$ 300</u>	<u>\$ 220,686</u>	<u>\$ 343,134</u>	<u>\$ 7,769</u>	<u>63</u>	<u>\$ (416)</u>	<u>\$ 571,473</u>

The cumulative balance of each component of accumulated other comprehensive income, net of tax, is as follows (in thousands):

	Foreign currency translation adjustment	Minimum pension liability adjustment	Unamortized post retirement health care costs	Unrealized gain/(loss) on interest rate swaps	Accumulated other comprehensive income
Balance at January 1, 2008	\$ 12,610	\$ 42	\$ (604)	\$ (1,211)	\$ 10,837
Current period change	(1,880)	—	16	(1,204)	(3,068)
Balance at March 31, 2008	<u>\$ 10,730</u>	<u>\$ 42</u>	<u>\$ (588)</u>	<u>\$ (2,415)</u>	<u>\$ 7,769</u>

3. FAIR VALUE MEASUREMENTS

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," (SFAS 157), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. This statement applies under other accounting pronouncements that require or permit fair value measurements. The statement indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. SFAS 157 defines fair value based upon an exit price model.

Relative to SFAS 157, the FASB issued FASB Staff Positions (FSP) 157-1 and 157-2. FSP 157-1 amends SFAS 157 to exclude SFAS No. 13, "Accounting for Leases," (SFAS 13) and its related interpretive accounting pronouncements that address leasing transactions, while FSP 157-2 delays the effective date of the application of SFAS 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis.

We adopted SFAS 157 as of January 1, 2008, with the exception of the application of the statement to nonfinancial assets and nonfinancial liabilities. Nonfinancial assets and nonfinancial liabilities for which we have not applied the provisions of SFAS 157 include those measured at fair value in goodwill impairment testing, indefinite lived intangible assets measured at fair value for impairment testing and those initially measured at fair value in a business combination. The impact of adopting SFAS 157 was not significant.

SFAS 157 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of March 31, 2008 (in thousands):

	<u>Asset (Liability)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Interest rate swap	(4,010)	—	(4,010)	—

Interest rate swaps are over the counter securities with no quoted readily available Level 1 inputs, and therefore are measured at fair value using inputs that are directly observable in active markets and are classified within Level 2 of the valuation hierarchy, using the income approach.

4. EQUITY-BASED COMPENSATION

The Gibraltar Industries, Inc. 2005 Equity Incentive Plan (the "2005 Equity Incentive Plan") is an incentive compensation plan that allows the Company to grant equity-based incentive compensation awards to eligible participants to provide them an additional incentive to promote the business of the Company, to increase their proprietary interest in the success of the Company and to encourage them to remain in the Company's employ. Awards under the plan may be in the form of options, restricted shares, restricted units, performance shares, performance units and rights. The 2005 Equity Incentive Plan provides for the issuance of up to 2,250,000 shares of common stock. Of the total number of shares of common stock issuable under the plan, the aggregate number of shares that may be issued in connection with grants of restricted stock or restricted units cannot exceed 1,350,000 shares, and the aggregate number of shares which may be issued in connection with grants of incentive stock options and rights cannot exceed 900,000 shares.

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Vesting terms and award life are governed by the award document.

During the three months ended March 31, 2008, the Company issued 141,351 restricted stock units with a grant date fair value of \$14.90 per unit, and granted 113,300 non-qualified stock options with a weighted average grant date fair value of \$3.95 per option. There were no issuances of restricted stock units or options during the three months ended March 31, 2007.

The Management Stock Purchase Plan (“MSPP”) an integral component of the 2005 Equity Incentive Plan, provides participants the ability to defer up to 50% of their annual bonus under the Management Incentive Compensation Plan. The deferral is converted to restricted stock units and credited to an account together with a match equal to the deferral amount. The account is converted to cash at the current value of the Company’s stock and payable to the participants upon a termination of their employment with the Company. The matching portion is payable only if the participant has reached their sixtieth birthday. If a participant terminates prior to age 60, the match is forfeited. Upon termination, the account is converted to a cash account that accrues interest at 2% over the then current 10 year U. S. Treasury note. The account is then paid out in five equal annual cash installments.

The fair value of restricted stock units held in the MSPP equals the trailing 200 day closing price of our common stock as of the last day of the period. During the three months ended March 31, 2008 and 2007, 42,703 and 65,576 restricted stock units, respectively, were credited to participant accounts. At March 31, 2008, the value of the restricted stock units in the MSPP was \$16.34 per share.

5. INVENTORIES

Inventories consist of the following (in thousands):

	March 31, 2008	December 31, 2007
Raw material	\$ 81,581	\$ 81,220
Work-in process	31,904	33,343
Finished goods	<u>90,358</u>	<u>98,346</u>
Total inventories	<u>\$ 203,843</u>	<u>\$ 212,909</u>

6. ACQUISITIONS

On June 8, 2006, the Company acquired all of the outstanding stock of Home Impressions, Inc. (Home Impressions). Home Impressions is based in Hickory, North Carolina and markets and distributes mailboxes and postal accessories. The acquisition of Home Impressions served to strengthen the Company’s position in the mailbox and storage systems markets, and is expected to provide marketing, manufacturing and distribution synergies with our existing operations. The results of Home Impressions (included in the Company’s Building Products segment) have been included in the Company’s consolidated financial results from the date of acquisition. The acquisition of Home Impressions is not considered significant to the Company’s consolidated results of operations.

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As part of the purchase agreement with the former owners of Home Impressions, the Company is required to pay additional consideration through May 2009 based upon the operating results of Home Impressions. The Company paid \$170,000 and \$57,000 of such additional consideration during the three months ended March 31, 2008 and 2007, respectively. These payments were recorded as additional goodwill.

On March 9, 2007 the Company acquired all of the outstanding stock of Dramex Corporation (“Dramex”). Dramex has locations in Ohio, Canada and England and manufactures, markets and distributes a diverse line of expanded metal products used in the commercial and industrial sectors of the building products market. The acquisition of Dramex strengthens the Company’s position in the expanded metal market and provides additional exposure for both Dramex’s products and certain products currently manufactured by the Company. The results of Dramex (included in the Company’s Building Products segment) are included in the Company’s consolidated financial results from the date of acquisition. The acquisition of Dramex is not considered significant to the Company’s consolidated results of operations.

The aggregate purchase consideration for the acquisition of Dramex was \$22,677,000 in cash and acquisition costs. The purchase price was allocated to the assets acquired and liabilities assumed based upon respective fair values. The identifiable intangible assets consisted of a trademark with a value of \$1,795,000 (indefinite useful life), a trademark with a value of \$111,000 (5 year estimated useful life) and customer relationships with a value of \$1,828,000 (10 year estimated useful life). The excess consideration over fair value was recorded as goodwill and aggregated approximately \$11,514,000, none of which is deductible for tax purposes. The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$ 5,566
Property, plant and equipment	5,175
Other long term liabilities, net	(3,313)
Identifiable intangible assets	3,735
Goodwill	11,514
	<u>\$ 22,677</u>

On April 10, 2007 the Company acquired certain assets and liabilities of Noll Manufacturing Company, and its affiliates (Noll) with locations in California, Oregon and Washington. The assets the Company acquired from Noll are used to manufacture, market and distribute products for the building, HVAC, and lawn and garden components of the building products market. The acquisition of Noll will serve to strengthen our manufacturing, marketing and distribution capabilities and is expected to provide manufacturing and distribution synergies with our existing businesses. The results of Noll (included in the Company’s Building Products segment) have been included in the Company’s consolidated financial results from the date of acquisition. The acquisition of Noll is not considered significant to the Company’s consolidated results of operations.

The aggregate purchase consideration was approximately \$63,726,000 in cash and direct acquisition costs. The purchase price has been allocated to the assets acquired and liabilities assumed based upon respective fair values. The valuation resulted in negative goodwill of \$9,491,000 which has been allocated to property, plant and equipment and intangibles on a pro rata basis. After giving effect to the allocation of the negative goodwill, the identifiable intangible assets consisted of patents with a value of \$57,000 (8 year estimated useful life), customer relationships with a value of \$2,679,000 (15 year estimated useful life), non-compete agreements valued at \$726,000 (5 year estimated useful life) and trademarks with a value of \$3,490,000 (indefinite useful life).

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The allocation of the purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$ 22,820
Property, plant and equipment	33,954
Identifiable intangible assets	6,952
	<u>\$ 63,726</u>

On August 31, 2007, the Company acquired all of the outstanding stock of Florence Corporation (Florence). Florence is located in Manhattan, Kansas and designs and manufactures storage solutions, including mail and package delivery products. The acquisition of Florence strengthens the Company's position in the storage solutions market. The results of Florence (included in the Company's Building Products segment) have been included in the Company's consolidated financial results since the date of acquisition. The acquisition of Florence is not considered significant to the Company's results of operations.

The preliminary aggregate purchase consideration for the acquisition of Florence was \$119,460,000 in cash, including direct acquisition costs, and the assumption of a \$6,496,000 capital lease. The purchase price was allocated to the assets acquired and liabilities assumed based upon a preliminary estimate of respective fair values. The identifiable intangible assets consisted of unpatented technology and patents with a value of \$2,200,000 (10 year estimated useful life), customer contracts with a value of \$15,700,000 (13 year estimated useful life), customer relationships with a value of \$6,700,000 (15 year estimated useful life) and trademarks with a value of \$6,700,000 (indefinite useful life). A final valuation is expected to be completed during the second quarter of 2008. The excess consideration was recorded as goodwill and approximated \$67,494,000. The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$ 14,383
Property, plant and equipment	12,514
Other assets	265
Identifiable intangible assets	31,300
Goodwill	67,494
	<u>\$ 125,956</u>

The Company and the former owners of Florence plan to make a joint election under Internal Revenue Code (IRC) Section 338(h) (10) which will allow the Company to treat the stock purchase as an asset purchase for tax purposes, and therefore, goodwill is expected to be deductible for tax purposes.

[Table of Contents](#)**7. GOODWILL AND RELATED INTANGIBLE ASSETS***Goodwill*

The changes in the approximate carrying amount of goodwill by reportable segment for the three months ended March 31, 2008 is as follows (in thousands):

	Building Products Segment	Processed Metal Products Segment	Total
Balance as of January 1, 2008	\$ 445,072	\$ 8,156	\$ 453,228
Adjustment to prior year acquisitions	(3,318)	—	(3,318)
Foreign currency translation	124	156	280
Balance as of March 31, 2008	<u>\$ 441,878</u>	<u>\$ 8,312</u>	<u>\$ 450,190</u>

Acquired Intangible Assets

Acquired intangible assets at March 31, 2008 are as follows (in thousands):

	Gross Carrying Amount	Accumulated Amortization	Estimated Life
Trademark / Trade name	\$ 42,976	\$ —	indefinite
Trademark / Trade Name	2,138	(466)	2 to 15 years
Unpatented Technology	7,457	(1,623)	5 to 20 years
Customer Relationships	54,397	(7,221)	5 to 15 years
Non-Competition Agreements	4,374	(2,161)	5 to 10 years
Balance as of March 31, 2008	<u>\$ 111,342</u>	<u>\$ (11,471)</u>	

Acquired intangible asset amortization expense for the three month periods ended March 31, 2008 and 2007 aggregated approximately \$1,582,000 and \$941,000, respectively.

Amortization expense related to acquired intangible assets for the remainder of fiscal 2008 and the next five years thereafter is estimated as follows (in thousands):

2008	\$4,621
2009	\$6,111
2010	\$6,041
2011	\$5,864
2012	\$5,728
2013	\$5,301

8. DISCONTINUED OPERATIONS

As part of its continuing evaluation of its businesses during 2007, the Company determined that both its bath cabinet manufacturing and steel service center businesses no longer provided a strategic fit with its long-term growth and operational objectives. On August 1, 2007, the Company sold certain assets of its bath cabinet manufacturing business, and committed to a plan to sell the remaining assets of the business. On September 27, 2007, the Company committed to a plan to dispose of the assets of its steel service center business. We expect to complete the liquidation of the remaining assets of the steel service center business and the bath cabinet manufacturing business during 2008.

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The steel service center business was previously included in the processed metal products segment and the bath cabinet manufacturing business was previously reported in the building products segment.

In accordance with the provisions of Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144), the results of operations for the bath cabinet manufacturing and steel service center businesses have been classified as discontinued operations in the consolidated financial statements for all periods presented.

The Company allocates interest to its discontinued operations in accordance with the provisions of the Financial Accounting Standards Board's Emerging Issues Task Force item 87-24, *Allocation of Interest to Discontinued Operations*. Interest expense of \$396,000 was allocated to discontinued operations during the three months ended March 31, 2007. No interest was allocated to discontinued operations during the three months ended March 31, 2008.

Components of the income from discontinued operations are as follows (in thousands):

	Three Months Ended March 31,	
	2008	2007
Net sales	\$ —	\$ 13,264
Expenses	663	14,616
Loss from discontinued operations before taxes	<u>\$ (663)</u>	<u>\$ (1,370)</u>

9. NET INCOME PER SHARE

Basic income per share is based on the weighted average number of common shares outstanding. Diluted income per share is based on the weighted average number of common shares outstanding, as well as dilutive potential common shares which, in the Company's case, comprise shares issuable under its equity compensation plans. The treasury stock method is used to calculate dilutive shares, which reduces the gross number of dilutive shares by the number of shares purchasable from the proceeds of the options assumed to be exercised and the unrecognized expense related to the restricted stock and restricted stock unit awards assumed to have vested. Income from discontinued operations per share is rounded for presentation purposes to allow net income per share to foot.

The following table sets forth the computation of basic and diluted earnings per share as of March 31:

	2008	2007
Numerator:		
Income from continuing operations	\$ 7,118,000	\$ 7,039,000
Loss from discontinued operations	(418,000)	(871,000)
Income available to common stockholders	<u>\$ 6,700,000</u>	<u>\$ 6,168,000</u>
Denominator for basic income per share:		
Weighted average shares outstanding	<u>29,916,864</u>	<u>29,844,213</u>
Denominator for diluted income per share:		
Weighted average shares outstanding	29,916,864	29,844,213
Common stock options and restricted stock	172,901	212,088
Weighted average shares and conversions	<u>30,089,765</u>	<u>30,056,301</u>

10. RELATED PARTY TRANSACTIONS

The Company has certain operating lease agreements related to operating locations and facilities with the former owners of Construction Metals, Inc. or companies controlled by these parties. These operating leases are considered to be related party in nature due to the former owner's employment with the Company during these periods. Rental expense associated with these related party operating leases aggregated approximately \$352,000 and \$339,000 for the three months ended March 31, 2008 and 2007, respectively.

Two members of our Board of Directors are partners in law firms that provide legal services to the Company. For the three months ended March 31, 2008 and 2007, the Company incurred \$306,000 and \$241,000, respectively, for legal services from these firms. Of the amount incurred, \$306,000 and \$113,000, was expensed during the three months ended March 31, 2008 and 2007, respectively. \$128,000 was capitalized as acquisition costs and deferred debt issuance costs during the three months ended March 31, 2007.

At March 31, 2008 and 2007, the Company had \$35,000 and \$25,000, respectively, recorded in accounts payable for these law firms.

11. BORROWINGS UNDER REVOLVING CREDIT FACILITY

The aggregate borrowing limit under the Company's revolving credit facility is \$375,000,000. At March 31, 2008, the Company had \$191,401,000 of availability under the revolving credit facility.

12. NET PERIODIC BENEFIT COSTS

The following tables present the components of net periodic pension and other postretirement benefit costs charged to expense for the three months ended March 31 (in thousands):

	Pension Benefits		Other Post Retirement Benefits	
	2008	2007	2008	2007
Service cost	\$ 37	\$ 40	\$ 18	\$ 26
Interest cost	40	31	62	56
Amortization of unrecognized prior service cost	—	—	(5)	(5)
Loss amortization	—	—	21	28
Net periodic benefit costs	<u>\$ 77</u>	<u>\$ 71</u>	<u>\$ 96</u>	<u>\$ 105</u>

13. SEGMENT INFORMATION

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

- (i) Building Products, which primarily includes the processing of sheet steel, aluminum and other materials to produce a wide variety of building and construction products; and
- (ii) Processed Metal Products, which primarily includes the intermediate processing of wide, open tolerance flat-rolled sheet steel and other metals through the application of several different processes to produce high-quality, value-added coiled steel and other metal products to be further processed by customers.

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The following table illustrates certain measurements used by management to assess the performance of the segments described above (in thousands):

	Three Months Ended March 31, 2008	March 31, 2007
Net sales		
Building Products	\$ 229,323	\$ 205,138
Processed Metal Products	96,225	99,200
	<u>\$ 325,548</u>	<u>\$ 304,338</u>
Income (loss) from Operations		
Building Products	\$ 20,800	\$ 18,713
Processed Metal Products	4,236	5,338
Corporate	(6,734)	(6,636)
	<u>\$ 18,302</u>	<u>\$ 17,415</u>
Depreciation and Amortization		
Building Products	\$ 6,747	\$ 4,812
Processed Metal Products	1,720	1,777
Corporate	800	677
	<u>\$ 9,267</u>	<u>\$ 7,266</u>
Capital Expenditures		
Building Products	\$ 3,689	\$ 3,951
Processed Metal Products	804	898
Corporate	214	500
	<u>\$ 4,707</u>	<u>\$ 5,349</u>
	March 31, 2008	December 31, 2007
Total identifiable assets		
Building Products	\$ 1,038,867	\$ 1,001,541
Processed Metal Products	217,363	219,014
Corporate	35,615	60,853
	<u>\$ 1,291,845</u>	<u>\$ 1,281,408</u>

14. SUPPLEMENTAL FINANCIAL INFORMATION

The following information sets forth the consolidating summary financial statements of the issuer (Gibraltar Industries, Inc.) and guarantors, which guarantee the 8% senior subordinated notes due December 1, 2015, and the non-guarantors. The guarantors are wholly owned subsidiaries of the issuer and the guarantees are full, unconditional, joint and several.

Investments in subsidiaries are accounted for by the parent using the equity method of accounting. The guarantor subsidiaries and non-guarantor subsidiaries are presented on a combined basis. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

Gibraltar Industries, Inc.
Consolidating Balance Sheets
March 31, 2008
(in thousands)

	Gibraltar Industries, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ —	\$ 9,978	\$ 25,129	\$ —	\$ 35,107
Accounts receivable	—	165,719	27,224	—	192,943
Intercompany balances	222,817	(191,925)	(30,892)	—	—
Inventories	—	190,588	13,255	—	203,843
Other current assets	—	18,276	1,151	—	19,427
Assets of discontinued operations	—	1,804	—	—	1,804
Total current assets	<u>222,817</u>	<u>194,440</u>	<u>35,867</u>	<u>—</u>	<u>453,124</u>
Property, plant and equipment, net	—	249,840	21,601	—	271,441
Goodwill	—	409,088	41,102	—	450,190
Investments in partnerships	—	—	—	—	—
Acquired intangibles	—	82,690	17,181	—	99,871
Other assets	5,600	8,695	210	—	14,505
Investment in subsidiaries	549,641	90,312	—	(637,239)	2,714
	<u>778,058</u>	<u>1,035,065</u>	<u>115,961</u>	<u>(637,239)</u>	<u>1,291,845</u>
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	—	99,405	13,846	—	113,251
Accrued expenses	5,440	36,189	5,775	—	47,404
Current maturities of long-term debt	—	2,946	—	—	2,946
Liabilities of discontinued operations	—	12	—	—	12
Total current liabilities	<u>5,440</u>	<u>138,552</u>	<u>19,621</u>	<u>—</u>	<u>163,613</u>
Long-term debt	201,145	257,578	1,113	—	459,836
Deferred income taxes	—	71,256	7,128	—	78,384
Other non-current liabilities	—	18,038	501	—	18,539
Shareholders' equity	571,473	549,641	87,598	(637,239)	571,473
	<u>\$ 778,058</u>	<u>\$ 1,035,065</u>	<u>\$ 115,961</u>	<u>\$ (637,239)</u>	<u>\$ 1,291,845</u>

Gibraltar Industries, Inc.
Consolidating Balance Sheets
December 31, 2007
(in thousands)

	Gibraltar Industries, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ —	\$ 11,090	\$ 24,197	\$ —	\$ 35,287
Accounts receivable, net	—	146,379	21,216	—	167,595
Intercompany balances	210,891	(191,268)	(19,623)	—	—
Inventories	—	199,516	13,393	—	212,909
Other current assets	—	19,524	838	—	20,362
Assets of discontinued operations	—	4,592	—	—	4,592
Total current assets	210,891	189,833	40,021	—	440,745
Property, plant and equipment, net	—	251,233	22,050	—	273,283
Goodwill	—	405,869	47,359	—	453,228
Acquired intangibles	—	83,762	13,109	—	96,871
Investments in partnerships	—	2,644	—	—	2,644
Other assets	5,781	8,621	235	—	14,637
Investment in subsidiaries	553,526	98,883	—	(652,409)	—
	<u>\$ 770,198</u>	<u>\$ 1,040,845</u>	<u>\$ 122,774</u>	<u>\$ (652,409)</u>	<u>\$ 1,281,408</u>
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	\$ —	\$ 76,698	\$ 12,853	\$ —	\$ 89,551
Accrued expenses	1,360	35,797	3,905	—	41,062
Current maturities of long-term debt	—	2,955	—	—	2,955
Liabilities of discontinued operations	—	657	—	—	657
Total current liabilities	1,360	116,107	16,758	—	134,225
Long-term debt	201,078	283,512	1,064	—	485,654
Deferred income taxes	—	72,463	5,608	—	78,071
Other non-current liabilities	—	15,237	461	—	15,698
Shareholders' equity	567,760	553,526	98,883	(652,409)	567,760
	<u>\$ 770,198</u>	<u>\$ 1,040,845</u>	<u>\$ 122,774</u>	<u>\$ (652,409)</u>	<u>\$ 1,281,408</u>

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Gibraltar Industries, Inc.
Consolidating Statements of Income
Three Months Ended March 31, 2008
(in thousands)

	<u>Gibraltar Industries, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Net sales	\$ —	\$ 289,700	\$ 39,830	\$ (3,982)	\$ 325,548
Cost of sales	—	241,819	31,961	(3,982)	269,798
Gross profit	—	47,881	7,869	—	55,750
Selling, general and administrative expense	(1,377)	35,391	3,434	—	37,448
Income from operations	1,377	12,490	4,435	—	18,302
Other (income) expense					
Interest expense (income)	4,147	3,778	(135)	—	7,790
Equity in partnerships' income and other income	—	(94)	—	—	(94)
Total other expense	4,147	3,684	(135)	—	7,696
Income before taxes	(2,770)	8,806	4,570	—	10,606
Provision for income taxes	(1,048)	3,373	1,163	—	3,488
Income from continuing operations	(1,722)	5,433	3,407	—	7,118
Discontinued operations					
Income discontinued operations before taxes	—	(663)	—	—	(663)
Income tax expense	—	(245)	—	—	(245)
Income from discontinued operations	—	(418)	—	—	(418)
Equity in earnings from subsidiaries	8,422	3,407	—	(11,829)	—
Net income	<u>\$ 6,700</u>	<u>\$ 8,422</u>	<u>\$ 3,407</u>	<u>\$ (11,829)</u>	<u>\$ 6,700</u>

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Gibraltar Industries, Inc.
Consolidating Statements of Income
Three Months Ended March 31, 2007
(in thousands)

	<u>Gibraltar Industries, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
Net sales	\$ —	\$ 276,604	\$ 30,661	\$ (2,927)	\$ 304,338
Cost of sales	—	230,228	25,286	(2,927)	252,587
Gross profit	—	46,376	5,375	—	51,751
Selling, general and administrative expense	179	31,593	2,564	—	34,336
Income from operations	(179)	14,783	2,811	—	17,415
Other (income) expense					
Interest expense	4,203	2,668	(30)	—	6,841
Equity in partnerships' income and other income	—	(362)	—	—	(362)
Total other expense	4,203	2,306	(30)	—	6,479
Income before taxes	(4,382)	12,477	2,841	—	10,936
Provision for income taxes	(1,622)	4,533	986	—	3,897
Income from continuing operations	(2,760)	7,944	1,855	—	7,039
Discontinued operations					
(Loss) income discontinued operations before taxes	—	(1,370)	—	—	(1,370)
Income tax (benefit) expense	—	(499)	—	—	(499)
(Loss) income from discontinued operations	—	(871)	—	—	(871)
Equity in earnings from subsidiaries	8,928	1,855	—	(10,783)	—
Net income	<u>\$ 6,168</u>	<u>\$ 8,928</u>	<u>\$ 1,855</u>	<u>\$ (10,783)</u>	<u>\$ 6,168</u>

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Gibraltar Industries, Inc.
Consolidating Statements of Cash Flows
Three Months Ended March 31, 2008
(in thousands)

	<u>Gibraltar Industries, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash (used in) provided by continuing operations	\$ 4,082	\$ 27,204	\$ (761)	\$ —	\$ 30,525
Net cash provided by discontinued operations	—	1,365	—	—	1,365
Net cash (used in) provided by operating activities	<u>4,082</u>	<u>28,569</u>	<u>(761)</u>	<u>—</u>	<u>31,890</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions, net of cash acquired	—	(187)	—	—	(187)
Purchases of property, plant and equipment	—	(4,246)	(461)	—	(4,707)
Net proceeds from sale of property and equipment	—	(29)	29	—	—
Net cash used in investing activities from continuing operations	—	(4,462)	(432)	—	(4,894)
Net cash provided by investing activities for discontinued operations	—	161	—	—	161
Net cash used in investing activities	<u>—</u>	<u>(4,301)</u>	<u>(432)</u>	<u>—</u>	<u>(4,733)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Long-term debt reduction	—	(59,367)	—	—	(59,367)
Proceeds from long-term debt	—	33,424	6	—	33,430
Intercompany financing	(2,686)	567	2,119	—	—
Payment of deferred financing costs	—	(4)	—	—	(4)
Net proceeds from issuance of common stock	—	—	—	—	—
Payment of dividends	(1,495)	—	—	—	(1,495)
Tax benefit from stock options	122	—	—	—	122
Purchase of treasury stock	(23)	—	—	—	(23)
Net cash (used in) provided by financing activities	<u>(4,082)</u>	<u>(25,380)</u>	<u>2,125</u>	<u>—</u>	<u>(27,337)</u>
Net (decrease) increase in cash and cash equivalents	—	(1,112)	932	—	(180)
Cash and cash equivalents at beginning of year	—	11,090	24,197	—	35,287
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ 9,978</u>	<u>\$ 25,129</u>	<u>\$ —</u>	<u>\$ 35,107</u>

Gibraltar Industries, Inc.
Consolidating Statements of Cash Flows
Three Months Ended March 31, 2007
(in thousands)

	<u>Gibraltar Industries, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash provided by continuing operations	\$ 664	\$ 8,921	\$ 3,915	\$ —	\$ 13,500
Net cash provided by discontinued operations	—	3,217	—	—	3,217
Net cash provided by operating activities	<u>664</u>	<u>12,138</u>	<u>3,915</u>	<u>—</u>	<u>16,717</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment	—	(4,982)	(367)	—	(5,349)
Net proceeds from sale of property and equipment	—	445	—	—	445
Acquisitions, net of cash acquired	—	(2,010)	(20,482)	—	(22,492)
Net cash used in investing activities from continuing operations	—	(6,547)	(20,849)	—	(27,396)
Net cash used in investing activities for discontinued operations	—	(20)	—	—	(20)
Net cash used in investing activities	<u>—</u>	<u>(6,567)</u>	<u>(20,849)</u>	<u>—</u>	<u>(27,416)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Long-term debt reduction	—	(585)	(300)	—	(885)
Proceeds from long-term debt	—	20,284	—	—	20,284
Payment of deferred financing costs	—	(8)	—	—	(8)
Intercompany financing	828	(22,287)	21,459	—	—
Payment of dividends	(1,492)	—	—	—	(1,492)
Net cash (used in) provided by financing activities	<u>(664)</u>	<u>(2,596)</u>	<u>21,159</u>	<u>—</u>	<u>17,899</u>
Net increase in cash and cash equivalents	—	2,975	4,225	—	7,200
Cash and cash equivalents at beginning of year	—	4,982	8,493	—	13,475
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ 7,957</u>	<u>\$ 12,718</u>	<u>\$ —</u>	<u>\$ 20,675</u>

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

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 management's beliefs about future operating results and financial position. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions. Statements by the Company, other than historical information, constitute "forward looking statements" as defined within the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on forward-looking statements. Such statements are based on current expectations, are inherently uncertain, are subject to risks and should be viewed with caution. Actual results and experience may differ materially from the forward-looking statements. 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; changes in raw material pricing and availability; changing demand for the Company's products and services; and changes in interest or tax rates. In addition, such forward-looking statements could also be affected by general industry and market conditions, as well as general economic and political conditions. The Company undertakes no obligation to update publicly 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.

Gibraltar is a leading manufacturer, processor and distributor of products for the building, industrial and vehicular markets which include ventilation products, mailboxes, bar grating, expanded metal and cold-rolled strip steel. Our full year 2007 net sales and income from continuing operations were \$1,312 million and \$31.1 million, respectively.

Our business strategy is to focus on manufacturing high value-added products within niche markets where we can capture market leading positions. Our strategy includes organic initiatives which are complemented by strategic acquisitions that strengthen product and end market leadership. Gibraltar reports in two business segments: Building Products and Processed Metal Products.

Our Building Products segment is focused on expanding market share in the residential markets; further penetrating domestic and international commercial and industrial markets; participating as a buyer in our industry consolidation; and improving its operational productivity and efficiency through both operational excellence and facility consolidation.

Our Processed Metal Products segment is focused on increased penetration with transplant auto manufacturers; expanding international market opportunities; and serving the global shift toward automatic transmissions which require more components. This segment is also striving to increase its operational productivity and efficiency.

We have deployed new capital in completing 31 strategic acquisitions over the past 13 years. In 2007, we completed three acquisitions that are now part of our Building Products segment with combined annualized revenues of \$160 million and higher operating margins than our historic businesses.

In our continual evaluation of our businesses' performance, we also evaluate each business' current and expected performance, with an expectation that every business contribute to Gibraltar's growth in sales, operating margins and cash flow. In 2007, we determined that two businesses would not be strong contributors Gibraltar's long term financial success and, therefore, divested a steel service center and bath cabinet manufacturing businesses.

In the first quarter 2008, we continued to face slowdowns in two of the key end markets we serve, automotive and residential new home construction, that affected both of our segments. Further, many of our businesses also are managing increased costs from steel suppliers while working with customers in order to achieve a better margin alignment for Gibraltar.

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Given these factors, our historic businesses collectively had lower sales and operating income compared to the first quarter 2007, which were offset in the first quarter 2008 by the benefits of the 2007 acquisitions and savings from facility consolidations completed in 2007.

The following table sets forth the Company's net sales by reportable segment for the three months ended March 31 (in thousands):

	<u>2008</u>	<u>2007</u>	<u>Total Change</u>	<u>Change due to</u>	
				<u>Acquisitions</u>	<u>Operations</u>
Net sales					
Building Products	\$ 229,323	\$ 205,138	\$ 24,185	\$ 37,465	\$ (13,280)
Processed Metal Products	96,225	99,200	(2,975)	—	(2,975)
Total consolidated net sales	<u>\$ 325,548</u>	<u>\$ 304,338</u>	<u>\$ 21,210</u>	<u>\$ 37,465</u>	<u>\$ (16,255)</u>

Net sales increased by \$21.2 million, or 7% to \$325.5 million for the quarter ended March 31, 2008, compared to the quarter ended March 31, 2007. The 2007 acquisitions of Dramex, Noll and Florence provided incremental sales of \$37.5 million, or 12%, in the first quarter of 2008. Sales at our other historic businesses, decreased \$16.3 million, or 5%.

Net sales in our Building Products segment increased by \$24.2 million, or 12%, to \$229.3 million for the quarter ended March 31, 2008, from net sales of \$205.1 million for the quarter ended March 31, 2007. Excluding the \$37.5 million in incremental net sales provided by 2007 acquisitions of Dramex, Noll and Florence, the decrease in net sales was \$13.3 million, or 7% from the same period in the prior year, a result of decreased volumes due to the slowdown in the residential housing market.

Net sales in our Processed Metal Products segment decreased by \$3.0 million, or 3%, to \$96.2 million for the quarter ended March 31, 2008, from net sales of \$99.2 million for the quarter ended March 31, 2007. The decrease in net sales was primarily a function of volume reductions due to the decline in domestic automotive production.

Gross margin increased to 17.1% for the quarter ended March 31, 2008, from 17.0% for the quarter ended March 31, 2007. The increase in gross profit percentage was the result of a better alignment of selling prices to material costs, partially offset by the effects of an increase in freight costs, reductions in volume and product mix, as certain products that are used in the new build residential market generally have higher profit margins compared to products sold into the industrial and commercial sectors. The acquisitions of Dramex and Florence also contributed to the higher gross margin. Noll's gross margin was negatively impacted during the first quarter due to costs incurred to consolidate manufacturing facilities in California.

Selling, general and administrative expenses increased by approximately \$3.1 million, or 9%, to \$37.4 million for the quarter ended March 31, 2008, from \$34.3 million for the quarter ended March 31, 2007. The increase in selling, general and administrative expenses was due primarily to the acquisitions noted above. Excluding the effect of acquisitions, selling, general and administrative expenses decreased \$1.2 million, or 3%. Selling, general and administrative expenses as a percentage of net sales increased to 11.5% for the quarter ended March 31, 2008, from 11.3% for the quarter ended March 31, 2007 as a result of both higher selling general and administrative costs at Noll and the reduction in sales at our historic businesses noted above.

As a result of the above, income from continuing operations as a percentage of net sales for the quarter ended March 31, 2008 decreased to 5.6% from 5.7% for the prior year's comparable period.

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The following table sets forth the Company's income from continuing operations by reportable segment for the three months ending March 31 (in thousands):

	<u>2008</u>	<u>2007</u>	<u>Total Change</u>	<u>Change due to</u>	
				<u>Acquisitions</u>	<u>Operations</u>
Income from continuing operations:					
Building Products	\$ 20,800	\$ 18,713	\$ 2,087	\$ 4,285	\$ (2,198)
Process Metal Products	4,236	5,338	(1,102)	—	(1,102)
Corporate	(6,734)	(6,636)	(98)	—	(98)
	<u>\$ 18,302</u>	<u>\$ 17,415</u>	<u>\$ 887</u>	<u>\$ 4,285</u>	<u>\$ (3,398)</u>

Income from continuing operations as a percentage of net sales in our Building Products segment for the quarter ended March 31, 2008 of 9.1% remained consistent with the same period in 2007. The decline in income from continuing operations at our historic businesses is the result in the downturn in the residential housing markets.

Income from continuing operations in our Processed Metal Products segment as a percentage of net sales decreased to 4.4% of net sales for the quarter ended March 31, 2008 from 5.4% for the prior year's comparable period. The decrease in operating margin percentage included the effects of lower sales volume and \$1.3 million in costs associated with the consolidation of our Buffalo, New York manufacturing facilities.

Interest expense increased by approximately \$0.9 million to \$7.8 million for the quarter ended March 31, 2008, from \$6.8 million for the quarter ended March 31, 2007. The increase in interest expense was due to higher average borrowings for the 2007 acquisitions, partially offset by lower average interest rates compared to that of the prior year's first quarter.

As a result of the above, income from continuing operations before taxes decreased by approximately \$0.3 million, or 3%, to \$10.6 million for the quarter ended March 31, 2008, compared to \$10.9 million for the quarter ended March 31, 2007.

Income taxes for the quarter ended March 31, 2008 were \$3.5 million, an effective tax rate of 32.9%, compared with a 35.6% rate for the same period in 2007. Lower income taxes for first quarter of 2008 reflect the benefit of a decrease in our overall state income tax rate.

Outlook

We expect both segments to experience continued softness in two of the key markets we serve, residential housing construction and domestic automotive production, along with volatile and rising costs from our steel suppliers. Therefore, we have focused on increasing the alignment of rising costs with our selling prices; controlling costs through facility consolidations; increasing the productivity and efficiency in our operations; and further integrating our 2007 acquisitions. These actions are expected to help increase our income from continuing operations in 2008 over 2007. For the full year 2008, we expect diluted earnings per share from continuing operations to be in the range of \$1.05 to \$1.25, compared to \$1.03 in 2007.

Liquidity and Capital Resources

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.

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During the first quarter of 2008, the Company's cash flows from continuing operations increased to \$30.5 million, driven by lower working capital. Net cash provided by operating activities for the three months ended March 31, 2008 was \$31.9 million and was primarily the result of net income from continuing operations of \$7.1 million combined with depreciation and amortization of \$9.3 million and \$13.2 million from changes in assets and liabilities.

Working capital decreased by approximately \$17.0 million, or 5.5%, to \$289.5 million. This decrease in working capital was primarily driven by our continued focus on working capital efficiency and supply constraints from our steel suppliers. The net change included a \$9.1 million decrease in inventories, a \$30.0 million increase in accounts payable and accrued expenses and a \$2.1 million reduction in assets of discontinued operations, partially offset by increases in accounts receivable of \$25.3 million. The increase in receivables is the result of the timing of sales in the first quarter of 2008, which increased throughout the quarter, compared to the timing of sales during the fourth quarter, which decreased throughout that quarter. The decrease in inventories was the result of our focus on inventory reduction and certain supply constraints from our steel suppliers, while the increase in payables is due to the timing of purchases of, and payment for, raw materials.

The cash on hand at the beginning of the period and cash generated by operations was used to fund capital expenditures of \$4.7 million, reduce outstanding indebtedness by \$25.9 million and pay cash dividends of \$1.5 million.

Senior credit facility and senior subordinated notes

The Company's credit agreement provides a revolving credit facility and a term loan, which is due in December 2012. The revolving credit facility of up to \$375.0 million and the term loan with a current balance of \$87.6 million are secured with the Company's accounts receivable, inventories and personal property and equipment. At March 31, 2008, the Company had used \$166.0 million of the revolving credit facility and had letters of credit outstanding of \$17.6 million, resulting in \$191.4 million in availability. Borrowings under the revolving credit facility carry interest at LIBOR plus a fixed rate. The weighted average interest rate of these borrowings was 4.35% at March 31, 2008. Borrowings under the term loan carry interest at LIBOR plus a fixed rate. The weighted average rate in effect on March 31, 2008 was 5.04%.

The Company's \$204.0 million of 8% senior subordinated notes were issued in December 2005 at a discount to yield 8.25%. Provisions of the 8% notes include, without limitation, restrictions on indebtedness, liens, distributions from restricted subsidiaries, asset sales, affiliate transactions, dividends and other restricted payments. Dividend payments are subject to annual limits of \$0.25 per share and \$10 million. Prior to December 1, 2008, up to 35% of the 8% notes are redeemable at the option of the Company from the proceeds of an equity offering at a premium of 108% of the face value, plus accrued and unpaid interest. After December 1, 2010 the notes are redeemable at the option of the Company, in whole or in part, at the redemption price (as defined in the notes agreement), which declines annually from 104% to 100% on and after December 1, 2013. In the event of a Change of Control (as defined in the indenture for such notes), each holder of the 8% notes may require the Company to repurchase all or a portion of such holder's 8% Notes at a purchase price equal to 101% of the principal amount thereof. The 8% notes are guaranteed by certain existing and future domestic subsidiaries and are not subject to any sinking fund requirements.

The Company's various loan agreements, which do not require compensating balances, contain provisions that limit additional borrowings and require maintenance of minimum net worth and financial ratios. At March 31, 2008 the Company was in compliance with terms and provisions of all of its financing agreements.

For the second quarter and remainder of 2008, the Company is focused on maximizing positive cash flow, working capital management, and debt reduction. As of March 31, 2008, we believe that availability of funds under its existing credit facility together with the cash generated from operations will be sufficient to provide the Company with the liquidity and capital resources necessary to support its principal capital requirements, including operating activities, capital expenditures, and dividends.

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The Company regularly considers various strategic business opportunities including acquisitions. The Company evaluates such potential acquisitions on the basis of their ability to enhance the Company's existing products, operations, or capabilities, as well as provide access to new products, markets and customers. Although no assurances can be given that any acquisition will be consummated, the Company may finance such acquisitions through a number of sources including internally available cash resources, new debt financing, the issuance of equity securities or any combination of the above.

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments have not changed materially from the disclosures in our 2007 Form 10-K.

Critical Accounting Policies

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make decisions based upon estimates, assumptions, and factors it considers relevant to the circumstances. Such decisions include the selection of applicable principles and the use of judgment in their application, the results of which could differ from those anticipated.

A summary of the Company's significant accounting policies are described in Note 1 of the Company's consolidated financial statements included in the Company's Annual Report to Shareholders for the year ended December 31, 2007, as filed on Form 10-K.

The Company adopted the provisions of SFAS No. 157 "Fair Value Measurements" as discussed in Note 3 to the consolidated financial statements included in Item 1, herein.

There have been no changes in critical accounting policies in the current year from those described in our 2007 Form 10-K.

Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued SFAS No. 161 (SFAS No. 161) "Disclosures about Derivative Instruments and Hedging Activities" in March 2008. SFAS No. 161 changes the disclosure requirements for derivative instruments and hedging activities. Companies are required to provide disclosures about (a) how and why a company uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Statement No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008 and requires comparative disclosures only for periods subsequent to initial adoption. The adoption of the provisions of Statement No. 161 is not anticipated to materially impact the Company's consolidated financial position and results of operations.

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Related Party Transactions

The Company has certain operating lease agreements related to operating locations and facilities with the former owners of Construction Metals, Inc. or companies controlled by these parties. These operating leases are considered to be related party in nature due to the former owner's employment with the Company during these periods. Rental expense associated with these related party operating leases aggregated approximately \$352,000 and \$339,000 for the three months ended March 31, 2008 and 2007, respectively.

Two members of our Board of Directors are partners in law firms that provide legal services to the Company. For the three months ended March 31, 2008 and 2007, the Company incurred \$306,000 and \$241,000, respectively, for legal services from these firms. Of the amount incurred, \$306,000 and \$113,000, was expensed during the three months ended March 31, 2008 and 2007, respectively. \$128,000 was capitalized as acquisition costs and deferred debt issuance costs during the three months ended March 31, 2007.

At March 31, 2008 and 2007, the Company had \$35,000 and \$25,000, respectively, recorded in accounts payable for these law firms.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

In the ordinary course of business, the Company is exposed to various market risk factors, including changes in general economic conditions, competition and raw materials pricing and availability. In addition, the Company is exposed to market risk, primarily related to its long-term debt. To manage interest rate risk, the Company uses both fixed and variable interest rate debt. The Company also entered into an interest rate swap agreement that converted a portion of its variable rate debt to fixed rate debt. At March 31, 2008, the Company had \$57.5 million of revolving credit borrowings that were fixed rate debt pursuant to this agreement. There have been no material changes to the Company's exposure to market risk since December 31, 2007.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The Company maintains a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) designed to provide reasonable assurance as to the reliability of the financial statements and other disclosures contained in this report. The Company's Chief Executive Officer and Chairman of the Board, President and Chief Operating Officer, and Senior Vice President and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls as of the end of the period covered in this report. Based upon that evaluation, the Company's Chief Executive Officer and Chairman of the Board, President and Chief Operating Officer, Senior Vice President and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were designed and functioning effectively to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

(b) Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined by Rule 13a-15(f)) that occurred during the period covered by the report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Not applicable.

Item 1A. Risk Factors.

There is no change to the risk factors disclosed in our 2007 annual report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 5. Other Information.

In connection with the retirement and separation of David W. Kay from his position as Executive Vice President, Chief Financial Officer and Treasurer of the Company, the Company has entered into an agreement with Mr. Kay. The Agreement provides Mr. Kay separation pay equal to his current annual base salary, plus the amount of the annual incentive bonus he would be entitled to receive if he continued his employment with the Company through the end of the year, together with coverage under the Company's group medical insurance plan until he attains age 65. The Agreement also provides that Mr. Kay will be entitled to have shares of common stock of the Company issued to him in connection with the long term incentive compensation awards he received during his employment with the Company.

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Item 6. Exhibits.

6(a) Exhibits

- a. Exhibit 10.1 — Separation and Retirement Agreement between Gibraltar Industries, Inc. and David W. Kay.
- b. Exhibit 31.1 – Certification of Chairman of the Board and Chief Executive Officer pursuant to Section 302 of the Sarbanes–Oxley Act of 2002.
- c. Exhibit 31.2 – Certification of President and Chief Operating Officer pursuant to Section 302 of the Sarbanes–Oxley Act of 2002.
- d. Exhibit 31.3 – Certification of Senior Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes–Oxley Act of 2002.
- e. Exhibit 32.1 – Certification of the Chairman of the Board and 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.
- f. Exhibit 32.2 – Certification of the President and Chief Operating Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002.
- g. Exhibit 32.3 – Certification of the Senior Vice President and 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.

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 INDUSTRIES, INC.

(Registrant)

/s/ Brian J. Lipke

Brian J. Lipke

Chairman of the Board and Chief Executive Officer

/s/ Henning N. Kornbrekke

Henning N. Kornbrekke

President and Chief Operating Officer

/s/ Kenneth W. Smith

Kenneth W. Smith

Senior Vice President and Chief Financial Officer

Date: May 8, 2008

SEPARATION AND RETIREMENT AGREEMENT

This Separation and Retirement Agreement (“Agreement”) is made as of this 25th day of April, 2008, between Gibraltar Industries, Inc. (the “Company”), a Delaware corporation with offices at 3556 Lake Shore Road, Buffalo, New York 14219 and David W. Kay, an individual residing at 145 Stoughton Lane, Orchard Park, New York 14127 (“Mr. Kay”).

RECITALS:

Mr. Kay has been employed by the Company as its Executive Vice President, Chief Financial Officer and Treasurer. Mr. Kay desires to retire from his employment with the Company. The Company and Mr. Kay desire to set forth in writing the terms and conditions upon which Mr. Kay will retire from his employment with the Company.

CONSIDERATION:

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the parties hereto hereby agree as follows:

1. Resignation. Mr. Kay hereby confirms his resignation from his position as Executive Vice President, Chief Financial Officer and Treasurer of the Company effective as of March 17, 2008. Mr. Kay hereby further confirms his resignation, effective as of March 17, 2008 from all positions or offices he held or may hold with the Company or any of the Company’s Affiliates (as hereinafter defined), whether as an officer, Director, employee or member of any committee, board or administrative body. Following the date hereof, Mr. Kay agrees to execute and deliver any documents or instruments which may reasonably be requested by the Company to formalize his resignations provided for by this Section 1, effective as of March 17, 2008. For purposes of this Agreement, the term “Affiliates” means each corporation, limited liability company or other entity which is directly or indirectly controlled by the Company. For purposes of the preceding sentence, the phrase “controlled by the Company” means that the Company possesses, directly or indirectly, the power to direct or cause the direction of the management policies of such corporation, limited liability company or other entity, whether through the ownership of securities, the ownership of partnership or limited liability company interests, control over the Board of Directors or other governing body of such corporation, limited liability company or other entity, by contract or otherwise.

2. Vacation and Retirement. Mr. Kay hereby affirms his intent to retire from his employment with the Company effective as of April 28, 2008. During the period beginning March 17, 2008 and ending April 28, 2008, Mr. Kay shall be available to provide transitional support to the new Chief Financial Officer of the Company and shall continue to be entitled to participate in all employee benefit plans and programs which are provided to salaried employees employed by the Company at the Company’s offices at 3556 Lake Shore Road, Buffalo, New York 14219 (such offices being hereinafter the “Buffalo Office”). It is understood and agreed that Mr. Kay has five (5) weeks of paid vacation available to him and that, accordingly, Mr. Kay shall not be required to report to the offices of the Company during the period beginning March 18, 2008 and ending April 28, 2008. In connection with the foregoing, the Company shall pay Mr. Kay his regular wages through March 28, 2008 and shall pay Mr. Kay for his accrued and unused vacation during the period beginning March 29, 2008 through April 28, 2008. The

payments required to be made to Mr. Kay pursuant to this Section 2 shall be made to Mr. Kay in accordance with the Company's standard payroll practices for employees employed at the Buffalo Office.

3. Separation Pay. (a) In consideration of the covenants of Mr. Kay contained in this Agreement, the Company shall pay to Mr. Kay a separation payment equal to Three Hundred Five Thousand Dollars (\$305,000.00) (such amount being hereinafter the "Separation Payment"). Except as provided by Section 3(e) below, the Separation Payment shall be paid to Mr. Kay whether or not Mr. Kay is employed by, owns, operates or otherwise engages in any other business.

(b) In addition to the Separation Payment and except as provided by Section 3(e) below, on the same date in 2009 that the Company pays bonuses to its executive officers under the Company's Management Incentive Compensation Plan ("MICP") (which date will, in all events, be on or before February 15, 2009), the Company will pay to Mr. Kay, in one lump sum payment, less applicable withholding taxes, a percentage of Mr. Kay's Target Bonus (as hereinafter defined) which is equal to the percentage of the target bonus which is paid to the other executive officers of the Company on such date. For purposes of this Section 3(b), under the MICP, each of the executive officers of the Company is entitled to payment of annual incentive compensation upon achievement of targeted performance measurements stated as a percentage of the executive officer's annual base salary ("Targeted MICP Bonus") which, in Mr. Kay's case, is equal to sixty percent (60%) of his current annual base salary of \$305,000.00 (such \$183,000.00 amount being hereinafter referred to as Mr. Kay's "Target Bonus"). In connection with the foregoing and by way of example, if on February 15, 2009, the executive officers of the Company are paid seventy five percent (75%) of their respective Targeted MICP Bonus payments for performance in 2008, on February 15, 2009 (or such earlier date on which the executive officers of the Company are paid bonuses under the MICP), Mr. Kay would be paid seventy five percent (75%) of his Target Bonus or \$137,250.00, reduced by applicable withholding taxes.

(c) Subject to the following provisions of this Section 3, the Separation Payment shall be paid to Mr. Kay in substantially equal installment payments equal to the amount of the installments which would be paid to Mr. Kay if the Separation Pay was paid to Mr. Kay in twenty six (26) substantially equal installments. Each installment of the Separation Pay shall be reduced by applicable withholding taxes and, except as otherwise provided by the last sentence of this Section 3(c), shall be paid once every two (2) weeks ("Bi-weekly") in accordance with the payroll practices which are in effect for salaried employees of the Company who are employed at the Company's Buffalo Office. Subject to the following provisions of this Section 3, the Bi-weekly installment payments of the Separation Pay shall be paid to Mr. Kay on the same dates that the Company issues regular paychecks to salaried employees who are employed at the Buffalo Office. The first installment of the Separation Payment shall be paid to Mr. Kay on May 2, 2008, or, if later, on the first date that the Company (through its normal payroll practices in effect at the Buffalo Office) issues paychecks to salaried employees employed by the Company at the Buffalo Office occurring after the end of the seven (7) day period which begins on the first day following the date that this Agreement is signed by Mr. Kay. If the first date that the Company issues paychecks to salaried employees employed by the Company at the Buffalo Office after the end of the seven (7) day period described in the preceding sentence occurs later than May 2, 2008, the first installment of the Separation Payment

shall be equal to the sum of: (i) the regular Bi-weekly installment payment which Mr. Kay would be entitled to receive on such date; plus (ii) the amount of the regular Bi-weekly installment payments of the Separation Payment which would have been paid to Mr. Kay prior to such date if the first regular Bi-weekly installment payment of the Separation Payment had been made to Mr. Kay on May 2, 2008. Except as otherwise provided by Section 10 hereof, on March 6, 2009, the full amount of the Separation Pay which has not been paid to Mr. Kay (or, if applicable, to the personal representative of Mr. Kay's estate) as of such date, shall be paid to Mr. Kay (or, if applicable, to the personal representative of Mr. Kay's estate) in one lump sum payment, less applicable withholding taxes.

(d) In the event that Mr. Kay dies prior to receiving the entire amount of the Separation Payment, the Company shall, notwithstanding such death continue to pay the Bi-weekly installments of the Separation Payment to the personal representative of Mr. Kay's estate in the manner provided for by Section 3(c) above until the sum of the Bi-weekly installment payments made to Mr. Kay and the personal representative of Mr. Kay's estate equals the amount of the Separation Payment. In addition, if Mr. Kay dies before receiving payment of the amount, if any, of the bonus provided for by Section 3(b) above, the amount of the bonus which would have been payable to Mr. Kay pursuant to Section 3(b) above shall be paid to the personal representative of Mr. Kay's estate at the same time and in the same manner as the bonus would have been paid to Mr. Kay.

(e) Notwithstanding the foregoing but subject to the provisions of Section 10 hereof, in the event that Mr. Kay breaches any of the covenants contained in any of Sections 11, 12, 13 or 14 hereof, the Company shall have no further obligation to pay Mr. Kay any additional Bi-weekly installments of the Separation Payment occurring after any such breach and, if such breach occurs before Mr. Kay has been paid the amount of the bonus provided for by Section 3(b) above, the Company shall have no obligation to pay Mr. Kay the amount of the bonus provided for by Section 3(b) hereof.

4. Continuation of Medical Insurance. (a) Subject to the terms and conditions of this Agreement, during the period beginning on April 29, 2008, or, if later, on the first day following the end of the seven (7) day period which begins on the first day following the date this Agreement is signed by Mr. Kay, Mr. Kay shall be eligible to participate in the group medical insurance plan which is maintained by the Company for salaried employees employed at the Buffalo Office and which, currently, includes prescription drug coverage (such group medical insurance plan, as the same may hereafter be modified or amended for salaried employees employed at the Buffalo Office being hereinafter the "Corporate Group Medical Plan"); provided that Mr. Kay pays to the Company the monthly amount which salaried employees employed at the Buffalo Office are, from time to time hereafter, required to pay to the Company to participate in the Corporate Group Medical Plan (such amount being hereinafter the "Employee Contribution"). Mr. Kay's right to continue to participate in the Corporate Group Medical Plan pursuant to this Section 4(a) shall continue until the end of the calendar month in which he attains age sixty five (65) or, if earlier: (i) at such time that Mr. Kay becomes employed by any person, firm, corporation, limited liability company or other entity that provides group medical insurance coverage to its employees; (ii) at the end of the first calendar month in which Mr. Kay does not pay the Company the amount of the Employee Contribution; or (iii) if applicable, but subject to the provisions of Section 10 hereof, at the end of the calendar month in which Mr. Kay breaches any of the covenants contained in any of Sections 11, 12, 13 or 14

hereof. The right of Mr. Kay to participate in the Corporate Group Medical Plan shall not include the right to participate in the group dental insurance plan maintained by the Company for salaried employees employed at the Buffalo Office.

(b) As required by the provisions of Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code") and the provisions of Title I, Subtitle B, Part 6 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Mr. Kay shall have the right, beginning April 29, 2008, to continue to receive group dental insurance coverage under the terms of the group dental insurance plan maintained by the Company for salaried employees employed at the Buffalo Office (the group dental insurance coverage which the Company is required to provide to Mr. Kay pursuant to the provisions of the Code and ERISA being hereinafter referred to as the "Dental Continuation Coverage") and, in connection with such right, the Company shall provide Mr. Kay with the notice and election forms which are required to be provided under the Code and ERISA in order to enable Mr. Kay to elect to receive Dental Continuation Coverage. Mr. Kay shall also have the right, beginning April 29, 2008, to continue to receive group medical insurance coverage under the Corporate Group Medical Plan (the group medical insurance coverage which the Company is required to provide to Mr. Kay pursuant to the provisions of the Code and ERISA being hereinafter referred to as "Continuation Coverage") and, in connection with such right, the Company shall provide Mr. Kay with the notice and election forms which are required to be provided under the Code and ERISA, in order to enable Mr. Kay to elect to receive Continuation Coverage.

(c) During the period that Mr. Kay is being paid the Bi-weekly installments of the Separation Payment, Mr. Kay may pay the Employee Contribution by authorizing the Company to withhold the amount of the Employee Contribution from the Bi-weekly installment payments of the Separation Pay which are being paid to Mr. Kay. After March 6, 2009, if and to the extent that Mr. Kay is still participating in the Corporate Group Medical Plan, the Company shall invoice Mr. Kay for the Employee Contribution on a monthly basis.

(d) If and to the extent that the terms and conditions upon which the group medical insurance coverage provided for by the Corporate Group Medical Plan is modified or amended during the period that Mr. Kay is entitled to receive coverage under the Corporate Group Medical Plan, the terms and conditions upon which Mr. Kay is entitled to receive group medical insurance coverage under the Corporate Group Medical Plan shall be the same as the terms and conditions of the group medical insurance coverage provided to all other salaried employees employed at the Buffalo Office.

5. Return of Property; Termination of Compensation and Certain Benefits. (a) Mr. Kay and the Company acknowledge and agree that Mr. Kay has previously returned to the Company all property of the Company which was in his possession.

(b) Mr. Kay understands that his group life insurance coverage shall terminate on April 28, 2008 because of the termination of his employment. Prior to April 28, 2008, Mr. Kay will be provided information relating to the conversion of his group life insurance coverage to an individual life insurance policy. The Company shall have no obligation to pay any costs or expenses payable in connection with the conversion of Mr. Kay's group life insurance coverage to an individual life insurance policy.

(c) Mr. Kay shall be provided the opportunity to purchase the Company vehicle which he has been provided at a price equal to \$22,850.00 plus any applicable sales taxes.

(d) Except for the payments and benefits required to be made and provided to Mr. Kay by the provisions of Sections 2, 3, 4, this Section 5 and Sections 6 and 7 below, Mr. Kay agrees that he is not entitled to any other compensation (including, but not limited to, salary or bonuses) or benefits of any kind or description from the Company or any of its Affiliates, or from or under any employee benefit plan or fringe benefit plan sponsored by the Company or any of its Affiliates.

6. Non-Qualified Plan Benefits. (a) Mr. Kay has been awarded restricted stock units under the terms of the Gibraltar Industries, Inc. 2005 Equity Incentive Plan, as amended (the "Omnibus Plan"), in connection with the Company's long term incentive plan and in connection with his participation in the Management Stock Purchase Plan which is an integral part of the Omnibus Plan. Subject to the provisions of Section 10 hereof, Mr. Kay shall be entitled to have shares of common stock of the Company issued to him in connection with the long term incentive compensation awards he has received for the 2005, 2006, 2007 and 2008 calendar years (hereinafter the "LTIP Awards") and shall be entitled to receive payment for Matching Units (as defined in the Management Stock Purchase Plan) allocated to his account in the Management Stock Purchase Plan for each of the 2005, 2006 and 2007 calendar years (it being understood that the Matching Units to be allocated to Mr. Kay's account under the Management Stock Purchase Plan for the 2007 calendar year were allocated on March 3, 2008). Subject to the provisions of Section 10 hereof, issuance to Mr. Kay of shares of common stock of the Company pursuant to the LTIP Awards shall be made at the time and in the amount provided for by the terms of the LTIP Awards and payment to Mr. Kay for Matching Units (and Bonus Deferral Units) allocated to his account as provided for by the Management Stock Purchase Plan shall be paid to Mr. Kay at the time and in the amount provided for by the Management Stock Purchase Plan. Mr. Kay shall also be entitled to receive payment of amounts accrued for his benefit under the Gibraltar 401(k) Restoration Plan at the time and in the amount provided for by the Gibraltar 401(k) Restoration Plan.

(b) Notwithstanding the provisions of Section 6(a) above or anything to the contrary contained in the Omnibus Plan or the Management Stock Purchase Plan but subject to the provisions of Section 10 hereof, if prior to the date that the Company has paid to Mr. Kay the entire amount which he is entitled receive under the provisions of the Management Stock Purchase Plan, the closing of a transaction between the Company and any other party which constitutes a change in ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation within the meaning of U.S. Treasury Regulation Section 1.409A-3(i)(5) or any successor provision of the U.S. Treasury Regulations occurs (any such transaction being hereinafter a "Change in Control"), on the date the closing of the Change in Control occurs, the Company shall pay to Mr. Kay, in one lump sum payment less applicable withholding taxes, the full amount of the unpaid balance of the payments required to be made to Mr. Kay under the terms of the Management Stock Purchase Plan.

7. Retirement Plan Benefits. Mr. Kay is a participant in the Gibraltar 401(k) Plan (the “401(k) Plan”) and shall be entitled to payment of the benefits which he has accrued under terms of the 401(k) Plan at the time and in the manner provided for by the 401(k) Plan.

8. Waiver and Complete Release. (a) Mr. Kay, for himself and his heirs, successors and assigns, in consideration of the sums and benefits described in Sections 3, 4, 5, 6 and 7 of this Agreement, does hereby forever discharge and release the Company and each of its Affiliates and each of their respective agents, officers, shareholders, directors, employees, successors and assigns, from any and all claims, demands, causes of action, damages, complaints, expenses and compensation which he now has or may in the future have, or which any person or entity may have on his behalf, on account of or arising out of any matter or thing which has happened, developed or occurred before the date hereof, including, without limitation, all claims, demands, causes of action, damages, complaints, expenses and compensation arising from: (i) Mr. Kay’s employment with the Company; or (ii) any and all officerships, positions and authorities held by Mr. Kay with the Company and any of its Affiliates; or (iii) the termination of Mr. Kay’s employment with the Company; or (iv) the termination of any officerships, positions and authorities held by Mr. Kay with the Company and any of its Affiliates. Mr. Kay hereby waives any and all such claims, causes of action, demands, damages, complaints, expenses and compensation of any type or description that he has or might have against the Company and each of its Affiliates and each of their respective agents, officers, shareholders, directors, employees, successors and assigns. This release, discharge and waiver includes, but is not limited to, any claims, demands, causes of action, damages, complaints, expenses and compensation (collectively called “claims”) arising out of or under the following:

(i) The Federal Age Discrimination in Employment Act of 1967, as amended, which, among other things, prohibits discrimination in employment on account of a person’s age.

(ii) The Federal Title VII of the Civil Rights Act of 1964, as amended, which, among other things, prohibits discrimination in employment on account of a person’s race, color, religion, sex, or national origin.

(iii) The Federal Employee Retirement Income Security Act of 1974, as amended, which, among other things, regulates pension and welfare plans and, which, among other things, prohibits interference with individual rights protected under the statute.

(iv) The Americans With Disabilities Act, as amended, which, among other things, prohibits discrimination relating to employment on account of a person’s handicap or disability.

(v) The Rehabilitation Act of 1973, as amended (applicable to Federal Government contractors and subcontractors), which, among other things, requires affirmative action for and prohibits discrimination against individuals by reason of handicap.

(vi) The New York State Human Rights Law, as amended, which, among other things, prohibits discrimination in employment on account of a person’s age, race, creed, color, religion, national origin, sex, disability, arrest record, marital status, status as an ex-offender, genetic predisposition or carrier status.

(vii) Section 201-d of the New York State Labor Law, as amended, which, among other things, prohibits discrimination on account of a person's political activities outside of working hours, a person's legal use of consumable products, an individual's legal recreational activities outside of working hours and an individual's membership in a labor organization or exercise of rights under the National Labor Relations Act, as amended.

(viii) Section 740 of the New York State Labor Law, as amended, which, among other things, prohibits retaliatory action against an employee because of whistle-blower activity.

(ix) Any Federal, State or local law or rule, regulation, executive order or guideline, including, but not limited to, those laws specifically described above.

(x) All constitutional violations, defamation, wrongful discharge, attorney fees, costs, breach of contract, breach of implied contract, negligence of any kind, including, but not limited to, negligent performance of contractual obligations, breach of the covenant of good faith and fair dealing, tortious interference with business and/or contractual relationship (or prospective relationship), violation of the penal statutes, retaliatory discharge, whistle-blower's claims, estoppel of any kind, loss of consortium, exemplary damages, negligent and/or intentional infliction of mental or emotional distress, discrimination, harassment and/or retaliation or wrongful action which has been or could have been alleged under the common law, any civil rights or equal opportunity employment law, or any other federal, state or local statute, ordinance, regulation or rule.

(xi) Any oral or written contract of employment or other engagement or authority with or on behalf of the Company or any of its Affiliates, express or implied, or any oral or written agreement, express or implied, purporting to establish terms and conditions of employment or other engagement or authority or addressing termination of same.

(b) Mr. Kay specifically understands and agrees that the termination of his employment and all positions and authorities with or on behalf of the Company and its Affiliates does not violate or disregard any oral or written promise or agreement, of any nature whatsoever, express or implied. If any contracts or agreements exist concerning the employment of Mr. Kay by the Company, concerning other positions or authorities held by Mr. Kay with or on behalf of the Company or concerning the terms and conditions of such employment or other positions or authorities or the termination of same, whether oral or written, express or implied, such contracts or agreements are hereby terminated and are null and void, effective as of the date hereof.

(c) The waiver and release contained in this Section 8 includes, but is not limited to, a waiver, discharge and release by Mr. Kay of each of the Company, the Company's Affiliates and each of their respective agents, officers, shareholders, directors, employees, successors and assigns, from any damages or relief of whatever nature or description, including, but not limited to, compensatory and punitive damages and equitable forms of relief, as well as any claim for attorneys fees or costs, which may arise from any of the claims waived, discharged or released.

(d) Mr. Kay agrees that the waiver and release contained in this Section 8 may be enforced in any federal, state or local court and before any federal, state or local administrative agency or body.

(e) Subject to the provisions of Section 9 hereof, Mr. Kay agrees not to commence or continue any action or proceeding in any federal, state or local court, concerning his employment with the Company or officerships, positions or authorities held with the Company or Mr. Kay's separation from such employment, officerships, positions or authorities, or anything else included in the waiver and release contained in this Section 8.

9. Preservation of Certain Rights. (a) Notwithstanding the provisions of Section 8 above, nothing in this Agreement shall be deemed or construed to constitute a waiver by Mr. Kay of any rights to indemnification he has as provided under the Certificate of Incorporation of the Company and under applicable law as in effect as of March 17, 2008. In addition, the Company agrees that, during the period beginning on the date hereof and ending on April 28, 2011, the Company shall continue in full force and effect, directors and officers insurance coverage ("D & O Coverage") for Mr. Kay in an amount which is not less than the amount of the D & O Coverage which was provided to Mr. Kay under the Company's directors and officers insurance policy as in effect on March 17, 2008.

(b) Notwithstanding the provisions of Section 8(e) above, Mr. Kay shall not be prohibited from filing a charge or complaint against the Company or any of its Affiliates with the U.S. Equal Employment Opportunity Commission (the "EEOC") or from participating in any investigation or proceeding which may be brought by the EEOC or any other governmental agency or authority against the Company or any of its Affiliates; provided that Mr. Kay shall not be permitted to participate in or receive any monetary damages or assessments made by the EEOC or any other such governmental agency or authority against the Company or any of its Affiliates. Finally, the provisions of Section 8(e) above shall not prohibit Mr. Kay from challenging the validity of the waiver and release of claims Mr. Kay may have under Section 8(a)(i) above.

10. Breach of Agreement. (a) In the event that Mr. Kay fails to cooperate with the Company as required by Section 14 hereof, the Company may, at its option, provide Mr. Kay written notice that he has failed to cooperate with the Company as required by Section 14 hereof, which notice shall: (i) state with reasonable particularity the basis of the Company's opinion that Mr. Kay has failed to cooperate with the Company as required by Section 14 hereof; and (ii) identify, with reasonable particularity, the conduct or other action which Mr. Kay is expected to engage in or perform in order to comply with his obligation to cooperate with the Company as required by Section 14 hereof. In the event that the Company delivers to Mr. Kay the written notice provided for by the preceding sentence and Mr. Kay fails to engage in the conduct or action identified in the written notice provided for by the preceding sentence within ten (10) days following the receipt by Mr. Kay of such notice, the Company shall have the right, subject to the provisions of Section 10(f) below, to payment of liquidated damages from Mr. Kay, the right to cease making any further payments to Mr. Kay and the right to cease providing any further benefits to Mr. Kay as otherwise required by this Agreement, effective immediately upon the delivery by the Company of a written notice to Mr. Kay that Mr. Kay has failed to cure his breach of his obligation to cooperate with the Company as contained in Section 14 hereof.

(b) In the event that Mr. Kay breaches or otherwise violates any of the covenants made by Mr. Kay in Sections 11, 12 or 13 hereof, the Company may, at its option, provide Mr. Kay written notice that he has breached or otherwise violated any of the covenants made by Mr. Kay in Sections 11, 12 or 13 hereof, which notice shall: (i) identify, with reasonable particularity, the covenant or covenants which are contained in Sections 11, 12 and 13 hereof which Mr. Kay has breached or otherwise violated together with the basis for the Company's opinion that Mr. Kay has violated any such covenants; and (ii) state that the Company will cease making any further payments to Mr. Kay and cease providing any further benefits to Mr. Kay as otherwise required by this Agreement, effective at the end of the fifteen (15) day period beginning on the day immediately following the date such written notice is delivered to Mr. Kay. In the event that the Company delivers to Mr. Kay the written notice provided for by the preceding sentence, the Company shall have the right, subject to the provisions of Section 10(f) below, to cease making any further payments to Mr. Kay and to cease providing any further benefits to Mr. Kay as otherwise required by this Agreement, effective at the end of the fifteen (15) day period beginning on the day immediately following the date such written notice is delivered to Mr. Kay.

(c) Mr. Kay agrees that: (i) if he fails to cure his breach of his obligation to cooperate with the Company as contained in Section 14 hereof; then (ii) effective upon delivery to Mr. Kay of the written notice that he has failed to cure his breach of his obligation to cooperate with the Company as contained in Section 14 hereof: (A) the Company shall be entitled to payment from Mr. Kay as liquidated damages and not as a penalty, of an amount equal to \$305,000.00, reduced by the amount, if any, of the unpaid Separation Pay determined as of the date that the Company delivers the written notice to Mr. Kay that he has failed to cure his breach of his obligation to cooperate with the Company as contained in Section 14 hereof; and (B) if, on the date that the Company delivers the written notice to Mr. Kay that he has failed to cure his breach of his obligation to cooperate with the Company as contained in Section 14 hereof, the Company has any continuing obligation to pay or provide any amount or benefit to Mr. Kay (other than retirement benefits under the 401(k) Plan), including, but not limited to, payment of additional Separation Pay, payment of any bonus, payment of any amount due under the terms of the Management Stock Purchase Plan, issuance of any shares of common stock of the Company pursuant to the LTIP Awards or provision of group medical insurance coverage to Mr. Kay, the Company shall have no further obligation whatsoever to make any additional payments to Mr. Kay or provide any additional benefits to Mr. Kay (other than retirement benefits under the 401(k) Plan and the maintenance of D & O Coverage under the Company's directors and officers liability insurance coverage).

(d) Mr. Kay agrees that: (i) if he breaches or otherwise violates any of the covenants contained in Sections 11, 12 or 13 hereof; then (ii) effective at the end of the fifteen (15) day period beginning on the day immediately following the date that the Company delivers the written notice identified in Section 10(b) above to Mr. Kay: (A) the Company shall be entitled to payment from Mr. Kay as liquidated damages and not as a penalty, of an amount equal to \$305,000.00, reduced by the amount, if any, of the unpaid Separation Pay determined as of the end of the fifteen (15) day period beginning on the day immediately following the date that the Company delivers the written notice identified in Section 10(b) above to Mr. Kay; and (B) if, as of the end of the fifteen (15) day period beginning on the day immediately following the date that the Company delivers the written notice identified in Section 10(b) above to Mr. Kay, the Company has any continuing obligation to pay or provide any amount or benefit to Mr.

Kay (other than retirement benefits under the 401(k) Plan), including, but not limited to, payment of additional Separation Pay, payment of any bonus, payment of any amount due under the terms of the Management Stock Purchase Plan, issuance of any shares of common stock of the Company pursuant to the LTIP Awards or provision of group medical insurance coverage to Mr. Kay, the Company shall have no further obligation whatsoever to make any additional payments to Mr. Kay or provide any additional benefits to Mr. Kay (other than retirement benefits under the 401(k) Plan and the maintenance of D & O Coverage under the Company's directors and officers liability insurance coverage).

(e) The remedies provided to the Company by Sections 10(c) and 10(d) above shall be in addition to any other remedy that the Company may have in law or in equity in connection with a breach by Mr. Kay of any of his obligations under this Agreement. In addition, the enforcement by the Company of its rights under this Section 10 shall not affect the validity and enforceability of Mr. Kay's obligations under this Agreement, including the waiver and release contained in Section 8 hereof.

(f) Nothing in this Section 10 shall be deemed to limit or restrict the amount of the damages which a court of competent jurisdiction may determine that Mr. Kay is entitled to receive in connection with or as a result of a breach by the Company of its obligations under this Agreement.

(g) In the event that either of the parties hereto (hereinafter a "Complaining Party") commences legal proceedings in a court of competent jurisdiction against the other party (hereinafter the "Breaching Party") in connection with any alleged breach by the Breaching Party of any of its obligations under this Agreement, the party which prevails in any such legal proceedings (such party being the "Prevailing Party") shall, in addition to any damages or other legal or equitable relief which may be awarded to the Prevailing Party, be entitled to recover the reasonable attorneys fees and expenses incurred by the Prevailing Party in connection with such legal proceedings.

11. Confidentiality. Mr. Kay shall preserve the confidentiality of, and not use for his benefit or the benefit of any other party, all information pertaining to the business of the Company and its Affiliates, whether or not in documentary form, which is known to Mr. Kay. This includes, but is not limited to, technical information concerning the products and future products of the Company and its Affiliates; all legal matters, including, but not limited to, litigation matters, settlement amounts and proposals, contract negotiations and Company structure; plans, strategies and policies with respect to business development and marketing; financial performance, budgets and projections; profit and pricing structures and policies; special arrangements with customers and suppliers; identities of customers, their personnel, and product needs and preferences; and all other information relating to the Company and its Affiliates which is accessible to Mr. Kay. Notwithstanding the foregoing, the obligation of Mr. Kay described in the first sentence of this Section 11 shall not apply to information pertaining to the Company and its Affiliates which is or becomes generally available to the public other than as a result of disclosure of such information by Mr. Kay. In addition, the obligation of Mr. Kay described in the first sentence of this Section 11 shall not apply to information which Mr. Kay, in the opinion of his attorney, is required to disclose by law, regulation, regulatory authority or other applicable judicial or governmental order; provided that, prior to the disclosure by Mr. Kay of any such information and as soon as practicable following the date that Mr. Kay becomes aware of an

obligation to disclose or is otherwise requested or ordered to disclose such information, Mr. Kay provides written notice to the Company that he is obligated to or has been requested or ordered to disclose any such information.

12. Non-Solicitation. During the period beginning on the date this Agreement is provided to Mr. Kay and ending April 30, 2010, Mr. Kay will not, directly or indirectly, on his own behalf or on behalf of any person, firm, corporation, limited liability company or other entity that Mr. Kay may be employed by or provide any services to, employ or seek to employ any individual that is currently employed by the Company or any of its Affiliates and will not encourage any such individual to terminate their employment with the Company or any of its Affiliates.

13. Non-Disparagement. Mr. Kay shall not disparage the Company or any of its Affiliates, their products or services, or their shareholders, officers, directors or employees, in any way orally or in writing and the Executive Officers of the Company shall not disparage Mr. Kay in any way, orally or in writing.

14. Cooperation After Separation. (a) For a period of two (2) years following the date hereof, Mr. Kay agrees to assist, advise and cooperate with the Company and its Affiliates if the Company so requests on issues that arose or were in any way developing during his employment with the Company. In addition to the foregoing, for a period of five (5) years following the date hereof, Mr. Kay shall provide the Company advice, assistance and cooperation with respect to legal proceedings involving third parties (including any governmental agency or authority) and financial audits relating to matters or events which occurred during Mr. Kay's employment by the Company and as to which Mr. Kay's knowledge or testimony may be important. The cooperation and assistance to be provided by Mr. Kay as described above shall be furnished to the Company in a timely manner as reasonably requested by the Company and as is within Mr. Kay's capability.

(b) In connection with Mr. Kay's cooperation, the Company shall reimburse Mr. Kay for the reasonable out of pocket expenses incurred by Mr. Kay upon submission of appropriate documentation of such expenses. In addition, Mr. Kay shall not be required to travel outside the Buffalo, New York metropolitan area in connection with the provision by Mr. Kay of cooperative services in connection with this Section 14. If the number of hours that Mr. Kay is required to expend in the provision of cooperative services to the Company exceeds, in the aggregate, fifty (50) hours, the Company shall pay Mr. Kay reasonable compensation for each hour that he provides cooperative services to the Company after he has provided fifty (50) hours at an hourly rate to be mutually agreeable to Mr. Kay and the Company. Finally, the Company shall use its reasonable best efforts to schedule the time for the provision by Mr. Kay of any cooperative services in a manner which will not conflict with any obligations Mr. Kay may have in connection with any business venture or employment relationship which Mr. Kay may enter into following his retirement with the Company. In this regard, Mr. Kay agrees to use his reasonable best efforts to perform any cooperative services requested by the Company as soon as practicable following the receipt by Mr. Kay of a request from the Company for the provision of such services.

15. No Disability. Mr. Kay acknowledges that, to the best of his knowledge, he has not sustained any disabling personal injury and/or occupational disease which has resulted in a

loss of wage earning capacity during his employment with the Company or due to the separation from that employment and that he has no personal injury and/or occupational disease which has been contributed to, or aggravated or accelerated in a significant manner by his employment with the Company and/or the separation from that employment.

16. Advice of Counsel. Mr. Kay represents and warrants that the Company has encouraged and advised Mr. Kay, prior to signing this Agreement, to consult with an attorney of Mr. Kay's choosing concerning all of the terms of this Agreement and Mr. Kay's separation from employment with the Company.

17. Employee Review and Delivery of Agreement. (a) Mr. Kay represents and warrants that the Company has given Mr. Kay a reasonable period of time, of at least twenty-one (21) days, for Mr. Kay to consider all the terms of this Agreement and for the purpose of consulting with an attorney if Mr. Kay so chose. A copy of this Agreement was presented to Mr. Kay, in person on March 17, 2008. If this Agreement has been executed by Mr. Kay prior to the end of the twenty-one (21) day period beginning on March 18, 2008, Mr. Kay represents that he has freely and willingly elected to do so.

(b) Mr. Kay represents and warrants that he has carefully read each and every provision of this Agreement and that he fully understands all of the terms and conditions of this Agreement.

(c) Mr. Kay represents and warrants that he enters into this Agreement voluntarily, of his own free will, without any pressure or coercion from any person or entity, including, but not limited to, the Company, any of the Company's Affiliates or any of their representatives.

18. Employee Revocation Rights. This Agreement may be revoked by Mr. Kay within seven (7) calendar days after the date this Agreement is signed by Mr. Kay, by giving written notice of revocation to Paul M. Murray, Senior Vice-President of Human Resources of the Company. This Agreement shall not become effective or enforceable until the revocation period has expired and none of the payments or benefits described in Sections 3, 4, 5, 6 or 7 of this Agreement shall be made or provided until after the revocation period has expired with no revocation. Notwithstanding the foregoing, even though Mr. Kay may revoke this Agreement, upon termination of Mr. Kay's employment with the Company, Mr. Kay shall be entitled to receive group medical insurance coverage under the applicable provisions of the Code and ERISA.

19. Interpretation. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

20. Acknowledgments. MR. KAY HEREBY EXPRESSLY WARRANTS AND REPRESENTS THAT, BEFORE ENTERING INTO THIS AGREEMENT, HE HAS RECEIVED A REASONABLE PERIOD OF TIME WITHIN WHICH TO CONSIDER ALL OF THE PROVISIONS CONTAINED IN THIS AGREEMENT, THAT HE HAS FULLY READ, INFORMED HIMSELF OF AND UNDERSTANDS ALL THE TERMS, CONTENTS, CONDITIONS AND EFFECTS OF ALL PROVISIONS OF THIS AGREEMENT, AND THAT HE CONSIDERS ALL SUCH PROVISIONS TO BE SATISFACTORY.

MR. KAY FURTHER EXPRESSLY WARRANTS AND REPRESENTS THAT NO PROMISE OR REPRESENTATION OF ANY KIND HAS BEEN MADE, EXCEPT THOSE EXPRESSLY STATED IN THIS AGREEMENT.

MR. KAY FURTHER EXPRESSLY WARRANTS AND REPRESENTS THAT HE ENTERS INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY.

21. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of Mr. Kay and shall be binding upon and inure to the benefit of any successors in interest of the Company.

22. Applicable Law. This Agreement shall be governed and construed in accordance with the internal laws of the State of New York without reference to its conflicts of laws principles.

23. Notices. All notices and other communications given pursuant to this Agreement shall be deemed to have been properly given or delivered and received, when delivered if delivered by hand in person, or, if mailed, five (5) business days following the deposit of any such notice in the U.S. mail system by certified mail or registered mail postage prepaid, addressed to Mr. Kay at the address first above written, or if to the Company, to the attention of the Company's Chief Executive Officer at the address of the Company first above written. From time to time, any party hereto may designate by written notice any other address or party to which such notice or communication or copies thereof shall be sent.

24. Headings. The headings of the Sections of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this agreement on and as of the date first set forth above.

GIBRALTAR INDUSTRIES, INC.

By: /s/ Paul M. Murray

/s/ David W. Kay
DAVID W. KAY

CERTIFICATIONS

I, Brian J. Lipke, certify that:

1. I have reviewed this report on Form 10-Q of Gibraltar Industries, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 15(f) and 15 d-15(f) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2008

/s/ Brian J. Lipke

Brian J. Lipke

Chairman of the Board and Chief Executive Officer

CERTIFICATIONS

I, Henning N. Kornbrekke, certify that:

1. I have reviewed this report on Form 10-Q of Gibraltar Industries, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 15(f) and 15 d-15(f) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2008

/s/ Henning N. Kornbrekke

Henning N. Kornbrekke
President and Chief Operating Officer

CERTIFICATIONS

I, Kenneth W. Smith, certify that:

1. I have reviewed this report on Form 10-Q of Gibraltar Industries, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 15(f) and 15 d-15(f) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2008

/s/ Kenneth W. Smith

Kenneth W. Smith

Senior Vice President and Chief Financial Officer

CERTIFICATION OF CHAIRMAN OF THE BOARD AND 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

I, Brian J. Lipke, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Gibraltar Industries, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008 fully complies with the requirement of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Gibraltar Industries, Inc.

/s/ Brian J. Lipke

Brian J. Lipke

Chairman of the Board and Chief Executive Officer

May 8, 2008

A signed original of this written statement required by Section 906, or other document authenticating acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Gibraltar Industries, Inc. and will be retained by Gibraltar Industries, Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.

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

I, Henning N. Kornbrekke, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Gibraltar Industries, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008 fully complies with the requirement of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Gibraltar Industries, Inc.

/s/ Henning N. Kornbrekke

Henning N. Kornbrekke

President and Chief Operating Officer

May 8, 2008

A signed original of this written statement required by Section 906, or other document authenticating acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Gibraltar Industries, Inc. and will be retained by Gibraltar Industries, Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.

CERTIFICATION OF SENIOR VICE PRESIDENT AND 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

I, Kenneth W. Smith, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Gibraltar Industries, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008 fully complies with the requirement of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Gibraltar Industries, Inc.

/s/ Kenneth W. Smith

Kenneth W. Smith

Senior Vice President and Chief Financial Officer

May 8, 2008

A signed original of this written statement required by Section 906, or other document authenticating acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Gibraltar Industries, Inc. and will be retained by Gibraltar Industries, Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.