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

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

For the quarterly period ended June 30, 2003

OR

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

For the transition period from _________ to ______

Commission file number 0-22462

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

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

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

As of June 30, 2003, the number of common shares outstanding was: 16,006,877.

GIBRALTAR STEEL CORPORATION

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

		June 30, 2003 (unaudited)		December 31, 2002 (audited)
Assets				
Current assets:				
Cash and cash equivalents	$	8,448	$	3,662
Accounts receivable		125,398		87,772
Inventories		119,566		106,155
Other current assets		7,635		5,405
Total current assets		261,047		202,994
Property, plant and equipment, net		248,328		231,526
Goodwill		255,467		133,452
Other assets		10,425		8,596
	$	775,267	$	576,568
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable	$	58,158	$	42,074
Accrued expenses		30,360		22,050
Current maturities of long-term debt		14,848		624
Total current liabilities		103,366		64,748
Long-term debt		307,902		166,308
Deferred income taxes		49,701		44,656
Other non-current liabilities		7,511		7,739
Shareholders' equity:				
Preferred shares		-		-
Common shares		160		160
Additional paid-in capital		125,142		124,825

Retained earnings	183,941	172,147
Accumulated comprehensive loss	(2,232)	(2,560)
Unearned compensation	(930)	(1,086)
Currency translation adjustment	706	(369)
Total shareholders' equity	306,787	293,117
	$ 775,267	$ 576,568

See accompanying notes to condensed consolidated financial statements

GIBRALTAR STEEL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share date)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net sales	$ 203,406	$ 171,520	$ 364,938	$ 316,233
Cost of sales	162,765	136,123	295,151	253,622
Gross profit	40,641	35,397	69,787	62,611
Selling, general and administrative expense	23,185	19,877	41,618	37,474
Income from operations	17,456	15,520	28,169	25,137
Interest expense	3,704	2,139	6,244	4,902
Income before taxes	13,752	13,381	21,925	20,235
Provision for income taxes	5,501	5,419	8,770	8,195
Net income	$ 8,251	$ 7,962	$ 13,155	$ 12,040
Net income per share - Basic	$ .52	$ .50	$ .83	$ .83
Weighted average shares outstanding - Basic	15,938	15,835	15,925	14,561
Net income per share - Diluted	$ .51	$ .49	$ .82	$ .81

Weighted average shares outstanding - Diluted	16,103	16,158	16,086	14,808

See accompanying notes to condensed consolidated financial statements

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

	Six Months Ended June 30, 2003 (unaudited)	Six Months Ended June 30, 2002 (unaudited)
Cash flows from operating activities		
Net income	$ 13,155	$ 12,040
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,957	10,050
Provision for deferred income taxes	1,402	2,324
Undistributed equity investment income	203	133
Other noncash adjustments	304	228
Increase (decrease) in cash resulting from changes in (net of acquisitions):		
Accounts receivable	(23,699)	(26,562)
Inventories	(441)	(7,614)
Other current assets	(2,392)	(1,150)
Accounts payable and accrued expenses	10,468	15,328
Other assets	(263)	(1,271)
Net cash provided by operating activities	9,694	3,506
Cash flows from investing activities		
Acquisitions, net of cash acquired	(83,580)	-
Purchases of property, plant and equipment	(10,169)	(4,527)
Net proceeds from sale of property and equipment	265	160
Net cash used in investing activities	(93,484)	(4,367)
Cash flows from financing activities		
Long-term debt reduction	(25,924)	(75,942)
Proceeds from long-term debt	115,464	21,179
Payment of dividends	(1,281)	(994)
Net proceeds from issuance of common stock	317	52,282
Net cash provided by (used in) financing activities	88,576	(3,475)
Net increase (decrease) in cash and cash equivalents	4,786	(4,336)
Cash and cash equivalents at beginning of year	3,662	8,150
Cash and cash equivalents at end of period	$ 8,448	$ 3,814

GIBRALTAR STEEL CORPORATION

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements as of June 30, 2003 and 2002 have been prepared by Gibraltar Steel Corporation (the Company) without audit. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 2003 and 2002 have been included.

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. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements included in the Company's Annual Report to Shareholders for the year ended December 31, 2002.

The results of operations for the three and six month periods ended June 30, 2003 are not necessarily indicative of the results to be expected for the full year.

2. INVENTORIES

Inventories consist of the following:

	(in thousands)	
-	June 30, 2003 (unaudited)	December 31, 2002 (audited)
Raw material	$ 62,240	$ 57,262
Finished goods and work-in-process	57,326	48,893
Total inventories	$ 119,566	$ 106,155

3. SHAREHOLDERS' EQUITY

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

	Common Shares		Additional Paid-in	Retained	Accumulated Comprehensive	Unearned	Currency Translation
	Shares	Amount	Capital	Earnings	Loss	Compensation	Adjustment
Balance at December 31, 2002	15,982	$ 160	$ 124,825	$ 172,147	$ (2,560)	$ (1,086)	$ (369)
Net income	-	-	-	13,155	-	-	-
Stock options exercised and tax benefit	25	-	317	-	-	-	-

Cash dividends-$.04 per share	-	-	-	(1,361)	-	-	-
Earned portion of restricted stock	-	-	-	-	-	156	-
Interest rate swap adjustments	-	-	-	-	328	-	-
Currency translation adjustment	-	-	-	-	-	-	1,075
Balance at June 30, 2003	16,007	$ 160	$ 125,142	$ 183,941	$ (2,232)	$ (930)	$ 706

4. EARNINGS PER SHARE

Basic net income per share equals net income divided by the weighted average shares outstanding for the six months ended June 30, 2003 and 2002. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding. 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 assumed proceeds of common stock equivalents. Common stock equivalents relating to stock options and restricted stock awards of 160,656 and 247,486 are included in diluted shares for the six month periods ended June 30, 2003 and 2002, respectively.

Options to purchase 833,830 shares of the Company's common stock are outstanding as of June 30, 2003 and are exercisable at prices ranging from $10.00 to $22.50 per share. At June 30, 2003, 762,936 options were vested and exercisable, of which 561,761 had an exercise price of below the $20.56 per share market price of the Company's common stock.

5. ACQUISITIONS

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

The acquisition of B & W Heat Treating was accounted for using the purchase method of accounting for business conditions with the results of B & W Heat Treating's operations consolidated with the Company's results of operations from its acquisition date.

On April 1, 2003, the Company acquired all of the outstanding stock of Construction Metals, Inc. (Construction Metals). Construction Metals is located in Ontario, California and is a manufacturer of a wide array of building and construction products that are sold to retail and wholesale customers throughout the Western United States. On May 1, 2003, the Company acquired all of the outstanding stock of Air Vent Inc. (Air Vent). Air Vent operates manufacturing facilities in Dallas, Texas; Clinton, Iowa; and Lincolnton, North Carolina and operates a sales office and customer service department in Peoria, Illinois. Air Vent is primarily engaged in the manufacture and distribution of a complete line of ventilation products and accessories. The operating results of both Construction Metals and Air Vent have been included in the Company's consolidated financial statements since their respective dates of acquisition.

The aggregate purchase consideration for the Construction Metals and Air Vent acquisitions was approximately $146.9 million, which included approximately $59.8 million of unsecured subordinated debt, payable to the former owners of the acquired companies over three to six year terms at an interest rate of 5.0%. The purchase price of the acquired companies was allocated to the assets acquired and liabilities assumed based upon respective fair market values. The fair market values of the property, plant and equipment and identifiable intangible assets were determined by an independent valuation. The identifiable intangible assets consisted of non-competition agreements with an aggregate fair market value of approximately $2.2 million (8.2-year weighted average useful life). The excess consideration over such fair value is recorded as goodwill and aggregated approximately $122 million.

The Company and the former owners of Air Vent may 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.

The following unaudited pro forma financial information presents the condensed consolidated results of operations as if the acquisitions had occurred on January 1, 2002. The pro forma information includes certain adjustments, including depreciation expense, interest expense and certain other adjustments, together with related income tax effects. The pro forma amounts may not be indicative of the results that actually would have been achieved had the acquisitions occurred as of January 1, 2002 and are not necessarily indicative of future results of the combined companies.

	(in thousands, except per share data)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net sales	$ 209,532	$ 203,558	$ 392,281	$ 369,307
Net income	$ 8,592	$ 11,175	$ 14,332	$ 15,968
Net income per share-Basic	$ .54	$ .70	$ .90	$ 1.09
Net income per share-Diluted	$ .53	$ .69	$ .89	$ 1.08

6. AMORTIZABLE INTANGIBLE ASSETS AND GOODWILL

Amortizable intangible assets as of June 30, 2003 consisted of non-competition agreements. At June 30, 2003, the gross carrying amount and accumulated amortization of these non-competition agreements aggregated approximately $2.2 million and $65,000, respectively.

Intangible asset amortization expense for the period ended June 30, 2003 and 2002 aggregated approximately $65,000 and $0, respectively. Amortization expense related to intangible assets for the remaining six months of 2003 is approximately $.2 million and $.3 million annually for years 2004 through 2007.

The changes in the approximate carrying amount of goodwill for the six month period ended June 30 are as follows (in thousands):

	2003	2002
Balance as of January 1,	$ 133,452	$ 132,717

Goodwill acquired		122,015		735
Balance as of June 30,	$	255,467	$	133,452

In connection with the adoption (effective January 1, 2002) of SFAS No. 142, *Goodwill and Intangible Assets*, the Company completed the transitional impairment assessment within six months from the date of adoption as allowed by the standard. In addition, the Company completed a valuation as of the annual reassessment date as of October 31, 2002 and determined that no goodwill impairments were indicated.

7. SEGMENT INFORMATION

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

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

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

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

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

		Three Months Ended June 30				Six Months Ended June 30		
		2003 (unaudited)		2002 (unaudited)		2003 (unaudited)		2002 (unaudited)
Net sales								
Processed steel products	$	69,510	$	70,622	$	140,713	$	133,634
Building products		111,984		81,086		180,279		144,306
Heat treating		21,912		19,812		43,946		38,293
	$	203,406	$	171,520	$	364,938	$	316,233
Income (loss) from operations								
Processed steel products	$	6,441	$	8,812	$	14,794	$	16,280
Building products		13,460		8,314		15,990		10,809
Heat treating		2,320		2,710		5,283		5,327
Corporate	$	(4,765)		(4,316)		(7,898)		(7,279)
		17,456	$	15,520	$	28,169	$	25,137
Depreciation and amortization								
Processed steel products	$	1,410	$	1,467	$	2,874	$	2,919
Building products		2,266		1,834		4,202		3,651
Heat treating		1,621		1,466		3,213		2,933
Corporate		365		274		668		547
	$		$		$		$	

	5,662	5,041	10,957	10,050
Capital expenditures				
Processed steel products	$ 1,231	$ 627	$ 2,338	$ 1,002
Building products	1,808	951	3,454	2,476
Heat treating	2,186	421	4,041	710
Corporate	101	141	336	339
	$ 5,326	$ 2,140	$ 10,169	$ 4,527

	June 30, 2003	December 31, 2002
Total assets	(unaudited)	(audited)
Processed steel products	$ 153,140	$ 155,422
Building products	226,792	163,005
Heat treating	98,515	94,034
Corporate	296,820	164,107
	$ 775,267	$ 576,568

8. BORROWINGS UNDER REVOLVING CREDIT FACILITY

In April 2003, the Company amended its revolving credit facility to increase its aggregate borrowing limit to $290 million. At June 30, 2003, the Company had $80 million in availability under the revolving credit facility.

9. STOCK OPTIONS

In December 2002, the FASB issued SFAS No. 148, *Accounting for Stock-Based Compensation-Transition and Disclosure* (SFAS 148) which amends SFAS No. 123 *Accounting for Stock-Based Compensation* (SFAS 123). SFAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and amends the disclosure requirements of SFAS 123 to require disclosures in both the annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. As allowed by SFAS 123, the Company follows the disclosure requirements of SFAS 123 and SFAS 148, but continues to account for its stock options in accordance with Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*. Accordingly, no compensation cost has been recognized for the option plans, as stock options granted under these plans have an exercise price equal to 100% of the market price on the date of grant.

If the compensation cost for these plans had been determined based on the fair value at the grant dates for awards consistent with the method of SFAS 123, the unaudited pro forma effect on each period is as follows (in thousands, except per share data):

	Three Months Ended June 30		Six Months Ended June 30	
	2003 (unaudited)	2002 (unaudited)	2003 (unaudited)	2002 (unaudited)
Net income as reported	$ 8,251	$ 7,962	$ 13,155	$ 12,040
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	103	268	188	538
Pro forma net income	$ 8,148	$ 7,694	$ 12,967	$ 11,502
Net income per share:				
Basic - as reported	$ .52	$ .50	$ .83	$ .83
Basic - pro forma	$ .51	$ .49	$ .81	$ .79
Diluted - as reported	$ .51	$ .49	$ .82	$ .81
Diluted - pro forma	$ .51	$ .48	$ .81	$ .78

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

Results of Operations

Consolidated

Net sales of $203.4 million for the second quarter ended June 30, 2003, increased by approximately $31.9 million, or 18.6%, from net sales of $171.5 million for the second quarter of 2002. Net sales for the first six months of 2003 increased by approximately $48.7 million, or 15.4%, from net sales of $316.2 million from the prior years second quarter. These increases were primarily due to the addition of net sales of B & W Heat Treating (acquired July 1, 2002), Construction Metals (acquired April 1, 2003) and Air Vent (acquired May 1, 2003) which contributed approximately $28.5 million in additional sales for the second quarter and $31.2 million for the six months ended June 30, 2003.

Gross profit as a percentage of net sales decreased to 20.0% in the second quarter of 2003 from 20.6% in the second quarter of 2002. Gross margin for the first six months of 2003 was 19.1% compared to 19.8% for the same period in 2002. These decreases were primarily due to higher raw material costs as a percentage of net sales in 2003 compared to the same periods in 2002.

Selling, general and administrative expenses decreased to 11.4% of net sales for both the three and six months ended June 30, 2003. Selling, general and administrative expenses were 11.6% and 11.9% of net sales for the same periods in 2002. These decreases were a result of maintaining expenses at the prior year levels, while generating higher net sales in 2003 compared to the same period in 2002.

As a result of the above, income from operations as a percentage of net sales for the second quarter ended June 30, 2003 decreased to 8.6% from 9.0% for the second quarter of 2002. Income from operations as a percentage of net sales for the six months ended June 30, 2003, was 7.7% compared to 7.9% for the same period in 2002.

Interest expense increased by approximately $1.6 million to $3.7 million for the second quarter of 2003 and $1.3 million to $6.2 million for the six months ended June 30, 2003, compared to the same periods in 2002. These increases were primarily due to increased borrowings related to the 2003 acquisitions of Construction Metals and Air Vent.

As a result of the above, income before taxes increased by $.4 million to $13.8 million for the second quarter of 2003 and $1.7 million to $21.9 million for the six months ended June 30, 2003, compared to the same periods in 2002.

Income taxes for the second quarter and six months ended June 30, 2003 approximated $5.5 million and $8.8 million and were based on a 40% effective tax rate in 2003, compared to 40.5% in 2002.

The following provides further information by segment:

Processed Steel Products

Net sales of $69.5 million for the second quarter ended June 30, 2003 decreased by approximately $1.1 million, or 1.6% from net sales of $70.6 million for the second quarter of 2002. Net sales for the first six months of 2003 increased by 5.3% to $140.7 million, from net sales of $133.6 million for the prior years comparable period. The decrease for the second quarter was primarily due to decreased automotive production levels by the "Big Three" automotive manufacturers and a reduction in sales in the service center business. The sales increase for the six months ended June 30, 2003 was primarily due to stronger automotive production levels during the first quarter.

Income from operations decreased to 9.3% of net sales for the second quarter ended June 31, 2003 from 12.5% for the prior year's second quarter. For the six months ended June 30, 2003, income from operations as a percentage of net sales decreased to 10.5% from 12.2% for the comparable period in 2002. These decreases were primarily due to higher raw material costs as a percentage of net sales and an increase in our allowance for doubtful accounts.

Building Products

Net sales of $112.0 million for the second quarter ended June 30, 2003, increased by approximately $30.9 million, or 38.1%, from net sales of $81.1 million for the second quarter of 2002. Net sales for the first six months of 2003 increased by 24.9% to $180.3 million, from net sales of $144.3 million for the prior years comparable period. These increases were primarily due to the addition of the net sales of Construction Metals (acquired April 1, 2003) and Air Vent (acquired May 1, 2003), as well as increased sales with existing customers.

Income from operations increased to 12.0% of net sales for the second quarter ended June 30, 2003 from 10.3% for the prior year's second quarter. For the six months ended June 30, 2003, income from operations as a percentage of net sales increased to 8.9% from 7.5% for the comparable period in 2002. These increases were primarily due to higher income from operations from the 2003 acquisitions and were partially offset by higher raw material costs in both the quarter and six month periods ended on June 30, 2003.

Heat Treating

Net sales of $21.9 million for the second quarter ended June 30, 2003, increased by approximately $2.1 million, or 10.6%, from net sales of $19.8 million for the second quarter of 2002. Net sales for the first six months of 2003 increased by 14.8% to $43.9 million, from net sales of $38.3 million for the prior years comparable period. These increases were primarily due to the addition of the net sales of B & W Heat Treating (acquired July 1, 2002).

Income from operations decreased to 10.6% of net sales for the second quarter ended June 30, 2003 from 13.7% for the prior year's second quarter. For the six months ended June 30, 2003, income from operations as a percentage of net sales decreased to 12.0% from 13.9% for the comparable period in 2002. These decreases were primarily due to higher costs as a percentage of net sales at B & W Heat Treating, higher energy costs and costs related to the start-up of a new facility.

Liquidity and Capital Resources

During the first six months of 2003, the Company's shareholders' equity increased by approximately $13.7 million, or 4.7%, to $306.8 million. Additionally, working capital increased by $19.4 million to $157.7 million during the six month period ended June 30, 2003.

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

Net income of $13.2 million plus depreciation and amortization of $11.0 million and the provision for deferred income taxes of $1.4 million, combined with an increase in accounts payable and accrued expenses of $10.5 provided cash of $36.1 million. This cash was offset by $26.5 million used for working capital purposes, primarily due to an increase in accounts receivable of $23.7 million as a result of increased sales for the second quarter of 2003 compared to the fourth quarter of 2002. In addition, working capital was further reduced by an increase in other current assets of $2.4 million primarily related to annual insurance pre-payments.

During the first six months of 2003, net borrowings of $89.5 million under the Company's revolving credit facility and cash on hand at the beginning of the period were used to fund operations, capital expenditures of $10.2 million, acquisitions of $83.6 million and cash dividends of $1.3 million.

At June 30, 2003, the Company had borrowed approximately $210 million under its $290 million revolving credit facility resulting in approximately $80 million of additional availability.

On April 1, 2003, the Company purchased all the outstanding capital stock of Construction Metals, Inc., and on May 1, 2003, the Company purchased all the outstanding capital stock of Air Vent Inc. The Company paid approximately $146.9 million for these acquisitions, comprised of $87.1 million in cash from the revolving credit facility, and $59.8 million in unsecured subordinated debt payable to the former owners of the acquired companies over three to six year terms at an interest rate of 5.0%. In April 2003, the Company increased the revolving credit facility to $290 million.

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

Recent Accounting Pronouncements

In December 2002, the FASB issued SFAS No. 148, *Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of SFAS No. 123* (SFAS 148). SFAS 148 amends SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS 123) to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require more prominent and more frequent disclosures in the financial statements regarding the effects of stock-based compensation. SFAS 148 is effective for financial statements for fiscal years ending after December 15, 2002, including certain amendments to required disclosures related to stock-based compensation included in condensed financial statements for interim periods beginning after December 15, 2002. The Company does not plan to change to the fair value based method of accounting for stock-based compensation and therefore this standard will not have a material impact on the Company's financial position, results of operations or cash flows. For further discussion of the Company's stock-based compensation, see Note 9 "Stock Options" to the condensed consolidated financial statements.

In January 2003, the FASB issued FASB Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46). This interpretation of Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, addresses consolidation of variable interest entities. FIN 46 requires certain variable interest entities ("VIE's") to be consolidated by the primary beneficiary if the entity does not effectively disperse risks among the parties involved. The provisions of FIN 46 are effective immediately for those variable interest entities created after January 31, 2003. The provisions are effective for the first period beginning after June 15, 2003 for those variable interests held prior to February 1, 2003. The adoption of this Interpretation did not have a material effect on the Company's financial position or results of operations.

In April 2003, the FASB issued SFAS No. 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities* (SFAS 149). SFAS 149 clarifies the accounting for derivatives, amending the previously issued SFAS No.133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS 133). SFAS 149 clarifies under what circumstances a contract with an initial net investment meets the characteristics of a derivative, amends the definition of any underlying contract, and clarifies when a derivative contains a financing components in order to increase the comparability of accounting practices under SFAS 133. SFAS 149 is effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS 149 is not expected to have a material impact on the Company's consolidated financial statements.

In May 2003, the FASB issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* (SFAS 150). SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS 150 applies specifically to a number of financial instruments that companies have historically presented within their financial statements either as equity or between the liabilities section and the equity section, rather than as liabilities. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Company's implementation of SFAS 150 is not expected to have a material impact on its consolidated financial statements.

Forward-Looking Information - Safe Harbor Statement

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; 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.

Item 4. Controls and Procedures

(a) As of the end of the period covered by this report, the Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chairman of the Board, President, and Vice President and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon the required evaluation, the Company's Chief Executive Officer and Chairman of the Board, President, and Vice President and Chief Financial Officer, have concluded that the Company's disclosure controls and procedures are effective.

(b) There have been no changes in the Company's internal control over financial reporting 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 2. Changes in Securities.

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

Item 3. Defaults Upon Senior Securities.

(a) Not applicable.

(b) Not applicable.

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

The Company's annual shareholders meeting was held on May 20, 2003, at which time the election of Directors was conducted. The following named individual was nominated and re-elected as a Class III Director.

	Votes For	Votes Withheld
David N. Campbell	15,345,033	176,567

David N. Campbell was elected to a term expiring in 2006 and until his successor has been elected and qualified. The terms of Directors Brian J. Lipke, Arthur A. Russ, Jr., William P. Montague and Gerald S. Lippes continued after the meeting.

Other matters voted on at the annual meeting were as follows:

(a) Authorization to take action upon the proposed Sixth Amendment and Restatement of the Gibraltar Steel Corporation Incentive Stock Option Plan

Votes For	Votes Against	Votes Abstained
14,795,669	302,803	423,128

(b) Authorization to take action upon the proposed Second Amendment and Restatement of the Gibraltar Steel Corporation Restricted Stock Plan.

Votes For	Votes Against	Votes Abstained
14,723,528	375,194	422,878

Item 5. Other Information.

(a) Not applicable.

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

6(a) Exhibits

a. Exhibit 31.1 - Certification of Chief Executive Officer and Chairman of the Board pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

b. Exhibit 31.2 - Certification of President pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

c. Exhibit 31.3 - Certification of the Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

d. Exhibit 99.1 - Certification of the Chief Executive Officer and Chairman of the Board pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

e. Exhibit 99.2 - Certification of the President pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

f. Exhibit 99.3 - Certification of the 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.

g. Exhibit 10.1 - Subordinated promissory note between Gibraltar Steel Corporation and CertainTeed Corporation.

6(b) Reports on Form 8-K. The Company filed the following reports on Form 8-K during the three month period ended June 30, 2003:

a. Form 8-K dated May 6, 2003, disclosing Company press release dated May 5, 2003.

b. Form 8-K dated May 13, 2003, disclosing the Company's acquisition of Air Vent Inc.

c. Form 8-K/A dated July 15, 2003, amending Item 7 of Form 8-K dated May 13, 2003.

SIGNATURES

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

GIBRALTAR STEEL CORPORATION
(Registrant)

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

Chairman of the Board

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

/s/ John E. Flint
John E. Flint
Vice President and

Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

Date: August 14, 2003

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT (1) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FILED UNDER THE SECURITIES ACT OR THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO IT THAT SUCH REGISTRATION IS NOT REQUIRED, AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS. THE OBLIGATIONS EVIDENCED BY THIS INSTRUMENT ARE SUBORDINATED TO THE PRIOR PAYMENT IN FULL OF ALL SENIOR INDEBTEDNESS (AS HEREINAFTER DEFINED), INCLUDING BUT NOT LIMITED TO THE JPMORGAN INDEBTEDNESS AND THE PRUDENTIAL INDEBTEDNESS (AS HEREINAFTER DEFINED).

GIBRALTAR STEEL CORPORATION OF NEW YORK
GIBRALTAR STEEL CORPORATION

SUBORDINATED PROMISSORY NOTE

$40,000,000.00 DATE: May 1, 2003

FOR VALUE RECEIVED, Gibraltar Steel Corporation of New York, a New York corporation and Gibraltar Steel Corporation, a Delaware corporation (collectively, the "Company"), jointly and severally promise to pay to CertainTeed Corporation, a corporation organized under the laws of the State of Delaware (together with any registered successor or assign, "Holder"), the principal sum of Forty Million and 00/100 Dollars ($40,000,000), or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Note on the unpaid principal balance at the interest rates provided in Section 12 below, computed on the basis of a 360 day year. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the earlier of: (i) on the dates and in the amounts set forth in Sections 2 and 3; or (ii) when, upon or after the occurrence of an Event of Default (as defined below), such amounts are declared due and payable by Holder or made automatically due and payable in accordance with the terms hereof. This Note is issued pursuant to the Stock Purchase Agreement of even date herewith (as amended, modified or supplemented, the "Stock Purchase Agreement") between the Gibraltar Steel Corporation of New York, the Holder, Air Vent Inc. and Gibraltar Steel Corporation dated May 1, 2003.

The following is a statement of the obligations of the Company and rights of Holder and the conditions to which this Note is subject, and to which Company, by its execution of this Note, and Holder, by the acceptance of this Note, agree:

1. **Certain Definitions**. As used in this Note, the following capitalized terms have the following meanings:

(a) Affiliate(s) means, with respect to any person or entity, any other entity or person controlling, controlled by or under common control with such entity or person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, contract or otherwise.

(b) "Company" includes the corporations initially executing this Note and any Person which shall succeed to or assume the obligations of the Company under this Note.

(c) "Debt to Equity Ratio" shall mean on any calculation date the ratio calculated by dividing (i) the Senior Indebtedness outstanding on such calculation date by (ii) the stockholders' equity of Gibraltar Steel Corporation as of such calculation date determined in accordance with GAAP, as reported in the most recent quarterly financial statements of Gibraltar Steel Corporation filed with the Securities and Exchange Commission on Form 10-Q or its most recent annual financial statements filed with the Securities and Exchange Commission on Form 10-K; *provided, however*, if Gibraltar Steel Corporation ceases to file reports with the Securities and Exchange Commission, then as reported in Gibraltar Steel Corporation's quarterly or annual financial statements, regardless of whether prepared internally or externally, and regardless of whether audited.

(d) "Event of Default" has the meaning given in Section 5 hereof.

(e) "GAAP" shall mean generally accepted accounting principles as in effect in the United States of America from time to time, consistently applied.

(f) "Holder" shall mean the Person specified in the introductory paragraph of this Note or any Person who shall at the time be the registered holder of this Note.

(g) "Indebtedness" shall mean and include with respect to any Person the aggregate amount of, without duplication (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all obligations of such Person to pay the deferred purchase price of property or services (other than accounts payable incurred in the ordinary course of business determined in accordance with GAAP); (iv) all obligations of such Person with respect to capital leases; (v) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person; (vi) all reimbursement and other payment obligations, contingent or otherwise of such Person, in respect of letters of credit and similar surety instruments; and (vii) all guaranty obligations of such Person with respect to the types of Indebtedness listed in clauses (i) through (vi) above.

(h) "Obligations" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to Holder of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), now existing or hereafter arising under or pursuant to the terms of this Note, including, all interest, fees, charges, reasonable expenses, reasonable attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

(i) "Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

(j) "Stock Purchase Agreement" has the meaning given in the introductory paragraph hereof.

2. Payments of Principal and Interest. Subject to Section 7 hereof, this Note is due and payable in five (5) annual installments, each in the principal amount of $8,000,000.00, plus accrued and unpaid interest, except for the final installment which will be in an amount equal to the balance of principal and accrued and unpaid interest then owing on this Note. The first installment is due on the first business day in May, 2004, and subsequent installments are due on the first (1st) business day of May of each year thereafter until all amounts payable under this Note have been paid in full, with the final installment being due on May 1, 2008. All payments received by Holder shall be applied first against the accrued and unpaid interest, and then against the unpaid principal balance of this Note.

3. Prepayment. Subject to Section 7 hereof, upon five (5) days prior written notice to Holder, the Company may prepay this Note in whole or in part; provided that any such prepayment will be applied first to the payment of expenses due under this Note, second to interest accrued on this Note and third, if the amount of prepayment exceeds the amount of all such expenses and accrued interest, to the payment of principal of this Note in the inverse order of the maturities of such principal installments.

4. Information Rights. While any amount is outstanding under the Note, without the prior written demand of Holder, the Company shall furnish to Holder promptly upon the occurrence thereof, written notice of the occurrence of any Event of Default hereunder or any event of default with respect to any Senior Indebtedness, regardless of whether waived, consented to or excused by the creditor to or holder of that Senior Indebtedness.

5. Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Note:

(a) *Failure to Pay*. The Company shall fail to (i) pay when due any principal payment on the due date hereunder, or (ii) pay any interest or other payment required under the terms of this Note or any other amounts due Holder under this Note on the date due or perform any of its obligations under this Note, and such interest or other payment shall not have been paid or such performance shall not have been made within five (5) days of the Company's receipt of Holder's written notice to the Company of such failure to pay; or

(b) *Voluntary Bankruptcy or Insolvency Proceedings.* The Company shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) be unable, or admit in writing its inability, to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) become insolvent (as such term may be defined or interpreted under any applicable statute), (vi) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vii) take any action for the purpose of effecting any of the foregoing; or

(c) *Involuntary Bankruptcy or Insolvency Proceedings.* Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof, under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within sixty (60) days of commencement.

Any event of default with respect to Senior Indebtedness shall not constitute or be deemed in and of itself to be a default under this Note.

6. Rights of Holder upon Default. Subject to Section 7 hereof, upon the occurrence or existence of any Event of Default (other than an Event of Default, referred to in Sections 5(b) or 5(c)) and at any time thereafter during the continuance of such Event of Default, Holder may, by written notice to the Company, declare all outstanding Obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Stock Purchase Agreement to the contrary notwithstanding. Upon the occurrence or existence of any Event of Default described in Sections 5(b) or 5(c), immediately and without notice, all outstanding Obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Stock Purchase Agreement to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Holder may exercise any other right, power or remedy granted to it by law, either by suit in equity or by action at law, or both.

7 Subordination.

(a) Senior Indebtedness. The Holder, by its acceptance hereof, covenants and agrees that the indebtedness evidenced by this Note shall be subordinate and junior in right of payment as set forth herein to all principal and interest and all other amounts owing (including without limitation, any interest accruing subsequent to the filing of a petition or other action concerning bankruptcy or other similar proceeding) on the following, whether presently outstanding or hereafter incurred:

(i) any obligation including without limitation principal, interest, make whole amount, fees and expenses arising under or in connection with that certain Fourth Amended and Restated Senior Secured Credit Agreement dated as of June 28, 2002 (the "JPMorgan Credit Agreement") between the Company and JPMorgan Chase Bank, as Administrative Agent for itself and as agent for Fleet Boston, KeyBank National Association, HSBC Bank USA, Manufacturers and Traders Trust Company, U.S. Bank, N.A., National City Bank of Pennsylvania, Citizens Bank of Pennsylvania, Fifth Third Bank and Comerica Bank (and any other Lenders who become a party to the JPMorgan Credit Agreement) and all notes and other documents executed in connection therewith, as all may be amended, replaced, extended, transferred or assigned or refinanced from time to time, (the "JPMorgan Indebtedness");

(ii) any obligation including without limitation, principal, interest, make whole amount, fees and expenses arising under or in connection with that certain Note Purchase Agreement dated as of July 3, 2002 between the Company and the Prudential Insurance Company of America and all notes and other documents executed in connection therewith, as all may be amended, replaced, extended, transferred or assigned or refinanced from time to time;

(iii) any obligation including without limitation, principal, interest, make whole amount, fees and expenses arising under or in connection with that certain Note Purchase Agreement between the Company and the Prudential Insurance Company of America dated as of July 3, 2002 and all notes and other documents executed in connection therewith, as all may be amended, replaced, extended, transferred or assigned or refinanced from time to time (together with the obligations described in (ii), the "Prudential Indebtedness");

(iv) all indebtedness of the Company for money borrowed which is evidenced by a note, debenture, letter or similar instrument (other than (1) the Obligations evidenced by this Note or any amendment, extension or replacement hereof or (2) except as otherwise provided in this Section 7);

(v) any liabilities of others described in the preceding clause (iv) which the Company has guaranteed or which is otherwise a legal liability;

(vi) with respect to any of the foregoing, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 USC Section 101, et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding; and

(vii) renewals, extensions, refundings, restructurings, amendments and modifications of any such indebtedness or guarantee, and all such renewals, extensions, refundings, restructurings, amendments and modifications of any such indebtedness or guarantee may be made without notice to or the consent of the Holder (collectively with subclauses i-vi of this Section, the "Senior Indebtedness").

Notwithstanding the foregoing, Senior Indebtedness shall not include the indebtedness evidenced by this Note, and the indebtedness evidenced by this Note shall be *pari passu* with and not subordinate to , (a) (i) any indebtedness of the Company to any of its Affiliates or (ii) indebtedness or guaranty of the Company which by its express terms or the express terms of the instrument creating or evidencing it is subordinate to, or *pari passu* with, the right of payment to this Note, or (b) purchase money obligations entered into by the Company, whether prior or subsequent to the date of this Note, in connection with the acquisition of substantially all of the assets or capital stock of any entity which are subordinated to the Senior Indebtedness. Notwithstanding the foregoing, the Holder shall be entitled to receive regular payments under this Note unless and until the occurrence of an event of default under the terms of any Senior Indebtedness or any event which with the lapse of time or the giving of notice or both would constitute an event of default under the terms of any Senior Indebtedness (a "Senior Default"). Upon the occurrence and during the continuation of any Senior Default, (1) the Company shall not make and the Holder will not accept any payments on this Note, including payments of principal and interest and (2) the Holder shall not (x) ask, demand, sue for, take or receive from the Company, directly or indirectly, in cash or other property or by set-off or in any other manner (including, without limitation, from or by way of collateral, sinking fund or in respect of any redemption, retirement, purchase or other acquisition of a note), payment of all or any of the Obligations, request or accept any collateral or other security for all or any portion of the Obligations, (y) take any action to declare this Note due and payable, or to enforce obligations in respect thereof, or (z) without the consent of all holders of Senior Indebtedness commence, or join with any creditor at such time in commencing, directly or indirectly causing the Company or any of its subsidiaries to commence, or assist the Company or any of its subsidiaries in commencing, any bankruptcy or insolvency proceeding, receivership, custodianship, liquidation, reorganization, readjustment of debt, arrangement, composition or similar proceeding, unless and until all of the Senior Indebtedness shall have been paid in full, such Senior Default shall otherwise have been remedied in a manner satisfactory to the holders of the Senior Indebtedness in their sole discretion or effectively waived in writing, or, if applicable, such judicial proceeding shall have been dismissed, vacated or settled, after which the Company may resume making any and all required payments in respect of the Obligations (including any missed payments). Any holder of Senior Indebtedness may extend, renew, modify or amend the terms of Senior Indebtedness or any security therefor and release, sell or exchange such security and otherwise deal freely with the Company or any of its Affiliates to the same extent as could any person, all without notice to or consent of the Holder and without affecting the liabilities and obligations of the Holder pursuant to the provisions hereof;

(b) In the event of (i) any insolvency, bankruptcy, receivership, custodianship, liquidation, reorganization, readjustment of debt, arrangement, composition, assignment for the benefit of creditors, or other similar proceeding relative to the Company or its creditors, as such, or their property, or (ii) any proceeding for voluntary liquidation, dissolution or other winding down or bankruptcy proceedings, then and in any such event all of the Senior Indebtedness shall first be paid in full before any payment or distribution of any character, whether in cash, securities, obligations or other property, shall be made in respect of the Obligations. Notwithstanding any statute, including, without limitation, the United States Bankruptcy Code, any rule of law or bankruptcy procedures to the contrary, the right of holders of Senior Indebtedness to have all of the Senior Indebtedness paid and satisfied in full prior to the payment of any of the Obligations shall include, without limitation, the right of holders of Senior Indebtedness to be paid in full all interest accruing on the Senior Indebtedness due to them after the filing of any petition by or against the Company or any of its subsidiaries in connection with any bankruptcy or similar proceeding or any other similar proceeding, prior to the payment of any amounts in respect to the Obligations, including, without limitation, any interest due to the Holder accruing after such date. The Holder hereby (y) undertakes and agrees to execute, verify and deliver and file proofs of claim, consents, assignments or other instruments which any holder of Senior Indebtedness may at any time reasonably require in order to provide and realize upon any rights or claims pertaining to this Note held by the Holder and to effectuate the full benefit of the subordination contained herein, and (z) authorizes each holder of Senior Indebtedness to take any action as may be necessary or appropriate to effect the subordination provided for herein and appoints each holder of Senior Indebtedness its attorney-in-fact solely for such purposes.

(c) Payments Held in Trust. If, notwithstanding the provisions of this Section 7, any direct or indirect payment or distribution on account of the Obligations or acquisition, repurchase, redemption, retirement or defeasance thereof shall be made by or on behalf of the Company (including any payments or distribution of any kind or character whether in cash, property, stock or obligations in an insolvency event) and received by the Holder at any time when such payment or distribution was prohibited by the provisions of this Section 7 or such payment or distribution was required to be made to any of the holders of Senior Indebtedness, then, such payment or distribution shall be segregated from other property and funds of or held by the Holder and shall be held in trust by the Holder, for the benefit of the holders of the Senior Indebtedness, and shall be paid or delivered forthwith to the holders of the Senior Indebtedness at the time outstanding, pari passu, in the same form as so received (with any necessary endorsement) to be applied, (in the case of cash) to, or held as collateral (in the case of noncash property or securities) for, the payment, prepayment and/or cash collateralization of the Senior Indebtedness, whether matured or unmatured, in accordance with the terms of such Senior Indebtedness. In the event of the failure of the Holder to endorse or assign any such payment, distribution or security, each holder of Senior Indebtedness is hereby irrevocably authorized to endorse or assign same.

(d) No Impairment. No present or future holder of any Senior Indebtedness shall be prejudiced in the right to enforce the subordination provisions hereof by any act or failure to act on the part of the Company or the Holder. Subject to the rights, if any, of the holders of Senior Indebtedness under this Section 7 to receive cash, securities or other properties otherwise payable or deliverable to Holder, nothing contained in this Section 7 shall impair, as between the Company and Holder, the obligation of the Company, subject to the terms and conditions hereof, to pay to Holder the Obligations as and when the same become due and payable, or shall prevent Holder, upon default hereunder, from exercising all rights, powers and remedies otherwise provided herein or by applicable law.

(e) Third Party Beneficiaries. The provisions of this Section 7 shall inure to the benefit of any holders of Senior Indebtedness and such holders are expressly made third party beneficiaries hereof.

(f) Restatement. The provisions of this Section 7 shall continue to be effective, or be reinstated as of the date immediately prior to payment in full of the Senior Indebtedness, as the case may be, if any payment, or any part thereof, of any of the Senior Indebtedness is rescinded or must otherwise be restored or returned by the holders of the Senior Indebtedness, all as though such payments had not been made.

8. Successors and Assigns. Subject to the restrictions on transfer described in Section 10 below, the rights and obligations of the Company and Holder of this Note shall be binding upon and benefit the successors, assigns, administrators and transferees of the parties.

9. Amendment. Any provision of this Note may be amended, waived or modified upon the prior written consent of the Company and Holder and, the holder of the JPMorgan Indebtedness, so long as the JPMorgan Indebtedness is outstanding, and the holder of the Prudential Indebtedness so long as the Prudential Indebtedness is outstanding.

10. Assignment by the Company. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of Holder.

11. Transfer by Holder. Holder may sell, assign, transfer and convey this Note upon prior written notice to the Company and only (i) pursuant to an effective registration statement filed under the Securities Act or if the Company shall have received an opinion of counsel satisfactory to it that such registration is not required, and (ii) there shall have been compliance with all applicable state securities or "Blue Sky" laws. Any transferees or assigns of this Note shall be bound by the provisions of Section 7 hereof.

12 Interest Rate. The unpaid principal balance of this Note will accrue interest prior to maturity or default at an interest rate equal to the lesser of (a) the Maximum Rate (defined below) or (b) five percent (5%) per annum until April 1, 2004, and on and thereafter at an interest rate based upon the Debt to Equity Ratio as follows:

Debt to Equity Ratio	**Interest Rate**
Less than 1.15	5.00%
Equal to or greater than 1.15 but less than 1.20	5.75%

Equal to or greater than 1.20 but less than 1.25	6.50%
Equal to or greater than 1.25 but less than 1.30	7.25%
Equal to or greater than 1.30 but less than 1.35	8.00%
Equal to or greater than 1.35 but less than 1.40	8.75%
Equal to or greater than 1.40 but less than 1.45	9.50%
Equal to or greater than 1.45 but less than 1.50	10.25%
Equal to or greater than 1.50	11.00%

Commencing on April 1, 2004, and on the first day of each July, October, January and April until this Note is paid in full, the interest rate will be changed based upon the foregoing chart, and such Debt to Equity Ratio shall be calculated as of the last day of the quarter covered by the quarterly financial statements of Gibraltar Steel Corporation included in its most recently filed Form 10-Q or the last day of the fiscal year covered by the annual financial statements of Gibraltar Steel Corporation included in its most recently filed Form 10-K. During any period in which an Event of Default has occurred and is continuing, the Company shall pay interest on the unpaid principal balance hereof at a rate per annum equal to the Maximum Rate. "Maximum Rate" means a rate of interest equal to the lesser of (y) the maximum lawful rate permitted by applicable usury laws now or subsequently enacted, which rate will change when and as said laws change, to the extent permitted by law, effective on the day such change in said laws becomes effective, or (z) the rate otherwise applicable hereunder plus 2%.

13 **Notices.** Any notice, request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by registered or certified mail, postage prepaid, or by recognized overnight courier or personal delivery at the respective addresses of the parties as set forth in the Stock Purchase Agreement. Any party hereto may by notice so given change its address for future notice hereunder. Notice shall conclusively be deemed to have been given when received.

14 **Payment.** Payment shall be made by wire transfer in lawful tender of the United States to the account(s) designated in advance, in writing, by Holder to the Company.

15. **Usury.** In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, then that portion of the interest payment representing an amount in excess of the then legal maximum rate shall be deemed a payment of principal and applied against the principal of this Note in the inverse order of the maturities of such principal installments.

16. **Time**. Time is of the essence with respect to all of the Company's obligations under this Note.

17. **Setoff By The Company.** The Company shall have no right to set off against the Obligations due hereunder any amounts for which the Holder may become indebted to the Company, whether under the Stock Purchase Agreement or otherwise.

18. **Expenses.** If action is instituted to collect this Note, the Company promises to pay all costs and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred in connection with such action.

19. **Waivers.** The Company: (a) waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this Note, and (b) without notice to the Company, consents to any extension or postponement of time for payment of this Note or to any other indulgence with respect to this Note, either before or after maturity, without in any way affecting the liability of the Company and without prejudice to Holder.

20. **Governing Law; Venue.** This Note shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law provisions of the State of New York, or of any other state. Any claim or controversy under this Note shall be adjudicated in the State and Federal courts located in Erie County, New York.

21. **ENTIRE AGREEMENT. THIS NOTE REPRESENTS THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

(Signature page follows.)

IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first set forth above.

Gibraltar Steel Corporation of New York,
a New York corporation

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

Gibraltar Steel Corporation,
a Delaware corporation

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

Agreed and Accepted:

s/ Samuel A. Ansley
Holder:

EXHIBIT 31.1

CERTIFICATION

I, Brian J. Lipke, certify that:

1. I have reviewed this report on Form 10-Q of Gibraltar Steel Corporation;

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)) for the registrant and we 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) 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,

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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: August 14, 2003

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

EXHIBIT 31.2

CERTIFICATIONS

I, Walter T. Erazmus, certify that:

1. I have reviewed this report on Form 10-Q of Gibraltar Steel Corporation;

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)) for the registrant and we 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) 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,

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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: August 14, 2003

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

EXHIBIT 31.3

CERTIFICATIONS

I, John E. Flint, certify that:

1. I have reviewed this report on Form 10-Q of Gibraltar Steel Corporation;

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)) for the registrant and we 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) 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,

   c). disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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: August 14, 2003

/s/ John E. Flint
John E. Flint
Vice President and Chief Financial Officer

EXHIBIT 99.1

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

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 Steel Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003 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 Steel Corporation.

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

August 14, 2003

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 Steel Corporation and will be retained by Gibraltar Steel Corporation and furnished to the Securities and Exchange Commission or its Staff upon request.

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EXHIBIT 99.2

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

I, Walter T. Erazmus, 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 Steel Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003 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 Steel Corporation.

/s/ Walter T. Erazmus
Walter T. Erazmus

President

August 14, 2003

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 Steel Corporation and will be retained by Gibraltar Steel Corporation and furnished to the Securities and Exchange Commission or its Staff upon request.

EXHIBIT 99.3

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

I, John E. Flint, 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 Steel Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003 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 Steel Corporation.

/s/ John E. Flint
John E. Flint
Chief Financial Officer
August 14, 2003

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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 Steel Corporation and will be retained by Gibraltar Steel Corporation and furnished to the Securities and Exchange Commission or its Staff upon request.

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

August 14, 2003

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 Steel Corporation and will be retained by Gibraltar Steel Corporation and furnished to the Securities and Exchange Commission or its Staff upon request.

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

August 14, 2003

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 Steel Corporation and will be retained by Gibraltar Steel Corporation and furnished to the Securities and Exchange Commission or its Staff upon request.

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/s/ John E. Flint
John E. Flint
Vice President and Chief Financial Officer
August 14, 2003

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 Steel Corporation and will be retained by Gibraltar Steel Corporation and furnished to the Securities and Exchange Commission or its Staff upon request.