UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event
reported) November 14, 2005

GIBRALTAR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	0-22462	16-1445150
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3556 Lake Shore Road
P.O. Box 2028
Buffalo, New York 14219-0228

(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code (716) 826-6500

Item 7.01 Regulation FD Disclosure

The Registrant is filing under Item 7.01 of this Current Report on Form 8-K the information included as Exhibit 99.1 through Exhibit 99.2 to this report. This information has not been previously reported to the public.

This information is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, unless the Registrant specifically incorporates it by reference in a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934. By filing this Current Report on Form 8-K and furnishing this information, the Registrant makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

Item 9.01 - Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired - None

(b) Pro Forma Financial Information - None

(c) Exhibits

99.1 - Disclosure concerning operational factors that the Registrant's management believes could affect the Registrant's business.

99.2 - Certain historical and pro forma financial data, including certain pro forma financial data that gives effect to the recent acquisition of Alabama Metal Industries Corporation ("AMICO").

99.3 - Certain selected historical financial data of AMICO and related management's discussion and analysis of results of operations.

SIGNATURES

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

Dated: November 14, 2005

GIBRALTAR INDUSTRIES, INC.

/S/ David W. Kay

Name: David W. Kay
Title: Chief Financial Officer

EXHIBIT INDEX.

99.1	Disclosure concerning operational factors that the Registrant's management believes could affect the Registrant's business.
99.2	Certain historical and pro forma financial data, including certain pro forma financial data that gives effect to the recent acquisition of Alabama Metal Industries Corporation ("AMICO").
99.3	Certain selected historical financial data of AMICO and related management's discussion and analysis of results of operations.

Operational Factors

We pay close attention to the following operational factors that can significantly affect our business:

- Raw material prices. When the prices of steel and other raw materials increase, our costs increase, particularly in our Processed Metal Products segment, and we attempt to pass on a portion of those cost increases to our customers in the form of higher prices for our products. However, we are rarely able to immediately pass on all those cost increases to our customers, and our operating margins may decrease when steel and other raw material prices are increasing. In both our Building Products and Processed Metal Products segments, our material costs rose faster in late 2004 and early 2005 than our ability to recover those costs through our selling prices. Moreover, when steel prices decrease, we face immediate pressure to lower prices in our Processed Metal Products segment, even if we are selling inventory produced when steel prices were higher. Our cost of sales lags changes in steel market prices by approximately four months in our Processed Metal Products segment (and less in our Building Products segment) because we account for inventory on a FIFO basis and maintain several months of inventory of steel. In early 2005, when steel prices were high, we tried to mitigate the effect of potential steel shortages in the market and continuing steel price increases by purchasing extra steel to build up our inventory. Since then, however, steel prices have fallen, and our operating margins have decreased, particularly in our Processed Metal Products segment, because we have lowered our prices in that segment to meet market conditions while using inventory built up at higher steel prices. For example, our income from operations from our Processed Metal Products segment as a percentage of net sales of that segment decreased to 4.5% in the quarter ended September 30, 2005 from 11.3% in the quarter ended September 30, 2004, primarily due to these factors. Operating margins in our Building Products segment also decreased in the third quarter of 2005 compared to the third quarter of 2004 because our selling prices, though higher, did not fully pass on the costs of the inventory sold. We will continue to sell inventory in the fourth quarter of 2005 that was produced with raw materials purchased earlier in 2005, leading to compressed margins in the fourth quarter, primarily in our Processed Metal Products segment. Steel prices are unpredictable, and further changes may continue to affect our operating margins.

- Energy costs. The costs of electricity and natural gas have risen steadily in 2005, and recent events in the energy sector, including the effect of the hurricane season, could exacerbate this trend. We depend on electricity and, to a lesser extent, natural gas to keep our many Building Products and Processed Metal Products manufacturing facilities in operation. We use natural gas more extensively in our Thermal Processing business to fuel the ovens we use to treat steel and other metals. We estimate that increases in energy costs have raised our cost of sales and, to a lesser degree, selling, general and administrative expense by an aggregate amount of approximately $1.7 million in the nine months ended September 30, 2005 compared to the nine months ended September 30, 2004.

- Transportation costs. Our costs to transport our products to our customers remain a significant component of our cost of sales and are affected by fluctuations in energy costs. These transportation costs are mitigated by the distribution of our manufacturing and service facilities throughout 27 states, which gives us a presence near many of our customers. We also intend to reduce our transportation costs as a percentage of net sales by further consolidating our freight suppliers, although the benefits of these reductions may be offset by rising energy costs.

- Labor, fringe benefits and workers' compensation. We have approximately 3,500 employees and have added approximately 850 additional employees with the acquisition of Alabama Metal Industries Corporation ("AMICO"). The wages, incentive compensation, fringe benefits (including medical benefits) and workers' compensation we pay are another significant component of our cost of sales and of our selling, general and administrative expense. Wages, medical benefits and workers' compensation tend to rise with inflation, and medical benefit costs and workers' compensation have sometimes risen faster than inflation due to the rising cost of healthcare generally. Our incentive compensation costs, which consist primarily of bonuses paid to senior and middle management, generally rise when our net sales, operating margin and net income margin rise. In 2004, for example, our incentive compensation costs increased due to our strong net sales, operating income and net income margin. Our workers' compensation costs currently consist of self-insurance accruals, as we are almost fully self-insured for workers' compensation. We record most of our costs for wages, medical benefits and workers' compensation in cost of sales, and we record a smaller portion of those costs attributable to administrative and management employees in selling, general and administrative expense. We record almost all our incentive compensation costs in selling, general and administrative expense.

Recent effect of industry and operational factors. Due to the increase in demand for steel during 2004, especially in China, steel producers experienced a shortage of steel scrap and coke, two key materials used in the manufacture of steel. As a result, we experienced significant increases in steel prices in late 2004 and early 2005. Because of strong demand for our products and our ability to pass a portion of these steel prices on to customers, our net sales were significantly higher in 2004 than in 2003. Moreover, we were able to complete these sales at prices reflecting increases in the price of steel with inventory acquired at a time when steel prices were lower, which improved our operating margins. However, we do not expect net sales or operating margins to grow at similar rates in future years. In addition, because steel prices were rising quickly and we feared shortages, we purchased extra steel in late 2004 and early 2005 to build up our inventory. These shortages did not materialize, and when steel prices began to decline in mid-2005, our margins were compressed, particularly in our Processed Metal Products segment, because we have lowered our prices in that segment to meet market conditions while using inventory built up at higher steel prices and have sold at prices in our Building Products segment that did not fully pass on the higher material costs. This effect on our margins in 2005 has been exacerbated by the rise in energy costs during this year.

Exhibit 99.2

Certain historical and pro forma financial data

The following table sets forth certain historical and pro forma financial data.

Our unaudited financial statements have been prepared on the same basis as our audited financial statements and, in our opinion, reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of this data in all material respects. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

The unaudited historical statement of income data for the twelve months ended September 30, 2005 have been calculated by subtracting the applicable unaudited consolidated statement of income data for the nine months ended September 30, 2005 from the sum of (1) the applicable audited consolidated statement of income data for the year ended December 31, 2004 and (2) the applicable unaudited consolidated statement of income data for the nine months ended September 30, 2005.

The unaudited pro forma statement of income data for the twelve months ended September 30, 2005 has been calculated by subtracting the unaudited pro forma condensed combined statement of income data for the nine months ended September 30, 2004 from the sum of the (1) unaudited pro forma condensed combined statement of income data for the year ended December 31, 2004 and (2) the unaudited pro forma condensed combined statement of income data for the nine months ended September 30, 2005. The unaudited pro forma condensed combined statements of income for the nine months ended September 30, 2004 and 2005 and the year ended December 31, 2004 give effect to the following as if they had occurred on January 1, 2004:

- the acquisition of AMICO; and

- the incurrence of new long-term debt and the use of proceeds thereof.

The unaudited pro forma condensed combined balance sheet data as of September 30, 2005 give effect to these events as if they had occurred on September 30, 2005.

The unaudited pro forma adjustments are based on available information and certain assumptions that we believe are reasonable. However, these unaudited pro forma adjustments do not include an allocation of the purchase price of AMICO based on fair market value. Therefore, all the acquired assets and liabilities are reflected at their historical book values with the excess consideration recorded as goodwill. The allocation of the purchase price to our acquired assets and liabilities acquired will be completed as soon as reliable information is available. Preliminary pro forma adjustments have been recorded:

- to record inventory of AMICO under the same accounting method as our company; and

- to exclude the assets and liabilities not acquired as part of the transaction from the unaudited pro forma financial data.

The adjustments with respect to the new long-term debt we may incur reflect our estimates of interest rate plus amortization of estimated financing costs. The final interest rate, financing costs incurred and application of proceeds may differ.

Our unaudited pro forma financial data do not purport to present what our actual financial position or results would have been if the events described above had occurred as of the dates indicated and are not necessarily indicative of our future financial position or results. For example, we expect our future results to be affected by the following factors, among others:

- In connection with our acquisition of AMICO in October 2005, we must record AMICO's inventory on our consolidated balance sheet at fair market value. Our margins from the AMICO business will be depressed in the fourth quarter of 2005 as we sell the inventory acquired. Additionally, the recording of AMICO's acquired inventory at fair market value may result in additional deferred tax assets or liabilities.

- We will be required to record identifiable intangible assets and property, plant and equipment acquired in the AMICO acquisition on our consolidated balance sheet at fair market value. Any resulting write-up of assets will increase our depreciation and amortization expense when we depreciate or amortize the acquired assets and will reduce gross profit, operating income, income from continuing operations and net income, and such reductions may be significant. Based upon our past acquisitions and the nature of the assets acquired in the AMICO acquisition, we expect to recognize, when we complete our fair value calculations, identifiable intangible assets such as trademarks/patents, unpatented technology and customer relationships. We will not complete our fair market value calculations of these assets until early 2006, and we cannot quantify the amount of the write-up of the acquired assets at this time. Amortization periods to be used for these identifiable intangible assets and property, plant and equipment acquired will be based primarily upon the estimated useful lives of the assets, which at this point are not determinable. Additionally, the identification of intangible assets and the recording of the acquired property, plant and equipment at fair market value may give rise to additional deferred tax assets and liabilities.

o In connection with the transaction, we paid a prepayment premium of $6.7 million to retire our private placement notes. We also wrote off the deferred financing fees of $0.7 million related to the debt. These charges are not reflected in the unaudited pro forma condensed combined statements of income because they are not considered on-going and will not have a recurring impact on our results of operations. We also will incur charges in our fourth quarter relating to non-capitalized expenses arising out of the AMICO acquisition.

(Dollars in thousands)	Fiscal year ended December 31, 2002	2003	2004	Nine months ended September 30, 2004 (unaudited)	2005 (unaudited)	Twelve months ended September 30, 2005 (actual) (unaudited)	2005 (pro forma) (unaudited)
Statement of income data:							
Net sales	$ 602,707	$729,806	$ 976,255	$ 721,045	$ 844,108	$1,099,318	$1,408,779
Cost of sales	484,244	587,128	774,970	563,436	683,504	895,038	1,129,037
Gross profit	118,463	142,678	201,285	157,609	160,604	204,280	279,742
Selling, general and administrative expense	71,693	85,802	111,737	84,923	85,353	112,167	146,756
Income from operations	46,770	56,876	89,548	72,686	75,251	92,113	132,986
Equity in partnerships' (income) loss(1)	(559)	(685)	(4,846)	(3,492)	469	(885)	(951)
Interest expense	8,283	13,096	12,915	9,523	11,102	14,494	37,390
Income before taxes	39,046	44,465	81,479	66,655	63,680	78,504	96,547
Provision for income taxes	15,615	17,562	31,768	26,329	24,395	29,834	36,801
Income from continuing operations	23,431	26,903	49,711	40,326	39,285	48,670	$ 59,746
Discontinued operations, net of taxes(2)	423	50	1,071	683	(1,209)	(820)	
Net income	$ 23,854	$ 26,953	$ 50,782	41,009	$ 38,076	$ 47,850	
Cash flow data:							
Net cash provided by (used in) operating activities(3)	$ 12,677	$ 65,257	$ (1,770)	$ (74)	$ 59,153		
Net cash (used in) provided by investing activities(3)	(22,030)	(113,667)	(88,467)	(80,886)	642		
Net cash provided by (used in) financing activities	6,031	74,869	73,190	64,338	(60,805)		
Depreciation and amortization	19,547	21,783	24,198	17,774	19,567	25,991	31,683
Other data:							
EBITDA from continuing operations(4)(5)	$ 66,876	$ 79,344	$ 118,592	$ 93,952	$ 94,349	$ 118,989	$ 165,620
Total capital expenditures	15,294	22,050	24,330	16,392	14,799		
Selected ratios:							
Ratio of earnings to fixed charges(6)	5.05x	3.90x	5.82x	6.30x	5.58x	5.31x	3.29x
Ratio of total debt to EBITDA from continuing operations(4)	2.50x	3.05x	2.61x			2.13x	3.09x
Ratio of EBITDA from continuing operations to interest expense(4)	8.07x	6.06x	9.18x	9.87x	8.50x	8.21x	4.43x
Balance sheet data (at end of period):							
Cash and cash equivalents						$ 8,149	$ 8,149
Total assets						933,827	1,221,937
Working capital(7)						230,685	293,163
Total debt						252,906	512,306
Shareholders' equity						489,774	485,214

(1) Equity in partnerships' (income) loss represents our proportional interest in the income or losses of our cold-rolled strip steel joint venture and our steel pickling joint venture and other income.

(2) Discontinued operations represents the income (loss), net of income taxes (benefits), attributable to our subsidiary Milcor, which we sold in January 2005 for approximately $42.6 million.

(3) Reflects continuing operations only.

(4) "EBITDA from continuing operations" represents net income before interest expense, provision for income taxes, depreciation, amortization and loss (income) from discontinued operations, net of taxes. EBITDA from continuing operations should not be considered an alternative to cash flows from operating activities or income from continuing operations, as determined in accordance with GAAP. We use EBITDA from continuing operations to facilitate comparisons from period to period. We believe EBITDA from continuing operations facilitates company to company comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation and the age and book depreciation of facilities and equipment (affecting relative depreciation expense), which may vary for different companies for reasons unrelated to operating performance or liquidity. We further believe that EBITDA from continuing operations is frequently used by investors, securities analysts and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their cash flows from operating activities and results. EBITDA from continuing operations is not necessarily comparable to other similarly titled financial measures of other companies due to the potential inconsistencies in the method of calculation. In addition, EBITDA, as defined in our senior credit facility, is not calculated in the same manner as the EBITDA from continuing operations figures presented in this table.

EBITDA from continuing operations has limitations as an analytical tool, and you should not consider it either in isolation or as a substitute for analyzing our cash flows from operating activities and results as reported under GAAP. Some of these limitations are:

- EBITDA from continuing operations does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;

- EBITDA from continuing operations does not reflect changes in, or cash requirements for, our working capital needs;

- EBITDA from continuing operations does not reflect our interest expense or cash requirements necessary to service interest or principal payments on our debt; and

- EBITDA from continuing operations does not reflect our tax expense or the cash requirements to pay our taxes.

The following is a reconciliation of EBITDA from continuing operations to income from continuing operations, the most directly comparable GAAP performance measure, and, for our reported historical periods, to cash flows from operating activities, the most directly comparable GAAP liquidity measure:

	Fiscal year ended December 31,			Fiscal year ended December 31,	Nine months ended September 30,		Nine months ended September 30,	Twelve months ended September 30,	
(Dollars in thousands)	2002	2003	2004	2004	2004	2005	2005	2005	2005
		(actual)		(pro forma)	(actual) (unaudited)		(pro forma) (unaudited)	(actual)	(pro forma) (unaudited)
Income from continuing operations	$23,431	$26,903	$ 49,711	$ 68,827	$40,326	$ 39,285	$ 50,080	$ 48,670	$ 59,746
Provision for income taxes	15,615	17,562	31,768	37,410	26,529	24,395	28,056	29,834	36,801
Interest expense	8,283	13,096	12,915	43,061	9,523	11,102	31,161	14,494	37,390
Depreciation and amortization	19,547	21,783	24,198	29,950	17,774	19,567	23,807	25,991	31,683
EBITDA from continuing operations(a)	$66,876	$79,344	$118,592	$179,248	$93,952	$ 94,349	$133,104	$118,989	$165,620
Interest expense	(8,283)	(13,096)	(12,915)			(11,102)			
Provision for income taxes	(15,615)	(17,562)	(31,768)			(24,395)			
Changes in assets and liabilities	(37,057)	8,478	(81,082)			(2,200)			
Other non-cash adjustments	9	114	394			158			
Unearned compensation	258	212	153			900			
Tax benefit from exercise of stock options(b)	349	949	1,249			90			
Undistributed equity in partnerships' loss (income)	340	316	(3,166)			1,404			
Provision for deferred income taxes	5,800	6,502	6,773			(51)			
Net cash provided by (used in) operating activities from continuing operations	$12,677	$65,257	$ (1,770)			$ 59,153			

(a) EBITDA from continuing operations includes the effect of equity in partnerships' loss (income). However, the agreements governing one of our joint ventures restrict the amount of cash that may be distributed to our company by the joint venture, and a credit agreement entered into by our other joint venture also restricts the amount of cash that may be distributed to our company from that joint venture.

(b) Represents the tax benefit resulting from the disqualifying dispositions of incentive stock options that are recorded as a reduction of income for tax purposes and as a reduction of equity for book purposes.

(5) In calculating pro forma EBITDA from continuing operations for the twelve months ended September 30, 2005, we included adjustments to the historical financial data of AMICO to record AMICO's inventories on the first-in-first-out (FIFO) basis used by our company, rather than the last-in-first-out basis historically used by AMICO. The FIFO adjustments include an increase in AMICO's cost of sales of $7.7 million for the twelve months ended September 30, 2005. For this reason, pro forma EBITDA from continuing operations is lower than the sum of our EBITDA from continuing operations and AMICO's EBITDA for the same period.

(6) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before taxes minus net undistributed equity earnings minus capitalized interest plus fixed charges. Fixed charges include interest expense (including amortization of debt issuance costs), capitalized interest and the portion of operating rental expense that management believes is representative of the interest component of rent expense.

(7) Working capital is current assets minus current liabilities.

Selected historical financial data of Alabama Metal Industries Corporation

The following table sets forth selected historical financial data of Alabama Metal Industries Corporation ("AMICO").

AMICO's unaudited financial statements have been prepared on the same basis as its audited financial statements and, in our opinion, reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of this data in all material respects. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

	Fiscal year ended December 31,		Nine months ended September 30,	
(Dollars in thousands)	2003	2004	2004	2005
Statement of income data:				
Net sales	$ 194,391	$ 288,354	$ 218,708	$ 239,815
Cost of sales	158,982	209,766	157,159	174,331
Gross profit	35,409	78,588	61,549	65,484
Selling, general and administrative expense	24,741	37,462	26,460	23,530
Impairment charge(1)	1,354	57	--	--
Income from operations	9,314	41,069	35,089	41,954
Interest expense	5,778	5,115	3,867	3,478
Other (income) expense	--	--	138	72
Income before taxes	3,536	35,954	31,084	38,404
Provision for income taxes	1,512	13,455	11,549	14,751
Net income	$ 2,024	$ 22,499	$ 19,535	$ 23,653
Other data:				
Depreciation and amortization	$ 6,052	$ 5,752	$ 4,300	$ 4,240
EBITDA(2)	15,366	46,821	39,251	46,122
Ratio of earnings to fixed charges(3)	1.53x	7.03x	7.98x	10.27x
Balance sheet data (at end of period):				
Cash	$ 1,535	$ 2,520		$ 3,429
Total assets	104,644	123,820		123,420
Working capital(4)	16,944	27,775		37,777
Total debt	53,315	43,244		18,331
Shareholders' equity	23,596	46,716		70,637

(1) Impairment charges for 2003 arose primarily because a plant was held for sale on December 31, 2003 at a price less than book value. Impairment charges for 2004 consist primarily of a write-off of assets of AMICO's Canadian subsidiary.

(2) EBITDA represents net income before interest expense, provision for income taxes, depreciation and amortization. EBITDA should not be considered an alternative to cash flows from operating activities or net income, as determined in accordance with GAAP. EBITDA is not necessarily comparable to other similarly titled financial measures of other companies due to the potential inconsistencies in the method of calculation. EBITDA has limitations as an analytical tool, and you should not consider it either in isolation or as a substitute for analyzing AMICO's cash flows from operating activities and results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;

- EBITDA does not reflect changes in, or cash requirements for, AMICO's working capital needs;

- EBITDA does not reflect AMICO's interest expense or cash requirements necessary to service interest or principal payments on its debt; and

- EBITDA does not reflect AMICO's tax expense or the cash requirements to pay its taxes.

The following is a reconciliation of EBITDA to net income, the most directly comparable GAAP performance measure, and to cash flows from operations, the most directly attributable GAAP liquidity measure:

(Dollars in thousands)	Fiscal year ended December 31, 2003	Fiscal year ended December 31, 2004	Nine months ended September 30, 2004	Nine months ended September 30, 2005
Net income	$ 2,024	$ 22,499	$ 19,535	$ 23,653
Provision for income taxes	1,512	13,455	11,549	14,751
Interest expense	5,778	5,115	3,867	3,478
Depreciation and amortization	6,052	5,752	4,300	4,240
EBITDA	15,366	46,821	39,251	46,122
Interest expense	(5,778)	(5,115)	(3,867)	(3,478)
Provision for income taxes	(1,512)	(13,455)	(11,549)	(14,751)
Changes in assets and liabilities	6,420	(12,079)	(17,886)	481
Other non-cash adjustments	1,678	429	315	89
Provision for deferred income taxes	52	1,011	528	51
Net cash (used in) provided by operating activities	$ 16,227	$ 17,612	$ 6,792	$ 28,514

(3) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before taxes minus net undistributed equity earnings minus capitalized interest plus fixed charges. Fixed charges include interest expense (including amortization of debt issuance costs), capitalized interest and the portion of operating rental expense that AMICO management believes is representative of the interest component of rent expense.

(4) Working capital is current assets minus current liabilities.

Management's discussion and analysis of financial condition and results of operations for AMICO

AMICO acquisition

On October 3, 2005, we acquired AMICO, a leading manufacturer of a diverse line of products for the commercial and industrial building products markets. AMICO's products and systems are used for a variety of industrial applications and for residential, multi-family, commercial and high-rise construction applications. AMICO manufactures products in 15 locations throughout North America with six distribution centers. For the year ended December 31, 2004, AMICO generated net sales of $288.4 million, income from operations of $41.1 million and EBITDA of $46.8 million.

Integration. As in previous acquisitions, we intend to manage AMICO and its subsidiaries as a stand-alone entity rather than combine AMICO's operations with those of our other subsidiaries. As a result, we do not currently expect to incur material integration costs as a result of the AMICO acquisition. However, as part of our strategy of continuing to increase operating efficiencies, we will consider AMICO and its subsidiaries as we improve our company-wide supply chain management, attempt to streamline distribution of our products and explore further opportunities for sharing administrative services across our company.

Comparability of AMICO financial statements. Before we acquired AMICO, AMICO determined the cost basis of its inventory on a last-in-first-out (LIFO) basis, rather than the FIFO accounting we use for our company. Inventories recorded on the historical balance sheets of AMICO and cost of sales, gross profit, income from operations and net income recorded on the historical statements of income of AMICO are therefore not completely comparable to similar line items recorded in our historical balance sheets and statements of income. As of and for the year ended December 31, 2004, recording AMICO's inventories on a FIFO basis would have resulted in a $15.9 million increase in its inventories to $45.6 million, a $13.8 million decrease in its cost of sales to $195.9 million and a $13.8 million increase in its income before taxes to $49.8 million. As of and for the nine months ended September 30, 2005, recording AMICO's inventories on a FIFO basis would have resulted in a $8.5 million increase in its inventories to $32.8 million, a $7.4 million increase in its cost of sales to $181.7 million and a $7.4 million decrease in its income before taxes to $31.0 million. From the date of the AMICO acquisition, we will record AMICO's inventories on a FIFO basis. This change in AMICO's inventory accounting policy will result in taxable income to our company, which we will recognize for tax purposes over a four-year period.

Results of operations of AMICO

The following table sets forth selected results of operations data for AMICO as percentages of net sales:

	Fiscal year ended December 31,		Nine months ended September 30,	
	2003	2004	2004	2005
			(unaudited)	
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	81.8	72.7	71.9	72.7
Gross profit	18.2	27.3	28.1	27.3
Selling, general and administrative expense	12.7	13.0	12.1	9.8
Impairment charges	0.7	0.0	--	--
Income from operations	4.8	14.2	16.0	17.5
Other expenses	--	--	0.1	0.0
Interest expense	3.0	1.8	1.8	1.5
Income before taxes	1.8	12.5	14.2	16.0
Provision for income taxes	0.8	4.7	5.3	6.2
Net income	1.0%	7.8%	8.9%	9.9%

Nine months ended September 30, 2005 compared to nine months ended September 30, 2004

Net sales increased by approximately $21.1 million, or 9.7%, to $239.8 million for the nine months ended 2005 from $218.7 million for the nine months ended September 30, 2004. This increase was due primarily to significant increases in sales volumes of bar grating products, particularly in the third quarter of 2005, driven by purchases related to the 2005 storm season and, to a lesser extent, general increases in construction spending. The increase in net sales was also due to increases in average selling prices in many of AMICO's product lines, driven by increases in steel prices that occurred over the course of 2004, as well as increases in sales volumes of expanded metal products. These increases were partially offset by decreases in average selling prices and volumes of AMICO's metal lath products.

Cost of sales increased by approximately $17.2 million, or 10.9%, to $174.3 million for the nine months ended September 30, 2005 from $157.2 million for the nine months ended September 30, 2004. This increase was due primarily to increases in raw material costs as a percentage of sales. Cost of sales as a percentage of net sales increased to 72.7% for the nine months ended September 30, 2005 from 71.9%, primarily because AMICO's gross margins had reached higher than historical levels in 2004 as AMICO was able to increase prices quickly in response to significant increases in the price of steel.

Selling, general and administrative expense decreased $2.9 million, or 11.1%, to $23.5 million for the nine months ended September 30, 2005 from $26.5 million in the nine months ended September 30, 2004. This decrease occurred primarily because AMICO's management incentive compensation was unusually high for the nine months ended September 30, 2004 due to AMICO's financial performance in that period. The terms of AMICO's management incentive compensation plan were changed in 2005, resulting in lower compensation payments for the nine months ended September 30, 2005. As a percentage of net sales, selling, general and administrative expense decreased to 9.8% for the nine months ended September 30, 2005 from 12.1% for the nine months ended September 30, 2004, primarily due to lower incentive compensation payments in the nine months ended September 30, 2005.

As a result of the above, income from operations as a percentage of net sales increased to 17.5% for the nine months ended September 30, 2005 from 16.0% for the nine months ended September 30, 2004.

Interest expense decreased $0.4 million, or 10.1%, to $3.5 million for the nine months ended September 30, 2005 from $3.9 million for the nine months ended September 30, 2004. This decrease was due to significant debt repayments throughout the nine months ended September 30, 2005 using cash generated from operations.

As a result of the above, income before income taxes increased $7.3 million, or 23.5%, to $38.4 million for the nine months ended September 30, 2005 from $31.1 million for the nine months ended September 30, 2004.

Income taxes were $14.8 million for the nine months ended September 30, 2005, based upon an effective tax rate of 38.4% for the nine months ended September 30, 2005. Income taxes were $11.5 million for the nine months ended September 30, 2004, based upon an effective tax rate of 37.2% for the nine months ended September 30, 2004. The effective tax rate was lower in 2004 as AMICO utilized previously reserved state net operating loss carryforwards.

Net income increased to $23.7 million in the nine months ended September 30, 2005 from $19.5 million in the nine months ended September 30, 2004.

Year ended December 31, 2004 compared to year ended December 31, 2003

Net sales increased $93.9 million, or 48.3%, to $288.4 million in 2004 from $194.4 million in 2003. This increase was due primarily to significant increases in selling prices for AMICO's steel-related products, resulting primarily from the significant increases in steel prices over the course of 2004. This increase was partially offset by a moderate decrease in sales volumes of AMICO's expanded metal products due to continuing recovery in the industrial construction market.

Cost of sales increased by approximately $50.8 million, or 31.9%, to $209.8 million in 2004 from $159.0 million in 2003, primarily due to the increases in raw material costs described above. Cost of sales as a percentage of net sales decreased to 72.7% in 2004 from 81.8% in 2003. This decrease occurred primarily because AMICO was able in many cases to increase its selling prices ahead of anticipated increases in costs of raw materials, as well as because of efficiency improvements in AMICO's operations in the second half of 2003 that positively affected AMICO's 2004 cost of sales. These efficiency improvements included consolidating production of bar grating products by closing two facilities and moving their production to other facilities and cost reductions in material and labor inputs to AMICO's metal lath products.

Selling, general and administrative expense increased $12.7 million, or 51.4%, to $37.5 million in 2004 from $24.7 million in 2003. This increase occurred primarily because of significant incentive compensation paid to management and other employees in 2004 due to AMICO's financial performance in that year, as well as increases in brokerage commissions paid to manufacturers' representatives due to increased net sales. As a percentage of net sales, selling, general and administrative expense increased to 13.0% in 2004 from 12.7% in 2003, due primarily to the increase in incentive compensation.

AMICO recorded impairment charges of $57,023 in 2004 relating to the write-off of assets of its Canadian subsidiary. In 2003, AMICO recorded impairment charges of $1.4 million, primarily because a plant was held for sale at December 31, 2003 at a price less than book value.

As a result of the above, income from operations as a percentage of net sales increased to 14.2% in 2004 from 4.8% in 2003.

Interest expense decreased $0.7 million, or 11.5%, to $5.1 million in 2004 from $5.8 million in 2003 due to lower average borrowings in 2004.

As a result of the above, income before income taxes increased to $36.0 million in 2004 from $3.5 million in 2003.

Income taxes increased to $13.5 million in 2004 from $1.5 million in 2003, based on an effective rate of 37.4% in 2004, compared to 42.8% in 2003. The decrease in AMICO's effective tax rate was due to the use of previously reserved net operating losses against state income taxes in 2004, as well as the increase in valuation allowances to provide for state net operating losses that it did not expect to realize.

Net income increased to $22.5 million in 2004 from $2.0 million in 2003.