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

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

For the quarterly period ended March 31, 2000

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 March 31, 2000, the number of common shares outstanding was: 12,579,719.

GIBRALTAR STEEL CORPORATION

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Item 1. Financial Statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	March 31, 2000 (unaudited)	December 31, 1999 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 3,022	$ 4,687
Accounts receivable	93,392	78,418
Inventories	98,179	94,994
Other current assets	4,723	4,492
Total current assets	199,316	182,591
Property, plant and equipment, net	210,061	216,030
Goodwill	114,489	115,350
Other assets	8,657	8,109
	$ 532,523	$ 522,080
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 53,726	$ 48,857
Accrued expenses	19,957	19,492
Current maturities of long-term debt	175	1,319
Total current liabilities	73,858	69,668
Long-term debt	235,547	235,302
Deferred income taxes	29,476	29,328
Other non-current liabilities	2,418	2,323
Shareholders' equity		
Preferred shares	-	-
Common shares	126	126
Additional paid-in capital	68,387	68,323
Retained earnings	122,711	117,010
Total shareholders' equity	191,224	185,459
	$ 532,523	$ 522,080

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

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

	Three Months Ended March 31, 2000 (unaudited)	Three Months Ended March 31, 1999 (unaudited)
Net sales	$ 167,634	$ 143,804
Cost of sales	133,086	115,386
Gross profit	34,548	28,418
Selling, general and administrative expense	20,230	16,735
Income from operations	14,318	11,683
Interest expense	4,208	3,319
Income before taxes	10,110	8,364
Provision for income taxes	4,095	3,387
Net income	$ 6,015	$ 4,977
Net income per share-Basic	$ .48	$ .40
Weighted average shares outstanding-Basic	12,579	12,496
Net income per share-Diluted	$ .47	$ .39
Weighted average shares outstanding-Diluted	12,717	12,712

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Three Months Ended March 31, 2000	1999
	(unaudited)	
Cash flows from operating activities		
Net income	$ 6,015	$ 4,977
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	5,116	4,021
Provision for deferred income taxes	81	731
Undistributed equity investment income	(318)	(210)
Other noncash adjustments	29	29
Increase (decrease) in cash resulting from changes in (net of acquisitions):		
Accounts receivable	(14,974)	(9,738)
Inventories	(3,185)	8,380
Other current assets	(165)	(595)
Accounts payable and accrued expenses	5,431	7,226
Other assets	(329)	(250)
Net cash (used in) provided by operating activities	(2,299)	14,571
Cash flows from investing activities		
Purchases of property, plant and equipment	(5,302)	(4,878)
Net proceeds from sale of property and equipment	7,114	147
Net cash provided by (used in) investing activities	1,812	(4,731)
Cash flows from financing activities		
Long-term debt reduction	(14,771)	(19,808)
Proceeds from long-term debt	13,872	13,953
Payment of dividends	(314)	(626)
Net proceeds from issuance of common stock	35	342
Net cash used in financing activities	(1,178)	(6,139)
Net (decrease)increase in cash and cash equivalents	(1,665)	3,701
Cash and cash equivalents at beginning of year	4,687	1,877
Cash and cash equivalents at end of period	$ 3,022	$ 5,578
	======	=======

See accompanying notes to financial statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements as of March 31, 2000 and 1999 have been prepared by the Company without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows at March 31, 2000 and 1999 have been included.

Certain information and footnote disclosures including significant accounting policies normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements included in the Company's Annual Report to Shareholders for the year ended December 31, 1999.

The results of operations for the three month period ended March 31, 2000 are not necessarily indicative of the results to be expected for the full year.

2. INVENTORIES

Inventories consist of the following:

	(in thousands)	
	March 31, 2000 (unaudited)	December 31, 1999 (audited)
Raw material	$ 61,610	$ 59,899
Finished goods and work-in-process	36,569	35,095
Total inventories	$ 98,179	$ 94,994
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3. SHAREHOLDERS' EQUITY

The changes in shareholders' equity consist of:

(in thousands)

	Common Shares	Shares Amount	Additional Paid-in Capital	Retained Earnings
December 31, 1999	12,577	$ 126	$ 68,323	$117,010
Net Income	-	-	-	6,015
Stock options exercised	3	-	35	-
Earned portion of restricted stock	-	-	29	-
Cash dividends - $.025 per share	-	-	-	(314)
March 31, 2000	12,580	$ 126	$ 68,387	$122,711

4. EARNINGS PER SHARE

Basic net income per share equals net income divided by the weighted average shares outstanding for the three months ended March 31, 2000 and 1999. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding. The reconciliation between basic and diluted earnings per share is as follows:

	Income	Basic Shares	Basic EPS	Diluted Shares	Diluted EPS
2000	$ 6,015,000	12,579,418	$ .48	12,717,137	$ .47
1999	$ 4,977,000	12,495,969	$ .40	12,712,487	$ .39

Included in diluted shares are common stock equivalents relating to options of 137,719 and 216,518 for 2000 and 1999, respectively.

5. ACQUISITIONS

On December 1, 1999, the Company purchased all the outstanding capital stock of Hughes Manufacturing, Inc.(Hughes)for approximately $11.5 million in cash. Hughes manufactures a broad line of fully engineered, code-approved steel lumber connectors and other metal hardware products.

On November 1, 1999, the Company purchased all the outstanding capital stock of Brazing Concepts Company (Brazing Concepts) for approximately $25 million in cash. Brazing Concepts provides a wide variety of value-added brazing (i.e., metal joining), assembly and other metallurgical heat treating services on customer-owned materials.

On August 1, 1999, the Company purchased the assets and business of Hi-Temp Incorporated (Hi-Temp) for approximately $24 million in cash.
Hi-Temp provides metallurgical heat treating services in which customer-owned parts are exposed to precise temperature and other conditions to improve their material properties, strength and durability.

On July 1, 1999, the Company purchased all the outstanding capital stock of K & W Metal Fabricators, Inc. d/b/a Weather Guard Building Products (Weather Guard) for approximately $7 million in cash. Weather Guard manufactures a full line of metal building products, including rain-carrying systems, metal roofing and roofing accessories, for industrial, commercial and residential applications.

These acquisitions have been accounted for under the purchase method with the results of their operations consolidated with the Company's results of operations from the respective acquisition dates. The aggregate excess of the purchase prices of these acquisitions over the fair market values of the net assets of the acquired companies is being amortized over 35 years from the acquisition dates using the straight-line method.

The following information presents the pro forma consolidated condensed results of operations as if the acquisitions had occurred on January 1, 1999. 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, 1999 and are not necessarily indicative of future results of the combined companies.

	(in thousands, except per share data) Three Months Ended March 31, 1999 (unaudited)
Net sales	$ 158,438
Income before taxes	$ 8,876
Net income	$ 5,264
Net income per share-Basic	$ .42

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

Results of Operations

Net sales increased $23.8 million, or 16.6%, to $167.6 million for the first quarter ended March 31, 2000 from $143.8 million for the prior year's first quarter. This increase resulted from including net sales of Weather Guard (acquired July 1, 1999), Hi-Temp (acquired August 1, 1999), Brazing Concepts (acquired November 1, 1999)and Hughes (acquired December 1, 1999)(collectively, the Acquisitions) together with sales growth at existing operations.

Cost of sales as a percentage of net sales decreased to 79.4% for the first quarter of 2000 from 80.2% in 1999. This improvement was primarily due to the Acquisitions, which have historically generated higher margins than the Company's existing operations.

Selling, general and administrative expenses as a percentage of net sales increased to 12.1% for the first quarter of 2000 from 11.6% for the same period of 1999. This increase was primarily due to higher costs as a percentage of sales attributable to the Acquisitions and performance based compensation linked to the Company's sales and profitability.

Interest expense increased $.9 million from 1999 to 2000 primarily due to higher borrowings in 2000 related to the four acquisitions completed during the second half of 1999, and a higher effective borrowing rate in 2000.

As a result of the above, income before taxes increased by $1.7 million for the first quarter ended March 31, 2000 compared to 1999.

Income taxes approximated $4.1 million and $3.4 million for the first quarter of 2000 and 1999, respectively, based on an effective tax rate of 40.5% in both periods.

Liquidity and Capital Resources

During the first three months of 2000, the Company's working capital increased by $12.5 million to $125.5 million. Additionally, shareholders' equity increased by $5.8 million at March 31, 2000 to $191.2 million.

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

Net income of $6.0 million and depreciation and amortization of $5.1 million combined with an increase in accounts payable and accrued expenses of $5.4 million to provide cash of $16.5 million. This was primarily offset by $18.2 million used for working capital purposes to service increased sales levels.

During the first three months of 2000, $7.1 million of net proceeds from the sale of property and equipment and $1.7 million of cash on hand at the beginning of the period were used to fund operations, capital expenditures of $5.3 million and cash dividends of $.3 million, and to reduce long-term debt by $1.1 million.

At March 31, 2000 the Company's aggregate credit facilities available approximated $280 million, with borrowings of approximately $230 million and an additional availability of approximately $50 million.

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

Recent Accounting Pronouncement

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 Accounting for Derivative Instruments and Hedging Activities (FAS No. 133) which requires recognition of the fair value of derivatives in the statement of financial position, with changes in the fair value recognized either in earnings or as a component of other comprehensive income dependent upon the hedging nature of the derivative. Implementation of FAS No. 133 is required for fiscal 2001. The Company does not believe that FAS No. 133 will have a material impact on its earnings or other comprehensive income.

Safe Harbor Statement

The Company wishes to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the "Act"). Statements by the Company, other than historical information, constitute "forward looking statements" within the meaning of the Act and may be subject to a number of risk factors. Factors that could affect these statements include, but are not limited to, the following: the impact of changing steel prices on the Company's results of operations; changing demand for the Company's products and services; and changes in interest or tax rates.

PART II. OTHER INFORMATION

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

1. Exhibits

    a. Exhibit 27 - Financial Data Schedule

2. Reports on Form 8-K. There were no reports on Form 8-K during the three months ended March 31, 2000.

SIGNATURES

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

GIBRALTAR STEEL CORPORATION
(Registrant)

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

By /x/ Walter T. Erazmus
Walter T. Erazmus
President

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

Date May 2, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED FINANCIAL STATEMENTS ON FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY
BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1000
US DOLLARS

3-MOS
DEC-31-2000
JAN-01-2000
MAR-31-2000
1
3,022
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94,929
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133,086
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6,015
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.47