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) July 26, 2007

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)

(716) 826-6500
(Registrant’s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

ITEM 7.01 Regulation FD Disclosure

On July 25, 2007, the registrant announced its financial results for the three and six months ended June 30, 2007, and certain other information. A copy of the registrant's press release announcing these financial results and certain other information is attached hereto as Exhibit 99.1.

Exhibit 99.1 is incorporated by reference under this Item 7.01.

The registrant hosted its second quarter 2007 earnings conference call on July 26, 2007, during which the registrant presented information regarding its earnings for the quarter ended June 30, 2007, together with certain other information. Pursuant to Regulation FD and the requirements of Item 7.01 of Form 8-K, the registrant hereby furnishes a script of the second quarter earnings conference call as Exhibit 99.2 to this report.

Exhibit 99.2 is incorporated by reference under this Item 7.01.

ITEM 9.01 Financial Statements and Exhibits

a. Financial Statements of Businesses Acquired
   — Not Applicable
b. Pro Forma Financial Information
   — Not Applicable
c. Shell Company Transactions
   — Not Applicable
d. Exhibits

Exhibit 99.1	Press Release dated July 25, 2007
Exhibit 99.2	Script of Second Quarter Earnings Conference Call hosted July 26, 2007

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: July 26, 2007

GIBRALTAR INDUSTRIES, INC.

/s/ David W. Kay

Name: David W. Kay
Title: Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 99.1	Press Release dated July 25, 2007
Exhibit 99.2	Script of Second Quarter Earnings Conference Call hosted July 26, 2007

Exhibit 99.1

For Immediate Release
July 25, 2007

GIBRALTAR REPORTS SECOND-QUARTER SALES AND EARNINGS

Sales and Earnings Show Strong Sequential Improvement

BUFFALO, NEW YORK (July 25, 2007) — Gibraltar Industries, Inc. (NASDAQ: ROCK) today reported its sales, net income, and earnings per share for the three and six months ended June 30, 2007. Gibraltar's second-quarter results showed strong sequential improvement compared to the first quarter as the Company moved into its seasonally strongest period.

Sales from continuing operations in the second quarter of 2007 were $370 million, an increase of approximately five percent compared to $352 million in the second quarter of 2006. The increase was largely the result of acquisitions. Sales from existing businesses declined by approximately seven percent, a result of lower activity levels in the residential housing and automotive markets. For the first six months of 2007, sales from continuing operations were up by approximately two percent to $687 million, compared to $675 million in the first half of 2006.

Income from continuing operations before one-time charges was $13.6 million, or $.45 per share, in the second quarter of 2007, consistent with previous guidance, compared to $19.8 million, or $.66 per share, in the second quarter of 2006. Operating income from existing businesses was down 32 percent on a year-over-year basis, driven by lower margins in Gibraltar's processed metals businesses and those building products businesses most closely aligned with residential housing activity, with acquisitions partially offsetting the decline. In the second quarter, the Company incurred a special charge of $1.5 million for an M&A transaction that was not successfully consummated and a $1.2 million restructuring charge related to the consolidation of its strip-steel facilities, for a total charge of $2.7 million, or $.05 per share, resulting in net income of $11.9 million, or $.40 per share.

In the first half of 2007, income from continuing operations before one-time charges was $20.2 million, or $.67 per share, compared to $31.5 million, or $1.05 per share, in the first six months of 2006. After special charges, income from continuing operations was $18.1 million, or $.60 per share.

"On a sequential basis, our sales and earnings were much stronger than our first-quarter results, and within our expectations. The steps we have taken to diversify and broaden our business portfolio — most notably our move into the commercial building and industrial markets, our international expansion, along with solid contributions from our recent acquisitions — helped our second-quarter performance," said Brian J. Lipke, Gibraltar's Chairman and Chief Executive Officer.

"We continued to make progress during the second quarter in our efforts to cut and control costs. This has resulted in reduced inventories, streamlined operations (including six facility consolidations completed thus far in 2007, with two more scheduled before year end), and numerous operational improvements, all of which will continue to reduce overhead," said Henning N. Kornbrekke, Gibraltar's President and Chief Operating Officer.

—more—

"We continue to pursue our strategy to be the low-cost producer of our products on a global basis. We are also targeting acquisitions — such as Dramex (acquired on March 12) and Noll/NorWesCo (acquired on April 11) — that will add to our product leadership positions in niche markets, while enhancing our ability to deliver the higher performance characteristics we have established for our business. We are also continuing to review all of our businesses to ensure that they meet our performance targets," said Mr. Lipke.

"Even though it remains a challenging business climate for many of our operations, the new-build housing market for example was down 27 percent compared to the first six months of 2006, our sales in these markets are down far less, which indicates that we are gaining share. We believe our financial strength, broad product range, ability to manufacture and distribute products efficiently, and excellent customer service position us to strengthen our product leadership positions," said Mr. Kornbrekke.

In light of the operating environment discussed above, Mr. Kornbrekke said that, barring a significant change in business conditions, Gibraltar expects its third-quarter earnings per share from continuing operations before any one-time charges will be in the range of $.40 to $.45, compared to $.61 in the third quarter of 2006.

Gibraltar Industries is a leading manufacturer, processor, and distributor of products for the building, industrial, and vehicular markets. The company serves customers in a variety of industries in all 50 states and throughout the world. It has approximately 3,600 employees and operates 83 facilities in 26 states, Canada, China, England, Germany, and Poland. Gibraltar's common stock is a component of the S&P SmallCap 600 and the Russell 2000® Index.

Information contained in this release, other than historical information, should be considered forward-looking, and may be subject to a number of risk factors, including: general economic conditions; the impact of the availability and the effects of changing raw material prices on the Company's results of operations; energy prices and usage; the ability to pass through cost increases to customers; changing demand for the Company's products and services; risks associated with the integration of acquisitions; and changes in interest or tax rates.

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Gibraltar will review its second-quarter results and discuss its outlook for the third quarter during its quarterly conference call, which will be held at 9 a.m. Eastern Time on July 26. Details of the call can be found on Gibraltar's Web site, at http://www.gibraltar1.com.

CONTACT: Kenneth P. Houseknecht, Vice President of Communications and Investor Relations, at 716/826-6500, khouseknecht@gibraltar1.com.

Gibraltar's news releases, along with comprehensive information about the Company, are available on the Internet, at http://www.gibraltar1.com.

GIBRALTAR INDUSTRIES, INC.
Financial Highlights
(in thousands, except per share data)

	Three Months Ended	
	June 30, 2007	June 30, 2006
Net Sales	$ 369,820	$ 352,421
Income from Continuing Operations	$ 11,926	$ 19,761
Income Per Share from Continuing Operations — Basic	$ .40	$ .67
Weighted Average Shares Outstanding — Basic	29,863	29,689
Income Per Share from Continuing Operations — Diluted	$ .40	$ .66
Weighted Average Shares Outstanding — Diluted	30,144	30,012

	Six Months Ended	
	June 30, 2007	June 30, 2006
Net Sales	$ 687,404	$ 675,058
Income from Continuing Operations	$ 18,094	$ 31,494
Income Per Share from Continuing Operations — Basic	$ .61	$ 1.06
Weighted Average Shares Outstanding — Basic	29,850	29,659
Income Per Share from Continuing Operations — Diluted	$ .60	$ 1.05
Weighted Average Shares Outstanding — Diluted	30,096	29,966

GIBRALTAR INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands)

	June 30 2007	December 31, 2006
Assets		
Current assets:		
Cash and cash equivalents	$ 22,921	$ 13,475
Accounts receivable, net	212,714	169,207
Inventories	254,019	254,991
Other current assets	20,151	18,107
Total current assets	509,805	455,780
Property, plant and equipment, net	261,724	243,138
Goodwill	406,462	374,821
Acquired intangibles	61,150	62,366
Investments in partnerships	2,522	2,440
Other assets	14,691	14,323
	$ 1,256,354	$ 1,152,868
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 100,749	$ 71,308
Accrued expenses	48,606	50,771
Current maturities of long-term debt	2,555	2,336
Total current liabilities	151,910	124,415
Long-term debt	449,689	398,217
Deferred income taxes	71,790	70,981
Other non-current liabilities	13,039	9,027
Shareholders' equity:		
Preferred stock, $.01 par value; authorized: 10,000,000 shares; none outstanding	—	—
Common stock, $.01 par value; authorized 50,000,000 shares; issued 29,883,795 shares in 2007 and 2006	299	299
Additional paid-in capital	217,291	215,944
Retained earnings	345,787	332,920
Accumulated other comprehensive income	6,549	1,065
	569,926	550,228
Less: cost of 44,100 and 42,600 common shares held in treasury in 2007 and 2006	—	—
Total shareholders' equity	569,926	550,228
	$ 1,256,354	$ 1,152,868

GIBRALTAR INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales	$ 369,820	$ 352,421	$ 687,404	$ 675,058
Cost of sales	304,146	275,156	570,079	534,562
Gross profit	65,674	77,265	117,325	140,496
Selling, general and administrative expense	38,281	38,950	73,491	76,790
Income from operations	27,393	38,315	43,834	63,706
Other (income) expense:				
Equity in partnerships' loss (income) and other income	(305)	138	(667)	(548)
Interest expense	8,248	7,101	15,485	13,880
Total other expense	7,943	7,239	14,818	13,332
Income before taxes	19,450	31,076	29,016	50,374
Provision for income taxes	7,524	11,315	10,922	18,880
Income from continuing operations	11,926	19,761	18,094	31,494
Discontinued operations:				
Income from discontinued operations before taxes	—	5,710	—	10,013
Income tax expense	—	2,158	—	3,797
Income from discontinued operations	—	3,552	—	6,216
Net income	$ 11,926	$ 23,313	$ 18,094	$ 37,710
Net income per share — Basic:				
Income from continuing operations	.40	.67	.61	1.06
Income from discontinued operations	$ —	$ .12	$ —	$ .21
Net income	$ .40	$ .79	$ .61	$ 1.27
Weighted average shares outstanding — Basic	29,863	29,689	29,850	29,659
Net income per share — Diluted:				
Income from continuing operations	.40	.66	.60	1.05
Income from discontinued operations	—	.12	—	.21
Net income	$ .40	$ .78	$ .60	$ 1.26
Weighted average shares outstanding — Diluted	30,144	30,012	30,096	29,966

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

	Six Months Ended June 30,	
	2007	2006
Cash flows from operating activities		
Net income	$ 18,094	$ 37,710
Net income from discontinued operations	—	6,216
Net income from continuing operations	18,094	31,494
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	15,982	14,175
Provision for deferred income taxes	(229)	—
Equity in partnerships' loss (income) and other income	(576)	174
Distributions from partnerships	493	589
Stock compensation expense	1,254	1,631
Other noncash adjustments	525	610
Increase (decrease) in cash resulting from changes in (net of acquisitions and dispositions):		
Accounts receivable	(31,273)	(49,345)
Inventories	26,724	(37,793)
Other current assets and other assets	1,775	1,353
Accounts payable	24,600	23,698
Accrued expenses and other non-current liabilities	(2,915)	342
Net cash used in continuing operations	54,454	(13,072)
Net cash provided by discontinued operations	—	7,220
Net cash (used in) provided by operating activities	54,454	(5,852)
Cash flows from investing activities		
Acquisitions, net of cash acquired	(84,022)	(13,206)
Purchases of property, plant and equipment	(9,292)	(11,452)
Net proceeds from sale of property and equipment	373	115
Net proceeds from sale of business	—	151,511
Net cash provided by investing activities from continuing operations	(92,941)	126,968
Net cash used in investing activities for discontinued operations	—	(3,189)
Net cash provided by investing activities	(92,941)	123,779
Cash flows from financing activities		
Long-term debt reduction	(1,654)	(112,960)
Proceeds from long-term debt	52,485	10,000
Payment of deferred financing costs	(8)	(256)
Payment of dividends	(2,984)	(2,974)
Net proceeds from issuance of common stock	94	764
Tax benefit from stock options	—	115
Net cash used in financing activities	47,933	(105,311)
Net increase (decrease) in cash and cash equivalents	9,446	12,616
Cash and cash equivalents at beginning of year	13,475	28,529
Cash and cash equivalents at end of period	$ 22,921	$ 41,145

GIBRALTAR INDUSTRIES, INC.
Segment Information
(in thousands)

	Three Months Ended June 30,			
			Increase (Decrease)	
	2007 (unaudited)	2006 (unaudited)	$	%
Net Sales				
Building products	$ 260,224	$ 239,056	$ 21,168	8.9%
Processed metal products	109,596	113,365	(3,769)	(3.3%)
Total Sales	369,820	352,421	17,399	4.9%
Income from Continuing Operations				
Building products	$ 31,219	$ 40,519	$ (9,300)	(23.0%)
Processed metal products	3,609	7,945	(4,336)	(54.6%)
Corporate	(7,435)	(10,149)	2,714	(26.7%)
Total Operating Income	27,393	38,315	(10,922)	(28.5%)
Operating Margin				
Building products	12.0%	16.9%		
Processed metal products	3.3%	7.0%		

	Six Months Ended June 30,			
			Increase (Decrease)	
	2007 (unaudited)	2006 (unaudited)	$	%
Net Sales				
Building products	$ 467,450	$ 453,800	$ 13,650	3.0%
Processed metal products	219,954	221,258	(1,304)	(0.6%)
Total Sales	687,404	675,058	12,346	1.8%
Income from Continuing Operations				
Building products	$ 49,949	$ 71,792	$ (21,843)	(30.4%)
Processed metal products	8,037	13,763	(5,726)	(41.6%)
Corporate	(14,152)	(21,849)	7,697	(35.2%)
Total Operating Income	43,834	63,706	(19,872)	(31.2%)
Operating Margin				
Building products	10.7%	15.8%		
Processed metal products	3.7%	6.2%		

Exhibit 99.2

Gibraltar

Second-Quarter 2007
Earnings Conference Call

July 26, 2007

Final

KEN

Thank you, Dan.

We want to thank everyone for joining us on our call this morning.

Before we begin, I want to remind you that this call may contain forward-looking statements about future financial results. Our actual results may differ materially, as a result of factors over which Gibraltar has no control. These factors are outlined in the news release we issued last night, and in our filings with the SEC.

If you did not receive the news release on our second-quarter results, you can get a copy on our Web site, at www.gibraltar1.com.

At this point, I'd like to turn the call over to Gibraltar's chairman and chief executive officer, Brian Lipke.

Brian.

BRIAN

Thanks, Ken.

Good morning, everyone. On behalf of Henning Kornbrekke, our President and COO; Dave Kay, our CFO; and Ken Houseknecht, our VP of Communications and Investor Relations, we want to thank you for joining us this morning.

I'm going to begin today's call with a brief overview of our second-quarter results, and then I want to spend a few minutes talking about the strategy we are following to create shareholder value. After that, Dave will discuss our financial results in greater detail. Finally, Henning will review our corporate and segment performance, and our outlook for the third quarter. After our prepared remarks, we will open the call to your questions. So let's get started.

As we said in our news release, our second-quarter sales and earnings, as expected, showed a strong sequential improvement from the first quarter.

And even though our business did strengthen considerably as we moved into our seasonally strongest periods — the second and third quarters — it is still well below year-ago and more normalized levels. The residential building market continues to work its way through a severe slowdown, and the automotive market is sluggish. These are two important markets for Gibraltar.

Fortunately, the steps we've taken to diversify and broaden our business portfolio — most notably our move into the commercial building and industrial markets and our international expansion, both of which continue to perform well, and solid contributions from our recent acquisitions — helped our second-quarter performance, even in a difficult operating environment.

Our goal is to build a company capable of performing well in tough times and one that excels in good times. In spite of the current operating environment, 2007 should be the second-best year in the Company's history.

In the second quarter, even with a sharp slowdown in two of our largest markets, our sales from continuing operations were $370 million, a strong advance from $323 million in the first quarter.

Our income from continuing operations before one-time charges was $13.6 million, or $.45 per share, more than twice what we earned in the first quarter. And our operating margin improved from 5.2% in the first quarter to 7.4% in the second.

While our sales, margins, and earnings all improved dramatically compared to the first quarter, these results are well below what we believe the business is capable of generating.

So, to sum up the second quarter, we made steady progress in a very difficult operating environment and we think the Company is well positioned to achieve new performance records once our markets return to more normal activity levels.

I want to take a moment here to thank the 3,600 men and women on the Gibraltar Team for their great work under challenging circumstances.

At this point, let me spend a few minutes talking about what we are doing to improve our operations, further diversify and strengthen our business, and generate profitable growth — all of which we believe are important parts of the formula to continue building shareholder value.

While Gibraltar has been and will remain a growth-oriented company, our primary focus right now is to improve our operating performance. We measure that performance using a number of key benchmarks, most notably earnings growth, margin improvements, better returns on capital, and improved cash flow.

Part of performing well against those benchmarks is being operationally excellent. In recent calls, we’ve highlighted a number of the steps we’ve taken to consolidate and streamline our operations as part of our plan to lower costs and become the lowest-cost producer of our products on the planet.

In our Processed Metal Products segment, earlier this year we combined two Buffalo-area steel-processing facilities into one location — a project that is now largely completed — which we believe will improve the performance of that business by 200-300 basis points at the operating margin line.

In our Building Products segment, thus far in 2007 we have consolidated three recently acquired Dramex facilities into nearby AMICO locations. This was part of our acquisition strategy right from the beginning. We also closed a facility that made ventilation products, and moved its business to another location.

We currently operate 47 manufacturing locations and 27 distribution facilities, which is six fewer than we had at the beginning of this year — most of which came with the 31 acquisitions we've made over the last 12 years. We have identified a number of additional opportunities where we can further streamline and consolidate our operations, including two more we will complete before the end of this year, and the costs of those are not anticipated to be significant.

We are also intensifying the focus on our many continuous improvement initiatives — like lean manufacturing and operational excellence — which will help to improve the performance characteristics of our business. Our newly hired Corporate VP of Operations, Kevin Cullen, is leading this charge throughout our company, and it involves all of our people in manufacturing, sales, and administration.

We participate in large, growing, and highly fragmented markets, and acquisition opportunities, both in North America and elsewhere, are plentiful. And while we will continue to be highly strategic and selective, and perhaps more so now than ever, we are targeting those acquisitions that will allow us to continue improving the operating characteristics of the business.

Even as we move aggressively to strengthen our existing operations, we will continue to make acquisitions that add to our product leadership positions. Having dominant market share in niche product markets provides operational and sales and marketing advantages.

Currently 80% of our sales come from products where we have the #1 or #2 market share, and we are looking to add to those positions.

Finally, we continue to review our business units to make sure that they are taking steps to meet or exceed our performance targets. For those that either don't fit our product or market strategy or have the potential to meet our minimum performance targets, we have proven that we will divest them if they can't be restructured to meet our targeted criteria.

That's a quick look at our major areas of activity.

At this point, I'll turn the call over to Dave and Henning, who will provide a more detailed review of our second-quarter results, our operational performance, and our outlook for the third quarter and balance of the year.

Dave.

DAVE

Thanks, Brian.

As Brian mentioned, sales from continuing operations of $370 million dollars in the second quarter of 2007 increased by approximately 5% from a year ago. The increase was largely the result of acquisitions. Sales from existing businesses declined by approximately 7%, a result of lower activity levels in the residential housing and automotive markets.

While the sales in many of our residential building product companies remain under pressure — especially in areas, like our structural connector business, that sell into the new-build housing market — those declines were offset by continued growth in our commercial and industrial building product sales, and the contributions from the five acquisitions we've made over the last 12 months.

For the first six months of 2007, sales from continuing operations were $687 million dollars, up by approximately 2% when compared to the first half of 2006. Here again, sales from existing businesses declined on a year-over-year basis, offset by the contributions of acquired businesses.

Income from continuing operations before one-time charges was $13.6 million dollars, or $.45 per share, in the second quarter of 2007, which is the midpoint of the EPS range we provided three months ago; it compares to income of
$19.8 million dollars, or $.66 per share, in the second quarter of 2006. Operating income from existing businesses was down 32% on a year-over-year basis, driven by lower margins in our processed metals businesses and those building products businesses most closely aligned with residential housing activity, with acquisitions partially offsetting the decline.

In the second quarter, we incurred a special charge of $1.5 million dollars, consisting primarily of legal, accounting, and other external due diligence costs, for an M&A transaction that was not successfully consummated and a $1.2-million restructuring charge related to the consolidation of our strip-steel facilities, for a total pre-tax charge of $2.7 million dollars, or $.05 per share after tax. Net income, after giving effect to these charges, was $11.9 million dollars, or $.40 per share.

In the first half of the year, income from continuing operations before one-time charges was $20.2 million dollars, or $.67 per share, compared to $31.5 million dollars, or $1.05 per share, in the first six months of 2006. After special charges, reported net income from continuing operations in 2007 was $18.1 million, or $.60 per share.

Selling, general, and administrative expenses amounted to $38.3 million dollars during the quarter, or 10.4% of sales, compared to $39 million dollars, or 11.1% of sales, in the same quarter of last year. SG&A expense for existing businesses decreased by $4.8 million dollars, or approximately 12%, compared to the second quarter of 2006. We continue to focus on reducing SG&A expenses through cost-control initiatives, as well as rationalization and consolidation of overlapping administrative operations and back-office functions. However, we continue to invest in the future of the business by making investments in information technology, new product development, marketing, and other initiatives critical to our future success.

Total interest expense amounted to $8.2 million dollars in the quarter, compared to $7.1 million dollars in the second quarter of 2006. The increase comes largely from higher average borrowing levels, primarily because of acquisition activity, as well as higher overall interest rates.

Our net return on sales was 3.2% for the quarter, compared to 5.6% in the second quarter of last year.

From a cash flow perspective, we generated EBITDA of $36.2 million dollars in the quarter, compared to $43.6 million dollars a year ago, with the decline largely the result of lower operating income. Over the last 12 months, we have generated EBITDA of $137.5 million dollars.

During the quarter, exclusive of any acquisition activity, we were able to repay approximately $30 million dollars against our revolving credit facility and we intend to repay additional amounts during the third quarter. We are clearly focused on generating free cash flows and better management of working capital.

As we noted on our last call, we have taken a number of steps to drive down our inventories, which, excluding the acquisitions, fell another $16 million dollars during the quarter and are now down $26 million dollars in the first six months of the year. As we move toward our target of 5 turns or better, our goal is to further reduce our inventory by approximately $15-$20 million dollars by the end of the year.

On a consolidated basis, we turned our inventories 4.2 times during the quarter, compared to 5 times in the second quarter of 2006.

Average days sales outstanding in accounts receivable were 48.5 during the quarter, compared to 50.4 a year ago.

Through the first six months of the year, capital spending amounted to $9.3 million dollars, compared to $11.5 million dollars last year. Because of current market conditions, we now expect to spend a total of $18 to $20 million dollars for the year 2007, a reduction from our earlier estimate of $23 to $26 million, an amount that is still adequate to maintain our current capabilities and grow the business.

We have also paid out approximately $3.0 million dollars in dividends during the first half of the year and we anticipate maintaining our current dividend rate.

During the period ended June 30th, our total debt including current maturities increased to $452.2 million dollars, largely as a result of the Noll/NorWesCo acquisition, which we concluded in April.

At June 30th, our long-term debt-to-total-capital ratio was 44%, and we continue to be in full compliance with all of our debt covenants.

Now I will turn the call over to Henning for a more detailed analysis of operations.

HENNING

Thanks, Dave.

Net sales from continuing operations, as Dave noted earlier, were $370 million in the second quarter, up 5% from a year ago.

Our gross margin of 17.8% increased 1.3 percentage points from the first quarter, but was down 4.2 percentage points compared to the second quarter of 2006, a result of lower volumes, unfavorable material cost variance, restructuring costs in our Processed Metals business, and unfavorable product mix in building products businesses.

Our operating margin of 7.4% was 2.2 percentage points higher than the first quarter, but down 3.5 percentage points compared to the second quarter of 2006, with our efforts to drive down SG&A expenses helping to narrow the spread between the gross and operating margin lines.

Looking at the results in our two segments, Building Products generated a sales increase of 8.9% to $260 million, a result of recent acquisitions, which offset sales declines in our residential building products. Gross margins were 22.0%, up 1.4 percentage points from the first quarter, but off from a very robust 26.7% in the second quarter of 2006. The decline was driven by product mix changes, a function of the market downturn. The operating margin was a strong 12.0%, up 3.0 percentage points from the first quarter, and very much in line with top-tier industry performance.

Our Processed Metal Products segment had second-quarter sales of $110 million, down 3.3% from a year ago, a result of lower volumes in our coated products business. Gross margins were adversely impacted in the quarter by the restructuring costs associated with the consolidation of our strip steel facilities, a significant negative material cost variance of approximately $1.8 million in our coated products business, and higher copper costs, all of which resulted in a gross margin of 7.6%. Excluding the restructuring costs, the operating margin was approximately 4.4% compared to 7.0% in the year-ago quarter. With the restructuring of our strip steel operations nearing completion and inventory cost at market pricing, we expect to generate margin improvements in the second half of the year.

At this point, let me provide some commentary on our outlook for the third quarter and the balance of the year.

In our Building Products segment — which now represents more than 70% of our total sales — we expect to generate continued top-line growth. The commercial, industrial, and architectural markets, where approximately 1/3 of our building products activity is currently focused, and which is an area we have targeted for growth, are projected to remain strong for the remainder of 2007 and for the foreseeable future. We will also benefit from our acquisition of four building products companies over the last 12 months, which added annual sales in excess of $150 million.

The new housing market will continue to struggle as the inventory of unsold homes remains high. In the short run, repair/remodel activity — where we do approximately 70% of our business in the residential building market — has also been hurt by the slowdown in the housing market, but signs are pointing to an upturn here later this year and into 2008.

Longer term, the fundamentals in the residential building business are excellent. Demographic trends, a large and aging housing stock, and a robust repair and remodel market provide a solid foundation for long-term growth. We believe Gibraltar is well positioned to grow in this large, expanding, and fragmented market.

In our Processed Metal Products segment — which now accounts for less than 30% of our total sales — the consolidation of our strip steel facilities sets the stage for a significantly improved performance from that business. Our powdered metals business remains strong, with solid volumes. And with inventory levels and costs of our coated products business in better alignment, results there will also improve.

In 2007, the slowdown in the residential building and automotive markets has been our single greatest challenge. We have responded by increasing the efficiency of our businesses through many initiatives, including lean manufacturing, and we have continued to increase our market share. Our focus on operational excellence has positioned Gibraltar to accelerate its growth in sales and profit as we return to normal market dynamics in 2008.

Typically, our third quarter has been our second-strongest period, and we expect our results this year will follow that normal seasonal pattern.

In light of all of these considerations, we expect our third-quarter EPS from continuing operations, before any unusual items, will be in the range of $.40 to $.45, which compares to $.61 in the third quarter of 2006, barring a significant change in business conditions.

Our business is fundamentally solid, in spite of the sharp market downturn, which has resulted in lower sales and returns. As the market returns to more normalized levels, our many initiatives to generate greater operating leverage will help us produce higher margins, better returns, and stronger earnings.

While top-line growth continues to be extremely important to Gibraltar, we are making significant investments in our people, systems, equipment, and programs to help reduce the costs of doing business — all of which will have a positive impact on our results.

At this point, I'll turn the call back over to Brian.

BRIAN

Thanks, Henning.

Before we open the call to your questions, let me make a few closing comments.

Our focus on improving the operating characteristics of the business — along with our customer, geographic, and market diversification — is allowing us to generate solid results, even with strong headwinds in two of our major markets.

While 2007 will not be a record year for Gibraltar, it should be our second-best, in spite of a very difficult operating environment. Last year, we generated our best-ever results, even with a slowdown in the second half of the year. When our end markets eventually stabilize and start to grow again — and they will — all of the actions we are taking have ideally positioned us to move our performance to even higher levels.

Our focus is clear and unwavering: grow our sales and earnings, generate consistent and sustainable margin improvements, increase our cash flow, and drive our returns higher over time.

We believe that hitting those targets will create increased value for our shareholders — and that remains the clear objective of this management team.

That concludes our prepared comments. At this point, we'll be glad to answer any of your other questions.

Q & A Session

Thank you for joining us this morning, and for your continuing interest in Gibraltar.

We look forward to talking with you again in three months, and updating you on our continued progress.