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, 1997

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 April 30, 1996, the number of common shares outstanding was: 12,325,212.

GIBRALTAR STEEL CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	March 31, 1997 (unaudited)	December 31, 1996 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 3,923	$ 5,545
Accounts receivable	59,911	40,106
Inventories	82,654	62,351
Other current assets	3,455	1,524
Total current assets	149,943	109,526
Property, plant and equipment, net	103,808	88,670
Other assets	34,847	24,311
	$ 288,598	$ 222,507
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 41,254	$ 35,397
Accrued expenses	6,836	4,238
Current maturities of long-term debt	1,220	1,218
Total current liabilities	49,310	40,853
Long-term debt	97,695	48,623
Deferred income taxes	13,977	10,364
Other non-current liabilities	1,030	923
Shareholders' equity		
Preferred shares	-	-
Common shares	123	123
Additional paid-in capital	64,703	64,307
Retained earnings	61,760	57,314
Total shareholders' equity	126,586	121,744
	$ 288,598	$ 222,507

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

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

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
(unaudited)		
Net sales	$ 108,277	$ 82,034
Cost of sales	89,579	68,005
Gross profit	18,698	14,029
Selling, general and administrative expense	10,076	7,354
Income from operations	8,622	6,675
Interest expense	1,149	1,073
Income before taxes	7,473	5,602
Provision for income taxes	3,027	2,268
Net income	$ 4,446	$ 3,334
Net income per share	$ .36	$ .33
Weighted average number of shares outstanding	12,324,594	10,173,900

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Three Months Ended March 31, 1997	1996 (unaudited)
Cash flows from operating activities		
Net income	$ 4,446	$ 3,334
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,932	1,395
Provision for deferred income taxes	304	424
Equity investment income	(216)	(136)
Gain (loss) on disposition of property and equipment	2	(25)
Increase (decrease) in cash resulting from changes in (net of effects from acquisitions):		
Accounts receivable	(10,936)	(6,758)
Inventories	(4,346)	(5,827)
Other current assets	(1,019)	(848)
Accounts payable and accrued expenses	3,304	9,814
Other assets	(193)	(47)
Net cash (used in) provided by operating activities	(6,722)	1,326
Cash flows from investing activities		
Acquisitions, net of cash acquired	(24,907)	(23,715)
Purchases of property, plant and equipment	(4,421)	(3,262)
Proceeds from sale of property and equipment	56	26
Net cash used in investing activities	(29,272)	(26,951)
Cash flows from financing activities		
Long-term debt reduction	(27,397)	(12,283)
Proceeds from long-term debt	61,743	36,000
Proceeds from issuance of common stock	26	-
Net cash provided by financing activities	34,372	23,717
Net decrease in cash and cash equivalents	(1,622)	(1,908)
Cash and cash equivalents at beginning of year	5,545	4,123
Cash and cash equivalents at end of period	$ 3,923	$ 2,215

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements as of March 31, 1997 and 1996 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, 1997 and 1996 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, 1996.

The results of operations for the three month period ended March 31, 1997 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, 1997 (unaudited)	December 31, 1996 (audited)
Raw material	$ 63,029	$ 45,258
Finished goods and work-in-process	19,625	17,093
Total inventories	$ 82,654	$ 62,351

3. STOCKHOLDERS' EQUITY

The changes in stockholders' equity consists of:

	(in thousands, except share data)			
	Common Shares		Additional Paid-in	Retained
	Shares	Amount	Capital	Earnings
December 31, 1996 balance	12,322,400	$ 123	$ 64,307	$ 57,314
Net income	-	-	-	4,446
Stock options exercised and related tax benefit	2,500	-	396	-
March 31, 1997 balance	12,324,900	$ 123	$ 64,703	$ 61,760

The Company realizes an income tax benefit from the disposition of certain stock options. This benefit results in a decrease in current income taxes payable and an increase in additional paid-in capital of approximately $370,000.

4. EARNINGS PER SHARE

Net income per share for the three months ended March 31, 1997 and 1996 was computed by dividing net income by the weighted average number of common shares outstanding.

5. ACQUISITIONS

On February 14, 1996, the Company purchased all of the outstanding capital stock of Carolina Commercial Heat Treating, Inc. (CCHT) for approximately $25 million in cash. CCHT, headquartered in Charlotte, North Carolina, provides heat treating, brazing and related metal-processing services to a broad range of industries, including the automotive, hand tools, construction equipment and industrial machinery industries.

On January 31, 1997, the Company purchased all of the outstanding capital stock of Southeastern Metals Manufacturing Company, Inc. (SEMCO) for approximately $25 million in cash. SEMCO provides the construction industry with galvanized steel, aluminum and copper products.

These acquisitions have been accounted for under the purchase method. Results of operations of CCHT and SEMCO have been consolidated with the Company's results of operations from the respective acquisition dates. The excess of the aggregate purchase price over the fair market value of net assets of CCHT and SEMCO approximated $12 million and $10 million, respectively, and 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, 1996. 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, 1996 and are not necessarily indicative of future results of the combined companies.

(in thousands, except per share data)	Three Months Ended March 31, 1997 (unaudited)	Three Months Ended March 31, 1996 (unaudited)
Net sales	$ 114,801	$ 103,671
Income before taxes	$ 7,183	$ 5,413
Net income	$ 4,264	$ 3,175
Net income per share	$ .35	$ .31

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

Results of Operations

Net sales of $108.3 million for the first quarter ended March 31, 1997 increased 32% from sales of $82.0 million for the prior year's first quarter. This increase primarily resulted from including two months of net sales of SEMCO (acquired January 31, 1997), including net sales of CCHT (acquired February 14, 1996) for the entire quarter and sales growth at existing operations.

Cost of sales decreased slightly to 82.7% of net sales for the first three months of 1997 from 82.9% for the prior year's first quarter. The increase in gross profit margin to 17.3% for the first quarter in 1997 was primarily due to including SEMCO results. SEMCO's products and services historically have generated higher margins than the Company's other products and services.

Selling, general and administrative expenses as a percentage of net sales increased to 9.3% for the first quarter from 9.0% the prior year comparable period primarily due to higher costs as a percentage of sales attributable to SEMCO and performance based compensation linked to the Company's sales and profitability.

Interest expense approximated $1.1 million for both quarters ended March 31, 1997 and 1996.

As a result of the above, income before taxes increased by $1.9 million for the quarter ended March 31, 1997 to $7.5 million.

Income taxes for the three months ended March 31, 1997 approximated $3.0 million and were based on a 40.5% effective tax rate for both quarters ended March 31, 1997 and 1996.

Liquidity and Capital Resources

During the first three months of 1997, the Company increased its working capital to $100.6 million. Additionally, shareholders' equity increased to $126.6 million at March 31, 1997.

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 $4.4 million and depreciation and amortization of $1.9 million combined with increases in accounts payable and accrued expenses (net of the SEMCO acquisition) totaling $3.3 million provided cash of $9.6 million. This was offset by increases in accounts receivable and inventory of $10.9 and $4.3 million respectively, which together with the acquisition of SEMCO for approximately $25 million and $4.4 million of capital expenditures required $34.4 in net financing activities.

At March 31, 1997, the Company's aggregate credit facilities available totaled approximately $131 million. The Company had total borrowings of approximately $99 million under these credit facilities and an additional availability of approximately $32 million.

The Company believes that availability under its credit facilities together with funds generated from operations will be sufficient to provide the Company with the liquidity and capital resources necessary to support its operations and anticipated capital expenditures for the next twelve months.

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

By /s/ Walter T. Erazmus
Walter T. Erazmus
Treasurer and Chief Financial Officer
(Principal Financial and Chief
Accounting Officer)

Date May 7, 1997

5
1000
US DOLLARS

3-MOS
DEC-31-1997
JAN-01-1997
MAR-31-1997
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61,180
1,269
82,654
149,943
134,816
31,008
288,598
49,310
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126,463
288,598
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108,277
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89,579
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0
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4,446
.36
.36