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

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

For the quarterly period ended June 30, 1996

OR

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

For the transition period from _________ to _________

Commission file number 0-22462

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

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

3556 Lake Shore Road, P.O. Box 2028, Buffalo, New York 14219-0228
(Address of principal executive offices)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

As of June 30, 1996, the number of common shares outstanding was: 12,223,900.

GIBRALTAR STEEL CORPORATION

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PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	June 30, 1996 (unaudited)	December 31, 1995 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 2,806	$ 4 123
Accounts receivable	46,009	35,634
Inventories	53,045	45,274
Other current assets	1,897	1,964
Total current assets	103,757	86,995
Property, plant and equipment, net	85,323	67,275
Other assets	25,375	13,153
	$ 214,455	$ 167,423
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 31,275	$ 25,845
Accrued expenses	5,185	2,367
Current maturities of long-term debt	1,216	1,214
Deferred income taxes	-	54
Total current liabilities	37,676	29,480
Long-term debt	51,233	57,840
Deferred income taxes	12,577	9,251
Other non-current liabilities	781	608
Shareholders' equity		
Preferred shares	-	-
Common shares	122	102
Additional paid-in capital	63,238	28,803
Retained earnings	48,828	41,339
Total shareholders' equity	112,188	70,244
	$ 214,455	$ 167,423

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 June 30, 1996	1995	Six Months Ended June 30, 1996	1995
	(unaudited)		(unaudited)	
Net sales	$ 86,476	$ 76,337	$ 168,510	$ 135,102
Cost of sales	70,609	65,097	138,614	113,676
Gross profit	15,867	11,240	29,896	21,426
Selling, general and administrative expense	7,614	5,248	14,968	10,338
Income from operations	8,253	5,992	14,928	11,088
Interest expense	1,270	1,240	2,343	1,799
Income before taxes	6,983	4,752	12,585	9,289
Provision for income taxes	2,828	1,948	5,096	3,808
Net income	$ 4,155	$ 2,804	$ 7,489	$ 5,481
Net income per share	$ .40	$ .28	$ .73	$ .54
Weighted average number of shares outstanding	10,286,537	10,162,900	10,230,219	10,162,900

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Six Months Ended June 30, 1996	1995
	(unaudited)	
Cash flows from operating activities		
Net income	$ 7,489	$ 5,481
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,973	2,040
Provision for deferred income taxes	406	(113)
Equity investment income	(307)	(404)
Dividends from equity investments	-	202
(Gain) loss on disposition of property and equipment	8	(41)
Increase (decrease) in cash resulting from changes in (net of effects from acquisitions):		
Accounts receivable	(7,128)	(736)
Inventories	(7,771)	5,007
Other current assets	(228)	(515)
Accounts payable and accrued expenses	7,670	(1,108)
Other assets	(51)	73
Net cash provided by operating activities	3,061	9,886
Cash flows from investing activities		
Acquisition of CCHT, net of cash acquired	(23,715)	-
Acquisition of Hubbell, net of cash acquired	-	(20,859)
Purchases of property, plant and equipment	(8,544)	(8,667)
Proceeds from sale of property and equipment	107	94
Net cash used in investing activities	(32,152)	(29,432)
Cash flows from financing activities		
Payment of Hubbell bank debt at acquisition	-	(17,779)
Long-term debt reduction	(56,587)	(20,141)
Proceeds from long-term debt	49,906	56,932
Proceeds from issuance of common stock	34,455	-
Net cash provided by financing activities	27,774	19,012
Net decrease in cash and cash equivalents	(1,317)	(534)
Cash and cash equivalents at beginning of year	4,123	1,124
Cash and cash equivalents at end of period	$ 2,806	$ 590

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 June 30, 1996 and 1995 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 June 30, 1996 and 1995 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, 1995.

The results of operations for the six month period ended June 30, 1996 are not necessarily indicative of the results to be expected for the full year.

2. INVENTORIES

Inventories consist of the following:

	(in thousands) June 30, 1996 (unaudited)	December 31, 1995 (audited)
Raw material	$ 36,576	$ 28,307
Finished goods and work-in-process	16,469	16,967
Total inventories	$ 53,045	$ 45,274

3. STOCKHOLDERS' EQUITY

During June 1996 the Company sold, through an underwritten secondary offering, 2,050,000 common shares at $18.00 per share. The net proceeds were approximately $34,455,000 and were used to repay existing bank debt. The change in stockholders' equity consists of:

	(in thousands, except share data) Common Shares		Additional Paid-in	Retained
	Shares	Amount	Capital	Earnings
Balance at December 31, 1995	10,173,900	$ 102	$ 28,803	$ 41,339
Net income	-	-	-	7,489
Secondary Offering	2,050,000	20	34,435	-
Balance at June 30, 1996	12,223,900	$ 122	$ 63,238	$ 48,828

4. EARNINGS PER SHARE

Net income per share for the six months ended June 30, 1996 and 1995 was computed by dividing net income by the weighted average number of common shares outstanding.

5. ACQUISITION

On April 3, 1995, the Company purchased all of the outstanding capital stock of Wm. R. Hubbell Steel Company and its subsidiary and certain of its affiliates (Hubbell) for an aggregate cash purchase price of $21 million. In addition, the Company repaid approximately $18 million of Hubbell's existing bank indebtedness.

On February 14, 1996, the Company purchased all of the outstanding capital stock of Carolina Commercial Heat Treating, Inc. (CCHT) for an aggregate cash purchase price of approximately $25 million. The funding for the purchase was provided by borrowings under the Company's existing credit facility. 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.

These acquisitions have been accounted for under the purchase method, and Hubbell's and CCHT's results of operations 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 Hubbell and CCHT approximated $10 million and $12 million, respectively, and is being amortized over 35 years from the respective 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, 1995. 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, 1995 and are not necessarily indicative of future results of the combined companies.

(in thousands, except per share data)

	Six Months Ended June 30, 1996	1995
	(unaudited)	
Net sales	$ 170,755	$ 163,896
Income before taxes	$ 12,316	$ 11,159
Net income	$ 7,311	$ 6,537
Net income per share	$ .71	$ .64

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

Results of Operations

Net sales of $86.5 million for the second quarter ended June 30, 1996 increased 13% from sales of $76.3 million for the prior year's second quarter. Net sales of $168.5 million for the six months ended June 30, 1996 increased 25% from sales of $135.1 million in the first half of 1995. These increases primarily resulted from including six months of net sales of Hubbell Steel (acquired April 1995) for 1996 compared to three months in 1995, including net sales of CCHT (acquired February 1996) and sales growth at existing operations.

Cost of sales decreased to 81.7% of net sales for the second quarter and to 82.3% of net sales for the first half of 1996. Gross profit increased to 18.3% in the second quarter and increased to 17.7 % for the six months from 14.7% and 15.9% in the comparable prior periods in 1995. This increase was primarily due to higher margins attributable to sales from CCHT and improvements in margins at our existing operations.

Selling, general and administrative expenses as a percentage of net sales increased to 8.8% and 8.9% for the second quarter and the six months ended June 30, 1996 from 6.9% and 7.7% for the prior year comparable periods primarily due to higher costs as a percentage of sales attributable to CCHT and performance based compensation linked to the Company's sales and profitability.

Interest expense remained approximately the same for the quarter and increased by approximately $.5 million for the six months ended June 30, 1996 primarily due to higher average borrowings as a result of the CCHT acquisition.

As a result of the above, income before taxes increased by $2.2 million and $3.3 million for the quarter and the six months ended June 30, 1996 to $7.0 million and $12.6 million.

Income taxes for the six months ended June 30, 1996 approximated $5.1 million and were based on a 40.5% effective tax rate in 1996.

Liquidity and Capital Resources

During the first six months of 1996, the Company increased its working capital to $66.1 million. Long term debt was reduced to $51.2 million. Additionally, shareholders' equity increased to $112.2 million at June 30, 1996.

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 cash provided by operations of $3.1 million resulted primarily from net income of $7.5 million and depreciation and amortization of $3.0 million. Additionally accounts receivable and inventory increased by $7.1 million and $7.8 million (net of the effect from the acquisition of CCHT) primarily due to increased sales levels and were offset by an increase of $7.7 million in accounts payable and accrued expenses. The $3.1 million provided by operations and an additional $27.8 million in net cash provided by long term financing activities were primarily used for the $23.7 million acquisition of CCHT and $8.5 million of capital expenditures.

In June 1996, the Company sold 2,050,000 shares of common shares in a public offering. The net proceeds from the offering which approximated $34.4 million were used to repay outstanding indebtedness.

At June 30, 1996, the Company's aggregate credit facilities available totaled approximately $132 million. The Company had borrowings of approximately $52 million under these credit facilities and an additional availability of approximately $80 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 /x/ Brian J. Lipke
Brian J. Lipke
President, Chief Executive Officer
and Chairman of the Board

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

Date July 25, 1996

5
1000
U.S. DOLLARS

6-MOS
DEC-31-1996
JAN-01-1996
JUN-30-1996
1
2,806
0
46,646
637
53,045
103,757
112,784
27,461
214,455
37,676
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.73