

Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES ACT OF 1934
For The Fiscal Year Ended December 31, 2004

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

GIBALTAR INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation organization) 16-1445150
(I.R.S. Employer Identification No.)
3556 Lake Shore Road, P.O. Box 2028, Buffalo, NY 14219-0228
(address of principal executive offices) (zip code)
(716) 826-6500
(Registrant's telephone number, including area code)

Gibraltar Steel Corporation
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value	NASDAQ National Market System

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by checkmark 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 No.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. (X)

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the Common Stock outstanding and held by non-affiliates (as defined in Rule 405 under the Securities Act of 1933) of the registrant, based upon the closing sale price of the Common Stock on the NASDAQ National Market System on June 30, 2004, the last business day of the registrant's most recently completed second quarter, was approximately \$518 million.

As of February 21, 2005, the number of common shares outstanding was: 29,671,780.
DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

Exhibit Index is on Page 63

PART I

Item 1. Description of Business

General

The Company is a processor, manufacturer and distributor of a broad array of high value-added, high margin products and services. The Company utilizes any one or a combination of several different processes at each of its operating facilities to add margin and value to raw materials acquired from primary steel and other metal producers. Underlying each of these processes and services is a common set of core competencies in manufacturing, processing and distribution. These core competencies are the foundation upon which all the Company's operations and products and services are based.

The Company is organized into three reportable segments - Processed Metal Products, Building Products and Thermal Processing. The Processed Metal Products segment produces a wide variety of cold-rolled strip steel products, coated sheet steel products, strapping products and powdered metal products in 17 facilities in 8 states. The Company's processed cold-rolled strip steel products comprise a part of the cold-rolled sheet steel market that is defined by more precise widths, improved surface conditions, more diverse chemistry and tighter gauge tolerances than are supplied by primary manufacturers of flat-rolled steel products. The Company's cold-rolled strip steel products are sold primarily to manufacturers in the automotive, automotive supply, power and hand tool and hardware industries, as well as to other customers who demand critical specifications in their raw material needs. The Company's coated steel products, which include galvanized, galvalume and pre-painted sheet products, are sold primarily to the commercial and residential metal building industry for roofing and siding applications. The Company's heavy duty steel strapping products are used to close and reinforce packages such as cartons and crates for shipping. The Company's non-ferrous powdered metal products are sold to manufacturers in the automotive, aerospace, electronics and consumer products industries. The Company also operates two material management facilities that link primary steel producers to end-user manufacturers.

The Building Products segment, comprised of 42 facilities in 21 states and Canada, primarily includes the manufacturing and distribution of a wide variety of building and construction products. Many of the Company's building products meet and exceed increasingly stringent building codes and insurance company requirements governing both residential and commercial construction. Most of our businesses operate in niche markets and have high market share. Most of our manufactured products have national presence and are innovative in their markets. This segment's products are sold to major retail home centers, lumber and building material wholesalers, buying groups, discount stores, distributors, and general contractors engaged in residential, industrial and commercial construction.

The Thermal Processing segment operates 16 facilities in 10 states and Canada and provides a wide array of processes which refine the metallurgical properties of customer-owned metal products for a variety of consumer and industrial applications where critical performance characteristics are required.

Note 16 of the Company's consolidated financial statements included in Item 8 herein provides information related to the Company's business segments in accordance with accounting principles generally accepted in the United States of America.

Recent Developments

In April 2003, the Company acquired Construction Metals, Inc. (Construction Metals). As part of the purchase agreement between the Company and the former owners of Construction Metals, the Company may be required to pay additional consideration if certain net sales levels as defined in the purchase agreement are achieved during the period from acquisition up to March 31, 2006. During the second quarter of 2004 a payment of \$345,000 was made pursuant to the additional consideration, and was recorded as additional goodwill.

On January 6, 2004, the Company acquired Renown Specialties Company Ltd. (Renown), which operates a manufacturing facility in Thornhill, Ontario. Renown is a designer, manufacturer and distributor of construction hardware products in Canada. Note 2 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's acquisition of Renown.

In connection with the Company's 2003 common stock offering, the Company granted the underwriters an option to purchase additional shares of common stock to cover over-allotments. In January 2004, the underwriters exercised a portion of this option and purchased an additional 321,938 shares of the Company's common stock at a price of \$16.50 per share. Net proceeds to the Company associated with the purchase of these additional shares aggregated approximately \$5 million. Note 11 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's common stock offering.

On June 1, 2004, the Company acquired SCM Metal Products, Inc. (SCM), which operates a manufacturing facility in Research Triangle Park, North Carolina. SCM manufactures, markets and distributes non-ferrous metal powder products to customers in a number of different industries, including the automotive, aerospace, electronics and consumer products industries. Note 2 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's acquisition of SCM.

On August 13, 2004 the Company acquired Portals Plus Incorporated and its affiliated companies, Roofing Products & Systems Corporation and J.L.R. Services, Inc. (Portals Plus), which operates two manufacturing facilities in Chicago, Illinois. Portals Plus manufactures a diverse line of roofing products. Note 2 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's acquisition of Portals.

On October 4, 2004, the Board of Directors authorized a three-for-two common stock split in the form of a stock dividend. The stock dividend was distributed on October 29, 2004 to stockholders of record on October 15, 2004. All share and per share data in these financial statements give effect to the stock split, applied retroactively to all periods. Note 12 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's stock split.

On October 26, 2004, at a Special Meeting of Stockholders, the Company's stockholders authorized an amendment to the Company's Certificate of Incorporation to change the name of the Company from Gibraltar Steel Corporation to Gibraltar Industries, Inc. The name change became effective on October 27, 2004.

On January 27, 2005, the Company sold the assets of its Milcor subsidiary for approximately \$42 million. We do not expect to incur a material gain or loss from this transaction.

Industry Overview

Steel and metal processors occupy a market niche that exists between the primary steel and metal producers and end-users and others. Primary steel and metal producers typically focus on the sale of standard size and tolerance steel and other metals to large volume purchasers, including steel and metal processors. At the same time, end-users require steel with closer tolerances and with shorter lead times than the primary steel and metal producers can provide efficiently. Steel processors, through the application of various higher value-added processes such as cold-rolling and specialized heat-treating methods, process steel of a precise grade, temper, tolerance and finish. End product manufacturers incorporate the processed steel into finished goods.

Products and Services

Processed Metal Products Segment

Cold-Rolled Strip Steel. The Company's cold-rolled strip steel is used in applications which demand more precise widths, improved surface conditions and tighter gauge tolerances than are supplied by primary producers of flat-rolled steel products. Consistent with its strategy of focusing on high value-added products and services, the Company produces a broad range of fully processed cold-rolled strip steel products. The Company buys wide, open tolerance sheet steel in coils from primary producers and processes it to specific customer orders by performing such computer-aided processes as cold reduction, annealing, edge rolling and slitting. Cold reduction is the rolling of steel to a specified thickness, tolerance and finish. Annealing is a thermal process which changes hardness and certain metallurgical characteristics of steel. Edge rolling involves conditioning edges of processed steel into square, full round or partially round shapes. Slitting is the cutting of steel to specified widths. Depending on customer specifications, one or more of these processes are utilized to produce steel strip of a precise grade, temper, tolerance and finish. Customers for the Company's strip steel products include manufacturers in the automotive, automotive supply, power and hand tool, hardware and other industries.

The Company operates nine rolling mills at its facilities in Cleveland, Ohio and Buffalo, New York, all of which are QS-9000 registered. Equipment at these facilities includes a computerized, three-stand, four-high tandem mill and eight single-stand, two- and four-high mills. The Company has the capability to process coils up to a maximum of 72 inch outside diameter and roll widths of up to 50 inches. Its rolling mills include automatic gauge control systems with hydraulic screw downs allowing for microsecond adjustments during processing. The Company's computerized mills enable it to satisfy an industry demand for a wide range of steel from heavier gauge and special alloy steels to low carbon and light gauge steels, in each case having a high-quality finish and precision gauge tolerance. This equipment can process flat-rolled steel to specific customer requirements for thickness tolerances as close as .00025 inches. The Company also operates a 56-inch reversing mill which it believes is one of the widest of its type in the specialty strip steel industry.

The Company's rolling facilities are further complemented by 17 high-convection annealing furnaces, which allow for shorter annealing times than conventional annealers. Fourteen of the Company's furnaces and bases employ state-of-the-art technology, incorporating the use of a hydrogen atmosphere for the production of cleaner and more uniform steel. As a result of the Company's annealing capabilities, it is able to produce cold-rolled strip steel with improved consistency in terms of thickness, hardness, molecular grain structure and surface.

The Company can produce certain strip steel products on oscillated coils, which wind strip steel similar to the way fishing line is wound on a reel. Oscillating the strip steel enables the Company to put at least six times greater volume of finished product on a coil than standard ribbon winding, allowing customers to achieve longer production runs by reducing the number of equipment shut-downs to change coils. Customers are thus able to increase productivity, reduce downtime, improve yield and lengthen die life. These benefits to customers allow the Company to achieve higher margins on oscillate products. To the Company's knowledge, only a few other steel producers are able to produce oscillated coils, and the Company is not aware of any competitor that can produce 12,000 pound oscillate coils, the maximum size the Company produces.

Cold-Rolled Strip Steel Joint Venture. The Company has a 50% interest in a joint venture that has one facility in Pennsylvania where it manufactures and distributes cold-rolled strip steel products. Note 6 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's 50% interest in the joint venture.

Steel Strapping Products. Steel strapping is a binding and packaging material used to close and reinforce shipping units such as bales, boxes, cartons, coils, crates and skids. The Company is one of only four domestic manufacturers of high-tensile steel strapping, which is subject to strength requirements imposed by the American Society for Testing Materials for packaging of different products for common carrier transport. This high-tensile steel strapping is essential to producers of large, heavy products such as steel, paper and lumber where reliability of the packaging material is critical to the safe transport of the product. The Company's steel strapping facility is QS-9000 and ISO-14001 registered and is located in Buffalo, New York.

Metal Powder Products. The Company operates a manufacturing facility in Research Triangle Park, North Carolina that manufactures, markets and distributes nonferrous metal powder products to customers in a number of different industries, including the automotive, aerospace, electronics and consumer products industries.

Coated Steel Products. The Company's coated steel products are used primarily in the building products and construction markets and include galvanized and galvalume, pre-painted cold rolled galvanized & galvalume, acrylic coated galvanized & galvalume and PVC coatings for spiral pipe. Materials are available in an unlimited number of colors and coating qualities. The Company's cold-rolled low carbon drawing steels and high strength low alloy steels are used primarily in the automotive market and are supplied to second and third tier automotive-stamping manufacturers. In addition, one of the Company's two locations which produces coated steel products is ISO-9001 registered.

Materials Management. The Company also operates two state-of-the-art materials management facilities in New York and Michigan that link primary steel producers and end-user manufacturers by integrating the inventory purchasing, receiving, inspection, billing, storage and shipping functions and producing true just-in-time delivery of materials. The Company's facilities receive shipments of steel by rail and truck from primary steel producers, which retain ownership of the steel until it is delivered to the end-user manufacturer. The Company inspects the steel and stores it in a climate-controlled environment on a specialized stacker crane and rack system. When an order is placed, the Company can deliver the steel to the end-user manufacturer within one hour using trucks that have been custom designed for facilitating the loading and unloading process. This enables end-user manufacturers to reduce their raw material inventory. These facilities are ISO-9001 registered and have certain proprietary data processing systems that link the primary steel producer with the end-user manufacturer and also link both parties to the facilities.

Steel Pickling Joint Venture. The Company has a 31% interest in a joint venture that has two steel pickling operations in Ohio. After the hot-rolling process, the surface of sheet steel is left with a residue known as scale, which must be removed prior to further processing by a cleaning process known as pickling. This joint venture pickles steel on a toll basis, receiving fees for pickling services without acquiring ownership of the steel. Note 6 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's 31% interest in the joint venture.

Building Products Segment

The Building Products segment is the result of the acquisition of eleven synergistic businesses over the last eight years that are primarily, but not exclusively, manufacturers of metal products used in the residential and light commercial building market. As a result, the Company operates 42 facilities throughout the United States and in Canada giving it a national base of operations to provide customer support, delivery, service and quality to a number of regional and nationally based customers, as well as providing the Company with manufacturing and distribution efficiencies.

The Company manufactures more than 5,000 products sold to lumber and building material wholesalers, buying groups, discount and major retail home centers, HVAC/roofing distributors and residential, industrial and commercial contractors. The Company's product offerings include a full line of ventilation products and accessories; mailboxes; roof edging, underlayment and flashing; soffit; drywall corner bead; structural support products; coated coil stock; metal roofing and accessories; steel framing; rain-carrying systems, including gutters and accessories; bath cabinets; access doors; roof hatches and smoke vents; builders' hardware, shelving and closet rods; grilles and registers; diffusers; and fasteners, each of which can be sold separately or as an integral part of a package or program sale.

Many of the Company's products are used to integrate the architectural design and building process, improve the life expectancy and functionality of a structure or its components, including situations of severe weather or seismic activity, and facilitate compliance with increasingly stringent building codes and insurance company requirements.

The Company's building products are manufactured primarily from galvanized, galvalume and painted steel, anodized and painted aluminum, copper, brass, zinc and various plastic compounds. These additional metal purchases, when added to the Company's existing Processed Metal Products segment purchases, enhance the Company's purchasing position due to the increased total volume and value added component of these purchases.

The Company's production capabilities allow it to process the wide range of metals and plastics necessary for manufacturing building products. The Company's equipment includes automatic roll forming machines, stamping presses, shears, press brakes, paint lines, milling, welding, injection molding and numerous automated assembly machines. All equipment is maintained through a constant preventative maintenance program, including in-house tool and die shops, allowing the Company to meet the demanding service requirements of many of its customers.

The Building Products segment has operating facilities located in Arizona, California, Colorado, Florida, Georgia, Illinois, Iowa, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Mexico, New Jersey, North Carolina, Ohio, Tennessee, Texas, Utah, Washington, Wisconsin and Ontario, Canada.

Thermal Processing Segment

The Company's Thermal Processing segment provides a wide range of metallurgical heat-treating processes in which customer-owned metal parts are exposed to precise temperatures, atmospheres and quenchants and other conditions to improve their mechanical properties, durability and wear resistance. These processes include case-hardening, neutral-hardening and through-hardening, annealing, normalizing, vacuum hardening, carburizing, nitriding and brazing, as well as a host of other processes. Thermal processing can harden, soften or otherwise impart desired properties to parts made of steel, aluminum, copper, powdered metals and various alloys and other metals.

The Company operates 16 thermal processing facilities in Alabama, Georgia, Illinois, Indiana, Michigan, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee and Ontario, Canada. The Company maintains a metallurgical laboratory at each facility with trained metallurgists providing a range of testing capabilities to add value to treated parts and enhance quality control. Consistent quality control is maintained by application of a statistical process control system and QS-9000 or ISO-9001 registration. In addition, 3 of the Company's thermal processing facilities are ISO-14001 registered. The Company also maintains a fleet of trucks and trailers to provide rapid turnaround time for its customers.

Due to time and costs associated with transporting materials and customers' need for just-in-time delivery of thermal processed products, the commercial thermal processing industry has developed as a regional industry concentrated in major industrial areas of the country. In addition, the commercial thermal processing industry has realized significant growth in recent years as many companies involved in the manufacture of metal components outsource their thermal processing requirements.

Quality Assurance

The Company places great importance on providing its customers with high-quality products for use in critical applications. The Company carefully selects its raw material vendors and uses computerized inspection and analysis to ensure that the materials entering its production processes will be able to meet the most critical customer specifications. To ensure these specifications are met, the Company uses documented procedures utilizing statistical process control systems linked directly to processing equipment to monitor all stages of production. Physical, chemical and metallographic analyses are performed during the production process to verify that mechanical and dimensional properties, cleanliness, surface characteristics and chemical content are within specification. In addition, all of the Company's facilities that provide services or products to the automotive industry, including 13 of the Company's thermal processing facilities, are QS-9000 registered.

Suppliers and Raw Materials

Steel and metal processing companies are required to maintain substantial inventories of raw material in order to accommodate the short lead times and just-in-time delivery requirements of their customers. Accordingly, the Company generally maintains its inventory of raw materials at levels that it believes are sufficient to satisfy the anticipated needs of its customers based upon historic buying practices and market conditions. The primary raw material processed by the Company is flat-rolled steel, purchased at regular intervals on an as-needed basis primarily from approximately 37 major North American suppliers, as well as a limited number of foreign steel suppliers. The Company has no long-term commitments with any of its suppliers.

Technical Services

The Company employs a staff of engineers, metallurgists, and other technical personnel and maintains fully-equipped, modern laboratories to support its operations. These laboratories enable the Company to verify, analyze and document the physical, chemical, metallurgical and mechanical properties of its raw materials and products. In addition, the Company's engineering staff also employs a range of CAD/CAM programs to design highly specialized and technically precise products. Technical service personnel also work in conjunction with the Company's sales force to determine the types of products and services required for the particular needs of the Company's customers.

Sales and Marketing

The Company's products and services are sold primarily by Company sales personnel and outside sales representatives located throughout the United States, Canada and Mexico.

Customers and Distribution

The Company has approximately 10,000 customers located throughout the United States, Canada and Mexico principally in the automotive, automotive supply, building and construction, steel, machinery and general manufacturing industries. Major customers include automobile manufacturers and suppliers, building product distributors, and commercial and residential contractors.

During 2003 and 2004, one customer of the Company (The Home Depot), accounted for 10.7% and 11.1%, respectively, of the Company's consolidated net sales. No other customer represented 10% or more of the Company's consolidated net sales for 2003 and 2004. No one customer of the Company represented 10% or more of the Company's consolidated net sales for 2002.

During 2002, one customer (General Motors) of the Company's Processed Metal Products segment accounted for 10.4% of this segment's net sales. No one customer of the Company's Processed Metal Products segment represented 10% or more of this segment's net sales for 2003 and 2004. During 2002, 2003 and 2004, one customer (The Home Depot) of the Company's Building Products segment accounted for 18.5%, 20.3%, and 21.8%, respectively, of this segment's net sales.

No one other single customer accounted for more than 10% of the Company's Building Products segment net sales during this three year period. No one customer of the Company's Thermal Processing segment represented 10% or more of this segment's net sales for 2002, 2003 and 2004.

The Company's Processed Metal Products and Building Products segments manufacture products to both customer order and inventory. The Thermal Processing segment processes customer owned metal parts to various metallurgical thermal processing specifications. Although the Company negotiates annual sales orders with the majority of its customers, these orders are subject to customer confirmation as to product amounts and delivery dates.

Competition

The metal processing market is highly competitive. The Company competes with a small number of other metal processors, some of which also focus on fully processed, high value-added metal products. The Company competes on the basis of precision and range of achievable tolerances, quality, price and the ability to meet delivery schedules dictated by customers.

The Company competes with numerous suppliers of building products in its market based on the broad range of products offered, quality, price and delivery.

The Company competes with a small number of suppliers of thermal processing services in its market areas on the basis of processes offered, quality, price and delivery.

Employees

At December 31, 2004, the Company employed approximately 3,900 people, of which 622, or approximately 16%, are represented by collective bargaining agreements.

Seasonability

The Company's revenues are generally lower in the first and fourth quarters primarily due to customer plant shutdowns in the automotive industry due to holidays and model changeovers, as well as reduced activity in the building and construction industry due to inclement weather.

Backlog

Because of the nature of the Company's products and the short lead time order cycle, backlog is not a significant factor in the Company's business. The Company believes that substantially all of its firm orders existing on December 31, 2004 will be shipped prior to the end of 2005.

Governmental Regulation

The Company's processing centers and manufacturing facilities are subject to many federal, state and local requirements relating to the protection of the environment. The Company believes that it operates its business in material compliance with all environmental laws and regulations, does not anticipate any material expenditures in order to meet environmental requirements and does not believe that future compliance with such laws and regulations will have a material adverse effect on its financial condition or results of operations. However, the Company could incur operating costs or capital expenditures in complying with more stringent environmental requirements in the future or with current requirements if they are applied to the Company's facilities in a way the Company does not anticipate.

The Company's operations are also governed by many other laws and regulations. The Company believes that it is in material compliance with these laws and regulations and does not believe that future compliance with such laws and regulations will have a material adverse effect on its financial condition or results of operations.

Internet Information

Copies of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through the Company's Web site (www.gibraltar1.com) as soon as reasonably practicable after the Company electronically files the material with, or furnishes it to, the Securities and Exchange Commission.

Item 2. Description of Properties

The Company maintains its corporate headquarters in Buffalo, New York and conducts business operations in facilities located throughout the United States

The Company believes that its primary existing facilities, listed below, and their equipment are effectively utilized, well maintained, in good condition and will be able to accommodate its capacity needs through 2005.

<u>Location</u>	<u>Utilization</u>	<u>Square Footage</u>	
<i>Corporate</i>			
Buffalo, New York	Headquarters	24,490	*
<i>Processed Metal Products</i>			
Cheektowaga, New York	Cold-rolled strip steel processing and strapping products	148,000	
Tonawanda, New York	Cold-rolled strip steel and precision metals processing	128,000	
Cleveland, Ohio	Cold-rolled strip steel processing	259,000	
Ithaca, New York	Warehouse	24,000	*
Durham, North Carolina	Administrative office and powdered metal processing	148,000	
Dearborn, Michigan	Strapping tool products	3,000	
Lackawanna, New York	Materials management facility	65,000	
Woodhaven, Michigan	Materials management facility	100,000	
Franklin Park, Illinois	Precision metals processing	99,000	
Birmingham, Alabama	Precision metals processing	99,712	*
Brownsville, Texas	Warehouse	15,000	*
<i>Building Products</i>			
Jacksonville, Florida	Administrative office and building products manufacturing	261,400	*
Miami, Florida	Building products manufacturing	60,000	*
Nashville, Tennessee	Building products manufacturing	37,560	*
Lakeland, Florida	Warehouse	53,154	*
San Antonio, Texas	Administrative office and building products manufacturing	125,000	*
Houston, Texas	Building products manufacturing	48,000	*
Vidalia, Georgia	Warehouse	34,000	*
Taylorville, Mississippi	Administrative office and building products	54,215	

	manufacturing		
Taylorsville, Mississippi	Building products manufacturing	237,112	
Enterprise, Mississippi	Building products manufacturing	198,154	
Appleton, Wisconsin	Administrative office and building products manufacturing	100,262	
Appleton, Wisconsin	Building products manufacturing	42,582	
Montgomery, Minnesota	Administrative office and building products manufacturing	170,000	
Livermore, California	Building products manufacturing	101,000	*
Rancho Cucamonga, California	Warehouse	20,640	*
North Wilkesboro, N. Carolina	Warehouse	22,950	*
Hainesport, New Jersey	Warehouse	25,805	*
Denver, Colorado	Administrative office and building products manufacturing	89,560	*
Omaha, Nebraska	Warehouse	18,500	*
Denver, Colorado	Warehouse	29,422	*
Largo, Florida	Administrative office and building products manufacturing	100,000	
Signal Hills, California	Administrative office and building products manufacturing	10,000	*
Lima, Ohio	Administrative office and building products manufacturing	203,000	
Coopersville, Michigan	Administrative office and building products manufacturing	246,000	
Ontario, California	Administrative office and warehouse	41,140	*
Fontana, California	Building products manufacturing	37,500	*
Las Vegas, Nevada	Warehouse	8,750	*
Hayward, California	Warehouse	20,500	*
Denver, Colorado	Warehouse	11,232	*
Kent, Washington	Warehouse	31,500	*
Escondido, California	Warehouse	9,200	*
Salt Lake City, Utah	Warehouse	11,760	*
Albuquerque, New Mexico	Warehouse	8,275	*
Sacramento, California	Warehouse	41,160	*
Phoenix, Arizona	Warehouse	27,947	*
Dallas, Texas	Administrative office and building products manufacturing	128,476	*
Clinton, Iowa	Building products manufacturing	100,000	
Lincolnton, N. Carolina	Building products manufacturing	63,925	
Peoria, Illinois	Sales office	1,610	*
Bensenville, Illinois	Administrative office and building products manufacturing	38,000	*
Bensenville, Illinois	Administrative office and building products manufacturing	85,000	*
Thornhill, Ontario	Administrative office and building products manufacturing	60,500	*
<i>Thermal Processing</i>			
Fountain Inn, S. Carolina	Thermal processing	82,400	
Reidsville, N. Carolina	Thermal processing	53,500	
Morristown, Tennessee	Thermal processing	24,200	
Conyers, Georgia	Thermal processing	18,700	*
Athens, Alabama	Thermal processing	20,000	
Coldwater, Michigan	Administrative office and thermal processing	89,000	
Fairfield, Ohio	Administrative office and thermal processing	49,467	*
Benton Harbor, Michigan	Administrative office and thermal processing	55,000	
Greensburg, Indiana	Administrative office and thermal processing	30,000	
South Bend, Indiana	Administrative office and thermal processing	33,000	
Rockford, Illinois	Administrative office and thermal processing	40,000	
Northlake, Illinois	Administrative office and thermal processing	200,000	
St. Marys, Pennsylvania	Administrative office and thermal processing	50,100	
Saginaw, Michigan	Administrative office and thermal processing	60,000	*
Kitchener, Ontario	Administrative office and thermal processing	88,898	
Kitchener, Ontario	Thermal processing	47,868	

* - Leased. All other facilities owned.

Item 3. Legal Proceedings

From time to time, the Company is named a defendant in legal actions arising out of the normal course of business. The Company is not a party to any pending legal proceeding the resolution of which the management of the Company believes will have a material adverse effect on the Company's results of operations or financial condition or to any other pending legal proceedings other than ordinary, routine litigation incidental to its business. The Company maintains liability insurance against risks arising out of the normal course of business.

Item 4. Submission of Matters to a Vote of Security Holders

On October 26, 2004, at a Special Meeting of Stockholders, the Company's stockholders authorized an amendment to the Company's Certificate of Incorporation to change the name of the Company from Gibraltar Steel Corporation to Gibraltar Industries, Inc. The number of votes cast for, against, and withheld for this amendment were 28,584,052, 10,653 and 537, respectively. The name change became effective on October 27, 2004.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

As of December 31, 2004, there were 122 shareholders of record of the Company's common stock. However, the Company believes that it has a significantly higher number of shareholders because of the number of shares that are held by nominees

The Company's common stock is traded in the over-the-counter market and quoted on the National Association of Securities Dealers Automated Quotation System - National Market System ("NASDAQ") under the symbol "ROCK." The following table sets forth the high and low sale prices per share for the Company's common stock

for each quarter of 2004 and 2003 as reported on the NASDAQ National Market. Prices set forth below have been adjusted to reflect a three-for-two stock split effectuated in the form of a stock dividend paid on October 29, 2004.

	<u>2004</u>		<u>2003</u>	
	High	Low	High	Low
Fourth Quarter	\$26.91	\$20.46	\$18.21	\$14.53
Third Quarter	24.80	19.51	16.15	13.33
Second Quarter	23.73	16.32	14.19	11.10
First Quarter	16.98	14.15	13.65	11.14

The Company declared dividends of \$.030 per share in the first quarter of 2004, \$.033 per share in the second and third quarters of 2004, and \$.050 per share in the fourth quarter of 2004. The Company declared dividends of \$.027 per share in the first quarter of 2003 and \$.030 in each of the second, third and fourth quarters of 2003.

Cash dividends are declared at the discretion of the Company's Board of Directors. The Board of Directors reviews the dividend quarterly and establishes the dividend rate based upon such factors as the Company's earnings, financial condition, capital requirements, debt covenant requirements and/or other relevant conditions. Although the Company expects to continue to declare and pay cash dividends on its common stock in the future if earnings are available, the Company cannot assure that either cash or stock dividends will be paid in the future or that, if paid, the dividends will be paid in the same amount or at the same frequency as paid in the past.

The following table summarizes information concerning securities authorized for issuance under the Company's stock option plans:

<u>Plan category</u>	Number of securities to be issued upon exercise of <u>outstanding options</u>	Weighted-average exercise price of <u>outstanding options</u>	Number of securities remaining available for future issuance under equity <u>compensation plans</u>
Equity compensation plans approved by security holders (1)	397,015	\$12.06	2,478,750
Equity compensation plans not approved by security holders	-	-	-
Total	397,015	\$12.06	2,478,750

(1) Consists of the Company's non-qualified stock option plan, 1993 incentive stock option plan (which expired in 2003) and 2003 incentive stock option plan. Note 14 of the Company's consolidated financial statements included in Item 8 herein provides additional information regarding the Company's stock option plans.

Item 6. Selected Financial Data
(in thousands, except per share data)

	Year Ended December 31,				
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Net sales	\$ 1,014,664	\$ 758,261	\$ 645,114	\$ 616,028	\$ 677,540
Income from operations	92,646	58,117	49,601	37,482	59,135
Interest expense	14,243	14,252	10,403	16,446	18,942
Income before income taxes	83,249	44,550	39,757	21,063	40,950
Income taxes	32,467	17,597	15,903	8,530	16,585
Net income	50,782	26,953	23,854	12,533	24,365
Net income per share-Basic	\$ 1.73	\$ 1.12	\$ 1.04	\$.66	\$ 1.29
Weighted average shares outstanding-Basic	29,362	24,143	22,921	18,886	18,865
Net income per share-Diluted	\$ 1.72	\$ 1.11	\$ 1.02	\$.65	\$ 1.28
Weighted average shares outstanding-Diluted	29,596	24,387	23,279	19,159	19,028
Cash dividends per common share	\$.146	\$.117	\$.103	\$.090	\$.077
Current assets	\$ 379,607	\$ 249,450	\$ 202,994	\$ 166,615	\$ 187,594
Current liabilities	137,352	98,756	64,748	61,551	55,187
Total assets	957,701	777,743	576,568	535,040	556,046
Total debt	310,039	242,250	166,932	212,275	255,853
Shareholders' equity	453,743	394,181	293,117	218,347	208,348
Capital expenditures	\$ 25,196	\$ 22,571	\$ 15,995	\$ 14,344	\$ 19,619
Depreciation	23,653	21,644	19,927	18,976	17,212
Amortization	1,376	804	554	4,510	3,976

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company's consolidated financial statements and notes thereto included in Item 8 of this Form 10-K.

Overview

The consolidated financial statements present the financial condition of the Company as of December 31, 2004 and 2003, and the consolidated results of operations and cash flows of the Company for the years ended December 31, 2004, 2003 and 2002.

The Company is organized into three reportable segments - Processed Metal Products, Building Products and Thermal Processing. The Company also held equity positions in two joint ventures as of December 31, 2004.

The Processed Metal Products segment produces a wide variety of cold-rolled strip steel products, coated sheet steel products, powdered metal products and strapping products. This segment primarily serves the automotive industry's leaders, such as General Motors, Ford, Chrysler, and Honda. This segment also serves the automotive supply and commercial and residential metal building industry, as well as the power and hand tool and hardware industries. During 2004, the Company strengthened its Processed Metal Products segment through its acquisition of SCM Metal Products, Inc. (acquired June 1, 2004) which added approximately \$34.8 million to the Company's

consolidated net sales for 2004. The automotive market is a very important part of the Company's Processed Metal Products segment. In 2005, the Company plans to continue its longstanding relationships with the domestic automotive manufacturers, as well as enhance its present relationships with the transplant automobile manufacturers and their suppliers.

The Building Products segment processes sheet steel to produce a wide variety of building and construction products. This segment's products are sold to major retail home centers, such as The Home Depot, Lowe's, Menards, and Wal-Mart. During 2004, the Company strengthened its position in the Building Products market through the acquisitions of Renown (acquired January 1, 2004) and Portals Plus (acquired August 13, 2004). These strategic acquisitions enabled the Company to broaden its geographic markets, solidify product offerings, strengthen customer relationships and added approximately \$15.2 million to the Company's consolidated net sales for 2004. In 2005, the Company believes the ongoing trend of increased use of metal building products will continue because of favorable environmental characteristics, cost efficiency and architectural design enhancements.

The Thermal Processing segment provides a wide array of processes which refine the metallurgical properties of customer-owned metal products for a variety of consumer and industrial applications where critical performance characteristics are required. This segment services such customers as General Motors, Ford, Eaton Corporation, Dana Corporation, and International Truck. In 2005, the Company believes the growing trend in the outsourcing of thermal processing operations will continue and that its thermal processing facilities are strategically located to meet the needs of customers from a geographically diverse base of operations.

The following table sets forth the Company's net sales by reportable segment for the period ending December 31:

	(in thousands)		
	2004	2003	2002
Net sales			
Processed metal products	\$ 395,287	\$ 268,512	\$ 272,796
Building products	515,725	400,412	292,161
Thermal processing	103,652	89,337	80,157
Total consolidated net sales	<u>\$ 1,014,664</u>	<u>\$ 758,261</u>	<u>\$ 645,114</u>

Results of Operations

Year Ended 2004 Compared to Year Ended 2003

Consolidated

Net sales increased by approximately \$256.4 million, or 33.8%, to \$1,014.7 million in 2004, from net sales of \$758.3 million in 2003. The increase in net sales was due to expanded sales penetration achieved through the Company's national manufacturing, marketing and distribution capabilities, as well as through new product offerings, design enhancements on existing product lines and new market opportunities, the increased cost of steel and other metals that the Company processes that were passed to our customers, and the addition of net sales of Renown (acquired January 1, 2004), SCM (acquired June 1, 2004), Portals Plus (acquired August 13, 2004), and a full year's results from Construction Metals (acquired April 1, 2003) and Air Vent (acquired May 1, 2003), which contributed approximately \$91.0 million in additional sales in 2004.

Cost of sales increased by approximately \$194.1 million, or 31.8%, to \$804.9 million in 2004, from cost of sales of \$610.8 million in 2003. The dollar-for-dollar increase in 2004 cost of sales was primarily due to higher sales volume resulting from the expanded penetration noted above, along with the increased cost of steel and other metals used in our products. The 2004 acquisition of Renown, SCM and Portals Plus, and a full year's results from Construction Metals and Air Vent contributed \$69.2 million of the increase in cost of sales. Cost of sales as a percentage of net sales decreased to 79.3% in 2004 from 80.6% in 2003. The slight decrease in cost of sales as a percentage of net sales in 2004 was the result of an increase in raw material costs, partially offset by lower labor, fringes and transportation costs as a percentage of net sales when compared to 2003.

Selling, general and administrative expenses increased by approximately \$27.8 million, or 31.1%, to \$117.1 million in 2004, from selling, general and administrative expenses of \$89.3 million in 2003. The dollar-for-dollar increase in 2004 selling, general and administrative expenses was due primarily to the addition of costs from Renown, SCM and Portals Plus acquisitions, a full year expenses for Construction Metals and Air Vent, increased costs of compliance with the provisions of the Sarbanes-Oxley Act, increased incentive compensation, and increased advertising and commissions. Selling, general and administrative expenses as a percentage of net sales decreased to 11.5% in 2004 from 11.8% in 2003. This decrease was the result of increased sales in the current year.

Interest expense of \$14.2 million for 2004 was comparable to interest expense for 2003.

Equity in partnerships income increased \$4.2 million in 2004 from \$685,000 in 2003. The increase is the result of a full year of earnings from our investment in Gibraltar DFC Strip Steel LLC (investment made in December 2003).

As a result of the above, income before taxes increased by \$38.7 million, or 86.9%, to \$83.2 million in 2004 from income before taxes of \$44.6 million in 2003.

Income taxes approximated \$32.5 million in 2004, based on a 39.0% effective rate compared with a 39.5% effective rate in 2003.

Segment Information

Processed Metal Products - Net sales increased by approximately \$126.8 million, or 47.2%, to \$395.3 million in 2004, from net sales of \$268.5 million in 2003. This increase was primarily a function of higher sales volume, particularly in the Company's coated steel and painted products, as well as increases in selling price due to the rise in overall metals prices during 2004, along with the addition of SCM, which added approximately \$34.8 million to the segment's net sales in 2004.

Income from operations increased by approximately \$18.4 million, or 72.8%, to \$43.6 million in 2004, compared to income from operations of \$25.2 million in 2003. Operating margin increased to 11.0% of net sales in 2004 compared to 9.4% in 2003, primarily due to lower labor, transportation and workers' compensation costs, partially offset by increased materials costs as a percentage of net sales.

Building Products - Net sales increased by approximately \$115.3 million, or 28.8%, to \$515.7 million in 2004, from net sales of \$400.4 million in 2003. The increase in net sales was the result of expanded sales penetration through both new and redesigned product offerings as well as new market opportunities and the addition of the net sales of Renown and Portals Plus, and a full year's results from Construction Metals and Air Vent, which resulted in additional sales of \$55.3 million in 2004.

Income from operations increased by approximately \$22.0 million, or 54.9%, to \$62.2 million in 2004, compared to income from operations of \$40.1 million in 2003. Operating margin increased to 12.1% of net sales in 2004, compared to 10.0% in 2003 primarily due to due to lower labor, transportation, health care and workers' compensation costs, partially offset by increased materials costs as a percentage of net sales.

Thermal Processing - Net sales increased by approximately \$14.3 million, or 16.0%, to \$103.7 million in 2004 from net sales of \$89.3 million in 2003. The increase in net sales was due primarily to improvements to the overall economy during the year.

Income from operations increased by approximately \$4.3 million, or 46.3%, to \$13.7 million in 2004 compared to income from operations of \$9.4 million in 2003. Operating margin increased to 13.2% of net sales in 2004, compared to 10.5% of net sales in 2003 primarily due to increased through put in our facilities.

Year Ended 2003 Compared to Year Ended 2002

Consolidated

Net sales increased by approximately \$113.1 million, or 17.5%, to \$758.3 million in 2003, from net sales of \$645.1 million in 2002. The increase in net sales was primarily due to the addition of net sales of B&W Heat Treating (acquired July 1, 2002), Construction Metals (acquired April 1, 2003) and Air Vent (acquired May 1, 2003), which contributed approximately \$87.9 million in additional sales in 2003. The remaining increase in net sales is the result of expanded sales penetration achieved through the Company's national manufacturing, marketing and distribution capabilities, as well as through new product offerings, design enhancements on existing product lines and new market opportunities.

Cost of sales increased by approximately \$92.4 million, or 17.8%, to \$610.8 million in 2003, from cost of sales of \$518.4 million in 2002. The dollar-for-dollar increase in 2003 cost of sales was primarily due to higher sales volume as a result of the B&W Heat Treating, Construction Metals and Air Vent acquisitions. Cost of sales as a percentage of net sales increased to 80.6% in 2003 from 80.4% in 2002. The slight increase in cost of sales as a percentage of net sales in 2003, was the result of an increase in raw material, utility, workers' compensation and transportation costs, as well as increases in fringe benefit costs as a percentage of net sales when compared to 2002.

Selling, general and administrative expenses increased by approximately \$12.2 million, or 15.8%, to \$89.3 million in 2003, from selling, general and administrative expenses of \$77.1 million in 2002. The dollar-for-dollar increase in 2003 selling, general and administrative expenses was due primarily to the addition of costs from the 2003 acquisitions. Selling, general and administrative expenses as a percentage of net sales decreased to 11.8% in 2003 from 12.0% in 2002. This decrease was primarily due to the impact of the Company's recent acquisitions, which have lower selling, general and administrative costs as a percentage of net sales than the Company's existing operations.

Interest expense increased by approximately \$3.8 million in 2003, primarily due to an increase in debt used to finance the 2003 acquisitions of Construction Metals and Air Vent, as well as the Company's 50% interest in Gibraltar DFC Strip Steel, LLC.

As a result of the above, income before taxes increased by \$4.8 million, or 12.1%, to \$44.6 million in 2003 from income before taxes of \$39.8 million in 2002.

Income taxes approximated \$17.6 million in 2003, based on a 39.5% effective rate compared with a 40% effective rate in 2002.

Segment Information

Processed Steel Products -Net sales decreased by approximately \$4.3 million, or 1.6%, to \$268.5 million in 2003, from net sales of \$272.8 million in 2002. This decrease was primarily due to decreases in automotive production levels by the "Big Three" automotive manufacturers, as well as reduced sales in the service center business attributable to the reduction in processed steel demand for use in commercial building industry applications.

Income from operations decreased by approximately \$7.1 million, or 21.9%, to \$25.2 million in 2003, compared to income from operations of \$32.3 million in 2002. Operating margin decreased to 9.4% of net sales in 2003 compared to 11.8% in 2002, primarily due to higher raw material, transportation, and workers compensation costs as well as increases in fringe benefit costs as a percentage of lower net sales.

Building Products -Net sales increased by approximately \$108.3 million, or 37.1%, to \$400.4 million in 2003, from net sales of \$292.2 million in 2002. The increase in net sales was due primarily to the addition of net sales of Construction Metals (acquired April 1, 2003) and Air Vent (acquired May 1, 2003), which contributed approximately \$82.4 million in additional net sales in 2003. The remaining increase in net sales was the result of expanded sales penetration through both new and redesigned product offerings as well as new market opportunities.

Income from operations increased by approximately \$18.8 million, or 88.1%, to \$40.1 million in 2003, compared to income from operations of \$21.3 million in 2002. Operating margin increased to 10.0% of net sales in 2003, compared to 7.3% in 2002 primarily due to higher income from operations of the 2003 acquisitions, and was partially offset by increases in raw material costs during 2003.

Heat Treating -Net sales increased by approximately \$9.2 million, or 11.5%, to \$89.3 million in 2003 from net sales of \$80.2 million in 2002. This increase was due primarily to the addition of a full year of net sales of B&W Heat Treating (acquired July 1, 2002), which contributed approximately \$5.5 million in additional net sales in 2003. The remaining increase in net sales was primarily the result of increased sales penetration by the Company's new brazing operation in Fairfield, Ohio.

Income from operations decreased by approximately \$5 million, or 5.2%, to \$9.4 million in 2003, compared to income from operations of \$9.9 million in 2002. Operating margin decreased to 10.5% of net sales in 2003, compared to 12.4% of net sales in 2002 primarily due to higher material, utility and workers' compensation costs, as well as increases in fringe benefit costs.

Critical Accounting Policies

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make decisions based upon estimates, assumptions, and factors it considers relevant to the circumstances. Such decisions include the selection of applicable principles and the use of judgment in their application, the results of which could differ from those anticipated.

A summary of the Company's significant accounting policies are described in Note 1 of the Company's consolidated financial statements included in Item 8 of this Form 10-K.

The Company's most critical accounting policies include: valuation of accounts receivable, which impacts general and administrative expense; valuation of inventory, which impacts cost of sales and gross margin; revenue recognition, which impacts revenue; acquisition related assets and liabilities, which impacts purchase price allocation; and the assessment of recoverability of goodwill and other intangible and long-lived assets, which impacts write-offs of goodwill, intangibles and long-lived assets. Management reviews the estimates, including, but not limited to, the allowance for doubtful accounts and inventory reserves on a regular basis and makes adjustments based on historical experiences, current conditions and future expectations. The reviews are performed regularly and adjustments are made as required by current available information. Management believes these estimates are reasonable, but actual results could differ from these estimates.

The Company's accounts receivable represent those amounts which have been billed to the Company's customers but not yet collected. Management analyzes various factors including historical experience, credit worthiness of customers and current market and economic conditions. The allowance for doubtful accounts balance is established based on the portion of those accounts receivable which are deemed to be potentially uncollectible. Changes in judgments on these factors could impact the timing of costs recognized.

The Company states its inventories at lower of cost or market. The cost basis of the Company's inventory is determined on a first-in-first-out basis using either actual costs or a standard cost methodology which approximates actual cost.

Revenue is recognized when products are shipped or service is provided, the customer takes ownership and assumes the risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Sales returns, allowances and customer incentives are treated as reductions to sales and are provided for based on historical experience and current estimates.

Accounting for the acquisition of a business as a purchase transaction requires an allocation of the purchase price to the assets acquired and the liabilities assumed in the transaction at their respective estimated fair values. The most difficult estimations of individual fair values are those involving long-lived assets, such as property, plant and equipment and intangible assets. We use all available information to make these fair value determinations and, for major business acquisitions, engage an independent valuation specialist to assist in the fair value determination of the acquired long-lived assets. Due to inherent subjectivity in determining the estimated fair value of long-lived assets and the significant number of business acquisitions that we have completed, we believe that the recording of acquired assets and liabilities is a critical accounting policy.

Intangible assets with estimable useful lives (which consist primarily of customer lists, non-competition agreements and unpatented technology) are amortized to their residual values over those estimated useful lives in proportion to the economic benefit consumed.

Long-lived assets with estimated useful lives are depreciated to their residual values over those useful lives in proportion to the economic value consumed. Long-lived assets are tested for impairment when events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable and exceeds its fair market value. This circumstance exists if the carrying amount of the asset in question exceeds the sum of the undiscounted cash flows expected to result from the use of the asset. The impairment loss would be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value as determined by discounted cash flow method or in the case of negative cash flow, an independent market appraisal of the asset.

Goodwill is tested annually, or sooner if indicators of impairment exist, for impairment at the reporting unit level by comparing the fair value of the reporting unit with its carrying value. A reporting unit is either the same as, or one level below, an operating segment. The primary valuation method for determining the fair value of the reporting unit is a discounted cash flows analysis. If the goodwill is indicated as being impaired (the fair value of the reporting unit is less than the carrying amount), the

fair value of the reporting unit would then be allocated to its assets and liabilities in a manner similar to a purchase price allocation in order to determine the implied fair value of the reporting unit goodwill. This implied fair value of the reporting unit goodwill would then be compared with the carrying amount of the reporting unit goodwill and, if it is less, the Company would then recognize an impairment loss.

The projection of future cash flows for the goodwill impairment analysis requires significant judgments and estimates with respect to future revenues related to the assets and the future cash outlays related to those revenues. Actual revenues and related cash flows, changes in anticipated revenues and related cash flows or use of different assumptions or discount rates could result in changes in this assessment.

Liquidity and Capital Resources

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.

The Company's shareholders' equity increased by approximately \$59.6 million or 15.1%, to \$453.7 million, at December 31, 2004. This increase was primarily due to net income of \$50.8 million, including earnings from the Company's 2004 acquisitions, the receipt of \$5.0 million in net proceeds from the Company's common stock offering in January 2004, as well as proceeds of \$4.5 million from the exercise of stock options.

During 2004, the Company's working capital increased \$91.6 million, or 60.8%, to approximately \$242.3 million. The increase in working capital was primarily the result of an increase in inventory of \$99.7 million, driven by the current year acquisitions of Renown, SCM and Portals Plus and increases in raw material cost, and accounts receivable of \$43.4 million, as a result of increased sales and the aforementioned acquisitions, partially offset by increases in accounts payable of \$20.9 million, due to the current year acquisitions and increased material costs, and accrued expenses of \$22.9 million due to increased incentive compensation, rebates, and federal taxes payable, along with a decrease in cash of \$18.1 million. The remaining change in working capital was primarily the result of increases in other current assets of \$5.2 million, and a decrease in the current portion of long-term debt of \$5.2 million.

The Company purchased all of the outstanding capital stock of Renown on January 12, 2004, and Portals Plus on August 13, 2004 and purchased the assets of SCM on June 1, 2004. The Company paid approximately \$65.5 million in cash for these acquisitions.

The Company's primary source of liquidity is its revolving credit facility and term notes. Net cash used in operating activities for the year ended December 31, 2004 was \$2.0 million and primarily represents net income plus non-cash charges for depreciation and amortization and changes in working capital positions. Net cash used in operating activities in 2004 was due primarily to net income of \$50.8 million combined with depreciation and amortization of \$25.0 million, the provision for deferred income taxes of \$6.8 million, increases in inventories of \$89.6 million, accounts receivable of \$27.7 million, other assets of \$4.0 million partially offset by increases in accounts payable and accrued expenses of \$38.1 million.

The net borrowings of \$67.3 million and net proceeds from the issuance of common stock of \$9.6 million, along with cash on hand at the beginning of the period were used to fund current operations, the acquisitions of Renown, SCM and Portals of \$65.5 million (net of cash acquired), capital expenditures of \$25.1 million and pay dividends of \$3.7 million.

The Company's revolving credit facility, which expires in June 2007, provides an aggregate borrowing limit of \$290.0 million. Additionally, the revolving credit facility contains a \$10.0 million expansion feature at the Company's option, subject to approval by the participating financial institutions. Borrowings thereunder are secured with the Company's accounts receivable, inventories and personal property and equipment. At December 31, 2004, the Company had used approximately \$157.6 million of the revolving credit facility, and had outstanding letters of credit of \$7.7 million, resulting in \$134.7 million in availability. At December 31, 2004, the Company had interest rate swap agreements outstanding which effectively converted \$20 million of borrowings under its revolving credit agreement to fixed interest rates ranging from 7.2% to 7.7%. Additional borrowings under the revolving credit facility carry interest at LIBOR plus a fixed rate. At December 31, 2004, additional borrowings under the revolving credit facility aggregated \$137.6 million. The weighted average interest rate of these borrowings was 4.59% at December 31, 2004.

The Company's revolving credit facility contains various debt covenants. At December 31, 2004, the Company was in compliance with all covenants.

In June 2004, the Company entered into a \$75.0 million private placement of debt with The Prudential Insurance Company of America. This senior secured note bears interest at 5.75% annually and has a seven year term. The Company drew down \$55.0 million of the note which was outstanding at December 31, 2004, and will draw down the remaining \$20.0 million at specified dates and amounts which coincide with the expiration of the interest rate swap agreements currently outstanding under the Company's existing revolving credit facility. The initial \$55.0 million borrowing under this note was used to pay down a portion of the existing revolving credit facility.

In January 2004, the underwriters of the Company's December 2003 common stock offering exercised a portion of their over-allotment option, and purchased an additional 321,938 shares of the Company's common stock at \$16.50 per share. Net proceeds to the Company from the purchase of these additional shares were approximately \$5.0 million and were used to further reduce the Company's outstanding debt.

The Company believes that availability of funds under its credit facility together with cash generated from operations will be sufficient to provide the Company with the liquidity and capital resources necessary to support its principal capital requirements, including operating activities, capital expenditures, dividends and future acquisitions.

Contractual Obligations

The following table summarizes the Company's contractual obligations at December 31, 2004:

Contractual Obligations	Payments Due By Period (in thousands)				
	Total	Less than 1 Year	2 - 3 Years	4 - 5 Years	More than 5 Years
Revolving credit facility	\$157,636	\$ -	\$157,636	\$ -	\$ -
Interest on revolving debt	18,088	7,235	10,853	-	-
Long-term debt	152,403	14,692	48,152	33,659	55,900
Interest on long-term debt	35,771	9,078	15,282	6,532	4,879
Operating lease obligations	43,914	9,147	15,025	9,535	10,207
Pension and other post-retirement obligations	6,200	169	361	572	5,098
Total	\$414,012	\$ 40,321	\$247,309	\$ 50,298	\$ 76,084

Interest consists of payments for fixed rate debt and variable rate debt based on the interest rates in effect at December 31, 2004.

Related Party Transactions

In connection with the acquisition of Construction Metals in April 2003, the Company entered into two unsecured subordinated notes payable, each in the amount of \$8.75 million (aggregate total of \$17.5 million). These notes are payable to the former owners of Construction Metals and are considered related party in nature due to the former owners' current employment relationship with the Company. These notes are payable in three equal annual principal installments of approximately \$2.9 million per note, beginning on April 1, 2004, with the final principal payment due on April 1, 2006. These notes require quarterly interest payments at an interest rate of 5.0% per annum. Interest expense related to these notes payable aggregated approximately \$658,000 and \$660,000 in 2004 and 2003, respectively. At December 31, 2004 and 2003, the current portion of these notes payable aggregated approximately \$5.8 million and accrued interest aggregated approximately \$147,000 and \$221,000, respectively.

The Company has certain operating lease agreements related to operating locations and facilities with the former owners of Construction Metals (related parties) or companies controlled by these parties. Rental expense associated with these related party operating leases aggregated approximately \$1,304,000, and \$512,000 in 2004 and 2003, respectively.

Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123 (Revised 2004) (SFAS No. 123R), *Share-Based Payment*, in December 2004. SFAS No. 123R is a revision of FASB Statement 123, *Accounting for Stock-Based Compensation* and supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and its related implementation guidance. The Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123R requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award. This statement is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005 and the Company will adopt the standard in the third quarter of fiscal 2005. The Company has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

In December 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets-An Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions* (SFAS 153). SFAS 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, *Accounting for Nonmonetary Transactions*, and replaces it with an exception for exchanges that do not have commercial substance. SFAS 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS 153 is effective for non monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005 and is required to be adopted by the Company for such exchanges in the third quarter of fiscal 2005. The Company is currently evaluating the effect that the adoption of SFAS 153 will have on its consolidated results of operations and financial condition but does not expect it to have a material impact.

In November 2004, the FASB issued SFAS No. 151, *Inventory Costs, an amendment of ARB No. 43, Chapter 4*, (SFAS 151) which clarifies the types of costs that should be expensed rather than capitalized as inventory. This statement also clarifies the circumstances under which fixed overhead costs associated with operating facilities involved in inventory processing should be capitalized. The provisions of SFAS No. 151 are effective for fiscal years beginning after June 15, 2005 and the Company will adopt this standard in the first quarter of fiscal 2006. The Company has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

In May 2004, the FASB released FASB Staff Position No. FAS 106-2 *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003* (FSP 106-2). The Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "Medicare Act") was enacted December 8, 2003. On January 21, 2005, the Centers for Medicare and Medicaid Services released the final regulations for implementing the Medicare Act. FSP 106-2 provides authoritative guidance on accounting for the federal subsidy specified in the Medicare Act. The Medicare Act provides for a federal subsidy equal to 28% of certain prescription drug claims for sponsors of retiree health care plans with drug benefits that are at least actuarially equivalent to those to be offered under Medicare Part D, beginning in 2006. The Company was unable to conclude whether the benefits provided by the plan are actuarially equivalent to Medicare Part D under the Act, and therefore we have not determined whether we will need to amend our plan, nor what effect the Act will have on our consolidated financial position, results of operations or cash flows.

In December 2003, the FASB issued SFAS 132 (revised 2003), *Employer's Disclosures About Pensions and Other Postretirement Benefits*. SFAS 132 (revised 2003), revises employers' disclosures about pension plans and other postretirement benefit plans. SFAS 132 (revised 2003), does not change the measurement and recognition of those plans required by SFAS 87, *Employers' Accounting for Pensions*, SFAS 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, and SFAS 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*. SFAS 132 (revised 2003), retains the original disclosure requirements of SFAS 132 and requires additional expanded annual and interim disclosures to those in the original SFAS 132 about the assets, obligations, cash flows, and net periodic benefit costs of defined benefit pension plans and other defined benefit postretirement benefit plans. The adoption of this Statement is required for financial statements with fiscal years ending after December 15, 2003. Implementation of SFAS 132 (revised 2003) did not have a material impact on the Company's consolidated financial statements. The revised disclosure requirements of this Statement are reflected in Notes 8 and 9 of the consolidated financial statements included in Item 8 herein.

In May 2003, the FASB issued SFAS 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS 150 applies specifically to a number of financial instruments that companies have historically presented within their financial statements either as equity or between the liabilities section and the equity section, rather than as liabilities. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. Implementation of SFAS 150 did not have a material impact on the Company's consolidated financial statements.

In April 2003, the FASB issued SFAS 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*. SFAS 149 clarifies the accounting for derivatives, amending the previously issued SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*. SFAS 149 clarifies under what circumstances a contract with an initial net investment meets the characteristics of a derivative, amends the definition of any underlying contract, and clarifies when a derivative contains a financing components in order to increase the comparability of accounting practices under SFAS 133. SFAS 149 is effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS 149 did not have a material impact on the Company's consolidated financial statements.

In December 2003, the FASB issued FIN 46(R), *Consolidation of Variable Interest Entities*. This interpretation of Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, replaced FIN 46 and addresses consolidation of variable interest entities. FIN 46(R) requires certain variable interest entities to be consolidated by the primary beneficiary if the entity does not effectively disperse risks among the parties involved. The provisions of FIN 46(R) effective immediately for those variable interest entities created after January 31, 2003. The provisions are effective for financial statements issued for the first interim or annual period ending after December 15, 2003 for those variable interests held prior to February 1, 2003. The adoption of this Interpretation did not have any effect on the Company's financial position or results of operations.

In December 2002, the FASB issued SFAS 148, *Accounting for Stock-Based Compensation - Transition and Disclosure, an Amendment of SFAS No. 123*. SFAS 148 amends SFAS 123, *Accounting for Stock-Based Compensation*, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require more prominent and more frequent disclosures in the financial statements regarding the effects of stock-based compensation. SFAS 148 is effective for financial statements for fiscal years ending after December 15, 2002, including certain amendments to required disclosures related to stock-based compensation included in condensed financial statements for interim periods beginning after December 15, 2002. Adoption of SFAS 148 did not have a material impact on the Company's financial position, results of operations or cash flows. For further discussion of the Company's stock-based compensation arrangements, see Note 1 of the Company's consolidated financial statements included in Item 8 herein.

In November 2002, the FASB issued FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* (FIN 45). FIN 45 requires the fair-value measurement and recognition of a liability for the issuance of certain guarantees issued or modified on January 1, 2003 or after. Implementation of the fair-value measurement and recognition provisions of FIN 45 did not have a material impact on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS 146, *Accounting for Exit or Disposal Activities*. SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. The provisions of SFAS 146 are effective for exit or disposal activities that were initiated after December 31, 2002 and did not have a material impact on the Company's financial position or results of operations.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

In the ordinary course of business, the Company is exposed to various market risk factors, including changes in general economic conditions, competition and raw materials pricing and availability. In addition, the Company is exposed to market risk, primarily related to its long-term debt. To manage interest rate risk, the Company uses both fixed and variable interest rate debt. The Company also entered into interest rate swap agreements that converted a portion of its variable rate debt to fixed rate debt. At December 31, 2004, the Company had \$20 million of revolving credit borrowings that was fixed rate debt pursuant to these agreements.

The following table summarizes the principal cash flows and related interest rates of the Company's long-term debt at December 31, 2004 by expected maturity dates. The weighted average interest rates are based on the actual rates that existed at December 31, 2004. The variable rate debt consists primarily of the credit facility, of which

\$157.7 million is outstanding at December 31, 2004. A hypothetical 1% increase or decrease in interest rates would have changed the 2004 interest expense by approximately \$1.8 million.

	(in thousands)						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Thereafter</u>	<u>Total</u>
Long-term debt (fixed)	\$14,292	\$14,293	\$33,459	\$33,459	-	\$55,000	\$150,503
Weighted average interest rate	6.33%	6.46%	6.64%	5.75%	5.75%	5.75%	
Long-term debt (variable)	\$ 400	\$ 200	\$157,836	\$ 100	\$ 100	\$ 900	\$159,536
Weighted average interest rate	4.57%	4.58%	4.58%	3.23%	3.23%	3.23%	
Interest rate swaps (notional amounts)	\$20,000						
Interest pay rate	7.46%						
Interest receive rate	2.41%						

The fair value of the Company's debt was \$319.0 million at December 31, 2004.

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"). Certain information set forth herein contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the Company's business, and management's beliefs about future operations, results and financial position. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions. 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. In addition, such forward-looking statements could also be affected by general industry and market conditions, as well as general economic and political conditions.

<u>Item 8.</u>	<u>Financial Statements and Supplementary Data</u>	<u>Page Number</u>
	Financial Statements	
	Report of Independent Registered Public Accounting Firm	27
	Consolidated Balance Sheets as of December 31, 2004 and 2003	29
	Consolidated Statements of Income for the Years Ended December 31, 2004, 2003 and 2002	30
	Consolidated Statements of Cash Flows for the Years Ended December 31, 2004, 2003 and 2002	31
	Consolidated Statements of Shareholders' Equity and Comprehensive Income for the Years Ended December 31, 2004, 2003 and 2002	32
	Notes to Consolidated Financial Statements	33
	<u>Supplementary Data:</u>	
	Quarterly Unaudited Financial Data	61
	Report of Independent Registered Accounting Firm	

To the Shareholders and Board of Directors
of Gibraltar Industries, Inc.:

We have completed an integrated audit of Gibraltar Industries, Inc.'s 2004 consolidated financial statements and of its internal control over financial reporting as of December 31, 2004 and audits of its 2003 and 2002 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements

In our opinion, the consolidated financial statements listed in the accompanying index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Gibraltar Industries, Inc. and its subsidiaries at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in "Management's Annual Report on Internal Control Over Financial Reporting", appearing under Item 9A, that the Company maintained effective internal control over financial reporting as of December 31, 2004 based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control - Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of

management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP
Buffalo, New York
March 9, 2005

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31,	
ASSETS	2004	2003
Current assets:		
Cash and cash equivalents	\$ 10,892	\$ 29,019
Accounts receivable	146,021	102,591
Inventories	207,215	107,531
Other current assets	15,479	10,309
Total current assets	379,607	249,450
Property, plant and equipment, net	269,019	250,029
Goodwill	285,927	267,157
Investments in partnerships	8,211	5,044
Other assets	14,937	6,063
	\$ 957,701	\$ 777,743
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 70,775	\$ 49,879
Accrued expenses	51,885	29,029
Current maturities of long-term debt	8,859	14,014
Current maturities of related party debt	5,833	5,834
Total current liabilities	137,352	98,756
Long-term debt	289,514	210,736
Long-term related party debt	5,833	11,666
Deferred income taxes	66,485	55,982
Other non-current liabilities	4,774	6,422
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 29,665,780 and 28,911,103 shares		
in 2004 and 2003 respectively	297	289
Additional paid-in capital	209,765	199,110
Retained earnings	242,585	196,138
Unearned compensation	(572)	(818)
Accumulated other comprehensive income (loss)	1,668	(538)
	453,743	394,181
Less: cost of 40,500 and 28,500 common shares held in treasury in 2004 and 2003, respectively	-	-
Total shareholders' equity	453,743	394,181
	\$ 957,701	\$ 777,743

The accompanying notes are an integral part of these consolidated financial statements

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Year Ended December 31,		
	2004	2003	2002
Net sales	\$ 1,014,664	\$ 758,261	\$ 645,114
Cost of sales	804,930	610,832	518,384
Gross profit	209,734	147,429	126,730
Selling, general and administrative expense	117,088	89,312	77,129
Income from operations	92,646	58,117	49,601
Other (income) expense			
Interest expense	14,243	14,252	10,403
Equity in partnerships' income	(4,846)	(685)	(559)
Total other expense	9,397	13,567	9,844

Income before taxes	83,249	44,550	39,757
Provision for income taxes	<u>32,467</u>	<u>17,597</u>	<u>15,903</u>
Net income	\$ <u>50,782</u>	\$ <u>26,953</u>	\$ <u>23,854</u>
Net income per share - Basic	\$ <u>1.73</u>	\$ <u>1.12</u>	\$ <u>1.04</u>
Weighted average shares outstanding - Basic	<u>29,362</u>	<u>24,143</u>	<u>22,921</u>
Net income per share - Diluted	\$ <u>1.72</u>	\$ <u>1.11</u>	\$ <u>1.02</u>
Weighted average shares outstanding - Diluted	<u>29,596</u>	<u>24,387</u>	<u>23,279</u>

The accompanying notes are an integral part of these consolidated financial statements

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

	Year Ended December 31,		
	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 50,782	\$ 26,953	\$ 23,854
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	25,029	22,448	20,481
Provision for deferred income taxes	6,773	6,502	5,800
Equity in partnerships' income	(4,846)	(685)	(559)
Distributions from partnerships' income	1,680	1,001	899
Tax benefit from exercise of stock options	1,249	949	349
Unearned compensation	153	212	258
Other non-cash adjustments	394	172	9
(Decrease) increase in cash resulting from changes in (net of acquisitions):			
Accounts receivable	(27,693)	(2,880)	(7,204)
Inventories	(89,616)	11,056	(30,308)
Other current assets	(2,608)	(2,108)	(1,883)
Accounts payable and accrued expenses	38,149	1,047	3,468
Other assets	<u>(1,430)</u>	<u>(4)</u>	<u>(2,959)</u>
Net cash (used in) provided by operating activities	<u>(1,984)</u>	<u>64,663</u>	<u>12,205</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	(65,525)	(84,243)	(8,847)
Purchases of equity investment	-	(7,797)	-
Purchases of property, plant and equipment	(25,196)	(22,571)	(15,995)
Net proceeds from sale of property and equipment	<u>1,388</u>	<u>436</u>	<u>2,118</u>
Net cash used in investing activities	<u>(89,333)</u>	<u>(114,175)</u>	<u>(22,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term debt reduction	(64,992)	(118,100)	(129,945)
Proceeds from long-term debt	132,302	122,144	84,571
Net proceeds from issuance of common stock	9,600	73,558	53,674
Payment of dividends	<u>(3,720)</u>	<u>(2,733)</u>	<u>(2,269)</u>
Net cash provided by financing activities	<u>73,190</u>	<u>74,869</u>	<u>6,031</u>
Net (decrease) increase in cash and cash equivalents	(18,127)	25,357	(4,488)
Cash and cash equivalents at beginning of year	<u>29,019</u>	<u>3,662</u>	<u>8,150</u>
Cash and cash equivalents at end of year	\$ <u>10,892</u>	\$ <u>29,019</u>	\$ <u>3,662</u>

The accompanying notes are an integral part of these consolidated financial statements

GIBRALTAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(in thousands, except per share data)

Comprehensive Income	Common Stock Shares	Additional Paid-in Capital	Retained Earnings	Unearned Compensation	Accumulated Other Comprehensive Loss	Treasury Stock Shares	Amount	Total Shareholders' Equity
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Balance at December 31, 2001		18,910	\$	189	\$	70,000	\$	150,578	\$	(842)	\$	(1,578)	-	\$	-	\$	218,347
Comprehensive income (loss):																	
Net income	\$	23,854	-	-	-	-	-	23,854	-	-	-	-	-	-	-	-	23,854
Other comprehensive loss:																	
Foreign currency translation adjustment, net of tax of \$0		(369)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized loss on interest rate swaps, net of tax of \$629		(982)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive loss		(1,351)	-	-	-	-	-	-	-	(1,351)	-	-	-	-	-	-	(1,351)
Total comprehensive income	\$	22,503															
Issuance of stock associated with public offering		4,725	47	50,663	-	-	-	-	-	-	-	-	-	-	-	-	50,710
Stock options exercised		227	2	2,302	-	-	-	-	-	-	-	-	-	-	-	-	2,304
Tax benefit from exercise of stock options		-	-	349	-	-	-	-	-	-	-	-	-	-	-	-	349
Cash dividends-\$0.103 per share		-	-	-	(2,466)	-	-	-	-	-	-	-	-	-	-	-	(2,466)
Issuance of restricted stock		84	1	1,303	-	(782)	-	-	-	-	-	-	-	-	-	-	522
Earned portion of restricted stock		-	-	-	-	258	-	-	-	-	-	-	-	-	-	-	258
Forfeiture of restricted stock awards		(23)	-	(348)	-	280	-	23	-	-	-	-	-	-	-	-	(68)
Issuance of stock in connection with acquisition		49	1	476	181	-	-	-	-	-	-	-	-	-	-	-	658
Balance at December 31, 2002		23,972	240	124,745	172,147	(1,086)	(2,929)	23	-	-	-	-	-	-	-	-	293,117
Comprehensive income (loss):																	
Net income	\$	26,953	-	-	-	26,953	-	-	-	-	-	-	-	-	-	-	26,953
Other comprehensive income (loss):																	
Foreign currency translation adjustment, net of tax of \$637		1,346	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minimum pension liability adjustment, net of tax of \$38		(58)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain on interest rate swaps, net of tax of \$706		1,103	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income		2,391	-	-	-	-	-	2,391	-	-	-	-	-	-	-	-	2,391
Total comprehensive income	\$	29,344															
Issuance of stock associated with public offering		4,500	45	69,952	-	-	-	-	-	-	-	-	-	-	-	-	69,997
Stock options exercised		416	4	3,557	-	-	-	-	-	-	-	-	-	-	-	-	3,561
Tax benefit from exercise of stock options		-	-	949	-	-	-	-	-	-	-	-	-	-	-	-	949
Cash dividends-\$0.117 per share		-	-	-	(2,962)	-	-	-	-	-	-	-	-	-	-	-	(2,962)
Earned portion of restricted stock		-	-	-	-	212	-	-	-	-	-	-	-	-	-	-	212
Forfeiture of restricted stock awards		(6)	-	(93)	-	56	-	6	-	-	-	-	-	-	-	-	(37)
Balance at December 31, 2003		28,882	289	199,110	196,138	(818)	(538)	29	-	-	-	-	-	-	-	-	394,181
Comprehensive income (loss):																	
Net income	\$	50,782	-	-	-	50,782	-	-	-	-	-	-	-	-	-	-	50,782
Other comprehensive income (loss):																	
Foreign currency translation adjustment, net of tax of \$319		958	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minimum pension liability adjustment, net of tax of \$43		(67)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain on interest rate swaps, net of tax of \$841		1,315	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income		2,206	-	-	-	-	-	2,206	-	-	-	-	-	-	-	-	2,206
Total comprehensive income	\$	52,988															
Issuance of stock associated with public offering		322	4	5,043	-	-	-	-	-	-	-	-	-	-	-	-	5,047
Stock options exercised		433	4	4,549	-	-	-	-	-	-	-	-	-	-	-	-	4,553
Tax benefit from exercise of stock options		-	-	1,249	-	-	-	-	-	-	-	-	-	-	-	-	1,249
Cash dividends-\$0.146 per share		-	-	-	(4,335)	-	-	-	-	-	-	-	-	-	-	-	(4,335)
Earned portion of restricted stock		-	-	-	-	153	-	-	-	-	-	-	-	-	-	-	153
Forfeiture of restricted stock awards		(12)	-	(186)	-	93	-	12	-	-	-	-	-	-	-	-	(93)
Balance at December 31, 2004		29,625	297	209,765	242,585	(572)	1,668	41	-	-	-	-	-	-	-	-	453,743

The accompanying notes are integral part of these consolidated financial statements

GIBRALTAR INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Gibraltar Industries, Inc. and subsidiaries (the Company). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized when products are shipped or service is provided, the customer takes ownership and assumes the risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Sales returns, allowances and customer incentives are treated as

reductions to sales and are provided for based on historical experience and current estimates.

Promotional Allowances

The Company promotes its branded products through cooperative advertising programs with retailers. Retailers also are offered in-store promotional allowances and rebates based on sales volumes. Promotion costs (including allowances and rebates) incurred during the year are expensed to interim periods in relation to revenues and are recorded as a reduction of net sales.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, checking accounts and all highly liquid investments with a maturity of three months or less.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on a number of factors, including historical experience, credit worthiness of customers and current market and economic conditions. The Company reviews the allowance for doubtful accounts on a regular basis. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance sheet exposure related to its customers.

Accounts receivable are expected to be collected within one year and are net of the allowance for doubtful accounts of \$3,090,000 and \$2,610,000 at December 31, 2004 and 2003, respectively.

Inventories

Inventories are valued at the lower of cost or market. The cost basis of the inventory is determined on a first-in, first-out basis using either actual costs or a standard cost methodology which approximates actual cost.

Property, Plant and Equipment

Property, plant and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. Expenditures that extend the useful lives of assets are capitalized, while repair and maintenance costs are expensed as incurred. The estimated useful lives of land improvements and buildings and building improvements is 15 to 40 years, while machinery and equipment is 3 to 20 years. Accelerated methods are used for income tax purposes. Depreciation expense aggregated \$23,653,000, \$21,644,000 and \$19,927,000 in 2004, 2003 and 2002, respectively.

Interest is capitalized in connection with construction of qualified assets. Interest of \$258,000, \$156,000 and \$105,000 was capitalized in 2004, 2003 and 2002, respectively.

Acquisition Related Assets and Liabilities

Accounting for the acquisition of a business as a purchase transaction requires an allocation of the purchase price to the assets acquired and the liabilities assumed in the transaction at their respective estimated fair values. The most difficult estimations of individual fair values are those involving long-lived assets, such as property, plant and equipment and intangible assets. We use all available information to make these fair value determinations and, for major business acquisitions, engage an independent valuation specialist to assist in the fair value determination of the acquired long-lived assets.

Goodwill and Other Intangible Assets

The Company tests goodwill for impairment at the reporting unit level on an annual basis during the fourth quarter or more frequently if an event occurs or circumstances change that indicate that the fair value of a reporting unit could be below its carrying amount. The impairment test consists of comparing the fair value of a reporting unit, determined using discounted cash flows, with its carrying amount including goodwill, and, if the carrying amount of the reporting unit exceeds its fair value, comparing the implied fair value of goodwill with its carrying amount. An impairment loss would be recognized for the carrying amount of goodwill in excess of its implied fair value.

Acquired identifiable intangible assets are recorded at cost. Identifiable intangible assets with finite useful lives are amortized over their estimated useful lives.

Impairment of Long-Lived Assets

Long-lived assets, including acquired identifiable intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. The Company uses undiscounted cash flows to determine whether impairment exists and measures any impairment loss using discounted cash flows.

Investments in Partnerships

The Company's investments in partnerships are accounted for using the equity method of accounting, under which the Company's share of the earnings of the partnership is recognized in income as earned, and distributions are credited against the investment when received.

Equity method goodwill arises when the Company's investment in the partnership exceeds its applicable share of the fair market value of the partnership's net assets at the date the partnership was formed. In accordance with SFAS 142 *Goodwill and Other Intangible Assets*, equity method goodwill is not amortized or tested for impairment in accordance with this standard. The Company reviews the equity method goodwill in accordance with Accounting Principles Board Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock* (APB Opinion No. 18), under which the Company would recognize an impairment loss when there is a loss in the value of the equity method investment which is deemed to be other than a temporary decline. No impairments were recognized in the years ended December 31, 2004, 2003 and 2002.

Interest Rate Exchange Agreements

Interest rate swap agreements are used by the Company in the management of interest rate risk. The interest rate swaps are not used for trading purposes and are accounted for as cash flow hedges under SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*. The Company has determined that there is no ineffectiveness in these hedging relationships based on the criteria set forth in SFAS 133. The fair values of interest rate swap agreements are recognized as other current liabilities and aggregated \$232,000 and \$2,387,000 at December 31, 2004 and 2003, respectively. Gains or losses from changes in the fair value of the swap agreements are recorded, net of taxes, as components of Accumulated Other Comprehensive Income or Loss.

Translation of Foreign Currency

The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars at the rate of exchange in effect at the balance sheet date. Income and expense items are translated at the average exchange rates prevailing during the period. Gains and losses resulting from foreign currency transactions are recognized currently in income and those resulting from the translation of financial statements are accumulated as a separate component of comprehensive income net of related taxes.

Shareholders' Equity

During 2004 and 2003, the Company declared dividends of \$4,335,000 and \$2,962,000, respectively, of which \$1,484,000 and \$869,000 are accrued at December 31, 2004 and 2003, respectively.

The Company reacquired 12,000 shares and 6,000 shares of forfeited restricted common stock in 2004 and 2003 respectively, at a cost of \$.01 per share and reduced additional paid-in capital for an amount equal to the gross unvested portion of the restricted stock award at the date of forfeiture. These reacquired shares and related cost are reflected as treasury stock in the consolidated balance sheets at December 31, 2004 and 2003.

Comprehensive Income

Comprehensive income includes net income as well as accumulated other comprehensive income (loss). The Company's accumulated other comprehensive income (loss) consists of unrealized gains and losses on interest rate swaps, minimum pension liability and foreign currency translation adjustments, which are recorded net of related taxes.

Net Income Per Share

Share and per share data for all periods presented have been adjusted for the three-for-two stock split further discussed at Note 12.

Basic net income per share equals net income divided by the weighted average shares outstanding during the year. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding. A reconciliation between basic net income per share and diluted net income per share for the years ended December 31, 2004, 2003 and 2002 is displayed in Note 13.

Income Taxes

The consolidated financial statements of the Company have been prepared using the asset and liability approach in accounting for income taxes which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of other assets and liabilities.

Fair Market Value Disclosures

SFAS 107, *Disclosures About Fair Market Value of Financial Instruments*, defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The Company's cash and cash equivalents and accounts receivable are stated at cost which approximates fair value at December 31, 2004. The fair value of the Company's debt approximated \$319,029,000 at December 31, 2004.

Fair market value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Stock Based Compensation

Stock options

In December 2002, the Financial Accounting Standards Board (FASB) issued SFAS 148, *Accounting for Stock-Based Compensation-Transition and Disclosure* which amends SFAS 123, *Accounting for Stock-Based Compensation*. SFAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and amends the disclosure requirements of SFAS 123 to require disclosures in both the annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. As allowed by SFAS 123, the Company follows the disclosure requirements of SFAS 123 and SFAS 148, but continues to account for its stock options using the intrinsic value-based method of accounting as prescribed by APB Opinion No. 25, *Accounting for Stock Issued to Employees* (APB Opinion No. 25). Accordingly, no compensation cost has been recognized for the stock option plans, as stock options granted under these plans have an exercise price equal to 100% of the market price of the underlying stock on the date of grant. The Company's stock option plans are discussed in more detail in Note 14.

Restricted stock plan

The Company has a restricted stock plan for the grant of restricted stock awards to employees and non-employee directors at a purchase price of \$.01 per share. Upon issuance of the restricted shares, a charge equivalent to the market value of the shares on the date of grant less the purchase price of \$.01 per share is charged to shareholders' equity (net of applicable tax effects), as unearned compensation (a contra equity account) and is amortized on a straight-line basis over the related share restriction period. The Company's restricted stock plan is discussed in more detail in Note 15.

The following table illustrates the pro forma effect on net income and net income per share, had the Company used the Black-Scholes option pricing model to calculate the fair value of stock based employee compensation pursuant to the provisions of SFAS 123 and SFAS 148 (in thousands, except per share data):

	Year Ended December 31,		
	2004	2003	2002
Net income, as reported	\$ 50,782	\$ 26,953	\$ 23,854
Add: Compensation expense recognized in net income, net of related tax effects	153	212	258
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(344)	(569)	(1,258)
Pro forma net income	\$ 50,591	\$ 26,596	\$ 22,854
Net income per share:			
Basic - as reported	\$ 1.73	\$ 1.12	\$ 1.04
Basic - pro forma	\$ 1.72	\$ 1.10	\$ 1.00
Diluted - as reported	\$ 1.72	\$ 1.11	\$ 1.02
Diluted - pro forma	\$ 1.71	\$ 1.09	\$.98

The fair values and assumptions used in the Black-Scholes option pricing model are as follows:

	Fair Value	Expected Life	Stock Volatility	Risk-Free Interest Rate	Dividend Yield
2000 Grant	\$4.21	5 Years	43.7%	6.3%	.7%
1999 Grant	\$6.12	5 Years	45.1%	4.4%	.2%

Recent Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 123 (Revised 2004) (SFAS No. 123R), *Share-Based Payment*, in December 2004. SFAS No. 123R is a revision of FASB Statement 123, *Accounting for Stock-Based Compensation* and supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees* and its related implementation guidance. The Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123R requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award. This statement is effective as of the beginning of the first interim or annual reporting period that begins

after June 15, 2005 and the Company will adopt the standard in the third quarter of fiscal 2005. The Company has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

In December 2004, the FASB issued SFAS No. 153, *Exchanges of Nonmonetary Assets-An Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions* (SFAS 153). SFAS 153 eliminates the exception from fair value measurement for nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, *Accounting for Nonmonetary Transactions*, and replaces it with an exception for exchanges that do not have commercial substance. SFAS 153 specifies that a nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. SFAS 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005 and is required to be adopted by the Company for such exchanges in the third quarter of fiscal 2005. The Company is currently evaluating the effect that the adoption of SFAS 153 will have on its consolidated results of operations and financial condition but does not expect it to have a material impact.

In November 2004, the FASB issued SFAS No. 151, *Inventory Costs, an amendment of ARB No. 43, Chapter 4*, (SFAS 151) which clarifies the types of costs that should be expensed rather than capitalized as inventory. This statement also clarifies the circumstances under which fixed overhead costs associated with operating facilities involved in inventory processing should be capitalized. The provisions of SFAS No. 151 are effective for fiscal years beginning after June 15, 2005 and the Company will adopt this standard in the first quarter of fiscal 2006. The Company has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

In May 2004, the FASB released FASB Staff Position No. FAS 106-2 *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003* (FSP 106-2). The Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "Medicare Act") was enacted December 8, 2003. On January 21, 2005 the Centers for Medicare and Medicaid Services released the final regulations for implementing the Medicare Act. FSP 106-2 provides authoritative guidance on accounting for the federal subsidy specified in the Medicare Act. The Medicare Act provides for a federal subsidy equal to 28% of certain prescription drug claims for sponsors of retiree health care plans with drug benefits that are at least actuarially equivalent to those to be offered under Medicare Part D, beginning in 2006. The Company was unable to conclude whether the benefits provided by the plan are actuarially equivalent to Medicare Part D under the Act, and therefore we have not determined whether we will need to amend our plan, nor what effect the Act will have on our consolidated financial position, results of operations or cash flows.

In December 2003, the FASB issued SFAS 132 (revised 2003), *Employer's Disclosures About Pensions and Other Postretirement Benefits*. SFAS 132 (revised 2003), revises employers' disclosures about pension plans and other postretirement benefit plans. SFAS 132 (revised 2003), does not change the measurement and recognition of those plans required by SFAS 87, *Employers' Accounting for Pensions*, SFAS 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, and SFAS 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*. SFAS 132 (revised 2003), retains the original disclosure requirements of SFAS 132 and requires additional expanded annual and interim disclosures to those in the original SFAS 132 about the assets, obligations, cash flows, and net periodic benefit costs of defined benefit pension plans and other defined benefit

postretirement benefit plans. The adoption of this Statement is required for financial statements with fiscal years ending after December 15, 2003. Implementation of SFAS 132 (revised 2003) did not have a material impact on the Company's consolidated financial statements. The revised disclosure requirements of this Statement are reflected in Notes 8 and 9 of the consolidated financial statements included in Item 8 herein.

In May 2003, the FASB issued SFAS 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS 150 applies specifically to a number of financial instruments that companies have historically presented within their financial statements either as equity or between the liabilities section and the equity section, rather than as liabilities. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. Implementation of SFAS 150 did not have a material impact on the Company's consolidated financial statements.

In April 2003, the FASB issued SFAS 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*. SFAS 149 clarifies the accounting for derivatives, amending the previously issued SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*. SFAS 149 clarifies under what circumstances a contract with an initial net investment meets the characteristics of a derivative, amends the definition of any underlying contract, and clarifies when a derivative contains a financing component in order to increase the comparability of accounting practices under SFAS 133. SFAS 149 is effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS 149 did not have a material impact on the Company's consolidated financial statements.

In December 2003, the FASB issued FIN 46(R), *Consolidation of Variable Interest Entities*. This interpretation of Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, replaced FIN 46 and addresses consolidation of variable interest entities. FIN 46(R) requires certain variable interest entities to be consolidated by the primary beneficiary if the entity does not effectively disperse risks among the parties involved. The provisions of FIN 46(R) are effective immediately for those variable interest entities created after January 31, 2003. The provisions are effective for financial statements issued for the first interim or annual period ending after December 15, 2003 for those variable interests held prior to February 1, 2003. The adoption of this Interpretation did not have any effect on the Company's financial position or results of operations.

In December 2002, the FASB issued SFAS 148, *Accounting for Stock-Based Compensation - Transition and Disclosure, an Amendment of SFAS No. 123*. SFAS 148 amends SFAS 123, *Accounting for Stock-Based Compensation*, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require more prominent and more frequent disclosures in the financial statements regarding the effects of stock-based compensation. SFAS 148 is effective for financial statements for fiscal years ending after December 15, 2002, including certain amendments to required disclosures related to stock-based compensation included in condensed financial statements for interim periods beginning after December 15, 2002. Adoption of SFAS 148 did not have a material impact on the Company's financial position, results of operations or cash flows. For further discussion of the Company's stock-based compensation arrangements, see Note 1 of the Company's consolidated financial statements included in Item 8 herein.

In November 2002, the FASB issued FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* (FIN 45). FIN 45 requires the fair-value measurement and recognition of a liability for the issuance of certain guarantees issued or modified on January 1, 2003 or after. Implementation of the fair-value measurement and recognition provisions of FIN 45 did not have a material impact on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS 146, *Accounting for Exit or Disposal Activities*. SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. The provisions of SFAS 146 are effective for exit or disposal activities that were initiated after December 31, 2002 and did not have a material impact on the Company's financial position or results of operations.

2. Acquisitions

On July 1, 2002, the Company purchased all of the outstanding capital stock of B&W Thermal Processing (1975) Limited (B&W) for approximately \$9,200,000. The purchase price consisted of approximately \$8,500,000 payable in cash and 48,982 shares of the Company's common stock valued at \$700,000, including 18,858 treasury shares. B&W, located in Ontario, Canada, specializes in commercial thermal processing. The results of operations of B&W (included in the Company's Thermal Processing segment) have been included in the Company's consolidated financial statements since the date of acquisition.

On April 1, 2003, the Company acquired all of the outstanding stock of Construction Metals, Inc. (Construction Metals). Construction Metals is headquartered in Ontario, California and is a manufacturer of a wide array of building and construction products that are sold to retail and wholesale customers throughout the western United States. The acquisition of Construction Metals allowed the Company to eliminate a competitor and strengthen its distribution network in the building products market. The results of operations of Construction Metals (included in the Company's Building Products segment) have been included in the Company's consolidated financial statements since the date of acquisition.

The aggregate purchase consideration for the acquisition of Construction Metals was approximately \$29,185,000, which was comprised of approximately \$11,685,000 in cash, including direct acquisition costs, and \$17,500,000 of unsecured subordinated debt, payable to the former owners of Construction Metals. The purchase price was allocated to the assets acquired and liabilities assumed based upon respective fair market values. The fair market values of the property, plant and equipment and identifiable intangible assets were determined with the assistance of an independent valuation. The identifiable intangible assets consisted of non-competition agreements with an aggregate fair market value of approximately \$830,000 (5-year weighted average useful life). The excess consideration over such fair value was recorded as goodwill and aggregated approximately \$19,546,000, none of which is deductible for tax purposes. The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$	3,485
Property, plant and equipment		5,669
Intangible assets		830
Goodwill		19,546
	\$	<u>29,530</u>

As part of the purchase agreement between the Company and the former owners of Construction Metals, the Company may be required to pay additional consideration if certain net sales levels as defined in the purchase agreement are achieved during the period from acquisition up to March 31, 2006. During the second quarter of 2004, a payment of \$345,000 was made as a result of the net sales achieved. This payment was recorded as additional goodwill.

On May 1, 2003, the Company acquired all of the outstanding stock of Air Vent Inc. (Air Vent). Air Vent is headquartered in Dallas, Texas and is primarily engaged in the manufacture and distribution of a complete line of ventilation products and accessories. The acquisition of Air Vent allowed the Company to eliminate a competitor and strengthen its position in the building products market. The results of operations of Air Vent (included in the Company's Building Products segment) have been included in the Company's consolidated financial statements since the date of acquisition.

The aggregate purchase consideration for the acquisition of Air Vent was approximately \$117,798,000, which was comprised of approximately \$75,503,000 in cash, including direct acquisition costs, and \$42,295,000 of unsecured subordinated debt, payable to the former owner of Air Vent. The purchase price was allocated to the assets acquired and liabilities assumed based upon respective fair market values. The fair market values of the property, plant and equipment and identifiable intangible assets were determined with the assistance of an independent valuation. The identifiable intangible assets consisted of non-competition agreements with an aggregate fair market value of approximately \$1,400,000 (10-year weighted average useful life). The excess consideration over such fair value was recorded as goodwill and aggregated approximately \$103,104,000. The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$	2,997
Property, plant and equipment		10,297
Intangible assets		1,400
Goodwill		103,104
	\$	<u>117,798</u>

The Company and the former owner of Air Vent have made a joint election under Internal Revenue Code (IRC) Section 338(h)(10) which allows the Company to treat the stock purchase as an asset purchase for tax purposes. As a result of the 338(h)(10) election, goodwill in the amount of \$103,104,000 is expected to be fully deductible for tax purposes.

On January 6, 2004, the Company acquired all of the outstanding stock of Renown Specialties Company Ltd. (Renown). Renown is headquartered in Thornhill, Ontario and is a designer, manufacturer and distributor of construction hardware products in Canada. The acquisition of Renown served to broaden the Company's product lines and strengthen its existing position in the building products market. The results of operations of Renown (included in the Company's Building Products segment) have been included in the Company's consolidated financial statements since the date of acquisition.

The aggregate purchase consideration for the acquisition of Renown was approximately \$6,370,000 which was comprised solely of cash, including direct acquisition costs. The purchase price was allocated to the assets acquired and liabilities assumed based upon respective fair market values. The fair market values of the property, plant and equipment and identifiable intangible assets were determined with the assistance of an independent valuation. The identifiable intangible assets consisted of non-competition agreements with an aggregate fair market value of \$35,000 (5-year weighted average useful life), trademarks / trade names with an aggregate fair market value of \$100,000 (2-year weighted average useful life), and customer relationships with an aggregate fair market value of \$80,000 (5-year weighted average useful life). See Note 3 for further discussion.

The excess consideration over such fair value was recorded as goodwill and aggregated approximately \$3,701,000, none of which is deductible for tax purposes. The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$	1,504
Property, plant and equipment		950
Intangible assets		215
Goodwill		3,701
	\$	<u>6,370</u>

On June 1, 2004, the Company acquired the net assets of SCM Metal Products, Inc. (SCM). SCM is headquartered in Research Triangle Park, North Carolina and manufactures, markets and distributes non-ferrous metal powder products to customers in a number of different industries, including the automotive, aerospace, electronics and consumer products industries. The results of operations of SCM (included in the Company's Processed Metal Products segment) have been included in the Company's consolidated financial statements since the date of acquisition.

The aggregate purchase consideration for the acquisition of SCM was approximately \$42,882,000 in cash and acquisition costs. The purchase price was allocated to the assets acquired and liabilities assumed based upon respective fair market values. The fair market values of the property, plant and equipment and identifiable intangible assets were determined with the assistance of an independent valuation. The identifiable intangible assets consisted of trademarks/trade names with an aggregate value of \$440,000 (indeterminable useful life), unpatented technology with a value of \$900,000 (10-year weighted average useful life) and customer relationships with a value of \$5,560,000 (15-year weighted average useful life). See Note 7 for further discussion. The excess consideration over such fair value was recorded as goodwill and aggregated approximately \$4,238,000, which is fully deductible for tax purposes. The allocation of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$	15,863
Property, plant and equipment		15,881
Intangible assets		6,900
Goodwill		4,238
	\$	<u>42,882</u>

On August 13, 2004 the Company acquired all of the outstanding stock of Portals Plus Incorporated and its affiliated companies, Roofing Products & Systems Corporation and J.L.R. Services, Inc. (Portals Plus). Portals Plus is headquartered in Chicago, Illinois, and manufactures a diverse line of roofing products. The acquisition of Portals Plus served to strengthen the Company's position in the roofing products markets. The results of operations of Portals Plus (included in the Company's Building Products segment) have been included in the Company's consolidated financial statements since the date of acquisition.

The aggregate purchase consideration of Portals Plus was approximately \$15,167,000, subject to final adjustment for payment of the sellers tax liability, and was comprised solely of cash, including direct acquisition costs. The purchase price was allocated to the assets acquired and liabilities assumed based upon respective fair values. The fair market values of the property, plant and equipment and identifiable intangible assets were determined with the assistance of an independent valuation. The identifiable intangible assets consisted of customer relationships with a value of \$1,830,000 (10-year weighted average useful life), and patents with a value of \$21,000 (18-year weighted average useful life). The excess consideration over such fair value was recorded as goodwill and aggregated approximately \$9,396,000. The preliminary allocation of purchase consideration to the assets acquired and liabilities assumed is as follows (in thousands):

Working capital	\$	2,905
Property, plant and equipment		1,015
Intangible assets		1,851
Goodwill		9,396
	\$	<u>15,167</u>

The Company and the former owner of Portals Plus have made a joint election under Internal Revenue Code (IRC) Section 338(h)(10) which allows the Company to treat the stock purchase as an asset purchase for tax purposes. As a result of the 338(h)(10) election, goodwill in the amount of \$9,396,000 is expected to be fully deductible for tax purposes.

The following unaudited pro forma financial information presents the combined results of operations as if the acquisitions had occurred at the beginning of each period presented. The pro forma information includes certain adjustments, including depreciation expense, interest expense and certain other adjustments, together with related income tax effects. 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, 2003 and are not necessarily indicative of future results of the combined companies (in thousands, except per share date):

	Year Ended December 31,	
	<u>2004</u>	<u>2003</u>
	(unaudited)	
Net sales	\$ <u>1,049,264</u>	\$ <u>851,140</u>
Net income	\$ <u>53,343</u>	\$ <u>31,116</u>
Net income per share - Basic	\$ <u>1.82</u>	\$ <u>1.29</u>
Net income per share - Diluted	\$ <u>1.80</u>	\$ <u>1.28</u>

On February 16, 2004, the Company acquired the net assets of Covert Operations, Inc. (Covert), a manufacturer of epoxies and crack injection systems for concrete and masonry. The aggregate purchase consideration of Covert was approximately \$1,336,000, including direct acquisition costs. The acquisition of Covert resulted in approximately \$640,000 in goodwill, which is fully deductible for tax purposes. The acquisition of Covert is not considered to be material to the Company's consolidated results of operations.

3. GOODWILL AND RELATED INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill by reportable segment for the years ended December 31, 2004 and 2003 are as follows (in thousands):

	Processed Metal Products Segment	Building Products Segment	Thermal Processing Segment	Total
Balance as of December 31, 2002	\$ 8,058	\$ 79,401	\$ 45,993	\$ 133,452
Goodwill acquired	<u>11,289</u>	<u>122,305</u>	<u>111</u>	<u>133,705</u>
Balance as of December 31, 2003	19,347	201,706	46,104	267,157
Goodwill acquired	4,270	14,081	-	18,351
Foreign currency translation	-	419	-	419
Balance as of December 31, 2004	\$ <u>23,617</u>	\$ <u>216,206</u>	\$ <u>46,104</u>	\$ <u>285,927</u>

As described in Note 6, the Company entered into a joint venture with Duferco Farrell Corporation in 2003, in which the Company acquired a 50% partnership interest in Gibraltar DFC Strip Steel, LLC. The Company's investment in Gibraltar DFC Strip Steel, LLC. (included in the Company's Processed Metals Products segment) exceeded its applicable share of the fair market value of the partnership's net assets at the date the partnership was formed and resulted in equity method goodwill of approximately \$11,320,000. There was no impairment associated with this equity method goodwill in 2004 or 2003.

Intangible Assets

Intangible assets related to the Company's acquisitions are included as part of the total other assets on the Company's condensed consolidated balance sheet. Intangible assets subject to amortization at December 31 are as follows (in thousands):

	2004			2003		
	Gross Carrying Amount	Accumulated Amortization		Gross Carrying Amount	Accumulated Amortization	Estimated Life
Trademark / Patent	\$ 141	\$ (54)	\$ -	\$ -	-	2 to 18 years
Unpatented Technology	1,075	(63)	-	-	-	15 years
Customer Relationships	7,470	(293)	-	-	-	5 to 15 years
Non-Competition Agreements	2,365	(549)	2,230	(218)	5 to 10 years	
	\$ <u>11,051</u>	\$ <u>(959)</u>	\$ <u>2,230</u>	\$ <u>(218)</u>		

Intangible asset amortization expense for the years ended December 31, 2004 and 2003 aggregated approximately \$741,000 and \$218,000, respectively.

Amortization expense related to intangible assets subject to amortization at December 31, 2004 for the next five years is estimated as follows (in thousands):

Year Ended December 31,	
2005	\$ 1,060
2006	\$ 1,010
2007	\$ 1,010
2008	\$ 885
2009	\$ 799

Intangible assets not subject to amortization consist of a trademark valued at \$440,000.

4. INVENTORIES

Inventories at December 31 consist of the following:

(in thousands)
2004 2003

Raw material	\$	121,614	\$	53,737
Work-in-process		27,279		21,033
Finished goods		58,322		32,761
		<u> </u>		<u> </u>
Total inventory	\$	<u>207,215</u>	\$	<u>107,531</u>

5. PROPERTY, PLANT AND EQUIPMENT

Components of property, plant and equipment at December 31 consists of the following:

	(in thousands)	
	2004	2003
Land and land improvements	\$ 12,106	\$ 9,046
Building and improvements	85,936	79,099
Machinery and equipment	310,271	283,271
Construction in progress	12,765	9,670
	<u>421,078</u>	<u>381,086</u>
Less accumulated depreciation and amortization	<u>152,059</u>	<u>131,057</u>
Property, plant and equipment, net	\$ <u>269,019</u>	\$ <u>250,029</u>

6. INVESTMENTS IN PARTNERSHIPS

The Company has a 31% partnership interest in a steel pickling joint venture with Samuel Manu-Tech, Inc. The partnership provides a steel cleaning process called pickling to steel mills and steel processors. The investment is included in the Company's Processed Metal Products segment and is accounted for using the equity method of accounting. The Company's investment in the partnership was approximately \$3,127,000 and \$3,454,000 at December 31, 2004 and 2003, respectively.

In December 2003, the Company entered into a joint venture with Duferco Farrell Corporation, in which the Company acquired a 50% partnership interest in Gibraltar DFC Strip Steel, LLC. The joint venture was formed for the purpose of manufacturing and distributing cold-rolled strip steel products. The investment is accounted for using the equity method of accounting. The Company's proportionate share in the net assets of the joint venture was approximately \$5,084,000 and \$1,590,000 at December 31, 2004 and 2003, respectively.

7. DEBT

Long-term debt at December 31 consists of the following:

	(in thousands)	
	2004	2003
Revolving credit facility	\$ 157,636	\$ 125,000
Senior secured notes	55,000	-
Acquisition notes payable	45,503	59,795
Private placement demand notes	50,000	50,000
Industrial Development Revenue Bonds	1,900	2,400
Short-term borrowings	-	5,000
Other debt	-	55
	<u>310,039</u>	<u>242,250</u>
Less current maturities	<u>14,692</u>	<u>19,848</u>
Total long-term debt	\$ <u>295,347</u>	\$ <u>222,402</u>

The Company's revolving credit facility of \$290,000,000 is collateralized by the Company's accounts receivable, inventories, and personal property and equipment, and is committed through June 2007 and contains a \$10,000,000 expansion feature at the Company's option, subject to approval by the participating financial institutions. A commitment fee of 30 basis points of the unused portion of the facility is payable quarterly. This facility has various interest rate options, which are no greater than the bank's prime rate (5.25% at December 31, 2004). In addition, the Company may enter into interest rate exchange agreements (swaps) to manage interest costs and exposure to changing interest rates. At December 31, 2004, the Company had interest rate swap agreements outstanding which expire in 2005 and effectively converted \$20,000,000 of floating rate debt to fixed rates ranging from 7.22% to 7.70%. Additional borrowings under the revolving credit facility of \$130,000,000 and \$75,000,000 had an interest rate of LIBOR plus a fixed rate at December 31, 2004 and 2003, respectively. There were additional borrowings of \$7,636,000 at the prime rate at December 31, 2004. The weighted average interest rate of these borrowings was 4.59% and 3.55% at December 31, 2004 and 2003, respectively. \$7,725,000 of standby letters of credit have been issued under the revolving credit agreement to third parties on behalf of the Company at December 31, 2004. These letters of credit reduce the amount otherwise available.

In June 2004, the Company entered into a \$75,000,000 private placement of debt with The Prudential Insurance Company of America. This senior secured note bears interest at 5.75% annually and has a seven year term. The Company drew down \$55,000,000 which was outstanding at December 31, 2004, and will draw down the remaining \$20,000,000 at specified dates and amounts which coincide with the expiration of the interest rate swap agreements currently outstanding under the Company's existing revolving credit facility. The initial \$55,000,000 borrowing under this note was used to pay down a portion of the existing revolving credit facility.

The Company's acquisition notes payable consists of debt incurred in connection with the 2003 acquisitions of Construction Metals and Air Vent. In connection with the acquisition of Construction Metals, the Company entered into two unsecured subordinated notes payable each in the amount of \$8,750,000 (aggregate total of \$17,500,000). These notes are payable to the two former owners of Construction Metals and are considered related party in nature due to the former owners' current employment relationship with the Company. These notes are payable in equal annual principal installments of \$2,917,000 per note on April 1, with the final principal payment due on April 1, 2006. These notes require quarterly interest payments at an interest rate of 5.0% per annum. Interest expense related to these notes payable aggregated approximately \$658,000 and \$660,000 in 2004 and 2003, respectively. At December 31, 2004, the current portion of these notes aggregated approximately \$5,834,000 and accrued interest aggregated approximately \$147,000 and \$221,000 at December 31, 2004 and 2003, respectively.

In connection with the acquisition of Air Vent, the Company entered into an unsecured subordinated note payable to the former owner of Air Vent, in the amount of \$42,295,000. The note is payable in annual principal installments of \$8,459,000 on May 1, with the final principal payment due on May 1, 2008. The unpaid principal balance of \$33,836,000 accrues interest at a rate of 5.0% per annum.

The Company's private placement demand notes consist of a \$25,000,000 senior secured note bearing interest at 7.35% annually, due on July 3, 2007 and a \$25,000,000 senior subordinated note bearing interest at 8.98% annually, due on January 3, 2008.

In addition, the Company has an Industrial Development Revenue Bond payable in installments through September 2018, with interest rates ranging from a fixed rate of 4.22% to a variable rate of 2.13% at December 31, 2004, which financed the cost of the expansion of its Coldwater, Michigan heat-treating facility under a capital lease agreement. The cost of the facility and equipment equals the amount of the bonds and includes accumulated amortization of \$843,000. The agreement provides for the purchase of the facility and equipment at any time during the lease term at scheduled amounts or at the end of the lease for a nominal amount.

In connection with the Company's purchase of a 50% partnership interest in Gibraltar DFC Strip Steel, LLC, the Company entered into a short-term note payable to Duferco Farrell Corporation in the amount of \$5,000,000. The note bore no interest and was satisfied in 2004.

The aggregate maturities on long-term debt for the next five years and thereafter are as follows: 2005 - \$14,692,000; 2006 - \$14,493,000; 2007 - \$191,295,000; 2008 - \$33,559,000; 2009 - \$100,000; and \$55,900,000, thereafter.

The various loan agreements, which do not require compensating balances, contain provisions that limit additional borrowings and require maintenance of minimum net worth and financial ratios. The Company is in compliance with the terms and provisions of all its financing agreements.

Total cash paid for interest in the years ended December 31, 2004, 2003 and 2002 was \$14,620,000, \$12,632,000 and \$10,050,000, respectively.

8. EMPLOYEE RETIREMENT PLANS

Certain subsidiaries participate in the Company's 401(k) Plan. In addition, certain subsidiaries have multi-employer non-contributory retirement plans providing for defined contributions to union retirement funds.

The Company has an unfunded supplemental pension plan which provides defined pension benefits to certain salaried employees upon retirement. Benefits under the plan are based on the salaries of individual plan participants. The Company is accruing for these benefit payments based upon an independent actuarial calculation. The following table presents the changes in the plan's projected benefit obligation, fair value of plan assets and funded status for the years ended December 31:

	(in thousands)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Change in projected benefit obligation:			
Projected benefit obligation at beginning of year	\$ 1,791	\$ 1,652	\$ 1,269
Service cost	171	156	151
Interest cost	107	107	92
Actuarial (gain) loss	110	(106)	140
Benefits paid	(25)	(18)	-
Projected benefit obligation at end of year	<u>\$ 2,154</u>	<u>\$ 1,791</u>	<u>\$ 1,652</u>
Fair value of plan assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funded status:	\$ (2,154)	\$ (1,791)	\$ (1,652)
Unrecognized loss	206	96	206
Net amount recognized	<u>\$ (1,948)</u>	<u>\$ (1,695)</u>	<u>\$ (1,446)</u>
Amounts recognized in the consolidated financial statements consist of:			
Accrued pension liability	\$ (2,154)	\$ (1,791)	\$ (1,652)
Accumulated other comprehensive loss-			
additional minimum pension liability (pre-tax)	206	96	206
Net amount recognized	<u>\$ (1,948)</u>	<u>\$ (1,695)</u>	<u>\$ (1,446)</u>

The plan's accumulated benefit obligation was \$2,154,000, \$1,791,000 and \$1,652,000 at December 31, 2004, 2003 and 2002, respectively.

The measurement date used to determine pension benefit measures is December 31.

Components of net periodic pension cost for the years ended December 31 are as follows:

	(in thousands)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Service cost	\$ 171	\$ 156	\$ 151
Interest cost	107	107	92
Loss amortization	-	4	-
Net periodic pension cost	<u>\$ 278</u>	<u>\$ 267</u>	<u>\$ 243</u>
Weighted average assumptions:			
Discount rate	5.75%	6.00%	6.50%
Expected return on plan assets	-	-	-
Rate of compensation increase	-	-	-

Employer contributions to the plan for 2005 are expected to be \$25,000.

Expected benefit payments from the plan are as follows:

<u>Year Ended December 31, ____</u>	
2005	\$ 25,000
2006	\$ 25,000
2007	\$ 35,000
2008	\$ 73,000
2009	\$ 148,000
Years 2010 - 2014	\$1,677,000

Total expense for all retirement plans was \$3,615,000, \$3,130,000 and \$2,709,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

9. OTHER POSTRETIREMENT BENEFITS

Certain subsidiaries of the Company provide health and life insurance to substantially all of their employees and to a number of retirees and their spouses.

The following table presents the changes in the accumulated postretirement benefit obligation related to the Company's unfunded postretirement healthcare benefits at December 31:

	(in thousands)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>

Benefit obligation at beginning of year	\$ 3,404	\$ 2,974	\$ 2,272
Service cost	92	99	81
Interest cost	214	191	177
Amendments	(57)	-	-
Actuarial loss	465	227	499
Benefits paid	(72)	(87)	(55)
Benefit obligation at end of year	<u>\$ 4,046</u>	<u>\$ 3,404</u>	<u>\$ 2,974</u>
Fair value of plan assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Under funded status	\$ (4,046)	\$ (3,404)	\$ (2,974)
Unrecognized prior service costs	(142)	(106)	(120)
Unrecognized loss	<u>1,721</u>	<u>1,362</u>	<u>1,225</u>
Accumulated postretirement benefit obligation	<u>\$ (2,467)</u>	<u>\$ (2,148)</u>	<u>\$ (1,869)</u>

Components of net periodic postretirement benefit cost charged to expense for the years ended December 31

are as follows:

	(in thousands)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Service cost	\$ 92	\$ 99	\$ 81
Interest cost	214	191	177
Amortization of unrecognized prior service cost	(21)	(14)	(14)
Loss amortization	107	90	71
Net periodic pension cost	<u>\$ 392</u>	<u>\$ 366</u>	<u>\$ 315</u>
Weighted average assumptions:			
Discount rate	5.75%	6.00%	6.50%
Expected return on plan assets	-	-	-
Rate of compensation increase	-	-	-

The medical inflation rate was assumed to be 8.0% in 2004, decreasing gradually to 5.0% in 2011. The effect of a 1% increase or decrease in the annual medical inflation rate would increase or decrease the accumulated postretirement benefit obligation at December 31, 2004, by approximately \$651,000 and \$562,000, respectively and increase or decrease the annual service and interest costs by approximately \$56,000 and \$48,000, respectively.

The measurement date used to determine postretirement benefit obligation measures is December 31.

The Company expects to make contributions of \$144,000 to the plan in 2005.

Expected benefit payments from the plan are as follows:

<u>Year Ended December 31,</u>	
2005	\$ 144,000
2006	\$ 147,000
2007	\$ 154,000
2008	\$ 168,000
2009	\$ 183,000
Years 2010 - 2014	\$1,239,000

On December 18, 2003 the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Medicare Act) was passed. On January 21, 2005 the Centers for Medicare and Medicaid Services released the final regulations for implementing the Medicare Act. Net periodic benefit costs for postretirement benefits above do not reflect any amount associated with the federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare benefit because the Company was unable to conclude whether the benefits provided by the plan are actuarially equivalent to Medicare Part D under the Medicare Act.

One of the Company's subsidiaries also provides postretirement healthcare benefits to its unionized employees through contributions to a multi-employer healthcare plan.

10. INCOME TAXES

The provision for income taxes for the years ending December 31 consisted of the following:

	(in thousands)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Current tax provision			
U.S. Federal	\$ 22,210	\$ 9,374	\$ 8,527
State and Foreign	<u>3,484</u>	<u>1,721</u>	<u>1,576</u>
Total current tax provision	<u>25,694</u>	<u>11,095</u>	<u>10,103</u>
Deferred tax provision			
U.S. Federal	5,705	5,857	5,243
State and Foreign	<u>1,068</u>	<u>645</u>	<u>557</u>
Total deferred tax provision	<u>6,773</u>	<u>6,502</u>	<u>5,800</u>
Total provision for income taxes	<u>\$ 32,467</u>	<u>\$ 17,597</u>	<u>\$ 15,903</u>

The provision for income taxes differs from the federal statutory rate of 35% due to the following:

	(in thousands)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Statutory rate	\$ 29,137	\$ 15,593	\$ 13,915

State income taxes, less federal effect	2,865	1,538	1,333
Other	<u>465</u>	<u>466</u>	<u>655</u>
	\$ <u>32,467</u>	\$ <u>17,597</u>	\$ <u>15,903</u>

Deferred tax liabilities (assets) at December 31, consist of the following:

	(in thousands)	
	2004	2003
Depreciation	\$ 52,669	\$ 48,724
Goodwill	18,284	12,107
Other	<u>1,381</u>	<u>1,193</u>
Gross deferred tax liabilities	<u>72,334</u>	<u>62,024</u>
State taxes	(2,491)	(2,009)
Other	<u>(7,916)</u>	<u>(6,544)</u>
Gross deferred tax assets	<u>(10,407)</u>	<u>(8,553)</u>
Net deferred tax liabilities	\$ <u>61,927</u>	\$ <u>53,471</u>

Cash paid for income taxes, net of tax refunds, in the years ended December 31, 2004, 2003 and 2002 was \$17,584,000, \$12,823,000 and \$7,320,000, respectively.

No provision has been made for U.S. federal taxes on a foreign subsidiary's undistributed earnings (\$418,000 at December 31, 2004) considered to be indefinitely invested. If these earnings were repatriated, the applicable income taxes would be substantially offset by available foreign tax credits.

On October 22, 2004 the American Jobs Creation Act of 2004 (the "2004 Jobs Act") was passed. The 2004 Jobs Act creates a temporary incentive for U.S. multinational corporations to repatriate accumulated income abroad by providing an 85% dividends received deduction for certain dividends from controlled foreign corporations. The Company has evaluated the repatriation provisions of the 2004 Jobs Act and has determined that no repatriations of unremitted earnings will be made.

11. COMMON STOCK

In December 2003, the Company completed an offering of 4,500,000 shares of common stock at a price of \$16.50 per share. Net proceeds to the Company aggregated approximately \$70,000,000. In connection with this common stock offering, the Company granted the underwriters an option to purchase additional shares of common stock to cover over-allotments. In January 2004, the underwriters exercised this option and purchased an additional 321,938 shares of the Company's common stock at a price of \$16.50 per share. Net proceeds to the Company associated with the purchase of these additional shares aggregated approximately \$5,000,000, and was used to reduce outstanding debt.

12. STOCK SPLIT

On October 5, 2004, the Company's Board of Directors authorized a 3 for 2 stock split in the form of a stock dividend that was distributed on October 29, 2004 to shareholders of record on October 15, 2004. The remittance of \$1,000 in lieu of fractional shares has been reflected as a cash dividend and charged to retained earnings during fiscal 2004. All share and per share data in these consolidated financial statements and footnotes have been retroactively restated as if the stock split had occurred as of the earliest period presented.

13. NET INCOME PER SHARE

Basic income per share is based on the weighted average number of common shares outstanding. Diluted income per share is based on the weighted average number of common shares outstanding, as well as dilutive potential common shares which, in the Company's case, comprise shares issuable under the stock option and restricted stock plans described in Notes 14 and 15. The treasury stock method is used to calculate dilutive shares, which reduces the gross number of dilutive shares by the number of shares purchasable from the proceeds of the options assumed to be exercised.

The following table sets forth the computation of basic and diluted earnings per share as of December 31:

	2004	2003	2002
Numerator:			
Income available to common stockholders	\$ 50,782,000	\$ 26,953,000	\$ 23,854,000
Denominator:			
Denominator for basic income per share:			
Weighted average shares outstanding	<u>29,362,122</u>	<u>24,142,595</u>	<u>22,920,546</u>
Denominator for diluted income per share:			
Weighted average shares outstanding	29,362,122	24,142,595	22,920,546
Common stock options and restricted stock	233,472	244,638	357,993
Weighted average shares and conversions	<u>29,595,594</u>	<u>24,387,233</u>	<u>23,278,539</u>

14. STOCK OPTION PLANS

The Company has a non-qualified stock option plan, whereby the Company may grant non-qualified stock options to officers, employees, non-employee directors and advisers. Under the non-qualified stock option plan, 600,000 shares of common stock were reserved for the granting of options. Options are granted under this plan at an exercise price not less than the fair market value of the shares at the date of grant. These options vest ratably over a four-year period from the grant date and expire ten years after the date of grant. At December 31, 2004, 228,750 shares remain available for issuance under the non-qualified stock option plan.

In 1993, the Company adopted an incentive stock option plan, whereby the Company may grant incentive stock options to officers and other key employees. Under this plan, 2,437,500 shares of common stock were reserved for the granting of stock options at an exercise price not less than the fair market value of the shares at the date of grant. Options granted under this plan vest ratably over a four-year period from the grant date and expire ten years after the date of grant. In September 2003, this plan expired. The expiration of this plan did not modify, amend or otherwise affect the terms of any outstanding options on the date of the plan's expiration.

In 2003, the Company's Board of Directors approved the adoption of a new incentive stock option plan, whereby the Company may grant incentive stock options to officers and other key employees. This plan was approved by the shareholders in 2004. Under this plan, 2,250,000 shares of common stock were reserved for the granting of stock options. These options are granted at an exercise price not less than the fair market value of the shares at the date of grant. Options granted under this plan vest ratably over a four-year period from the grant date and expire ten years after the date of grant. As of December 31, 2004, 2,250,000 shares remain available for issuance under this plan.

The following table summaries the ranges of outstanding and exercisable options at December 31, 2004:

Range of Exercise	Options Outstanding	Weighted Average	Weighted Average	Options Exercisable	Weighted Average
-------------------	---------------------	------------------	------------------	---------------------	------------------

<u>Prices</u>		<u>Remaining Contractual Life</u>	<u>Exercise Price</u>		<u>Exercise Price</u>
\$7.33 - \$9.38	114,100	5.3 years	\$ 9.24	114,100	\$ 9.24
\$10.42 - \$15.00	<u>282,915</u>	3.0 years	\$ 13.19	<u>282,915</u>	\$ 13.19
	<u>397,015</u>	3.7 years	\$ 12.06	<u>397,015</u>	\$ 12.06

The following table summarizes information about stock option transactions:

	<u>Options Outstanding</u>	<u>Weighted Average Exercise Price</u>	<u>Options Exercisable</u>	<u>Weighted Average Exercise Price</u>
Balance at December 31, 2001	1,612,020	\$ 10.56	1,226,613	\$ 10.72
Granted	-	-	-	-
Exercised	(226,925)	10.15	-	-
Forfeited	<u>(24,283)</u>	10.75	-	-
Balance at December 31, 2002	1,360,812	\$ 10.62	1,190,412	\$ 10.80
Granted	-	-	-	-
Exercised	(415,605)	8.57	-	-
Forfeited	<u>(87,473)</u>	13.61	-	-
Balance at December 31, 2003	857,734	\$ 11.31	784,254	\$ 11.49
Granted	-	-	-	-
Exercised	(432,124)	10.52	-	-
Forfeited	<u>(28,595)</u>	12.91	-	-
Balance at December 31, 2004	<u>397,015</u>	\$ 12.06	397,015	\$ 12.06

At December 31, 2004 all exercisable options had an exercise price below the \$23.62 per share market price of the Company's common stock. At December 31, 2003 all exercisable options had an exercise price below the \$16.78 per share market price of the Company's common stock.

Tax benefits of \$1,249,000, \$949,000 and \$349,000 realized in the years ended December 31, 2004, 2003 and 2002, respectively, associated with the exercise of certain stock options have been credited to additional paid-in-capital.

15. RESTRICTED STOCK PLAN

The Company has a restricted stock plan and has reserved for issuance 375,000 common shares for the grant of restricted stock awards to employees and non-employee directors at a purchase price of \$.01 per share. Shares of restricted stock issued under this plan vest on a straight-line basis over a period of 5 to 10 years. The Company recognized compensation expense associated with the lapse of restrictions in the amounts of \$153,000, \$212,000 and \$258,000, during 2004, 2003 and 2002, respectively. At December 31, 2004, 202,500 shares remain available for issuance under the restricted stock plan.

16. SEGMENT INFORMATION

The Company is organized into three reportable segments on the basis of the production process and products and services provided by each segment, identified as follows:

- (i) Processed metal products (formerly referred to as processed steel products), which primarily includes the intermediate processing of wide, open tolerance flat-rolled sheet steel and other metals through the application of several different processes to produce high-quality, value-added coiled steel and other metal products to be further processed by customers.
- (ii) Building products, which primarily includes the processing of sheet steel to produce a wide variety of building and construction products.
- (iii) Thermal processing (formerly referred to as heat treating), which includes a wide range of metallurgical heat-treating processes in which customer-owned metal parts are exposed to precise temperatures, atmospheres and quenchants to improve their mechanical properties, durability and wear resistance.

During the fourth quarter of 2004, the Company determined that SCM, which had been included in the Thermal Processing segment since its acquisition in June 2004, should be included in the Processed Metal Products segment, given the products and services of this business.

The following table illustrates certain measurements used by management to assess the performance of the segments described above as of and for the years ended December 31, 2004, 2003 and 2002:

	(in thousands)		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Net sales			
Processed metal products	\$ 395,287	\$ 268,512	\$ 272,796
Building products	515,725	400,412	292,161
Thermal processing	103,652	89,337	80,157
	<u>\$ 1,014,664</u>	<u>\$ 758,261</u>	<u>\$ 645,114</u>
Income from operations			
Processed metal products	\$ 43,573	\$ 25,214	\$ 32,284
Building products	62,166	40,142	21,338
Thermal processing	13,731	9,387	9,904
Corporate	(26,824)	(16,626)	(13,925)
	<u>\$ 92,646</u>	<u>\$ 58,117</u>	<u>\$ 49,601</u>
Depreciation and amortization			
Processed metal products	\$ 6,354	\$ 5,590	\$ 5,874
Building products	10,134	8,809	7,453
Thermal processing	7,139	6,665	6,057
Corporate	<u>1,402</u>	<u>1,384</u>	<u>1,097</u>

	\$	<u>25,029</u>	\$	<u>22,448</u>	\$	<u>20,481</u>
Total assets						
Processed metal products	\$	267,297	\$	161,334	\$	163,480
Building products		491,666		406,792		242,406
Thermal processing		149,454		142,575		140,027
Corporate		49,284		67,042		30,655
	\$	<u>957,701</u>	\$	<u>777,743</u>	\$	<u>576,568</u>
Capital expenditures						
Processed metal products	\$	5,350	\$	5,909	\$	3,211
Building products		11,229		6,993		5,868
Thermal processing		3,947		6,030		6,057
Corporate		4,670		3,639		859
	\$	<u>25,196</u>	\$	<u>22,571</u>	\$	<u>15,995</u>

17. ACCRUED EXPENSES

Accrued expenses at December 31 consist of the following:

Compensation	\$	15,545	\$	10,410
Insurance		8,812		2,586
Customer rebates		7,903		6,107
Other		19,624		9,926
	\$	<u>51,884</u>	\$	<u>29,029</u>

18. COMMITMENTS AND CONTINGENCIES

The Company leases certain facilities and equipment under operating leases. Rent expense under operating leases for the years ended December 31, 2004, 2003 and 2002 aggregated \$9,087,000, \$6,358,000 and \$3,966,000, respectively. Future minimum lease payments under these noncancelable operating leases at December 31, 2004 are as follows: 2005 - \$9,168,000; 2006 - \$8,252,000; 2007 - \$6,814,000; 2008 - \$5,534,000; 2009 - \$4,018,000; and \$10,207,000, thereafter.

The Company entered into certain operating lease agreements, related to acquired operating locations and facilities, with the former owners of Construction Metals. These operating leases are considered to be related party in nature. Rental expense associated with these related party operating leases aggregated approximately \$1,304,000 in 2004.

The Company is a party to certain claims and legal actions generally incidental to its business. Management does not believe that the outcome of these actions, which are not clearly determinable at the present time, would significantly affect the Company's financial condition or results of operations.

The Company offers various product warranties to its customers concerning the quality of its products and services.

Based upon the short duration of warranty periods and favorable historical warranty experience, the Company determined that a related warranty accrual at December 31, 2004 and 2003 is not required.

19. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The cumulative balance of each component of accumulated other comprehensive income (loss) is as follow (in thousands):

		Foreign currency translation <u>adjustment</u>	Minimum pension liability <u>adjustment</u>	Unrealized gain/(loss) on interest <u>rate</u> <u>swaps</u>	Accumulated other comprehensive <u>income (loss)</u>
Balance at December 31, 2003	\$	977	\$ (58)	\$ (1,457)	\$ (538)
Current period change		<u>958</u>	<u>(67)</u>	<u>1,315</u>	<u>2,206</u>
Balance at December 31, 2004	\$	<u>1,935</u>	\$ <u>(125)</u>	\$ <u>(142)</u>	\$ <u>1,668</u>

20. SUBSEQUENT EVENT

On January 27, 2005 the Company sold the assets of its Milcor subsidiary for approximately \$42,000,000, subject to adjustment for working capital. The assets sold were carried on our balance sheet at December 31, 2004 as follows:

Working capital	\$	11,178
Property, plant and equipment		11,915
Intangible assets		1,790
Goodwill		17,305
	\$	<u>42,188</u>

Revenues generated by Milcor (included in the Building Products segment) were \$38,409,000, \$28,455,000 and \$42,407,000 in the years ended December 31, 2004, 2003 and 2002, respectively. Income before taxes was \$1,770,000, \$86,000 and \$711,000 in the years ended December 31, 2004, 2003 and 2002 respectively.

Through this subsidiary, the Company provided its employees a retirement benefit through a multi-employer plan. We are in the process of determining whether any liability will be incurred due to our termination of this benefit.

We do not expect to incur a material gain or loss from this transaction.

QUARTERLY UNAUDITED FINANCIAL DATA

(in thousands, except per share data)

<u>2004 Quarter Ended</u>	<u>March</u>	<u>June 30</u>	<u>Sept. 30</u>	<u>Dec. 31</u>	<u>Total</u>
	<u>31</u>				

Net sales	\$ 211,995	\$ 257,485	\$ 278,762	\$ 266,422	\$ 1,014,664
Gross profit	42,760	58,302	62,020	46,652	209,734
Income from operations	18,209	27,581	28,903	17,953	92,646
Net income	9,345	15,444	16,220	9,773	50,782
Net income per share - Basic	\$.32	\$.53	\$.55	\$.33	\$ 1.73
Net income per share - Diluted	\$.32	\$.52	\$.55	\$.33	\$ 1.72

<u>2003 Quarter Ended</u>	<u>March 31</u>	<u>June 30</u>	<u>Sept. 30</u>	<u>Dec. 31</u>	<u>Total</u>
Net sales	\$ 161,532	\$ 203,406	\$ 208,033	\$ 185,290	\$ 758,261
Gross profit	29,075	40,504	42,889	34,961	147,429
Income from operations	10,642	17,319	17,113	13,043	58,117
Net income	4,904	8,251	7,978	5,820	26,953
Net income per share - Basic	\$.21	\$.35	\$.33	\$.24	\$ 1.12
Net income per share - Diluted	\$.20	\$.34	\$.33	\$.23	\$ 1.11

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Control and Procedures

The Company maintains a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) designed to provide reasonable assurance as to the reliability of the financial statements and other disclosures contained in this report. The Company's Chief Executive Officer and Chairman of the Board, President and Chief Operating Officer, and Executive Vice President, Chief Financial Officer and Treasurer evaluated the effectiveness of the Company's disclosure controls as of the end of the period covered in this report. Based upon that evaluation, the Company's Chief Executive Officer and Chairman of the Board, President and Chief Operating Officer and Executive Vice President, Chief Financial Officer and Treasurer, have concluded that the Company's disclosure controls and procedures were designed and functioning effectively to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

Management's Annual Report on Internal Control Over Financial Reporting

Gibraltar's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including Gibraltar's chief executive officer, chief operating officer and chief financial officer, Gibraltar conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on Gibraltar's evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2004. Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2004 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 herein.

Gibraltar Industries, Inc.
Buffalo, New York
March 9, 2005

Changes in Internal Controls Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined by Rule 13a-15(f)) that occurred during the fourth quarter of 2004 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information regarding directors and executive officers of the Company, as well as the required disclosures with respect to the Company's audit committee financial expert is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 2004 fiscal year.

The Company has adopted a Code of Ethics that applies to the Chief Executive Officer and Chairman of the Board, President, Chief Financial Officer and other senior financial officers and executives of the Company. A complete text of this Code of Ethics is attached as Exhibit 14 in this Annual Report on Form 10-K.

Item 11. Executive Compensation

Information regarding executive compensation is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 2004 fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 2004 fiscal year.

Item 13. Certain Relationships and Related Transactions

Information regarding certain relationships and related transactions is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 2004 fiscal year.

Item 14. Principal Accountant's Fees and Services

Information regarding principal accountant's fees and services is incorporated herein by reference to the information included in the Company's definitive proxy statement which will be filed with the Commission within 120 days after the end of the Company's 2004 fiscal year.

PART IV

<u>Item 15.</u>	<u>Exhibits and Financial Statement Schedules</u>	<u>Page Number</u>
(a)	<u>Financial Statements:</u>	
	Report of Independent Registered Public Accounting Firm	27
	Consolidated Balance Sheets as of December 31, 2004 and 2003	29
	Consolidated Statements of Income for the Years Ended December 31, 2004, 2003 and 2002	30
	Consolidated Statements of Cash Flows for the Years Ended December 31, 2004, 2003 and 2002	31
	Consolidated Statements of Shareholders' Equity and Comprehensive Income for the Years Ended December 31, 2004, 2003 and 2002	32
	Notes to Consolidated Financial Statements	33
(2)	<u>Supplementary Data</u>	
	Quarterly Unaudited Financial Data	61
(3)	<u>Exhibits</u>	
	The exhibits of this Annual Report on Form 10-K included herein are set forth on the attached Exhibit Index beginning on page 67.	
(b)	<u>Reports on Form 8-K</u>	
	The Company filed the following reports on Form 8-K during the three month period ended December 31, 2004.	
	1) Form 8-K dated October 4, 2004, disclosing the Company's press release dated September 28, 2004 increasing the expectation for third quarter earnings.	
	2) Form 8-K dated October 7, 2004 disclosing the Company's press release dated October 5, 2004 disclosing the planned 3-for-2 stock split and retention of the \$0.05 per share dividend.	
	3) Form 8-K dated October 29, 2004 disclosing the approval and filing of an amendment to the Company's certificate of incorporation to change the name of the registrant, and disclosing the Company's press release dated October 27, 2004 disclosing the Company's conference call which discussed the Company's third quarter 2004 earnings.	
	4) Form 8-K/A dated October 29, 2004 amending the Form 8-K filed August 3, 2004 to correct the item under which the original Form 8-K was made.	
	5) Form 8-K dated December 3, 2004 disclosing the Company's November 30, 2004 press release disclosing the election of the Chief Operating Officer.	

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GIBRALTAR INDUSTRIES, INC.

By /s/ Brian J. Lipke

Brian J. Lipke
 Chief Executive Officer
 And Chairman of the Board

In accordance with the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ Brian J. Lipke</u> Brian J. Lipke	Chief Executive Officer and Chairman of the Board (principal executive officer)	March 11, 2005
<u>/s/ Henning Kornbrekke</u> Henning Kornbrekke	President and Chief Operating Officer	March 11, 2005
<u>/s/ David W. Kay</u> David W. Kay	Executive Vice President, Chief Financial Officer and Treasurer (principal financial and accounting officer)	March 11, 2005
<u>/s/ Gerald S. Lippes</u> Gerald S. Lippes	Director	March 11, 2005
<u>/s/ Arthur A. Russ, Jr.</u> Arthur A. Russ, Jr.	Director	March 11, 2005
<u>/s/ David N. Campbell</u> David N. Campbell	Director	March 11, 2005
<u>/s/ William P. Montague</u> William P. Montague	Director	March 11, 2005
<u>/s/ William J. Colombo</u> William J. Colombo	Director	March 11, 2005
<u>/s/ Robert E. Sadler, Jr.</u> Robert E. Sadler, Jr.	Director	March 11, 2005

Exhibit Index

<u>Exhibit Number</u>	<u>Exhibit</u>
3.1	Certificate of Incorporation of registrant (incorporated by reference to the same exhibit number to the Company's Registration Statement on Form S-1 (Registration No. 33-69304)) as amended by the amendment to the Certificate of Incorporation filed on Form 8-K on October 29, 2004.
3.2	Amended and Restated By-Laws of the Registrant effective August 11, 1998 (incorporated by reference to Exhibit 3(ii) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)
4.1	Specimen Common Share Certificate (incorporated by reference number to the same exhibit number to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))
10.1	Partnership Agreement of Samuel Pickling Management Company dated June 1, 1988 between Cleveland Pickling, Inc. and Samuel Manu-Tech, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))
10.2	Partnership Agreement dated May 1988 among Samuel Pickling Management Company, Universal Steel Co. and Ruscon Steel Corp., creating Samuel Steel Pickling Company, a general partnership (incorporated by reference to Exhibit 10.8 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))
10.3	Lease dated September 1, 1990 between Erie County Industrial Development Agency and Integrated Technologies International, Ltd. (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))

- 10.4 Lease dated June 4, 1993 between Buffalo Crushed Stone, Inc. and Gibraltar Steel Corporation (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))
- 10.5* Employment Agreement dated as of July 9, 1998 between the Registrant and Brian J. Lipke (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)
- 10.6 Gibraltar Steel Corporation Executive Incentive Bonus Plan (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))
- 10.7 Agreement dated December 22, 2000 for Adoption by Gibraltar Steel Corporation of New York of the Dreyfus Nonstandardized Prototype Profit Sharing Plan and Trust (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001)
- 10.8* Gibraltar Industries, Inc. Incentive Stock Option Plan, Fifth Amendment and Restatement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)
- 10.9* Gibraltar Industries, Inc. Restricted Stock Plan, First Amendment and Restatement (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997)
- 10.10* Gibraltar Industries, Inc. Non-Qualified Stock Option Plan, First Amendment and Restatement (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 (Registration No. 333-03979))
- 10.11* Gibraltar Industries, Inc. Profit Sharing Plan dated August 1, 1984, as Amended April 14, 1986 and May 1, 1987 (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))
- 10.12* Change in Control Agreement dated July 9, 1998 between Registrant and Brian J. Lipke (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)
- 10.13* Form of Change in Control Agreement dated July 9, 1998 between Registrant and Carl P. Spezio (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)
- 10.14* Form of Stay Bonus Agreement dated October 1, 2000 between registrant and certain named executives (incorporated by reference to Exhibit 10.16 of the Company's Annual Report on Form 10-K for the year ended December 31, 2001)
- 10.15 Fourth Amended and Restated Credit Agreement among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York, JPMorgan Chase Bank, as Administrative Agent, and various financial institutions that are signatories thereto (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002)
- 10.16 Senior secured note purchase agreement among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York and The Prudential Insurance Company of America (incorporated by reference to Exhibit 10.1 to the Company's quarterly report on form 10-Q for the quarter ended September 30, 2002)
- 10.17 Senior subordinated note purchase agreement among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York and The Prudential Insurance Company of America (incorporated by reference to Exhibit 10.2 to the Company's quarterly report on form 10-Q for the quarter ended September 30, 2002)
- 10.18 First Amendment, dated May 28, 1999, to the Partnership Agreement dated May 1988 among Samuel Pickling Management Company, Universal Steel Co., and Ruscon Steel Corp., creating Samuel Steel Pickling Company, a general partnership (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999)
- 10.19* Gibraltar 401(k) Plan Amendment and Restatement Effective October 1, 2004 as amended by the First, Second, and Third Amendments to the Amendment and Restatement Effective October 1, 2004, filed herewith

- 10.20* First Amendment, dated January 20, 1995, to Gibraltar Steel Corporation 401(k) Plan (Incorporated by reference to Exhibit 10.28 to the Company's Annual report on Form 10-K for the year ended December 31, 1994)
- 10.21* The 2003 Gibraltar Incentive Stock Option Plan (Incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-3 (333-110313))
- 10.22 Subordinated promissory note between Gibraltar Steel Corporation and CertainTeed Corporation (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003)
- 10.23 Senior secured note purchase agreement among Gibraltar Steel Corporation of New York, Gibraltar Steel Corporation, and Prudential Life Insurance Company of America dated June 18, 2004 (Incorporated by reference to Exhibit 10.1 to the registrants quarterly report on Form 10-Q for the quarter ended June 30, 2004)
- 14 Code of Ethics for senior financial officers and the Chief Executive Officer of Gibraltar Steel Corporation, filed herewith
- 21 Subsidiaries of the Registrant
- 31.1 Certification of Chief Executive Officer and Chairman of the Board pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of President pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.3 Certification of Vice President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer and Chairman of the Board pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of President pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.3 Certification of Vice President and Chief Financial Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*Document is a management contract or compensatory plan or agreement

GIBRALTAR 401(k) PLAN

Amendment And Restatement

Effective October 1, 2004

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GIBRALTAR 401(k) PLAN
Amendment And Restatement Effective October 1, 2004

WHEREAS, Gibraltar Steel Corporation of New York, a New York corporation having its principal place of business at Buffalo, New York, (the "Employer") and certain of its affiliated companies maintain a 401(k) plan, known as the Gibraltar 401(k) Plan, (the "Plan");

WHEREAS, pursuant to the terms of Plan, the Employer on its own behalf and on behalf of the affiliated companies participating in the Plan now desires to amend and restate said Plan effective October 1, 2004;

NOW, THEREFORE, the Employer hereby amends and restates said Plan effective October 1, 2004 as follows:

SECTION 1
Definitions

- 1.01 Employer means Gibraltar Steel Corporation of New York and any Affiliate participating in the Plan with the approval of the Employer. Any participating Affiliate will be listed in Appendix A to this Plan.
- 1.02 Plan means this 401(k) plan, known as the Gibraltar 401(k) Plan.
- 1.03 Trust Fund means one or more trust funds established by the Employer pursuant to this Plan, and all the assets at any time held by the Trustee.
- 1.04 Trustee means the person or persons designated by the Board of Directors of the Employer to serve as Trustee and who, by joining in the execution of the Trust Agreement created pursuant hereto or any amendments thereunder, signifies his acceptance of the Trust Agreement, or any person or persons duly appointed as successor Trustee.
- 1.05 Employee means any person who is employed by the Employer as an employee.

Employee shall include any leased employee deemed to be an Employee of the Employer as provided in IRC Sections 414(n) or 414(o).

The term "leased employee" means any person (other than an Employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with IRC Section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction and control by the recipient. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer.

A leased employee shall not be considered an Employee of the recipient if: (i) such employee is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in IRC Section 415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under IRC Sections 125, 402(a)(8), 402(h) or 403(b), (2) immediate participation, and (3) full and immediate vesting; and (ii) leased employees do not constitute more than 20 percent of the recipient's non-highly compensated workforce.

Employees who are leased employees within the meaning of IRC Section 414(n)(2) and Section 414(o)(2) and considered Employees shall not be eligible to participate in this Plan.

1.06 Board of Directors means the Board of Directors of the Employer.

1.07 Participant means any Employee of the Employer who is eligible to and becomes a participant in the Plan.

1.08 Beneficiary means any person or persons designated by the Participant to share in the benefits of the Plan after his death, or if none, his estate.

1.09 Committee means the administrative committee, referred to in Section 7, designated by the Board of Directors to administer the Plan. If the Board of Directors fails to designate a Committee, the Employer shall be deemed the Committee.

1.10 Effective Date means January 1, 1987.

1.11 Anniversary Date means January 1 of each year.

1.12 Valuation Date December 31 of each year.

1.13 Plan Year means the calendar year.

1.14 Compensation means compensation (as that term is defined in IRC Section 415(c)(3) and in Section 3.07 hereof) actually paid to the Participant by the Employer during that portion of the Plan Year while a Participant in the Plan.

Compensation shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includable in the gross income of the Participant under IRC Section 125, Section 402(e)(3), Section 402(h)(1)(B), Section 402(K), Section 457, Section 403(b) and any elective amounts that are not includable in the gross income of the Employee by reason of IRC Section 132(f)(4). In addition, amounts under IRC Section 125 include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. An amount will be treated as an amount under IRC Section 125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

Compensation shall exclude severance pay and reimbursements and other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation and welfare benefits.

The annual Compensation of each Participant taken into account for any Plan Year shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with IRC Section 401(a)(17)(B). Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year. If a determination period consists of fewer than 12 months, the annual Compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

1.15 Authorized Absence means a leave of absence from the Employer or any Affiliate for a period not exceeding twenty-four (24) months or absence to enter the Armed Services of the United States during a period of national emergency or at any time through the operation of a compulsory military service law of the United States. Leaves of absence may be granted in the event of illness or accident of an employee or a member of his family or for the continuation of the training or education of the employee. For purposes of this Plan, an employee who leaves on an Authorized Absence shall not be deemed to have incurred a termination of employment with the Employer or any Affiliate solely by reason of his leaving on such Authorized Absence. However, the failure of an employee to return to active employment with the Employer or any Affiliate after a leave of absence or authorized extension thereof or during the period after his separation from military service in which his reemployment rights are guaranteed by law shall be deemed a termination of employment at the later of the date of the commencement of such leave of absence or such military leave or the date for which he was last credited with an Hour of Service. Leaves of absence shall be granted in accordance with the Employer's normal policies and practices in a uniform and non-discriminatory manner.

Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994 contributions, benefits and service credit with respect to qualified military service will be provided in accordance with IRC Section 414(u).

1.16 Year Of Service means each Plan Year during which the Employee has not less than 1,000 Hours Of Service. Employment at the start or end of the Plan Year shall not determine whether an Employee has a Year Of Service during such computation period and such determination shall be made only on the basis of the number of Hours Of Service credited to the Employee during such Plan Year. Notwithstanding the above, the determination of whether an Employee has completed the required number of Hours of Service shall be made on the last day of the applicable computation period.

1.17 Hour Of Service means each hour for which an employee is paid, or entitled to payment, by the Employer or any Affiliate for the performance of duties. In addition, an Hour Of Service means each hour for which an employee is paid, or entitled to payment, directly or indirectly by the Employer or any Affiliate on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, an Employer or Affiliate approved sick or disability leave, layoff, leave of absence, military leave or jury duty. Notwithstanding the above, the hours required to be credited to an employee pursuant to the provisions of the preceding sentence shall not include hours for which payment is made or due under a plan maintained solely for the purpose of complying with applicable workmen's compensation laws, or unemployment compensation or disability insurance laws, and no more than 501 hours shall be credited to an employee on account of any single continuous period during which the employee performs no duties. In addition, no hours shall be credited for a payment which solely reimburses an employee for medical or medically related expenses incurred by the employee.

An Hour Of Service also means each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the Employer or any Affiliate; provided, however, that in no event shall the same hours be credited under both this paragraph and the other paragraphs of this Section 1.17.

The computation period to which Hours Of Service shall be credited and the number of Hours Of Service to be credited for reasons other than the performance of duties shall be determined under Title 29, Subchapter C, Section 2530.200b-2(b) and (c) of Code of Federal Regulations, which is hereby incorporated by reference. Hours Of Service shall be determined from records maintained by the Employer or Affiliate.

Hours Of Service shall be determined from records maintained by the Employer or Affiliate.

If the Employee is not compensated on an hourly basis, he shall be credited with forty-five (45) Hours Of Service for each week during which he performs at least one Hour Of Service.

1.18 Vesting Computation Period does not apply to this Plan since all contributions are fully vested.

1.19 Eligibility Computation Period does not apply to this Plan since the Plan does not contain a service requirement based on Hours Of Service for eligibility purposes.

1.20 Break In Service means each Plan Year during which the Employee has completed no more than 500 Hours Of Service due to a termination of employment with the Employer and any Affiliate. A termination of employment shall not occur upon an Employee's transfer between the employment of the Employer and any Affiliate.

In the case of an Employee who is absent from work for any period by reason of:

- (a) the pregnancy of the Employee;
- (b) the birth of a child of the Employee;
- (c) the placement of a child with the Employee in connection with the adoption of such child by such Employee; or
- (d) the need to care for such child for a period beginning immediately following the birth or placement of such child by such Employee;

such Employee shall receive an Hour Of Service for each Hour Of Service which the Employee would have been credited with during the period of such absence had the Employee not been absent. If the Committee is unable to determine the number of Hours Of Service which the Employee would have been credited with had such Employee not been absent, such Employee shall be credited with 8 Hours Of Service per work day of such absence. Notwithstanding the foregoing, an Employee shall not be credited with more than the number of Hours Of Service required to prevent such Employee from incurring a Break In Service nor be credited with more than 501 Hours Of Service by reason of any absence described in this paragraph. The Hours Of Service credited under this paragraph shall be credited in the computation period in which the absence begins if the crediting is necessary to prevent the Employee from incurring a Break In Service in that computation period or, in all other cases, in the following computation period. The provisions of this paragraph shall be used solely for purposes of determining whether an Employee has incurred a Break In Service for participation purposes.

1.21 Account means the account or accounts established and maintained by the Committee for each Participant with respect to any interest in the Trust Fund.

1.22 Accrued Benefit means the value of a Participant's Account determined as of the date of determination plus any contributions made on his behalf subsequent to such date of determination.

1.23 Fiduciary means any person with respect to the Plan to the extent:

- (a) He exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets;
- (b) He renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of the Plan or has any authority or responsibility to do so; or
- (c) He has any discretionary authority or discretionary responsibility in the administration of the Plan.

This term also includes persons designated by the Committee to carry out fiduciary responsibilities under the Plan. A Fiduciary may serve in more than one fiduciary capacity (including service as both Trustee and Committee) with respect to this Plan.

1.24 Investment Manager means that person so designated by the Committee to manage and invest designated Plan assets, who acknowledges his acceptance in writing and who is either (a) registered in good standing as an Investment Adviser under the Investment Advisers Act of 1940, (b) a bank, a defined in that Act, or (c) an insurance company qualified to perform investment management services under the laws of more than one state.

1.25 ERISA means the Employee Retirement Income Security Act of 1974, as amended, and corresponding provisions of future laws, as amended.

SECTION 2 Eligibility

2.01 Employees Eligible - Except as provided below, each Employee who is employed by the Employer or by any Affiliate that adopts this Plan as an employee shall be eligible to participate in the Plan. The following Employees shall not be eligible to participate in this Plan:

- (a) Employees whose wages, hours and/or conditions of employment are determined by or subject to a collective bargaining agreement, unless such collective bargaining agreement provides for coverage under the Plan;
- (b) Employees who are leased employees within the meaning of IRC Section 414(n)(2) and Section 414(o)(2);
- (c) Employees who are nonresident aliens and who receive no earned income as defined in IRC Section 911(d) from the Employer which constitutes income from sources within the United States as defined in IRC Section 861(a)(3); and
- (d) Any nondiscriminatory classification of Employees determined as follows:
 - (i) Employees of an Affiliate that does not participate in this Plan; and
 - (ii) Employees of Construction Metals, Inc. except to the extent that coverage under the Plan is required by a written agreement between an Employee and Construction Metals, Inc.

Notwithstanding the above, Highly Compensated Employees shall not be eligible to share in any Discretionary Profit Sharing Contribution and only the following nondiscriminatory classifications of Employees shall be eligible to share in Discretionary Profit Sharing Contributions:

- (a) Air-Vent, Inc. Employees at its Lincolnton, North Carolina, Clinton, Iowa and Peoria, Illinois locations;
- (b) All non-hourly Employees of Air Vent, Inc. Enterprise, MS (formerly known as Solar Group Inc.);
- (c) All non-hourly Employees of Air Vent, Inc. Dallas, TX (formerly known as Clark United); and
- (d) All employees of SCM Metal Products, Inc.

An individual shall only be treated as an Employee if he or she is reported on the payroll records of the Employer or an Affiliate as a common law employee. The term does not include any other common law employee or any leased employee. It is expressly intended that individuals not treated as common law employees by the Employer or an Affiliate on their payroll records, as identified by a specific job code or work status code, are to be excluded from Plan participation even if a court or administrative agency subsequently determines that such individuals are common law employees and not independent contractors.

Each Employee who is eligible as set forth above (hereinafter referred to as an "Eligible Employee") shall become a Participant in the Plan as set forth below:

- (a) Any Eligible Employee in the employ of the Employer on October 1, 2004 who is a Participant in the Plan shall continue to participate in accordance with the terms of this amended and restated Plan.
- (b) Any Eligible Employee who is not eligible on October 1, 2004, whether then in the employ of the Employer or employed thereafter, shall become a Participant in the Plan on the Entry Date coincident with or next following the date on which he has completed six (6) months of service.

For purposes of the above eligibility requirements, an Employee shall complete six (6) months of service on the date that is six (6) months from the date on which the Employee first performs one Hour Of Service for the Employer regardless of the number of Hours Of Service he has completed.

Any prior service with a participating Affiliate that is to be counted for purposes of this Plan shall be set forth in Appendix A to this Plan.

2.02 Determination Of Eligibility - The Committee shall determine the eligibility of each Employee for participation in the Plan and such determination shall be conclusive and binding upon all persons.

2.03 Participation Form - The Committee shall furnish each Employee who joins the Plan with a form, in such form and subject to such rules as prescribed by the Committee, containing such information as the Committee may desire, including, but not limited to, date of birth of the Employee, and the Beneficiary designation of such Employee.

2.04 Effect Of Change In Status - If an employee does not qualify as an Eligible Employee as defined in Section 2.01 hereof and he subsequently becomes such an Eligible Employee, he shall commence or resume participation in the Plan as of the day on which he first or again completes an Hour Of Service with the Employer as an Eligible Employee; provided, however, in no event shall he become a Participant in the Plan on any date earlier than the Entry Date on which he would otherwise become a Participant in the Plan pursuant to Section 2.01 hereof. Any Participant who ceases to qualify as an Eligible Employee as defined in Section 2.01 hereof and who remains in the employ of the Employer shall not share in contributions and shall not be eligible to make Elective Deferrals until he again

qualifies as such an Eligible Employee. He shall continue to be considered a Participant until he retires, dies, becomes disabled or incurs a termination of employment and the Participant shall be responsible to continue to direct the investment of his Accounts pursuant to Section 5.01 hereof.

SECTION 3
Contributions

3.01(a) Participant Elective Contributions - Effective on his entry into the Plan, a Participant may elect to defer up to 100% of his Compensation each Plan Year to the Plan (hereinafter referred to as an "Elective Deferral"); provided, however, a Participant who is a Highly Compensated Employee may only elect to defer up to 5% of his Compensation. Cash bonuses will be subject to whatever deferral election is in effect at the time such cash bonuses are paid.

The Participant chooses an Elective Deferral by delivering to the Employer his election which states the amount of such Participant's Elective Deferral. The election shall be in such form and subject to such rules as the Committee may prescribe. Under the election, the Participant agrees to reduce his Compensation and the Employer shall withhold from the Compensation payable to such Participant an amount or percentage equal to the amount or percentage stated in such election.

No Participant shall be permitted to have Elective Deferrals made under this Plan, or any other qualified plan maintained by the Employer during any taxable year, in excess of the dollar limitation contained in IRC Section 402(g) in effect for such taxable year, except to the extent permitted under IRC Section 414(v) relating to Catch-up Contributions. In the event that this dollar limitation is exceeded, a Participant will be deemed to have notified the Committee of such excess amount and the Committee shall direct the Trustee to distribute such excess amount, and any income allocable to such amount, to the Participant to whose Account excess Elective Deferrals were allocated not later than the April 15 following the close of the Participant's taxable year. If there is a loss allocable to such excess amount, the distribution shall in no event be less than the lesser of the Participant's Account attributable to Elective Deferrals or the Participant's Elective Deferrals for the taxable year.

If a Participant's Elective Deferrals under this Plan together with any elective deferrals under another qualified cash or deferred arrangement, a simplified employee pension, or a trust described in IRC Section 501(c)(18) cumulatively exceed the above limitation for such Participant's taxable year, the Participant may, not later than the March 1 following the taxable year of the Participant in which the excess Elective Deferral was made, notify the Committee in writing of such excess and request that his Elective Deferrals under this Plan be reduced by an amount specified by the Participant. In such event, the Committee may direct the Trustee to distribute such excess amount and any income allocable to such excess amount to the Participant not later than the first April 15 following the close of the Participant's taxable year. The written notice shall specify the amount of the Participant's excess Elective Deferral for the preceding taxable year and shall be accompanied by the Participant's written statement that if such amounts are not distributed, such excess Elective Deferrals, when added to amounts deferred under other plans or arrangements described in IRC Sections 401(k), 408(k), or 403(b) will exceed the limit imposed on the Participant by IRC Section 402(g) for the year in which the deferral occurred.

For purposes of the above, the income or loss allocable to excess Elective Deferrals is the income or loss allocable to the Participant's excess Elective Deferral Account for the taxable year multiplied by a fraction, the numerator of which is such Participant's excess Elective Deferrals for the year and the denominator is the Participant's Account attributable to Elective Deferrals without regard to any income or loss occurring during such taxable year. The Plan shall not take into account any gain or loss for the period between the end of the Plan Year and the date of distribution (the "gap period").

All Participants who are eligible to make Elective Deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make Catch-up Contributions in accordance with, and subject to the limitations of, IRC Section 414(v). Such Catch-up Contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of IRC Sections 402(g) and 415. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of IRC Sections 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416, as applicable, by reason of the making of such Catch-up Contributions.

3.01(b) Effect Of Election - The Employer shall continue to withhold a portion of a Participant's Compensation in accordance with the election described in Section 3.01(a) hereof until such election is changed or revoked in accordance with Section 3.01(c) hereof.

3.01(c) Changes In Elective Deferrals - A Participant may increase or decrease the amount of his Elective Deferral by delivering to the Employer an election in such form and subject to such rules as prescribed by the Committee containing the information described in Section 3.01(a) which states the changed amount of such Participant's Elective Deferral. In addition, a Participant may direct the Employer to cease withholding portions of his Compensation and may later direct the Employer to begin withholding a portion of his Compensation, by delivering to the Employer an election as described in Section 3.01(a) hereof.

3.01(d) Timing Of Elective Deferrals And Changes - Elections to make, change or terminate an Elective Deferral shall be made according to procedures and limitations set up by the Committee. An election must be completed, changed or terminated before the beginning of the pay period for which the Elective Deferral is to begin, be changed or terminated.

3.01(e) Employer Matching Contribution - For each Plan Year and no later than the time prescribed by law for filing its Federal Income Tax Return for its Fiscal Year in which such Plan Year ends (including extensions thereof), the Employer may, with respect to such Plan Year, make a matching contribution to the Trust Fund on behalf of each Participant who is making Elective Deferrals to the Plan. The amount of such matching contribution for any Plan Year shall be determined by the Employer and the amount of such matching contribution shall be announced to the Participants. The Employer may make such matching contribution in the form of common stock of Gibraltar Steel Corporation. Matching Contributions shall not be made with respect to Catch-up Contributions.

3.01(f) Limitations On Elective Deferrals (ADP Test) - In addition to other limitations set forth in the Plan, Elective Deferrals hereunder shall satisfy one of the following tests:

- (1) The Actual Deferral Percentage for Participants who are Highly Compensated Employees shall not be more than the Actual Deferral Percentage for Participants who are Non-highly Compensated Employees multiplied by 1.25, or
- (2) The excess of the Actual Deferral Percentage for Participants who are Highly Compensated Employees over the Actual Deferral Percentage for Participants who are Non-highly Compensated Employees shall not be more than two percentage points, and the Actual Deferral Percentage for Participants who are Highly Compensated Employees shall not be more than the Actual Deferral Percentage for Participants who are Nonhighly Compensated Employees multiplied by 2.

For purposes of the above tests, Actual Deferral Percentage means, with respect to Highly Compensated Employee Participants and all other Participants for a Plan Year, the average of the ratios, calculated separately for each Participant in each group, of the amount of Elective Deferrals made pursuant to Section 3.01(a) for each Participant to such Participant's Compensation for such Plan Year. For purposes of determining a Participant's Actual Deferral Percentage, only that Participant's Compensation for the portion of the Plan Year during which he is eligible to make Elective Deferrals shall be taken into account.

In addition, the Actual Deferral Percentage for Participants who are Highly Compensated Employees shall be determined for the current Plan Year and the Actual Deferral Percentage for Participants who are Non-highly Compensated Employees shall be determined with respect to the Plan Year preceding the current Plan Year; provided, however, the Employer may elect to use the Actual Deferral Percentage for the Participants who are Non-highly Compensated Employees for the current Plan Year rather than the preceding Plan Year provided that if such an election is made, it may be revoked only as provided by the Secretary of the Treasury.

The Committee has the right to treat Employer Matching Contributions as Elective Deferrals for purposes of the above Actual Deferral Percentage tests. To the extent Employer Matching Contributions are treated as Elective Deferrals, Participants may not elect to receive such Matching Contributions in cash until distributed from the Plan, such Matching Contributions will be nonforfeitable when made and such Matching Contributions will be distributable only in accordance with the distribution provisions that are applicable to Elective Deferrals.

3.01(g) Adjustment For Violating Actual Deferral Percentage Test - - In the event that the Elective Deferrals made pursuant to Section 3.01(a) hereof do not satisfy one of the tests set forth in Section 3.01(f) hereof, the Committee shall reduce Participant Elective Deferrals for Highly Compensated Employees to the extent necessary to satisfy one of the tests set forth in Section 3.01(f). The amount of the excess of Highly Compensated Employees' Elective Deferrals plus any income or minus any loss thereon shall be returned to the affected Participants. To determine the amount of excess Elective Deferrals for a Participant who is a Highly Compensated Employee a leveling method shall be used. Under this method the Elective Deferrals of the Highly Compensated Employee with the highest dollar amount of Elective Deferrals shall be reduced by the amount required to cause such Highly Compensated Employee's Elective Deferrals to equal the dollar amount of the

Elective Deferrals of the Highly Compensated Employee with the next highest dollar amount of Elective Deferrals. This process is repeated until one of the tests set forth in Section 3.01(f) is satisfied.

For purposes of the above, the income or loss allocable to excess Elective Deferrals is the income or loss allocable to the Participant's Elective Deferral Account (and, if applicable, the Matching Contributions Account or both) for the Plan Year multiplied by a fraction, the numerator of which is such Participant's excess Elective Deferrals for the year and the denominator is the Participant's Account Balance attributable to Elective Deferrals without regard to any income or loss occurring during such Plan Year. Excess Elective Deferrals shall be distributed from the Participant's Elective Deferral Account and Matching Contributions Account (if applicable) in proportion to the Participant's Elective Deferrals and Matching Contributions (to the extent used in the ADP test) for the Plan Year. The Plan shall not take into account any gain or loss for the period between the end of the Plan Year and the date of distribution (the "gap period").

The Employer may make Qualified Non-elective Contributions to the Plan to help satisfy one of the tests set forth in Section 3.01(f). The amount of such Contribution shall be determined by the Employer in its discretion. Any such Contribution shall be allocated to the Accounts of all Participants who are Nonhighly Compensated Employees in the ratio that each such Employee's Compensation bears to the Compensation of all such Employees. "Qualified Non-elective Contributions" means contributions (other than Matching Contributions) made by the Employer and allocated to Participants' Accounts that the Participants may not elect to receive in cash until distributed from the Plan that are nonforfeitable when made and that are distributable only in accordance with the distribution provisions that are applicable to Elective Deferrals. If such Contributions are made to the Plan, a "Qualified Non-elective Contribution Account" will be maintained for a Participant to record his share of the Employer's Qualified Non-elective Contributions and adjustments relating thereto. The Qualified Non-elective Contributions to the Plan can be taken into account for a Plan Year if allocated to the Nonhighly Compensated Employee's account under the Plan as of a date within that Plan Year. In addition, the Plan and any plans to which Qualified Non-elective Contributions are made could be permissively aggregated under Reg. Section 1.410(b)-7(d) after the application of the mandatory desegregation rules of Reg. Section 1.410(b)-7(c), as modified in Reg. Section 1.401(k)-1(g)(11).

Notwithstanding the provisions contained in this Section 3.01, the Committee shall have the right at any time during the Plan Year to adjust the Elective Deferrals for the remainder of the Plan Year for each Highly Compensated Employee to the extent necessary to satisfy one of the tests set forth in Section 3.01(f). To determine such adjustment, the leveling method set forth in the preceding paragraph shall be used.

Failure to make the above adjustments on or before the last day of the Plan Year after the Plan Year in which such excess amounts arose will cause the Plan to fail to satisfy the requirements of IRC Section 401(a)(4) for the Plan Year for which the excess amounts occurred and for all subsequent Plan Years they remain corrected. If such excess amounts, plus any income and minus any loss allocable thereto, are distributed more than 22 months after the last day of the Plan Year in which such excess amounts arose, the Employer is subject to an excise tax penalty, currently equal to ten (10) percent of the excess amount plus any income or minus any losses on such amount.

3.01(h) Limitations On Employer Matching And Employee Contributions (ACP Test) - The Average Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed:

- (1) the Average Contribution Percentage for Participants who are Nonhighly Compensated Employees for the Plan Year multiplied by 1.25; or
- (2) the Average Contribution Percentage for Participants who are Nonhighly Compensated Employees the Plan Year multiplied by 2, provided that the Average Contribution Percentage for Participants who are Highly Compensated Employees does not exceed the Average Contribution Percentage for Participants who are Nonhighly Compensated Employees by more than two (2) percentage points.

For purposes of the above tests, Actual Contribution Percentage means, with respect to Highly Compensated Employee Participants and all other Participants for a Plan Year, the average of the ratios, calculated separately for each Participant in each group, of the amount of Matching Contributions made pursuant to Section 3.01(e) and any employee contributions (to the extent allowed under any other plan which may be aggregated with this Plan for testing purposes) for each Participant to such Participant's Compensation for such Plan Year. For purposes of determining a Participant's Actual Contribution Percentage, only that Participant's Compensation for the portion of the Plan Year during which he is eligible to make Elective Deferrals shall be taken into account.

In addition, the Actual Contribution Percentage for Participants who are Highly Compensated Employees shall be determined for the current Plan Year and the Actual Contribution Percentage for Participants who are Nonhighly Compensated Employees shall be determined with respect to the Plan Year preceding the current Plan Year; provided, however, the Employer may elect to use the Actual Contribution Percentage for Participants who are Nonhighly Compensated Employees for the current Plan Year rather than the preceding Plan Year provided that if such an election is made, it may be revoked only as provided by the Secretary of the Treasury.

The Committee has the right to treat Elective Deferrals as Employer Matching Contributions for purposes of the above Average Contribution Percentage tests so long as the Actual Deferral Percentage test is met before the Elective Deferrals are used in the Actual Contribution Percentage test and continues to be met following the exclusion of those Elective Deferrals that are used to meet the Actual Contribution Percentage test. The amount of Elective Deferrals taken into account as contribution percentage amounts for purposes of calculating the Average Contribution Percentage, subject to such other requirements as may be prescribed by the Secretary of the Treasury, shall be such Elective Deferrals that are needed to meet the Average Contribution Percentage test. The plan that takes Elective Deferrals into account in determining whether the requirements of IRC Section 401(m)(2)(A) and the plans to which the Elective Deferrals are made must be able to be permissively aggregated under Reg. Section 1.410(b)-7(d) after the application of the mandatory desegregation rules of Reg. Section 1.410(b)-7(c), as modified in Reg. Section 1.401(k)-1(g)(11).

3.01(i) Adjustment For Violating Actual Contribution Percentage Test - In the event that the Employer Matching Contributions made pursuant to Section 3.01(e) hereof, after taking into account employee contributions to the extent required, do not satisfy one of the tests set forth in Section 3.01(h) hereof, the Committee shall reduce the Employer Matching Contributions for Participants who are Highly Compensated Employees to the extent necessary to satisfy one of the tests set forth in Section 3.01(h). The amount of the excess plus any income or minus any loss thereon shall be used to reduce Employer Matching Contributions hereunder. To determine the amount of excess for a Highly Compensated Participant a leveling method shall be used. Under this method the Employer Matching Contributions of the Highly Compensated Employee with the highest dollar amount of Employer Matching Contributions shall be reduced by the amount required to cause such Highly Compensated Employee's Employer Matching Contribution to equal the dollar amount of the Employer Matching Contribution of the Highly Compensated Employee with the next highest dollar amount of Employer Matching Contributions. This process is repeated until one of the tests set forth in Section 3.01(h) is satisfied.

The Employer may make Qualified Non-elective Contributions to the Plan to help satisfy one of the tests set forth in Section 3.01(h). The amount of such Contribution shall be determined by the Employer in its discretion. Any such Contribution shall be allocated to the Accounts of all Participants who are Nonhighly Compensated Employees in the ratio that each such Employee's Compensation bears to the Compensation of all such Employees. "Qualified Non-elective Contributions" means contributions (other than Matching Contributions) made by the Employer and allocated to Participants' Accounts that the Participants may not elect to receive in cash until distributed from the Plan, that are nonforfeitable when made and that are distributable only in accordance with the distribution provisions that are applicable to Elective Deferrals. If such Contributions are made to the Plan, a "Qualified Non-elective Contribution Account" will be maintained for a Participant to record his share of the Employer's Qualified Non-elective Contributions and adjustments relating thereto. The Qualified Non-elective Contributions to the Plan can be taken into account for a Plan Year if allocated to the Nonhighly Compensated Employees account under the Plan as of a date within that Plan Year. In addition, the Plan and any plans to which Qualified Non-elective Contributions are made could be permissively aggregated under Reg. Section 1.410(b)-7(d) after the application of the mandatory desegregation rules of Reg. Section 1.410(b)-7(c), as modified in Reg. Section 1.401(k)-1(g)(11).

Notwithstanding the provisions contained in this Section 3.01, the Committee shall have the right at any time during the Plan Year to adjust the Employer Matching Contributions for the remainder of the Plan Year for each Participant who is a Highly Compensated Employee to the extent necessary to satisfy one of the tests set forth in Section 3.01(h). To determine such adjustment, the leveling method set forth in the preceding paragraph shall be used.

Failure to make the above adjustments on or before the last day of the Plan Year after the Plan Year in which such excess amounts arose will cause the Plan to fail to satisfy the requirements of IRC Section 401(a)(4) for the Plan Year for which the excess amounts occurred and for all subsequent Plan Years they remain uncorrected. If such excess amounts, plus any income and minus any loss allocable thereto, are distributed more than 22 months after the last day of the Plan Year in which such excess amounts arose, the Employer is subject to an excise tax penalty, currently equal to ten (10) percent of the excess amount plus any income or minus any losses on such amount. Notwithstanding the distribution of excess contributions, those excess contributions are still considered annual additions under Section 3.07 hereof.

The income allocable to excess contributions shall be determined by multiplying the income allocable to the Participant's Matching Contributions for the Plan Year by a fraction, the numerator of which is the excess Matching Contributions on behalf of the Participant for the Plan Year and the denominator of which is the sum of the Participant's Account Balances attributable to Matching Contributions on the first day of the Plan Year and the Matching Contributions for the Plan Year. The Plan shall not take into account any gain or loss for the period between the end of the Plan Year and the date of distribution (the "gap period").

3.01(j) Special Rules And Definitions - For purposes of this Section 3.01, the following special rules shall apply:

The deferral and contribution percentages for any Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to make Employee Elective Deferrals or employee contributions, or to receive Matching Contributions, under two or more plans described in IRC Section 401(a) or arrangements described in IRC Section 401(k) that are maintained by the Employer or an Affiliated Employer shall be determined as if all such contributions and Elective Deferrals were made under a single plan.

In the event that this Plan satisfies the requirements of IRC Section 410(b) only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of IRC Section 410(b) only if aggregated with this Plan, then this Section 3.01 shall be applied by determining the deferral and contribution percentages of Participants as if all such plans were a single plan. If two or more plans are permissively aggregated for purposes of IRC Section 401(k), the aggregated plans must also satisfy IRC Section 401(a)(4) and the IRC Section 410(b) as though they were a single plan.

For purposes of determining the contribution percentages, Elective Deferrals and Matching Contributions will be considered made for a Plan Year if made no later than the end of the twelve-month period beginning on the day after the close of the Plan Year.

The deferral percentage and contribution percentage of all eligible Employees must be taken into account in determining whether the Plan satisfies the tests set forth in Sections 3.01(f) and 3.01(h). An eligible Employee is any Employee who is directly or indirectly eligible to make Elective Deferrals or to receive an allocation of Matching Contributions. Eligible Employees who make no Elective Deferrals and who receive no Matching Contributions have a deferral percentage or a contribution percentage of 0% and these Employees may not be excluded from the above-mentioned tests even though they may not be active Participants in the Plan. Contributions will be taken into account if paid to the Plan during the Plan Year. If the contribution is paid to an agent of the Plan (such as the Employer's payroll officer), the contribution will be considered paid to the Plan at the time it is paid to the agent provided it is transmitted to the Trust within a reasonable period.

The determination and treatment of the deferral and contribution percentages of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

3.02 Discretionary Profit Sharing Contributions By The Employer - For each Fiscal year and not later than the time prescribed by law for filing its Federal Income Tax Return for such Fiscal Year (including extensions thereof), the Employer shall, with respect to such Fiscal Year, make a contribution to the Trust Fund. Said contribution shall be determined by resolution of the Board of Directors. Each Employer shall separately determine its contributions pursuant to this Section 3.02 and shall be paid to and held by the Trustee for the exclusive benefit of its Employees and their Beneficiaries. Notwithstanding the above, the amount of the contribution for any Fiscal Year shall be subject to adjustment due to the limitation on annual additions contained in Section 3.07 hereof.

3.03 Amount Of Contribution - Notwithstanding any provision of the Plan to the contrary, in no event shall the total Employer contribution for any Fiscal Year exceed:

- (1) Twenty-five percent (25%) of the total compensation otherwise paid or accrued to all Participants during such year; plus
- (2) The maximum amount allowed under the carryover provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder relating to contributions of previous years of less than the maximum amount permissible, as such provisions are now in effect or may hereafter be amended, provided that the amount contributed with respect to such year under this subparagraph (2) when added to the amounts contributed with respect to such previous years, shall not be in excess of twenty-five percent (25%) of the aggregate of the total compensation paid or accrued to all Participants for such previous fiscal years.

3.04 Employee Voluntary Contributions - A Participant may not, under any conditions, make voluntary contributions to this Plan.

3.05 Hardship Distributions - Distribution of Elective Deferrals (and earnings thereon accrued as of December 31, 1988) and Catch-up Contributions may be made to a Participant in the event of hardship. Distribution of a Participant's Accrued Benefit attributable to his Rollover Contribution Account may also be made to a Participant in the event of hardship.

For purposes of this Section 3.05, hardship is defined as an immediate and heavy financial need of the Participant and where distribution is necessary to satisfy the financial need. Hardship distributions shall not be made without the Participant's, and if applicable his spouse's, written consent if the Participant's vested interest in his Accrued Benefit exceeds \$5,000.00 (or any lesser amount as may, by regulations of the Secretary of the Treasury, be established as the maximum amount that may be paid out in such event without the Participant's consent).

The following are the only financial needs considered immediate and heavy:

- (a) expenses for medical care described in IRC Section 213(d) previously incurred by the Participant, the Participant's spouse, or any dependents of the Participant (as defined in IRC Section 152) or necessary for these persons to obtain medical care described in IRC Section 213(d);
- (b) costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;
- (c) payment of tuition and related educational fees for the next 12 months of post-secondary education for the Participant, the Participant's spouse, children or dependents (as defined in IRC Section 152); or
- (d) payments necessary to prevent the eviction of the Participant from, or a foreclosure on the mortgage of, the Participant's principal residence.

A distribution will be considered as necessary to satisfy an immediate and heavy financial need of the Participant only if:

- (a) The Participant has obtained all distributions, other than hardship distributions, and all nontaxable (at the time of the loan) loans under all plans maintained by the Employer;
- (b) A Participant who receives a distribution of Elective Deferrals after December 31, 2001, on account of hardship shall be prohibited from making Elective Deferrals under this and all other plans of the Employer for six (6) months after receipt of the distribution. Upon the expiration of such six (6) month period, the Participant's Elective Deferral election in effect immediately prior to the hardship withdrawal shall automatically be reinstated.
- (c) The distribution is not in excess of the amount of an immediate and heavy financial need. The amount of an immediate and heavy financial need may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution; and
- (d) All plans maintained by the Employer provide that the Participant may not make Elective Contributions for the Participant's taxable year immediately following the taxable year of the hardship distribution in excess of the applicable limit under IRC Section 402(g) for such taxable year less the amount of such Participant's Elective Contributions for the taxable year of the hardship distribution.

3.06 No Rights Or Interest Reserved By Employer - Except as otherwise provided below, in no event shall the principal or income of the Trust Fund be paid to or revert to the Employer, or be used for any purpose whatsoever other than the exclusive benefit of the Participants or their Beneficiaries (including the reasonable and necessary expenses of the Plan and Trust). Notwithstanding the above, in the case of a contribution which is made by the Employer by a mistake of fact, such contribution shall be returned to the Employer within one year after the payment of the said contribution if the Employer so requests and if such return is allowed by law. All contributions made by the Employer are made contingent upon their deductibility under the Internal Revenue Code. If the Employer makes a contribution, the deductibility of which is not allowed under IRC Section 404, then, to the extent the deduction is disallowed, the contribution shall be returned to the Employer within one year after the disallowance of the deduction if the Employer so requests and if such return is allowed by law. If the initial qualification of the Plan under IRC Section 401(a) is denied, all contributions made by the Employer prior to such determination of disqualification shall be returned to the Employer within one

year after the date of such denial of qualification or, if such denial is appealed to the courts, within one year after the date a court decision upholding such denial becomes final, if the Employer so requests and if such return is allowed by law.

3.07

Overall Limitation On Contributions And Benefits - Except to the extent permitted under Section 3.01(a) and IRC Section 414(v), the Annual Addition that may be allocated or contributed to a Participant's Account under the Plan for any Limitation Year shall not exceed the lesser of:

- (a) \$40,000.00, as adjusted for increases in the cost-of-living under Section 415; or
- (b) one-hundred percent (100%) of the Participant's Compensation within the meaning of IRC Section 415(c)(3), for the Limitation Year.

The compensation limit referred to in (b) above shall not apply to any contribution for medical benefits after separation from service (within the meaning of IRC Section 401(h) or IRC Section 419A(f)(2)) which is otherwise treated as an Annual Addition.

If necessary to limit the annual addition to a Participant's Account, Elective Deferrals will be returned to the Participant to the extent necessary to reduce the annual addition to the prescribed amount. If an excess amount still exists, and the Participant is covered by the Plan at the end of the Limitation Year, the excess amount in the Participant's Account will be used to reduce Employer contributions (including any allocation of forfeitures) for such Participant in the next Limitation Year, and each succeeding Limitation Year if necessary. If an excess amount still exists, and the Participant is not covered by the Plan at the end of a Limitation Year, the excess amount will be held unallocated in a suspense account. The suspense account will be applied to reduce Employer contributions for all remaining Participants in the next Limitation Year, and each succeeding Limitation Year if necessary. If a suspense account is in existence at any time during a Limitation Year pursuant to this section, it will not participate in the allocation of the Trust's investment gains and losses. If a suspense account is in existence at any time during a particular Limitation Year, all amounts in the suspense account must be allocated and reallocated to Participants' Accounts before any Employer contributions may be made to the Plan for that Limitation Year. Excess amounts may not be distributed to Participants or former Participants. The annual addition for a Participant will be adjusted under this paragraph before the annual addition for the Participant is adjusted under the Gibraltar Steel Corporation Profit Sharing Plan.

For purposes of this Section 3.07, compensation (referred to elsewhere in this Plan as IRC Section 415 Compensation) with respect to any Limitation Year shall mean a Participant's earned income, wages, salaries, and fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer maintaining the Plan or any Affiliate (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, earned income from sources outside the United States, amounts described in IRC Section 105(d), IRC Sections 104(a)(3), 105(a) and 105(h), to the extent includable in the Participant's gross income, amounts paid or reimbursed for moving expenses to the extent not deductible by the Participant and the value of non-qualified stock options granted by the Employer, but only to the extent includable in the Participant's gross income), and excluding the following:

- (a) Employer contributions to a plan of deferred compensation which are not includable in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan, or any distributions from a plan of deferred compensation;
- (b) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (c) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and
- (d) Other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity described in IRC Section 403(b) (whether or not the amounts are actually excludable from the gross income of the Employee).

Notwithstanding the above, a Participant's Compensation for purposes of the one-hundred percent (100%) limitation set forth above shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includable in the gross income of the Participant under IRC Section 125, Section 402(e)(3), Section 402(h)(1)(B), Section 402(k), Section 457, Section 403(b) and any elective amounts that are not includable in the gross income of the Employee by reason of IRC Section 132(f)(4).

In addition, amounts under IRC Section 125 include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. An amount will be treated as an amount under IRC Section 125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

In addition, the dollar limitation in effect as of the last day of the Limitation Year shall be the dollar limitation used for the entire Limitation Year. For purposes of this Section 3.07 and IRC Section 415 and the regulations thereunder, the Limitation Year with respect to the Employer shall be the calendar year.

Compensation for a Participant who is permanently and totally disabled (as defined in IRC Section 37(e)(3)) is the compensation such Participant would have received for the Limitation Year if the Participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled; such imputed compensation for the disabled Participant may be taken into account only if the Participant is not an officer, an owner, or highly compensated, and contributions made on behalf of such Participant are nonforfeitable when made.

The term "annual addition" for each Limitation Year means the sum of:

- (a) Employer contributions, whether direct or indirect, including Participant Elective Deferrals;
- (b) forfeitures;
- (c) Employee contributions;
- (d) For Limitation Years beginning after March 31, 1984, any amount allocated to a separate account established by the Employer on behalf of the Participant pursuant to the terms of a defined benefit plan to provide for the payment of benefits for sickness, accident, hospitalization and medical expenses of retired employees, their spouses and dependents; and
- (e) Any contribution paid or accrued after December 31, 1985, to a separate account established on behalf of a Key Employee as defined in IRC Section 419A(d)(3) pursuant to the terms of a plan of an Employer through which the Employer provides payment for medical benefits as defined in IRC Section 213(d) to such Key Employee after his retirement. Medical benefits as defined in IRC Section 213(d) may include medical benefits such as the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body, or for transportation which is primarily for and essential to the provision of such medical care or for insurance (including amounts paid as premiums under Part B of Title XVIII of the Social Security Act) which covers such medical care.

Employer contributions shall be considered as annual additions to the Participant's Accounts in the Limitation Year with respect to which such contributions are allocated, even though such contributions are actually paid over to the Trustee in a later year.

In any case in which an individual is a Participant in more than one defined contribution plan of the Employer, all such defined contribution plans, terminated or not, shall, for purposes of these limitations, be considered as one plan; provided, however, if any of such plans is an Employee Stock Ownership Plan (ESOP), and the limitations contained in the first paragraph of this Section 3.07 would, directly or indirectly, be larger, then the larger limitations shall apply. In addition, all employees of all corporations which are members of a controlled group (within the meaning of IRC Section 1563(a) without regard to IRS Section 1563(a)(4) and Section 1563(e)(3)(c), which group includes the Employer as a member, shall be considered as employed by a single employer. However, for purposes of the preceding sentence, a fifty percent (50%) control test applies.

3.08

Rollovers - With the permission of the Committee and without regard to any aforementioned limit, the Plan will accept Rollover Contributions and/or Direct Rollovers of distributions made after December 31, 2001 on behalf of an Eligible Employee from a qualified plan described in IRC Section 401(a) or 403(a), excluding after-tax employee contributions.

For purposes of this Section 3.08, Eligible Employee means an Eligible Employee as defined in Section 2.01 hereof and any person who is employed as an employee by an Affiliate which has not adopted the Plan and who would be an Eligible Employee as defined in Section 2.01 hereof if the Affiliate were to adopt the Plan

pursuant to Section 9.10 hereof. Eligible Employees may make Rollover Contributions and/or Direct Rollovers prior to meeting the eligibility requirements for participation in the Plan.

For purposes of this Plan, a Rollover Contribution is a contribution made by an Eligible Employee of an amount distributed to such Eligible Employee from one of the above-mentioned plans pursuant to IRC Section 402(c) and a Direct Rollover is a payment received by the Plan from one of the above-mentioned plans on behalf of an Eligible Employee.

3.09 Predecessor Plan Assets - With the permission of the Committee and without regard to any aforementioned limit, the Trustee may receive the assets of any predecessor plan and invest such assets in any manner in which he is authorized to invest the assets of this Plan.

SECTION 4 Accounts And Valuation

4.01 Participants' Accounts - The Committee shall establish and maintain, as needed, a separate Account in the name of each Participant to which the Committee shall credit or charge each of the following contributions and the net earnings or net losses of the Trust Fund and distributions from the Trust Fund on his behalf that relate to such contributions:

- (a) Participant Elective Deferrals;
- (b) Employer Matching Contributions;
- (c) Employer Discretionary Profit Sharing Contributions;
- (d) Rollover Contributions and Direct Rollovers; and
- (e) Any other account the Committee deems necessary for the proper administration of the Plan.

4.02(a) Allocation Of Employer Contributions - The Committee shall allocate the contributions for each Plan Year among the Accounts of the several Participants in the following manner:

- (1) There shall be allocated to each Participant's Account an amount equal to the amount he has elected to defer pursuant to Section 3.01(a) hereof.
- (2) There shall be allocated to each Participant's Account the amount of any Employer Matching Contribution made pursuant to Section 3.01(e) hereof to which he is entitled.
- (3) There shall be allocated to each Participant's Account such Participant's share of any Discretionary Profit Sharing Contribution made by his Employer pursuant to Section 3.02 hereof. The Committee shall allocate the Employer's Discretionary Profit Sharing Contribution for the Plan Year among the Accounts of the several Participants of the Employer for the Plan Year in the same ratio as each Participant's Compensation bears the total Compensation of all such Participants for the Plan Year. Compensation shall only include for purposes of this Section 4.02(a)(3) Compensation received by the Participant from the Employer making such contribution and only for the period during which he was a Participant in the Plan. In addition, for purposes of this Section 4.02(a)(3), Participants shall only include those Participants of the Employer making such contribution who are eligible for such contribution as set forth in Section 2.01 hereof, who have completed at least 501 Hours of Service with the Employer making such contribution and are in the employ of the Employer or any Affiliate on the last day of the Plan Year.
- (4) There shall be allocated to each Participant's Account the amount of any Rollover Contribution and Direct Rollovers he has made pursuant to Section 3.08 hereof.

4.02(b) Top Heavy Plan Year Allocations - For any Top Heavy Plan Year as defined in Section 10.02 hereof for which the minimum benefit required by IRC Section 416 must be provided by this Plan, any Non-Key Employee Participant who is in the employ of the Employer on the last day of such Plan Year shall be entitled to the minimum benefit required by IRC Section 416. The minimum benefit for each such Participant shall be equal to the lesser of: (i) 3% of the Compensation of such Participant, or (ii) the percentage of the Compensation of the Participant at which contributions are made (or are required to be made) under the Plan for the Plan Year for the Key Employee Participant for whom such percentage is the highest for the year. The Employer will make a contribution to the Plan to the extent necessary to provide for the minimums required under this paragraph. The minimum allocation required for Top-Heavy Plan Years (to the extent required to be nonforfeitable under IRC Section 416(b)) may not be forfeited under IRC Section 411(a)(3)(B) or 411(a)(3)(D).

Elective Deferrals and Matching Contributions shall be used to determine the highest percentage for Key Employee Participants. Elective Deferrals shall not, however, be taken into account for purposes of satisfying the minimum top-heavy contribution requirements contained in this Section 4.02(b). Matching Contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of this Section 4.02(b) and the Plan. Matching Contributions that are used to satisfy the minimum contribution requirements shall be treated as Matching Contributions for purposes of the Actual Contribution Percentage test contained in Section 3.01(h) hereof.

4.03 Valuation Of Trust Fund - As of the last Valuation Date of each Plan Year, the Trustee shall determine the net worth of the assets of each Participant's Account. In determining such net worth, the Trustee shall value the assets of the Trust Fund at their fair market value as of such Valuation Date and shall deduct all fees and expenses chargeable to the Participant's Account. Any fees and expenses of the Trust Fund which do not relate to a particular Participant's Account shall be allocated among the Accounts of the several Participants in the proportion that the value of each Participant's Account as of such Valuation Date bears to the total value of the Accounts of the several Participants as of such Valuation Date.

The Trustee shall also determine the net worth of the assets of each Participant's Account upon a Participant's retirement, death, disability, withdrawal or termination of employment, to the extent necessary to determine said Participant's Accrued Benefit under this Plan.

4.04 Allocation Does Not Vest Any Interest - The fact that an amount is credited to the Account of a Participant shall not vest in such Participant or any Beneficiary any right, title or interest in the assets of the Trust Fund except at the time or times and upon the terms and conditions herein provided.

4.05 Transfer To Affiliate - If a Participant transfers from the employment of the Employer to the employment of any Affiliate, such Participant's Account shall remain in the Trust Fund and the Participant shall be responsible to continue to direct the investment of his Accounts pursuant to Section 5.01 hereof.

SECTION 5 Investments

5.01 Investment Direction - The funding policy and method of the Plan is the deposit of all contributions with the Trustee, in accordance with the terms of the Trust agreement with the Trustee, with the right given each Participant to designate the Investment Fund or Funds in which his interest in the Trust is to be invested, as described in this Section 5. Subject to the provisions of this Section 5.01, each Participant shall have the right and responsibility to determine the manner in which the assets credited to his Account are to be invested. Each Participant shall direct the Trustee as to his choice of investments. The Trustee shall carry out the directions of the Participant as soon as practicable after receipt of such direction from the Participant. The Committee has the right to establish such rules and regulations it deems necessary to administer the provisions of this Section 5.01.

The right and responsibility of a Participant to direct the investment of his Account shall continue after retirement, disability or other termination of employment, until his entire Account or vested interest therein has been distributed. The Beneficiary of a deceased Participant shall exercise the right and responsibility of such Participant to direct the investment of his Account until the deceased Participant's entire Account has been distributed.

The Committee shall make available such Investment Funds as it shall determine in its discretion, including such new, additional or replacement Funds as the Committee may deem appropriate. Without limiting the foregoing, the Employer expressly reserves for the Committee the right at any time and from time to time to add additional Investment Funds having such investment objectives as it shall determine; to modify the provisions governing any existing Investment Fund; or to eliminate one or more existing Investment Funds. Such Committee action may require or authorize the transfer of Account balances then held in existing Investment

Funds to one or more new or modified Investment Funds. The Investment Funds shall include a Gibraltar Stock Fund and any other funds as may be selected by the Committee in its sole discretion.

A Participant shall direct that the funds in his Account be invested among the available Investment Funds in such percentages as he shall specify, in increments of 1%, effective on such dates as the Committee shall establish, including on a daily basis; provided, however, no greater than 20% of a Participant's Elective Deferrals, Matching Contributions and Qualified Non-elective Contributions can be invested in the Gibraltar Stock Fund. In addition, a Participant may direct that all or a portion of his existing Account balances in one or more Investment Funds be transferred among the available Investment Funds in such percentages as he shall specify, in increments of 1%, effective on such dates as the Committee shall establish, including on a daily basis; provided, however, a Participant may not transfer to the Gibraltar Stock Fund an amount that would cause the value of such Gibraltar Stock Fund to exceed 20% of the Participant's existing Account balances. The Committee has the right to change the above mentioned rules in its discretion, in which the case the Participant must make investment directions in a manner consistent with rules and regulations established by the Committee.

The Committee and Trustees shall have no duty to investigate, and shall be under no liability for, the prudence of any Participant investment directions made pursuant to this Section 5.01, it being understood that each Participant is responsible for the prudent management and investment of his own Account. The Committee and Trustees shall have no duty to review, supervise, or approve the investment decisions of the Participant. Neither the Employer, the Committee nor the Trustees shall have any liability to anyone at any time interested hereunder for the investment of the Participants' Accounts, except as may be otherwise required by the Employee Retirement Income Security Act of 1974.

5.02 Investment Media - Benefits required for Participants may be provided through any investment media offered by any legal reserve life insurance company authorized to do business in New York State, as the Committee may select, or through the purchase of shares in any regulated investment company as defined in IRC Section 851(a), or through investment in any common trust fund of any bank or trust company authorized to do business in New York State, or through any investment proper and appropriate to be made by the Trustee in accordance with the trust agreement executed pursuant hereto or through any combination of such investment media.

The Trustees may acquire and hold "qualifying Employer securities" as that term is defined in ERISA; provided, however, that the Trustee shall not be permitted to acquire any qualifying Employer securities if, immediately after the acquisition of such securities, the fair market value of all qualifying Employer securities held by the Trustee hereunder should amount to more than 100% of the fair market value of all the assets in the Trust Fund and provided further that any such acquisition shall be subject to any applicable provisions of ERISA and any regulations and rulings in this respect issued now or hereafter by the Department of Labor or the Commissioner of Internal Revenue.

5.03 Loans to Participants - Upon the application of any Participant, the Committee may direct the Trustee to make a loan to such Participant, provided all the following conditions are satisfied:

- (a) The Committee, in its sole discretion and in accordance with a uniform and non-discriminatory policy, approves such loan to such Participant;
- (b) Loans are available to all Participants, other than Participants who are no longer Employees and who are not parties-in-interest as defined in ERISA Section 3(14), on a reasonably equivalent basis;
- (c) The minimum amount of a loan shall be \$1,000 and the maximum number of loans a Participant may have outstanding at any time is two (2), only one of which can be a loan for a primary residence;
- (d) The total amount of any loan or loans from this Plan to any Participant shall not be more than one-half (1/2) of the amount of such Participant's Accrued Benefit, and the total amount of any loan or loans to any Participant from this plan and any other qualified employer plans as defined in IRC Section 72(p)(3) shall not be more than the lesser of:
 - (1) one-half of the total of such Participant's nonforfeitable interest in his accrued benefits under such plans; or
 - (2) \$50,000.00 reduced by the excess (if any) of the highest outstanding balance of loans from the plans to the Participant during the one year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the plans to the Participant on the date on which such loan is made;
- (e) All loans to Plan Participants granted under this Section 5.03 shall bear a reasonable rate of interest. Every Participant who requests a loan pursuant to this Section 5.03 shall receive a statement of the charges involved in such loan transaction. This statement shall include the dollar amount of the loan and annual rate of finance charge;
- (f) Repayment of any loan granted under this Section 5.03 shall provide for level amortizations with payments to be made not less frequently than quarterly over a period not to exceed five (5) years. However, if the proceeds of such loan are to be used by the Participant to acquire any dwelling unit which is to be used as a primary residence of the Participant, then the term of such loan can exceed five (5) years but shall not exceed ten (10) years;
- (g) Each loan shall be supported by collateral sufficient to adequately secure the repayment of the loan, in addition to such Participant's interest-bearing note for the amount of the loan, payable to the order of the Trustee. In the case of any loan made to a married Participant, such Participant's vested interest in his Accrued Benefit shall not be used as collateral for such loan without the written consent of the Participant's spouse.

Spousal consent shall be obtained no earlier than the beginning of the 90-day period that ends on the date on which the loan is to be so secured. The consent must be in writing, must acknowledge the effect of the loan, and must be witnessed by a plan representative or notary public. Such consent shall thereafter be binding with respect to the consenting spouse or any subsequent spouse with respect to that loan. A new consent shall be required if the account balance is used for renegotiation, extension, renewal, or other revision of the loan.
- (h) Repayment of any loan granted under this Section 5.03 shall be pursuant to an arrangement, established when the loan is made, setting forth the manner in which said loan shall be repaid; provided, however, each Participant shall have the right to prepay the entire principal balance due and shall be entitled to a corresponding abatement of interest. The Committee may require the Employer to withhold the amount of the Participant's required payments from his pay. Loan repayments will be suspended under this Plan as permitted under IRC Section 414(u)(4).
- (i) Any application for a loan under this Section 5.03 shall constitute an application by the Participant directing that the Participant's interest in his or her Account be invested in such loan. If a loan is granted hereunder, the value of a Participant's Account shall be adjusted as of each Valuation Date to reflect the principal and interest credited to such Account as a result of the loan investment as directed by the Participant hereunder.

No Participant who applies for a loan and directs the investment of his or her Account in accordance with this Section 5.03 shall be considered a fiduciary by reason of his or her exercise of control over his or her Account and no person who is otherwise a fiduciary (including the trustees) shall have any liability for any loss, or by reason of any breach, which results from such Participant's exercise of control.
- (j) The Participant pays from his Account any loan fee as determined by the Committee, in its sole discretion, from time to time.

In the event that a Participant does not repay any loan, the Committee may deduct the total amount of such loan or any portion thereof from any payment or distribution from the Trust Fund to which such Participant or his beneficiary or beneficiaries may be entitled. In the event that the amount of any such payment or distribution is not sufficient to repay the remaining balance of any such loan, such Participant shall be liable for and continue to make payments on any balance still due from him. In the event of default, foreclosure on the note and attachment of security will not occur until a distributable event occurs in the Plan although there may be a deemed distribution due to such default.

5.04 Allocation of Loans, Withdrawals and Distributions - Where any Account affected by a loan pursuant to Section 5 or by a withdrawal or a distribution pursuant to Section 6 is invested in more than one Investment Fund, the amount of the loan, withdrawal or distribution shall be charged against each Investment Fund as directed by the Participant, or in the absence of such direction, pro-rata against each of the Investment Funds in the Participant's Account.

Loan repayments shall be invested in Investment Funds in the same proportion as the Participant's current Elective Deferrals are being invested by the Trustees at the time loan repayments are made. If the Participant is making no Elective Deferrals to the Plan at the time loan repayments are made, the Participant may designate

how loan repayments shall be invested.

- 5.05 Voting of Shares of Gibraltar - Each Participant shall have the right to give voting instructions to the Trustee with respect to the number of shares of common stock of Gibraltar Steel Corporation which are held on his behalf in the Gibraltar Stock Fund. Written notice of any meeting of stockholders of Gibraltar and a form for instructing the Trustee how to vote shall be given to each Participant entitled to give instruction, by such means and in such manner as the Committee shall determine. The Trustee shall vote such number of shares in accordance with such instructions; provided, however, that the Trustee shall vote any shares of common stock of Gibraltar Steel Corporation for which it shall not have received voting instructions from Participants in the same proportion as other Participants in the Plan have voted the common stock of Gibraltar Steel Corporation.
- 5.06 Tender or Exchange Offers - Notwithstanding any other provisions of this Plan to the contrary, in the event of a tender or exchange offer for shares of common stock of Gibraltar Steel Corporation held by the Trustee in the Gibraltar Stock Fund for the Account of any Participant having an interest in such Funds, the Trustee shall have no discretion or authority to sell, convey or exchange such shares except to the extent, and only to the extent, that the Trustee is timely directed to do so in writing by the Participants, and, upon timely receipt of such written instructions, the Trustee shall so sell, convey or transfer such shares of the common stock of Gibraltar Steel Corporation.

In the event of a tender or exchange offer for shares of common stock of Gibraltar Steel Corporation held by the Trustee in the Gibraltar Stock Fund for the Account of any Participant having an interest in such Funds, (i) the Employer and the Committee shall not interfere in any manner or in any way attempt to influence a Participant's decision regarding the tender or exchange of such shares (hereinafter referred to as the "Investment Decision"); (ii) the Employer and the Committee shall adequately communicate or cause to be communicated to the Participants the provisions of the Plan relating to the tender or exchange of such shares and timely distribute or cause to be distributed to Participants all communications directed generally to the owners of the shares subject to the tender or exchange offer, and (iii) the Committee shall distribute or cause to be distributed to Participants, all communications that the Trustee may receive, if any, from the offeror of such tender or exchange offer relating to such tender or exchange offer. In no event shall the communications to Participants with respect to Investment Decisions or public communications directed generally to the owners of the shares subject to the tender or exchange offer, be deemed to be interference in the exercise of the Participants' Investment Decision.

SECTION 6 Distributions

- 6.01 Retirement - Every Participant shall retire for purposes of this Plan upon his termination of employment on his retirement date, which dates are defined below, and shall continue to participate until his actual retirement. The Committee shall direct the Trustee to distribute to such Participant his Accrued Benefit in accordance with Section 6.07 hereof.

- (a) Normal Retirement Date of any Participant means such Participant's 65th birthday.
- (b) Deferred Retirement Date of any Participant means the first day of the month after such Participant actually leaves the employment of the Employer, provided it is subsequent to his Normal Retirement Date.

A Participant shall become fully and nonforfeitably vested in his Accrued Benefit upon his attainment of age 65.

- 6.02(a) Death - Upon the death of a Participant before retirement or other termination of employment, his Accrued Benefit shall be fully and nonforfeitably vested. The Committee shall direct the Trustee to distribute to any surviving Beneficiary designated by the Participant, or if none to his surviving spouse, or if neither to his estate, such Accrued Benefit in accordance with Section 6.07 and 6.10 hereof.

Notwithstanding the above, in the case of benefits payable on account of the death of any vested married Participant before his annuity starting date (as defined in Section 6.07), payment of his Accrued Benefit shall be made to his surviving spouse in accordance with Section 6.07(a) hereof, unless prior to his death the Participant selected a Beneficiary other than his spouse in accordance with the provisions contained in Sections 6.02(c) and (d) hereof. However, if any vested married Participant has elected to receive his benefits in the form of a life annuity and dies before his annuity starting date, payment of his Accrued Benefit shall be made over the life of his surviving spouse (hereinafter referred to as the "qualified pre-retirement survivor annuity"), unless prior to his death the Participant made an election in accordance with the Qualified Election Procedures contained in Section 6.07(c) hereof. The surviving spouse may elect to have such annuity distributed within a reasonable period after the Participant's death. A surviving spouse entitled to any benefits under this paragraph may elect, in writing filed with the Committee prior to the commencement of benefits, that the Committee make payment under one of the optional forms of benefits provided for in Section 6.07(a) hereof. For purposes of this Section 6.02(a), a Participant shall not be considered married unless the Participant and his spouse have been married throughout the one (1) year period ending on the date of the Participant's death.

Upon the death of a Participant who has theretofore retired, become disabled or otherwise terminated employment and who has begun to receive payments pursuant to Section 6.07 hereof, the Trustee in accordance with the provisions of Section 6.07 and subject to the provisions of 6.10 hereof shall continue to distribute the balance, if any, of his Accounts that have not been heretofore distributed, to any surviving spouse or to any surviving Beneficiary designated by the Participant, whichever is applicable, or if neither, to his estate.

- 6.02(b) Proof Of Death - The Committee may require such proper proof of death and such evidence of the right of any person to receive payment of a deceased Participant's Account as the Committee may deem desirable. The Committee's determination shall be conclusive.

- 6.02(c) Designation Of Beneficiary - Subject to the provisions of Section 6.02(d) hereof, each Employee, upon becoming a Participant, may designate a Beneficiary of his own choosing, and may in addition name contingent Beneficiaries. Such designation shall be made in a form satisfactory to the Committee. Any Participant may at any time revoke or change his Beneficiary designation by filing written notice with the Committee.

- 6.02(d) Qualified Election - A married Participant may elect to waive during his election period the requirement that his benefits be paid to his surviving spouse in the event that he dies before the commencement of his benefits under this Plan.

Any Beneficiary designation made by any married Participant, as defined in Section 6.02(a) hereof, credited with one Hour Of Service after August 23, 1984, shall not be effective unless: (i) the Participant's spouse consents in writing to the designation; (ii) the designation designates a specific Beneficiary including any class of Beneficiaries or any contingent Beneficiaries, which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent); (iii) the spouse's consent acknowledges the effect of the designation and (iv) the spouse's consent is witnessed by a plan representative or notary public.

Any consent by a spouse obtained under this provision (or establishment that the consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A consent that permits designations by the Participant without any requirement of further consent by such spouse must acknowledge that the spouse has the right to limit consent to a specific Beneficiary and that the spouse voluntarily elects to relinquish such right. A revocation of a prior designation may be made by a Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited.

If the Participant establishes to the satisfaction of the Committee that he has no spouse or his spouse cannot be located, the consent of his spouse provided for shall not be required. If a Participant marries or locates his spouse after having made a beneficiary designation under Section 6.02(c) hereof, such designation shall not be effective unless the spouse of such Participant consents in writing to such designation in accordance with the provisions of this Section 6.02(d).

- 6.03(a) Disability - In the event of a Participant's total and permanent disability before retirement or other termination of employment, his Accrued Benefit shall be fully and nonforfeitably vested. The Committee shall direct the Trustee to distribute to such Participant his Accrued Benefit in accordance with Section 6.07. No distribution may be made to a Participant prior to his attainment of age 65 pursuant to this Section 6.03(a) if his Accrued Benefit exceeds \$5,000.00, unless the Participant, and if a qualified joint and survivor annuity form of payment is required, his spouse, consent to such distribution. If consent to the distribution is not obtained, the Committee shall direct the Trustee to hold the same for distribution upon the earlier of his attainment of age 65 or death.

- 6.03(b) Total And Permanent Disability - For purposes of this Plan, total and permanent disability shall mean an illness or injury of a potentially permanent nature, expected to last for a continuous period of not less than 12 months or can be expected to result in death which prevents the Participant from engaging in any occupation for wage or profit for which the Employee is reasonably fitted by training, education or experience.

6.03(c) Determination Of Total And Permanent Disability - The total and permanent disability of any Participant shall be determined by a licensed physician selected by or satisfactory to the Employer.

6.04 Vesting - Each Participant shall at all times be fully and nonforfeitably vested in all of his Accounts in the Plan, including, but not limited to, his Accrued Benefit attributable to Elective Deferrals, Matching Contributions, Discretionary Profit Sharing Contributions, Qualified Non-elective Contributions, Rollover Contributions and Direct Rollovers.

6.05 Termination Of Employment And Distribution Of Vested Benefits - Upon a Participant's voluntary or involuntary termination of employment with the Employer and any Affiliate with a vested interest in his Accrued Benefit, other than by reason of retirement, death or disability, the Participant shall have the right to elect to have the value of his Accrued Benefit paid in accordance with Section 6.07 hereof; provided, however, such election shall not be effective without the Participant's, and if a qualified joint and survivor annuity form of payment is required, his spouse's (or where either the Participant or the spouse has died, the survivor's) written consent if (i) his Accrued Benefit exceeds \$5,000.00 (or any lesser amount as may, by regulations of the Secretary of the Treasury, be established as the maximum amount that may be paid out in such event without the Participant's consent) and (ii) the Accrued Benefit is immediately distributable. The Accrued Benefit is immediately distributable if any part of the Accrued Benefit could be distributed to the Participant (or surviving spouse) before the Participant attains (or would have attained if not deceased) the later of normal retirement age or age 62. Notwithstanding the foregoing, neither the consent of the Participant nor his spouse shall be required to the extent that a distribution is required to satisfy IRC Section 401(a)(9) or IRC Section 415.

For purposes of this Section 6.05, the consent of the Participant and, if applicable, his spouse shall be obtained in writing within the 90 day period ending on the annuity starting date. The annuity starting date is the first day of the first period for which an amount is paid as an annuity or any other form. The Committee shall notify the Participant and, if applicable, his spouse of the right to defer any distribution until the Participant's Accrued Benefit is no longer immediately distributable. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan and shall be provided no less than 30 days and no more than 90 days prior to the annuity starting date. If a distribution is one to which Sections 401(a)(11) and 417 of the Internal Revenue Code do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

- (a) the Committee clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- (b) the Participant, after receiving the notice, affirmatively elects a distribution.

If the Participant and, if applicable, the Participant's spouse do not consent to such distribution, the Committee shall direct the Trustee to hold the value of his Accrued Benefit as determined above for distribution upon the earlier of his attainment of age 65, death or disability. The Participant shall be responsible to continue to direct the investment of his Accounts pursuant to Section 5.01 hereof. When such former Participant is entitled to distribution as provided in the preceding sentence, the Committee shall direct the Trustee to distribute the value of such Accrued Benefit to such former Participant or his Beneficiary in accordance with Section 6.07.

At the time a former Participant is entitled to distribution, according to its records, the Committee shall send, by registered or certified mail directed to his address last known to the Committee, a notice informing him as to his rights with respect to any amounts held for him and requesting confirmation of his address and age. Each Participant and former Participant has the obligation to keep the Committee informed of his address. In the event the Committee is unable to locate such former Participant within four (4) years, the amount held for his benefit shall be forfeited; provided, however, if a claim is made by the Participant or his Beneficiary for the forfeited amount, such amount shall be reinstated into his Account.

Notwithstanding the foregoing, the Committee shall direct the Trustee to make a lump sum payment of a Participant's vested interest in his Accrued Benefit if his vested interest in his Accrued Benefit is \$5,000.00 or less.

6.06 Forfeitures - Since the Plan provides full vesting pursuant to Section 6.04 hereof, there are no forfeitures under the Plan.

6.07(a) Method Of Distribution - Subject to the last paragraph of this Section 6.07(a), a Participant may elect one or more of the following methods of distribution of benefits. If a Participant makes no election, the distributions provided hereunder shall, subject to the provisions of Section 6.07(b) hereof, be made in one lump sum payment in cash.

- (1) One lump sum payment.
- (2) Effective July 1, 1997, the purchase of an annuity contract from any insurance company licensed to do business within the State of New York. Any such annuity contract so purchased must be non-transferable when held by a person other than a trustee of a trust described in IRC Section 401(a) or IRC Section 501(a) and must be payable in the following forms: a straight life annuity; single life annuities with certain periods of 5, 10 or 15 years; a single life annuity with installment refund; survivorship life annuities with installment refund with survivor percentages of 50, 66-2/3 or 100; a joint and 50% or 100% survivor annuity with a designated Beneficiary; or over the periods set forth in subsection (3) below.
- (3) Payment in monthly, quarterly, semi-annual or annual installments over a period certain not longer than the life expectancy of the Participant or the joint life and survivor life expectancies of the Participant and his designated Beneficiary or until the Participant's Account has been fully distributed, if sooner. Effective July 1, 1997, distribution of benefits pursuant to this Section 6.07(a)(3) may be made by the purchase of an annuity contract described in Section 6.07(a)(2) above.

If the Participant has any funds invested in the Gibraltar Stock Fund, the Committee will take reasonable steps to help liquidate a sufficient number of shares of the common stock of Gibraltar Steel Corporation held in such Fund to make distribution to the Participant.

Notwithstanding the foregoing, the methods of distribution of benefits provided under (2) and (3) above shall no longer be available to any Participant whose annuity starting date is after the earlier of (i) the 90th day after the date the Participant has been furnished a summary that reflects the elimination of those methods of distribution or (ii) January 1, 2006, which is the first day of the second Plan Year following the Plan Year during which that method of distribution was eliminated.

6.07(b) Normal Form Of Benefit For Married Participant Electing Life Annuity - If a Participant is married on the first day of the first period for which an amount is payable as an annuity (the annuity starting date) and such Participant has elected to receive his benefits in the form of a life annuity, any distribution of the following benefits shall be made in the form of a qualified joint and survivor annuity, unless the Participant elects not to receive his benefits in such form or elects one of the other options contained in Section 6.07(a) hereof; provided that no such election may be made unless made in accordance with the Qualified Election Procedures contained in Section 6.07(d) hereof. The following benefits shall be paid in the above manner:

- (1) Normal or deferred retirement benefits;
- (2) Benefit payments otherwise commencing on or after a Participant's disability or attainment of normal retirement age.

For purposes of this Section 6.07(b), the term "qualified joint and survivor annuity" shall mean an immediate annuity for the life of the Participant with a survivor annuity for the life of his spouse which is equal to one-half of the amount of the annuity payable during the joint lives of the Participant and his spouse. Distribution of benefits pursuant to this Section 6.07(b) may be made by the purchase of an annuity contract described in Section 6.07(a)(2) hereof.

6.07(c) Qualified Election Procedures - If a Participant has elected to receive his benefits in the form of a life annuity, no less than thirty (30) days and no more than ninety (90) days before the Participant's annuity starting date, the Committee will provide the Participant with a written explanation of: (i) the terms and conditions of the qualified joint and survivor annuity; (ii) the Participant's right to make and the effect of an election to waive the qualified joint and survivor annuity form of benefit; (iii) the rights of a Participant's spouse; and (iv) the right to make, and the effect of, a revocation of a previous election to waive the qualified joint and survivor annuity.

A Participant may elect, with applicable spousal consent, to waive the requirement that the written explanation be provided at least 30 days before the annuity starting date, provided that the distribution commences more than 7 days after such explanation is provided. In addition, the written explanation may be provided

after the annuity starting date, provided that the applicable election period shall not end before the 30th day after the date on which such explanation is provided, except that the Participant can waive such 30 day requirement provided that the distribution commences more than 7 days after the explanation is provided.

The Committee shall also provide the Participant a written explanation of: (i) the terms and conditions of the qualified pre-retirement survivor annuity; (ii) the Participant's right to make and the effect of an election to waive the qualified pre-retirement survivor annuity form of benefit; (iii) the rights of a Participant's spouse; and (iv) the right to make, and the effect of, a revocation of a previous election to waive the qualified pre-retirement survivor annuity. Such written explanation shall be provided by the Committee to the Participant upon his election to receive his benefits in the form of a life annuity or, if later, during the period beginning on the first day of the Plan Year in which the Participant attains the age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35; provided that, if a Participant enters the Plan after the 1st day of the Plan Year in which the Participant attained age 32, the Committee shall provide such written explanation no later than the close of the second Plan Year following the Participant's entry into the Plan, if later. In the case of a Participant who separates from service before the Plan Year in which age 35 is attained, notice shall be provided within the two-year period beginning one year prior to separation and ending one year after separation. If such a participant thereafter returns to employment with the Employer, the applicable period for such participant shall be redetermined.

A married Participant may elect to waive the requirement that his benefits be paid in the form of a qualified joint and survivor annuity or a qualified pre-retirement survivor annuity in the event that he dies before the commencement of his benefits under this Plan. Such election shall not be effective unless: (i) the Participant's spouse consents in writing to the election; (ii) the election designates a specific Beneficiary including any class of Beneficiaries or any contingent Beneficiaries, which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent); (iii) the spouse's consent acknowledges the effect of the election; and (iv) the spouse's consent is witnessed by a Plan representative or notary public. Additionally, a Participant's waiver of the qualified joint and survivor annuity shall not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent).

Any consent by a spouse obtained under this provision (or establishment that the consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A consent that permits designations by the Participant without any requirement of further consent by such spouse must acknowledge that the spouse has the right to limit consent to a specific Beneficiary, and a specific form of benefit where applicable, and that the spouse voluntarily elects to relinquish either or both of such rights. A revocation of a prior waiver may be made by a Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited.

The election period with respect to the qualified joint and survivor annuity is the 90 day period ending on the annuity starting date. The election period with respect to the qualified pre-retirement survivor annuity begins on the later of the date on which the Participant has elected to receive his benefits in the form of a life annuity or the first day of the Plan Year in which he attains age 32 and ends on the date of his death.

6.07(d) Payment Without Qualified Election - A Participant may receive his benefits under this Plan in a form which is not a qualified joint and survivor annuity or a qualified pre-retirement survivor annuity without making an election described in Section 6.07(d) hereof provided that the Participant establishes to the satisfaction of the Committee that he has no spouse or his spouse cannot be located.

Notwithstanding the foregoing provisions of this Section 6.07(d), if a Participant marries or locates his spouse after having made an election under Section 6.07(c) hereof not to receive his benefits in the form of a qualified joint and survivor annuity or qualified pre-retirement survivor annuity, such election shall not be effective and such Participant's benefits will be paid in accordance with Section 6.07(b) or the second paragraph of 6.02(a) hereof unless such Participant makes an election not to receive his benefits in such form in accordance with Section 6.07(c) hereof.

6.08 Time Of Payment - Unless a later date is otherwise elected by the Participant, benefit payments under this Plan must begin not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs:

- (a) A Participant attains age 65;
- (b) The tenth anniversary of the year in which the Participant commenced participation in the Plan; or
- (c) The Participant terminates his service with the Employer.

Notwithstanding the foregoing, the failure of a Participant, and if applicable his spouse, to consent to a distribution while a benefit is immediately distributable, within the meaning of Section 6.05, shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section 6.08.

6.09 Deferred Distributions Upon Retirement, Death, Disability Or Termination Of Employment - In the event of a deferred distribution under the Plan in the case of retirement, death, disability or termination of employment, the Participant or beneficiary, as the case may be, shall be responsible to continue to direct the investment of his Accounts pursuant to Section 5.01 hereof.

6.10(a) Required Minimum Distribution - General Rules - The requirements of this Section 6.10 shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. All distributions required under this Section 6.10 will be determined and made in accordance with the Treasury regulations under IRC Section 401(a)(9).

6.10(b) Required Beginning Date - The entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's required beginning date. The required beginning date of a Participant is the later of the first day of April of the calendar year in which the Participant attains age 70 1/2 or, in the case of a non-5 percent owner, the calendar year in which the Participant retires.

A Participant is treated as a 5 percent owner for purposes of this Section if such Participant is a 5 percent owner as defined in IRC Section 416(i) (determined in accordance with IRC Section 416 but without regard to whether the Plan is top-heavy) at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70 1/2. Once distributions have begun to a 5 percent owner under this Section, they must continue to be distributed, even if the Participant ceases to be a 5 percent owner in a subsequent year.

6.10(c) Time and Manner of Distribution - If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

- (1) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.
- (2) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (4) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 6.10(c), other than Section 6.10(c)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Section 6.10(c) and Section 6.10(e), unless Section 6.10(c)(4) applies, distributions are considered to begin on the Participant's required beginning date. If Section 6.10(c)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 6.10(c)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date 6.10(c)(1), the date distributions are considered to begin is the date distributions actually commence. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with Sections 6.10(d) and 6.10(e). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of IRC Section 401(a)(9).

6.10(d) Required Minimum Distributions During Participant's Lifetime - During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

- (1) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
- (2) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number of the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

Required minimum distributions will be determined under this Section 6.10(d) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

6.10(e) Required Minimum Distributions After Participant's Death - If death occurs on or after date distribution begins, the following rules apply:

- (1) If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:
 - a. The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - b. If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - c. If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (2) If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

If death occurs before date distributions begin, the following rules apply:

- (1) If the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in the above provisions of this Section 6.10(e).
- (2) If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (3) If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 6.10(c)(1), the provisions of (1) and (2) above will apply as if the surviving spouse were the Participant.

6.10(f) Definitions - For purposes of this Section 6.10, the following terms shall have the following meanings.

- (1) Designated beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under IRC Section 401(a)(9) and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- (2) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 6.10(c). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.
- (3) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- (4) Participant's Account Balance. The Accrued Benefit as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Benefit as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Accrued Benefit for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

6.11 Distributions Where Location Of Participant Or Beneficiary Unknown - In the event that all, or any portion, of the distribution payable to a Participant or his Beneficiary hereunder shall, at the expiration of five (5) years after it shall become payable, remain unpaid solely by reason of the inability of the Committee, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or his Beneficiary, the amount so distributable shall be treated as a forfeiture pursuant to the Plan. In the event a Participant or Beneficiary is located subsequent to his benefit being forfeited, such benefit shall be restored. Notwithstanding the above, if, prior to the expiration of the five (5) year period mentioned above, distribution of Plan benefits is required under Section 6.10(a) hereof or if this Plan shall terminate and all the assets are distributed, the Committee shall direct the Trustee to establish in the name and social security number of the lost Participant, in care of the Employer, an interest-bearing federally-insured bank account with the Participant having an unconditional right to withdraw funds from the account.

6.12 Distributions During Incompetency - Subject to the provisions of Section 6.07 hereof, if any Participant, retired or disabled Participant or beneficiary entitled to any payment under this Plan shall be or shall, in the sole judgment of the Committee, become physically or mentally incapable of receiving or acknowledging receipt of payment, the Committee, may cause any payment otherwise payable to him to be made in any one or more of the following ways:

- (a) to a relative of such Participant or beneficiary by blood or by marriage, for the benefit of such Participant or beneficiary;
- (b) upon receipt of satisfactory evidence that such Participant or beneficiary is being maintained by an unrelated person or institution and no guardian or committee has been appointed for such Participant or beneficiary, to such person or institution to be held and used for the benefit of such Participant or beneficiary;
- (c) upon receipt of satisfactory evidence that a guardian or committee has been appointed for such Participant or beneficiary, to such guardian or committee, to be held and used for the benefit of such Participant or beneficiary; or
- (d) directly to such Participant or beneficiary.

The determination and direction of the Committee under this paragraph shall be binding upon such Participant or beneficiary and his heirs and personal representatives.

6.13 Pre-retirement Distribution - If a Participant has attained at least age fifty-nine and one-half (59 1/2), the Committee shall, upon the election of such Participant and with his, and, if a qualified joint and survivor annuity form of payment is required, his spouse's consent, direct the Trustee to distribute all or a portion of the vested interest in the Participant's Accrued Benefit to such Participant in accordance with the provisions of Section 6.07 hereof. In the event the Participant elects such distribution, the Participant shall continue to be eligible to participate in the Plan on the same basis as any other Participant. The provisions of this Section 6.13 shall only apply to the Participant's Accrued Benefit attributable to his Elective Deferrals, Employer Matching Contributions, Employer Discretionary Profit Sharing Contributions, Employer Non-elective Contributions and Rollover Contributions and Direct Rollovers.

6.14 Withdrawal Of Discretionary Profit Sharing Plan Contribution Account Attributable to Hubbell Plan - A Participant who has a Discretionary Profit Sharing Plan Contribution Account resulting from the merger of the Wm. R. Hubbell Steel Corporation/Mill Transportation Company 401(k) Profit Sharing Plan (the "Hubbell Plan") into this Plan shall be fully and non-forfeitably vested in that Account to the extent his balance in that Account is attributable to that same account in the Hubbell Plan prior to the merger. A Participant who has been a participant in the Hubbell Plan and this Plan for a period of at least five years has the right to withdraw 100% of such balance in his Discretionary Profit Sharing Plan Contribution Account. A Participant who has been a Participant in the plans for less than five years has the right to withdraw 100% of that portion of his Discretionary Profit Sharing Plan Contribution Account attributable to contributions made to the Hubbell Plan which have been in this Plan and the Hubbell Plan for at least two full Plan Years. Distributions under this Section 6.14 shall not be made without the Participant's, and if a qualified joint and survivor annuity form of payment is required, his spouse's, written consent if the Participant's vested interest in his Accrued Benefit exceeds \$5,000 (or any lesser amount as may, by regulations of the Secretary of the Treasury, be established as the maximum amount that may be paid out in such event without the Participant's consent).

6.15(a) Direct Transfer of Eligible Rollover Distribution - Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

6.15(b) Definitions.

"Eligible rollover distribution:" An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities). In addition, any amount that is distributed on account of hardship shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan. A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in IRC Section 408(a) or (b), or to a qualified defined contribution plan described in IRC Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable.

"Eligible retirement plan:" An eligible retirement plan is an individual retirement account described in IRC Section 408(a), an annuity plan described in IRC Section 403(a), or a qualified trust described in IRC Section 401(a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity. In addition, an eligible retirement plan shall also mean an annuity contract described in IRC Section 403(b) and an eligible plan under IRC Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in IRC Section 414(p).

"Distributee:" A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in IRC Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

"Direct rollover:" A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

6.16 Distribution Restrictions For 401(k) Plan - Elective Deferrals, Non-elective Contributions and Matching Contributions that are used to satisfy the Actual Deferral Percentage test set forth in Section 3.01(f) hereof and any income allocable to each may not be distributed to a Participant or his beneficiary, in accordance with such Participant's or beneficiary election, earlier than upon his retirement, death, disability, termination of employment or attainment of age 59.2. Notwithstanding the above, such amounts may be distributed upon:

- (a) termination of the Plan without the establishment of another defined contribution plan provided the Participant receives a lump sum distribution by reason of the termination;
- (b) the hardship of the Participant as described in Section 3.05; or
- (c) on account of the Participant's severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed. This paragraph shall apply for distributions after December 31, 2001 regardless of when the severance from employment occurred.

6.17 \$5,000 Payout Threshold - In determining if a Participant's Accrued Benefit exceeds \$5,000 for purposes of this Plan, the value of all of the Participant's Accounts, including his Account attributable to Rollover Contributions and Direct Rollovers shall be taken into account.

SECTION 7 Administration

7.01 The Committee - The Board of Directors shall appoint an administrative committee to administer the Plan as the plan administrator. The Committee shall be the named fiduciary of the Plan with respect to Plan administration and the appointment of an Investment Manager to manage any assets of the Plan. This Committee shall consist of officers or other employees of the Employer, or any other individuals, who shall serve at the pleasure of the Board of Directors. Any member may resign by delivering his written resignation to the Board of Directors. Vacancies arising by resignation, death, removal or otherwise shall be filled by the Board of Directors. If at any time no members are currently serving as the Committee, or if no Committee is appointed, the Employer shall be deemed to be the Committee.

7.02 General Duties And Responsibilities - The Committee shall administer the Plan in accordance with its terms and shall have all powers necessary to carry out the provisions of the Plan, including the right to exercise discretion to carry out its duties under the Plan. Any discretionary act, interpretation, construction or determination made in good faith shall be final and conclusive. The Committee may correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of this Plan; provided, however, that any discretionary act, interpretation or construction shall be consistent with the intent that the Plan shall continue to be deemed a qualified Plan under IRC Section 401(a), as amended from time to time, and shall comply with the terms of ERISA and all Regulations issued pursuant thereto. The Committee as named fiduciary may employ attorneys, accountants and such other advisors to advise it with respect to its duties and obligations as it deems appropriate.

7.03 Funding Policy - The Committee shall establish a funding policy and method consistent with the objectives of the Plan and the requirements of law. The Committee shall thereafter review, and if necessary change such funding policy and method.

7.04 Allocation And Delegation Of Responsibilities - As the named fiduciary, the Committee may engage agents to assist it in carrying out its functions hereunder. The Committee members are expressly authorized to allocate among themselves and/or delegate to other named persons or parties fiduciary responsibilities, other than Trustee responsibilities. The Committee may appoint an Investment Manager and delegate to him the authority to manage, acquire, invest or dispose of all or any part of the Trust assets. With regard to the assets entrusted to his care, the Investment Manager shall provide written instructions and directions to the Trustee, who shall in turn, be entitled to rely thereon. This appointment and delegation shall be evidenced by a signed written document, which must be retained with the other Plan documents.

- 7.05 Bonding - The Committee shall be responsible for procuring bonding for any persons dealing with the Plan or its assets as may be required by law or by this Plan.
- 7.06 Records, Reporting And Disclosure - The Committee shall maintain all the records necessary for the administration of the Plan. The Committee shall also be responsible for preparing and filing such annual reports and tax forms as may be required by law. The Committee shall furnish to and/or make available for inspection by each Participant covered under the Plan and to each Beneficiary who is entitled to receive benefits under the Plan, such information and reports as may be required by law.
- 7.07 Expenses and Compensation - Except as otherwise provided below, the expenses necessary to administer the Plan (exclusive of transfer taxes and similar costs of acquiring and disposing of common stock of Gibraltar Steel Corporation) shall be paid by the Employer. Upon its failure to pay said expenses, the Trustee shall pay said expenses out of the Plan assets and shall be reimbursed by the Employer. Expenses include, but are not limited to, brokerage commissions on the purchase and sale of common stock of Gibraltar Steel Corporation, those involved in retaining necessary professional assistance from an attorney, an accountant, an actuary, or an investment advisor. Expenses shall not include any participant loan fee or required minimum distribution fee, the amount of which shall be determined by the Committee, in its sole discretion, from time to time. Such fees shall be paid by the applicable Participant from his Account. The Employer shall furnish the Committee with such clerical and other assistance as is necessary in the performance of its duties. The Committee, with the approval of the Employer, may receive reasonable compensation for services rendered in administering this Plan, provided the member performing the services is not a full-time employee of any Employer maintaining this Plan.
- 7.08 Information From Employer - To enable the Committee to perform its functions, the Employer shall supply full and timely information to the Committee on all matters relating to the compensation of all Participants, their employment, their retirement, death, disability or termination of employment, and such other pertinent facts as the Committee may require. The Committee shall advise the Trustee of such of the foregoing facts as may be pertinent to the Trustee's duties under the Plan. The Committee is entitled to rely on such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.
- 7.09 Multiple Signatures - In the event that more than one person has been duly nominated to serve on the Committee, one signature may be relied upon by any interested party as conclusive evidence that the Committee has duly authorized the action therein set forth and as representing the will of and binding upon the whole Committee. No person receiving such documents or written instructions and acting in good faith and in reliance thereon shall be obliged to ascertain the validity of such action under the terms of this Plan and Trust. The Committee shall act by a majority of its members at the time in office and such action may be taken either by a vote at a meeting or in writing without a meeting.
- 7.10 General Fiduciary Liability - The Employer, its Board of Directors, the Committee, and any Fiduciary with respect to this Plan, shall not be liable for any actions taken or omitted by any of them except for such acts involving gross negligence or willful misconduct of the party to be charged and except as required by ERISA.
- 7.11 Liability Insurance - The Committee may purchase, as an authorized expense of the Plan, liability insurance for the Plan and/or for its Fiduciaries to cover liability or losses occurring by reason of the act or omission of a Fiduciary, providing such insurance contract permits recourse by an Insurer against the Fiduciary in the case of breach of fiduciary obligation by such Fiduciary. Any Fiduciary may purchase on behalf of himself insurance to protect himself in the event of a breach of fiduciary duty and the Employer may also purchase insurance to cover the potential liability of one or more persons who serve in a fiduciary capacity with regard to this Plan.
- 7.12 Benefit Claims Procedures - The Committee shall establish a benefit claims procedure. Such procedure shall provide for the filing of claims for benefits, adequate notice in writing to any Participant or Beneficiary whose claim for benefits has been denied, setting forth the specific reasons for such denial and written in a manner calculated to be understood by the Participant, and afford a reasonable opportunity to any Participant whose claim for benefits has been denied for a full and fair review by the Committee of the decision denying the claim. The Committee shall exercise its discretion in granting or denying claims for benefits and in deciding appeals of denied claims.

SECTION 8

Amendment, Termination And Merger

- 8.01 Amendment - The Board of Directors of Gibraltar Steel Corporation of New York shall have the right at any time and from time to time without the consent of any Participant, Beneficiary or participating Affiliate to amend, in whole or in part, any or all of the provisions of this Plan. However, no such amendment shall authorize or permit any part of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of the Participants or their Beneficiaries or cause or permit any portion of the Trust Fund to revert to or become the property of the Employer. In addition, effective for amendments made after July 30, 1984, no amendment to the Plan shall be effective to the extent that it has the effect of decreasing a Participant's Accrued Benefit. Notwithstanding the preceding sentence, a Participant's Accrued Benefit may be reduced to the extent permitted by the Secretary of Labor under Section 412(c)(8) of the Code. For purposes of this paragraph, an amendment which has the effect of (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (2) eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment, shall be treated as reducing Accrued Benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the preamendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement.
- If the vesting schedule contained in Section 6.04 hereof is amended, each Participant's vested percentage in his Accrued Benefit, determined as of the later of the date the amendment is adopted or the date the amendment is effective, shall not be less than such Participant's vested percentage in his Accrued Benefit computed under the Plan on such date without regard to such amendment. The above sentence shall only apply to Employees who are Participants on the date the amendment is adopted or the date the amendment is effective, whichever is later. In addition, each Participant having not less than three (3) Years Of Service as of the expiration of the election period set forth below is permitted to irrevocably elect, within the election period, to have his vested percentage in his Accrued Benefit computed under the Plan without regard to such amendment; provided, however, no election shall be provided to any such Participant whose non-forfeitable percentage under the Plan, as amended, at any time cannot be less than such percentage determined without regard to such amendment. If a Participant fails to make such election, then such Participant shall be subject to the new vesting schedule. The election period shall commence on the date the Plan amendment is adopted and shall end on the latest of the following dates:
- (a) The date sixty (60) days after the date the Plan amendment is adopted;
 - (b) The date sixty (60) days after the effective date of the amendment;
 - (c) The date sixty (60) days after the Participant is issued written notice of the amendment by the Committee.
- Any amendment by the Board of Directors of Gibraltar Steel Corporation of New York will be on behalf of and shall be binding on all of the Employers.
- 8.02 Termination - Gibraltar Steel Corporation of New York by action of its Board of Directors shall have the right at any time to discontinue its contributions hereunder and to terminate this Plan. Upon complete discontinuance of contributions, upon complete termination of the Plan, or upon the occurrence of any event which constitutes a partial termination pursuant to IRC Section 411(d) (3), whether by action of the Board of Directors or otherwise, all Participants shall become fully and non-forfeitably vested in their Accrued Benefit; provided, however, in the case of a partial termination, full vesting shall only be applicable to that part of the Plan and the Participants covered thereunder that is terminated.
- If the Participant's Accrued Benefit is being distributed upon termination of this Plan, if the Plan does not offer an annuity option (purchased from a commercial provider) and if the Employer or any entity within the same controlled group as the Employer does not maintain another defined contribution plan (other than an employee stock ownership plan as defined in IRC Section 4975(e)(7)), the Participant's Accrued Benefit will, without the Participant's consent, be distributed to the Participant. However, if any entity within the same controlled group as the Employer maintains another defined contribution plan (other than an employee stock ownership plan as defined in IRC Section 4975(e)(7)) then the Participant's Accrued Benefit will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution.
- 8.03 Continuation Of Plan By Successor - Unless this Plan be sooner terminated, a successor to the business of the Employer, by whatever form or manner resulting, may continue this Plan by executing an appropriate supplemental agreement. Such successor shall succeed to all the rights, powers and duties of the Employer hereunder.
- 8.04 Merger - In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan after September 2, 1974, each participant in the plan must (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated).

SECTION 9
Miscellaneous

9.01 No Rights Created By Plan And Trust - Terms Of Employment Not Affected - Neither the establishment of the Plan or Trust nor any modification hereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant, Beneficiary or other person any legal or equitable right against the Employer or any officer or Employee thereof, or the Trustee, or the Committee, except as herein provided. Under no circumstances shall participation in this Plan by an Employee constitute a contract of continuing employment or in any manner obligate the Employer to continue the services of an Employee.

9.02 Limitation On Employer's And Trustee's Liability; Necessary Parties To Actions; Judgments Binding - It is expressly understood and agreed by each Employee who becomes a Participant hereunder, that except for its or their willful neglect or fraud, and except as required by ERISA, the Employer, Committee and Trustee shall not be in any way subject to any suit or litigation, or to any legal liability for any cause or reason or thing whatsoever, in connection with this Plan or its operation.

In any action or proceeding involving the Trust Fund or any property constituting part or all thereof, or the administration thereof, the Employer, the Committee, the Trustee and such other parties whose participation is required by law shall be the only necessary parties and no Participant, former Participant, Beneficiary, Employee or former Employee or any other person having or claiming to have any interest in the Trust Fund or under the Plan shall be entitled to any notice of process. Any final judgment which is not appealed or appealable that may be entered in any such action or proceeding shall be binding and conclusive on all the parties hereto, the Committee, the Trustee, and all persons having or claiming to have any interest in the Trust Fund or under the Plan.

9.03 Execution of Receipts and Releases - Any payment to any Participant, or to his legal representative or Beneficiary, in accordance with the provisions of this Plan, shall to the extent thereof be in full satisfaction of all claims hereunder against the Plan, and the Committee may require such Participant, legal representative, or Beneficiary, as a condition precedent to such payment, to execute a receipt and release therefor in such form as it shall determine.

9.04 Benefits Non-Assignable - No benefit which shall be payable out of the Trust Fund to any person (including a Participant or his Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or change and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or change the same shall be void and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized by the Committee or the Trustee, except to such extent as may be required by law.

The provisions of the preceding paragraph shall not apply in the case of a qualified domestic relations order per IRC Section 414(p). The Committee shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such orders. All rights and benefits, including elections, provided to a Participant in this Plan shall be subject to the rights afforded to any alternate payee under a qualified domestic relations order. Furthermore, a distribution to an alternate payee shall be permitted if such distribution is authorized by a qualified domestic relations order, even if the affected Participant has not separated from service and has not reached the earliest retirement age under the Plan. For the purposes of this Section, alternate payee, qualified domestic relations order and earliest retirement age shall have the meaning set forth under IRC Section 414(p).

9.05 Service With Predecessor Employer - If this Plan is a plan of a predecessor employer, service with such employer will be treated as service for the Employer.

9.06 Construed Under Applicable Federal Law And New York Law - This Plan shall be construed according to applicable Federal Law and the laws of the State of New York and all provisions hereof shall be administered according to such laws.

9.07 Masculine Gender To Include Feminine - Singular To Include Plural - Wherever any words are used herein in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form, they shall be construed as thou form in all cases where they would so apply.

9.08 Heading No Part Of Plan - Heading of sections and subsections of this instrument are inserted for convenience of reference only. They constitute no part of this Plan and are not to be considered in the construction hereof.

9.09 Counterparts - This instrument may be executed in several counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

9.10 Adoption By Other Employers - With the consent of the Employer, any Affiliate may adopt this Plan and its provisions, as contained herein and as may be from time to time amended, and participate herein and be known as an Employer, by a properly executed document evidencing said intent and will of such participating Employer.

Each participating Employer shall be deemed to be a part of this Plan; provided, however, that with respect to all of its relations with the Trustee and Committee for the purpose of this Plan, each participating Employer shall be deemed to have designated irrevocably Gibraltar Steel Corporation of New York as its agent. In addition, the Committee shall have authority to make any and all necessary rules or regulations, binding upon all participating Employers and all Participants, to effectuate the purpose of this Plan.

It is anticipated that an Employee may be transferred between participating Employers, and in the event of any such transfer, the Employee involved shall carry with him his accumulated service and eligibility. No such transfer shall effect a termination of employment hereunder, and the participating Employer to which the Employee is transferred shall thereupon become obligated hereunder with respect to such Employee in the same manner as was the participating Employer from whom the Employee was transferred.

SECTION 10
Top Heavy Provisions

10.01 Applicability - In any Top Heavy Plan Year as defined in Section 10.02 hereof, special benefit accrual requirements shall become applicable. These special requirements are contained in Section 4.02(b) of the Plan.

10.02 Top Heavy Plan Year - "Top Heavy Plan Year" means a Plan Year commencing after December 31, 1983 in which, any of the following conditions exists:

- (a) If the top-heavy ratio for this Plan exceeds 60 percent and this Plan is not part of any Required Aggregation Group or Permissive Aggregation Group of plans.
- (b) If this Plan is a part of a Required Aggregation Group of plans but not part of a Permissive Aggregation Group and the top-heavy ratio for the group of plans exceeds 60 percent.
- (c) If this Plan is a part of a Required Aggregation Group and part of a Permissive Aggregation Group of plans and the top-heavy ratio for the Permissive Aggregation Group exceeds 60 percent.

10.03 Super Top Heavy Plan Year - "Super Top Heavy Plan Year" means a Plan Year commencing after December 31, 1983 in which any of the conditions set forth in Section 10.02 exists when substituting 90% in place of 60% wherever it appears in Section 10.02.

10.04 Key Employee - "Key Employee" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the Determination Date was an officer of the Employer having annual compensation greater than \$130,000 (as adjusted under IRC Section 416(i)(1) for Plan Years beginning after December 31, 2002), a 5-percent owner of the Employer, or a 1-percent owner of the Employer having annual compensation of more than \$150,000. For this purpose, annual compensation means compensation within the meaning of IRC Section 415(c)(3). The determination of who is a Key Employee will be made in accordance with IRC Section 416(i)(1) and the applicable regulations and other guidance of general applicability issued thereunder.

10.05 Top-Heavy Ratio - Top-heavy ratio means:

- (a) If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer has not maintained any defined benefit plan which during the 5-year period ending on the determination date(s) has or has had accrued benefits, the top-heavy ratio for this Plan

alone or for the Required or Permissive Aggregation Group as appropriate is a fraction, the numerator of which is the sum of the account balances of all Key Employees as of the determination date(s) (including any part of any account balance distributed in the 5-year period ending on the determination date(s)), and the denominator of which is the sum of all account balances (including any part of any account balance distributed in the 5-year period ending on the determination date(s)), both computed in accordance with IRC Section 416 and the regulations thereunder. Both the numerator and denominator of the top-heavy ratio are increased to reflect any contribution not actually made as of the determination date, but which is required to be taken into account on that date under IRC Section 416 and the regulations thereunder.

- (b) If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer maintains or has maintained one or more defined benefit plans which during the 5-year period ending on the determination date(s) has or has had any accrued benefits, the top-heavy ratio for any Required or Permissive Aggregation Group as appropriate is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (a) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of the determination date(s), and the denominator of which is the sum of the account balances under the aggregated defined contribution plan or plans for all Participants, determined in accordance with (a) above and the present value of accrued benefits under the defined benefit plan or plans for all Participants as of the determination date(s), all determined in accordance with IRC Section 416 and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the top-heavy ratio are increased for any distribution of an accrued benefit made in the five-year period ending on the determination date.
- (c) For purposes of (a) and (b) above the value of account balances and the present value of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in IRC Section 416 and the regulations thereunder for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a Participant (1) who is not a Key Employee but who was a Key Employee in a prior year, or (2) who has not been credited with at least one hour of service with any Employer maintaining the Plan at any time during the 5-year period ending on the determination date will be disregarded. The calculation of the top-heavy ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with IRC Section 416 and the regulations thereunder. Deductible employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The accrued benefit of a participant other than a Key Employee shall be determined under (1) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (2) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of IRC Section 411(b)(1)(C).

Present value shall be based on the interest and mortality assumptions specified in the defined benefit plan for top-heavy purposes.

- (d) Notwithstanding any inconsistent provisions of (c) above, effective January 1, 2002, the following shall apply for purposes of determining the present values of accrued benefits and the amounts of account balances of Employees as of the Determination Date.
- (i) Distributions during year ending on the Determination Date. The present values of accrued benefits and the amounts of account balances of an Employee as of the Determination Date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under IRC Section 416(g)(2) during the 1-year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under IRC Section 416(g)(2)(A)(i). In the case of a distribution made for a reason other than separation from service, death, or disability, this provision shall be applied by substituting "5-year period" for "1-year period."
- (ii) Employees not performing services during year ending on the Determination Date. The accrued benefits and accounts of any individual who has not performed services for the Employer during the 1-year period ending on the Determination Date shall not be taken into account.

10.06 Determination Date - "Determination Date" means the last day of the preceding Plan Year or, in the case of the first Plan Year, the last day of such Plan Year.

10.07 Required Aggregation Group - "Required Aggregation Group" means a group of plans maintained by the Employer or any organization aggregated with the Employer under IRC Section 414(b), (c) or (m) which includes each plan in which a Key Employee participates or participated at any time during the determination period (regardless of whether the plan has terminated) or which enables any plan in which a Key Employee participates to meet the minimum participation standards of IRC Section 401(a)(4) or Section 410.

10.08 Permissive Aggregation Group - "Permissive Aggregation Group" means the plans which are members of the Required Aggregation Group plus one or more plans of the Employer which are not members of the Required Aggregation Group but which satisfy the minimum participation standards of IRC Section 410 and Section 401(a)(4) when considered together with the Required Aggregation Group.

10.09 Non-Top Heavy Plan Year means any Plan Year Plan in which the requirements for a Top Heavy Year are not satisfied.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed in its name and attested to by its corporate officers thereunto duly authorized as of this 23rd day of September, 2004.

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ Brian K. Lipke

Attest:

/s/ Henning Kornbrekke

APPENDIX A
PARTICIPATING AFFILIATED COMPANIES

	Effective Date
Gibraltar Strip Steel, Inc	01/01/96
Carolina Commercial Heat Treating, Inc. (including service completed on April 30, 1997 with Specialty Heat Treating, Inc. by Carolina Commercial Heat Treating, Inc. employees)	01/01/97
Wm. R. Hubbell Steel Corporation	07/01/97
Southeastern Metals Manufacturing Company, Inc.	01/01/98
Solar Group, Inc. (to employees who are employees of Solar Group, Inc. on March 1998)	03/01/98
Appleton Supply Co., Inc. (to employees of that Company on July 1, 1999)	07/01/99
Harbor Metal Treating Company (to employees of that Company on October 1, 1999)	10/01/99

Harbor Metal Treating Company of Indiana, Inc. (to employees of that Company on October 1, 1999)	10/01/99
K&W Metal Fabricators (to employees of that Company on October 1, 1999)	10/01/99
United Steel Products Company (to employees of that Company on January 1, 2000)	01/01/00
Hi-Temp Heat Treating, Inc. (to employees of that Company on July 1, 2000)	07/01/00
Brazing Concepts Company (to employees of that Company on November 1, 1999)	07/01/01
Milcor, Inc. (to employees of that Company on January 1, 2002)	01/01/02
Pennsylvania Industrial Heat Treaters, Inc. (to employees of that Company on July 1, 2002)	07/01/02
Solar of Michigan, Inc. (to employees of that Company on October 1, 2002)	10/01/02
Construction Metals, Inc. (to employees of that Company on 4/1/2003)	05/01/03
Air Vent, Inc. (to employees of that Company on 5/1/03)	06/01/03
SCM Metal Products, Inc. (to employees of that Company on 6/1/04)	06/01/04
B&W of Michigan, Inc. (to employees of that Company on 6/1/04)	06/01/04

Service with the above organizations will be recognized for Plan eligibility purposes, subject to the modification as set forth next to the organization's name.

GIBRALTAR 401(k) PLAN

First Amendment to
Amendment and Restatement Effective October 1, 2004

WHEREAS, Gibraltar Steel Corporation of New York, a New York corporation having its principal place of business at Buffalo, New York, (the "Employer") and certain of its affiliated companies maintain a 401(k) plan, known as the Gibraltar 401(k) Plan, (the "Plan");

WHEREAS, pursuant to the terms of the Plan, the Employer on its own behalf and on behalf of the affiliated companies participating in the Plan now desires to amend said Plan effective January 1, 2005 to allow Portals Plus, Incorporated to become a participating Affiliate under the Plan, to make changes that are required in light of the merger of the Roof Products & Systems Co. and Portals Plus, Inc. 401(k) Profit Sharing Plan into the Plan and to extend the Plan to all employees, other than collectively bargained employees, of Construction Metals, Inc.;

NOW, THEREFORE, the Employer hereby amends said Plan effective January 1, 2005 as follows:

1. Subsection (d) where it first appears in Section 2.01 is hereby amended to read as follows:
"(d) Employees of an Affiliate that does not participate in this Plan."
2. Section 6.07 is hereby amended by the addition thereto of the following Section 6.07(e):

"6.07(e) Normal Form of Benefit for Portals Plus Participants - - The provisions set forth in Sections 6.07(a) through 6.07(d) above shall apply to any Participant who was a Participant in the Roof Products & Systems Co. and Portals Plus, Inc. 401(k) Profit Sharing Plan with the following modifications:

- (1) If a Participant is married on the first day of the first period for which an amount is payable as an annuity (the annuity starting date), his benefit shall be paid in the form of a qualified joint and survivor annuity, unless the Participant elects not to receive his benefit in such form or elects one of the other options contained in Section 6.07(a) hereof;
- (2) If a Participant is not married on his annuity starting date, his benefit shall be paid in the form of a life annuity, unless the Participant elects not to receive his benefit in such form or elects one or the other options contained in Section 6.07(a) hereof; and
- (3) The methods of distribution of benefits provided under Section 6.07(a) (2) and (3) and the provisions of Sections 6.07(b) through 6.07(d) and this Section 6.07(e) shall no longer apply to any Participant whose annuity starting date is after the earlier of (i) the 90th day after the date the Participant has been furnished a summary that reflects the elimination of the optional forms of benefits set forth in Sections 6.07(a)(2) and (3) and the above provisions contained in (1) and (2) of this Section 6.07(e) or (ii) January 1, 2007, which is the first day of the second Plan Year following the Plan Year during which those methods of distribution of benefits are being eliminated."

3. Appendix A entitled "Participating Affiliated Companies" is hereby amended as reflected in the Appendix A attached to this First Amendment To Amendment and Restatement Effective October 1, 2004.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed in its name and attested by its Corporate officers thereunto duly authorized as of this 18 day of November, 2004.

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ David W. Kay

ATTEST:

/s/ Ellen Green

APPENDIX A
PARTICIPATING AFFILIATED COMPANIES

	Effective Date
Gibraltar Strip Steel, Inc	01/01/96
Carolina Commercial Heat Treating, Inc. (including service completed on	01/01/97

April 30, 1997 with Specialty Heat Treating, Inc. by Carolina Commercial Heat Treating, Inc. employees)

Wm. R. Hubbell Steel Corporation	07/01/97
Southeastern Metals Manufacturing Company, Inc.	01/01/98
Solar Group, Inc. (to employees who are employees of Solar Group, Inc. on March 1998)	03/01/98
Appleton Supply Co., Inc. (to employees of that Company on July 1, 1999)	07/01/99
Harbor Metal Treating Company (to employees of that Company on October 1, 1999)	10/01/99
Harbor Metal Treating Company of Indiana, Inc. (to employees of that Company on October 1, 1999)	10/01/99
K&W Metal Fabricators (to employees of that Company on October 1, 1999)	10/01/99
United Steel Products Company (to employees of that Company on January 1, 2000)	01/01/00
Hi-Temp Heat Treating, Inc. (to employees of that Company on July 1, 2000)	07/01/00
Brazing Concepts Company (to employees of that Company on November 1, 1999)	07/01/01
Milcor, Inc. (to employees of that Company on January 1, 2002)	01/01/02
Pennsylvania Industrial Heat Treaters, Inc. (to employees of that Company on July 1, 2002)	07/01/02
Solar of Michigan, Inc. (to employees of that Company on October 1, 2002)	10/01/02
Construction Metals, Inc. (to employees of that Company on 4/1/2003)	05/01/03
Air Vent, Inc. (to employees of that Company on 5/1/03)	06/01/03
SCM Metal Products, Inc. (to employees of that Company on 6/1/04)	06/01/04
B&W of Michigan, Inc. (to employees of that Company on 6/1/04)	06/01/04

Service with the above organizations will be recognized for Plan eligibility purposes, subject to the modification as set forth next to the organization's name.

GIBRALTAR 401(k) PLAN

Second Amendment to Amendment and Restatement Effective October 1, 2004

WHEREAS, Gibraltar Steel Corporation of New York, a New York corporation having its principal place of business at Buffalo, New York, (the "Employer") and certain of its affiliated companies maintain a 401(k) plan, known as the Gibraltar 401(k) Plan, (the "Plan");

WHEREAS, pursuant to the terms of the Plan, the Employer on its own behalf and on behalf of the affiliated companies participating in the Plan now desires to amend said Plan effective April 1, 2004 to allow GIT Limited to become a participating Affiliate under the Plan;

NOW, THEREFORE, the Employer hereby amends said Plan effective April 1, 2004 as follows:

1. Appendix A entitled "Participating Affiliated Companies" is hereby amended as reflected in the Appendix A attached to this Second Amendment To Amendment and Restatement Effective October 1, 2004.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed in its name and attested by its Corporate officers thereunto duly authorized as of this 21 day of December, 2004.

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ David W. Kay

ATTEST:

/s/ Ellen Green

APPENDIX A PARTICIPATING AFFILIATED COMPANIES

	Effective Date
Gibraltar Strip Steel, Inc	01/01/96
Carolina Commercial Heat Treating, Inc. (including service completed on April 30, 1997 with Specialty Heat Treating, Inc. by Carolina Commercial Heat Treating, Inc. employees)	01/01/97
Wm. R. Hubbell Steel Corporation	07/01/97
Southeastern Metals Manufacturing Company, Inc.	01/01/98

Solar Group, Inc. (to employees who are employees of Solar Group, Inc. on March 1998)	03/01/98
Appleton Supply Co., Inc. (to employees of that Company on July 1, 1999)	07/01/99
Harbor Metal Treating Company (to employees of that Company on October 1, 1999)	10/01/99
Harbor Metal Treating Company of Indiana, Inc. (to employees of that Company on October 1, 1999)	10/01/99
K&W Metal Fabricators (to employees of that Company on October 1, 1999)	10/01/99
United Steel Products Company (to employees of that Company on January 1, 2000)	01/01/00
Hi-Temp Heat Treating, Inc. (to employees of that Company on July 1, 2000)	07/01/00
Brazing Concepts Company (to employees of that Company on November 1, 1999)	07/01/01
Milcor, Inc. (to employees of that Company on January 1, 2002)	01/01/02
Pennsylvania Industrial Heat Treaters, Inc. (to employees of that Company on July 1, 2002)	07/01/02
Solar of Michigan, Inc. (to employees of that Company on October 1, 2002)	10/01/02
Construction Metals, Inc. (to employees of that Company on 4/1/2003)	05/01/03
Air Vent, Inc. (to employees of that Company on 5/1/03)	06/01/03
SCM Metal Products, Inc. (to employees of that Company on 6/1/04)	06/01/04
B&W of Michigan, Inc. (to employees of that Company on 6/1/04)	06/01/04
Portals Plus, Incorporated (to employees of that Company on 1/1/2005, including prior service with the companies that maintained the Roof Products & Systems Co. and Portals Plus, Inc. 401(k) Profit Sharing Plan prior to 8/13/04)	01/01/05
GIT Limited	04/01/04

Service with the above organizations will be recognized for Plan eligibility purposes, subject to the modification as set forth next to the organization's name.

GIBRALTAR 401(k) PLAN

Third Amendment to Amendment and Restatement Effective October 1, 2004

WHEREAS, Gibraltar Steel Corporation of New York, a New York corporation having its principal place of business at Buffalo, New York, (the "Employer") and certain of its affiliated companies maintain a 401(k) plan, known as the Gibraltar 401(k) Plan, (the "Plan");

WHEREAS, pursuant to the terms of the Plan, the Employer on its own behalf and on behalf of the affiliated companies participating in the Plan amended said Plan effective January 1, 2005 by a First Amendment to Amendment and Restatement Effective October 1, 2004 signed November 18, 2004 to allow Portals Plus, Incorporated to become a Participating Affiliate under the Plan and to make changes that were required in light of an approved merger of the Roof Products & Systems Co. and Portals Plus, Inc. 401(k) Profit Sharing Plan into the Plan;

WHEREAS, pursuant to Section 8.01 of the Plan, the Board of Directors of the Employer by Written Consent Without a Meeting dated December 13, 2004 amended the Plan to revoke Portals Plus, Incorporated becoming a Participating Affiliate under the Plan effective January 1, 2005 and revoking its approval of the merger of the Roof Products & Systems Co. and Portals Plus, Inc. 401(k) Profit Sharing Plan into the Plan effective January 1, 2005; and

WHEREAS, the Employer now desires to codify such amendment by this Third Amendment to Amendment and Restatement Effective October 1, 2004;

NOW, THEREFORE, the Employer hereby amends said Plan effective January 1, 2005 as follows:

1. Section 6.07(e) as added by the First Amendment to Amendment and Restatement Effective October 1, 2004 is hereby deleted.
2. Appendix A entitled "Participating Affiliated Companies" is hereby amended as reflected in the Appendix A attached to this Third Amendment To Amendment and Restatement Effective October 1, 2004.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed in its name and attested by its Corporate officers thereunto duly authorized as of this 14 day of January, 2005.

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ David W. Kay

ATTEST:

/s/ Ellen Green

APPENDIX A
PARTICIPATING AFFILIATED COMPANIES

	Effective Date
Gibraltar Strip Steel, Inc	01/01/96
Carolina Commercial Heat Treating, Inc. (including service completed on April 30, 1997 with Specialty Heat Treating, Inc. by Carolina Commercial Heat Treating, Inc. employees)	01/01/97
Wm. R. Hubbell Steel Corporation	07/01/97
Southeastern Metals Manufacturing Company, Inc.	01/01/98
Solar Group, Inc. (to employees who are employees of Solar Group, Inc. on March 1998)	03/01/98
Appleton Supply Co., Inc. (to employees of that Company on July 1, 1999)	07/01/99
Harbor Metal Treating Company (to employees of that Company on October 1, 1999)	10/01/99
Harbor Metal Treating Company of Indiana, Inc. (to employees of that Company on October 1, 1999)	10/01/99
K&W Metal Fabricators (to employees of that Company on October 1, 1999)	10/01/99
United Steel Products Company (to employees of that Company on January 1, 2000)	01/01/00
Hi-Temp Heat Treating, Inc. (to employees of that Company on July 1, 2000)	07/01/00
Brazing Concepts Company (to employees of that Company on November 1, 1999)	07/01/01
Milcor, Inc. (to employees of that Company on January 1, 2002)	01/01/02
Pennsylvania Industrial Heat Treaters, Inc. (to employees of that Company on July 1, 2002)	07/01/02
Solar of Michigan, Inc. (to employees of that Company on October 1, 2002)	10/01/02
Construction Metals, Inc. (to employees of that Company on 4/1/2003)	05/01/03
Air Vent, Inc. (to employees of that Company on 5/1/03)	06/01/03
SCM Metal Products, Inc. (to employees of that Company on 6/1/04)	06/01/04
B&W of Michigan, Inc. (to employees of that Company on 6/1/04)	06/01/04
GIT Limited	04/01/04

Service with the above organizations will be recognized for Plan eligibility purposes, subject to the modification as set forth next to the organization's name.

EXHIBIT A

CODE OF ETHICS
FOR SENIOR FINANCIAL OFFICERS
AND THE CHIEF EXECUTIVE OFFICER
OF
GIBRALTAR STEEL CORPORATION

Gibraltar Steel Corporation (the "Company") is committed to conducting its business in compliance with all the applicable laws and regulations of the countries in which it operates and in accordance with high standards of business conduct. The Company strives to maintain and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely, and understandable disclosure in reports and documents that it files with, or submits to, the Securities and Commission and in other public communications made by it; compliance with applicable governmental laws, rules and regulations; prompt internal reporting to an appropriate person or persons of violations of the code; and accountability for adherence to the code. These standards serve as the basis for managing the Company's business, for meeting the Company's duties to its shareholders and for maintaining compliance with financial reporting requirements.

All of the Company's financial executives must agree to comply with the following principles, and the Chief Executive Officer, in his or her capacity as the Company's principal executive officer, to whom all senior financial officers ultimately report, will promote and support this Code of Ethics, and, to the extent consistent with his or her duties and responsibilities, comply with the following principles:

Honest and Ethical Conduct

Act with honesty and integrity and in an ethical manner, avoiding actual or apparent conflicts of interest in personal and professional relationships.

Promptly disclose to the Company through the Audit Committee any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest between personal and professional relationships.

Promote and reward ethical behavior in all aspects of the Company. Eliminate inhibitions and barriers to responsible behavior, such as coercion or fear of reprisal. Demonstrate personal support for all policies and procedures regarding ethical behavior in the Company.

Act in good faith, responsibility, with due care, competence and diligence, without misrepresenting material facts or allowing independent judgment to be subordinated.

Respect the confidentiality of information acquired in the course of the Company's business, except when authorized or otherwise legally obligated to disclose such information, and not use confidential information acquired in the course of work for personal advantage.

Do not knowingly be a party to any illegal activity or engage in acts that are discreditable to his or her profession or the Company.

Financial Records and Periodic Reports

Devise, implement and maintain sufficient internal controls to assure that financial record keeping objectives are met.

Maintain books and records that fairly and accurately reflect the Company's business transactions

Use good business judgment in the processing and recording of all financial transactions.

Ensure that accounting entries are promptly and accurately recorded and properly documented and that no accounting entry intentionally distorts or disguises the true nature of any business transaction.

Prohibit the establishment of any undisclosed or unrecorded funds or assets for any purpose and provide for the proper and prompt recording of all disbursements of funds and all receipts.

Provide information that is accurate, complete, objective, relevant, timely and understandable.

Achieve responsible use of and control over all assets and resources employed or entrusted to him or her.

Comply with generally accepted accounting standards and practices, rules, regulations and controls.

Sign only those documents that he or she believes to accurate and truthful. Do not make, or tolerate to be made, false or artificial statements or entries for any purpose in the books and records of the Company or in any internal or external correspondence, memoranda, or communication of any type, including telephone or wire communications.

Compliance with Applicable Laws, Rules and Regulations

Comply with laws, rules and regulations of federal, state, provincial and local governments and other appropriate and private and public regulatory agencies.

Identify, report and correct any detected deviations from applicable laws, rules and regulations.

Report Violations of this Code of Ethics

Report to the Company, through the Audit Committee, any situation where the Code of Ethics, the Company's standards or the laws are being violated.

Any waiver of any provision of this Code of Ethics must be approved, in advance, by the Audit Committee.

Those required to comply with this Code of Ethics understand that failure to comply with this Code of Ethics will not be tolerated by the Company and that deviations therefrom or violations thereof will result in serious consequences, which may include, but may not be limited to, serious reprimand, dismissal or other legal actions.

The parties subject to this Code of Ethics will acknowledge in writing that they agree to comply with these requirements.

The undersigned, the [insert title] of Gibraltar Steel Corporation hereby acknowledges and agrees to comply with the Code of Ethics of Gibraltar Steel Corporation attached hereto.

Name:
Title:

SUBSIDIARIES

The following is a list of the subsidiaries of Gibraltar Industries, Inc. as of December 31, 2004. The names of indirectly owned subsidiaries are indented under the names of their respective parent corporations:

	Gibraltar Steel Corporation of New York	New York
-	Wm. R. Hubbell Steel Corporation	Illinois
-	Carolina Commercial Heat Treating, Inc.	Nevada
-	Southeastern Metals Manufacturing Company, Inc.	Florida
-	United Steel Products Company	Minnesota
-	Harbor Metal Treating Co.	Michigan
-	Harbor Metal Treating of Indiana, Inc.	Michigan
-	K & W Metal Fabricators, Inc.	Colorado
-	Hi-Temp Heat Treating, Inc.	Delaware
-	Brazing Concepts Company	Michigan
-	Milcor, Inc.	Delaware
-	Portals Plus, Incorporated	Illinois
-	Pennsylvania Industrial Heat Treaters, Inc.	Pennsylvania
-	GSC Flight Services Corp.	New York
-	GIT Limited	New York
-	Gibraltar International, Inc.	Delaware
-	B & W Heat Treating Corp.	Nova Scotia, Canada
-	Solar of Michigan, Inc.	Delaware
-	Construction Metals, Inc.	California
-	Air Vent Inc.	Delaware
-	GSCNY Corp.	Delaware
-	B&W of Michigan, Inc.	Delaware
-	B & W Leasing LLC	Delaware
-	SCM Metal Products, Inc.	Delaware
-	Renown Specialties Company, Ltd.	Ontario, Canada
	Gibraltar Strip Steel, Inc.	Delaware
	Cleveland Pickling, Inc.	Delaware
	Solar Group, Inc.	Delaware
	Appleton Supply Co., Inc.	Delaware

CERTIFICATIONS

EXHIBIT 31.1

I, Brian J. Lipke, certify that:

1. I have reviewed this report on Form 10-K of Gibraltar Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2005

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

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CERTIFICATIONS
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I, Henning Kornbrekke, certify that:

1. I have reviewed this report on Form 10-K of Gibraltar Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2005

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/s/ Henning Kornbrekke
Henning Kornbrekke
President and Chief Operating Officer

CERTIFICATIONS

I, David W. Kay, certify that:

1. I have reviewed this report on Form 10-K of Gibraltar Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and,
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2005

/s/ David W. Kay
David W. Kay
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD PURSUANT TO TITLE 18, UNITED STATES CODE, SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian J. Lipke, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Gibraltar Industries, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004 fully complies with the requirement of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Gibraltar Industries, Inc.

/s/ Brian J. Lipke

Brian J. Lipke

Chief Executive Officer and Chairman of the Board

March 11, 2005

A signed original of this written statement required by Section 906, or other document authenticating acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Gibraltar Industries, Inc. and will be retained by Gibraltar Industries, Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.

EXHIBIT 32.2

CERTIFICATION OF PRESIDENT AND CHIEF OPERATING OFFICER PURSUANT TO TITLE 18, UNITED STATES CODE, SECTION 1350, AS
ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Henning Kornbrekke, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Gibraltar Industries, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004 fully complies with the requirement of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Gibraltar Industries, Inc.

/s/ Henning Kornbrekke

Henning Kornbrekke
President and Chief Operating Officer

March 11, 2005

A signed original of this written statement required by Section 906, or other document authenticating acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Gibraltar Industries, Inc. and will be retained by Gibraltar Industries, Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.

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CERTIFICATION OF EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER PURSUANT TO TITLE 18, UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
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I, David W. Kay, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Gibraltar Industries, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004 fully complies with the requirement of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Gibraltar Industries, Inc.

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/s/ David W. Kay

David W. Kay
Executive Vice President and Chief Financial Officer
March 11, 2005

A signed original of this written statement required by Section 906, or other document authenticating acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Gibraltar Industries, Inc. and will be retained by Gibraltar Industries Inc. and furnished to the Securities and Exchange Commission or its Staff upon request.