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

(Mark one)

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

For the quarterly period ended September 30, 2001

OR

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

For the transition period from ____________ to ____________

Commission file number 0-22462

Gibraltar Steel Corporation

(Exact name of Registrant as specified in its charter)

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

3556 Lake Shore Road, P.O. Box 2028, Buffalo, New York 14219-0228

(Address of principal executive offices)

(716) 826-6500

(Registrant's telephone number, including area code)

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

As of September 30, 2001, the number of common shares outstanding was: 12,598,499.

GIBRALTAR STEEL CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GIBRALTAR STEEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	September 30, 2001 (unaudited)	December 31, 2000 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 5,461	$ 1,701
Accounts receivable	96,237	78,358
Inventories	83,688	100,987
Other current assets	7,383	6,548
Total Current assets	192,769	187,594
Property, plan and equipment, net	230,837	229,159
Goodwill	133,766	130,368
Other assets	7,556	8,925
	$ 564,928	$ 556,046
	========	========
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 60,404	$ 39,285
Accrued expenses	18,195	15,575
Current maturities of long-term debt	530	327
Total current liabilities	79,129	55,187
Long-term debt	226,496	255,526
Deferred income taxes	36,445	34,325
Other non-current liabilities	6,202	2,660
Shareholders' equity		
Preferred shares	-	-
Common shares	126	126
Additional paid-in capital	69,032	68,475
Retained earnings	149,484	139,747
Accumulated comprehensive loss	(1,986)	-
Total shareholders' equity	216,656	208,348
	$ 564,928	$ 556,046
	========	========

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

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

	Three Months Ended September 30, 2001	2000	Nine Months Ended September 30, 2001	2000
	(unaudited)		(unaudited)	
Net sales	$ 161,484	$ 178,326	$ 475,584	$ 527,483
	131,154	142,463	384,688	420,456

Cost of sales				
Gross profit	30,330	35,863	90,896	107,027
Selling, general and Administrative expense	20,479	18,595	59,249	58,025
Income from operations	9,851	17,268	31,647	49,002
Interest expense	3,811	5,086	13,163	13,511
Income before taxes	6,040	12,182	18,484	35,491
Provision for income taxes	2,446	4,934	7,486	14,374
Net income	$ 3,594	$ 7,248	$ 10,998	$ 21,117
Net income per share - Basic	$ .29	$ .58	$ .87	$ 1.68
Weighted average number of Shares outstanding-Basic	12,597	12,580	12,587	12,580
Net income per share-Diluted	$ .28	$ .57	$ .86	$ 1.66
Weighted average number of Shares outstanding-Diluted	12,821	12,708	12,768	12,700

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30, 2001	2000
	(unaudited)	
Cash flows from operating activities		
Net income	$ 10,998	$ 21,117
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,539	15,763
Provision for deferred income taxes	3,578	3,358
Undistributed equity investment income	478	(461)
Other noncash adjustments	88	87
Increase (decrease) in cash resulting From changes in (net of effects from acquisitions):		
Accounts receivable	(17,251)	(14,481)
Inventories	17,299	(1,977)
Other current assets	(1,332)	(460)
Accounts payable and accrued expenses	23,639	(96)
Other assets	626	(3,175)
Net cash provided by operating activities	55,662	19,675
Cash flows from investing activities		
Acquisitions, net of cash acquired	(10,832)	(43,267)
Purchases of property, plant and equipment	(11,831)	(13,849)
Net proceeds from sale of property and equipment	316	7,335
Net cash used in investing activities	(22,347)	(49,781)
Cash flows from financing activities		
Long-term debt reduction	(62,822)	(43,929)
Proceeds from long-term debt	33,995	73,911
Payment of dividends	(1,197)	(1,069)

Payment of dividends	(1,157)	(1,005)
Net proceeds from issuance of common stock	469	35
Net cash (used in) provided by financing activities	(29,555)	28,948
Net increase (decrease) in cash and cash equivalents	3,760	(1,158)
Cash and cash equivalents at beginning of year	1,701	4,687
Cash and cash equivalents at end of period	$ 5,461	$ 3,529
	=======	=======

See accompanying notes to financial statements

GIBRALTAR STEEL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements as of September 30, 2001 and 2000 have been prepared by the Company without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows at September 30, 2001 and 2000 have been included.

Certain information and footnote disclosures including significant accounting policies normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements included in the Company's Annual Report to Shareholders for the year ended December 31, 2000.

The results of operations for the nine month period ended September 30, 2001 are not necessarily indicative of the results to be expected for the full year.

2. INVENTORIES

Inventories consist of the following:

	(in thousands) September 30, 2001 (unaudited)	December 31, 2000 (unaudited)
Raw materials	$ 39,951	$ 54,640
Finished goods and work-in-process	43,737	46,347
Total inventories	$ 83,688	$100,987
	======	======

3. SHAREHOLDERS' EQUITY

The changes in shareholders' equity consist of:

	Common Shares	Shares Amount	(in thousands) Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss
December 31, 2000	12,567	$ 126	68,475	$139,747	$ ---
Implementation of					

FAS 133	- ---	- ---	- ---	- ---	(191)
Net income	---	---	---	10,998	---
Stock options Exercised	31	- ---	469	- ---	- ---
Earned portion of restricted stock	- ---	- ---	88	- ---	- ---
Cash dividends $.10 per share	- ---	- ---	- ---	(1,261)	- ---
Interest rate swap adjustments	---	---	---	---	(1,795)
September 30, 2001	12,598	$ 126	$ 69,032	$ 149,484	$ (1,986)
	=======	=======	=========	=========	===========

On January 1, 2001, the Company implemented the provisions of Statement of Financial Accounting Standards No. 133 Accounting for Derivative Instruments and Hedging Activities (FAS 133) and recognized the fair value of its interest rate swap agreements as other non-current liabilities. Gains or losses from changes in the fair value of the swap agreements are recorded, net of taxes, as components of Accumulated Comprehensive Loss.

4. EARNINGS PER SHARE

Basic net income per share equals net income divided by the weighted average shares outstanding for the nine months ended September 30, 2001 and 2000. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding.

Options to purchase 1,088,742 shares of the Company's common stock are outstanding as of September 30, 2001 and are exercisable at prices ranging from $10.00 to $22.50 per share. Included in diluted shares, are common stock equivalents relating to options of 180,425 and 120,064 for the nine month periods ended September 30, 2001 and 2000, respectively.

5. ACQUISITIONS

On February 13, 2001, the Company purchased all the outstanding capital stock of Pennsylvania Industrial Heat Treaters, Inc. (PIHT) for approximately $11 million, net of cash acquired. PIHT provides metallurgical heat treating services and specializes in heat treating powdered metal parts.

On July 17, 2000, the Company purchased all the outstanding capital stock of Milcor Limited Partnership (Milcor) for approximately $43 million in cash. Milcor manufactures a complete line of metal building products, including registers, vents, bath cabinets, access doors, roof hatches and telescoping doors.

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

The following information presents the pro forma consolidated condensed results of operations as if the acquisitions had occurred on January 1, 2000. 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, 2000 and are not necessarily indicative of future results of the combined companies.

(in thousands, except per share data)	Nine Months Ended September 30, 2001	2000
	(unaudited)	
Net sales	$ 476,244	$ 558,962
	========	========
Income before taxes	$ 18,542	$ 37,089
	========	========
Net income	$ 11,033	$ 22,066
	========	========
Net income per share-Basic	$ .88	$ 1.75
	========	========

6. 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 steel products, which primarily includes the intermediate processing of wide, open tolerance flat-rolled sheet steel through the application of up to 12 different processes to produce high-quality, value-added coiled steel products to be further processed by customers.

(ii) Construction products, which primarily includes the processing of sheet steel to produce a wide variety of building and construction products.

(iii) 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.

The following table illustrates certain measurements used by management to assess the performance of the segments described above as of and for the three and nine month periods ended September 30, 2000 and 200l (in thousands):

	Three Months Ended September 30, (unaudited)		Nine Months Ended September 30, (unaudited)	
	2001	2000	2001	2000
Net sales				
Processed steel products	$ 66,319	$ 79,769	$ 192,656	$ 253,197
Construction products	78,297	79,856	228,333	214,225
Heat treating	16,868	18,701	54,595	60,061
	$ 161,484	$ 178,326	$ 475,584	$ 527,483
Income from operations				
Processed steel products	$ 7,332	$ 9,950	$ 22,091	$ 31,444
Construction products	5,254	7,449	16,204	18,767
Heat treating	1,643	2,434	6,979	10,320
Corporate	(4,378)	(2,565)	(13,627)	(11,529)
	$ 9,851	$ 17,268	$ 31,647	$ 49,002
Depreciation and amortization				
Processed steel products	$ 1,457	$ 1,491	$ 4,307	$ 4,395
Construction products	1,765	1,556	5,176	4,271
Heat treating	1,461	1,281	4,281	3,810
Corporate	1,274	1,144	3,775	3,287
	$ 5,957	$ 5,472	$ 17,539	$ 15,763
Total assets				
Processed steel products			$ 147,894	$ 166,675
Construction products			162,266	163,424
Heat treating			83,275	80,555
Corporate			171,493	168,285
			$ 564,928	$ 578,939
Capital expenditures				
Processed steel products	$ 1,208	$ 1,398	$ 3,201	$ 3,380
Construction products	2,008	1,335	6,186	5,039
Heat treating	595	1,478	1,936	4,896
Corporate	105	300	508	534
	3,916	4,511	11,831	13,849

Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 2.

Results of Operations

Consolidated

Net sales of $161.5 million for the third quarter ended September 30, 2001, decreased 9.4% from net sales of $178.3 million for the prior year's third quarter. Net sales of $475.6 million for the nine months ended September 30, 2001, which included net sales of Milcor (acquired July 17, 2000) and PIHT (acquired February 13, 2001) (collectively, the Acquisitions), decreased 9.8% from sales of $527.5 million for the nine months ended September 30, 2000. These decreases resulted primarily from changes in the general economy, particularly reduced production levels in the automotive industry.

Gross profit decreased to 18.8% of net sales for the third quarter ended September 30, 2001 from 20.1% for the prior year's third quarter. Gross profit decreased to 19.1% of net sales for the first nine months of 2001 from 20.3% for the nine months ended September 30, 2000. These decreases were due primarily to higher transportation, health insurance, utility, labor costs and fixed costs as a percentage of net sales due to lower sales volume in 2001 compared to the same periods for 2000, partially offset by lower raw material costs in 2001.

Selling, general and administrative expenses increased to 12.7% and 12.5% of net sales for the third quarter and nine months ended September 30, 2001, in comparison to 10.4% and 11.0% of net sales for the same periods of 2000. These increases were primarily due to the non-cash charge of $1.0 million relating to the Company's E-Commerce investment and costs from the Acquisitions, which have higher selling, general and administrative costs as a percentage of net sales than our existing operations, partially offset by decreases in incentive based compensation.

As a result of the above, income from operations as a percentage of net sales for the third quarter ended September 30, 2001 decreased to 6.1% from 9.7% for the prior year's third quarter and to 6.6% for the nine months ended September 30, 2001 from 9.3% for the same period in the prior year.

Interest expense decreased by approximately $1.3 million and $.3 million for the third quarter and nine months ended September 30, 2001 over the prior year's comparable periods, primarily due to decreases in interest rates offset by interest costs related to higher average borrowings during 2001 to finance acquisitions and capital expenditures.

As a result of the above, income before taxes decreased by $6.1 million and $17.0 million for the third quarter and nine months ended September 30, 2001 from the same periods in 2000.

Income taxes for the third quarter and nine months ended September 30, 2001 approximated $2.4 million and $7.5 million and were based on a 40.5% effective tax rate in both periods.

Segment Information:

Processed Steel Products - Net sales of $66.3 million for the third quarter ended September 30, 2001, decreased 16.9% from net sales of $79.8 million for the prior year's third quarter. Net sales of $192.7 million for the nine months ended September 30, 2001, decreased 23.9% from sales of $253.2 for the nine months ended September 30, 2000. These decreases were primarily due to changes in the general economy, particularly reduced production levels in the automotive industry.

Income from operations decreased to 11.1% of net sales for the third quarter ended September 30, 2001 from 12.5% for the prior year's third quarter. Income from operations decreased to 11.5% of net sales for the nine months ended September 30, 2001 from 12.4% for the same period in 2000. These decreases were primarily due to higher health insurance and utility costs as a percentage of net sales, partially offset by lower raw material costs.

Construction Products - Net sales of $78.3 million for the third quarter ended September 30, 2001, decreased 2.0% from net sales of $79.8 million for the prior year's third quarter. Net sales of $228.3 million for the nine months ended September 30, 2001, increased 6.6% from sales of $214.2 million for the nine months ended September 30, 2000. The sales decrease in the third quarter of 2001 was primarily due to changes in the general economy. The sales increase for the nine months ended September 30, 2001 was primarily due to including the sales of Milcor (the 2000 acquisition), partially offset by sales decreases at existing operations due to changes in the general economy.

Income from operations decreased to 6.7% of net sales for the third quarter ended September 30, 2001 from 9.3% for the prior year's third quarter. Income from operations for the nine months ended September 30, 2001 decreased to 7.1% of net sales from 8.8% for the same period in 2000. These decreases were primarily due to higher costs as a percentage of net sales from the 2000 acquisition, higher freight, transportation and utility costs at existing operations, and during the third quarter higher material costs. These cost increases were partially offset by decreases as a percentage of net sales in incentive based compensation and other employee costs at existing operations.

Heat Treating - Net sales of $16.9 million for the third quarter ended September 30, 2001, decreased 9.8% from net sales of $18.7 million for the prior year's third quarter. Net sales of $54.6 million for the nine months ended September 30, 2001, decreased 9.1% from sales of $60.1 million for the nine months ended September 30, 2000. These decreases were primarily due to changes in the general economy, particularly reduced production levels in the automotive industry, partially offset by including the net sales of PIHT (the 2001 acquisition).

Income from operations decreased to 9.7% of net sales for the third quarter ended September 30, 2001 from 13.0% for the prior year's third quarter. Income from operations decreased to 12.8% of net sales for the nine months ended September 30, 2001 from 17.2% for the same period in 2000. These decreases were primarily due to higher health insurance and utility costs as a percentage of net sales at existing operations, partially offset by decreases in incentive based compensation and by lower costs as a percentage of net sales resulting from the 2001 acquisition.

Liquidity and Capital Resources

Shareholders' equity increased by approximately $8.3 million at September 30, 2001 to $216.7 million. During the first nine months of 2001, the Company's working capital decreased $18.8 million to approximately $113.6 million, primarily due to the use of working capital to pay down long-term debt related to the Company's revolving credit facility.

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

Net cash provided by operations of $55.7 million resulted primarily from net income of $11.0 million, depreciation and amortization of $17.5 million, and a decrease in inventories of $17.3 million. These sources of cash together with $23.6 million of cash provided from an increase in accounts payable and accruals were partially offset by an increase in accounts receivable of $17.3 million due to increased sales in the third quarter of 2001 compared to the fourth quarter of 2000.

The $55.7 million of net cash provided by operations was used to pay down $28.8 million of the Company's revolving credit and to fund the $10.8 million acquisition of PIHT, capital expenditures of $11.8 million and cash dividends of $1.2 million.

At September 30, 2001 the Company's revolving credit facility available approximated $310 million, with borrowings of approximately $222 million and an additional availability of approximately $88 million.

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

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 Accounting for Derivative Instruments and Hedging Activities (FAS No. 133) which requires recognition of the fair value of derivatives in the statement of financial position, with changes in the fair value recognized either in earnings or as a component of other comprehensive income dependent upon the hedging nature of the derivative. FAS No. 133 was implemented in 2001 and did not have a material impact on our earnings.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141 Business Combinations (FAS No. 141) and Statement of Financial Accounting Standards No. 142 Goodwill and Other Intangible Assets (FAS No. 142). FAS No. 141 requires that all business combinations be accounted for under the purchase method only and that certain

acquired intangible assets in a business combination be recognized as assets apart from goodwill. FAS No. 142 requires that ratable amortization of goodwill be replaced with periodic tests of the goodwill's impairment and that intangible assets other than goodwill be amortized over their useful lives. Implementation of FAS No. 141 and FAS No. 142 is required for fiscal 2002. Management is currently assessing the impact FAS No. 141 or FAS No. 142 will have on the Company's results of operations.

Safe Harbor Statement

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

PART II. OTHER INFORMATION

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

1. Exhibits

   a. Exhibit 10.1 - Second Amendment to Third Amended and Restated Credit Agreement.

2. Reports on Form 8-K. There were no reports on Form 8-K during the three months ended September 30, 2001.

SIGNATURES

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

GIBRALTAR STEEL CORPORATION
(Registrant)

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

By / s / Walter T. Erazmus
Walter T. Erazmus
President

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

Date November 13, 2001

SECOND AMENDMENT TO THIRD AMENDED
AND RESTATED CREDIT AGREEMENT

This Second Amendment dated as of September 30, 2001 to Third Amended and Restated Credit Agreement dated as of September 29, 2000 as amended prior to the date hereof ("Credit Agreement") by and among GIBRALTAR STEEL CORPORATION OF NEW YORK ("Borrower"); GIBRALTAR STEEL CORPORATION ("Company"); and THE CHASE MANHATTAN BANK, as administrative agent ("Administrative Agent") for THE CHASE MANHATTAN BANK ("Chase"); FLEET NATIONAL BANK; MELLON BANK, N.A., KEYBANK NATIONAL ASSOCIATION ("Key"); HSBC BANK USA; PNC BANK, N.A.; MANUFACTURERS AND TRADERS TRUST COMPANY; NATIONAL CITY BANK OF PENNSYLVANIA; FIFTH THIRD BANK, NORTHEASTERN OHIO; FIRSTAR BANK, N.A.; SUNTRUST BANK; and COMERICA BANK (collectively, "Banks").

A. Preliminary Statement

WHEREAS, the Borrower, the Company, the Administrative Agent and the Banks are parties to the Credit Agreement; and

WHEREAS, the Borrower, the Company and the Banks wish to further amend certain terms of the Credit Agreement;

WHEREAS, unless otherwise defined herein, terms used in the Credit Agreement shall have such defined meanings when used herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, receipt of which is hereby acknowledged, and upon satisfaction of the conditions set forth in Section C, below, the Banks, the Borrower, the Company, and the Administrative Agent, hereby agree as follows:

B. Amendment

1. Section 1.1 of the Credit Agreement is amended so that in the definition of "Credit Pricing Agreement", the phrase "Fourth Amended and Restated Credit Pricing Agreement dated as of March 30, 2001" is deleted and the phrase "Fifth Amended and Restated Credit Pricing Agreement dated as of September 30, 2001" is substituted in its place.

2. Section 6.15 of the Credit Agreement (Interest Coverage Ratio) is deleted in its entirety and the following is substituted in its place:

> "6.15 Interest Coverage Ratio. Permit, in the case of the Company on a Consolidated Basis, the ratio of Earnings Before Taxes and Interest plus Depreciation and Amortization minus Capital Expenditures (excluding Capital Expenditures made in connection with permitted acquisitions) to interest payable on Total Liabilities, calculated on an annual rolling basis of four fiscal quarters to be less than: 2.50 to 1.00 as of the last day of the fiscal quarter ending September 30, 2001; 2.50 to 1.00 as of the last day of the fiscal quarter ending December 31, 2001; and 3.00 to 1.00 as of the last day of each fiscal quarter thereafter."

3. Section 6.16 of the Credit Agreement is amended so that Section 6.16 is deleted in its entirety and the following is substituted in its place:

> "6.16 Net Worth. Permit, in the case of the Company on a Consolidated basis, the Net Worth as of the last day of any fiscal quarter to be less than $120,000,000 plus 50% of Cumulative Net Income (as defined below) plus 100% of the net proceeds of the Company's public equity offering of up to 2,500,000 shares anticipated to be completed in the fourth fiscal quarter of 2001 ("Equity Offering"). Cumulative Net Income means net income of the Company on a Consolidated basis from June 30, 1997 through the end of the fiscal quarter for which the calculation of Net Worth is being made."

4. Section 6.17 of the Credit Agreement (Funded Debt/EBITDA) is amended so that Section 6.17 is deleted in its entirety and the following is substituted in its place:

> "6.17 Funded Debt/EBITDA. Permit, in the case of the Company on a Consolidated bases, the ratio of Funded Debt (as defined below) to Earnings Before Interest and Taxes plus Depreciation and Amortization ("EBITDA") as of the last day of any fiscal quarter, to be greater than 3.75 to 1.0 as of the last day of the fiscal quarter ending September 30, 2001; 3.75 to 1.0 as of the last day of the fiscal quarter ending December 31, 2001; and 3.00 to 1.0 for each fiscal quarter thereafter, such calculations to be based on annual rolling basis of four fiscal quarters; provided, however, if the Company completes the Equity Offering (as defined in Section 6.16 hereof), then the following ratios shall apply in place of the foregoing ratios as of the end of the below indicated quarters:

Quarter End	Ratio
December 31, 2001	3.25 to 1.0
March 31, 2002 and each fiscal quarter thereafter	3.00 to 1.0.

"Funded Debt" means debt for money borrowed which is bearing interest. For the purposes of calculating this covenant, upon the consummation of a permitted acquisition, up to 12 month historical EBITDA of the acquired entity shall be included in the calculation of the ratio, subject to the Banks' review and approval, in their discretion, of such acquired entity's financial information provided, however, such historical EBITDA shall only be included in the calculation of Funded Debt if the applicable acquired entity's EBITDA is not included in the Consolidated EBITDA of the Company for the applicable month."

C. **Conditions**. The effectiveness of this Agreement shall be conditioned upon the satisfaction of the following conditions:

1. Each Guarantor Subsidiary shall have executed and delivered to the Administrative Agent, for the benefit of the Banks, a Reaffirmation Agreement, in form acceptable to the Administrative Agent and the Banks, reaffirming and ratifying the unlimited continuing guaranties and security agreements previously given by each Guarantor Subsidiary to the Administrative Agent for the benefit of the Banks.

2. Borrower and Company shall execute and deliver to Administrative Agent, for the benefit of the Banks, a Fifth Amended and Restated Credit Pricing Agreement in form acceptable to the Administrative Agent and the Banks.

3. The Company and the Borrower hereby agree to pay to the Administrative Agent for the account of the Banks an amendment fee payable as follows: $193,750 shall be paid by the Company and/or the Borrower upon execution of this Agreement by the parties hereto; and an additional $193,750 shall be paid by the Company and/or the Borrower on or before January 2, 2002 in the event the Company has not by December 31, 2001 (i) completed the Equity Offering (as defined in Section 6.16 of the Credit Agreement, as amended by this Agreement); (ii) raised at least $25,000,000 in net proceeds; and (iii) applied all of such net proceeds to prepay indebtedness of the Company under the Credit Agreement, as amended by this Agreement.

4. The Borrower and/or the Company shall have paid all costs and expenses incurred by the Administrative Agent and the Banks in connection with the transactions contemplated by this Agreement including, without limitation, reasonable attorney's fees.

D. **Other Provisions**

1. Except as specifically set forth herein, the Credit Agreement shall remain in full force and effect and is hereby reaffirmed. The Borrower and the Company acknowledge that they are bound by all of the terms, covenants and conditions set forth in the Credit Agreement, and that, if there has occurred any Default or Event of Default, the Agent and the Banks shall have no obligation to make any Advances or Swingloans or to issue any Letters of Credit. If there has occurred a Default or an Event of Default, Agent and the Banks may condition the making of any subsequent Advances or Swingloans or the issuance of any Letters of Credit upon the execution and delivery by Borrower and Company of an amendment to the Credit Agreement which may include, without limitation, additional or revised covenants, an increased rate of interest on the Revolving Credit, increased Lett er of Credit or other fees and such other terms, conditions and covenants as the Agent and the Banks may require.

2. The terms "Administrative Agent" and "Banks" as used herein shall include the successors and assigns of those parties and all of the entities listed on Schedule 1 hereto.

3. This Agreement shall be construed under, and governed by, the internal laws of the State of New York without regard to its conflict of laws and rules which would make the laws of another jurisdiction applicable.

4. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers, all as of the date hereof.

Borrower:

GIBRALTAR STEEL CORPORATION OF NEW YORK

By: /s/ John E. Flint
John E. Flint
Vice President

Company:

GIBRALTAR STEEL CORPORATION

By: /s/ John E. Flint
John E. Flint
Vice President

THE CHASE MANHATTAN BANK,
as Administrative Agent

By: /s/ Robert J. McArdle
Robert J. McArdle
Vice President

Consented to as of this 30th day of September, 2001

THE CHASE MANHATTAN BANK

By: /s/ Robert J. McArdle
Robert J. McArdle
Vice President

Consented to as of this 30th day of September 2001

FLEET NATIONAL BANK

By: /s/ John C. Wright
John C. Wright
Vice President

Consented to as of this 30th day of September, 2001

MELLON BANK, N.A.

By: /s/ Edward J. Kloecker, Jr.
Edward J. Kloecker, Jr.
Vice President

Consented to as of this 30th day of September, 2001

KEYBANK NATIONAL ASSOCIATION

By: /s/ Mark F. Wachowiak
Mark F. Wachowiak
Vice President

Consented to as of this 30th day of September, 2001

HSBC BANK USA

By: /s/ /William H. Graser
William H. Graser
Vice President

Consented to as of this 30th day of September, 2001

PNC BANK, N.A.

By: /s/ David B. Gookin
David B. Gookin
Vice President

Consented to as of this 30th day of September, 2001

MANUFACTURERS AND TRADERS
TRUST COMPANY

By: /s/ Wayne N. Keller
Wayne N. Keller
Vice President

Consented to as of this 30th day of September, 2001

NATIONAL CITY BANK OF PENNSYLVANIA

By: /s/ William A. Feldmann
William A. Feldmann
Vice President

Consented to as of this 30th day of September, 2001

FIFTH THIRD BANK, NORTHEASTERN OHIO

By: /s/ James P. Byrnes
James P. Byrnes
Vice President

Consented to as of this 30th day of September, 2001

FIRSTAR BANK, N.A.

By: /s/ David J. Dannemiller
David J. Dannemiller
Vice President

Consented to as of this 30th day of September, 2001

SUNTRUST BANK

By: /s/ W. David Wisdom
W. David Wisdom
Vice President

Consented to as of this 30th day of September, 2001

COMERICA BANK

By: /s/ Joel S. Gordon
Joel S. Gordon
Account Officer