SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

(Mark One)
(X) ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES ACT OF 1934
For The Fiscal Year Ended December 31, 2000

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 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)	(Zip Code)

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

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

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

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

NONE

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

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. ( )

As of December 31, 2000, the aggregate market value of the voting stock held by nonaffiliates of the Registrant amounted to $111,451,000.

As of December 31, 2000, the number of common shares outstanding was: 12,567,147.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Shareholders to be held May 15, 2001, are incorporated by reference into Part III of this report.

Exhibit Index is on Page 37

PART I

Item 1. Description of Business

General

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

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.

Metal Processes, Products and Services

The Company processes, produces and delivers a variety of products and services on a just-in-time basis for industrial manufacturers, fabricators and other end-users in the automotive, automotive supply, building and construction, steel, machinery and fastener industries.

The following table sets forth certain information regarding sales of products and services as a percentage of net sales for the past three years:

	Year ended December 31,		
Processes, Products and Services	1998	1999	2000
Cold-rolled strip steel	30%	29%	28%
Building and construction products	32%	35%	36%
Precision metal products	31%	26%	23%
Heat treating and other services	7%	10%	13%

The following steel and metal products, processes and services are provided by the Company:

Cold-Rolled Strip Steel
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 steel producers and processes it to specific customer orders by performing such computer-aided processes as cold reduction, annealing, temper rolling, 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. Temper rolling is the rolling of steel to a specific hardness. Edge rolling involves conditioning edges of processed steel into square, fully 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.

The Company operates 9 rolling mills at its facilities in Cleveland, Ohio and Buffalo, New York, all of which are QS9000 certified. 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. The Company's rolling mills include automatic gauge control systems with hydraulic screwdowns allowing for microsecond adjustments during processing. The Company operates a 56 inch reversing mill which the Company believes is the widest of its type in the industry.

The Company's computerized mills produce products meeting the most stringent statistical quality control standards, enabling it to satisfy a growing industry demand for a range of steel from thicker to thinner, low carbons to alloy grades, all with precision gauge tolerances as close as +/- .0002 inches.

The Company's rolling facilities are further complemented by 15 high convection annealing furnaces, which shorten annealing times over conventional annealers. The Company's newest furnaces incorporate the use of a hydrogen atmosphere for the production of cleaner and more uniform steel. As a result of its annealing capabilities, the Company is able to produce cold-rolled strip steel with improved consistency in terms of hardness, molecular grain structure and surface.

The Company can produce certain of its strip steel products on oscillated coils which wind the steel strip in a manner similar to the way thread is wound on a spool. Oscillating the 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.

Building and Construction Products

The Company processes steel and other metal to manufacture a wide array of products for the building and construction industry. Building and construction industry products are manufactured primarily from galvanized steel, as well as from aluminum, copper and other metals. Building and construction products manufactured include metal trims, utility sheds, steel lumber connectors, metal roofing, drywall products, gutters and down spouts, ventilation products and storm panel systems for residential and commercial properties, registers, vents, bath cabinets, access doors, roof hatches and telescoping doors.

The Company's existing building and construction products operations - comprised of Southeastern Metals Manufacturing Company, Inc. (SEMCO), with facilities located in Florida, Tennessee, Texas and Mississippi, The Solar Group (Solar), with three facilities located in Mississippi, Appleton Supply Co., Inc. (Appleton), with facilities located in Wisconsin and Missouri, United Steel Products Company (USP), with facilities located in Minnesota, California, North Carolina, New Jersey, Florida, Texas and Colorado, and K & W Metal Fabricators, Inc., d/b/a Weather Guard Building Products (Weather Guard), with operations based in Colorado - expanded during 2000 with the acquisition of Milcor, Inc. in July 2000. Milcor has operations located in Ohio and Michigan, which manufacture a complete line of metal building products, including registers, vents, bath cabinets, access doors, and telescoping doors.

Precision Metal Products

The Company's precision metal products are comprised primarily of higher value-added flat-rolled sheet steel, as well as steel strapping and other products.

Precision Metal Processing. The Company operates a precision metals facility in New York that primarily processes flat-rolled sheet steel. In addition to slitting and cutting to length, this precision metals facility can produce higher value-added products which are held to close tolerances and tight specifications through cold-rolling, annealing, blanking, oscillating and edge rolling.

The Company also operates precision metals facilities in Illinois and Alabama which process galvanized, Galvalume and prepainted steel and can slit and cut to length material based upon customer specifications.

Steel Strapping. Steel strapping is banding and packaging material that is used to close and reinforce shipping units such as bales, boxes, cartons, coils, crates and skids. The Company manufactures high tensile strapping that is subject to strength requirements imposed by the American Society for Testing and 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 QS9000 certified strapping facility manufactures high tensile steel strapping by slitting, oscillating, heat treating, painting and packaging cold-rolled coils.

Steel strapping is cold-rolled to precise gauge on one of the Company's rolling mills, which incorporates hydraulic screwdowns and automatic gauge controls with statistical charting. This process ensures strapping product of the most uniform gauge available and produces the maximum amount of strapping per pound of steel. All products are tested by on-site laboratory personnel for width, thickness and other physical and metallurgical properties.

To meet the differing needs of its customers, the Company offers its strapping products in various thicknesses, widths and coil sizes. The Company also manufactures custom color and printed strapping. In addition, the Company offers related strapping products, such as seals and tools, and is able to manufacture tensional strapping for lighter duty applications.

Other Products. The Company's Solar operation produces a complete line of mailboxes manufactured primarily with galvanized steel.

Heat Treating and Other Services

Metallurgical Heat Treating Services. The Company provides a wide range of metallurgical heat treating services in which customer-owned parts are exposed to precise temperatures, atmospheres and quenchants and other conditions to improve their mechanical properties, durability and wear resistance. These services include case-hardening, neutral-hardening and through-hardening processes for customers in a wide variety of industries. Using methods such as annealing, normalizing, vacuum hardening, carburizing, nitriding and brazing, as well as a host of other services, these heat treating processes can harden, soften or otherwise impart desired properties on parts made of steel, aluminum, copper and various alloys and other metals.

The Company operates fifteen heat treating facilities in North Carolina, South Carolina, Tennessee, Georgia, Alabama, Michigan, Indiana and Illinois. 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/ISO 9002 registration. Additionally, the Company 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 heat treated products, the commercial heat treating industry has developed as a regional industry concentrated in major industrial areas of the country. In addition, the commercial heat treating industry has realized significant growth in recent years as many companies involved in the manufacture of metal components outsource their heat treating requirements. The Company believes that its heat treating facilities are strategically located to meet the needs of customers from a geographically diverse base of operations and to capitalize on the growing trend in outsourcing of heat treating operations.

Materials Management Services. The Company operates two materials management facilities 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. These facilities receive shipments of steel by rail and truck from 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 through the use of a specialized stacker crane and racking system. When an order is placed, the Company often delivers the steel to the end-user manufacturer within one hour using Company-owned trucks that have been custom designed to facilitate the loading and unloading process.

Steel Pickling Joint Venture. The Company is a minority partner with a 31% interest in 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 its pickling services without acquiring ownership of the steel.

Quality Control

The Company carefully selects its raw material vendors and uses computerized inspection and analysis to assure that the steel and other metals which it processes will be able to meet the most critical specifications of its customers. The Company uses documented procedures during the production process, along with statistical process control computers linked directly to processing equipment, to monitor that such specifications are met. 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.

Suppliers and Raw Materials

Steel and metal processing companies are required to maintain substantial inventories of raw materials 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 the 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 primarily from approximately 20 major North American suppliers and a limited number of foreign steel companies. The Company has no long-term commitments with any of its suppliers.

Technical Services

The Company employs a staff of engineers 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. Technical service personnel also work in conjunction with the sales force to determine the types of steel 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 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 fastener industries. Major customers include automobile manufacturers and suppliers, building and construction product distributors, and commercial and residential contractors. No customer of the Company represented 10% or more of the Company's net sales for 1998, 1999 or 2000.

The Company manufactures its products exclusively to customer order rather than for inventory, except for building and construction products. Although the Company negotiates annual sales orders with a majority of its customers, these orders are subject to customer confirmation as to product amounts and delivery dates.

Competition

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

The Company also competes with a small number of other steel strapping manufacturers on the basis of quality, price, products, range of sizes offered and the ability to meet delivery schedules dictated by customers.

The Company competes with numerous suppliers of building and construction 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 heat treating services in its market areas on the basis of processes offered, quality, price, and delivery.

Employees

At December 31, 2000, the Company employed approximately 3,500 people, of which approximately 570 are represented by collective bargaining agreements.

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, 2000 will be shipped prior to the end of 2001.

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 is in material compliance with all environmental laws, 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 results of operations or financial condition.

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 results of operations or financial condition.

Item 2. Description of Properties

The Company maintains its corporate headquarters in Buffalo, New York and conducts its 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 2001.

Location	Utilization	Square Footage	Owned or Leased
Buffalo, New York	Headquarters	23,000	Leased
Cheektowaga, New York	Cold-rolled strip steel processing and strapping products	148,000	Owned
Tonawanda, New York	Cold-rolled strip steel and precision metals processing	128,000	Owned
Cleveland, Ohio	Cold-rolled strip steel processing	259,000	Owned
Ithaca, New York	Warehouse	14,300	Leased
Dearborn, Michigan	Strapping tool products	3,000	Owned
Lackawanna, New York	Materials management facility	65,000	Leased
Woodhaven, Michigan	Materials management facility	100,000	Owned
Franklin Park, Illinois	Precision metals processing	99,000	Owned
Birmingham, Alabama	Precision metals processing	97,900	Leased
Brownsville, Texas	Distribution warehouse	15,000	Leased
Troy, Michigan	Sales office	800	Leased
Fountain Inn, S. Carolina	Heat treating	82,400	Owned
Reidsville, N. Carolina	Heat treating	53,500	Owned
Arden, N. Carolina	Heat treating	20,400	Leased
Charlotte, N. Carolina	Administrative office	3,400	Leased
Morristown, Tennessee	Heat treating	24,200	Owned
Conyers, Georgia	Heat treating	18,700	Leased
Athens, Alabama	Heat treating	20,000	Owned
Coldwater, Michigan	Administrative office and heat treating	89,000	Owned
Benton Harbor, Michigan	Administrative office and heat treating	56,700	Owned
Benton Harbor, Michigan	Warehouse	25,000	Leased
Greensburg, Indiana	Heat treating	30,000	Leased
South Bend, Indiana	Heat treating	33,900	Owned
Rockford, Illinois	Heat treating	15,600	Owned
Rockford, Illinois	Heat treating	54,400	Owned
Northlake, Illinois	Administrative office and heat treating	200,000	Leased
Jacksonville, Florida	Administrative office and construction products manufacturing	261,400	Leased
Miami, Florida	Construction products manufacturing	77,000	Leased
Tampa, Florida	Construction products manufacturing	50,000	Leased
Nashville, Tennessee	Construction products manufacturing	52,500	Leased
San Antonio, Texas	Construction products manufacturing	120,000	Leased
Houston, Texas	Construction products manufacturing	42,000	Leased
Vidalia, Georgia	Warehouse	34,000	Leased
Taylorsville, Mississippi	Construction products manufacturing	54,000	Owned
Taylorsville, Mississippi	Construction products manufacturing	238,700	Owned
Port Gibson,			

Mississippi	Warehouse	40,000	Leased

Enterprise, Mississippi	Construction products manufacturing	194,300	Owned
Appleton, Wisconsin	Construction products manufacturing	100,300	Owned
Appleton, Wisconsin	Construction products manufacturing	42,600	Owned
Joplin, Missouri	Construction products manufacturing	45,400	Owned
Montgomery, Minnesota	Administrative office and construction products manufacturing	115,600	Owned
Montgomery, Minnesota	Construction products manufacturing	22,000	Leased
LeCenter, Minnesota	Construction products manufacturing	15,000	Leased
Livermore, California	Construction products manufacturing	103,500	Leased
Rancho Cucamonga, California	Warehouse	20,600	Leased
North Wilkesboro, N. Carolina	Construction products manufacturing	23,000	Leased
North Wilkesboro, N. Carolina	Administrative office	900	Leased
Hainesport, New Jersey	Warehouse	15,000	Leased
Denver, Colorado	Administrative office and construction products manufacturing	90,000	Leased
Denver, Colorado	Construction products manufacturing	30,000	Leased
Largo, Florida	Administrative office and construction products manufacturing	100,000	Owned
Holland, Ohio	Administrative office	3,500	Leased
Lima, Ohio	Construction products manufacturing	203,000	Owned
Coopersville, Michigan	Construction products Manufacturing	246,000	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

Not applicable.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters

As of December 31, 2000, there were 129 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"). Its trading symbol is "ROCK". The following table sets forth the high and low sales prices per share for the Company's common stock for each quarter of 2000 and 1999:

	2000		1999	
	High	Low	High	Low
Fourth Quarter	$ 18	$ 11 1/2	$ 26	$ 21 3/4
Third Quarter	19 3/8	14	25 3/4	20 1/8
Second Quarter	18 13/16	12 13/16	25 1/4	19 3/4
First Quarter	24	14 3/4	23 1/2	17

The Company declared dividends of $.025 per share in the first quarter of 2000 and $.03 per share in each of the second, third and fourth quarters of 2000. The Company declared dividends of $.05 per share in the first quarter of 1999 and $.025 per share in each of the second, third and fourth quarters of 1999.

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

	Year Ended December 31, 2000	1999	1998	1997	1996
Net Sales	$ 677,540	$ 621,918	$ 557,944	$449,700	$ 342,974
EBITDA	81,080	72,921	57,788	41,081	36,863
Income from operations	59,892	55,469	44,455	32,603	30,617
Interest expense	18,942	13,439	11,389	5,115	3,827
Income before income taxes	40,950	42,030	33,066	27,488	26,790
Income taxes	16,585	17,022	13,226	11,072	10,815
Net income	24,365	25,008	19,840	16,416	15,975
Net income per share-Basic	$ 1.94	$ 1.99	$ 1.59	$ 1.33	$ 1.42
Weighted average shares outstanding-Basic	12,577	12,540	12,456	12,357	11,261
Net income per share-Diluted	$ 1.92	$ 1.95	$ 1.57	$ 1.30	$ 1.39
Weighted average shares outstanding-Diluted	12,685	12,806	12,651	12,591	11,464
Cash dividends per common share	$ 0.115	$ 0.125	$ -	$ -	$ -
Current assets	$ 187,594	$ 182,591	$ 175,834	$130,746	$ 109,526
Current liabilities	55,187	69,668	51,598	43,101	40,853
Total assets	556,046	522,080	438,435	281,336	222,507
Total debt	255,853	236,621	200,746	83,024	49,841
Shareholders' equity	208,348	185,459	160,308	140,044	121,744
Capital expenditures	$ 19,619	$ 21,999	$ 22,062	$ 21,784	$ 15,477
Depreciation	17,212	14,613	11,221	7,475	5,581
Amortization	3,976	2,839	2,112	1,003	665

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

Results of Operations

Year Ended 2000 Compared to Year Ended 1999

Net sales increased $55.6 million, or 8.9%, to a record $677.5 million in 2000 from $621.9 million in 1999, despite the elimination of $19.4 million in sales from disposed of operations that were included in 1999 sales and a slowdown in the automotive and building products markets in the fourth quarter of 2000. This increase primarily resulted from including the net sales of Milcor (acquired July 17, 2000) (the 2000 acquisition) from its acquisition date, and a full year of net sales of Southeastern Heat Treating (acquired April 1, 1999), Weather Guard (acquired July 1, 1999), Hi-Temp (acquired August 1, 1999), Brazing Concepts (acquired November 1, 1999) and Hughes (acquired December 1, 1999) (the 1999 acquisitions), together with sales growth at existing operations.

Cost of sales increased $47.8 million, or 9.7%, to $541.7 million in 2000 from $493.9 million in 1999. Cost of sales as a percentage of net sales increased to 80.0% in 2000 from 79.4% in 1999 primarily due to the impact of the slowdown in the automotive and construction products markets in the fourth quarter of 2000.

Selling, general and administrative expenses increased $3.4 million, or 4.7%, to $75.9 million in 2000 from $72.5 million in 1999. Selling, general and administrative expenses as a percentage of net sales decreased to 11.2% in 2000 from 11.7% in 1999 primarily due to the elimination of expenses from disposed of operations and decreases in performance based compensation, partially offset by higher costs attributable to the 1999 and 2000 acquisitions.

Interest expense increased $5.5 million from 1999 to 2000 due to higher borrowings as a result of the acquisitions, current year capital expenditures and due to a higher effective interest rate in 2000 than in 1999.

As a result of the above, income before taxes decreased $1.1 million, or 2.6%, to $40.9 million in 2000 from $42.0 million in 1999.

Income taxes approximated $16.6 million in 2000, based on a 40.5% effective rate.

Year Ended 1999 Compared to Year Ended 1998

Net sales increased $64.0 million, or 11.5%, to $621.9 million in 1999 from $557.9 million in 1998. This increase primarily resulted from including the net sales of Southeastern Heat Treating (acquired April 1, 1999), Weather Guard (acquired July 1, 1999), Hi-Temp (acquired August 1, 1999), Brazing Concepts (acquired November 1, 1999) and Hughes (acquired December 1, 1999) (the 1999 acquisitions) from their respective acquisition dates, and a full year of net sales of Solar (acquired March 1, 1998), Appleton (acquired April 1, 1998), USP (acquired June 1, 1998) and Harbor (acquired October 1, 1998) (the 1998 acquisitions), together with sales growth at existing operations.

Cost of sales increased $37.5 million, or 8.2%, to $493.9 million in 1999 from $456.4 million in 1998. Cost of sales as a percentage of net sales decreased to 79.4% in 1999 from 81.8% in 1998. This improvement was due to the 1999 and 1998 acquisitions, which have historically generated higher margins than the Company's existing operations, and due to lower raw material costs at existing operations.

Selling, general and administrative expenses increased $15.5 million, or 27.1%, to $72.5 million in 1999 from $57.0 in 1998. Selling, general and administrative expenses as a percentage of net sales increased to 11.7% in 1999 from 10.2% in 1998. This increase was due to higher costs as a percentage of net sales attributable to the 1999 and 1998 acquisitions, and due to performance based compensation linked to the Company's sales and profitability.

Interest expense increased by $2.0 million from 1998 to 1999 primarily due to higher borrowings in 1999 as a result of the Company's current year acquisitions and capital expenditures and due to a higher effective interest rate in 1999 than in 1998.

As a result of the above, income before taxes increased $9.0 million, or 27.1%, to $42.0 million in 1999 from $33.1 million in 1998.

Income taxes approximated $17.0 million in 1999, based on a 40.5% effective rate compared with a 40.0% effective rate in 1998.

Liquidity and Capital Resources

During 2000, the Company's working capital increased by $19.5 million to $132.4 million at December 31, 2000 from $112.9 million at December 31, 1999 primarily from the inclusion of inventories of the 2000 acquisition, and a decrease in accounts payable and accrued expenses resulting from decreased purchases during the fourth quarter of 2000 in response to the slowdown in the automotive and construction products markets. Long-term debt decreased to 55% of total capitalization, despite increasing by $20.2 million to $255.5 million, at December 31, 2000. Additionally, shareholders' equity increased by 12.3% to $208.3 million.

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

The Company's primary sources of liquidity are from cash provided by operating activities and the Company's revolving credit facility. Net cash provided by operations of $34.1 million resulted primarily from net income of $24.4 million, depreciation and amortization of $21.2 million, the provision for deferred income taxes of $5.3 million and a decrease in accounts receivable of $5.7 million, offset by decreases in accounts payable and accrued expenses of $16.6 million and increases in other current assets of $2.8 million and other assets of $2.6 million.

During 2000, the Company amended its revolving credit agreement with its bank group to increase the capacity of its revolver to $310 million. Borrowings thereunder are secured with its accounts receivable, inventories and property and equipment. At December 31, 2000, the Company had interest rate swap agreements outstanding which effectively converted $50 million of borrowings under the revolving credit agreement to fixed rates ranging from 7.47% to 8.18%. The Company accounts for interest rate swap agreements on an accrual basis. Additional borrowings under the revolving credit facility carry interest at LIBOR plus a fixed rate. The weighted average interest rate of these borrowings was 8.70% at December 31, 2000.

Net cash provided by operations of $34.1 million, $7.8 million net proceeds from the sale of property and equipment and the net proceeds from long-term debt of $19.2 million were primarily used for the acquisition of Milcor, capital expenditures and payment of cash dividends.

The Company believes that availability under its credit facility, together with funds generated from operations, will be more than sufficient to provide the Company with the liquidity and capital resources necessary to fund its anticipated working capital requirements, acquisitions and capital expenditure commitments for the next twelve months.

The Company believes that environmental issues will not require the expenditure of material amounts for environmental compliance in the future.

Recent Accounting Pronouncement

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. Implementation of FAS No. 133 is required for fiscal 2001. FAS No. 133 will not have a material impact on the Company's earnings or other comprehensive income.

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; the impact of the Year 2000 matter; and changes in interest or tax rates.

Company Responsibility For Financial Statements

The accompanying consolidated financial statements of Gibraltar Steel Corporation have been prepared by management, which is responsible for their integrity and objectivity. The statements have been prepared in conformity with accounting principles generally accepted in the United States and include amounts based on management's best estimates and judgments. Financial information elsewhere in this Annual Report is consistent with that in the consolidated financial statements.

The Company has established and maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded and that the financial records reflect the authorized transactions of the Company.

The financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants. As part of their audit of the Company's 2000 financial statements, PricewaterhouseCoopers LLP considered the Company's system of internal control to the extent they deemed necessary to determine the nature, timing and extent of their audit tests.

The Board of Directors pursues its responsibility for the Company's financial reporting through its Audit Committee, which is composed entirely of outside directors. The independent accountants have direct access to the Audit Committee, with and without the presence of management representatives, to discuss the results of their audit work and their comments on the adequacy of internal accounting controls and the quality of financial reporting.

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

Walter T. Erazmus
President

John E. Flint
Vice President
and Chief Financial Officer

Item 8. Financial Statements and Supplementary Data

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Report of Independent Accountants

To the Board of Directors and
Shareholders of Gibraltar Steel Corporation

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Gibraltar Steel Corporation and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. 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 auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 the opinion expressed above.

PricewaterhouseCoopers LLP
Buffalo, New York
January 24, 2001

GIBRALTAR STEEL CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, except share and per share data)

ASSETS	December 31, 2000	1999
Current assets:		
Cash and cash equivalents	$ 1,701	$ 4,687
Accounts receivable	78,358	78,418
Inventories	100,987	94,994
Other current assets	6,548	4,492
Total current assets	187,594	182,591
Property, plant and equipment, net	229,159	216,030
Goodwill	130,368	115,350
Other assets	8,925	8,109
	$ 556,046	$ 522,080
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 39,285	$ 48,857
Accrued expenses	15,575	19,492
Current maturities of long-term	327	1,319
Total current liabilities	55,187	69,668
Long-term debt	255,526	235,302
Deferred income taxes	34,325	29,328
Other non-current liabilities	2,660	2,323
Shareholders' equity		
Preferred shares, $.01 par value; authorized: 10,000,000 shares; none outstanding	-	-
Common shares, $.01 par value; authorized: 50,000,000 shares; outstanding: 12,567,147 shares in 2000 and 12,577,464 shares in 1999	126	126
Additional paid-in capital	68,475	68,323
Retained earnings	139,747	117,010
Total shareholders' equity	208,348	185,459
	$ 556,046	$ 522,080

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

GIBRALTAR STEEL CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(in thousands, except per share data)

	Year Ended December 31, 2000	1999	1998
Net sales	$ 677,540	$ 621,918	$ 557,944
Cost of sales	541,743	493,945	456,449
Gross profit	135,797	127,973	101,495
Selling, general and administrative expense	75,905	72,504	57,040
Income from operations	59,892	55,469	44,455
Interest expense	18,942	13,439	11,389
Income before taxes	40,950	42,030	33,066
Provision for income taxes	16,585	17,022	13,226
Net income	$ 24,365	$ 25,008	$ 19,840
Net income per share - Basic	$ 1.94	$ 1.99	$ 1.59
Weighted average shares outstanding - Basic	12,577	12,540	12,456
Net income per share - Diluted	$ 1.92	$ 1.95	$ 1.57
Weighted average shares outstanding - Diluted	12,685	12,806	12,651

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

GIBRALTAR STEEL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 24,365	$ 25,008	$ 19,840
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	21,188	17,452	13,333
Provision for deferred income taxes	5,252	2,383	1,693
Undistributed equity investment income	(253)	(466)	(284)
Other noncash adjustments	116	697	304
Increase (decrease) in cash resulting from changes in (net of effects from acquisitions):			
Accounts receivable	5,660	(118)	(5,363)
Inventories	(206)	6,873	(6,309)
Other current assets	(2,829)	(272)	(1,430)
Accounts payable and accrued expenses	(16,551)	10,242	(7,572)
Other assets	(2,622)	(1,130)	(899)
Net cash provided by operating activities	34,120	60,669	13,313
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	(42,880)	(65,380)	(99,415)
Investments in property, plant and equipment	(19,619)	(21,999)	(22,062)
Net proceeds from sale of property and equipment	7,753	2,838	187
Net cash used in in investing activities	(54,746)	(84,541)	(121,290)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term debt reduction	(63,157)	(67,160)	(61,508)
Proceeds from long-term debt	82,389	94,081	168,825
Repurchase of common stock	(181)	-	-
Net proceeds from issuance of common stock	36	1,014	100
Payment of dividends	(1,447)	(1,253)	-
Net cash provided by financing activities	17,640	26,682	107,417
Net (decrease) increase in cash and cash equivalents	(2,986)	2,810	(560)
Cash and cash equivalents at beginning of year	4,687	1,877	2,437
Cash and cash equivalents at end of year	$ 1,701	$ 4,687	$ 1,877

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

GIBRALTAR STEEL CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(in thousands)

	Common Shares Shares	Common Shares Amount	Additional Paid-in Capital	Retained Earnings
Balance at December 31, 1997	12,410	$ 124	$ 66,190	$ 73,730
Net income	-	-	-	19,840
Stock options exercised and tax benefit	8	-	119	-
Restricted stock granted	55	1	-	-
Earned portion of restricted stock	-	-	87	-
Profit sharing plan contribution	11	-	217	-
Balance at December 31, 1998	12,484	125	66,613	93,570
Net income	-	-	-	25,008
Stock options exercised and tax benefit	72	1	1,124	-
Cash dividend - $.125 per share	-	-	-	(1,568)
Earned portion of restricted stock	-	-	116	-
Profit sharing plan contributions	21	-	470	-
Balance at December 31, 1999	12,577	126	68,323	117,010
Net income	-	-	-	24,365
Stock options exercised and tax benefit	3	-	36	-
Cash dividend - $.115 per share	-	-	-	(1,447)
Earned portion of restricted stock	-	-	116	-
Repurchase of common stock	(13)	-	-	(181)
Balance at December 31, 2000	12,567	$ 126	$ 68,475	$ 139,747

The accompanying notes are an integral
part of these financial statements

GIBRALTAR STEEL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Gibraltar Steel Corporation and subsidiaries (the Company). Significant intercompany accounts and transactions have been eliminated.

Use of Estimates

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

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.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. Accelerated methods are used for income tax purposes. Interest is capitalized in connection with construction of qualified assets. Under this policy, interest of $552,000, $357,000 and $404,000 was capitalized in 2000, 1999 and 1998, respectively.

Goodwill

Goodwill is amortized over 35 years. Amortization expense related to goodwill was $3,710,000, $2,647,000 and $1,949,000 in 2000, 1999, and 1998, respectively. Accumulated amortization was $9,961,000 and $6,251,000 at December 31, 2000 and 1999.

Shareholders' Equity

In 1999 and 1998, the Company issued 20,572 and 11,000, respectively, of its common shares as contributions to its profit sharing plans. The Company did not contribute any of its shares to its profit sharing plans during 2000.

During 2000 and 1999, the Company declared dividends of $1,447,000 and $1,568,000, respectively, of which $377,000 and $315,000 are accrued at December 31, 2000 and 1999, respectively.

During 2000, the Company purchased 12,572 shares of its outstanding common stock at a cost of $14.38 per share. The Company did not repurchase any shares of its common stock in prior years.

Interest Rate Exchange Agreements

Interest rate swap agreements, which are used by the Company in the management of interest rate risk, are accounted for on an accrual basis. Amounts to be paid or received under interest rate swap agreements are recognized as interest expense or income in the periods in which they accrue. Swaps are not used for trading purposes.

Income Taxes

The 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.

Earnings Per Share

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.

2. ACQUISITIONS

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.

On December 1, 1999, the Company purchased all the outstanding capital stock of Hughes Manufacturing, Inc. (Hughes) for approximately $11.5 million in cash. Hughes manufactures a broad line of fully engineered, code-approved steel lumber connectors and other metal hardware products.

On November 1, 1999, the Company purchased all the outstanding capital stock of Brazing Concepts Company (Brazing Concepts) for approximately $25 million in cash. Brazing Concepts provides a wide variety of value-added brazing (i.e., metal joining), assembly and other metallurgical heat treating services on customer-owned materials.

On August 1, 1999, the Company purchased the assets and business of Hi-Temp Incorporated (Hi-Temp) for approximately $24 million in cash. Hi-Temp provides metallurgical heat treating services in which customer-owned parts are exposed to precise temperature and other conditions to improve their material properties, strength and durability.

On July 1, 1999, the Company purchased all the outstanding capital stock of K & W Metal Fabricators, Inc. d/b/a Weather Guard Building Products (Weather Guard) for approximately $7 million in cash. Weather Guard manufactures a full line of metal building products, including rain-carrying systems, metal roofing and roofing accessories, for industrial, commercial and residential applications.

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, 1999. 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, 1999 and are not necessarily indicative of future results of the combined companies.

	(in thousands, except per share data) Year Ended December 31,	
	2000	1999
	(unaudited)	
Net sales	$704,349	$712,383
	======	======
Income before taxes	$ 41,449	$ 44,891
	======	======
Net income	$ 24,662	$ 26,647
	======	======
Net income per share - Basic	$ 1.96	$ 2.12
	======	======

3. ACCOUNTS RECEIVABLE

Accounts receivable are expected to be collected within one year and are net of reserves for doubtful accounts of $1,643,000 and $1,511,000 at December 31, 2000 and 1999, respectively.

4. INVENTORIES

Inventories at December 31 consist of the following:

	(in thousands) 2000	1999
Raw material	$ 54,640	$ 59,899
Finished goods and work-in-process	46,347	35,095
Total inventories	$100,987	$ 94,994
	======	======

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost less accumulated depreciation, at December 31 consists of the following:

	(in thousands) 2000	1999
Land and land improvements	$ 7,507	$ 6,961
Building and improvements	61,968	54,782
Machinery and equipment	222,811	204,012
Construction in progress	10,101	8,758
	302,387	274,513
Less accumulated depreciation and amortization	73,228	58,483
Property, plant and equipment, net	$229,159	$216,030
	======	======

6. OTHER ASSETS

Other assets at December 31 consist of the following:

	(in thousands) 2000	1999
Equity interest in partnership	$ 4,738	$ 4,485
Other	4,187	3,624
Total other assets	$ 8,925	$ 8,109
	======	=====

The Company's 31% partnership interest is accounted for using the equity method of accounting. The partnership provides a steel cleaning process called pickling to steel mills and steel processors, including the Company.

7. DEBT

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

	(in thousands) 2000	1999
Revolving credit notes payable	$250,251	$228,128
Industrial Development Revenue Bonds	3,500	6,362
Other debt	2,102	2,131
	255,853	236,621
Less current maturities	327	1,319
Total long-term debt	$255,526	$235,302
	======	======

In 2000, the Company amended its debt agreement increasing its revolving credit facility to $310,000,000. The facility is secured by the Company's accounts receivable, inventories, and property and equipment and is committed through April 2003. This facility has various interest rate options which are no greater than the bank's prime rate. 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, 2000 the Company had interest rate swap agreements outstanding which effectively converted $50,000,000 of floating rate debt to fixed rates ranging from 7.47% to 8.18%. At December 31, 2000, additional credit facility borrowings consisted of $200,251,000 with an interest rate of LIBOR plus a fixed rate. The weighted average interest rate of these borrowings was 8.70% at December 31, 2000.

In addition, the Company has Industrial Development Revenue Bonds payable in installments through September 2018, with interest rates ranging from a fixed rate of 4.22% to variable rates of up to 5.20% at December 31, 2000, 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 $186,000. The agreement provide 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.

The aggregate maturities on long-term debt including lease purchase obligations for the five years following December 31, 2000 as follows: 2001, $327,000; 2002, $813,000; 2003, $250,875,000; 2004, $629,000: and 2005, $480,000. The Company had no amounts outstanding under short-term borrowing for the years ended December 31, 2000 and 1999.

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, 2000, 1999 and 1998 was $19,935,000, $13,357,000 and $11,257,000, respectively.

8. LEASES

The Company leases certain facilities and equipment under operating leases. Rent expense under operating leases for the years ended December 31, 2000, 1999 and 1998 was $5,187,000, $4,899,000 and $3,554,000, respectively. Future minimum lease payments under these operating leases are $5,067,000, $3,980,000, $2,969,000, $1,867,000 and $1,244,000 for the years 2001, 2002, 2003, 2004 and 2005, respectively, and $7,470,000 thereafter through 2038.

9. EMPLOYEE RETIREMENT PLANS

Certain subsidiaries participate in the Company's 40l(k) Plan. In addition, certain subsidiaries have multi-employer non-contributory retirement plans providing for defined contributions to union retirement funds.

A supplemental pension plan provides defined pension benefits to certain salaried employees upon retirement. Net unfunded periodic pension costs of $171,000 and $199,000 were accrued under this plan in 2000 and 1999, respectively, and consisted primarily of service cost using a discount rate of 8.0% in each year.

Total expense for all retirement plans was $2,204,000, $1,957,000 and $1,774,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

During 1998, the Company adopted the provisions of Statement of Financial Accounting Standards No. 132 Employers' Disclosures about Pensions and Other Post-Retirement Benefits (FAS No. 132). Adoption of FAS No. 132 did not affect the Company's results of operations or financial position.

10. OTHER POST-RETIREMENT 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 net periodic post-retirement benefit cost charged to expense consisting of service cost, interest cost and amortization of transition obligations was $261,000, $291,000 and $255,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

The approximate unfunded accumulated post-retirement benefit obligation at December 31, consists of the following (in thousands):

	Benefit Obligation at January 1	Service Cost	Interest Cost	Actuarial (Gain)/Loss	Benefit Payments	Benefit Obligation at December 31
2000	$1,844	71	145	(1)	(76)	$1,983
1999	$2,105	90	135	(445)	(41)	$1,844

The accumulated post-retirement benefit obligation was determined using a weighted average discount rate of 8.0% in 2000 and 1999. The medical inflation rate was assumed to be 5.0% in 2000 and thereafter. The effect of a 1% increase or decrease in the annual medical inflation rate would increase or decrease the accumulated post-retirement benefit obligation at December 31, 2000 by approximately $312,000 and $266,000, respectively, and increase or decrease the annual service and interest costs by approximately $38,000.

One of the Company's subsidiaries also provides post-retirement health care benefits to its unionized employees through contributions to a multi-employer health care plan.

11. INCOME TAXES

The provision for income taxes consists of the following:

	(in thousands) 2000	1999	1998
Current tax expense			
Federal	$ 9,507	$ 12,332	$ 9,749
State	1,826	2,307	1,784
Total current	11,333	14,639	11,533
Deferred tax expense			
Federal	4,593	2,040	1,628
State	659	343	65
Total deferred	5,252	2,383	1,693
Total provision	$ 16,585	$ 17,022	$ 13,226
	=====	=====	=====

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

	(in thousands) 2000	1999
Depreciation	$ 33,773	$ 29,460
Goodwill	3,167	1,770
Other	1,002	1,685
Gross deferred tax liabilities	37,942	32,915
State taxes	(1,652)	(1,382)
Other	(4,504)	(4,999)
Gross deferred tax assets	(6,156)	(6,381)
Net deferred tax liabilities	$ 31,786	$ 26,534
	=====	=====

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to income before taxes as a result of the following differences:

	(in thousands)		
	2000	1999	1998
Statutory U.S. tax rates	$14,333	$14,711	$11,573
Increase in rates resulting from:			
State and local taxes, net	1,615	1,723	1,202
Other	637	588	451
	$16,585	$17,022	$13,226
	=====	=====	=====

Cash paid for income taxes, net of tax refunds, in the years ended December 31, 2000, 1999 and 1998 was $16,189,000, $11,857,000 and $9,180,000, respectively.

12. EARNINGS PER SHARE

Statement of Financial Accounting Standards No. 128 Earnings Per Share requires dual presentation of basic and diluted earnings per share on the face of the income statement. The reconciliation between the computations is as follows:

	Income	Basic Shares	Basic EPS	Diluted Shares	Diluted EPS
2000	$24,365,000	12,577,240	$1.94	12,685,072	$1.92
1999	$25,008,000	12,540,105	$1.99	12,806,338	$1.95
1998	$19,840,000	12,455,554	$1.59	12,651,119	$1.57

Included in diluted shares are common stock equivalents of 107,832, 266,233, and 195,565 relating to options for the years ended December 31, 2000, 1999 and 1998, respectively.

13. STOCK OPTIONS

The Company may grant non-qualified stock options to officers, employees, non-employee directors and advisers at an exercise price equal to 100% of market price, and incentive stock options to officers and other key employees at an exercise price not less than 100% of market price, up to an aggregate of 400,000 and 1,475,000 shares, respectively. The options may be exercised over a four year period from the grant date and expire ten years after the date of grant.

The following table summarizes information about stock option transactions:

	Options Outstanding	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
Balance at December 31, 1997	693,231	$15.68	282,781	$11.55
Granted	336,650	17.36		
Exercised	(8,749)	11.12		
Forfeited	(24,502)	17.48		
Balance at December 31, 1998	996,630	$16.24	406,993	$13.30
Granted	10,000	20.56		
Exercised	(72,474)	13.99		
Forfeited	(11,450)	18.54		
Balance at December 31, 1999	922,706	$16.44	528,819	$14.88
Granted	270,250	14.07		
Exercised	(2,255)	15.52		
Forfeited	(30,107)	17.68		
Balance at December 31, 2000	1,160,594	$15.86	686,582	$15.72
	=========			

Tax benefits of $111,000 realized in the year ended December 31, 1999 associated with the exercise of certain stock options have been credited to additional paid-in-capital. The Company did not realize any related tax benefit during 2000.

Options outstanding at December 31, 2000 consisted of:

Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
$10.00 - $14.07	528,127	6.5 years	$12.46	260,127	$10.80
$15.63 - $22.50	632,467	6.9 years	$18.70	426,455	$18.72
	1,160,594	6.7 years	$15.86	686,582	$15.72
	=========			=======	

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123 Accounting for Stock-Based Compensation (FAS No. 123). Accordingly, no compensation cost has been recognized for the option plans as stock options granted under these plans have an exercise price equal to 100% of the market price on the date of grant. If the compensation cost for these plans had been determined based on the fair value at the grant dates for awards consistent with the method of FAS No. 123, the unaudited pro forma effect on the years ended December 31, 2000 and 1999 is as follows:

	As Reported 2000	Pro forma 2000	As Reported 1999	Pro forma 1999
Net Income	$24,365,000	$23,073,000	$25,008,000	$23,566,000
Net Income per Share-Basic	$1.94	$1.83	$1.99	$1.88

The Black-Scholes option-pricing model was used to estimate the fair value of the options granted on the date of grant. The fair values and assumptions used in the model, assuming no dividends, are as follows:

	Fair Value	Expected Life	Stock Volatility	Risk-Free Interest Rate	Dividend Yield
2000 Grant	$6.31	5 years	43.7%	6.3%	.7%
1999 Grant	$9.18	5 years	45.1%	4.4%	.2%
1998 Grant	$7.74	5 years	43.7%	4.4%	-

The Company also has a Restricted Stock Plan reserved for issuance of 100,000 common shares for the grant of restricted stock awards to employees and non-employee directors at a purchase price of $.01 per share. Since the inception of this plan, 59,000 common shares have been awarded.

14. COMMITMENTS AND CONTINGENCIES

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 is not clearly determinable at the present time, would significantly affect the Company's financial condition or results of operations.

15. SUBSEQUENT EVENT

In February 2001, the Company purchased all the outstanding capital stock of Pennsylvania Industrial Heat Treaters, Inc. (PIHT) for approximately $11 million, net of cash. PIHT provides metallurgical heat treating services and specializes in heat treating powdered metal parts. The results of operations of PIHT will be consolidated with the Company's results of operations from the acquisition date for the quarter ending March 31, 2001.

QUARTERLY UNAUDITED FINANCIAL DATA
(in thousands, except per share data)

2000 Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Net Sales	$167,634	$181,523	$178,326	$150,057	$677,540
Gross Profit	34,548	36,616	35,863	28,770	135,797
Income From Operations	14,318	17,416	17,268	10,890	59,892
Net Income	6,015	7,854	7,248	3,248	24,365
Net Income Per Share-Basic	$ .48	$ .62	$ .58	$ .26	$ 1.94
Net Income Per Share-Diluted	$ .47	$ .62	$ .57	$ .26	$ 1.92

1999 Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Net Sales	$143,804	$160,241	$162,909	$154,964	$621,918
Gross Profit	28,418	33,001	34,245	32,309	127,973
Income From Operations	11,683	15,353	15,426	13,007	55,469
Net Income	4,977	7,288	7,205	5,538	25,008
Net Income Per Share-Basic	$ .40	$ .58	$ .57	$ .44	$ 1.99
Net Income Per Share-Diluted	$ .39	$ .57	$ .56	$ .43	$ 1.95

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

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information regarding directors and executive officers of the Company 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 2000 fiscal year.

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 2000 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 2000 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 2000 fiscal year.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

			Page Number
(a)	(1)	Financial Statements:	
		Report of Independent Accountants	19
		Consolidated Balance Sheet at December 31, 2000 and 1999	20
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(3) Exhibits

The exhibits to this Annual Report on Form 10-K included herein are set forth on the attached Exhibit Index beginning on page 37.

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Company during the three month period ended December 31, 2000.

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) 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

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

In accordance with the Securities 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.

/s/ Brian J. Lipke Brian J. Lipke	Chief Executive Officer and Chairman of the Board (principal executive officer)	February 21, 2001
/s/ Walter T. Erazmus Walter T. Erazmus	President	February 21, 2001
/s/ John E. Flint John E. Flint	Vice President and Chief Financial Officer (principal financial and accounting officer)	February 21, 2001
/s/ Neil E. Lipke Neil E. Lipke	Director	February 21, 2001
/s/ Gerald S. Lippes Gerald S. Lippes	Director	February 21, 2001
/s/ Arthur A. Russ, Jr. Arthur A. Russ, Jr.	Director	February 21, 2001
/s/ David N. Campbell David N. Campbell	Director	February 21, 2001
/s/ William P. Montague William P. Montague	Director	February 21, 2001

Exhibit Index

Exhibit Number	Exhibit	Sequentially Numbered Page
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))	
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 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))	

Exhibit Number	Exhibit	Sequentially Numbered Page
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 June 29, 1992 for Adoption by Gibraltar Steel Corporation of Chase Lincoln First Bank, N.A. (now Chase Manhattan Bank, N.A.) Non-Standardized Prototype 401(k) Retirement Savings Plan (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.8*	Gibraltar Steel Corporation 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 Steel Corporation Restricted Stock Plan (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.10*	Gibraltar Steel Corporation 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)	
10.11*	Gibraltar Steel Corporation Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1 (Registration No. 33-69304))	
10.12*	Gibraltar Steel Corporation 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))	
10.13*	Gibraltar Steel Corporation 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))	
10.14*	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)	

Exhibit Number	Exhibit	Sequentially Numbered Page
10.15*	Gibraltar Steel Corporation Profit Sharing Plan, Twelfth Amendment	40
10.16*	Form of Change in Control Agreement dated July 9, 1998 between Registrant and each of Neil E. Lipke, Eric R. Lipke, Walter T. Erazmus, Joseph A. Rosenecker, Carl P. Spezio and Andrew S. Tsakos (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998)	
10.17*	Form of Stay Bonus Agreement dated October 1, 2000 between Registrant and certain named executives.	51
10.18	Third Amended and Restated Credit Agreement dated September 29, 2000 among Gibraltar Steel Corporation, Gibraltar Steel Corporation of New York, Chase Manhattan Bank, N.A., 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 September 30, 2000)	
10.19	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)	
10.20*	Gibraltar Steel Corporation 401(k) Plan (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (No. 33-87034))	
10.21*	First Amendment, dated January 20, 1995, to Gibraltar Steel Corporation 40l(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)	
21	Subsidiaries of the Registrant	55
27	Financial Data Schedule	56

* Document is a management contract or compensatory plan or arrangement

GIBRALTAR STEEL CORPORATION
PROFIT SHARING PLAN
Twelfth Amendment

WHEREAS, Gibraltar Steel Corporation of New York, a New York corporation having its principal place of business at Buffalo, New York, (the "Employer") maintains a profit sharing plan, known as the Gibraltar Steel Corporation Profit Sharing Plan, (the "Plan") by instruments executed and effective as follows:

	Executed	Effective
Original Plan	July 30, 1976	August 1, 1975
First Amendment	December 30, 1977	August 1, 1975
Second Amendment	July 31, 1978	Various Dates
Third Amendment	February 5, 1980	August 1, 1977
Fourth Amendment	August 1, 1978	August 1, 1978
Fifth Amendment and Restatement	August 1, 1979	August 1, 1979
Sixth Amendment and Restatement	April 14, 1986	August 1, 1984
Seventh Amendment	May 1, 1987	August 1, 1984
Eighth Amendment	November 16, 1993	August 1, 1987
Ninth Amendment and Restatement	November 16, 1993	August 1, 1989
Tenth Amendment	September 20, 1994	August 1, 1994
Eleventh Amendment	December 20, 1995	August 1, 1995

WHEREAS, the Employer is merging the Plan into the Gibraltar Steel Corporation 401(k) Plan effective March 31, 2000; and

WHEREAS, in light of the merger and pursuant to the terms of the Plan, the Employer now desires to amend said Plan in order to bring the Plan into compliance with certain provisions of the Small Business Job Protection Act of 1996, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Taxpayer Relief Act of 1997, the IRS Restructuring and Reform Act of 1998 and other recent legislation;

NOW, THEREFORE, the Employer hereby amends said Plan effective, unless otherwise indicated, August 1, 1997 as follows:

1. The third paragraph of Section 1.05 is hereby amended to read as follows:

"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."

2. Section 1.13 is hereby amended to read as follows:

"Plan Year means the 12 month period ending on July 31 of each year."

3. The third paragraph of Section 1.14 is hereby amended to read as follows:

"Notwithstanding the above, effective for Plan Years beginning on and after January 1, 1997, only the first $160,000 of a Participant's Compensation for the year shall be taken into account under the Plan. Such maximum amount shall be adjusted at the same time and in such manner as permitted under IRC Section 415(d)." 4. Section 1.15 is hereby amended by the addition thereto of the following paragraph:

"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)."

5. Effective October 1, 1998, Section 3.04(d)is hereby amended by substituting "$5,000.00" for "$3,500.00" wherever it appears therein.

6. Effective August 1, 1995, subparagraph (a) where it first appears in Section 3.07 is hereby amended to read as follows:

"(a) $30,000.00 as adjusted by the Secretary of the Treasury for increases in the cost-ofliving. Such increases will be in multiples of $5,000.00 (five thousand dollars); or"

7. Section 3.07 is hereby amended by the addition thereto of the following paragraph immediately following (d) where it first appears therein:

"Notwithstanding the above, effective August 1,1998, compensation shall include any elective deferral(as defined in IRC Section 401(g)(3)) and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includable in the gross income of the Employee by reason of IRC Section 125 or IRC Section 457"

8. The last sentence of the fifth paragraph of Section 3.07 is hereby amended to read as follows:

"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 Plan Year; provided, however, effective January 1, 1999 the Limitation Year shall be the calendar year."

9. The sixth paragraph of Section 3.07 is hereby amended to read as follows:

"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 contributions made on behalf of such Participant are nonforfeitable when made."

10. Section 4.04 is hereby amended by the addition thereto of the following paragraph:

"Notwithstanding the above, for Plan Year ended July 31, 1998, Brian J. Lipke, Eric R. Lipke, Neil E. Lipke and Meredith A. Lipke shall not share in any contributions and forfeitures and for the Plan Year ended July 31, 1999, Brian J. Lipke, Eric R. Lipke, Neil E. Lipke, Meredith A. Lipke, Walter T. Erazmus, Joseph Rosenecker, Carl Spezio, Andrew Tsakos, Joseph Wark, William Wark, Dennis Speiser, John E. Flint and Richard O'Brien shall not share in contributions and forfeitures."

11. Effective February 29, 2000, Section 4.07 is hereby amended by the addition thereto of the following paragraph:

"Effective February 29, 2000, forfeitures unallocated on February 29, 2000 shall be allocated on February 29, 2000 among the Accounts of the nonhighly compensated Participants who are employed by the Employer on February 29, 2000 as if said unallocated forfeitures were additional contributions of the Employer with respect to the Plan Year beginning on August 1, 1999 based upon their compensation for that Plan Year through February 29, 2000."

12. Effective October 1, 1998, Section 6.03(a)is hereby amended by substituting "$5,000.00" for "$3,500.00" wherever it appears therein.

13. Effective February 29, 2000, Section 6.04(a) is hereby amended by the addition thereto of the following paragraph immediately following the vesting schedule:

"Notwithstanding the above, all Participants in the Plan, other than those Participants who have terminated employment and who have been paid their benefits on or before February 29, 2000, shall be fully and nonforfeitably vested in their Accrued Benefit"

14. Effective October 1, 1998, Section 6.05 is hereby amended by substituting "$5,000.00" for "$3,500.00" wherever it appears therein.

15. Effective August 1, 1999, Section 6.05 is hereby amended to read as follows:

"6.05 Termination Of Employment And Distribution Of Vested Benefits - Effective August 1, 1999, 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 vested interest in his Accrued Benefit plus the amount equal to the value of his accounts attributable to his own contributions determined as of the nearest preceding Valuation Date plus any contributions such Participant has made subsequent to such Valuation Date paid in one lump sum payment; provided, however, such election shall not be effective without the Participant's, and if applicable his spouse's (or where either the Participant or the spouse has died, the survivor's) written consent if(i) the vested interest in his Accrued Benefit plus the value of his accounts attributable to his own contributions exceeds (or at the time of any prior distribution exceeded) $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 401(a)(9) or IRC 415.

For purposes of this Section 6.05, the consent of the Participant and 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 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 the Participant's spouse do not consent to such distribution, the Committee shall direct the Trustee to segregate the value of his vested interest in his Accrued Benefit as determined above, in an individual interest-bearing account and to hold the same or distribution upon the earlier of his attainment of age 65, death, disability or, if applicable, the satisfaction of the age requirement for early retirement provided the service or participation requirement, if any, was satisfied prior to his termination of employment. 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 segregated account to such former Participant or his Beneficiary in accordance with Section 6.07. If a terminated Participant is rehired by the Employer and he again becomes a Participant, any amount so segregated and not distributed shall be reinvested with the remainder of the Trust Fund and be credited with earnings, losses and expenses of the Trust. In the case of any terminated Participant who has incurred five (5)consecutive One Year Periods Of Severance prior to his reparticipation in the Plan, the Committee shall establish and maintain for such Participant a separate Account for such reinvested amount.

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 and his Account attributable to his own contributions if his vested interest in his Accrued Benefit plus his Account attributable to his own contributions is less than $5,000.00." 16. Section 6.07(c) is hereby amended by the addition thereto of the following paragraph immediately following the first paragraph of that section:

"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."

17. The first paragraph of Section 6.10(b) is hereby amended by the addition thereto of the following:

"Notwithstanding the above, effective January 1, 1997, the required beginning date of a Participant is the first day of April of the calendar year following the later 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; provided, however, that the provisions of this sentence shall only apply to employees who attain age 70 1/2 after December 31, 2000."

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed in its name and attested by its corporate officers hereunto duly authorized as of this 22 day of March, 2000.

GIBRALTAR STEEL CORPORATION OF NEW YORK

By /s/ Brian J. Lipke
President

Attest:

/s/ Walter T. Erazmus
Secretary

October 1, 2000

____
____
____
____
____

Dear _____________:

As you are aware, Gibraltar Steel Corporation (the "Company") is examining various strategic alternatives in an effort to enhance shareholder value. In this regard, one alternative being examined is a sale of the Company in its entirety. You are important to the success of the business of the Company and your active involvement during a sale of the business and a transition period subsequent to such sale is essential. Accordingly, it is in the best interests of the Company to have an understanding with you regarding your continued employment.

Based on the above, the Company will provide, and will require the party that acquires the Company to provide, you with the following rights and benefits:

1. Your salary and benefits, both contributory and non-contributory, will be maintained at levels which are not less than the levels which are in effect as of September 1, 2000, for a period of six (6) months following the date on which a "Sale" (as hereinafter defined) occurs (such date being hereinafter referred to as the "Closing Date"). For purposes of this letter, a "Sale" will be deemed to occur upon: (a) the sale (including a transfer occurring as a result of a tender offer, an exchange offer or the consummation of a plan of merger or consolidation) of ninety percent (90%) or more of the Company's issued and outstanding stock or (b) the sale of all or substantially all of the Company's assets with the buyer assuming all or substantially all of its liabilities, to any person or group (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended).

2. If a Sale occurs before the end of the calendar year 2001, or if, at the end of such calendar year, negotiations regarding a possible Sale to an identified prospective purchaser with sufficient financial resources are taking place and such negotiations result in a Sale which occurs by March 31, 2002, the Company will pay to you bonus payments as described herein upon and subject to the terms and conditions set forth in this letter.

3. If a Sale which satisfies the conditions of paragraph 2 above occurs, you will, subject to your compliance with the terms of this letter, be entitled to receive an amount based upon the per share Sales Price as set forth in Schedule I annexed hereto (such amount being hereinafter referred to as the "Stay Bonus").

4. In order to receive any payment as described herein, you must remain in the Company's active employment (or, if applicable, in the active employment of the purchaser or any of its affiliates ("Purchaser")) through the date that a payment becomes payable as described below.

5. If a Sale which satisfies the conditions of paragraph 2 above occurs, and you have satisfied the requirements of paragraph 4, one-half of the amount of the Stay Bonus will become payable and will be paid to you in one lump sum on the Closing Date and the remaining one-half of the Stay Bonus will become payable and will be paid to you in one lump sum at the end of the six (6) month period following the Closing Date.

6. If, for any reason, your employment with the Company or the Purchaser is terminated before any payment as

described in paragraph 5 becomes payable to you, you will not be entitled to such payment or payments. In addition, if a Sale does not occur in a manner which satisfies the conditions set forth in Paragraph 2 above, the Stay Bonus will not be payable.

7. The fact that the Company has agreed, by the terms of this letter, to make payments to you as provided for in this letter, is strictly confidential. As a result, you are expressly prohibited from disclosing or revealing to any person or entity, any information regarding the specific terms of this letter or the existence of the Company's agreement, as contained in this letter, to make payments to you which are conditioned, in part, on the occurrence of a Sale and your continued active employment with the Company or a Purchaser. If it is determined that you have violated the provisions of this paragraph 7, you will not be entitled to receive any payment of the amounts described above in this letter.

8. As you know, on July 9, 1998, the Company entered into an agreement (hereinafter the "Change in Control Agreement") providing for the payment to you of certain amounts in the event that your employment with the Company is terminated under certain specified conditions following a change in control of the Company (as defined in such Change in Control Agreement). It is the Company's intent that you will not be entitled to receive both the second half of the Stay Bonus as provided for by this letter and the full amount of the payments provided for by the Change in Control Agreement. Accordingly, by your execution of this letter as provided for at the end hereof, you will be deemed to expressly agree that the Change in Control Agreement will be deemed and construed to be amended, by this letter (and this letter will be deemed to constitute an amendment to the Change in Control Agreement), to provide that, if and to the extent that you are paid the second half of the Stay Bonus provided for by this letter, the amount of any payments you may thereafter become entitled to receive under the terms of the Change in Control Agreement will be reduced by an amount equal to the second half of the Stay Bonus provided for by this letter.

9. Your right to receive the Stay Bonus will only apply to one Sale. Therefore, you will not have any right to receive payment of a second Stay Bonus if, after the closing of the Sale, a sale of all or substantially all the assets of the Company or a sale of any portion of the issued and outstanding stock of the Company occurs.

Thank you for your cooperation and support in exploring and implementing the strategic alternatives facing our Company. We believe your continued best efforts will help ensure a successful endeavor.

Yours truly,

GIBRALTAR STEEL CORPORATION

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

Agreed to and Acknowledged
this ___ day of October, 2000.

____

Subsidiaries

The following is a list of the subsidiaries of Gibraltar Steel Corporation. 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
Solar Group, Inc.	Delaware
Appleton Supply Co., Inc.	Delaware
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
Gibraltar Steel Corporation Flight Services Corp.	New York
Gibraltar Strip Steel, Inc.	Delaware
Integrated Technologies International, Ltd.	Delaware
Cleveland Pickling, Inc.	Delaware
GIT Limited	New York

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THIS LEGEND CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED FINANCIAL STATEMENTS ON FORM 10-K AND IS QUALIFIED IN ITS ENTIRETY
BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1000
US DOLLARS

12-MOS
DEC-31-2000
JAN-01-2000
DEC-31-2000
1
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