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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported) March 11, 2005

GIBRALTAR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	0-22462	16-1445150
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3556 Lake Shore Road
P.O. Box 2028

Buffalo, New York 14219-0228

(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code (716) 826-6500

PART I

Item 2.02 Results of Operations and Financial Condition

Gibraltar Industries, Inc. (the Company) is restating its financial statements for the years ended December 31, 2004, 2003, and 2002 and financial information in the year 2001 and 2000, and each of the quarters in the years ended December 31, 2004 and 2003 to reflect the reclassification of the Company's Milcor subsidiary as discontinued operations in accordance with Statements of Financial Accounting Standards No. 144 "Accounting for the Impairment of Disposal of Long-Lived Assets (SFAS No. 144) and the requirements of the U.S. Securities and Exchange Commission (the SEC). Under the SEC requirements, the Company must reflect any reclassification to discontinued operations as required by SFAS No. 144 subsequent to the determination to all such operation, for previously issued annual financial statements for each of the years shown in the Company's last annual report on Form 10-K if those are incorporated by reference in subsequent filings made with the SEC under the Securities Act of 1933, as amended, even though those financial statements relate to periods prior to the date the operations were identified for sale.

This Form 8-K is being filed by the Company and amends Items 6, 7 and 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2004 to reflect the Reclassification. We are also refiling Item 9A. No other amendments are hereby made to the Company's Annual Report on Form 10-K.

Selected historical financial information for fiscal 2000, 2001, 2002 2003 and 2004 and supplemental disclosure to Management's Discussion and Analysis of Financial Condition and Results of Operations for fiscal years 2004, 2003 and 2002 regarding the Reclassification are attached as Exhibit 99.1. Restated audited consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 are attached as Exhibit 99.2.

Readers should refer to the Company's quarterly reports on Form 10-Q for information related to periods subsequent to December 31, 2004. The Company intends for the information provided pursuant to this Item 2.01 and 9.01 to be deemed filed and incorporated by reference into its filings with the SEC.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Selected Historical Information

99.2 Restated Audited Consolidated Financial Statements and Supplementary Data for the fiscal years ended December 31, 2004, 2003 and 2002

99.3 Controls and Procedures

SIGNATURE

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

November 14, 2005

By: /s/ David W. Kay

David W. Kay
Executive Vice President
Chief Financial Officer and
Treasurer

Exhibit Index

99.1 Selected Historical Information

99.2 Restated Audited Consolidated Financial Statements and Supplementary Data for the fiscal years ended December 31, 2004, 2003 and 2002

99.3 Controls and Procedures

Exhibit 99.1

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

	Year Ended December 31, 2004	2003	2002	2001	2000
Net sales	$976,255	$729,806	$602,707	$570,914	$656,487
Income from operations	89,548	56,876	46,770	34,806	57,458
Interest expense	12,915	13,096	8,283	13,351	17,267
Income before income taxes	81,479	44,465	39,046	21,583	40,948
Income taxes	31,768	17,562	15,615	8,741	16,584
Net income from continuing operations	49,711	26,903	23,431	12,842	24,364
Net income from continuing operations per share - Basic	$ 1.69	$ 1.12	$ 1.02	$ .68	$ 1.29
Weighted average shares outstanding-Basic	29,362	24,143	22,921	18,886	18,866
Net income from continuing operations per share - Diluted	$ 1.68	$ 1.11	$ 1.00	$ .67	$ 1.28
Weighted average shares outstanding-Diluted	29,596	24,387	23,279	19,159	19,028
Cash dividends per common share	$ .146	$ .117	$ .103	$ .090	$ .077
Current assets	$379,607	$249,450	$202,994	$166,615	$187,594
Current liabilities	137,352	98,756	64,748	61,551	55,187
Total assets	957,701	777,743	576,568	535,040	556,046
Total debt	310,039	242,250	166,932	212,275	255,853
Shareholders' equity	453,743	394,181	293,117	218,347	208,348
Capital expenditures	$ 24,330	$ 22,050	$ 15,294	$ 13,697	$ 19,441
Depreciation	22,883	20,979	18,993	17,975	16,813
Amortization	1,315	804	554	4,025	3,776

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

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

Overview

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

On January 27, 2005, the Company sold the assets of its Milcor subsidiary (which included Portals Plus). Milcor produced roof access doors. In fiscal 2004, Milcor had net sales of $38.4 million and income before taxes of $1.8 million. The financial information and other data herein regarding the Company reflects the presentation of the Milcor business as a discontinued operation.

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

The Building Products segment processes sheet steel to produce a wide variety of building and construction products. This segment's products are sold to major retail home centers, such as The Home Depot, Lowe's, Menards, and Wal-Mart. During 2004, the Company strengthened its position in the Building Products market through the acquisition of Renown (acquired January 1, 2004). This strategic acquisition enabled the Company to broaden its geographic markets, solidify product offerings, strengthen customer relationships and added approximately $9.5 million to the Company's consolidated net sales for 2004. In 2005, the Company believes the ongoing trend of increased use of metal building products will continue because of favorable environmental characteristics, cost efficiency and architectural design enhancements.

The Processed Metal Products segment produces a wide variety of cold-rolled strip steel products, coated sheet steel products, powdered metal products and strapping products. This segment primarily serves the automotive industry's leaders, such as General Motors, Ford, Chrysler, and Honda. This segment also serves the automotive supply and commercial and residential metal building industry, as well as the power and hand tool and hardware industries. During 2004, the Company strengthened its Processed Metal Products segment through its acquisition of SCM Metal Products, Inc. (acquired June 1, 2004) which added approximately $34.8 million to the Company's consolidated net sales for 2004. The automotive market is a very important part of the Company's Processed Metal Products segment. In 2005, the Company plans to continue its longstanding relationships with the domestic automotive manufacturers, as well as enhance its present relationships with the transplant automobile manufacturers and their suppliers.

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

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

	2004	2003	2002
		(in thousands)	
Net sales			
Building products	$477,316	$371,957	$249,754
Processed metal products	395,287	268,512	272,796
Thermal processing	103,652	89,337	80,157
Total consolidated net sales	$976,255	$729,806	$602,707

Year ended December 31, 2004 compared to year ended December 31, 2003

Consolidated

Net sales increased by approximately $246.4 million, or 33.8%, to $976.3 million in 2004, from $729.8 million in 2003. The increase in net sales was attributable to price increases we implemented due to increases in raw material prices and increased sales volumes. The increase in sales volumes resulted primarily from implementing our strategy of using our national manufacturing, marketing and distribution capabilities to sell products from a greater number of product lines to both new and existing customers, especially national customers, and from offering product extensions and design enhancements to existing product lines, particularly in our Building Products segment. Our net sales also increased due to the addition of net sales of SCM Metal Products, Inc. (acquired June 1, 2004), a full year's results from Air Vent (acquired May 1, 2003) and Construction Metals (acquired April 1, 2003), and the addition of net sales of Renown (acquired January 1, 2004), which together contributed approximately $84.3 million in additional sales in 2004.

Cost of sales increased by approximately $187.8 million, or 32.0%, to $775.0 million in 2004, from $587.1 million in 2003. This increase was primarily due to higher sales volumes resulting from the expanded penetration noted above, along with the increased cost of steel and other metals used in our products. The 2004 acquisitions of SCM Metal Products, Inc. and Renown and a full year's results from Construction Metals and Air Vent contributed $65.7 million of the increase in cost of sales. Cost of sales as a percentage of net sales decreased to 79.4% in 2004 from 80.5% in 2003. The increase in gross margins was attributable to higher selling prices and improved fixed cost absorption due to higher unit volumes.

Selling, general and administrative expense increased by approximately $25.9 million, or 30.2%, to $111.7 million in 2004, from $85.8 million in 2003. This increase was due primarily to the addition of costs from the SCM Metal Products, Inc. and Renown acquisitions, a full year of expenses for Construction Metals and Air Vent, increased costs of compliance with the provisions of the Sarbanes-Oxley Act, increased incentive compensation relating to an increase in operating income and net sales, and increased advertising and commissions. As a percentage of net sales, selling, general and administrative expense decreased to 11.4% in 2004 from 11.8% in 2003 as a result of the higher net sales in 2004.

Interest expense of $12.9 million in 2004 was comparable to interest expense of $13.1 million in 2003.

Equity in income of partnerships increased $4.1 million to $4.8 million in 2004 from $0.7 million in 2003. The increase is the result of a full year of earnings from our investment in Gibraltar DFC Strip Steel LLC (investment made in December 2003).

As a result of the foregoing, income from continuing operations before taxes increased by $37.0 million, or 83.2%, to $81.5 million in 2004 from $44.5 million in 2003.

Income taxes related to continuing operations approximated $31.8 million in 2004, based on a 39.0% effective rate compared with a 39.5% effective rate in 2003.

Net income from discontinued operations, which reflects the results of our Milcor subsidiary, was $1.0 million in 2004, compared to $50,000 in 2003.

Segment information

Building Products. Net sales increased by approximately $105.3 million, or 28.3%, to $477.3 million in 2004 from $372.0 million in 2003. The increase in net sales was the result of expanded sales penetration due to the factors described in "- Consolidated" above. In addition, a full year's results from Air Vent and Construction Metals and the net sales of Renown resulted in additional sales of $49.6 million in 2004.

Income from operations increased by approximately $20.2 million, or 51.8%, to $59.1 million in 2004 from $38.9 million in 2003. Operating margin increased to 12.4% of net sales in 2004 compared to 10.5% in 2003. The increase in gross margins was attributable to higher selling prices and improved fixed cost absorption due to higher unit volumes.

Processed Metal Products. Net sales increased by approximately $126.8 million, or 47.2%, to $395.3 million in 2004 from net sales of $268.5 million in 2003. This increase was primarily a function of increases in our selling prices due to the rise in overall metal prices in 2004 and of higher sales volumes, particularly in sales of our coated steel and painted products. In addition, the SCM Metal Products, Inc. business added approximately $34.8 million to the segment's net sales in 2004.

Income from operations increased by approximately $18.4 million, or 72.8%, to $43.6 million in 2004 from $25.2 million in 2003. Operating margin increased to 11.0% of net sales in 2004, compared to 9.4% in 2003. The increase in gross margins was attributable to higher selling prices and improved fixed cost absorption due to higher unit volumes.

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

Income from operations increased by approximately $4.3 million, or 46.3%, to $13.7 million in 2004 from $9.4 million in 2003. Operating margin increased to 13.2% of net sales in 2004, compared to 10.5% of net sales in 2003, primarily due to increased capacity utilization at our plants, which lowered per unit costs.

Year ended December 31, 2003 compared to year ended December 31, 2002

Consolidated

Net sales increased by approximately $127.1 million, or 21.1%, to $729.8 million in 2003, from $602.7 million in 2002. The increase in net sales was primarily due to the addition of net sales of B&W Heat Treating (acquired July 1, 2002), Construction Metals (acquired April 1, 2003) and Air Vent (acquired May 1, 2003), which contributed approximately $87.9 million in additional sales in 2003. The remaining increase in net sales was the result of expanded sales penetration achieved by using our national manufacturing, marketing and distribution capabilities to sell products from a greater number product lines to both existing and new customers, as well as through product extensions and design enhancements to existing product lines. Increases in net sales in our Building Products and Thermal Processing segments more than offset decreases in our Processed Metal Products segment, as explained below.

Cost of sales increased by approximately $102.9 million, or 21.2%, to $587.1 million in 2003 from $484.2 million in 2002. This increase was primarily due to higher sales volume as a result of the B&W Heat Treating, Construction Metals and Air Vent acquisitions. Cost of sales as a percentage of net sales remained relatively constant at 80.4% in 2003, compared to 80.3% in 2002.

Selling, general and administrative expense increased by approximately $14.1 million, or 19.7%, to $85.8 million in 2003, from $71.7 million in 2002. This increase was due primarily to the addition of costs from the 2003 acquisitions. Selling, general and administrative expense as a percentage of net sales decreased to 11.8% in 2003 from 11.9% in 2002. This decrease was primarily due to the impact of our recent acquisitions, which have lower selling, general and administrative costs as a percentage of net sales than our existing operations.

Interest expense increased by approximately $4.8 million in 2003, primarily due to an increase in debt used to finance the 2003 acquisitions of Construction Metals and Air Vent and our 50% interest in Gibraltar DFC Strip Steel, LLC.

As a result of the foregoing, income from continuing operations before taxes increased by $5.4 million, or 13.9%, to $44.5 million in 2003 from $39.1 million in 2002.

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

Net income from discontinued operations, which reflects the results of our Milcor subsidiary, was $50,000 in 2003 compared to $423,000 in 2002.

Segment information

Building Products. Net sales increased by approximately $122.2 million, or 48.9%, to $372.0 million in 2003 from $249.8 million in 2002. The increase in net sales was due primarily to the addition of net sales of Construction Metals (acquired April 1, 2003) and Air Vent (acquired May 1, 2003), which contributed approximately $82.4 million in additional net sales in 2003. The remaining increase in net sales was the result of expanded sales penetration due to the factors described under "- Consolidated" above.

Income from operations increased by approximately $20.4 million, or 110.2%, to $38.9 million in 2003 from $18.5 million in 2002. Operating margin increased to 10.5% of net sales in 2003, compared to 7.4% in 2002, primarily due to the higher income from operations of the 2003 acquisitions, and was partially offset by increases in raw material costs during 2003.

Processed Metal Products. Net sales decreased by approximately $4.3 million, or 1.6%, to $268.5 million in 2003 from $272.8 million in 2002. This decrease was primarily due to decreases in automotive production levels by the Big Three automotive manufacturers. which had higher sales volumes but produced fewer vehicles, as well as reduced sales to steel service centers attributable to the reduction in processed steel demand for use in commercial building industry applications.

Income from operations decreased by approximately $7.1 million, or 21.9%, to $25.2 million in 2003 from $32.3 million in 2002. Operating margins decreased to 9.4% of net sales in 2003, compared to 11.8% in 2002, primarily due to higher raw material, transportation, workers' compensation and fringe benefit costs.

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

Income from operations decreased by approximately $0.5 million, or 5.2%, to $9.4 million in 2003 from $9.9 million in 2002. Operating margin decreased to 10.5% of net sales in 2003 compared to 12.4% of net sales in 2002, primarily due to higher material, utility, workers' compensation and fringe benefit costs as a percentage of net sales.

Critical Accounting Policies

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make decisions based upon estimates, assumptions, and factors it considers relevant to the circumstances. Such decisions include the selection of applicable principles and the use of judgment in their application.

Our most critical accounting policies include:

- valuation of accounts receivable, which impacts selling, general and administrative expense;
- valuation of inventory, which impacts cost of sales and gross margin;
- revenue recognition, which impacts net sales;
- the allocation of the purchase price of our acquisition-related assets and liabilities, which affects our depreciation and amortization costs; and
- the assessment of recoverability of goodwill and other intangible and long-lived assets, which impacts write-offs of goodwill, intangibles and long-lived assets.

Management reviews the estimates, including, the allowance for doubtful accounts and inventory reserves on a regular basis and makes adjustments based on historical experiences, current conditions and future expectations. Management believes these estimates are reasonable, but actual results could differ from these estimates.

Valuation of accounts receivable. Our accounts receivable represent those amounts that have been billed to our customers but not yet collected. We record an allowance for doubtful accounts based on the portion of those accounts receivable that we believe are potentially uncollectible based on various factors, including historical experience, creditworthiness of customers and current market and economic conditions. If the financial condition of customers were to deteriorate, resulting in impairment of their ability to make payments, additional allowances may be required. Changes in judgments on these factors could impact the timing of costs recognized.

Valuation of inventories. We state our inventories at the lower of cost or market. We determine the cost basis of our inventory on a first-in-first-out basis using either actual costs or a standard cost methodology that approximates actual cost. We regularly review inventory on hand and record provisions for obsolete and slow-moving inventory based on historical and current sales trends. Changes in product demand and our customer base may affect the value of inventory on hand, which may require higher provisions for obsolete inventory.

Revenue recognition. We recognize revenue when all of the following have occurred: products are shipped or service is provided, the customer takes ownership and assumes the risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. We treat sales returns, allowances and customer incentives as reductions to sales, and we accrue for those items based on historical experience and current estimates of future sales, revising our estimates throughout the year when necessary.

Allocation to purchase price of acquired assets and liabilities. When we acquire a new business, we must allocate the purchase price to the assets acquired and the liabilities assumed in the transaction at their respective estimated fair market values. We record any premium over the fair market value of the net assets acquired as goodwill. The allocation of the purchase price involves judgments and estimates both in characterizing the assets and in determining their fair market value. The way we characterize the assets has important implications, as long-lived assets, for example, are depreciated or amortized, whereas goodwill is tested annually for impairment, as explained below. With respect to determining the fair market value of assets, the most difficult estimations of individual fair market values are those involving long-lived assets, such as property, plant and equipment and identified intangible assets. We use all available information to make these fair market value determinations and, for major business acquisitions, engage an independent valuation specialist to assist in the fair market value determination of the acquired long-lived assets. Due to the subjectivity inherent in determining the estimated fair market value of long-lived assets and the significant number of business acquisitions that we have completed, we believe that the recording of acquired assets and liabilities is a critical accounting policy.

We have not yet completed the purchase price allocation with respect to the assets we acquired and liabilities we assumed in the AMICO acquisition. Significant judgments will be necessary to determine the fair market value of the intangible assets and property, plant and equipment acquired in that acquisition.

Depreciation, amortization and impairment testing of long-lived assets. We depreciate long-lived assets with estimated useful lives over those useful lives in proportion to the economic value consumed. We amortize intangible assets with estimable useful lives (which consist primarily of acquired customer lists, non-competition agreements and unpatented technology) over those estimated useful lives in proportion to the economic benefit consumed.

We test long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable and exceed their fair market value. This circumstance exists if the carrying amount of the asset in question exceeds the sum of the undiscounted cash flows expected to result from the use of the asset. The impairment loss would be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair market value as determined by discounted cash flow method or in the case of negative cash flow, an independent market appraisal of the asset.

Goodwill impairment testing. We test goodwill annually for impairment (or more often if indicators of impairment exist) at the reporting unit level by comparing the fair market value of the reporting unit with its carrying value. A reporting unit is either the same as, or one level below, an operating segment. We have more reporting units than operating segments, and our reporting units change over time. The primary valuation method for determining the fair market value of the reporting unit is a discounted cash flow analysis. If the goodwill is indicated as being impaired (i.e., the fair market value of the reporting unit is less than the carrying amount), the fair market value of the reporting unit is then allocated to its assets and liabilities in a manner similar to a purchase price allocation in order to determine the implied fair market value of the reporting unit goodwill. This implied fair market value of the reporting unit goodwill is then compared with the carrying amount of the reporting unit goodwill, and, if it is less, we then recognize an impairment loss.

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

Liquidity and Capital Resources

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

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

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

The Company purchased all of the outstanding capital stock of Renown on January 12, 2004, and Portals Plus on August 13, 2004 (which was disposed of with Milcor on January 27, 2005) and purchased the assets of SCM on June 1, 2004. The Company paid approximately $65.5 million in cash for these acquisitions.

The Company's primary source of liquidity is its revolving credit facility and term notes. Net cash used in continuing operating activities for the year ended December 31, 2004 was $1.8 million and primarily represents net income from continuing operations plus non-cash charges for depreciation and amortization and changes in working capital positions. Net cash used in continuing operating activities in 2004 was due primarily to net income from continuing operations of $49.7 million combined with depreciation and amortization of $24.2 million, the provision for deferred income taxes of $6.8 million, increases in inventories of $88.1 million, accounts receivable of $27.0 million, other assets of $2.4 million partially offset by increases in accounts payable and accrued expenses of $37.9 million.

The net borrowings of $67.3 million and net proceeds from the issuance of common stock of $9.6 million, along with cash on hand at the beginning of the period were used to fund current operations, the acquisitions of Renown, SCM and Portals of $65.5 million (net of cash acquired), capital expenditures of $24.3 million and pay dividends of $3.7 million.

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

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

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

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

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

Contractual Obligations

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

Payments Due By Period
(in thousands)

Contractual Obligations	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Revolving credit facility	$157,636	$ -	$157,636	$ -	$ -
Interest on revolving debt	18,088	7,235	10,853	-	-
Long-term debt	152,403	14,692	48,152	33,659	55,900
Interest on long-term debt	35,771	9,078	15,282	6,532	4,879
Operating lease obligations	43,914	9,147	15,025	9,535	10,207
Pension and other post-retirement obligations	6,200	169	361	572	5,098
Employment agreement	500	500	-	-	-
Total	$414,512	$ 40,821	$247,309	$ 50,298	$ 76,084

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

Related Party Transactions

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

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

Recent Accounting Pronouncements

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

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

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

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

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

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

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

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

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

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

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

Quantitative and Qualitative Disclosures about Market Risk

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

The following table summarizes the principal cash flows and related interest rates of the Company's long-term debt at December 31, 2004 by expected maturity dates. The weighted average interest rates are based on the actual rates that existed at December 31, 2004. The variable rate debt consists primarily of the credit facility, of which $157.6 million is outstanding at December 31, 2004. A hypothetical 1% increase or decrease in interest rates would have changed the 2004 interest expense by approximately $1.8 million.

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

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

Safe Harbor Statement

The Company wishes to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the "Act"). Certain information set forth herein contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the Company's business, and management's beliefs about future operations, results and financial position. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions. Statements by the Company, other than historical information, constitute "forward looking statements" within the meaning of the Act and may be subject to a number of risk factors. Factors that could affect these statements include, but are not limited to, the following: the impact of changing steel prices on the Company's results of operations; changing demand for the Company's products and services; and changes in interest or tax rates. In addition, such forward-looking statements could also be affected by general industry and market conditions, as well as general economic and political conditions.

Exhibit 99.2

Item 8. Financial Statements and Supplementary Data for the Fiscal Years Ended December 31, 2004, 2003 and 2002

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Report of Independent Registered Public Accounting Firm

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

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

Consolidated financial statements

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

Internal control over financial reporting

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

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

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

PricewaterhouseCoopers LLP
Buffalo, New York
March 9, 2005, except Note 2, as to which the date is November 7, 2005.

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

	December 31, 2004	2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,892	$ 29,019
Accounts receivable	146,021	102,591
Inventories	207,215	107,531
Other current assets	15,479	10,309
Total current assets	379,607	249,450
Property, plant and equipment, net	269,019	250,029
Goodwill	285,927	267,157
Investments in partnerships	8,211	5,044
Other assets	14,937	6,063
	$957,701	$777,743
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 70,775	$ 49,879
Accrued expenses	51,885	29,029
Current maturities of long-term debt	8,859	14,014
Current maturities of related party debt	5,833	5,834
Total current liabilities	137,352	98,756
Long-term debt	289,514	210,736
Long-term related party debt	5,833	11,666
Deferred income taxes	66,485	55,982
Other non-current liabilities	4,774	6,422
Shareholders' equity:		
Preferred stock $.01 par value; authorized: 10,000,000 shares; none outstanding	-	-
Common stock, $.01 par value; authorized 50,000,000 shares; issued 29,665,780 and 28,911,103 shares in 2004 and 2003 respectively	297	289
Additional paid-in capital	209,765	199,110
Retained earnings	242,585	196,138
Unearned compensation	(572)	(818)
Accumulated other comprehensive income (loss)	1,668	(538)
	453,743	394,181
Less: cost of 40,500 and 28,500 common shares held in treasury in 2004 and 2003, respectively	-	-
Total shareholders' equity	453,743	394,181
	$957,701	$777,743

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

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

	Year Ended December 31, 2004	2003	2002
Net sales	$976,255	$729,806	$602,707
Cost of sales	774,970	587,128	484,244
Gross profit	201,285	142,678	118,463
Selling, general and administrative expense	111,737	85,802	71,693
Income from operations	89,548	56,876	46,770
Other (income) expense			
Interest expense	12,915	13,096	8,283
Equity in partnerships' income	(4,846)	(685)	(559)
Total other expense	8,069	12,411	7,724
Income before taxes	81,479	44,465	39,046
Provision for income taxes	31,768	17,562	15,615
Income from continuing operations	$ 49,711	$ 26,903	$ 23,431
Discontinued operations			
Income from discontinued operations before taxes	$ 1,770	$ 85	$ 711
Income tax expense	699	35	288
Income from discontinued operations	1,071	50	423
Net income	$ 50,782	$ 26,953	$ 23,854
Net income per share - Basic			
Income from continuing operations-	$ 1.69	$ 1.12	$ 1.02
Income from discontinued operations	.04	.00	.02
Net income	$ 1.73	$ 1.12	$ 1.04
Weighted average shares outstanding - Basic	29,362	24,143	22,921
Net income per share - Diluted			
Income from continuing operations	$ 1.68	$ 1.11	$ 1.00
Income from discontinued operations	.04	.00	.02
Net income -	$ 1.72	$ 1.11	$ 1.02
Weighted average shares outstanding - Diluted	29,596	24,387	23,279

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

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

	Year Ended December 31, 2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 50,782	$ 26,953	$ 23,854
Income from discontinued operations	1,071	50	423
Income from continuing operations	49,711	26,903	23,431
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	24,198	21,783	19,547
Provision for deferred income taxes	6,773	6,502	5,800
Equity in partnerships' income	(4,846)	(685)	(559)
Distributions from partnerships' income	1,680	1,001	899
Tax benefit from exercise of stock options	1,249	949	349
Unearned compensation	153	212	258
Other non-cash adjustments	394	114	9
(Decrease) increase in cash resulting from changes in (net of acquisitions):			
Accounts receivable	(26,975)	(2,716)	(6,295)
Inventories	(88,145)	11,813	(30,317)
Other current assets	(2,442)	(2,011)	(1,865)
Accounts payable and accrued expenses	37,896	1,396	4,393
Other assets	(1,416)	(4)	(2,973)
Net cash (used in) provided by continuing operations	(1,770)	65,257	12,677
Net cash (used in) provided by discontinued operations	(214)	(594)	(472)
Net cash (used in) provided by operating activities	(1,984)	64,663	12,205
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	(65,525)	(84,243)	(8,847)
Purchases of equity investment	-	(7,797)	-
Purchases of property, plant and equipment	(24,330)	(22,050)	(15,294)
Net proceeds from sale of property and equipment	1,388	423	2,111
Net cash used in investing activities from continuing operations	(88,467)	(113,667)	(22,030)
Net cash used in investing activities for discontinued operations	(866)	(508)	(694)
Net cash used in investing activities	(89,333)	(114,175)	(22,724)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term debt reduction	(64,992)	(118,100)	(129,945)
Proceeds from long-term debt	132,302	122,144	84,571
Net proceeds from issuance of common stock	9,600	73,558	53,674
Payment of dividends	(3,720)	(2,733)	(2,269)
Net cash provided by financing activities	73,190	74,869	6,031
Net (decrease) increase in cash and cash equivalents	(18,127)	25,357	(4,488)
Cash and cash equivalents at beginning of year	29,019	3,662	8,150
Cash and cash equivalents at end of year	$ 10,892	$ 29,019	$ 3,662

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

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

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

Stock options exercised	433	4	4,549	-	-	-	-	-	4,553
Tax benefit from exercise of stock options	-	-	1,249	-	-	-	-	-	1,249
Cash dividends-$.146 per share	-	-	-	(4,335)	-	-	-	-	(4,335)
Earned portion of restricted stock	-	-	-	-	153	-	-	-	153
Forfeiture of restricted stock awards	(12)	-	(186)	-	93	-	12	-	(93)
Balance at December 31, 2004	29,625	$ 297	$209,765	$242,585	$ (572)	$ 1,668	41	$ -	$453,743

The accompanying notes are integral part of these consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

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

Use of Estimates

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

Revenue Recognition

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

Promotional Allowances

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

Cash and Cash Equivalents

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

Accounts Receivable

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

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

Inventories

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. Expenditures that extend the useful lives of assets are capitalized, while repair and maintenance costs are expensed as incurred. The estimated useful lives of land improvements and buildings and building improvements is 15 to 40 years, while machinery and equipment is 3 to 20 years. Accelerated methods are used for income tax purposes. Depreciation expense aggregated $22,883,000, $20,979,000 and $18,993,000 in 2004, 2003 and 2002, respectively.

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

Acquisition Related Assets and Liabilities

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

Goodwill and Other Intangible Assets

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

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

Impairment of Long-Lived Assets

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

Investments in Partnerships

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

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

Interest Rate Exchange Agreements

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

Translation of Foreign Currency

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

Shareholders' Equity

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

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

Comprehensive Income

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

Net Income Per Share

Share and per share data for all periods presented have been adjusted for the three-for-two stock split further discussed at Note 13.

Basic net income per share equals net income divided by the weighted average shares outstanding during the year. The computation of diluted net income per share includes all dilutive common stock equivalents in the weighted average shares outstanding. A reconciliation between basic net income per share and diluted net income per share for the years ended December 31, 2004, 2003 and 2002 is displayed in Note 14.

Income Taxes

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

Fair Market Value Disclosures

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

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

Stock Based Compensation

Stock options

In December 2002, the Financial Accounting Standards Board (FASB) issued SFAS 148, Accounting for Stock-Based Compensation-Transition and Disclosure which amends SFAS 123, Accounting for Stock-Based Compensation. SFAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and amends the disclosure requirements of SFAS 123 to require disclosures in both the annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. As allowed by SFAS 123, the Company follows the disclosure requirements of SFAS 123 and SFAS 148, but continues to account for its stock options using the intrinsic value-based method of accounting as prescribed by APB Opinion No. 25, Accounting for Stock Issued to Employees (APB Opinion No. 25). Accordingly, no compensation cost has been recognized for the stock option plans, as stock options granted under these plans have an exercise price equal to 100% of the market price of the underlying stock on the date of grant. The Company's stock option plans are discussed in more detail in Note 15.

Restricted stock plan

The Company has a restricted stock plan for the grant of restricted stock awards to employees and non-employee directors at a purchase price of $.01 per share. Upon issuance of the restricted shares, a charge equivalent to the market value of the shares on the date of grant less the purchase price of $.01 per share is charged to shareholders' equity (net of applicable tax effects), as unearned compensation (a contra equity account) and is amortized on a straight-line basis over the related share restriction period. The Company's restricted stock plan is discussed in more detail in Note 16.

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

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

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

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

Recent Accounting Pronouncements

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

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

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

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

In December 2003, the FASB issued SFAS 132 (revised 2003), Employer's Disclosures About Pensions and Other Postretirement Benefits. SFAS 132 (revised 2003), revises employers' disclosures about pension plans and other postretirement benefit plans. SFAS 132 (revised 2003), does not change the measurement and recognition of those plans required by SFAS 87, Employers' Accounting for Pensions, SFAS 88, Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits, and SFAS 106, Employers' Accounting for Postretirement Benefits Other Than Pensions. SFAS 132 (revised 2003), retains the original disclosure requirements of SFAS 132 and requires additional expanded annual and interim disclosures to those in the original SFAS 132 about the assets, obligations, cash flows, and net periodic benefit costs of defined benefit pension plans and other defined benefit postretirement benefit plans. The adoption of this Statement is required for financial statements with fiscal years ending after December 15, 2003. Implementation of SFAS 132 (revised 2003) did not have a material impact on the Company's consolidated financial statements. The revised disclosure requirements of this Statement are reflected in Notes 9 and 10.

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

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

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

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

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

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

2. DISCONTINUED OPERATIONS

As part of its continuing evaluation of its business, the Company determined that its Milcor subsidiary was not positioned to obtain a leadership position in its marketplace. The Company was approached by a market leader from Milcor's marketplace and on January 27, 2005, the Company sold the net assets of Milcor, which included Portals Plus, for approximately $42,594,000. In accordance with the provisions of Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144), the results of operations for Milcor have been classified as discontinued operations in the consolidated statements of income and cash flows for all periods presented. This reclassification has been reflected in Notes 1, 3, 4, 9, 11 and 17.

During the second quarter of 2005, the Company reached an agreement with the purchaser regarding the final working capital adjustment, which resulted in a loss of $728,000 on the sale. As the Company previously disclosed, a contingent liability related to a potential tax liability due to the recognition of a built in gain for Portals Plus had been identified. During the third quarter of 2005, the Company determined that a $4.5 million unrecognized built in gain existed when the former owners of Portals Plus converted the businesses from C-Corp's to S-Corp's. The Company made a payment of $1,457,000 to the Internal Revenue Service on behalf of the former owners pursuant to the original purchase agreement. This amount has been reflected as a loss on the discontinued operations during the third quarter of 2005. The carrying amounts of the assets and liabilities sold were as follows (in thousands):

Current Assets	$ 14,176
Property, Plant and Equipment	11,861
Intangible Assets	1,774
Goodwill	18,760
Current Liabilities	(1,792)
Net Assets	$ 44,779

The results of operations for Milcor for the years ended December 31, 2004, 2004 and 2002 have been classified as discontinued operations in the consolidated statements of income. Components of the income from discontinued operations of Milcor are as follows (in thousands):

	December 31,		
	2004	2003	2002
Net sales	$38,409	$28,455	$42,407
Expenses	37,338	28,405	41,984
Income (loss) from discontinued operations	$ 1,071	$ 50	$ 423

3. ACQUISITIONS

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

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

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

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

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

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

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

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

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

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

The aggregate purchase consideration for the acquisition of Renown was approximately $6,370,000 which was comprised solely of cash, including direct acquisition costs. The purchase price was allocated to the assets acquired and liabilities assumed based upon respective fair market values. The fair market values of the property, plant and equipment and identifiable intangible assets were determined with the assistance of an independent valuation. The identifiable intangible assets consisted of non-competition agreements with an aggregate fair market value of $35,000 (5-year weighted average useful life), trademarks / trade names with an aggregate fair market value of $100,000 (2-year weighted average useful life), and customer relationships with an aggregate fair market value of $80,000 (5-year weighted average useful life). See Note 4 for further discussion.

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

Working capital	$1,504
Property, plant and equipment	950
Intangible assets	215
Goodwill	3,701
	$6,370

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

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

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

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

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

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

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

On January 27, 2005, the Company disposed of the operations of Portals Plus as discussed Note 2.

The following unaudited pro forma financial information presents the combined results of operations as if the acquisitions had occurred at the beginning of each period presented. Portals Plus has been excluded from this Proforma financial information due to its disposal and classification as discontinued operations as discussed in Note 2. The pro forma information includes certain adjustments, including depreciation expense, interest expense and certain other adjustments, together with related income tax effects. The pro forma amounts may not be indicative of the results that actually would have been achieved had the acquisitions occurred as of January 1, 2003 and are not necessarily indicative of future results of the combined companies (in thousands, except per share data):

	Year Ended December 31, 2004	2003
	(unaudited)	
Net sales	$1,039,994	$838,073
Net income	$ 52,381	$ 30,227
Net income per share - Basic	$ 1.78	$ 1.25
Net income per share - Diluted	$ 1.77	$ 1.24

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

4. GOODWILL AND RELATED INTANGIBLE ASSETS

Goodwill

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

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

As described in Note 7, the Company entered into a joint venture with Duferco Farrell Corporation in 2003, in which the Company acquired a 50% partnership interest in Gibraltar DFC Strip Steel, LLC. The Company's investment in Gibraltar DFC Strip Steel, LLC. (included in the Company's Processed Metals Products segment) exceeded its applicable share of the fair market value of the partnership's net assets at the date the partnership was formed and resulted in equity method goodwill of approximately $11,320,000. There was no impairment associated with this equity method goodwill in 2004 or 2003.

Intangible Assets

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

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

Intangible asset amortization expense for the years ended December 31, 2004 and 2003 aggregated approximately $680,000 and $218,000, respectively.

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

Year Ended December 31,	
2005	$875
2006	$825
2007	$825
2008	$701
2009	$614

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

5. INVENTORIES

Inventories at December 31 consist of the following:

	(in thousands)	
	2004	2003
Raw material	$121,614	$ 53,737
Work-in-process	27,279	21,033
Finished goods	58,322	32,761
Total inventory	$207,215	$107,531

6. PROPERTY, PLANT AND EQUIPMENT

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

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

7. INVESTMENTS IN PARTNERSHIPS

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

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

8. DEBT

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

Expected benefit payments from the plan are as follows:

Year Ended December 31,	
2005	$ 25,000
2006	$ 25,000
2007	$ 35,000
2008	$ 73,000
2009	$ 148,000
Years 2010 - 2014	$1,677,000

Total expense for all retirement plans was $3,044,000, $2,676,000 and $2,322,000 for the years ended December 31, 2004 2003 and 2002, respectively.

10. OTHER POSTRETIREMENT BENEFITS

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

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

	2004	2003	2002
		(in thousands)	
Benefit obligation at beginning of year	$ 3,404	$ 2,974	$ 2,272
Service cost	92	99	81
Interest cost	214	191	177
Amendments	(57)	-	-
Actuarial loss	465	227	499
Benefits paid	(72)	(87)	(55)
Benefit obligation at end of year	$ 4,046	$ 3,404	$ 2,974
Fair value of plan assets	$ -	$ -	$ -
Under funded status	$(4,046)	$(3,404)	$(2,974)
Unrecognized prior service costs	(142)	(106)	(120)
Unrecognized loss	1,721	1,362	1,225
Accumulated postretirement benefit obligation	$(2,467)	$(2,148)	$(1,869)

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

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

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

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

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

Expected benefit payments from the plan are as follows:

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

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

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

11. INCOME TAXES

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

	(in thousands)		
	2004	2003	2002
Income Tax Expense from Continuing Operations			
Current:			
U.S. Federal	$22,073	$ 9,892	$ 8,970
State and Foreign	3,441	1,715	1,576
Total current	25,514	11,607	10,546
Deferred:			
U.S. Federal	5,202	5,296	4,524
State and Foreign	1,052	659	545
Total deferred	6,254	5,955	5,069
Subtotal	31,768	17,562	15,615
Income Tax Expense from Discontinued Operations:			
U.S. Federal	640	43	276
State and Foreign	59	(8)	12
Subtotal	699	35	288
Total income taxes charged to the income statement	$32,467	$17,597	$15,903

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

	(in thousands)		
	2004	2003	2002
Statutory rate	$29,137	$15,593	$13,915
State income taxes, less federal effect	2,865	1,538	1,333
Other	465	466	655
	$32,467	$17,597	$15,903

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

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

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

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

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

12. COMMON STOCK

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

13. STOCK SPLIT

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

14. NET INCOME PER SHARE

Basic income per share is based on the weighted average number of common shares outstanding. Diluted income per share is based on the weighted average number of common shares outstanding, as well as dilutive potential common shares which, in the Company's case, comprise shares issuable under the stock option and restricted stock plans described in Notes 15 and 16. The treasury stock method is used to calculate dilutive shares, which reduces the gross number of dilutive shares by the number of shares purchasable from the proceeds of the options assumed to be exercised.

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

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

15. STOCK OPTION PLANS

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

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

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

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

Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
$7.33 - $9.38	114,100	5.3 years	$ 9.24	114,100	$ 9.24
$10.42 - $15.00	282,915	3.0 years	$13.19	282,915	$13.19
	397,015	3.7 years	$12.06	397,015	$12.06

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

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

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

16. RESTRICTED STOCK PLAN

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

17. SEGMENT INFORMATION

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

(i) Processed metal products (formerly referred to as processed steel products) , which primarily includes the intermediate processing of wide, open tolerance flat-rolled sheet steel and other metals through the application of several different processes to produce high-quality, value-added coiled steel and other metal products to be further processed by customers.

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

(iii) Thermal processing (formerly referred to as heat treating), which includes a wide range of metallurgical heat-treating processes in which customer-owned metal parts are exposed to precise temperatures, atmospheres and quenchants to improve their mechanical properties, durability and wear resistance.

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

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

	2004	2003	2002
		(in thousands)	
Net sales			
Processed metal products	$395,287	$268,512	$272,796
Building products	477,316	371,957	249,754
Thermal processing	103,652	89,337	80,157
	$976,255	$729,806	$602,707
Income from operations			
Processed metal products	$ 43,573	$ 25,214	$ 32,284
Building products	59,068	38,901	18,507
Thermal processing	13,731	9,387	9,904
Corporate	(26,824)	(16,626)	(13,925)
	$ 89,548	$ 56,876	$ 46,770
Depreciation and amortization			
Processed metal products	$ 6,354	$ 5,590	$ 5,874
Building products	9,364	8,144	6,519
Thermal processing	7,139	6,665	6,057
Corporate	1,341	1,384	1,097
	$ 24,198	$ 21,783	$ 19,547
Total assets			
Processed metal products	$267,297	$161,334	$163,480
Building products	444,677	371,812	208,281
Thermal processing	149,454	142,575	140,027
Corporate	96,273	102,022	64,780
	$957,701	$777,743	$576,568
Capital expenditures			
Processed metal products	$ 5,350	$ 5,909	$ 3,211
Building products	10,363	6,472	5,167
Thermal processing	3,947	6,030	6,057
Corporate	4,670	3,639	859
	$ 24,330	$ 22,050	$ 15,294

18. ACCRUED EXPENSES

Accrued expenses at December 31 consist of the following:

	2004	2003
Compensation	$15,545	$10,410
Insurance	8,812	2,586
Customer rebates	7,903	6,107
Other	19,624	9,926
	$51,884	$29,029

19. COMMITMENTS AND CONTINGENCIES

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

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

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

The Company offers various product warranties to its customers concerning the quality of its products and services. Based upon the short duration of warranty periods and favorable historical warranty experience, the Company determined that a related warranty accrual at December 31, 2004 and 2003 is not required.

20. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

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

21. SUBSEQUENT EVENT

On April 1, 2005, the Company entered into a Credit Agreement with a consortium of banks that established a revolving line of credit, and provides for the issuance of letters of credit and swing line loans through April 2010. There is an aggregate of $250,000,000 available under the new Credit Agreement, with a $50,000,000 expansion feature at the Company's option, subject to approval by the participating financial institutions. The credit facility is secured by substantially all of the Company's accounts receivable, inventory, equipment and fixtures and other personal property. In conjunction with the new Credit Agreement, the Company terminated its existing credit facility.

On September 15, 2005 the Company acquired all of the outstanding stock of Curie International (Suzhou) Co., Ltd. (SCM Asia). SCM Asia is located in Suzhou, China and manufactures, markets and distributes non-ferrous metal powder products to customers in a number of different industries, including the powder metallurgy and thermal processing markets. The results of SCM Asia (included in the Company's Processed Metal Products segment) will be included in the Company's consolidated financial results from the date of acquisition on a one month lag. The acquisition of SCM Asia is not considered significant to the Company's consolidated results of operations. The aggregate purchase consideration for the acquisition of SCM Asia was approximately $8,000,000 in cash, a seller note, and acquisition costs.

On September 16, 2005 the Company acquired the net assets of the Gutter Helmet product line (Gutter Helmet). Gutter Helmet manufactures a protection system for that is installed over existing full size gutters by professional installers nationwide. The results of Gutter Helmet (included in the Company's Building Products segment) have been included in the Company's consolidated financial results from the date of acquisition. The acquisition of Gutter Helmet is not considered to be significant to the Company's consolidated results of operations. The aggregate purchase consideration for the acquisition of Gutter Helmet was approximately $21,506,000 in cash and acquisition costs.

On October 3, 2005, the Company acquired all the outstanding shares of Alabama Metal Industries Corporation (AMICO) for $240,000,000, subject to adjustment for working capital. AMICO is headquartered in Birmingham, Alabama, and manufactures, markets and distributes a diverse line of products used in the commercial and industrial sectors of the building products market. The results of operations of AMICO (which are expected to be included in the Company's Building Products segment) will be included in our consolidated results of operations from the date of acquisition.

In connection with the acquisition of AMICO, on October 3, 2005 the Company entered into a term loan agreement with a consortium of banks pursuant to which the lenders made a senior secured term loan of $300,000,000 that expires October 4, 2006. The term loan bears interest, at the Company's option, at (1) LIBOR plus a margin ranging from 0.75% to 2.25% or (2) the greater of the administrative agent's prime rate or the federal funds effective rate plus 0.50%, plus a margin ranging from 0.175% to 0.65%. Increases in the applicable margins of 0.50% and 1.00% are required at the expiration of 180 days and 270 days, respectively, if the interim credit facility is not paid in full. The term loan is secured, on a pari passu basis with the Company's existing revolving credit facility, by substantially all the accounts receivable, inventory, equipment, fixtures and other personal property of the Company and its subsidiaries. The term loan agreement also contains representations, warranties and covenants which are substantially similar to the representations, warranties and covenants contained in the Company's existing revolving credit facility.

In connection with the purchase of AMICO, and the interim term loan agreement, on October 3, 2005 the Company terminated: (i) the Senior Secured Note with The Prudential Insurance Company of America dated as of July 3, 2002, as amended; (ii) the Subordinated Note with The Prudential Insurance Company of America dated as of July 3, 2002, as amended; and (iii) the Senior Secured Note Purchase Agreement with The Prudential Life Insurance Company of America and Pruco Life Insurance Company dated June 18, 2004, as amended. These notes which have been terminated contained the terms and conditions upon which the Company borrowed $115,000,000 from The Prudential Insurance Company of America and Pruco Life Insurance Company. On October 3, 2005, the amount of the principal and accrued interest on the three note purchase agreements was equal, in the aggregate, to $116,187,000, which amount was paid in full by the Company. In addition, the termination of the note purchase agreements prior to their stated termination dates required "make whole" payments to be made by the Company to The Prudential Insurance Company of America and Pruco Life Insurance Company of $6,753,000. On October 3, 2005 the Company also terminated the $40,000,000 subordinated promissory note, dated May 1, 2003, payable to CertainTeed Corporation. The subordinated promissory note was delivered to CertainTeed Corporation in connection with the purchase by Gibraltar Steel Corporation of New York of the outstanding capital stock of Air Vent Inc. On October 3, 2005, the amount of the principal and accrued interest on the subordinated promissory note was equal to $25,920,000, which amount was paid in full the Company. No early termination or "make whole" payments were required to be made in connection with the termination of the subordinated promissory note.

In October 2005, the Company purchased American Wilcon Plastics, Inc. (American Wilcon"), a privately owned manufacturer of custom-injected plastic molded products for $4,878,000 subject to adjustment for working capital. American Wilcon, founded in 1975, currently operates a manufacturing facility in Orrick, Missouri and a distribution facility in Richmond, Missouri and has 135 employees.

QUARTERLY UNAUDITED FINANCIAL DATA

(in thousands, except per share data)

2004 Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Net sales	$ 204,607	$ 249,092	$ 267,346	$ 255,210	$ 976,255
Gross profit	41,413	56,790	59,406	43,676	201,285
Income from operations	17,814	27,071	27,801	16,862	89,548
Income from continuing operations	9,259	15,294	15,773	9,385	49,711
Income from discontinued operations	86	150	447	388	1,071
Net Income	9,345	15,444	16,220	9,773	50,782
Income per share from continuing operations:					
Basic	$ .32	$ .52	$ .53	$ .32	$ 1.69
Diluted	$ .32	$ .51	$ .53	$ .32	$ 1.68
Income per share from discontinued operations:					
Basic	$ .00	$ .01	$ .02	$ .01	$ .04
Diluted	$ .00	$ .01	$ .02	$ .01	$ .04

2003 Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Net sales	$ 154,803	$ 196,068	$ 200,432	$ 178,503	$ 729,806
Gross profit	28,033	39,236	41,425	33,984	142,678
Income from operations	10,490	16,982	16,571	12,833	56,876
Income from continuing operations	4,993	8,230	7,826	5,854	26,903
Income (loss) from discontinued operations	(89)	21	152	(34)	50
Net Income	4,904	8,251	7,978	5,820	26,953
Income per share from continuing operations:					
Basic	$ .21	$ .34	$ .32	$ .24	$ 1.12
Diluted	$ .20	$ .34	$ .32	$ .23	$ 1.11
Income per share from discontinued operations:					
Basic	$ .00	$ .00	$ .01	$ .00	$ .00
Diluted	$ .00	$ .00	$ .01	$ .00	$ .00

Exhibit 99.3

Item 9A. Controls and Procedures

Evaluation of Disclosure Control and Procedures

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

Management's Annual Report on Internal Control Over Financial Reporting

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

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

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

Changes in Internal Controls Over Financial Reporting

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