





## On the Cover

Seamless, anodized expanded aluminum mesh — custom designed and manufactured by Gibraltar’s Expanded Metal Company (EMC) for world renowned architects Kazuyo Sejima and Ryue Nishizawa/SANAA — was used for the entire skin of the

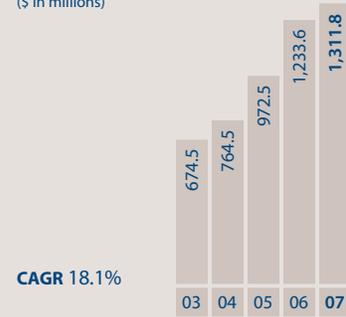
New Museum of Contemporary Art in the Bowery neighborhood of downtown Manhattan. The building, composed of stacked boxes rising 174 feet above street level, opened in December 2007. The increased use of expanded metal by architects is just one of the many applications producing growth for this product.

## Company Profile

Gibraltar Industries is a leading manufacturer, processor, and distributor of products for the building, industrial, and vehicular markets. We classify our operations into two segments: Building Products and Processed Metal Products. Since our 1993 Initial Public Offering, we have strategically repositioned Gibraltar, dramatically changing its size, scope, product offering, customer mix, and geographic coverage, all of which position the Company for even stronger performance in the future. The company serves customers in a variety of industries in all 50 states and throughout the world. It has approximately 3,800 employees and operates 81 facilities in 27 states, Canada, China, England, Germany, and Poland. Gibraltar’s common stock is a component of the S&P SmallCap 600 and the Russell 2000® Index. Gibraltar’s goal is to establish a leadership position in all of its businesses. Currently, we are North America’s leading ventilation, mailbox, gutter protection, bar grating, expanded metal, and metal lath manufacturer, as well as the largest cold-rolled strip steel producer. We are the number-two manufacturer of structural connectors and the second-largest copper powder producer, and hold numerous leadership positions in other product and service offerings.

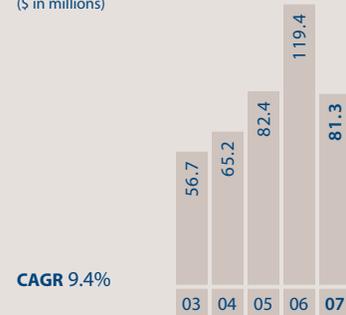
## Net Sales

(\$ in millions)



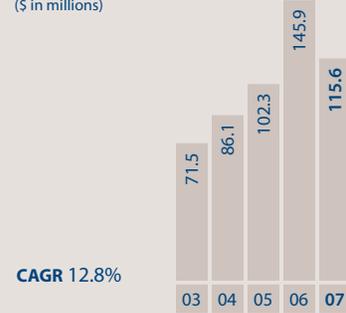
## Operating Income

(\$ in millions)



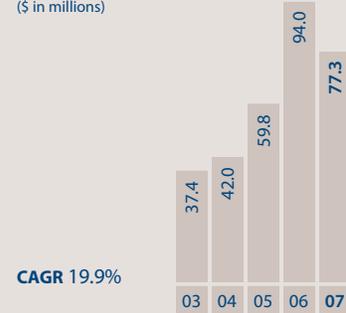
## EBITDA\*

(\$ in millions)



## Free Cash Flow\*\*

(\$ in millions)



CAGR = Compound Annual Growth Rate

\* Income from continuing operations before interest, taxes, depreciation, amortization, and impairments

\*\*EBITDA less capex and taxes

## 2007 Performance Highlights

- Acquired Dramex, an expanded metal manufacturer, solidifying our global leadership position in this product category
- Acquired Noll/NorWesCo, giving us an HVAC product line, while expanding our West Coast presence
- Acquired Florence Corporation, a leading manufacturer of centralized mail and package delivery products
- Divested two non-core businesses: our Hubbell Steel service center and a small bath cabinet line
- Lowered our cost structure by closing or consolidating 11 facilities, with 4-5 more planned for 2008
- Initiated operational excellence and lean initiatives throughout the Company

### Five-year Selected Financial Highlights

(In thousands, except percent and per share data)

	2007	2006	2005	2004	2003
Net sales	\$ 1,311,818	\$ 1,233,576	\$ 972,515	\$ 764,534	\$ 674,503
Income from operations	81,288	119,373	82,391	65,180	56,714
Interest expense	31,887	25,897	16,854	7,461	9,701
Income before income taxes	50,616	80,431	65,803	62,565	47,698
Income taxes	19,512	30,257	25,215	24,384	18,839
Income from continuing operations	\$ 31,104	\$ 50,174	\$ 40,588	\$ 38,181	\$ 28,859
Income from continuing operations per share - basic	\$ 1.04	\$ 1.69	\$ 1.37	\$ 1.30	\$ 1.20
Weighted average shares outstanding - basic	29,879	29,712	29,608	29,362	24,143
Income from continuing operations per share - diluted	\$ 1.03	\$ 1.67	\$ 1.36	\$ 1.29	\$ 1.18
Weighted average shares outstanding - diluted	30,111	30,006	29,810	29,596	24,387
Cash dividends per common share	\$ 0.25	\$ 0.15	\$ 0.20	\$ 0.146	\$ 0.117
Book value per share	\$ 19.00	\$ 18.44	\$ 16.57	\$ 15.33	\$ 13.65
Working capital	\$ 306,250	\$ 331,365	\$ 266,756	\$ 242,255	\$ 150,694
Total assets	1,281,408	1,152,868	1,205,012	957,701	777,743
Total debt	488,609	400,553	461,513	308,139	239,850
Shareholders' equity	567,760	550,228	494,025	453,743	394,181
Capital expenditures	18,752	21,702	17,330	19,736	15,286
Depreciation and amortization	\$ 33,057	\$ 26,706	\$ 19,654	\$ 16,076	\$ 14,082
Return on sales (%)	2.4	4.1	4.2	5.0	4.3
Return on average equity (%)	2.4	11.0	9.2	12.0	7.8

All share and per share amounts have been adjusted for the 3-for-2 stock split which occurred in 2004.

## Fellow Stakeholders

During 2007, we continued to strategically transform Gibraltar by improving our operational efficiency, lowering our cost structure, expanding our product offering, diversifying our customer base and business mix, and extending our reach into new geographic markets. Our many initiatives increased Gibraltar's strength and resiliency, which enhances our ability to succeed in a variety of operating environments. More importantly, we positioned Gibraltar for new thresholds of performance when the markets we serve return to more normal levels of activity.

As a result of these steps, we clearly ended the year a much stronger company than we began it, in spite of the most severe housing market downturn in a generation.

Our sales in 2007 increased by 6% to \$1.3 billion, a function of the acquisitions we made over the last two years; during the last five years, our top line has grown at a compound annual rate of approximately 18%. While sales growth is important, we place a higher priority on improving profitability and cash flow. Our income from continuing operations was \$31.1 million, or \$1.04 per share, in 2007, the third-best performance in our history. We also generated free cash flow of \$77 million in 2007, which was used to fund growth and pay down debt.

We are positioned to generate record results when the markets we serve return to more normal activity levels.

Looking ahead, a top priority is to further reduce our working capital and improve our asset management and profitability. We have operational excellence and lean initiatives underway in all our businesses, and we are actively taking steps to control and cut costs. Our clear goal is to remain the low-cost manufacturer of our products on a global basis, and we are relentless in our pursuit of that goal.

We realize that cost controls alone will not drive our margins up to our targeted levels (our plans call for operating margins of 12% or higher and net margins of at least 6%), so we are continuing our strategy of shifting more of our



Papua New Guinea, Oman, and Ghana join Canada as the latest countries to receive tender produced by the Royal Canadian Mint using steel processed by Gibraltar.



Brian J. Lipke  
Chairman and Chief Executive Officer (left)

Henning N. Kornbrekke  
President and Chief Operating Officer



The addition of Florence to the Gibraltar family of companies is another step in our strategy to build leadership positions in niche markets. Florence is the recognized leader in centralized mail and package delivery products, like the Vario™ shelter shown here.

business into higher-margin, value-added products. During 2007, we acquired three companies which together added approximately \$160 million of higher-margin sales on an annualized basis, primarily in the commercial and industrial markets, while solidifying our niche product leadership positions.

In March, we acquired Dramex, a manufacturer of expanded metal products with facilities in the United States, Canada, and England. Dramex strengthened our global leadership position in this growing market, which we first entered in 2005 with our AMICO acquisition and then bolstered a year later when we acquired the UK-based Expanded Metal Company.

In April, we acquired Noll/NorWesCo, which enhanced our presence in the Northern California, Pacific Northwest, and Rocky Mountain markets – high-growth areas we had targeted for expansion – while also giving us a full line of heating, ventilation, and air conditioning (HVAC) products. This acquisition allows us to take more products to our current customers, while also gaining new accounts.



Gibraltar's AMICO subsidiary is supplying more than 1.5 miles of bar grating for the new Dallas Cowboys stadium.



Gibraltar's Noll/NorWesCo subsidiary manufactures a comprehensive line of products that serve the HVAC, building, and lawn and garden markets.

In August, we acquired Florence Corporation, a leading manufacturer of engineered storage solutions, including centralized mail and package delivery products. Florence designs and manufactures a complete line of products and systems for storage and distribution, including specialty products for commercial customers such as distributors, catalog houses, national retail chains, and wholesalers.

Just as we are adding businesses that improve our portfolio, we continue to divest assets and businesses that no longer provide a good strategic fit or which cannot meet our performance targets. In 2007, we sold our Hubbell Steel service center and a small bath cabinet line. These businesses had combined annual sales of approximately \$55 million. This review of our portfolio is ongoing and we will continue to focus our resources and capital on those areas which produce the highest returns for our stakeholders.

Gibraltar acquired Dramex in 2007, solidifying its global leadership position in the expanded metal market, where it participates in high-profile projects like the Portland Aerial Tram.



We have also taken a number of steps to lower the cost structure and improve the performance of our remaining businesses. In 2007, we consolidated our two Buffalo-area strip steel facilities into a single operation, and we consolidated or eliminated 11 facilities in all. We have a number of additional actions underway or planned for 2008, which will further improve our efficiency without diminishing our capacity.



As a result of these actions – and our continued focus on operational excellence and driving out costs – we see opportunity for an improved performance in 2008, even if conditions in our two primary markets, residential building and automotive, further soften, as our business plan anticipates. Longer term, Gibraltar is well positioned for significantly improved results when the markets we serve begin to move back toward more historic activity levels.

In 2008, we will remain focused on generating progressive improvements in all of our businesses, carefully managing our assets, maximizing our cash flow to pay down debt, while continuing to improve Gibraltar's core operating characteristics.

Gibraltar has a great team of people at every level of the organization, all focused and working together, with a large part of their compensation directly aligned with creating stakeholder value. This is a formula that has made Gibraltar successful and profitable every year since our inception in 1972, including four recessions (five, if you count the current downturn). Following each, Gibraltar quickly reached new levels of performance and success.

We made great progress in 2007, making Gibraltar a stronger, leaner, and better company. While tough market conditions are concealing the full impact of this work, we believe we are well positioned to generate record results once the markets we serve return to more normal activity levels.

Sincerely,

Brian J. Lipke  
Chairman and Chief Executive Officer

Henning N. Kornbrekke  
President and Chief Operating Officer

## Board of Directors

Brian J. Lipke  
Chairman and  
Chief Executive Officer,  
Gibraltar Industries, Inc.

David N. Campbell  
Managing Director,  
Innovation Advisors

William J. Colombo  
Vice Chairman,  
Dick's Sporting Goods, Inc.

Gerald S. Lippes  
Partner,  
Lippes Mathias Wexler  
Friedman LLP

William P. Montague  
Chief Executive Officer,  
Mark IV Industries, Inc.

Arthur A. Russ, Jr.  
Partner,  
Phillips Lytle, LLP

Robert E. Sadler, Jr.  
Vice Chairman,  
M&T Bank Corporation

## Senior Management Team

Brian J. Lipke <sup>(1)</sup>  
Chairman and  
Chief Executive Officer

Henning N. Kornbrekke <sup>(1)</sup>  
President and  
Chief Operating Officer

Kenneth W. Smith <sup>(1)</sup>  
Senior Vice President and  
Chief Financial Officer

Thomas A. Blanchard  
President,  
Processed Metal Products

Robert C. Brunson  
Group President,  
Building Products

Gary K. Henry  
President,  
Noll/NorWesCo

Joseph D. Smith  
President,  
Alabama Metal  
Industries Corporation

Cliff A. Tucker  
Group President,  
Building Products

Timothy J. Heasley <sup>(1)</sup>  
Senior Vice President,  
Controller, and Secretary

Paul M. Murray <sup>(1)</sup>  
Senior Vice President  
of Human Resources and  
Organizational Development

Richard K. Cullen  
Vice President  
of Operations

Kenneth P. Houseknecht  
Vice President  
of Communications  
and Investor Relations

David A. McCartney  
Vice President  
of Information Systems

John E. Wagner  
Vice President  
of Supply Chain Management

<sup>(1)</sup> Executive Officer

## Safe Harbor Statement

The Company wishes to take advantage of the Safe Harbor provisions included in the Private Securities Litigation Reform Act of 1995 (the "Act"). Statements by the Company, other than historical information, constitute "forward-looking statements" within the meaning of the Act and may be subject to a number of risk factors. Factors that could affect these statements include, but are not limited to, the following: general economic conditions; the impact of the availability and the effects of changing raw material prices on the Company's results of operations; energy prices and usage; the ability to pass through cost increases to customers; changing demand for the Company's products and services; risks associated with the integration of acquisitions; and changes in interest or tax rates.

## Shareholder and Corporate Information

### Trading Information

Gibraltar's stock trades on The NASDAQ Global Select Market<sup>SM</sup> under the symbol "ROCK."

### Quarterly Stock Price Data

The following table represents the high, low, and closing prices of Gibraltar's common stock, and average daily trading volume, during each quarter of 2007.

2007	High	Low	Close	Average Daily Volume
Q1	\$25.59	\$20.85	\$22.62	250,000
Q2	\$23.96	\$20.60	\$22.15	148,000
Q3	\$23.44	\$17.63	\$18.50	198,000
Q4	\$20.01	\$13.01	\$15.42	183,000

### Shareholders

As of December 31, 2007, there were 130 shareholders of record of the Company's stock. The Company believes it has a significantly higher number of shareholders because of the number of shares that are held by nominees.

### Dividend Policy

Gibraltar pays an annual cash dividend of \$.20 per share, payable at the quarterly rate of \$.05, and it reviews the payment of this quarterly.

### Form 10-K and Other Information

In addition to the Company's Web site, information may be requested by writing or calling:

Kenneth P. Houseknecht  
Vice President of Communications  
and Investor Relations  
PO Box 2028  
Buffalo, NY 14219-0228  
716 826 6500 phone  
716 826 1592 fax  
khouseknecht@gibraltar1.com

### Transfer Agent

Please direct questions about lost certificates, changes of address, and consolidation of accounts to the Company's transfer agent and registrar:

American Stock Transfer and Trust Company  
59 Maiden Lane, Plaza Level  
New York, NY 10038  
212 936 5100

Shareholder Inquiries  
1 800 937 5449  
www.amstock.com

### Independent Auditors

Ernst & Young LLP  
1500 Key Tower  
50 Fountain Plaza  
Buffalo, NY 14202

### Annual Meeting

May 15, 2008, 9 a.m.  
Albright-Knox Art Gallery  
1285 Elmwood Avenue  
Buffalo, NY 14222

### Company Information on the Internet

Gibraltar maintains a comprehensive Web site, which can be accessed at [www.gibraltar1.com](http://www.gibraltar1.com)

### Analyst Coverage

Robert W. Baird  
Peter Lisnic, CFA 312 609 5431

Goldman Sachs  
Sal Tharani 212 357 0695

Jefferies & Company  
Yvonne Varano 212 284 2149

JPMorgan  
Yilma Abebe 212 270 3265

KeyBanc Capital Markets  
Mark L. Parr, CFA 216 563 2379

Lehman Brothers  
Nitin Dahiya, CFA 212 526 0818

MorningStar  
Min Ye 312 696 6494

Piper Jaffray  
Michael Cox, CFA 612 303 2043

RBC Capital Markets  
Amit Daryanani, CFA 415 633 8659

Standard & Poor's  
Leo Larkin 212 438 9530

Wachovia Capital Markets  
Carl Reichardt 415 490 1270

## Gibraltar's Investor Mission Statement

Gibraltar is committed to achieving \$2 billion in annual sales, with net income of \$120 million, by 2010.

While sales growth remains important, top-line gains are secondary to EPS growth, higher ROIC, margin improvements, and better cash flow.

These goals can be reached by staying true to our vision of:

- Becoming a true leader in all of our businesses, with a leading share in niche segments of large markets. We'll focus on businesses with accretive financial characteristics which differentiate us from our competition;
- Serving a diverse group of customers and markets to reduce our exposure to any single industry or customer, while focusing our activities on high-growth markets; and
- Creating the best team in each of our businesses, by fostering an environment where every member of the Gibraltar Team can do his or her best work—and be recognized and rewarded for his or her contributions.



Gibraltar Industries, Inc.

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716 826 6500 [www.gibraltar1.com](http://www.gibraltar1.com)