GIBRALTAR INDUSTRIES, INC.
Form DEF 14A
April 03, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to Rule 14a-12

Gibraltar Industries, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

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GIBRALTAR INDUSTRIES, INC.
3556 Lake Shore Road
PO Box 2028
Buffalo, New York 14219-0228

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 7, 2009

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Gibraltar Industries, Inc., a Delaware corporation (the Company), will be held at the Gateway Building, 3556 Lake Shore Road, Buffalo, New York, on May 7, 2009, at 10:30 a.m., local time, for the following purposes:

1. To elect two Class III Directors to hold office until the 2012 Annual Meeting and until their successors have been elected and qualified.

2. To consider and take action upon the approval of the adoption of the Third Amendment and Restatement of the Gibraltar Industries, Inc. 2005 Equity Incentive Plan.

3. To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2009.

4. To take action upon and transact such other business as may be properly brought before the meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on March 20, 2009, as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting.

Stockholders who do not expect to attend the meeting in person are urged to vote, sign and date the enclosed proxy and return it promptly in the envelope enclosed for that purpose. Returning the proxy card does not deprive you of your right to attend the Annual Meeting and to vote your shares in person for matters acted upon at the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Timothy J. Heasley
Secretary

Dated: April 3, 2009

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GIBRALTAR INDUSTRIES, INC.
3556 Lake Shore Road
PO Box 2028
Buffalo, New York 14219-0228

DEFINITIVE PROXY STATEMENT

April 3, 2009

Date, Time and Place of Annual Meeting

This Definitive Proxy Statement and the accompanying form of proxy are being furnished in connection with the solicitation by the Board of Directors of Gibraltar Industries, Inc., a Delaware corporation (the Company), of proxies to be voted at the Annual Meeting of Stockholders to be held at the Gateway Building, 3556 Lake Shore Road, Buffalo, New York, on May 7, 2009 at 10:30 a.m., local time, and at any adjournment or adjournments thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Board of Directors has fixed the close of business on March 20, 2009, as the record date for the determination of stockholders entitled to receive notice of and to vote at the meeting. At the close of business on March 20, 2009 the Company had outstanding and entitled to vote at the Annual Meeting 30,068,241 shares of common stock, $0.01 par value per share (Common Stock). Each share is entitled to one vote on each matter properly brought before the Annual Meeting. This Definitive Proxy Statement and the accompanying form of proxy will first be sent or given to stockholders on or about April 3, 2009.

Record Date and Related Information

The cost of solicitation of proxies in the accompanying form will be borne by the Company, including expenses in connection with preparing and mailing this Definitive Proxy Statement. In addition to the use of the mail, proxies may be solicited by personal interviews and by telephone by directors, officers and employees of the Company. Arrangements will be made with brokerage houses, banks and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of Common Stock, and the Company will reimburse them for reasonable out-of-pocket expenses incurred in connection therewith.

If the enclosed proxy is properly executed, returned and received in time for the Annual Meeting, the shares represented thereby will be voted in accordance with the specifications, if any, made on the proxy card. If no specification is made, the proxies will be voted as recommended by the Board of Directors FOR the nominees for director named in this Definitive Proxy Statement, FOR the approval of the adoption of the Third Amendment and Restatement of the Gibraltar Industries, Inc. 2005 Equity Incentive Plan and FOR the ratification of Ernst & Young LLP as the Company s independent registered public accounting firm.

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting will constitute a quorum. Each nominee for election as a director requires a plurality of the votes cast in order to be elected. A plurality means that the nominees with the largest number of votes are elected as director up to the maximum number of directors to be elected at the Annual Meeting. Each other proposal submitted to the stockholders requires the affirmative vote of holders of a majority of the shares present at the meeting, in person or by proxy, entitled to vote. With respect to the election of directors, only shares that are voted in favor of a particular nominee will be counted towards achievement of a plurality and where a stockholder properly withholds authority to vote for a particular nominee, such shares will not be counted towards such nominee s or any other nominee s achievement of a plurality. With respect to the other proposals to be voted upon: (i) if a stockholder specifies an abstention from voting on a proposal, such shares are considered present at the meeting for such proposal but, since they are not affirmative votes for the proposal, they will have the same effect as votes against the proposal and (ii) shares registered in the names of brokers or other street name nominees for which proxies are voted on some but not all matters will be considered to be voted only as to those matters actually voted, and will not have the effect of either an affirmative or negative vote as to the matters with respect to which a beneficial holder has not provided voting instructions.

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Revocability of Proxy

The execution of a proxy will not affect a stockholder s right to attend the Annual Meeting and to vote in person. A stockholder who executes a proxy may revoke it at any time before it is exercised by giving written notice to the Secretary, by appearing at the Annual Meeting and so stating, or by submitting another duly executed proxy bearing a later date.

PROPOSAL 1
ELECTION OF DIRECTORS

The Certificate of Incorporation of the Company provides that the Board of Directors shall consist of not less than three nor more than fifteen Directors who shall be divided into three classes, with the term of one class expiring each year. The Board of Directors is presently comprised of seven members: David N. Campbell and Robert E. Sadler, Jr., Class III Directors whose terms expire in 2009; William J. Colombo and Gerald S. Lippes, Class II Directors whose terms expire in 2010 and Brian J. Lipke, William P. Montague and Arthur A. Russ, Jr., Class I Directors whose terms expire in 2011. At the Annual Meeting of Stockholders in 2009, two Class III Directors shall be elected to hold office for a term expiring in 2012. David N. Campbell and Robert E. Sadler, Jr. have been nominated by the Board of Directors for election as such Class III Directors. Both Messrs. Campbell and Sadler are independent directors under the independence standards provided by Rule 4200(a)(15) of the National Association of Securities Dealers, Inc. (NASDAQ) listing standards.

Unless instructions to the contrary are received, it is intended that the shares represented by proxies will be voted for the election of David N. Campbell and Robert E. Sadler, Jr. as directors. Mr. Campbell has been a director of the Company since the consummation of the Company s initial public offering in 1993 and has been previously elected by the Company s stockholders. Mr. Sadler has been a director of the Company since 2004 and has previously been elected by the Company s stockholders. If either Mr. Campbell or Mr. Sadler becomes unavailable for election for any reason, it is intended that the shares represented by the proxies solicited herewith will be voted for such other person or persons as the Board of Directors shall designate. Each of Messrs. Campbell and Sadler have consented to being named in this Definitive Proxy Statement and to serve if elected to office.

The following information is provided concerning the Directors and the nominees for election as Class III Directors:

Brian J. Lipke has been Chairman of the Board since 1992 and Chief Executive Officer since 1987 and a Director of the Company since its formation. He also served as President of the Company through 1999. From 1972 to 1987, Mr. Lipke held various positions with the Company in production, purchasing and divisional management. He is also a director of Merchants Mutual Insurance Company and Moog Inc.

William P. Montague has served as a Director of the Company since the consummation of the Company s initial public offering in 1993. He served as Executive Vice President and Chief Financial Officer of Mark IV Industries, Inc., a manufacturer of engineered systems and components from 1986 to February 1996, President and Director from March 1996 through October 2004, and as Chief Executive Officer and Director of that company from November 2004 to July 2008. Mr. Montague is also a director of Endo Pharmaceuticals Holding Inc.

Arthur A. Russ, Jr. has served as a Director of the Company since 1993. He has been engaged in the private practice of law since 1969 and is a partner in the firm of Phillips Lytle LLP, located in Buffalo, New York. Mr. Russ is also a director of several private companies and nonprofit entities.

William J. Colombo has served as a Director of the Company since his appointment by the Board of Directors in August 2003. He served as Chief Operating Officer and Executive Vice President of Dick s Sporting Goods, Inc.

(Dick s) from 1995 to 1998 and as President of dsports.com LLC, the Internet commerce subsidiary of Dick s from 1998 to 2001. From 2002 through February 2008, Mr. Colombo served as President, Chief Operating Officer and a Director of Dick s. Mr. Colombo currently serves as Vice Chairman of the Board of Dick s.

Gerald S. Lippes has served as a Director of the Company since 1993 and was Secretary of the Company from December 2002 through November 2003. He has been engaged in the private practice of law since 1965 and is a partner in the firm of Lippes Mathias Wexler Friedman LLP, located in Buffalo, New York. Mr. Lippes is also a director of several private companies.

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David N. Campbell has served as a Director of the Company since the consummation of the Company s initial public offering in 1993. He is Executive Director of Hands on Worldwide, a not-for-profit volunteer-based disaster response organization. He has also been a Managing Director of Innovation Advisors, a strategic advisory firm focused on merger and acquisition transactions in the information technology software and services industry, since November 2001. He served as President and Chief Executive Officer of Xpedior, a provider of information technology solutions, from September 1999 to November 2000. Prior to that he served as President of the GTE Technology Organization and from July 1995 to September 1999 he served as President of BBN Technologies, a business unit of GTE Corporation. From March 1983 until September 1994 he served as Chairman of the Board and Chief Executive Officer of Computer Task Group, Incorporated.

Robert E. Sadler, Jr. has served as a Director of the Company since his appointment by the Board of Directors in January 2004. He served as President of M&T Bank from 1996 to 2003, as Chairman of M&T Bank from July 2003 to June 2005 and, from June 2005 to January 2007 as President and Chief Executive Officer of M&T Bank Corporation, one of the 20 largest banks in the U.S. Mr. Sadler currently serves as Vice Chairman of both M&T Bank and M&T Bank Corporation. Mr. Sadler is also a director of several private companies and nonprofit entities, including Delaware North Companies, Inc. and Security Mutual Life Insurance Company of New York.

Vote Required

The affirmative vote of a plurality of the shares of Common Stock present, in person or by proxy, is required for the election of the Directors, assuming a quorum is present or represented at the meeting.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE NOMINEES FOR CLASS III DIRECTORS IN PROPOSAL 1.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Our Board of Directors has three standing committees consisting of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Copies of the charters of these committees are available on the Company s website at: www.gibraltar1.com. During the fiscal year ending December 31, 2008, the Board of Directors held eleven (11) meetings. Each Director attended at least 75% of the aggregate number of meetings of the Board of Directors and committees on which he served during the period.

Audit Committee

The Audit Committee is comprised of Messrs. Campbell, Sadler and Montague, each of whom is independent as required by the rules of the NASDAQ as applicable to such Committee. The Audit Committee assists the Board of Directors in its oversight of matters relating to the financial reporting process, the system of internal accounting control and management of financial risks, the audit process and compliance with laws and regulations and the Company s code of business conduct. The Audit Committee held eight (8) meetings in 2008. The Board of Directors has made a determination that Mr. Campbell, an independent director, is an audit committee financial expert under the standards established by Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended. Mr. Campbell s business experience is set forth above under Election of Directors .

Compensation Committee

The Compensation Committee is composed of Messrs. Colombo, Montague and Sadler, each of whom is independent as required by the rules of the NASDAQ as applicable to such Committee. The Compensation Committee held three (3) meetings in 2008. The Compensation Committee acts in accordance with its charter to make recommendations concerning the salaries and incentive compensation packages for executive officers and directors of the Company which includes meeting in executive session to determine compensation package recommendations for the Company s executive officers. Salary and incentive compensation package recommendations of the Compensation Committee are approved by the Board of Directors. The Compensation Committee is responsible for ensuring their recommendations are in line with market conditions and enhance the Company s ability to attract, retain and motivate highly qualified individuals to serve as executive officers and directors. To fulfill its responsibilities, the Compensation Committee employs a nationally recognized compensation consultant, Wyatt Watson, to perform market studies of compensation packages offered by a peer group of companies. The Compensation Committee works with Wyatt

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Watson and the Company s executive management team to make final recommendations to the Board of Directors regarding the design of the programs used to compensate the Company s executive officers and directors in a manner which is consistent with the Company s compensation objectives. The Compensation Committee is also responsible for the administration of the Company s cash and equity based incentive compensation plans and authorization of grants of equity based awards pursuant to such plans.

Compensation Committee Interlocks and Insider Participation

During 2008, Messrs. Colombo, Montague and Sadler served as members of the Compensation Committee. None of Mr. Colombo, Mr. Montague or Mr. Sadler was an executive officer or employee of the Company or any of its subsidiaries during 2008 or prior thereto. In 2008, none of the executive officers of the Company or members of the Compensation Committee served on the compensation committee or on any other committee performing similar functions for any other entity s board of directors, any of whose officers or directors served on the Company s Board of Directors or Compensation Committee.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is comprised of Messrs. Campbell, Colombo and Montague, each of whom is independent as required by the rules of the NASDAQ as applicable to such Committee. The purpose of the Committee is to identify and nominate individuals qualified to become Board and committee members, to establish and implement policies and procedures relating to the nominations of qualified candidates, to develop and recommend to the Board a set of corporate governance guidelines for the Company, to oversee, review and make periodic recommendations to the Board concerning the Company s corporate governance guidelines and policies, and to oversee, review and approve related party transactions. The Nominating and Corporate Governance Committee held four (4) meetings in 2008. The current nominees for director were recommended for election to the Board at a meeting of the Nominating and Corporate Governance Committee held February 17, 2009. Mr. Campbell did not participate in his recommendation for election to the Board.

Stockholder Recommendations of Nominees

The Company has adopted a policy regarding stockholder recommendations to the Nominating and Corporate Governance Committee of nominees for Director. A stockholder may recommend a nominee for consideration by the Nominating and Corporate Governance Committee by sending a recommendation, in writing, to the Secretary of the Company or any member of the Nominating and Corporate Governance Committee, together with such supporting material as the stockholder deems appropriate. Any person recommended by a stockholder in accordance with this policy will be considered by the Nominating and Corporate Governance Committee in the same manner and by the same criteria as other potential nominees.

Communication with the Board of Directors

The Board of Directors has established a policy with respect to stockholder communication with the directors. Stockholders may send communications to the Board of Directors in care of the Secretary of the Company at its headquarters located at 3556 Lake Shore Road, PO Box 2028, Buffalo, NY 14219-0228. All mail will be opened and logged. All communication, other than trivial communications or obscene material, will be forwarded promptly to the directors. Trivial material will be delivered at the next meeting of the Board of Directors. Mail addressed to a particular member of the Board of Directors will be forwarded to that member. Mail addressed to Outside Directors or Non-Management Directors or similar addressees will be sent to the chairman of the Audit Committee.

The Company does not have a policy regarding director attendance at the annual meeting. Last year s annual meeting was attended by David N. Campbell, William J. Colombo, Brian J. Lipke, Gerald S. Lippes, William P. Montague, Arthur A. Russ, Jr. and Robert E. Sadler, Jr. constituting the entire Board of Directors.

Independent Directors

The Board of Directors has determined that each of David N. Campbell, William J. Colombo, William P. Montague and Robert E. Sadler, Jr. is an independent director as defined in Rule 4200(a)(15) of the NASDAQ listing standards, which the Board has adopted as the standards by which it will determine independence.

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DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Directors and Executive Officers

The following table sets forth certain information regarding the Directors and executive officers of the Company as of April 3, 2009:

Name	Age	Position(s) Held
Brian J. Lipke	57	Chairman of the Board and Chief Executive Officer
Henning N. Kornbrekke	64	President and Chief Operating Officer
Kenneth W. Smith	58	Senior Vice President and Chief Financial Officer
Timothy J. Heasley	55	Senior Vice President, Corporate Controller and Secretary
Paul M. Murray	56	Senior Vice President of Human Resources and Organizational Development
David N. Campbell	67	Director
William J. Colombo	53	Director
Gerald S. Lippes	69	Director
William P. Montague	62	Director
Arthur A. Russ, Jr.	66	Director
Robert E. Sadler, Jr.	63	Director

The recent business experience of the Directors is set forth above under Election of Directors. The recent business experience of the executive officers who are not also Directors is as follows:

Henning N. Kornbrekke has served as Chief Operating Officer of the Company since December 2004 and President of the Company since February 2004. Mr. Kornbrekke served as Vice President of the Company and President of its Building Products Group, from January 2002 to January 2004. Prior thereto, Mr. Kornbrekke served as the Chief Executive Officer of a division of Rexam, PLC and before that as President and General Manager of the hardware division of the Stanley Works. Mr. Kornbrekke also serves as a director of a private company.

Kenneth W. Smith was elected Senior Vice President and Chief Financial Officer of the Company on March 18, 2008. Prior thereto, he served as Chief Financial Officer of Circor International, a global manufacturer of flow control components from 2000 through December 2007, before that as Vice President of Finance for North Safety Products, a manufacturer of personal protection equipment for employees of industrial companies, for four years and before that as Finance Director of Digital Equipment Corporation, a manufacturer of computer hardware and software and a provider of integration services.

Timothy J. Heasley has been Senior Vice President, Corporate Controller and Secretary of the Company since joining the Company in October 2005. Prior to joining Gibraltar, Mr. Heasley served as Chief Financial Officer for MRC Industrial Group, Inc. from 2003 to 2005, and, before that as Controller of the Engineered Products Group of SPS Technologies, Inc.

Paul M. Murray has been Senior Vice President of Human Resources and Organizational Development of the Company since May 2004 and was Vice President of Administration from 1997 to May 2004. Prior thereto, Mr. Murray held Human Resource management positions at The Sherwin Williams Company and Pratt & Lambert.

COMPENSATION OF DIRECTORS

Watson Wyatt, a nationally recognized compensation consultant provides survey information and advice to the Compensation Committee with respect to compensation related matters. In 2006, Watson Wyatt provided the Compensation Committee survey data and other publicly available information relating to non-employee director compensation for a peer group of companies. The peer group of companies used for this purpose by Watson Wyatt included Carpenter Technology, Simpson Manufacturing, Curtis Wright, Smith (A.O.), Gardner Denver, Steel Dynamics, Quanex, and Reliance Steel.

Using this information our Board of Directors approved a compensation program for non-employee directors consisting of an annual retainer of $24,000 per year, meeting fees of $2,000 for each meeting of the Board of Directors or committee meeting attended and an additional fee to the Chairmen of the Compensation Committee, the Nominating and Corporate Governance Committee and the Audit Committee of $5,000 per year, respectively for serving as Chairman. The Board of Directors made no change to these amounts since 2006.

In addition, the Board of Directors, in consultation with the Compensation Committee, approved annual grants of 1,000 shares of restricted stock to non-employee Directors and awards of 2,000 shares of restricted stock to new Directors upon their election to the Board. Restrictions on these shares of restricted stock will expire three years following the grant date. Pursuant to this approval, in May 2008, each non-employee director received awards of 1,000 shares of restricted stock.

Our Management Stock Purchase Plan (MSPP) permits non-employee directors to elect to defer their receipt of payment of a portion of their retainer, chair and/or meeting fees to an account established for the director and credited with restricted stock units equal in number to the number of shares of the Company s stock which could have been purchased using the amount of director fees deferred (see the discussion of the MSPP under the caption *Non-Qualified Deferred Compensation* discussion in the Compensation Discussion and Analysis below). The Company allocates additional restricted stock units to the accounts of non-employee directors who defer the receipt of retainer fees to match the amount of restricted stock units allocated to reflect deferred retainer fees of non-employee directors.

2008 Director Compensation

Name	Fees Earned Or Paid in Cash (1)	Stock Awards (2)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (3)(4)	Total
David N. Campbell	$ 69,000	$ 40,765	$ 3,954	$ 113,719
William J. Colombo	$ 71,000	$ 49,163	$ (1,292)	$ 118,871
Gerald S. Lippes	$ 64,000	$ 37,008	$ 2,941	$ 103,949
William P. Montague	$ 65,000	$ 25,503	$ 3,017	$ 93,520
Arthur A. Russ, Jr.	$ 56,000	$ 25,503	$ 4,965	$ 86,468
Robert E. Sadler, Jr.	$ 62,000	$ 40,765	$ 23,648	$ 126,413

(1) Consists of annual retainer fees of $24,000; $5,000 for each of Messrs. Campbell, Montague and Colombo, to reflect their respective positions as Chairman of the Audit Committee, Chairman of the Nominating and Corporate Governance Committee and Chairman of the Compensation Committee; and additional fees of $2,000 for attendance at each meeting of the Board of Directors and any committee. Messrs. Campbell, Lippes, Montague, Russ and Sadler deferred all of their fees into the MSPP. Mr. Colombo deferred his retainer into the MSPP.

(2) This column represents the dollar amount recognized for financial statement reporting purposes with respect to the 2008 fiscal year for the fair value of restricted stock granted in 2008 as well as prior years. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting

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conditions. The fair value of restricted stock is calculated using the closing price of Gibraltar Industries, Inc. common stock on the date of grant.

(3) This column represents the Company match on the deferred retainer and the earnings/losses on the deferred fees in each respective Director s account under the MSPP.

(4) The following chart summarizes the aggregate number of stock awards outstanding at December 31, 2008 for each Director:

Name	Restricted Shares (a)	Restricted Stock Units (RSUs) (b)	Aggregated Number of Stock Awards Outstanding
David N. Campbell	5,000	10,414	15,414
William J. Colombo	9,000	5,483	14,483
Gerald S. Lippes	5,000	10,287	15,287
William P. Montague	5,000	10,349	15,349
Arthur A. Russ, Jr.	5,000	9,340	14,340
Robert E. Sadler, Jr.	9,000	5,814	14,814

(a) Restricted shares generally vest over three (3) years.

(b) Represents RSUs deferred in the MSPP that will be converted to cash and paid out over five (5) years upon retirement from the Board. Includes 2,572 unvested RSUs for the benefit of Mr. Colombo that will be forfeited if his service as a member of the Company s Board of Directors is terminated prior to age sixty (60).

COMPENSATION DISCUSSION AND ANALYSIS

Overview

We have designed our compensation program to attract, retain and motivate highly qualified individuals to serve as our executive officers and to align the financial interests of our executive officers with those of our stockholders.

To achieve these objectives, the Compensation Committee of our Board of Directors engaged Watson Wyatt, a nationally recognized compensation consultant to provide survey information and assistance in the development of a compensation program for our executive officers which has a strong emphasis on performance and long term incentives and which is competitive within our industry in terms of base salaries, annual incentives and long term incentives.

Our Board, on the recommendation of the Compensation Committee, has established a compensation program which compensates our executive officers through a mix of base salary, annual incentive payments and long term equity based incentives. This program sets the targeted annual incentive compensation and long term equity based incentive compensation components of each executive officer s total compensation at the following percentages of each executive officer s base salary.

Position	Targeted Annual Incentive Compensation as a Percentage of Base Salary	Long Term Equity Based Incentive Compensation as a Percentage of Base Salary
Chief Executive Officer	90%	180%
Chief Operating Officer	75%	133%
Chief Financial Officer	60%	75%
Senior Vice President	35%	35%

The Compensation Committee developed and approved the above percentages and the resulting total compensation of the executive officers using information supplied by Watson Wyatt and comparative studies of compensation practices of peer companies. The group of companies used for comparative data in establishing compensation of our executive officers for 2008 included Actuant Corporation, Barnes Group, Carlisle Companies, Kennametal, NCI Building Systems, Quanex, Simpson Manufacturing, Steel Dynamics, and Worthington Industries. These peers were chosen due to their size, technologies, business dynamics and industries.

By structuring our compensation to provide that a substantial portion of each executive officer s total compensation is based on annual incentives and equity based long term incentives, we reward our executive officers for achieving clearly defined annually established financial goals and long-term appreciation in the value of our stock.

Each year, management provides recommendations on executive officer annual base salaries to the Compensation Committee. These recommendations are based on management s evaluation of each executive officer s performance, length of service to the Company, experience, level of responsibility and the degree to which their efforts have contributed to the implementation of the Company s strategies and goals. This information is then, following consultation by the Compensation Committee with its consultant, used by the Compensation Committee to make recommendations to the Board of Directors concerning base salaries of executive officers.

Final authority for the establishment of annual base salaries of our executive officers resides with the Board of Directors. Once base salaries are established, the formula-driven components of our compensation program are applied to determine the amount of the total compensation which our executive officers will be entitled to receive provided that the annual goals of the Company are achieved.

Elements of Our Compensation Program

Our compensation program for executive officers and senior management contains the following elements:

- Base Salary
- Annual Management Incentive Compensation Plan (MICP)
- Equity-based Incentive Compensation (Omnibus Plan)
  - Non-qualified Deferred Compensation Plan (MSPP)
  - Long Term Incentive Compensation Plan (LTIP)
- Chief Executive Officer s Discretionary Bonus
- Retirement Plans
- Change in Control Benefits
- Perquisites and Other Benefits
- Generally Available Benefit Programs

Base Salaries. As noted above, the Company provides executive officers with a base salary recommended by the Compensation Committee and approved by our Board of Directors, which reflects the level of responsibility held by our executive officers, rewards them for the day to day performance of their duties and is competitive within our industry. Our competitive analysis includes a review of the base salaries and total compensation paid by our peer group companies to their executive officers. For our Chief Executive Officer, a base salary of $665,000 was established for 2008.

Under our internal management structure, our CEO and COO work closely and collaboratively in the development of strategy, goals, objectives and execution tactics. We believe this fosters team unity and results in better strategic decision making. Due to this structure, we believe it is appropriate for the difference between the base salary of the CEO and the COO to be relatively small. As a result, the base salary for the COO for 2008 was established at $563,750. Both of these amounts are within industry targeted base salary ranges and were established based upon comparison to the peer companies and the individual s performance.

We establish the base salaries of our other executive officers using the same process of analyzing the level of their responsibility and contribution to the Company s overall objectives and taking into consideration the range of base salaries paid to these officers by our peer group companies. The base salaries of the other executive officers for 2008 were established using these criteria.

Annual Management Incentive Compensation Plan. Our annual Management Incentive Compensation Plan (MICP) provides alignment between executive management s cash compensation and stockholder interests by rewarding management for performance that we believe will lead to improvements in stockholder value. MICP targets were established that are based on improvements in net income margin, business growth and working capital requirements.

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MICP targets in 2008 were income from continuing operations as a percent of sales, net sales growth year-over-year and days of working capital. The targets for 100% achievement of MICP awards were 3.5% income from continuing operations as a percentage of sales (NI), 2.5% net sales growth from the preceding year (NSG) and 83 days of working capital (DWC). Targeted annual incentive compensation under MICP as a percentage of executive officer base salaries are as outlined in the table on page 7. No annual incentive compensation was payable under MICP for 2008 if Company performance did not meet thresholds of 2% NI, prior year net sales and 98 days of working capital. The MICP payout is adjusted for performance above or below targeted levels. Payouts for NI and NSG are determined by comparing the Company s actual results to base rates of 1.5% and 0.0%, respectively. The MICP payout for DWC is determined by comparing the Company s actual results to the targeted days of working capital.

The targets, thresholds and base rates referred to above were established in 2005 and amended in 2008, through an analysis of historic performance of the Company, benchmarking to its peer group and stretch performance criteria. These targets, thresholds and base rates are reviewed on an annual basis and were amended in 2008 to add days of working capital targets to better align incentive compensation to the Company s goals. The targets, thresholds and base rates for NI and NSG were developed based on the Company s historical performance and market conditions in the residential housing and domestic automotive manufacturing industries which showed that these levels of profitability and growth would provide a strong return for our stockholders. The target and threshold developed for DWC was based on management s goal to reduce working capital and maximize cash flows from operations in an effort to reduce the level of debt outstanding and increase liquidity.

Forty percent (40%) of the MICP is based upon NI, twenty percent (20%) is based upon NSG and forty percent (40%) is based upon DWC. Maximum achievement for NSG is four hundred percent (400%). Each of NI and DWC have no maximum limit because an excessive payout is not possible due to the nature of the measurement and the operating characteristics of the Company. In addition, adjustments are made to the performance levels achieved by the Company with respect to the applicable performance criteria to eliminate the effect of restructuring charges and other non-routine transactions. Due to the Company s operating performance in 2008, MICP payments were 119.7% of the targeted level as calculated below (dollar amounts in thousands):

	NI	NSG	DWC	Total
2008 income from continuing operations as reported	$ 33,405			
Exit activity costs and asset impairments (1)	6,215			
SCM net income prior to divestiture (2)	4,327			
Other non-routine transactions (3)	1,010			
Tax effect of the above adjustments	(4,251)			
Adjusted net income for year ended December 31, 2008	$ 40,706			
Net sales for year ended December 31, 2008 as reported	$ 1,232,299	$ 1,232,299		
SCM net sales for nine months ended September 30, 2008 (2)	98,952	98,952		
Adjusted net sales for year ended December 31, 2008	$ 1,331,251	$ 1,331,251		
		$ 1,198,715		

Net sales for year ended December 31, 2007 as reported				
SCM net sales for nine months ended September 30, 2007 (2)		84,429		
Adjusted net sales for year ended December 31, 2007		$ 1,283,144		
Average net working capital during 2008 (4)			$ 263,372	
Net sales for year ended December 31, 2008 as reported			$ 1,232,299	
360 days			360	
Average daily sales			$ 3,423	
Actual results	3.06%	3.75%	77	
MICP targets	3.50%	2.50%	83	
Payout factor base rate	1.50%	0.00%	n/a	
Payout factor (5)	0.78	1.50	1.46	
Weighting	40%	20%	40%	
MICP payout percentage	31.2%	30.0%	58.5%	119.7%

(1) Corresponds to amount included in Note 11 of the audited financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2008 excluding a $1,139,000 impairment charge for a corporate software application no longer in use.

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(2) Operating results from our SCM Metal Products subsidiaries (SCM) were reclassified to discontinued operations within the audited financial statements. The results generated by SCM prior to its disposal are included in the 2008 MICP payout calculation. Results exclude the loss recorded as a result of the sale of SCM.

(3) The other non-routine transactions include separation costs related to the retirement of the Company s former CFO and costs incurred for potential acquisition transactions that did not take place during 2008.

(4) Average net working capital is based on the 13 month average of accounts receivable and inventory less accounts payable for each month end between December 31, 2007 and December 31, 2008.

(5) The payout factor for NI and NSG is calculated by comparing the difference between actual results and the base rate to the difference between the target and the base rate. The payout factor for DWC is calculated by dividing the difference between the actual days of working capital and the targeted days of working capital by 13 and adding this factor to 1.00.

Non-Qualified Deferred Compensation. We maintain an equity incentive compensation plan known as the Gibraltar Industries, Inc. 2005 Equity Incentive Plan (the Omnibus Plan). Our Omnibus Plan is an integral component of our overall compensation structure and provides the Company a vehicle through which we make awards of equity based compensation to our executive officers and other senior management employees. The forms of equity based compensation which the Company has the authority to grant under the terms of our Omnibus Plan are options, shares of restricted stock, restricted stock units (RSUs), performance shares, performance units and stock appreciation rights.

One of the features of our Omnibus Plan is the Management Stock Purchase Plan (MSPP), a non-qualified deferred compensation arrangement. MSPP provides our executive officers the right to defer their receipt of up to 50% of the annual payment they are entitled to receive under MICP. Our non-employee directors are also entitled to defer their receipt of their director fees under MSPP.

If, and to the extent that an executive officer defers any portion of his MICP payment, an account is established for his benefit under MSPP and credited with RSUs equal in number to the number of shares of the Company s stock which could have been purchased using the amount of the MICP payment which was deferred. If, and to the extent a non-employee director defers his retainer, chair and/or meeting fees, an account is established for his benefit under the MSPP and credited with RSUs equal in number of shares of the Company s stock which could have been purchased using the amount of such fees deferred. The price used to determine the number of RSUs credited to an executive officer s account is the 200 day closing average price per share of the Company s stock determined one day prior to the date annual incentive payments are made to our executive officers under MSPP.

Our use of a 200 day closing average price for valuing RSUs is intended to eliminate the effect of short term market fluctuations on the number of RSUs awarded under our MSPP.

In addition to RSUs which are credited to the accounts of executive officers that elect to defer a portion of their MICP payment, the Company credits an additional number of RSUs (Matching RSUs) to the account of the executive officer. These Matching RSUs are forfeited if the executive officer s employment is terminated, for any reason, before the executive officer reaches age 60. The Company also credits the accounts of non-employee directors that defer their retainer fees with Matching RSUs equal in number to the RSUs allocated to the director s account and attributable to their deferred retainer fees. The directors forfeit their Matching RSUs if they terminate Board service prior to reaching age 60.

RSUs credited to the account of an executive officer or non-employee director to reflect amounts deferred under MSPP are paid to the participant upon a termination of the their employment or service on the Board. In addition, if the executive officer s employment is terminated, or a non-employee director s Board service is terminated, after age 60, the participant will be entitled to receive payment for Matching RSUs.

The amount to be paid to a participant upon termination of his employment or service on the Board is equal to the number of RSUs credited to his account (including Matching RSUs, if applicable) multiplied by the 200 day rolling average price per share of the Company s stock, determined as of the day immediately preceding the participant s termination.

Payment of the amount determined above is made to the participant in five (5) substantially equal annual installments beginning six months following the date of termination. During the period of the installment payments, the undistributed value of the participant s account will earn interest at a rate equal to the average annualized rate of interest payable on ten (10) year US Treasury Notes plus two percent (2%).

We believe MSPP furthers our compensation objectives by providing our executive officers and non-employee directors an opportunity to increase post termination compensation through increases in the Company s share price and a stronger alignment to stockholder interests.

Long Term Equity Incentive Plan. Our Omnibus Plan (described above) provides us with a vehicle to grant our executive officers equity based compensation. In 2004, our Board approved a plan to grant annual equity based incentive compensation awards to our executive officers (LTIP) each year for a period of five (5) years. These long term equity based awards have a value, at the time the award is made, equal to the percentage of the executive officer s base salary as identified in the table on page 7.

In 2008, our executive officers received awards of RSUs having a fair market value equal to the percentages of their base salaries identified in the table on page 7. The fair market value of the RSUs awarded in 2008 was determined using a 200 day rolling average price per share of the Company s stock. Under the terms of these 2008 awards, vesting occurs at a rate of 25% per year for the Chief Executive Officer, Chief Financial Officer, Corporate Controller and Senior Vice President of Human Resources and Organization Development and at 100% in one (1) year for the Chief Operating Officer, with issuance of shares at vesting.

Chief Executive Officer s Discretionary Bonus. The Company has in the past, approved bonuses over and above those provided for by established Company incentive programs upon a review and approval by the Compensation Committee of recommendations made by the Company s Chief Executive Officer. Those discretionary bonuses have only been approved on a limited basis and are based on the determination by Chief Executive Officer that bonus recipients have made outstanding contributions to the Company. No discretionary bonuses were awarded for services performed by our executive officers in 2008.

Retirement Plans. All of our executive officers are entitled to participate in our Gibraltar 401(k) Plan. During 2008, our executive officers were also entitled to participate in the Gibraltar 401(k) Restoration Plan (the Restoration Plan). The purpose of the Restoration Plan is to allow those employees who are considered highly compensated under IRS regulations to defer up to the IRS limit for 401(k) contributions allowed to non-highly compensated employees, with the Company providing a match of up to 6% of compensation deferred both in the Gibraltar 401(k) Plan and the Restoration Plan. Effective January 1, 2009, the Restoration Plan was merged into the Gibraltar Deferred Compensation Plan (the Deferred Compensation Plan).

The Deferred Compensation Plan is an unfunded plan of deferred compensation. As a result, all amounts deferred by our executive officers under the Deferred Compensation Plan are allocated to unfunded accounts for the executive officers. The amounts deferred by our executive officers under our Deferred Compensation Plan are paid in one lump sum. However, if the value of the amount deferred by any of our executive officers under the Deferred Compensation Plan exceeds $25,000, payment of the amount credited to their account in the Deferred Compensation Plan may be made in substantially equal annual installments over a period of not less than five (5) and not more than ten (10) years if the officer makes an election to receive payment in installments.

All amounts allocated to the account of our executive officers in the Deferred Compensation Plan are credited with interest annually at a rate equal to the average of the rate payable on ten (10) year U.S. Treasury Notes for the first week in January, April, July and October, plus 1.5%.

When we review the targeted overall compensation of our executive officers, we factor in benefits to be received under the Gibraltar 401(k) Plan.

In 2004, our compensation consultant reported to our Compensation Committee that the retirement benefits provided for our Chief Executive Officer and our Chief Operating Officer were not competitive with our peers. As a result, in 2004 our Board approved a recommendation of our Compensation Committee to make a one time award of 150,000 RSUs to our Chief Executive Officer and 45,000 RSUs to our Chief Operating Officer to make the amount of the benefits they are entitled to receive at retirement more comparable to the retirement benefits provided to these executives by our peer group companies. These retirement-based RSUs were awarded in April 2005 and are reflected in the Outstanding Equity Awards at Fiscal Year End Table below. Payment under the terms of these awards is made in shares of Company stock equal in number to the RSUs contained in the Award. However, no shares of Company stock will be issued to our Chief Executive Officer pursuant to this award if he terminates his employment with the Company prior to age sixty (60).

Change in Control Benefits. Our executive officers have been a key ingredient in building our Company into the successful enterprise that it is today. We believe that it is important to protect our executive officers in the context of a change in control transaction to allow them to focus on the transaction. Further, it is our belief that the interests of our stockholders will be best served if the interests of our executive management are aligned with them. We believe that change in control benefits should eliminate, or at least reduce, the reluctance of our executive officers to pursue potential change in control transactions that may be in the best interest of our stockholders.

As of December 31, 2008, our Change in Control benefits provide for the protection of previously granted equity based incentive compensation and, in the case of our Chairman and Chief Executive Officer and our President and Chief Operating Officer, provide for a cash payment upon the consummation of the Change in Control transaction.

Effective February 20, 2009, our Change in Control benefits were expanded to provide for a cash payment to the Chief Financial Officer, Corporate Controller and Senior Vice President of Human Resources and Organizational Development upon the consummation of a Change in Control transaction and termination of employment for these officers. The cash components of any change in control benefits are paid in one lump sum.

For more information concerning amounts our executive officers would be entitled to receive upon a termination of employment or change in control, see Potential Payments Upon Termination or Change in Control below.

Perquisites and Other Benefits. We annually review the perquisites that executive management receives. The Chief Executive Officer receives a tax gross up for income attributable to vesting of restricted stock issued prior to 2005, in accordance with Company s policy in effect when the restricted stock was issued. The executive officers are eligible to receive country club memberships and the Chief Executive Officer and Chief Operating Officer also receive business club memberships. Since our compensation plan provides for equity compensation to our executives which could lead to complicated tax issues, and because we believe that good financial and tax planning by experts reduces the amount of time and attention that senior management must spend on this topic, the executive officers are eligible to receive a payment for financial and tax planning. All of the executives also are eligible to receive tax gross up payments for any of the following types of perquisites that they may receive: personal use of Company auto, spousal travel and entertainment at the Company s annual strategic meeting, the taxable portion of business travel accident insurance, and the cost of executive physical examinations. The Chief Executive Officer also receives a tax gross up payment for the taxable portion of life insurance premiums.

Generally Available Benefit Programs. The executive officers also participate in Gibraltar s other generally available benefit plans on the same terms as other employees at the Company headquarters. These plans include medical and dental insurance, life insurance and a supplemental salary continuation plan providing supplemental short term disability benefits. Relocation benefits also are reimbursed but are individually negotiated when they occur.

Employment Agreements

CEO Employment Agreement. On August 21, 2007, the Company and its Chief Executive Officer entered into an Amended and Restated Employment Agreement, which amends and restates the employment agreement previously in effect for the Chief Executive Officer. There are no material substantive differences between the Amended and Restated Employment Agreement and the employment agreement previously in effect. However, the Amended and Restated Employment Agreement amends the terms of RSU awards made to the Chief Executive Officer under the terms of the Company s Omnibus Plan to provide that the Chief Executive Officer s right to receive shares of common stock of the Company cannot be forfeited after the Chief Executive Officer s right to receive such shares has become vested. Prior to this amendment, the RSU awards provided that the Chief Executive Officer would forfeit his right to receive shares of common stock upon a termination for cause, even though his right to receive such shares had otherwise become vested.

In addition to the foregoing, the Amended and Restated Employment Agreement provides: (1) the term of the Chief Executive Officer s employment will be one year with automatic annual renewals on January 1 of each year unless the Chief Executive Officer is provided with notice from the Company that it is electing not to renew his employment on or before the preceding September 1; (2) the Chief Executive Officer s annual base salary will be

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$650,000, as adjusted, from time to time, by the Compensation Committee (adjusted to $665,000 during 2008); (3) the Chief Executive Officer will be eligible to receive an annual bonus under the MICP and long term incentive compensation as determined under the LTIP; (4) the Chief Executive Officer will be entitled to participate in all other employee benefit plans and programs in effect for salaried employees employed at the Company s headquarters; and (5) upon a termination of the Chief Executive Officer s employment by the Company, without cause, or by the Chief Executive Officer for a good reason, the Chief Executive Officer will be entitled to a severance benefit paid in one lump sum in an amount equal to two and one half times the sum of his base salary and bonuses paid during the preceding twelve months.

COO Employment Agreement. On August 21, 2007, the Company also entered into an employment agreement with the Company s President and Chief Operating Officer (the COO Employment Agreement). The COO Employment Agreement amends the terms of RSU awards made to the Chief Operating Officer under the terms of the Omnibus Plan to provide that the Chief Operating Officer s right to receive shares of common stock of the Company cannot be forfeited after the Chief Operating Officer s right to receive such shares has become vested. Prior to amendment by the COO Employment Agreement, the RSU awards provided that the Chief Operating Officer would forfeit his right to receive shares of common stock upon a termination for cause, even though his right to receive such shares had otherwise become vested.

In addition to the above, the COO Employment Agreement provides: (1) the term of the Chief Operating Officer s employment will be three years with automatic annual renewals beginning on January 1, 2011 unless the Company provides the Chief Operating Officer notice that it is electing not to renew the Chief Operating Officer s employment on or before the preceding September 1; (2) the Chief Operating Officer s annual base salary will be $550,000, as adjusted, from time to time, by the Compensation Committee (adjusted to $563,750 during 2008); (3) the Chief Operating Officer will be eligible to receive an annual bonus under the MICP and long term incentive compensation as determined under the LTIP; (4) the Chief Operating Officer will be entitled to participate in all other employee benefit plans and programs in effect for salaried employees employed at the Company s headquarters; and (5) upon a termination of the Chief Operating Officer s employment by the Company, without cause, or by the Chief Operating Officer for a good reason, the Chief Operating Officer will be entitled to a severance benefit paid in one lump sum in an amount equal to two and one half times the sum of the Chief Operating Officer s base salary and bonuses paid during the preceding twelve months.

Separation and Retirement Agreement

On April 25, 2008, the Company and its former Executive Vice President, Chief Financial Officer and Treasurer, Mr. Kay, entered into a Separation and Retirement Agreement. The agreement provided Mr. Kay with separation pay equal to his annual base salary at the time of retirement of $305,000, plus the amount of the annual incentive bonus he would have been entitled to receive if he continued his employment with the Company through the end of 2008, together with coverage under the Company s group medical insurance plan until he attains age 65. The agreement also provided that Mr. Kay be entitled to have shares of common stock of the Company issued to him in conjunction with the long term incentive compensation awards he received during his employment with the Company.

Tax Considerations

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of $1,000,000 paid to a company s chief executive officer and any one of the four other most highly paid executive officers during its taxable year. Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. Based upon the compensation paid to Mr. Lipke and the Company s other executive officers in 2008, the Section 162(m) limitation resulted in a disallowance of approximately $924,000 in compensation expense in 2008. The Compensation Committee plans to monitor this matter periodically and to take such actions as are appropriate to minimize the impact of this statute, to the extent that there is no adverse effect on the Company s ability to provide incentive compensation based on the Company s financial performance. Section 409A of the Internal Revenue Code generally imposes a tax on non-qualified deferred compensation arrangements which do not meet guidelines established by regulations under the Internal Revenue Code. During 2008, the Company modified the structure of its non-qualified deferred compensation arrangements to comply with Section 409A.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the above Compensation Discussion and Analysis section of this Definitive Proxy Statement with management. Based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company s annual report on Form 10-K filed February 26, 2009 and in this Definitive Proxy Statement.

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF GIBRALTAR INDUSTRIES, INC.

William J. Colombo
William P. Montague
Robert E. Sadler, Jr.

COMPENSATION OF EXECUTIVE OFFICERS

Summary Compensation Table

Name	Year	Salary (2)	Stock Awards (3)	Option Awards (4)	Non-Equity Incentive Plan Compensation (5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (6)	All Other Compensation (7)	Total
Brian J. Lipke	2008	$ 665,000	$ 1,386,957		$ 732,329	$ 72,248	$ 168,883	$ 3,025,417
	2007	$ 650,000	$ 1,180,378		$ 391,073	$ 30,920	$ 173,288	$ 2,425,659
	2006	$ 560,000	$ 987,851		$ 858,060	$ 44,443	$ 200,424	$ 2,650,778
Henning N. Kornbrekke	2008	$ 563,750	$ 1,059,970		$ 518,284	$ (125,137)	$ 62,535	$ 2,079,402
	2007	$ 550,000	$ 495,096		$ 275,796	$ 80,984	$ 121,341	$ 1,523,217
	2006	$ 460,000	$ 605,777		$ 587,362	$ 260,250	$ 101,994	$ 2,015,383
Kenneth W. Smith	2008	$ 256,250	$ 28,788		$ 175,005		$ 29,876	$ 489,919
David W. Kay (1)	2008	$ 111,442	$ 458,940		$ 218,981	$ (58,489)	$ 243,475	$ 974,349
	2007	$ 305,000	$ 124,301		$ 123,336	$ 40,538	$ 47,842	$ 604,017
	2006	$ 305,000	$ 85,417		$ 311,558	$ 60,656	$ 42,172	$ 804,803

Timothy J. Heasley	2008	$ 202,500	$ 38,382		$ 85,857		$ 35,747	$ 362,486
	2007	$ 200,000	$ 21,022		$ 46,795		$ 34,572	$ 302,389
	2006	$ 178,500	$ 13,137		$ 106,364		$ 25,761	$ 323,762
Paul M. Murray	2008	$ 175,000	$ 42,129	$ 1,154	$ 75,387	$ (4,029)	$ 47,014	$ 336,655
	2007	$ 170,000	$ 31,068	$ 1,154	$ 39,776	$ 26,715	$ 42,376	$ 311,089
	2006	$ 150,000	$ 18,702	$ 1,151	$ 89,382	$ 2,171	$ 39,640	$ 301,046

(1) Mr. Kay served as Executive Vice President, Chief Financial Officer and Treasurer from April 2004 until he announced his retirement on March 17, 2008.

(2) Includes amounts, if any, deferred at the direction of the executive officer.

(3) This column represents the dollar amount recognized for financial statement reporting purposes for the respective fiscal years for the fair value of restricted stock and restricted stock units granted that year as well as prior years. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For restricted stock and restricted stock units, fair value is calculated using the closing price of Gibraltar Industries, Inc. common stock on the date of grant.

(4) This column represents the dollar amount recognized for financial statement reporting purposes for the respective fiscal year for the fair value of stock options granted to the named executive in 2005. Pursuant to

SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. No named executive received stock options since 2005 and, other than Mr. Murray, no named executive had unvested options outstanding during 2008, 2007 or 2006.

(5) This column represents the amounts earned under the Management Incentive Compensation Plan for the respective years. Messrs. Kornbrekke, Kay and Murray deferred a portion of their earnings from this plan into the Management Stock Purchase Plan (MSPP) for all years presented. Mr. Smith deferred a portion of his earnings from this plan into the MSPP during 2008.

(6) This column represents the change in pension value for Mr. Lipke, which is included in the Pension Benefits Table and the Company contributions to, and earnings from, the nonqualified deferred compensation plans for each of the named executives, which is included in the Nonqualified Deferred Compensation Table.

(7) The amounts shown for 2008 include separation payments to Mr. Kay of $193,558; tax gross up payments to Mr. Lipke related to restricted shares issued under the Restricted Stock Plan of $103,624; the incremental cost of life insurance premiums for Mr. Lipke; payments to Mr. Smith for incidental moving expenses; payments to Messrs. Kornbrekke, Heasley and Murray for executive physicals; matching contributions for the 401(k) accounts of Messrs. Lipke, Kornbrekke, Smith, Kay, Heasley and Murray; payment of club dues for Messrs. Lipke, Kornbrekke, Kay, Heasley and Murray; and other payments to the named executives for pay in lieu of time off, financial and tax planning, supplemental health insurance premiums, personal use of Company autos, life insurance premium and travel accident insurance, none of which exceeded $25,000 or 10% of the amount of total perquisites; and tax gross ups to Messrs. Lipke, Kornbrekke, Smith, Kay, Heasley and Murray of $6,490, $3,392, $511, $754, $2,818 and $4,180, respectively, related to payments for personal use of Company autos, the taxable portion of travel accident insurance and the cost of executive physicals. The tax gross up payment for Mr. Lipke also includes an amount for the taxable portion of premiums on a life insurance policy.

The amounts shown for 2007 include tax gross up payments to Messrs. Lipke and Kornbrekke related to restricted shares issued under the Restricted Stock Plan of $105,728 and $26,058, respectively; payment to Mr. Kornbrekke of $36,348 for initiation fees and club dues; the incremental cost of life insurance premiums for Mr. Lipke; payment to Mr. Heasley for incidental moving expenses; payments to Messrs. Kornbrekke, Heasley and Murray for executive physicals; matching contributions for the 401(k) accounts of Messrs. Lipke, Kornbrekke, Kay and Murray; payment of club dues for Messrs. Lipke, Kay, Heasley and Murray; and other payments to the named executives for pay in lieu of time off, financial and tax planning, supplemental health insurance premiums, personal use of Company autos, life insurance premium and travel accident insurance, none of which exceeded $25,000 or 10% of the amount of total perquisites; and tax gross ups to Messrs. Lipke, Kornbrekke, Kay, Heasley and Murray of $5,487, $5,875, $2,479, $3,253 and $3,336, respectively, related to payments for personal use of Company autos, the taxable portion of business travel accident insurance and the cost of executive physicals. The tax gross up payment for Mr. Heasley also includes an amount for the taxable portion of incidental moving expenses.

The amounts shown for 2006 include tax gross up payments to Messrs. Lipke and Kornbrekke related to restricted shares issued under the Restricted Stock Plan of $125,145 and $47,755, respectively; the incremental cost of personal use of the company plane and life insurance premiums for Mr. Lipke; club dues for Messrs. Lipke, Kornbrekke and Kay; payments for tax planning and pay in lieu of time-off for Messrs. Lipke, Kornbrekke, Kay, Heasley and Murray; payment to Mr. Murray for an executive physical and for tax gross up on his perquisites; payments to Mr. Heasley for incidental moving expenses, and other payments to the named executives for use of Company autos, life insurance premiums, supplemental health insurance premiums, travel accident insurance, spousal travel and entertainment at the Company s strategic meeting, none of which individually exceed $25,000 or 10% of the amount of total perquisites and tax gross ups to Messrs. Lipke, Kornbrekke, Kay, Heasley, and Murray of $5,941, $2,581, $1,440, $698, and $4,691, respectively, related to the payments for personal use of Company autos, spousal travel and entertainment at the Company s annual strategic meeting, the taxable portion of business travel accident insurance, and the cost of executive physical examinations. The tax gross up payment for Mr. Lipke also includes an amount for the taxable portion of premiums on a life insurance policy.

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Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold	Target	Maximum	All Other Stock Awards: Number Of Shares of Stock or Units	All Other Option Awards Number of Securities Underlying Options	Exercise or Base Price of Option Awards
Brian J. Lipke	Jan. 2, 2008(2)	$61,200	$ 612,000	N/A	$	$	$	51,204		$
Henning N. Kornbrekke	Jan. 2, 2008(2)	$43,313	$ 433,125	N/A	$	$	$	32,013		$
	Feb. 15, 2008(3)							15,354		$
Kenneth W. Smith	June 16, 2008(2)	$14,625	$ 146,250	N/A	$	$	$	12,723		$
David W. Kay	Jan. 2, 2008(2)	$18,300	$ 183,000	N/A	$	$	$	10,011		$
	Feb. 15, 2008(3)							6,812		$
Timothy J. Heasley	Jan. 2, 2008(2)	$7,175	$ 71,750	N/A	$	$	$	3,063		$
Paul M. Murray	Jan. 2, 2008(2)	$6,300	$ 63,000	N/A	$	$	$	2,604		$
	Feb. 15, 2008(3)							2,215		$

(1) Estimated future payouts represent the amount that was payable under the annual Management Incentive Compensation Plan for performance in 2008. There is no maximum amount of payment under this plan.

(2) Consists of restricted stock units issued under the Company s Long Term Incentive Plan that convert to shares upon vesting.

(3)

Consists of restricted stock units issued under the Management Stock Purchase Plan. Of the restricted units issued in 2008, 7,677, 3,406 and 1,108 issued to Messrs. Kornbrekke, Kay and Murray, respectively, represent shares purchased through deferral of bonus, and 7,677, 3,406 and 1,107 issued to Messrs. Kornbrekke, Kay and Murray, respectively represent the Company s match. These restricted units convert to a hypothetical cash account upon vesting, which occurs upon both the attainment of age sixty (60) and termination of employment. Upon termination of employment the balance in the hypothetical cash account is paid out over five (5) years.

Outstanding Equity Awards at Fiscal Year End

	Option Awards					**Stock Awards**			
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable(1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested(2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested
Brian J. Lipke	18,750			$ 9.38	07/18/2010	307,093	$ 3,666,690		
Henning N. Kornbrekke				$		116,552	$ 1,391,631		
Kenneth W. Smith				$		12,723	$ 151,913		
David W. Kay				$			$		
Timothy J. Heasley				$		5,960	$ 71,162		
Paul M. Murray	402	134		$ 21.33	04/06/2015	6,675	$ 79,700		

(1) Mr. Murray s options vest at a rate of 25% a year beginning on April 6, 2006, the unvested options as of December 31, 2008 vest on April 6, 2009.

(2) Restricted shares and stock units vest as follows: Mr. Lipke 24,000 shares vesting at a rate of 20% a year beginning May 21, 2009, 33,756 units that vest on April 6, 2009, 150,000 units that vest upon attainment of his 60th birthday on July 31, 2011 and retirement from the Company, 18,337 units vesting at rate of 50% a year beginning March 1, 2009, 29,796 units vesting at a rate of 33.3% a year beginning on April 27, 2009, 51,204 units vesting at a rate of 25% a year beginning on January 2, 2009; Mr. Kornbrekke 19,700 units that vest on April 6, 2009, 45,000 units that vest upon retirement from the Company, 7,419 units vesting March 1, 2009, 12,420 units vesting April 27, 2009, 32,013 units vesting January 2, 2009; Mr. Smith 12,723 units vesting at a rate of 25% a year beginning on June 8, 2009; Mr. Heasley 1,114 units vesting at rate of 50% a year beginning January 1, 2009, 1,515 units vesting at a rate of 33.3% a year beginning April 27, 2009, 3,063 units vesting at a rate of 25% a year beginning on January 2, 2009; and Mr. Murray 1,600 units that vest on April 6, 2009, 956 units vesting at rate of 50% a year beginning March 1, 2009, 1,783 units vesting at a rate of 33.3% a year beginning April 27, 2009, 2,604 units vesting at a rate of 25% a year beginning on January 2, 2009.

Option Exercises and Stock Vested

	Option Awards		**Stock Awards**	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting(1)	Value Realized on Vesting
Brian J. Lipke		$	25,099	$ 342,308
Henning N. Kornbrekke		$	19,838	$ 217,574
Kenneth W. Smith		$		$
David W. Kay		$	31,756	$ 355,996
Timothy J. Heasley		$	1,151	$ 14,827
Paul M. Murray		$	982	$ 10,764

(1) Reflects vesting of 6,000 restricted shares for Mr. Lipke and vesting of 19,099 restricted stock units for Mr. Lipke; 19,838 restricted stock units for Mr. Kornbrekke, 31,756 restricted stock units for Mr. Kay, 10,030 of which were returned to the Company to satisfy statutory minimum income tax withholdings; 1,151 restricted stock units for Mr. Heasley, 223 of which were returned to the Company to satisfy statutory minimum income tax withholdings; and 982 restricted stock units for Mr. Murray.

Pension Benefits

Name	**Plan Name**	**Number of Years Credited Service**	**Present Value of Accumulated Benefit**	**Payments During Last Fiscal Year**

Brian J. Lipke	Salary Continuation Agreement	16	$	537,159 (1)	$
Henning N. Kornbrekke			$		$
Kenneth W. Smith			$		$
David W. Kay			$		$
Timothy J. Heasley			$		$
Paul M. Murray			$		$

(1) Reflects the present value of benefits payable under the terms of the Salary Continuation Agreement between the Company and Mr. Lipke dated March 1, 1996. This Agreement provides for payment of $100,000 per year for a period of ten (10) years upon Mr. Lipke s retirement at or after age sixty (60). Payments are to be made in equal monthly installments. In the event of the death of Mr. Lipke prior to his retirement, payments are to be made to Mr. Lipke s spouse.

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Nonqualified Deferred Compensation

Name	Executive Contributions in Last FY	Registrant Contributions in Last FY (3)	Aggregate Earnings (Losses) in Last FY (3)	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
Brian J. Lipke	$ 1,700(1)	$	$ 790	$	$ 15,901
Henning N. Kornbrekke	$ 1,700(1)	$	$ 1,192	$	$ 23,719
	$ 137,878(2)	$ 137,878(2)	$ (264,207)	$	$ 889,136
Kenneth W. Smith	$	$	$	$	$
David W. Kay	$ 1,700(1)	$	$ 455	$ (11,116)	$
	$ 61,168(2)	$ 61,168(2)	$ (58,944)	$	$ 490,407
Timothy J. Heasley	$	$	$	$	$
Paul M. Murray	$ 1,700(1)	$	$ 1,392	$	$ 28,451
	$ 19,888(2)	$ 19,888(2)	$ (24,250)	$	$ 85,440(4)

(1) Represents the amount of salary deferred under the Gibraltar 401(k) Restoration Plan during 2008 and the associated earnings on the balance of each participating executive officer s account.

(2) Represents the amount of the annual incentive compensation award earned under the Management Incentive Plan Compensation during 2007 that was deferred into the Management Stock Purchase Plan during 2008 along with the match from the Company that was made during 2008.

(3) Amounts reported are included as compensation in the Summary Compensation Table above.

(4) Amount includes $42,720 for Mr. Murray that will vest on his sixtieth (60th) birthday if he continues his employment through such date.

POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL

Our Chief Executive Officer and Chief Operating Officer employment agreements provide that they will receive a lump sum severance payment equal to 2.5 times the sum of their respective base salary and all bonuses they received in the twelve (12) months preceding their termination under certain circumstances. Our Chief Executive Officer also has a salary continuation agreement with the Company which provides for payment to the Chief Executive Officer of $100,000 per year for a period of 10 years upon his retirement at or after age 60. This salary continuation agreement was made in 1996.

The awards of restricted stock units (RSUs) which the Company has made to its executive officers under the Long Term Equity Incentive Plan (see Compensation Discussion and Analysis above) provide that the RSUs will be paid in shares of the Company s stock if the employment of the executive officer is terminated by the Company without cause or by the Chief Executive Officer or Chief Operating Officer for good reason. Similarly, the RSUs awarded to the Chairman and Chief Executive Officer and the President and Chief Operating Officer to make their retirement benefits more competitive (see Compensation Discussion and Analysis above) provide that their RSUs will be paid in shares of the Company s stock if their employment is terminated by the Company without cause. In each case, a termination without cause will be considered to have occurred if the executive officer is terminated for any reason other than a determination by the Compensation Committee that the executive officer has engaged except in egregious acts or omissions which have resulted in material injury to the Company and its business.

The Company has also entered into change in control agreements (the Change in Control Agreements) with the Chairman and Chief Executive Officer and the President and Chief Operating Officer. Upon the occurrence of a change in control, the Chairman and Chief Executive Office is entitled to receive a lump sum severance payment equal to 350% of his annual cash compensation and the President and Chief Operating Officer is entitled to receive a lump sum severance payment equal to 300% of his annual cash compensation. The change in control payments to these executives are made whether or not their employment is terminated as a result of the change in control.

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Both Change in Control Agreements define annual cash compensation as the sum of (i) the executive s annual base salary, including any deferred cash compensation, during the calendar year preceding the year when the change of control occurred and (ii) the highest annual bonus paid to him during the three years immediately preceding the year in which the change in control occurs. The payments and benefits payable in the event of a change in control are not subject to any limitations that would prevent them from being considered excess parachute payments subject to excise or corporate tax deduction disallowance under the Internal Revenue Code. Therefore, the lump sum payments could require excise tax payments on the part of the executive, and result in a deduction disallowance on the part of our Company. In the case of the Chief Executive Officer and Chief Operating Officer, we will reimburse the excise tax payments made by the executive, including taxes the executive would incur on the reimbursement itself.

In both Change in Control Agreements, a change in control will be deemed to occur if: (i) any person or group, other than members of the Lipke family, acquires 35% or more of the common stock of our Company without approval of the Board of Directors; (ii) there is a change in a majority of the members of the Board of Directors in any twelve-month period and the new directors were not endorsed by the majority of the old directors; (iii) we enter into certain merger or consolidation transactions; or (iv) we enter into a contract in which we agree to merge or consolidate, and the executive s employment is terminated without cause or the executive resigns for good reason prior to closing.

Effective February 20, 2009, the Company entered into Change in Control Agreements with the Senior Vice President and Chief Financial Officer, Senior Vice President, Corporate Controller and Secretary and Senior Vice President of Human Resources and Organizational Development. These Change in Control Agreements provide for a cash payment upon the consummation of a change in control transaction and termination of employment for these executive officers. The Senior Vice President and Chief Financial Officer is entitled to receive a lump sum severance payment equal to 200% of his annual cash compensation and the Senior Vice President, Corporate Controller and Secretary and Senior Vice President of Human Resources and Organizational Development are entitled to receive lump sum severance payments equal to 100% of their annual cash compensation. These Change in Control Agreements also provide for the reimbursement to the executive officers for any excise tax payments made by the executive officer, including taxes the executive officer would incur on the reimbursement itself.

The following table sets forth the amount of compensation which would be payable to the executive officers upon a termination of their employment under the circumstances described. Except for retirement, the amounts payable have been determined as if the employment of the executive officer was terminated on December 31, 2008, on which date, the closing price per share of the Company s stock was $11.94. With respect to amounts payable at retirement, we have assumed that the executive officer retired on December 31, 2008 and that, at the time of such retirement, he satisfied the applicable age and service requirements for payment of a retirement benefit under the applicable benefit program.

Payments Upon Termination of Employment

Brian J. Lipke

Source of Payment	Voluntary Termination	Voluntary Termination for Good Reason	Retirement	Termination Without Cause	Termination for Cause	Death	Disability
Employment Agreement (1)	$	$ 2,651,553	$ 11,372	$ 2,651,553	$	$ 931,000	$ 543,145
	$	$	$ 1,000,000	$	$	$ 1,000,000	$

Salary Continuation Agreement (2)							
Outstanding Shares of Restricted Stock (3)	$	$	$ 286,560	$	$	$ 286,560	$ 286,560
Long Term Incentive Plan (4)	$	$ 3,380,130	$ 1,791,000	$ 1,589,130	$	$ 3,380,130	$ 3,380,130
401(k) Restoration Plan (5)	$ 15,901	$ 15,901	$ 15,901	$ 15,901	$ 15,901	$ 15,901	$ 15,901
Tax Gross Up Payment (6)	$	$ 1,268,447	$ 1,471,398	$	$	$ 1,471,398	$ 1,471,398
Total	$ 15,901	$ 7,316,031	$ 4,576,231	$ 4,256,584	$ 15,901	$ 7,084,989	$ 5,697,134

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(1) The amount shown under the voluntary termination for good reason and the termination without cause columns represent the sum of the one time payment of $2,640,181 that would be made upon Mr. Lipke s termination for those reasons and the current year value of the annual health insurance premiums that are provided for by his employment agreement. The amount shown under the death column represents the one time payment that would be made in the event of his death. The amount shown under the disability column represents the current value of the annual payment and annual health insurance benefits provided for by Mr. Lipke s employment agreement. The disability payment of $531,773, calculated as defined in his employment agreement, is payable annually for the remainder of Mr. Lipke s life, and is reduced by amounts he would receive from the federal and state governments and insurance, pension or profit sharing plans maintained by the Company. Annual payment of health insurance premiums, at a current cost of $11,372 per year would continue for Mr. Lipke if he voluntarily terminates for good reason, was terminated without cause or becomes disabled.

(2) The amount shown in this row is payable in ten (10) equal annual installments of $100,000 upon Mr. Lipke s retirement at or after age sixty (60) or his death.

(3) The amounts shown in this row represent the market value of restricted shares that would vest upon occurrence of the events in each column as of December 31, 2008.

(4) The amounts shown it this row represent the market value of restricted stock units that would vest upon the occurrence of the events in each column as of December 31, 2008. The actual vesting occurs six (6) months after the event occurs, except for death, in which case vesting is immediate.

(5) The amount represents the balance of Mr. Lipke s 401(k) Restoration Plan account as of December 31, 2008, which may be paid six months after the event in either a lump sum as the balance is below $25,000, or in annual installments over a period of five (5) to ten (10) years, except in the event of Mr. Lipke s death, in which case the amount would be paid immediately.

(6) The amounts in this row represent the tax gross up payable with respect to outstanding restricted stock awards and retirement based restricted stock units.

Henning N. Kornbrekke

rce of Payment	Voluntary Termination	Voluntary Termination for Good Reason	Retirement	Termination Without Cause	Termination for Cause	Death	Disabilit
ployment eement (1)	$	$ 1,762,764	$ 8,694	$ 1,762,764	$	$ 704,688	$ 407,5
nagement stock chase plan (2)	$ 889,136	$ 889,136	$ 889,136	$ 889,136	$ 889,136	$ 889,136	$ 889,1
g Term Incentive n (3)	$ 537,300	$ 1,391,631	$ 537,300	$ 1,391,631	$ 537,300	$ 1,391,631	$ 1,391,6
(k) Restoration n (4)	$ 23,719	$ 23,719	$ 23,719	$ 23,719	$ 23,719	$ 23,719	$ 23,7
Gross Up ment (5)	$ 380,534	$ 380,534	$ 380,534	$ 380,534	$ 380,534	$ 380,534	$ 380,5
al	$ 1,830,689	$ 4,447,784	$ 1,839,383	$ 4,447,784	$ 1,830,689	$ 3,389,708	$ 3,092,5

(1) The amount shown under the voluntary termination for good reason and the termination without cause columns represent the sum of the one time payment of $1,754,070 that would be made upon Mr. Kornbrekke s termination for those reasons and the current year value of the annual health insurance premiums that are provided for by his employment agreement. The amount shown under the death column represents the one time payment that would be made in the event of his death. The amount shown under the disability column represents the current value of the annual payment and annual health insurance benefits provided for by Mr. Kornbrekke s employment agreement. The disability payment of $398,831, calculated as defined in his employment agreement, is payable annually for the remainder of Mr. Kornbrekke s life, and is reduced by amounts he would receive from the federal and state governments and insurance, pension or profit sharing plans maintained by the Company. Annual payment of health insurance premiums, currently valued at $8,694,

would continue for Mr. Kornbrekke if he voluntarily terminates for good reason, was terminated without cause or becomes disabled.

(2) The amounts shown in this row represent the market value of restricted stock units that would vest and convert to a cash balance upon the occurrence of the events in each column. The amount is payable in five (5) annual installments, with interest compounding at the average of quarterly ten (10) year treasury rates plus two percent (2%). Mr. Kornbrekke is over sixty (60) years old, and therefore will vest in the Company s matching contributions upon the occurrence of the events shown in each column.

(3) The amounts shown it this row represent the market value of restricted stock units that would vest upon the occurrence of the events in each column as of December 31, 2008. The actual vesting occurs six (6) months after the event occurs, except for death, in which case vesting is immediate.

(4) The amount represents the balance of Mr. Kornbrekke s 401(k) Restoration Plan account as of December 31, 2008, which may be paid six months after the event in either a lump sum as the balance is below $25,000, or in annual installments over a period of five (5) to ten (10) years, except in the event of Mr. Kornbrekke s death, in which case the amount would be paid immediately.

(5) The amounts in this row represent the tax gross up payable with respect to outstanding restricted stock awards and retirement based restricted stock units.

Kenneth W. Smith

Source of Payment	Voluntary Termination	Retirement	Termination Without Cause	Termination for Cause	Death	Disability
Long Term Incentive Plan (1)	$	$ 151,913	$ 151,913	$	$ 151,913	$ 151,913
Total	$	$ 151,913	$ 151,913	$	$ 151,913	$ 151,913

(1) The amounts shown in this row represent the market value of restricted stock units that would vest upon the occurrence of the events in each column as of December 31, 2008. The actual vesting occurs six (6) months after the event occurs, except for death, in which case vesting is immediate.

Timothy J. Heasley

Source of Payment	Voluntary Termination	Retirement	Termination Without Cause	Termination for Cause	Death	Disability
Supplemental Salary Continuation Plan (1)	$	$	$	$	$	$ 15,577
Long Term Incentive Plan (2)	$	$ 71,162	$ 71,162	$	$ 71,162	$ 71,162
Total	$	$ 71,162	$ 71,162	$	$ 71,162	$ 86,739

(1) The amount shown under the disability column represents the payment Mr. Heasley would receive under the Corporate Supplemental Salary Continuation Plan. This plan, a supplement to our short term disability coverage, covers all full time employees in our corporate offices and provides a supplemental salary continuation based upon years of service. Mr. Heasley qualifies for four (4) weeks of salary continuation under this plan.

(2) The amounts shown in this row represent the market value of restricted stock units that would vest upon the occurrence of the events in each column as of December 31, 2008. The actual vesting occurs six (6) months after the event occurs, except for death, in which case vesting is immediate.

Paul M. Murray

Source of Payment	Voluntary Termination	Retirement	Termination Without Cause	Termination for Cause	Death	Disability
Supplemental Salary Continuation Plan (1)	$	$	$	$	$	$ 53,846
Management Stock Purchase Plan (2)	$ 42,720	$ 85,440	$ 42,720	$ 42,720	$ 42,720	$ 42,720
Long Term Incentive Plan (3)	$	$ 79,700	$ 79,700	$	$ 79,700	$ 79,700
401(k) Restoration Plan (4)	$ 28,451	$ 28,451	$ 28,451	$ 28,451	$ 28,451	$ 28,451
Total	$ 71,171	$ 193,591	$ 150,871	$ 71,171	$ 150,871	$ 204,717

(1) The amount shown under the disability column represents the payment Mr. Murray would receive under the Corporate Supplemental Salary Continuation Plan. This plan, a supplement to our short term disability coverage, covers all full time employees in our corporate offices and provides a supplemental salary continuation based upon years of service. Mr. Murray qualifies for sixteen (16) weeks of salary continuation under this plan.

(2) The amounts shown in this row represent the market value of restricted stock units that would vest and convert to a cash balance upon the occurrence of the events in each column. The amount is payable in five (5) annual installments, with interest compounding at the average of quarterly ten (10) year treasury rates plus two percent (2%). Mr. Murray is not over sixty (60) years old, and therefore will not vest in the Company s matching contributions upon the occurrence of the events shown in each column except retirement which presumes Mr. Murray is sixty (60) years of age.

(3) The amounts shown in this row represent the market value of restricted stock units that would vest upon the occurrence of the events in each column as of December 31, 2008. The actual vesting occurs six (6) months after the event occurs, except for death, in which case vesting is immediate.

(4) The amount represents the balance of Mr. Murray s 401(k) Restoration Plan account as of December 31, 2008, which may be paid six months after the event in either a lump sum as the balance is below $25,000, or in annual installments over a period of five (5) to ten (10) years, except in the event of Mr. Murray s death, in which case the amount would be paid immediately.

Payments Upon Change in Control

The following table sets forth the amount of compensation which would be payable to the executive officers of the Company with whom the Company has entered into Change in Control Agreements described above and the other executive officers. For purposes of the payments to be made upon a change in control, the table reflects the amounts which would be paid to the executive officers if the change in control occurred on December 31, 2008, on which date, the closing price per share of the Company s stock was $11.94.

Brian J. Lipke

Lump Sum Cash Payment	Value of Outstanding Restricted Stock	Value of Outstanding Options	Value of Retirement RSUs	Value of LTIP RSUs(1)	401(k) Restoration Plan Payment	Tax Gross Up Payment(2)	Total
$5,330,710	$ 286,560	$ 48,000	$ 1,791,000	$ 2,786,130	$ 15,901	$ 4,782,899	$ 15,041,200

(1) Represents the value of LTIP RSUs currently issued of $1,589,130 and the value of LTIP RSUs that would be issued upon a change in control of $1,197,000.

(2) Represents a tax gross up payment of $1,395,833 related to Mr. Lipke s Retirement restricted stock units, a tax gross up payment of $223,333 related to restricted stock and a payment of $3,163,733 related to the gross up of the excise tax due on the change in control payments.

Henning N. Kornbrekke

Lump Sum Cash Payment	Value of Retirement RSUs	Value of MSPP RSUs	Value of LTIP RSUs (1)	401(k) Restoration Plan Payment	Tax Gross Up Payment (2)	Total
$3,453,336	$ 537,300	$ 889,136	$ 1,604,118	$ 23,719	$ 1,824,301	$ 8,331,910

(1) Represents the value of LTIP RSUs currently issued of $854,330 and the value of LTIP RSUs that would be issued upon a change in control of $749,788.

(2) Represents a tax gross up payment of $418,750 related to Mr. Kornbrekke s Retirement restricted stock units, and a payment of $1,405,551 related to the gross up of the excise tax due on the change in control payments.

Kenneth W. Smith

Value of LTIP RSUs (1)	Total
$ 395,663	$ 395,663

(1) Represents the value of LTIP RSUs currently issued of $151,913 and the value of LTIP RSUs that would be issued upon a change in control of $243,750.

Timothy J. Heasley

Value of LTIP RSUs (1)	Total
$ 142,037	$ 142,037

(1) Represents the value of LTIP RSUs currently issued of $71,162 and the value of LTIP RSUs that would be issued upon a change in control of $70,875.

Paul M. Murray

Value of Outstanding Options	Value of MSPP RSUs	Value of LTIP RSUs (1)	401(k) Restoration Plan Payment	Total

$	$ 42,720	$ 140,950	$ 28,451	$ 212,121

(1) Represents the value of LTIP RSUs currently issued of $79,700 and the value of LTIP RSUs that would be issued upon a change in control of $61,250.

AUDIT COMMITTEE REPORT

The Audit Committee currently consists of three (3) directors who are independent as defined in the listing standards of the NASDAQ applicable to members of audit committees. A brief description of the responsibilities of the Audit Committee is set forth above under the caption The Board of Directors and its Committees.

The Audit Committee has reviewed and discussed the Company s audited financial statements for the year ended December 31, 2008 with management of the Company and Ernst & Young LLP, the Company s independent registered public accounting firm. During 2008, management evaluated the Company s internal control over financial reporting in response to the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and based on the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Throughout the year, management kept the Committee apprised of the progress of its

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evaluation of internal controls and the Committee provided oversight of the evaluation process. At the end of the year, management issued a report on the effectiveness of the Company s internal control over financial reporting. The Committee reviewed this report and discussed with management and Ernst & Young LLP the adequacy of the Company s internal control over financial reporting and disclosure controls. The Committee also discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended *Communication with Audit Committees*, which relates to the conduct of the audit, including the auditor s judgment about the quality of the accounting principles applied in the Company s 2008 audited financial statements. The Committee also has reviewed the written disclosures and the letter from Ernst & Young LLP required by Rule 3526 of the Public Company Oversight Board, *Communication with Audit Committees Concerning Independence*, and has discussed with Ernst & Young LLP its independence.

Based on the review and the discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company s audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS OF
GIBRALTAR INDUSTRIES, INC.

David N. Campbell
William P. Montague
Robert E. Sadler, Jr.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REPORT

The Nominating and Corporate Governance Committee currently consists of three (3) directors who are independent as defined in the listing standards of the NASDAQ applicable to members of nominating committees. A brief description of the responsibilities of the Nominating and Corporate Governance Committee is set forth above under the caption The Board of Directors and its Committees.

The current nominees for director were recommended for election to the Board at a meeting of the Nominating and Corporate Governance Committee held on February 17, 2009. Mr. Campbell did not participate in his recommendation for election to the Board. No communications from stockholders regarding nominations were received by the Committee. The Committee recommended that the existing Class III Directors be nominated for a three (3) year term as Class III Directors.

In evaluating potential nominees, the Nominating Committee considers a nominee s experience as a senior executive at a publicly traded corporation, or as a management consultant, investment banker, partner at a law firm or registered public accounting firm, professor at an accredited law or business school, experience in the management or leadership of a substantial private business enterprise, educational, religious or not-for-profit organization, or such other professional experience as the Committee determines shall qualify an individual for Board service; whether such person is independent within the meaning of such term in accordance with the applicable listing standards of the NASDAQ and the rules promulgated by the Securities and Exchange Commission; financial expertise of a potential nominee; and particular or unique needs of the Company at the time a nominee is being considered.

NOMINATING AND CORPORATE GOVERNANCE
COMMITTEE OF THE BOARD OF DIRECTORS OF
GIBRALTAR INDUSTRIES, INC.

David N. Campbell
William J. Colombo
William P. Montague

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company s Directors and executive officers, and any persons who own more than ten percent (10%) of a registered class of the Company s equity securities, to file reports of initial ownership of Common Stock and subsequent changes in that ownership with the Securities and Exchange Commission and to furnish the Company with copies of all forms they file pursuant to Section 16(a).

To the Company s knowledge, based solely upon a review of the copies of such reports furnished to the Company and written representations that no other reports were required, the Company believes that during the year ended December 31, 2008, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent (10%) beneficial owners were complied with.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Certain Beneficial Owners

The following table sets forth information as of March 20, 2009 (except as otherwise noted) with respect to all stockholders known by the Company to be the beneficial owners of more than 5% and certain other holders of its outstanding Common Stock:

Name and Address	Number of Shares and Nature of Beneficial Ownership (1)	Percent of Class
Franklin Resources, Inc. (2) One Franklin Parkway San Mateo, California 94403-1906	3,759,699	12.50
T. Rowe Price Associates, Inc. (3) 100 E. Pratt Street Baltimore, MD 21202	2,998,423	10.00
Dimensional Fund Advisors LP (4) Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	2,494,686	8.32
NWQ Investment Management Company, LLC (5) 2049 Century Park East, 16th Floor Los Angeles, CA 90067	2,440,336	8.14
Barclays Global Investors, NA. (6) 400 Howard Street San Francisco, CA 94105	1,900,413	6.33
Eric R. Lipke (7) 75 Elmview Avenue Hamburg, New York 14075	1,661,226	5.54

(1) Unless otherwise indicated in the footnotes each of the stockholders named in this table has the sole voting and investment power with respect to the shares shown as beneficially owned by such stockholder, except to the extent that authority is shared by spouses under applicable law.

(2) Based on information set forth in a statement on Schedule 13G filed with the SEC reflecting information as of December 31, 2008 available on NASDAQ.com, filed on February 6, 2009 by Franklin Resources, Inc. on behalf of itself, Charles B. Johnson, Rupert H. Johnson, Jr. and Franklin Advisor Services, LLC.

(3) Based on information set forth in a statement on Schedule 13G filed with the SEC reflecting information as of February 28, 2009 and available on NASDAQ.com, filed on March 10, 2009 by T. Rowe Price Associates, Inc.

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(4) Based on information set forth in a statement on Schedule 13G filed with the SEC reflecting information as of December 31, 2008 and available on NASDAQ.com, filed on February 9, 2009 by Dimensional Fund Advisors LP.

(5) Based on information set forth in a statement on Schedule 13G filed with the SEC reflecting information as of December 31, 2008 available on NASDAQ.com, filed on February 17, 2009 by NWQ Investment Management Company, LLC.

(6) Based on information set forth in a statement on Schedule 13G filed with the SEC reflecting information as of December 31, 2008 available on NASDAQ.com, filed on February 5, 2009 by Barclays Global Investors, NA. on behalf of itself and its affiliates Barclays Global Fund Advisors and Barclays Global Investors, Ltd.

(7) Includes (i) 149,792 shares of common stock registered in the name of the reporting person, (ii) 759,789 shares of common stock held by a trust for the benefit of Eric R. Lipke, (iii) 18,750 shares of common stock held by trusts for the benefit of the children of Eric R. Lipke, (iv) 5,040 shares of common stock held in custodial accounts for the benefit of the children of Eric R. Lipke, (v) 2,400 shares of common stock held by the minor children of Eric R. Lipke and (vi) 725,455 shares of common stock, representing shares held by Rush Creek Investment Co., L.P. (Rush Creek). Rush Creek s general partner is Rush Creek Management Company, LLC, which is owned pro rata by trusts established for the benefit of each of Brian J. Lipke, Eric R. Lipke and three other siblings of the reporting person. Eric R. Lipke serves as sole manager of Rush Creek Management Company, LLC. Excludes (i) 896,040 shares of common stock held by a trust for the benefit of Brian J. Lipke, as to which Eric R. Lipke serves as one of three trustees and as to which Eric R. Lipke disclaims beneficial ownership, (ii) 136,320 shares of common stock held by a trust for the benefit of Brian J. Lipke and another sibling of the reporting person, as to which Eric R. Lipke serves as one of five trustees and disclaims beneficial ownership (iii) 24,636 shares of common stock held by trusts for the benefit of the children of Brian J. Lipke, as to which Eric R. Lipke serves as one of three trustees and as to which he disclaims beneficial ownership (iv) 387,471 shares of common stock held in a trust for the benefit of a sibling of the reporting person as to which Eric R. Lipke serves as one of three trustees and disclaims beneficial ownership and (v) 816,790 shares of common stock held in a trust for the benefit of a sibling of the reporting person as to which Eric R. Lipke serves as one of three trustees and disclaims beneficial ownership.

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Management

The following table sets forth information as of March 20, 2009 (except as otherwise noted) with respect to each Director, Director nominee, each executive officer named in the Summary Compensation table above and all executive officers and Directors as a group:

Name and Address	Number of Shares and Nature of Beneficial Ownership (1)	Percent of Class
Brian J. Lipke (2)(3)	1,201,955	4.01
Henning N. Kornbrekke (2)(4)	117,528	*
Gerald S. Lippes (5) 665 Main Street, Suite 300 Buffalo, NY 14203-1425	53,557	*
William P. Montague (2)(6)	26,682	*
Robert E. Sadler (2)(7)	18,000	*
Arthur A. Russ, Jr. (8) 3400 HSBC Center Buffalo, NY 14203	16,875	*
William J. Colombo (2)(9)	13,000	*
David N. Campbell (10) 389 River Road Carlisle, MA 01741	12,125	*
Kenneth W. Smith (2)(11)	10,000	*
Paul M. Murray (2)(12)	6,603	