UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 1997

OR

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

For the transition period from   to

Commission File Number: 1-6620

GRIFFON CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	11-1893410
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 JERICHO QUADRANGLE, JERICHO, NEW YORK	11753
(Address of principal executive offices)	(Zip Code)

(516) 938-5544
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

[X]   Yes   [ ] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 30,356,804 shares of Common Stock as of July 31, 1997.

FORM 10-Q

CONTENTS

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 1997 (Unaudited)	September 30, 1996 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 10,060,000	$ 17,846,000
Marketable securities	1,379,000	4,297,000
Accounts receivable, less allowance for doubtful accounts	84,772,000	87,113,000
Contract costs and recognized income not yet billed	31,232,000	33,670,000
Inventories (Note 2)	73,561,000	69,886,000
Prepaid expenses and other current assets	12,386,000	16,203,000
Total current assets	213,390,000	229,015,000
PROPERTY, PLANT AND EQUIPMENT at cost, less accumulated depreciation and amortization of $52,417,000 at June 30, 1997 and $45,010,000 at September 30, 1996	68,787,000	55,706,000
OTHER ASSETS	30,322,000	26,448,000
	$312,499,000	$311,169,000

<FN>

See notes to condensed consolidated financial statements.
</FN>

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 1997 (Unaudited)	September 30, 1996 (Note 1)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts and notes payable	$ 37,607,000	$ 47,131,000
Other current liabilities	59,455,000	58,620,000
Total current liabilities	97,062,000	105,751,000
LONG-TERM DEBT AND OTHER LIABILITIES	23,777,000	31,806,000
LIABILITY OF EMPLOYEE STOCK OWNERSHIP PLAN	2,125,000	---
MINORITY INTEREST IN SUBSIDIARY	1,079,000	652,000
SHAREHOLDERS' EQUITY (Note 4):		
Preferred stock, par value $.25 per share, authorized 3,000,000 shares -- Second Preferred Stock, Series I, authorized 1,950,000 shares, issued 1,618,844 shares at September 30, 1996	---	405,000
Common Stock, par value $.25 per share, authorized 85,000,000 shares, issued 30,925,707 shares at June 30, 1997 and 29,253,848 shares at September 30, 1996, and 549,400 shares and 334,896 shares in treasury at June 30, 1997 and September 30, 1996, respectively	7,732,000	7,313,000
Other shareholders' equity	180,724,000	165,242,000
Total shareholders' equity	188,456,000	172,960,000
	$312,499,000	$311,169,000

<FN>
See notes to condensed consolidated financial statements.
</FN>

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	THREE MONTHS ENDED JUNE 30, 1997	1996
Net sales	$193,120,000	$168,857,000
Cost of sales	142,310,000	124,928,000

Gross profit	50,810,000	43,929,000
Selling, general and administrative expenses	36,359,000	30,426,000
Income from operations	14,451,000	13,503,000
Other income (expense):		
Interest expense	(582,000)	(1,001,000)
Interest income	220,000	238,000
Other, net	10,000	45,000
	(352,000)	(718,000)
Income from continuing operations before income taxes	14,099,000	12,785,000
Provision for income taxes:		
Federal	4,477,000	4,175,000
State and other	740,000	750,000
	5,217,000	4,925,000
Income from continuing operations	8,882,000	7,860,000
Operating income of discontinued operations, net of income tax effect (Note 5)	---	143,000
Net income	$ 8,882,000	$ 8,003,000
Income per share of common stock (Note 3):		
Continuing operations	$ .29	$ .25
Discontinued operations	---	.01
Net income	$ .29	$ .26

<FN>
See notes to condensed consolidated financial statements.
</FN>

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	NINE MONTHS ENDED JUNE 30,	
	1997	1996
Net sales	$535,671,000	$461,329,000
Cost of sales	398,591,000	345,217,000
Gross profit	137,080,000	116,112,000
Selling, general and administrative expenses	102,626,000	86,043,000
Income from operations	34,454,000	30,069,000
Other income (expense):		
Interest expense	(2,061,000)	(2,524,000)
Interest income	847,000	886,000
Other, net	144,000	108,000
	(1,070,000)	(1,530,000)
Income from continuing operations before income taxes	33,384,000	28,539,000

Provision for income taxes:		
Federal	10,687,000	9,342,000
State and other	1,912,000	1,711,000
	12,599,000	11,053,000
Income from continuing operations	20,785,000	17,486,000
Operating income of discontinued operations, net of income tax effect (Note 5)	---	246,000
Net income	$ 20,785,000	$ 17,732,000
Income per share of common stock (Note 3):		
Continuing operations	$ .67	$ .54
Discontinued operations	---	.01
Net income	$ .67	$ .55

<FN>
See notes to condensed consolidated financial statements.
</FN>

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	NINE MONTHS ENDED JUNE 30,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$20,785,000	$17,732,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,302,000	7,281,000
Provision for losses on accounts receivable	1,124,000	866,000
Income from discontinued operations	---	(246,000)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable and contract costs and recognized income not yet billed	3,926,000	(1,324,000)
(Increase) decrease in inventories	(2,105,000)	3,161,000
(Increase) decrease in prepaid expenses and other assets	(5,725,000)	977,000
Decrease in accounts payable and accrued liabilities	(8,156,000)	(6,281,000)
Other changes, net	(120,000)	(137,000)
Total adjustments	(2,754,000)	4,297,000
Net cash provided by operating activities	18,031,000	22,029,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net decrease in marketable securities	2,918,000	8,890,000
Acquisition of property, plant and equipment	(20,470,000)	(7,640,000)
Acquired businesses	(2,232,000)	(22,240,000)
Proceeds from sales of discontinued operations	10,518,000	---
(Increase) decrease in equipment lease deposits and other, net	(367,000)	1,786,000
Net cash used in investing activities	(9,633,000)	(19,204,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury shares	(3,422,000)	(21,574,000)
Proceeds from issuance of long-term debt	5,731,000	34,000,000
Payment of long-term debt	(15,369,000)	(9,405,000)
Decrease in short-term borrowings	(2,955,000)	---

Other, net	(169,000)	(259,000)
Net cash provided by (used in) financing activities	(16,184,000)	2,762,000
NET INCREASE (DECREASE)IN CASH AND CASH EQUIVALENTS	(7,786,000)	5,587,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,846,000	9,656,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$10,060,000	$15,243,000

<FN>
See notes to condensed consolidated financial statements.
</FN>

GRIFFON CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Basis of Presentation -

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The balance sheet at September 30, 1996 has been derived from the audited financial statements at that date. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and nine-month periods ended June 30, 1997 are not necessarily indicative of the results that may be expected for the year ended September 30, 1997. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report to shareholders for the year ended September 30, 1996.

(2) Inventories -

Inventories, stated at the lower of cost (first-in, first-out or average) or market, are comprised of the following:

	June 30, 1997	September 30, 1996
Finished goods	$28,102,000	$23,910,000
Work in process	21,757,000	22,706,000
Raw materials and supplies	23,702,000	23,270,000
	$73,561,000	$69,886,000

(3) Net Income Per Share -

Net income per share is calculated using the weighted average number of shares of common stock, and where dilutive, common stock equivalents outstanding during each period. Shares used in computing per share results were 31,130,000 and 31,013,000 for the three months ended June 30, 1997 and 1996, respectively and 31,222,000 and 32,224,000 for the nine months ended June 30, 1997 and 1996, respectively.

Statement of Financial Accounting Standards No. 128, "Earnings per Share" which becomes effective for the fiscal year beginning October 1, 1997, establishes new standards for computing and presenting earnings per share (EPS).

The new standard requires the presentation of basic EPS and diluted EPS. Basic EPS is calculated by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted EPS is calculated by dividing income available to common shareholders by the weighted average number of common shares outstanding adjusted to reflect potentially dilutive securities. Previously reported EPS amounts must be restated under the new standard when it becomes effective.

For the three and nine month periods ending June 30, 1997 and 1996, reported EPS under the new standard would have been:

Basic:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	1997	1996	1997	1996
Income from continuing operations	$.29	$.27	$.70	$.57
Discontinued operations	-	-	-	.01
Net income	$.29	$.27	$.70	$.58

Diluted:

	Three months ended June 30,		Nine months ended June 30,	
	1997	1996	1997	1996
Income from continuing operations	$.29	$.25	$.67	$.54
Discontinued operations	-	.01	-	.01
Net income	$.29	$.26	$.67	$.55

Basic EPS amounts calculated for periods including and subsequent to March 31, 1997 will be affected by the February 1997 conversion of substantially all of the Second Preferred Stock, Series I into Common Stock (see Note 4), and the inclusion of the newly issued shares of common stock in basic EPS calculations.

(4) Shareholders' Equity -

On February 6, 1997 the company's Board of Directors approved the redemption of the company's Second Preferred Stock, Series I. The redemption price of $10.17 consisted of $10.00 plus accrued and unpaid dividends to the redemption date, March 10, 1997. Holders of 1,524,429 shares of Second Preferred Stock converted their shares into 1,524,429 shares of Common Stock, and 45,165 shares of Second Preferred Stock were redeemed.

(5) Discontinued Operations -

In April 1997, the company completed, in a cash transaction, the sale of its specialty hardware business which had been reflected as a discontinued operation last year.

(6) Acquired Business -

In July 1997, the company acquired, in a cash transaction, a manufacturer and installer of residential garage doors and related hardware with annual sales of approximately $80 million for its building products operation. The purchase price of approximately $35 million was financed by borrowings under an existing credit facility.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Three Months Ended June 30, 1997

Net sales were $193.1 million for the three-month period ended June 30, 1997, an increase of $24.3 million or 14.4% over last year.

Net sales of the building products business were $118.9 million, an increase of $11.5 million or 10.8% over last year, primarily attributable to higher unit sales of garage doors ($6.6 million) due to continued strong demand in the residential and related retail markets and higher sales in our installation services business ($3.7 million) due to geographic expansion and internal growth. Net sales of the specialty plastic films business were $44.2 million, an increase of $14.3 million or 47.6% over last year. Increased unit sales, primarily from growth of new programs for this operation's major customer in the infant diaper market, was the principal reason for the sales growth. Net sales of the electronic information and communication systems business were $30.0 million, compared to $31.5 million a year earlier.

Income from operations for the three-month period ended June 30, 1997 was $14.5 million, an increase of $1.0 million or 7.0% compared to last year. Operating income of the building products business declined by approximately $.5 million. The effect of higher sales and reduced raw material costs was offset by higher operating expenses incurred in connection with the sales growth and anticipated further expansion of the business. Operating income of the specialty plastic films segment increased by approximately $1.5 million for the quarter compared to last year. As expected, earnings in this segment improved due to the effect of higher volume and lower start-up costs associated with new programs, partially offset by increased raw material costs. Operating income of the electronic information and communication systems business was approximately the same as in the prior year.

Nine Months Ended June 30, 1997

Net sales were $535.7 million for the nine-month period ended June 30, 1997, an increase of $74.3 million or 16.1% over last year.

Net sales of the building products business were $326.5 million, an increase of $41.3 million or 14.5% over last year, primarily due to unit sales increases ($22.8 million), the service business' growth ($11.9 million) and acquired businesses ($6.6 million). Net sales of the specialty plastic films business were $124.0 million, an increase of $29.8 million or 31.6% over last year. The increase was due to higher unit sales primarily attributable to products for its major customer in the infant diaper market. Net sales of the electronic information and communication systems business were $85.2 million, an increase of $3.3 million or 4.1% compared to last year, principally due to increased funding levels on several programs and higher demand for its integrated circuit products.

Income from operations for the nine-month period ended June 30, 1997 was $34.5 million, an increase of $4.4 million or 14.6% compared to last year. Operating income of the building products business increased approximately $4.8 million compared to last year due to the sales growth, operating efficiencies and lower raw material costs. Operating income of the specialty plastic films business decreased by $.7 million compared to last year. Lower margins in this segment in the first half of the year due to development and start-up costs associated with new programs and increased raw material costs were partly offset by improved profitability in the third quarter due to higher volume and lower start-up costs. Operating income of the electronic information and communication systems business increased by approximately $.4 million due primarily to the sales increase in the first quarter.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow provided by operations for the nine months was $18.0 million, and working capital was $116.3 million at June 30, 1997.

During the nine months the company had fixed asset additions of $20.4 million, including construction and equipment costs of approximately $7 million for its 60%-owned specialty plastic films joint venture in Germany and approximately $6 million to upgrade and enhance strategic business systems.

Proceeds of approximately $10.5 million were received from the sale and liquidation of the company's synthetic batting business and its specialty hardware business which had been reflected as discontinued operations last year.

In July 1997, the company acquired, in a cash transaction, a manufacturer and installer of residential garage doors and related hardware with annual sales of approximately $80 million for its building products operations. The purchase price of approximately $35 million was financed by borrowings under an existing credit facility.

On February 6, 1997 the company's Board of Directors approved the redemption of the company's Second Preferred Stock, Series I. The redemption price of $10.17 consisted of $10.00 plus accrued and unpaid dividends to the redemption date, March 10, 1997. Holders of 1,524,429 shares of Second Preferred Stock converted their shares into 1,524,429 shares of Common Stock, and 45,165 shares of Second Preferred Stock were redeemed.

Anticipated cash flows from operations, together with existing cash and marketable securities and lease line availability, should be adequate to finance presently anticipated working capital and capital expenditure requirements and to repay long-term debt as it matures.

The statements contained in this report which are not historical facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements, including the effect of business and economic conditions; the impact of competitive products and pricing; capacity and supply constraints or difficulties; product development, commercialization or technological difficulties; and other risks and uncertainties.

PART II - OTHER INFORMATION

Item 1 Legal Proceedings

There are no material changes in the information previously reported under this item.

Item 2 Changes in Securities

None

Item 3 Defaults upon Senior Securities

None

Item 4 Submission of Matters to a Vote of Security Holders

None

Item 5 Other Information

None

Item 6 Exhibits and Reports on Form 8-K

27 -- Financial Data Schedule (for electronic submission only)

SIGNATURE

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

GRIFFON CORPORATION

By/s/Robert Balemian
Robert Balemian
President
(Principal Financial Officer)

Date: August 11, 1997

<ARTICLE> 5
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The schedule contains summary financial information extracted from the condensed consolidated financial statements for the period ended June 30, 1997 and is qualified in its entirety by reference to such statements.
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