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 December 31, 2000

OR

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

For the transition period from _______ to _______

Commission File Number: 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. 29,681,197 shares of Common Stock as of January 31, 2001.

FORM 10-Q

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GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2000 (Unaudited)	September 30, 2000 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 37,126,000	$ 26,616,000
Accounts receivable, less allowance for doubtful accounts	140,737,000	144,259,000
Contract costs and recognized income not yet billed	73,794,000	77,513,000
Inventories (Note 2)	95,380,000	98,440,000
Prepaid expenses and other current assets	18,837,000	18,891,000
Total current assets	365,874,000	365,719,000
PROPERTY, PLANT AND EQUIPMENT at cost, less accumulated depreciation and amortization of $93,156,000 at December 31, 2000 and $87,533,000 at September 30, 2000	142,420,000	142,944,000
OTHER ASSETS	73,294,000	73,363,000
	$581,588,000	$582,026,000

<FN>
See notes to condensed consolidated financial statements.
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GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2000 (Unaudited)	September 30, 2000 (Note 1)
LIABILITIES AND SHAREHOLDERS' EQUITY		

CURRENT LIABILITIES:		
Accounts and notes payable and current portion of long-term debt	$ 76,184,000	$ 90,435,000
Other current liabilities	92,311,000	83,621,000
Total current liabilities	168,495,000	174,056,000
LONG-TERM DEBT	119,073,000	125,916,000
MINORITY INTEREST AND OTHER	19,884,000	18,093,000
SHAREHOLDERS' EQUITY:		
Preferred stock, par value $.25 per share, authorized 3,000,000 shares, no shares issued	---	---
Common Stock, par value $.25 per share, authorized 85,000,000 shares, issued 31,749,199 shares at December 31, 2000 and September 30, 2000; 2,068,002 shares in treasury at December 31, 2000 and September 30, 2000	7,937,000	7,937,000
Other shareholders' equity	266,199,000	256,024,000
Total shareholders' equity	274,136,000	263,961,000
	$581,588,000	$582,026,000

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

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	THREE MONTHS ENDED DECEMBER 31,	
	2000	1999
Net sales	$288,195,000	$280,761,000
Cost of sales	212,994,000	208,909,000
Gross profit	75,201,000	71,852,000
Selling, general and administrative expenses	57,336,000	55,437,000
Income from operations	17,865,000	16,415,000
Other income (expense):		
Interest expense	(3,465,000)	(2,355,000)
Interest income	571,000	303,000
Other, net	16,000	(13,000)
	(2,878,000)	(2,065,000)
Income before income taxes	14,987,000	14,350,000
Provision for income taxes	6,145,000	5,700,000
Income before minority interest and cumulative effect of a change in accounting principle	8,842,000	8,650,000

Minority interest (Note 5)	(1,339,000)	1,082,000
Income before cumulative effect of a change in accounting principle	7,503,000	9,732,000
Cumulative effect of a change in accounting principle, net of income taxes (Note 5)	---	(5,290,000)
Net income	$ 7,503,000	$ 4,442,000
Basic and diluted earnings per share of common stock (Note 3):		
Income before cumulative effect of a change in accounting principle	$ .25	$ .32
Cumulative effect of a change in accounting principle	--	(.17)
	$ .25	$ .15

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

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	THREE MONTHS ENDED DECEMBER 31,	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 7,503,000	$ 4,442,000
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	6,007,000	5,552,000
Minority interest	1,339,000	(1,082,000)
Cumulative effect of a change in accounting principle	---	5,290,000
Provision for losses on accounts receivable	778,000	455,000
Change in assets and liabilities:		
(Increase) decrease in accounts receivable and contract costs and recognized income not yet billed	7,276,000	(7,974,000)
(Increase) decrease in inventories	3,497,000	(6,024,000)
Increase in prepaid expenses and other assets	(1,342,000)	(2,000,000)
Decrease in accounts payable, accrued liabilities and federal income taxes	(14,200,000)	(934,000)
Other changes, net	2,790,000	1,048,000
Total adjustments	6,145,000	(5,669,000)
Net cash provided by (used in) operating activities	13,648,000	(1,227,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(4,011,000)	(7,421,000)
Acquired businesses	---	(12,112,000)
Decrease in equipment lease deposits	2,150,000	793,000
Other, net	22,000	1,255,000
Net cash used in investing activities	(1,839,000)	(17,485,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		

Purchase of treasury shares	---	(224,000)
Proceeds from issuance of long-term debt	1,406,000	16,500,000
Payments of long-term debt	(1,936,000)	(311,000)
Other, net	(769,000)	(566,000)
Net cash provided by (used in) financing activities	(1,299,000)	15,399,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,510,000	(3,313,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,616,000	21,242,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$37,126,000	$17,929,000

<FN>

See notes to condensed financial statements

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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. 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-month period ended December 31, 2000 are not necessarily indicative of the results that may be expected for the year ending September 30, 2001. The balance sheet at September 30, 2000 has been derived from the audited financial statements at that date. 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, 2000.

(2) Inventories -

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

	December 31, 2000	September 30, 2000
Finished goods........................	$57,135,000	$58,390,000
Work in process.......................	18,897,000	20,842,000
Raw materials and supplies............	19,348,000	19,208,000
	$95,380,000	$98,440,000

(3) Earnings per share (EPS) -

Basic EPS is calculated by dividing income by the weighted average number of shares of common stock outstanding during the period. The weighted average number of shares of common stock used in determining basic EPS was 29,971,000 for the three months ended December 31, 2000 and 30,466,000 for the three months ended December 31, 1999.

Diluted EPS is calculated by dividing income by the weighted average number of shares of common stock outstanding plus additional common shares that could be issued in connection with potentially dilutive securities. The weighted average number of shares of common stock used in determining diluted EPS was 30,138,000 and 30,628,000 for the three months ended December 31, 2000 and 1999, respectively, and reflects additional shares in connection with stock option and other stock-based compensation plans.

Options to purchase approximately 5,899,000 and 4,319,000 shares of common stock were not included in the computations of diluted earnings per share for the three months ended December 31, 2000 and 1999, respectively, because the effects would have been antidilutive.

(4) Business segments -

The company's reportable business segments are as follows - Garage Doors (manufacture and sale of residential and commercial/industrial garage doors, and related products); Installation Services (sale and installation of building products primarily for new construction, such as garage doors, garage door openers, manufactured fireplaces and surrounds, and cabinets); Electronic Information and Communication Systems (communication and information systems for government and commercial markets); and Specialty Plastic Films (manufacture and sale of plastic films and film laminates for baby diapers, adult incontinence care products, disposable surgical and patient care products and plastic packaging).

Information on the company's business segments is as follows:

	Garage Doors	Installation Services	Specialty Plastic Films	Electronic Information and Communication Systems	Totals
Revenues from external customers -					
Three months ended December 31, 2000	$102,916,000	$ 67,807,000	$ 72,710,000	$ 44,762,000	$288,195,000
Three months ended December 31, 1999	111,090,000	68,684,000	60,841,000	40,146,000	280,761,000
Intersegment revenues -					
Three months ended December 31, 2000	$ 6,452,000	$ 55,000	$ ---	$ ---	$ 6,507,000
Three months ended December 31, 1999	8,765,000	169,000	---	---	8,934,000
Segment profit -					
Three months ended December 31, 2000	$ 4,935,000	$ 1,188,000	$ 9,712,000	$ 4,279,000	$ 20,114,000
Three months ended December 31, 1999	7,980,000	2,382,000	4,658,000	3,751,000	18,771,000

Following is a reconciliation of segment profit to amounts reported in the consolidated financial statements:

	Three Months Ended December 31, 2000	1999

Profit for all segments	$20,114,000	$18,771,000
Unallocated amounts	(2,233,000)	(2,369,000)
Interest expense, net	(2,894,000)	(2,052,000)
Income before income taxes	$14,987,000	$14,350,000

(5) Start-up costs -

Effective October 1, 1999 the company adopted the provisions of the American Institute of Certified Public Accountants' Statement of Position No. 98-5 (SOP 98- 5), "Reporting on the Costs of Start-Up Activities". SOP 98-5 requires that, at the date of adoption, costs of start-up activities previously capitalized be written-off as a cumulative effect of a change in accounting principle, and that after adoption, such costs are to be expensed as incurred.

Consequently, in the first quarter of fiscal 2000, the company's 60%-owned joint venture wrote-off costs that were previously capitalized in connection with the start-up of the venture and the implementation of additional production capacity. The cumulative effect of this change in accounting principle is $5,290,000 (net of $3,784,000 income tax effect). The minority interest's share of the net charge is $2,116,000 and is included as an offsetting credit in "Minority interest" in the accompanying Condensed Consolidated Statement of Income for the three months ended December 31, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net sales were $288.2 million for the three-month period ended December 31, 2000, an increase of $7.4 million or 2.6% over last year.

Net sales of the garage door segment were $109.4 million, a decrease of $10.5 million or 8.7% compared to last year. The decrease was principally due to lower unit sales of residential garage doors due primarily to the effect of a slowing economy, competitive markets and harsh winter weather conditions.

Net sales of the installation services segment were $67.9 million, a decrease of $1.0 million, or 1.4% compared to last year. Internal growth from expanded product offerings and a full quarter's results from an operation acquired in the second quarter of last year were offset by the effect of softer housing markets.

Net sales of the specialty plastic films segment were $72.7 million, an increase of $11.9 million or 19.5% over last year. The increase was principally due to higher unit sales in both the segment's domestic and foreign operations, partly offset by the effect of a stronger U.S. dollar on foreign operations.

Net sales of the electronic information and communication systems segment were $44.8 million, an increase of $4.6 million or 11.5% compared to last year due to higher funding levels on existing programs and a full quarter's operating results from the search and weather radar business acquired last year.

Operating income for all business segments for the three-month period ended December 31, 2000 was $20.1 million, an increase of $1.3 million or 7.2% compared to last year. The increase was principally due to substantially improved operations in the specialty plastic films and electronic information and communication systems segments.

Operating income of the garage door segment decreased approximately $3.0 million or 38.2% compared to last year. The effects of the decreased sales and lower margins were partly offset by cost reduction programs. The garage door segment's operating results also included a loss of approximately $1.2 million from a commercial door product line for which strategic alternatives are being explored. The outlook for garage doors' near-term prospects remains guarded while cost containment steps are being taken to enhance operating results when its markets improve.

Operating income of the installation services segment decreased by $1.2 million or 50.1% compared to last year. Higher margins from improved product mix and expanded product offerings were offset by higher distribution and selling costs.

Operating income of the specialty plastic films segment increased $5.1 million or 108.5% compared to last year. The increase was primarily due to higher unit sales in both the segment's domestic and European operations and related manufacturing efficiencies. It is anticipated that specialty plastic films will further improve profitability through additional sales growth and increased efficiencies.

Operating income of the electronic information and communication systems segment increased by approximately $.5 million or 14.1% over last year due primarily to the higher sales, partly offset by increased marketing and research

and development expenses. Technology initiatives, which are expected to total approximately $5 million for the year, aggregated less than $.5 million during the first quarter as the programs commenced. Telephonics' core business remains strong, and though near-term earnings will be impacted by the increased research and development activities, the company is optimistic that this segment will generate increased sales and orders for the year.

Net interest expense increased by $.8 million compared to last year due to higher levels of outstanding debt used to pay for acquisitions in 2000 and 1999.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow generated by operations for the quarter was $13.6 million compared to cash used in operations of $1.2 million last year and working capital was $197.4 million at December 31, 2000.

During the quarter, the company had capital expenditures of approximately $4 million, principally made in connection with increasing production capacity.

Anticipated cash flows from operations, together with existing cash, bank lines of credit 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.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this report, including without limitation statements regarding the company's financial position, business strategy, and the plans and objectives of the company's management for future operations, are forward-looking statements. When used in this report, words such as "anticipate", "believe", "estimate", "expect", "intend" and similar expressions, as they relate to the company or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of the company's management, as well as assumptions made by and information currently available to the company's management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including but not limited to, business and economic conditions, competitive factors and pricing pressures, capacity and supply constraints. Such statements reflect the views of the company with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the company. Readers are cautioned not to place undue reliance on these forward-looking statements. The company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Management does not believe that there is any material market risk exposure with respect to derivative or other financial instruments that are required to be disclosed.

PART II - OTHER INFORMATION

Item 1 Legal Proceedings

None

Item 2 Changes in Securities

None

Item 3 Defaults upon Senior Securities

None

Item 4 Submission of Matters to a Vote of Security Holders

(a) The Registrant held its Annual Meeting of Stockholders on February 7, 2001

(b) Not applicable

(c)(i) Four directors were elected at the Annual Meeting to serve until the Annual Meeting of Stockholders in 2004. The names of these directors and votes cast in favor of their election and shares withheld are as follows:

Name	Votes For	Votes Withheld
Henry A. Alpert	22,476,025	4,835,200
Abraham M. Buchman	21,874,924	5,436,301
Lt. Gen. James W. Stansberry (Ret.)	21,882,537	5,428,688
Rear Admiral Clarence A. Hill, Jr. (Ret.)	21,873,262	5,437,963

(ii) In addition to the election of directors, the stockholders approved a proposal to adopt the Griffon Corporation 2001 Stock Option Plan. 17,647,918 shares were voted in favor of this proposal, 8,849,294 shares were voted against and 814,013 shares abstained.

Item 5 Other Information

None

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

None

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 and Chief Financial Officer
(Principal Financial Officer)

Date: February 7, 2001