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, 2003

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 by check mark whether registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

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. 29,555,698 shares of Common Stock as of July 31, 2003.

FORM 10-Q

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GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2003 (Unaudited)	September 30, 2002 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 30,625,000	$ 45,749,000
Accounts receivable, less allowance for doubtful accounts	152,558,000	147,890,000
Contract costs and recognized income not yet billed	40,335,000	58,440,000
Inventories (Note 2)	111,009,000	104,792,000
Prepaid expenses and other current assets	38,122,000	25,470,000
Total current assets	372,649,000	382,341,000
PROPERTY, PLANT AND EQUIPMENT at cost, less accumulated depreciation and amortization of $142,679,000 at June 30, 2003 and $126,560,000 at September 30, 2002	171,068,000	148,253,000

OTHER ASSETS:		
Costs in excess of fair value of net assets of businesses acquired (Note 1)	49,312,000	44,978,000
Other	14,106,000	12,122,000
	63,418,000	57,100,000
	$607,135,000	$587,694,000

See notes to condensed consolidated financial statements.

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2003 (Unaudited)	September 30, 2002 (Note 1)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts and notes payable	$ 65,309,000	$ 65,832,000
Other current liabilities	105,442,000	123,315,000
Total current liabilities	170,751,000	189,147,000
LONG-TERM DEBT (Note 7)	78,257,000	74,640,000
MINORITY INTEREST AND OTHER	36,410,000	30,938,000
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 36,528,767 shares at June 30, 2003 and 36,337,192 shares at September 30, 2002; 3,919,335 and 3,266,983 shares in treasury at June 30, 2003 and September 30, 2002, respectively (Note 7)	9,132,000	9,084,000
Other shareholders' equity	312,585,000	283,885,000
Total shareholders' equity	321,717,000	292,969,000
	$607,135,000	$587,694,000

See notes to condensed consolidated financial statements.

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	THREE MONTHS ENDED JUNE 30, 2003	THREE MONTHS ENDED JUNE 30, 2002
Net sales	$312,547,000	$297,335,000
Cost of sales	225,095,000	212,227,000
Gross profit	87,452,000	85,108,000
Selling, general and administrative expenses	67,940,000	68,189,000
Income from operations	19,512,000	16,919,000
Other income (expense):		
Interest expense	(952,000)	(1,185,000)
Interest income	120,000	311,000
Other, net	503,000	1,063,000
	(329,000)	189,000
Income before income taxes	19,183,000	17,108,000
Provision for income taxes (Note 6)	5,601,000	3,920,000
Income before minority interest	13,582,000	13,188,000
Minority interest	(2,260,000)	(1,751,000)
Net income	$ 11,322,000	$ 11,437,000
Basic earnings per share of common stock (Note 3)	$ .34	$ .34
Diluted earnings per share of common stock (Note 3)	$ .33	$ .32

See notes to condensed consolidated financial statements.

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

NINE MONTHS ENDED JUNE 30,

	2003	2002
Net sales	$892,031,000	$866,545,000
Cost of sales	641,737,000	622,822,000
Gross profit	250,294,000	243,723,000
Selling, general and administrative expenses	197,131,000	193,849,000
Income from operations	53,163,000	49,874,000
Other income (expense):		
Interest expense	(3,044,000)	(3,723,000)
Interest income	585,000	889,000
Other, net	796,000	807,000
	(1,663,000)	(2,027,000)
Income before income taxes	51,500,000	47,847,000
Provision for income taxes (Note 6)	17,881,000	16,215,000
Income before minority interest and cumulative effect of a change in accounting principle	33,619,000	31,632,000
Minority interest	(6,760,000)	(4,798,000)
Income before cumulative effect of a change in accounting principle	26,859,000	26,834,000
Cumulative effect of a change in accounting principle, net of income taxes of $2,457,000 (Note 1)	---	(24,118,000)
Net income	$ 26,859,000	$ 2,716,000
Basic earnings per share of common stock (Note 3):		
Income before cumulative effect of a change in accounting principle	$ .81	$ .81
Cumulative effect of a change in accounting principle	--	(.73)
	$ .81	$ .08
Diluted earnings per share of common stock (Note 3):		
Income before cumulative effect of a change in accounting principle	$ .79	$ .76
Cumulative effect of a change in accounting principle	--	(.68)
	$ .79	$ .08

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See notes to condensed consolidated financial statements.

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GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

NINE MONTHS ENDED JUNE 30,

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$26,859,000	$ 2,716,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,219,000	16,510,000
Gain on sale of real estate	---	(1,974,000)
Minority interest	6,760,000	4,798,000
Cumulative effect of a change in accounting principle	---	24,118,000
Provision for losses on accounts receivable	895,000	1,996,000
Change in assets and liabilities:		
Decrease in accounts receivable and contract costs and recognized income not yet billed	15,699,000	15,132,000
Increase in inventories	(6,947,000)	(3,913,000)
(Increase) decrease in prepaid expenses and other assets	(2,576,000)	502,000
Decrease in accounts payable, accrued liabilities and income taxes	(18,096,000)	(3,652,000)
Other changes, net	(992,000)	3,092,000
Total adjustments	13,962,000	56,609,000
Net cash provided by operating activities	40,821,000	59,325,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(35,176,000)	(18,681,000)
Acquired business	(13,112,000)	(4,598,000)
Proceeds from divestiture	3,826,000	---
Proceeds from sale of real estate	---	2,638,000
Increase in equipment lease deposits	(3,769,000)	(434,000)
Net cash used in investing activities	(48,231,000)	(21,075,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury shares	(7,334,000)	(10,142,000)
Proceeds from issuance of long-term debt	24,944,000	4,000,000
Payments of long-term debt	(23,109,000)	(31,633,000)
Increase (decrease) in short-term borrowings	1,072,000	(1,271,000)
Distributions to minority interests	(5,907,000)	(5,501,000)
Exercise of stock options	518,000	6,695,000
Net cash used in financing activities	(9,816,000)	(37,852,000)
Effect of exchange rate changes on cash and cash equivalents	2,102,000	1,282,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,124,000)	1,680,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	45,749,000	40,096,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$30,625,000	$41,776,000

<FN>

See notes to condensed consolidated 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 and nine-month periods ended June 30, 2003 are not necessarily indicative of the results that may be expected for the year ending September 30, 2003. The balance sheet at September 30, 2002 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, 2002.

Effective October 1, 2001, the company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," (SFAS 142). SFAS 142 addresses accounting and reporting for acquired goodwill. It eliminates the previous requirement to amortize goodwill and establishes new requirements with respect to the recognition and valuation of goodwill. With the assistance of a third-party valuation expert, the company ascertained the fair value of its reporting units as part of adopting SFAS 142 and determined that goodwill of the installation services segment was impaired pursuant to the new standard. Results for the nine-month period ended June 30, 2002 include the related cumulative effect of a change in accounting principle in the amount of $24,118,000 (net of an income tax benefit of $2,457,000) to reflect the impairment.

Recent accounting pronouncements:

The Financial Accounting Standards Board has issued Interpretations Nos. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees including Indirect Guarantees of Indebtedness of Others" and 46, "Consolidation of Variable Interest Entities," and also issued Statements of Financial Accounting Standards Nos. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" and 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity".

Interpretation No. 45 elaborates on disclosures to be made by a guarantor in its financial statements about its obligations under certain guarantees that it has issued. As a part of some transactions, the company may provide routine indemnifications in which it retains certain environmental, tax and other liabilities whose terms range in duration and for which the company's ultimate obligation is not quantifiable. To date, the company has not made any significant payments in connection with such indemnifications.

Interpretation No. 46 addresses consolidation of variable interest entities and related disclosure. The interpretation requires that a variable interest entity be consolidated by the holder of the interest that will receive the majority of the entity's expected losses, receive a majority of its expected residual returns, or both.

Statement 149 amends and clarifies accounting standards for derivatives. Statement 150 establishes standards that require certain financial instruments with the characteristics of both liabilities and equity to be classified as liabilities.

The company does not anticipate that these pronouncements will have a material effect on its results of operations or financial condition.

Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation", as amended by Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure", permits an entity to continue to account for employee stock-based compensation under APB Opinion No. 25, "Accounting for Stock Issued to

Employees", or adopt a fair value based method of accounting for such compensation. The company has elected to continue to account for stock-based compensation under Opinion No. 25. Accordingly, no compensation expense has been recognized in connection with options granted. Had compensation expense for options granted been determined based on the fair value at the date of grant in accordance with Statement No. 123, the company's net income and earnings per share would have been as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
Net income, as reported	$11,322,000	$11,437,000	$26,859,000	$ 2,716,000
Deduct total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(687,000)	(729,000)	(1,953,000)	(1,891,000)
Pro forma net income	$10,635,000	$10,708,000	$24,906,000	$ 825,000
Earnings per share:				
Basic - as reported	$.34	$.34	$.81	$.08
Basic - pro forma	$.32	$.32	$.76	$.03
Diluted - as reported	$.33	$.32	$.79	$.08
Diluted - pro forma	$.31	$.30	$.73	$.02

(2) Inventories -

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

	June 30, 2003	September 30, 2002
Finished goods........................	$ 48,945,000	$ 45,288,000
Work in process.......................	44,073,000	37,870,000
Raw materials and supplies............	17,991,000	21,634,000
	$111,009,000	$104,792,000

(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 32,828,000 and 33,428,000 for the three months ended June 30, 2003 and 2002, respectively, and 32,961,000 and 33,231,000 for the nine months ended June 30, 2003 and 2002, respectively.

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 34,163,000 and 35,514,000 for the three months ended June 30, 2003 and 2002, respectively, and 34,071,000 and 35,121,000 for the nine months ended June 30, 2003 and 2002, respectively, and reflects additional shares issuable in connection with stock option and other stock based compensation plans.

Options to purchase approximately 373,500 and 1,362,933 shares of common stock were not included in the computations of diluted earnings per share for the three and nine months ended June 30, 2003 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					
June 30, 2003	$100,307,000	$ 71,689,000	$ 98,050,000	$ 42,501,000	$312,547,000
June 30, 2002	103,902,000	70,596,000	74,830,000	48,007,000	297,335,000
Nine months ended					
June 30, 2003	$284,998,000	$210,638,000	$277,521,000	$118,874,000	$892,031,000
June 30, 2002	304,738,000	205,094,000	216,344,000	140,369,000	866,545,000
Intersegment revenues -					
Three months ended					
June 30, 2003	$ 5,987,000	$ 10,000	$ ---	$ ---	$ 5,997,000
June 30, 2002	6,307,000	50,000	---	---	6,357,000
Nine months ended					
June 30, 2003	$ 17,645,000	$ 53,000	$ ---	$ ---	$ 17,698,000
June 30, 2002	18,510,000	182,000	---	---	18,692,000

	Garage Doors	Installation Services	Specialty Plastic Films	Electronic Information and Communication Systems	Totals
Segment profit -					
Three months ended					
June 30, 2003	$ 9,036,000	$ 1,993,000	$ 9,643,000	$ 1,847,000	$ 22,519,000
June 30, 2002	6,420,000	2,181,000	8,722,000	3,433,000	20,756,000
Nine Months ended					
June 30, 2003	$ 22,919,000	$ 4,200,000	$ 29,465,000	$ 6,463,000	$ 63,047,000
June 30, 2002	16,001,000	5,286,000	28,606,000	8,959,000	58,852,000
Segment assets -					
June 30, 2003	$143,658,000	$ 62,993,000	$191,732,000	$150,949,000	$549,332,000
September 30, 2002	149,844,000	67,066,000	145,458,000	159,516,000	521,884,000

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
Profit for all segments	$22,519,000	$20,756,000	$63,047,000	$58,852,000
Unallocated amounts	(2,503,000)	(2,774,000)	(9,087,000)	(8,171,000)
Interest expense, net	(833,000)	(874,000)	(2,460,000)	(2,834,000)
Income before income taxes	$19,183,000	$17,108,000	$51,500,000	$47,847,000

Goodwill at June 30, 2003 includes $12.9 million attributable to the garage doors segment, $14.3 million to the electronic information and communication systems segment and $22.1 million to the specialty plastic films segment.

(5) Comprehensive income -

Comprehensive income, which consists of net income, minimum pension liability adjustments and foreign currency translation adjustments, was $15.3 million and $13.0 million for the three-month periods and $34.9 and $3.1 million for the nine-month periods ended June 30, 2003 and 2002, respectively.

(6) Income taxes -

The provision for income taxes for the three and nine month periods ended June 30, 2003 and 2002 includes $1.7 million in 2003 and $2.0 million in 2002 of tax benefits. These benefits reflect the resolution, in connection with completed examinations of prior year tax returns by Federal and local authorities and otherwise, of certain previously recorded tax liabilities and, in 2003, the finalization of income taxes on foreign earnings and remittances.

(7) Subsequent events -

In July 2003, the company completed the sale of $130 million (including $5 million related to an over-allotment option) of 4% contingent convertible subordinated notes due 2023 (the "Notes"). Holders may convert the Notes into shares of the company's common stock at an initial conversion price of $24.13 per share under certain circumstances, including when the market price of the company's common stock is more than 120% of the conversion price.

The company may redeem the Notes on or after July 26, 2010, for cash, at their principal amount plus accrued interest. Holders of the Notes may require the company to repurchase all or a portion of their Notes on July 18, 2010, 2013 and 2018, and upon a change in control.

Approximately $50 million of the net proceeds from the sale of the Notes was used to repurchase 3,067,484 shares of common stock concurrently with the sale of the Notes. Approximately $49 million of the net proceeds was used to repay revolving credit debt with the remainder to be used for general corporate purposes.

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

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2003

Operating results (in thousands) by business segment were as follows for the three-month periods ended June 30:

	Net Sales		Segment Operating Profit	
	2003	2002	2003	2002
Garage doors	$106,294	$110,209	$ 9,036	$ 6,420
Installation services	71,699	70,646	1,993	2,181
Specialty plastic films	98,050	74,830	9,643	8,722
Electronic information and communication systems	42,501	48,007	1,847	3,433
Intersegment revenues	(5,997)	(6,357)	-	-
	$312,547	$297,335	$22,519	$20,756

Garage Doors

Net sales of the garage door segment decreased by $3.9 million or 3.6%. The decrease was due to the 2002 divestiture of Atlas, an unprofitable commercial operation ($7.6 million), partly offset by the net effect ($3.7 million) of higher unit sales, and favorable pricing and product mix.

Operating profit of the garage doors segment increased $2.6 million compared to last year. The Atlas divestiture accounted for $.8 million of the increase. Gross margin percentage increased to approximately 32.7% in 2003 from 31.6% last year, principally due to the Atlas divestiture and increased manufacturing efficiencies. Selling, general and administrative expenses decreased principally due to the Atlas divestiture and as a percentage of sales was 24.3% compared to 25.8% last year. The increased profitability was due primarily to the Atlas divestiture and the positive effect of expense control programs.

Installation Services

Net sales of the installation services segment increased by $1.1 million or 1.5% compared to last year. The increase was principally due to the segment's expanded product offering and increased market share.

Operating profit of the installation services segment decreased $.2 million compared to last year. Gross margin percentage decreased to 27.1% from 27.6% last year. Selling, general and administrative expenses were essentially the same as in the prior year and as a percentage of sales was 24.4% compared to 24.6% last year. The decreased profitability was principally due to competitive pricing pressure.

Specialty Plastic Films

Net sales of the specialty plastic films segment increased $23.2 million or 31.0% compared to the prior year. The net effect of higher unit volume and product mix ($6 million), the effect of a weaker U.S. dollar on translated foreign sales ($9 million), the addition of the Brazilian operation in the latter half of fiscal 2002 ($4 million) and selling price adjustments to pass through raw material (resin) cost increases to customers ($4 million), were the principal reasons for the increase.

Operating profit of the specialty plastic films segment increased $.9 million compared to last year. Gross margin percentage decreased to 22.3% from 24.6% last year, principally due to the effect of selling price adjustments and costs associated with manufacturing facility expansion for current and new products, partly offset by the net positive effect of increased volume and product mix. Selling, general and administrative expenses increased due to product development costs and the Brazil acquisition, but as a percentage of sales declined to 12.6% from 13.8% last year, due primarily to the increased sales.

Electronic Information and Communication Systems

Net sales of the electronic information and communication systems segment decreased $5.5 million or 11.5% compared to last year. The decrease was primarily due to lower than anticipated awards of new orders.

Operating profit of the electronic information and communication systems segment decreased $1.6 million due to the sales decrease. Gross margin percentage increased to 26.3% from 25.2% last year due primarily to manufacturing efficiencies and operational improvement in certain ongoing production programs. Selling, general and administrative expenses as a percentage of sales was 22.2% compared to 18.4% principally due to the sales decrease and to higher bid and proposal and research and development costs.

Income Tax Expense

The provision for income taxes for the three-month periods ended June 30, 2003 and 2002 includes $1.7 million in 2003 and $2.0 million in 2002 of tax benefits. These benefits reflect the resolution, principally in connection with completed examinations of prior year tax returns by Federal and local authorities and otherwise, of certain previously recorded tax liabilities and, in 2003, the finalization of income taxes on foreign earnings and remittances.

NINE MONTHS ENDED JUNE 30, 2003

Operating results (in thousands) by business segment were as follows for the nine-month periods ended June 30:

	Net Sales		Segment Operating Profit	
	2003	2002	2003	2002
Garage doors	$302,643	$323,248	$22,919	$16,001
Installation services	210,691	205,276	4,200	5,286
Specialty plastic films	277,521	216,344	29,465	28,606
Electronic information and communication systems	118,874	140,369	6,463	8,959
Intersegment revenues	(17,698)	(18,692)	-	-
	$892,031	$866,545	$63,047	$58,852

Garage Doors

Net sales of the garage doors segment decreased by $20.6 million or 6.4% compared to last year. The decrease was principally due to the Atlas divestiture ($19.2 million) and the net effect ($1.4 million) of lower unit volumes attributable to inclement weather in the first half of the year, partly offset by favorable pricing and product mix.

Operating profit of the garage doors segment increased approximately $6.9 million compared to last year. The Atlas divestiture accounted for $3.1 million of the increase. Gross margin percentage increased to 32.4% in 2003 from 30.5% last year. The increased margin was due primarily to the Atlas divestiture, increased manufacturing efficiencies and improved pricing and product mix. Selling, general and administrative expenses as a percentage of sales was 24.9% compared to 25.5% last year.

Installation Services

Net sales of the installation services segment increased by $5.4 million or 2.6% compared to last year. The increase was principally due to the segment's expanded product offering and increased market share.

Operating profit of the installation services segment decreased $1.1 million compared to last year. Gross margin percentage was 27.0% compared to 27.5% last year. Selling, general and administrative expenses as a percentage of sales was 25.1% compared to 25.0% last year. The decreased profitability was principally due to costs to adjust inventory levels and make structural changes in certain locations which have been unprofitable and competitive pricing pressure.

Specialty Plastic Films

Net sales of the specialty plastic films segment increased $61.2 million or 28.3% compared to the prior year. The net effect of increased unit volume and product mix ($22 million), the effect of a weaker U.S. dollar on translated foreign sales ($22 million), the addition of the Brazilian operation ($10 million) and selling price adjustments to pass raw material cost increases to customers ($7 million) were the principal reasons for the increase.

Operating profit of the specialty plastic films segment increased $.9 million or 3.0% compared to the prior year. Gross margin percentage decreased to 22.8% from 25.5% last year. The lower margin percentage was principally due to the excess ($5 million) of raw material (resin) cost increases over related selling price adjustments. In addition to the effect of resin, segment operating profit was also affected by costs associated with manufacturing facility expansion for current and new products, and by the net positive effect of increased volume and product mix, and exchange rate differences. Selling, general and administrative expenses increased due to product development expenditures and higher freight and administrative costs associated with the segment's European operation, but as percentage of sales was essentially unchanged at 12.3% compared to 12.4% last year.

Electronic Information and Communication Systems

Net sales of the electronic information and communication systems segment decreased $21.5 million or 15.3% compared to last year. The decrease was primarily due to lower than anticipated awards of new orders.

Operating profit of the electronic information and communication systems segment decreased $2.5 million compared to last year. The decrease is principally attributable to the sales decrease and increased research and development expenditures. Gross margin percentage increased to 26.3% from 23.5% last year due primarily to manufacturing efficiencies and lower margins last year in connection with certain development phase programs. Selling, general and administrative expenses were substantially the same as in the prior year, but as a percentage of sales increased to 21.4% from 17.4% last year principally due to the sales decrease.

Net Interest Expense

Net interest expense decreased by $.4 million compared to last year due to the effect of debt repayments and lower interest rates, but will increase in the fourth fiscal quarter and subsequent periods due to the sale in July 2003 of $130 million of 4% contingent convertible subordinated notes. See "Liquidity and Capital Resources."

Income Tax Expense

The provision for income taxes for the nine month periods ended June 30, 2003 and 2002 includes $1.7 million in 2003 and $2.0 million in 2002 of tax benefits. These benefits reflect the resolution, principally in connection with completed examinations of prior year tax returns by Federal and local authorities and otherwise, of certain previously recorded tax liabilities and, in 2003, the finalization of income taxes on foreign earning and remittances.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow generated by operations for the nine months ended June 30, 2003 was $40.8 million compared to $59.3 million last year and working capital was $201.9 million at June 30, 2003. Operating cash flows decreased compared to last year due primarily to changes in operating assets and current liabilities.

During the nine months ended June 30, 2003, the company paid $13.1 million for the balance of the Brazilian operation's purchase price. The company also had capital expenditures of approximately $35.2 million, principally by the specialty plastic films segment made in connection with increasing production capacity and for capital programs to support new opportunities with its major customers.

Financing cash flows principally consisted of net bank borrowings of approximately $2.9 million, treasury stock purchases of $7.3 million and distributions to minority shareholders of $5.9 million.

In July 2003, the company completed the sale of $130 million (including $5 million related to an over-allotment option) of 4% contingent convertible subordinated notes due 2023 (the "Notes"). Holders may convert the Notes into shares of the company's common stock at an initial conversion price of $24.13 per share under certain circumstances, including when the market price of the company's common stock is more than 120% of the conversion price.

The company may redeem the Notes on or after July 26, 2010, for cash, at their principal amount plus accrued interest. Holders of the Notes may require the company to repurchase all or a portion of their Notes on July 18, 2010, 2013 and 2018, and upon a change in control.

Approximately $50 million of the net proceeds from the sale of the Notes was used to repurchase 3,067,484 shares of common stock concurrently with the sale of the Notes. Approximately $49 million of the net proceeds was used to repay revolving credit debt with the remainder to be used for general corporate purposes. Additional purchases of the company's common stock under its stock buyback program will be made, depending upon market conditions, at prices deemed appropriate by management.

At June 30, 2003, future minimum payments under noncancellable operating leases and payments to be made for notes payable and maturities of long-term debt over the next five years, adjusted to reflect the sale of the Notes described above, are as follows (000's omitted):

Year	Operating Leases	Debt Repayments	Total
2004	$22,700	$ 6,400	$29,100
2005	16,900	15,500	32,400
2006	11,100	2,800	13,900
2007	7,600	9,300	16,900
2008	4,000	1,600	5,600

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 debt as it matures.

ACCOUNTING POLICIES AND PRONOUNCEMENTS

Critical Accounting Policies

The company's significant accounting policies are set forth in Note 1 of Notes to Consolidated Financial Statements in the company's annual report to shareholders for the year ended September 30, 2002. The following discussion of critical accounting policies addresses those policies that require management judgment and estimates and are most important in determining the company's operating results and financial condition.

The company recognizes revenues for most of its operations when title and the risks of ownership pass to its customers. Provisions for estimated losses resulting from the inability of our customers to remit payments are recorded in the company's consolidated financial statements. Judgement is required to estimate the ultimate realization of receivables.

The company's electronic information and communication systems segment does a significant portion of its business under long-term contracts with government agencies. This unit generally recognizes contract-related revenue and profit using the percentage of completion method of accounting, which relies primarily on estimates of total expected contract costs. The company follows this method since reasonably dependable estimates of costs applicable to various elements of a contract can be made. Since the financial reporting of these contracts depends on estimates, recognized revenues and profit are subject to revisions as contracts progress to completion. Contract cost estimates are generally updated quarterly. Revisions in revenue and profit estimates are reflected in the period in which the circumstances requiring the revision become known. Provisions are made currently for anticipated losses on uncompleted contracts.

Inventory is stated at the lower of cost (principally first-in, first-out) or market. Inventory valuation requires the company to use judgment to estimate any necessary allowances for excess, slow-moving and obsolete inventory, which estimates are based on assessments about future demands, market conditions and management actions.

Recent Accounting Pronouncements

The Financial Accounting Standards Board has issued a number of other Financial Accounting Standards and Interpretations. See Note 1 of Notes to Condensed Consolidated Financial Statements for a discussion of these pronouncements. The company does not anticipate that adopting these pronouncements, where applicable, will have a material effect on results of operations or financial condition.

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 is required to be disclosed.

CONTROLS AND PROCEDURES

Under the supervision and with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), the company's disclosure controls and procedures were evaluated as of the end of the period covered by this report. Based on that evaluation, the company's CEO and CFO concluded that the company's disclosure controls and procedures were effective.

During the period covered by this report there were no significant changes in the company's internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information.

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

None

Item 5 Other Information

None

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibit 10.1 - Amendment to Employment Agreement between Griffon and Harvey R. Blau dated August 8, 2003.

Exhibit 10.2 - Amendment to Employment Agreement between Griffon and Robert Balemian dated August 8, 2003.

Exhibit 31.1 - Certification pursuant to Rules 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2 - Certification pursuant to Rules 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32 - Certifications pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Current Report on Form 8-K dated April 30, 2003 covering information reported under Item 9 but furnished pursuant to Item 12 in accordance with SEC Release 33-8216.

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: August 8, 2003

Exhibit 10.1

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT TO EMPLOYMENT AGREEMENT made as of the 8th day of August, 2003 by and between GRIFFON CORPORATION, a Delaware corporation (hereinafter the "Company") and HARVEY R. BLAU (hereinafter the "Executive").

W I T N E S S E T H:

WHEREAS, the Company and Executive entered into an Employment Agreement dated as of July 1, 2001 (hereinafter the "Employment Agreement"); and

WHEREAS, the Company and Executive desire to modify said Employment Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Paragraph 2(b) shall be amended and restated as follows, effective as of the date hereof:

   "(b) EMPLOYMENT TERM. The Employment Term shall mean the period commencing as of the date hereof and terminating on December 1, 2009."

2. Except as specifically provided in this Amendment, the Employment Agreement is in all other respects hereby ratified and confirmed without amendment.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first above written.

GRIFFON CORPORATION

By: /s/Robert Balemian

Robert Balemian, President

/s/Harvey R. Blau

Harvey R. Blau

Exhibit 10.2

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT TO EMPLOYMENT AGREEMENT made as of the 8th day of August, 2003 by and between GRIFFON CORPORATION, a Delaware corporation (hereinafter the "Company") and ROBERT BALEMIAN (hereinafter the "Executive").

W I T N E S S E T H:

WHEREAS, the Company and Executive entered into an Employment Agreement dated as of July 1, 2001 (hereinafter the "Employment Agreement"); and

WHEREAS, the Company and Executive desire to modify said Employment Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Paragraph 2(b) shall be amended and restated as follows, effective as of the date hereof:

   "(b) EMPLOYMENT TERM. The Employment Term shall mean the period commencing as of the date hereof and terminating on December 1, 2009."

2. Except as specifically provided in this Amendment, the Employment Agreement is in all other respects hereby ratified and confirmed without amendment.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day year first above written.

GRIFFON CORPORATION

By: /s/Harvey R. Blau

Harvey R. Blau, Chairman of the Board

/s/Robert Balemian

Robert Balemian

Exhibit 31.1

CERTIFICATION

I, Harvey R. Blau, Chairman of the Board and Chief Executive Officer of Griffon Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Griffon Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2003

By/s/Harvey R. Blau

Harvey R. Blau
Chairman of the Board and
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Robert Balemian, President and Chief Financial Officer of Griffon Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Griffon Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2003

By/s/Robert Balemian

Robert Balemian
President and Chief Financial Officer
(principal financial officer)

Exhibit 32

CERTIFICATIONS PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Harvey R. Blau, Chief Executive Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended June 30, 2003 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Harvey R. Blau

Name: Harvey R. Blau

Date: August 8, 2003

I, Robert Balemian, Chief Financial Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended June 30, 2003 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Robert Balemian

Name: Robert Balemian

Date: August 8, 2003

These certifications are being furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and, except to the extent required by the Sarbanes-Oxley Act, shall not be deemed to be filed as part of the periodic report described herein nor shall they be deemed filed by Griffon Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906 has been provided to Griffon Corporation and will be retained by Griffon Corporation and furnished to the Securities and Exchange Commission or its staff upon request.