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 March 31, 1998

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. 30,701,785 shares of Common Stock as of April 30, 1998.

FORM 10-Q

CONTENTS

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 1998 (Unaudited)	September 30, 1997 (Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,081,000	$ 15,414,000
Marketable securities	383,000	1,379,000
Accounts receivable, less allowance for doubtful accounts	101,264,000	105,050,000
Contract costs and recognized income not yet billed	41,668,000	40,465,000
Inventories (Note 2)	89,640,000	88,123,000
Prepaid expenses and other current assets	20,032,000	13,676,000
Total current assets	258,068,000	264,107,000
PROPERTY, PLANT AND EQUIPMENT at cost, less accumulated depreciation and amortization of $59,575,000 at March 31, 1998 and $53,673,000 at September 30, 1997	90,268,000	77,080,000
OTHER ASSETS	45,668,000	43,572,000
	$394,004,000	$384,759,000

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

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 1998	September 30, 1997

	(Unaudited)	(Note 1)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts and notes payable	$ 58,915,000	$ 52,612,000
Other current liabilities	58,575,000	76,488,000
Total current liabilities	117,490,000	129,100,000
LONG-TERM DEBT AND OTHER LIABILITIES (Note 4)	61,786,000	53,854,000
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 31,399,250 shares at March 31, 1998 and 31,278,830 shares at September 30, 1997, and 671,900 shares and 603,700 shares in treasury at March 31, 1998 and September 30, 1997, respectively	7,850,000	7,820,000
Other shareholders' equity	206,878,000	193,985,000
Total shareholders' equity	214,728,000	201,805,000
	$394,004,000	$384,759,000

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

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	THREE MONTHS ENDED MARCH 31,	
	1998	1997
Net sales	$199,859,000	$160,807,000
Cost of sales	151,098,000	120,520,000
Gross profit	48,761,000	40,287,000
Selling, general and administrative expenses	42,686,000	33,010,000
Income from operations	6,075,000	7,277,000
Other income (expense):		
Interest expense	(1,044,000)	(704,000)
Interest income	116,000	304,000
Other, net	(198,000)	80,000
	(1,126,000)	(320,000)
Income before income taxes	4,949,000	6,957,000
Provision for income taxes:		
Federal	1,303,000	2,148,000
State and other	528,000	426,000
	1,831,000	2,574,000

Net income	$ 3,118,000	$ 4,383,000
Net income per share of common stock (Note 3):		
Basic	$ .10	$ .15
Diluted	$ .10	$ .14

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

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	SIX MONTHS ENDED MARCH 31, 1998	1997
Net sales	$428,890,000	$342,551,000
Cost of sales	322,206,000	256,281,000
Gross profit	106,684,000	86,270,000
Selling, general and administrative expenses	86,304,000	66,267,000
Income from operations	20,380,000	20,003,000
Other income (expense):		
Interest expense	(2,009,000)	(1,479,000)
Interest income	323,000	627,000
Other, net	(229,000)	134,000
	(1,915,000)	(718,000)
Income before income taxes	18,465,000	19,285,000
Provision for income taxes:		
Federal	5,238,000	6,210,000
State and other	1,594,000	1,172,000
	6,832,000	7,382,000
Net income	$ 11,633,000	$ 11,903,000
Net income per share of common stock (Note 3):		
Basic	$ .38	$ .41
Diluted	$ .37	$ .38

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

GRIFFON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	SIX MONTHS ENDED MARCH 31, 1998	1997

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$11,633,000	$11,903,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,734,000	5,511,000
Provision for losses on accounts receivable	927,000	793,000
Change in assets and liabilities:		
Decrease in accounts receivable and contract costs and recognized income not yet billed	1,840,000	15,824,000
(Increase) decrease in inventories	(1,219,000)	245,000
Increase in prepaid expenses and other assets	(3,826,000)	(920,000)
Decrease in accounts payable and accrued liabilities	(10,905,000)	(16,278,000)
Other changes, net	1,229,000	367,000
Total adjustments	(5,220,000)	5,542,000
Net cash provided by operating activities	6,413,000	17,445,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net decrease in marketable securities	996,000	2,918,000
Acquisition of property, plant and equipment	(19,031,000)	(12,448,000)
Acquired businesses	(733,000)	(2,232,000)
Proceeds from sale of discontinued operation	---	2,771,000
Other, net	(3,801,000)	(112,000)
Net cash used in investing activities	(22,569,000)	(9,103,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury shares	(1,181,000)	(2,402,000)
Proceeds from issuance of long-term debt	7,000,000	1,282,000
Payment of long-term debt	(814,000)	(3,260,000)
Decrease in short-term borrowings	(249,000)	(2,605,000)
Other, net	1,067,000	(383,000)
Net cash provided by (used in) financing activities	5,823,000	(7,368,000)
NET INCREASE (DECREASE)IN CASH AND CASH EQUIVALENTS	(10,333,000)	974,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,414,000	17,846,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 5,081,000	$18,820,000

<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. 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 six month periods ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ended September 30, 1998. The balance sheet at September 30, 1997 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, 1997.

(2) Inventories -

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

	March 31, 1998	September 30, 1997
Finished goods	$48,902,000	$43,722,000
Work in process	20,325,000	21,228,000
Raw materials and supplies	20,413,000	23,173,000
	$89,640,000	$88,123,000

(3) Net Income Per Share -

Statement of Financial Accounting Standards No. 128, "Earnings per Share" which became 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 have been restated under the new standard.

The following table sets forth the computation of basic and diluted net income per share:

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1997	SIX MONTHS ENDED MARCH 31, 1998	SIX MONTHS ENDED MARCH 31, 1997
Numerator:				
Net Income	$ 3,118,000	$4,383,000	$ 11,633,000	$11,903,000
Preferred Stock dividends	---	91,000	---	(7,000)
Numerator for basic net income per share -- income available to common stockholders	3,118,000	4,474,000	11,633,000	11,896,000
Effect of dilutive securities:				
Preferred Stock dividends	---	(91,000)	---	7,000
Numerator for diluted net income per share -- income available to common stockholders after assumed conversions	$ 3,118,000	$4,383,000	$ 11,633,000	$11,903,000
Denominator:				
Denominator for basic net income per share -- weighted average shares	30,498,000	29,332,000	30,488,000	29,120,000
Effect of dilutive securities:				
Convertible Preferred Stock	---	963,000	---	1,284,000
Employee stock options and other	1,014,000	1,000,000	972,000	863,000
Dilutive potential common shares	1,014,000	1,963,000	972,000	2,147,000
Denominator for diluted net income per share -- adjusted weighted average shares and assumed conversions	31,512,000	31,295,000	31,460,000	31,267,000

(4) Long-term Debt and Other Liabilities -

In April 1998 the specialty plastic films' joint venture entered into a credit agreement with a German bank to finance new production lines. The agreement provides for borrowings of approximately $28 million and bears interest based upon LIBOR. Existing joint venture borrowings of approximately $7 million at March 31, 1998 were refinanced under the agreement.

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

RESULTS OF OPERATIONS

Three Months Ended March 31, 1998

Net sales were $199.9 million for the three-month period ended March 31, 1998, an increase of $39.1 million or 24.3% over last year.

Net sales of the building products business were $123.5 million, an increase of $32.1 million or 35.1% over last year. Net sales of acquired companies accounted for $22.5 million of the increase with higher garage door unit sales ($5.4 million) due to continued strong demand in construction and related retail markets and internal growth in the service business ($4.2 million) accounting for the remainder of the increase. Net sales of the specialty plastic films business were $36.2 million compared to $40.7 million last year. The decrease was primarily due to delays in the anticipated start up of new programs in the infant diaper market. Net sales of the electronic information and communication systems business were $40.2 million, an increase of $11.4 million or 39.8% due to new programs and increased funding on existing programs.

Income from operations for the three-month period ended March 31, 1998 was $6.1 million compared to $7.3 million last year. Operating income of the building products business, in what has historically been its weakest quarter, increased approximately $.8 million compared to last year. The effect of the sales growth was offset in part by higher costs for hardware and packaging, increased operating expenses associated with new distribution centers and certain manufacturing inefficiencies related to production of commercial doors. Recent acquisitions have increased the number of production facilities in the building products segment. Consequently, the company is reviewing its manufacturing structure with a view towards consolidating operations and expects to complete the review and implement related decisions in fiscal 1998. Operating income of the specialty plastic films segment declined by $2.2 million for the quarter compared to last year. Profitability in this segment declined due to the sales decrease and price competition in the commodity end of the segment's business. Operating income of the electronic information and communication systems business for the quarter increased by approximately $.2 million compared to the prior year. The effect of the increased sales was partly offset by lower margins on certain development contracts that are nearing completion.

Interest expense, net for the three months ended March 31, 1998 increased by $.5 million compared to the prior year due to higher outstanding borrowings in connection with an acquisition made in the fourth quarter of fiscal 1997.

Six Months Ended March 31, 1998

Net sales were $428.9 million for the six-month period ended March 31, 1998, an increase of $86.3 million or 25.2% over last year.

Net sales of the building products business were $277.1 million, an increase of $69.5 million or 33.5% over last year, primarily due to acquired businesses ($47 million), higher garage door unit sales ($10 million), and the service business' internal growth ($10 million). Net sales of the specialty plastic films business were $75.8 million compared to $79.7 million last year. The sales decrease, which occurred in the second quarter, was primarily due to delays in the anticipated start up of new programs in the infant diaper market. Net sales of the electronic information and communication systems business were $76.1 million, an increase of $20.8 million or 37.7% compared to last year, principally due to new programs and increased funding levels on existing programs.

Income from operations for the six-month period ended March 31, 1998 was $20.4 million, an increase of $.4 million compared to last year. Operating income of the building products business increased approximately $1.3 million compared to last year, for the reasons discussed above. Operating income of the specialty plastic films business decreased by $1.8 million compared to last year, with such reduction occurring in the second quarter, due to the reasons discussed above. Operating income of the electronic information and communication systems business increased by $.9 million due to the higher sales, partly offset by lower margins on certain development contracts that are nearing completion.

Interest expense, net for the six months ended March 31, 1998 increased by $.8 million compared to the prior year due to higher outstanding borrowings in connection with an acquisition made in the fourth quarter of fiscal 1997.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow provided by operations for the six months was $6.4 million, and working capital was $140.6 million at March 31, 1998.

Programs to upgrade and enhance the company's strategic business systems were previously initiated in order to replace aging technologies and provide the infrastructure to support growth in each of our business segments. In addition to other benefits that are anticipated from these upgrades and enhancements, the new systems are designed to be Year 2000 compliant. The implementation of this new technology has already begun, and is planned to be completed in stages over the next two years. During the six months the company had fixed asset additions of $19 million, including approximately $5 million in connection with such upgrades and enhancements and construction and equipment costs of approximately $6 million for its 60%-owned specialty plastic films joint venture in Germany to expand production capacity in connection with a multi-year contract with the specialty plastic films segment's major customer.

In April 1998 the specialty plastic films' joint venture entered into a credit agreement with a German bank to finance new production lines. The agreement provides for borrowings of approximately $28 million and bears interest based upon LIBOR. Existing joint venture borrowings of approximately $7 million at March 31, 1998 were refinanced under the agreement.

During the six months $1.2 million was used to acquire approximately 74,000 shares of Common Stock.

Anticipated cash flows from operations, together with existing cash and marketable securities, 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.

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

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

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
(Principal Financial Officer)

Date: May 4, 1998

<ARTICLE> 5
<LEGEND>
The schedule contains summary financial information extracted from the condensed consolidated financial statements for the period ended March 31, 1998 and is qualified in its entirety by reference to such statements.
</LEGEND>

<PERIOD-TYPE>	6-MOS	
<FISCAL-YEAR-END>		SEP-30-1998
<PERIOD-END>		MAR-31-1998
<CASH>		5,081,000
<SECURITIES>		383,000
<RECEIVABLES>		150,425,000
<ALLOWANCES>		7,493,000
<INVENTORY>		89,640,000
<CURRENT-ASSETS>		258,068,000
<PP&E>		149,843,000
<DEPRECIATION>		59,575,000
<TOTAL-ASSETS>		394,004,000
<CURRENT-LIABILITIES>		117,490,000
<BONDS>		59,499,000
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		7,850,000
<OTHER-SE>		206,878,000
<TOTAL-LIABILITY-AND-EQUITY>		394,004,000
<SALES>		428,890,000
<TOTAL-REVENUES>		428,890,000
<CGS>		322,206,000
<TOTAL-COSTS>		322,206,000
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		927,000
<INTEREST-EXPENSE>		2,009,000
<INCOME-PRETAX>		18,465,000
<INCOME-TAX>		6,832,000
<INCOME-CONTINUING>		11,633,000
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		11,633,000
<EPS-PRIMARY>		.38
<EPS-DILUTED>		.37