

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 3, 2006**

GRIFFON CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-6620
(Commission
File Number)

11-1893410
(I.R.S. Employer
Identification Number)

100 Jericho Quadrangle
Jericho, New York
(Address of Principal Executive Offices)

11753
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On November 3, 2006, Griffon Corporation (the "Registrant") issued a press release announcing the Registrant's financial results for the fourth fiscal quarter and year ended September 30, 2006. A copy of the Registrant's press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1. Press Release, dated November 3, 2006

The information filed as an exhibit to this Form 8-K is being furnished in accordance with Item 2.02 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURES

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 hereunto duly authorized.

GRIFFON CORPORATION

By: /s/ Eric P. Edelstein

Eric P. Edelstein

Executive Vice President and
Chief Financial Officer

Date: November 3, 2006

Exhibit Index

99.1. Press release, dated November 3, 2006

**GRIFFON CORPORATION ANNOUNCES FOURTH QUARTER
OPERATING RESULTS AND 2006 FISCAL YEAR RESULTS**

Jericho, New York, November 3, 2006 - Griffon Corporation (NYSE:GFF) today announced operating results for the fourth quarter and fiscal year ended September 30, 2006. Net sales for the fourth quarter increased to \$482,834,000 up from \$388,442,000 for the fourth quarter of fiscal 2005. Pretax income for the quarter was \$29,494,000 compared to \$35,358,000 for last year's record fourth quarter. Net income for the current quarter was \$18,439,000 compared to \$22,623,000 for the last quarter of 2005. Diluted earnings per share was \$.60 for the fourth quarter of fiscal 2006 compared to \$.71 in last year's fourth quarter.

The sales increase in the fourth quarter was primarily attributable to the electronic information and communication systems segment (Telephonics), which achieved significant revenue and earnings growth as a result of the Syracuse Research Corporation (SRC) contract. The decline in fourth quarter earnings in the garage doors segment was primarily attributable to a volume decline in dealer sales. The significant decline in fourth quarter earnings in the specialty plastic films segment was primarily attributable to the impact of resin price increases and start-up production inefficiencies.

Net sales for the fiscal year ended September 30, 2006 were \$1,636,580,000 compared to \$1,401,993,000 for fiscal 2005. Pretax income for fiscal 2006 was \$78,698,000 compared to \$78,945,000 last year. Net income for fiscal 2006 was \$51,786,000 compared to last year's earnings of \$48,813,000. Diluted earnings per share was \$1.65 compared to \$1.55 a year earlier.

For the year, the significant increase in operating results for Telephonics was substantially offset by a decline in operating results for the specialty plastic films segment. The increase was attributable to the SRC contract and the decline was primarily attributable to the impact of resin price increases and production inefficiencies. The Company has now received contracts in excess of \$250 million with SRC and these awards are expected to be completed by the third quarter of fiscal 2007.

Cash generated from operations for the year was \$16.3 million which, together with existing cash balances funded capital expenditures of \$42.1 million, the majority of which was for the specialty plastic films and garage doors segments. The company also continued its stock buyback program, using approximately \$19.8 million during the year to acquire approximately 814,000 shares of common stock.

Griffon Corporation -

- is a leading manufacturer and marketer of residential, commercial and industrial garage doors sold to professional installing dealers and major home center retail chains;
- installs and services specialty building products and systems, primarily garage doors, openers, fireplaces and cabinets, for new construction markets through a substantial network of operations located throughout the country;
- is an international leader in the development and production of embossed and laminated specialty plastic films used in the baby diaper, feminine napkin, adult incontinent, surgical and patient care markets; and
- develops and manufactures information and communication systems for government and commercial markets worldwide.

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: All statements other than statements of historical fact included in this release, 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 release, 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, results of integrating acquired businesses into existing operations, competitive factors and pricing pressures for resin and steel, 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 to release publicly any revisions to these forward-looking statements to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

OPERATING HIGHLIGHTS
(IN THOUSANDS)

| PRELIMINARY | For the Three Months Ended September 30, | | For the Years Ended September 30, | |
|--|---|-------------------|--------------------------------------|---------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Net sales: | | | | |
| Garage Doors | \$ 145,990 | \$ 149,027 | \$ 549,701 | \$ 532,348 |
| Installation Services | 88,502 | 84,154 | 338,731 | 300,041 |
| Specialty Plastic Films | 102,085 | 93,686 | 381,373 | 370,158 |
| Electronic Information and Communication Systems | 151,735 | 67,234 | 387,437 | 220,993 |
| Intersegment eliminations | (5,478) | (5,659) | (20,662) | (21,547) |
| | <u>\$ 482,834</u> | <u>\$ 388,442</u> | <u>\$ 1,636,580</u> | <u>\$ 1,401,993</u> |
| Operating income: | | | | |
| Garage Doors | \$ 13,640 | \$ 15,585 | \$ 41,171 | \$ 37,669 |
| Installation Services | 3,021 | 3,976 | 9,238 | 9,135 |
| Specialty Plastic Films | 39 | 10,724 | 15,450 | 31,582 |
| Electronic Information and Communication Systems | 19,221 | 9,366 | 39,609 | 18,117 |
| Segment operating income | 35,921 | 39,651 | 105,468 | 96,503 |
| Unallocated amounts | (4,099) | (2,353) | (18,058) | (15,121) |
| Interest and other, net | (2,328) | (1,940) | (8,712) | (2,437) |
| Income before income taxes | <u>\$ 29,494</u> | <u>\$ 35,358</u> | <u>\$ 78,698</u> | <u>\$ 78,945</u> |

GRIFFON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS)

PRELIMINARY

| | FOR THE THREE MONTHS ENDED | |
|--|----------------------------|------------|
| | SEPTEMBER 30, | |
| | 2006 | 2005 |
| Net sales | \$ 482,834 | \$ 388,442 |
| Cost of sales | 368,780 | 276,018 |
| Gross profit | 114,054 | 112,424 |
| Selling, general and administrative expenses | 82,421 | 75,766 |
| Income from operations | 31,633 | 36,658 |
| Other income (expense): | | |
| Interest expense | (2,777) | (2,498) |
| Interest income | 449 | 558 |
| Other, net | 189 | 640 |
| | (2,139) | (1,300) |
| Income before income taxes | 29,494 | 35,358 |
| Provision for income taxes: | | |
| Federal | 10,008 | 9,410 |
| State and foreign | 1,047 | 3,325 |
| | 11,055 | 12,735 |
| Net income | \$ 18,439 | \$ 22,623 |
| Basic earnings per share of common stock: | \$.62 | \$.74 |
| Diluted earnings per share of common stock: | \$.60 | \$.71 |
| Weighted average number of shares outstanding: | | |
| Basic | 29,897,000 | 30,529,000 |
| Diluted | 30,983,000 | 31,910,000 |

GRIFFON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS)

PRELIMINARY

| | FOR THE YEARS ENDED | |
|--|---------------------|--------------|
| | SEPTEMBER 30, | |
| | 2006 | 2005 |
| Net sales | \$ 1,636,580 | \$ 1,401,993 |
| Cost of sales | 1,234,826 | 1,032,365 |
| Gross profit | 401,754 | 369,628 |
| Selling, general and administrative expenses | 316,696 | 289,527 |
| Income from operations | 85,058 | 80,101 |
| Other income (expense): | | |
| Interest expense | (10,492) | (8,266) |
| Interest income | 1,780 | 2,085 |
| Other, net | 2,352 | 5,025(1) |
| | (6,360) | (1,156) |
| Income before income taxes | 78,698 | 78,945 |
| Provision for income taxes (2): | | |
| Federal | 21,135 | 14,794 |
| State and foreign | 5,777 | 10,923 |
| | 26,912 | 25,717 |
| Income before minority interest | 51,786 | 53,228 |
| Minority interest | - | (4,415) |
| Net income | \$ 51,786 | \$ 48,813 |
| Basic earnings per share of common stock: | \$ 1.73 | \$ 1.64 |
| Diluted earnings per share of common stock: | \$ 1.65 | \$ 1.55 |
| Weighted average number of shares outstanding: | | |
| Basic | 29,968,000 | 29,851,000 |
| Diluted | 31,326,000 | 31,416,000 |

(1) Includes gain of \$3.7 million on sale of land and building.

(2) Was favorably impacted by the reversal of estimated income tax liabilities in connection with closed tax years.

GRIFFON CORPORATION AND SUBSIDIARIESCONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

PRELIMINARY

SEPTEMBER 30,

2006

2005

ASSETS

Current Assets:

| | | |
|---|-------------------|-------------------|
| Cash and cash equivalents | \$ 22,389 | \$ 60,663 |
| Accounts receivable, net | 247,172 | 189,904 |
| Contract costs and recognized income not yet billed | 68,279 | 43,065 |
| Inventories | 165,089 | 148,350 |
| Prepaid expenses and other current assets | 42,075 | 41,227 |
| Total current assets | 545,004 | 483,209 |
| Property, plant and equipment, at cost less depreciation and amortization | 231,975 | 216,900 |
| Goodwill | 99,540 | 96,098 |
| Intangible and other assets | 51,695 | 55,220 |
| | <u>\$ 928,214</u> | <u>\$ 851,427</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

| | | |
|---|----------|-----------|
| Notes payable and current portion of long-term debt | \$ 8,092 | \$ 16,625 |
| Accounts payable | 128,104 | 91,970 |
| Accrued liabilities | 81,672 | 78,849 |
| Income taxes | 18,431 | 22,599 |
| Total current liabilities | 236,299 | 210,043 |

Long-term debt:

| | | |
|--|-------------------|-------------------|
| Convertible subordinated notes | 130,000 | 130,000 |
| Other | 79,228 | 66,540 |
| Other liabilities and deferred credits | 70,242 | 82,890 |
| Shareholders' equity | 412,445 | 361,954 |
| | <u>\$ 928,214</u> | <u>\$ 851,427</u> |

GRIFFON CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

| PRELIMINARY | For the Years Ended | |
|---|---------------------|-----------|
| | September 30, | |
| | 2006 | 2005 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 51,786 | \$ 48,813 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 35,100 | 32,613 |
| Stock based compensation | 1,711 | - |
| Gain on sale of land and building | - | (3,744) |
| Minority interest | - | 4,415 |
| Provision for losses on accounts receivable | 1,792 | 988 |
| Deferred income taxes | (4,012) | (1,740) |
| Change in assets and liabilities: | | |
| Increase in accounts receivable and contract costs and recognized income not yet billed | (79,799) | (24,595) |
| Increase in inventories | (15,624) | (5,718) |
| (Increase) decrease in prepaid expenses and other assets | 722 | (880) |
| Increase in accounts payable, accrued liabilities and income taxes payable, net | 25,090 | 5,644 |
| Other changes, net | (482) | 2,526 |
| Total adjustments | (35,502) | 9,509 |
| Net cash provided by operating activities | 16,284 | 58,322 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisition of property, plant and equipment | (42,107) | (40,000) |
| Proceeds from sale of land and building | - | 6,931 |
| Acquisition of minority interest in subsidiaries | - | (85,928) |
| Acquired businesses | (1,304) | (9,577) |
| (Increase) decrease in equipment lease deposits | (1,988) | 6,856 |
| Net cash used in investing activities | (45,399) | (121,718) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Purchase of shares for treasury | (19,811) | (25,909) |
| Proceeds from issuance of long-term debt | 74,000 | 67,778 |
| Payments of long-term debt | (69,892) | (25,038) |
| Increase (decrease) in short-term borrowings | (398) | 1,045 |
| Exercise of stock options | 2,639 | 20,261 |
| Distributions to minority interests | (354) | (1,362) |
| Tax benefit from exercise of stock options | 4,136 | - |
| Other, net | (179) | - |
| Net cash provided by (used in) financing activities | (9,859) | 36,775 |
| Effect of exchange rate changes on cash and cash equivalents | 700 | (763) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (38,274) | (27,384) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 60,663 | 88,047 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 22,389 | \$ 60,663 |