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, 2001

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 0-22303

GULF ISLAND FABRICATION, INC.
(Exact name of registrant as specified in its charter)

LOUISIANA	72-1147390
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
583 THOMPSON ROAD, HOUMA, LOUISIANA	70363
(Address of principal executive offices)	(Zip Code)

(504) 872-2100
(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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X] NO [ ]

The number of shares of the Registrant's common stock, no par value per share, outstanding at May 10, 2001 was 11,705,216.

GULF ISLAND FABRICATION, INC.

I N D E X

<TABLE>
<CAPTION>

GULF ISLAND FABRICATION, INC.
CONSOLIDATED BALANCE SHEETS

<S>	(Unaudited) March 31, 2001 <C>	December 31, 2000 <C>
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,132	$10,079
Short-term investments	16,252	16,024
Contracts receivable, net	22,442	15,922
Contract retainage	1,470	738
Costs and estimated earnings in excess of billings on uncompleted contracts	3,145	2,419
Prepaid expenses	1,066	1,017
Inventory	1,288	1,347
Total current assets	49,795	47,546
Property, plant and equipment, net	43,087	42,662
Excess of cost over fair value of net assets acquired less accumulated amortization of $ 977,525 and $ 869,225 at March 31, 2001 and December 31, 2000, respectively	5,090	5,198
Other assets	653	656
Total assets	$98,625	$96,062
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,796	$ 2,229
Billings in excess of costs and estimated earnings on uncompleted contracts	4,092	3,608
Accrued employee costs	1,503	1,696
Accrued expenses	2,405	2,446
Income taxes payable	758	392
Total current liabilities	11,554	10,371
Deferred income taxes	4,524	4,425
Total liabilities	16,078	14,796
Shareholders' equity:		
Preferred stock, no par value, 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, no par value, 20,000,000 shares authorized, 11,705,216 and 11,681,500 shares issued and outstanding at March 31, 2001 and December 31, 2000, respectively	4,226	4,195
Additional paid-in capital	36,087	35,755
Retained earnings	42,234	41,316
Total shareholders' equity	82,547	81,266
Total liabilities and shareholders' equity	$98,625	$96,062

</TABLE>

The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<TABLE>
<CAPTION>

<S>	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000
	(in thousands, except per share data)	
	<C>	<C>
Revenue	$27,558	$31,741
Cost of revenue	25,275	29,193
Gross profit	2,283	2,548
General and administrative expenses	1,141	1,124
Operating income	1,142	1,424
Other income (expense):		
Interest expense	(9)	(18)
Interest income	314	319
Other - net	(7)	(57)
	298	244
Income before income taxes	1,440	1,668
Income taxes	522	561
Net income	$ 918	$ 1,107
Per share data:		
Basic earnings per share	$0.08	$0.10
Diluted earnings per share	$0.08	$0.09
Weighted-average shares	11,696	11,638
Effect of dilutive securities: employee stock options	149	67
Adjusted weighted-average shares	11,845	11,705

</TABLE>

The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

<TABLE>
<CAPTION>

<S>	Common Stock Shares	Amount	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
		(in thousands, except share data)			
	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 2001	11,681,500	$4,195	$35,755	$41,316	$81,266
Exercise of stock options	23,716	31	276	-	307
Income tax benefit from exercise of stock options	-	-	56	-	56
Net income	-	-	-	918	918
Balance at March 31, 2001	11,705,216	$4,226	$36,087	$42,234	$82,547

</TABLE>

The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>
<CAPTION>

Three Months Ended
March 31,

	2001	2000
	(in thousands)	
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 918	$ 1,107
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	1,077	1,155
Amortization	108	69
Deferred income taxes	99	232
Changes in operating assets and liabilities:		
Contracts receivable	(6,520)	(2,588)
Contract retainage	(732)	1,248
Costs and estimated earnings in excess of billings on uncompleted contracts	(726)	24
Prepaid expenses, inventory and other assets	10	4
Accounts payable	567	(1,905)
Billings in excess of costs and estimated earnings on uncompleted contracts	484	1,236
Accrued employee costs	(193)	(260)
Accrued expenses	(41)	556
Income taxes payable	366	(170)
Net cash provided by (used in) operating activities	(4,583)	708
Cash flows from investing activities:		
Capital expenditures, net	(1,502)	(172)
Purchase of short-term investments	(228)	(204)
Other	3	(103)
Net cash used in investing activities	(1,727)	(479)
Cash flows from financing activities:		
Proceeds from exercise of stock options	363	1
Net cash provided by financing activities	363	1
Net increase (decrease) in cash and cash equivalents	(5,947)	230
Cash and cash equivalents at beginning of period	10,079	4,535
Cash and cash equivalents at end of period	$ 4,132	$ 4,765
Supplemental cash flow information:		
Interest paid	$ 9	$ 17
Income taxes paid	$ -	$ 500

</TABLE>

The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTH
PERIODS ENDED MARCH 31, 2001 AND 2000

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

Gulf Island Fabrication, Inc. (the "Company"), together with its subsidiaries, is a leading fabricator of offshore drilling and production platforms and other specialized structures used in the development and production of offshore oil and gas reserves. Structures and equipment fabricated by the Company include jackets and deck sections of fixed production platforms; hull and deck sections of floating production platforms (such as tension leg platforms); piles; wellhead protectors; subsea templates; and various production, compressor and utility modules; and offshore living quarters. The Company, located in Houma, Louisiana, also provides services such as offshore interconnect pipe hook-up; inshore marine construction; manufacture and repair of pressure vessels; and steel warehousing and sales. Gulf Island Fabrication, Inc.'s principal markets are concentrated in the offshore regions of the Gulf of Mexico. The consolidated financial statements include the accounts of Gulf Island Fabrication Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The information presented at March 31, 2001 and for the three months ended March 31, 2001 and 2000, is unaudited. In the opinion of the Company's management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring adjustments) that the Company considers necessary for the fair presentation of the Company's financial position at March 31, 2001 and the results of its operations for the three months ended March 31, 2001 and 2000, and its cash flows for the three months ended March 31, 2001 and 2000. The results of operations for the three months ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001.

In the opinion of management, the financial statements included herein 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 accounting principles generally accepted in the United States for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

NOTE 2 - CONTINGENCIES

The Company is one of four defendants in a lawsuit in which the plaintiff claims that the Company improperly installed certain attachments to a jacket that it had fabricated for the plaintiff. The plaintiff, which has recovered most of its out-of-pocket losses from its own insurer, sought to recover from the four defendants the remainder of its claimed out-

of-pocket losses (approximately $1 million) and approximately $65 million for economic losses which it alleges resulted from the delay in oil and gas production that was caused by these events. The trial court has issued a judgement, which has been appealed by the plaintiff, the effect of which has been to prevent plaintiff's recovery of any damages from the defendants, including the Company. In connection with the judgement, the parties have entered into agreements that eliminate the possibility of plaintiff's recovery of any out-of-pocket damages and preserve for appeal only those questions bearing on plaintiff's recovery of its economic losses from delay in production and on defendants' efforts to get a judgement against plaintiff's underwriters for coverage of any potential liability to plaintiff and for attorneys' fees and costs. The Company continues to defend the case vigorously, leaving open the possibility of reasonable settlement. After consultation with legal counsel, the Company does not expect that the ultimate resolution of this matter will have a material adverse effect on the financial position or results of operations of the Company, although no assurances can be given as to the ultimate outcome of the claims.

The Company is subject to other claims arising primarily in the normal conduct of its business. While the outcome of such claims cannot be determined, management does not expect that resolution of these matters will have a material adverse effect on the financial position or results of operations of the Company.

NOTE 3 - NEW ACCOUNTING STANDARD

In June 1998, Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued and is effective for the Company beginning January 1, 2001. SFAS 133, as amended, establishes accounting and reporting standards for recognition and measurement of derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. Management has evaluated the impact of adoption of SFAS 133 and has concluded the adoption of SFAS 133 does not have an impact on its results of operations, financial position or cash flows. The Company currently does not have any derivative instruments or hedging activities.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

The Company's revenue for the three-month period ended March 31, 2001 was $27.6 million, compared to revenue of $31.7 million for the three-month period ended March 31, 2000. The number of projects available in the offshore marine fabrication industry has remained depressed and has caused similar downward pressure on the pricing of those projects.

For the three-month period ended March 31, 2001, gross profit was $2.3 million (8.3% of revenue) compared to gross profit of $2.5 million (8.0% of revenue) for the three-month period ended March 31, 2000. As the Company begins its third year of operating in a market of low volumes and depressed fabrication prices, management is continuously evaluating methods of reducing or maintaining costs at acceptable levels.

The Company's general and administrative expenses remained relatively constant at $1.1 million for the three-month periods ended March 31, 2001 and March 31, 2000. As a percentage of revenue, general and administrative expenses increased to 4.1% from 3.5% of revenue for the three-month periods ended March 31, 2001 and 2000, respectively. This percentage increase was the result of stabilized costs during a period of reduced revenues.

Income generated from investments has been consistent and generated net interest income of $305,000 for the three-month period ended March 31, 2001 compared to $301,000 for the three-month period ended March 31, 2000.

For the three-month period ended March 31, 2001, other expenses were $7,000 compared to $57,000 for the three-month period ended March 31, 2000. These expense items consist primarily of the Company's share of the MinDOC, LLC activities to design and market the MinDOC floating platform concept for deepwater drilling and production.

LIQUIDITY AND CAPITAL RESOURCES

Historically the Company has funded its business activities through funds generated from operations and borrowings under its revolving line of credit. Although net cash used in operating activities was $4.6 million for the three months ended March 31, 2001, working capital increased by $1.1 million to $38.2 million, resulting in a current ratio of 4.3 to 1. Net cash used in investing activities for the three months ended March 31, 2001 was $1.7 million, of which $1.5 million was for the purchase of production machinery and equipment, facility improvements, and $228,000 related to the purchase of short-term investments.

The Company's Revolver currently provides for a revolving line of credit of up to $20.0 million, which bears interest equal to, at the Company's option, the prime lending rate established by Bank One Corporation or LIBOR plus 1.5%. The Revolver matures December 31, 2002 and is secured by a mortgage on the Company's real estate, machinery and equipment and fixtures. The Company pays a fee quarterly of three-sixteenths of one percent per annum on the weighted-average unused portion of the line of credit. The Company is

required to maintain certain covenants, including balance sheet and cash flow ratios. At March 31, 2001, the Company was in compliance in all material respects with these covenants and had no outstanding borrowings under the Revolver.

Capital expenditures for the remaining nine months of 2001 are estimated to be approximately $8.0 million, including improvements to the facilities and various other fabrication machinery and equipment. Management believes that its available funds, cash generated by operating activities and funds available under the Revolver will be sufficient to fund these capital expenditures and its working capital needs. The Company may, however, expand its operations through future acquisitions that may require additional equity or debt financing.

FORWARD-LOOKING STATEMENTS

Statements under "Results of Operations" and " Liquidity and Capital Resources" and other statements in this report and the exhibits hereto that are not statements of historical fact are forward-looking statements. These statements involve risks and uncertainties that include, among others, the timing and extent of changes in the prices of crude oil and natural gas; the timing of new projects and the Company's ability to obtain them; competitive factors in the heavy marine fabrication industry; the Company's ability to successfully complete the testing, production and marketing of the MinDOC and other deep water production systems and to develop and provide financing for such systems that are acceptable to its customers; and the Company's ability to attract and retain qualified production employees at acceptable compensation rates. Changes in these factors could result in changes in the Company's performance and could cause the actual results to differ materially from those expressed in the forward-looking statements.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDING.

For a description of legal proceedings, see Item 3 of Part I of the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

(a) An annual meeting of the registrant's stockholders was held on April 25, 2001.

(c) The following matters were voted upon at such meeting with the results indicated below:

(1) Election of the following nominees for directors.

Thomas E. Fairley
Number of Votes Cast For - 10,741,749
Number of Votes Cast Against or Withheld - 229,784
Number of Abstentions - None
Number of Broker Non-Votes - None

Hugh J. Kelly
Number of Votes Cast For - 10,741,749
Number of Votes Cast Against or Withheld - 229,784
Number of Abstentions - None
Number of Broker Non-Votes - None

(2) Ratification of appointment of Ernst & Young LLP as independent auditors.

Number of Votes Cast For - 10,929,545
Number of Votes Cast Against or Withheld - 15,928
Number of Abstentions - 26,060
Number of Broker Non-Votes - None

ITEM 5. OTHER INFORMATION.

On April 25, 2001 the Company announced its 2001 first quarter earnings and related matters. The press release making this announcement is attached hereto as Exhibit 99.1.

On April 25, 2001 the Company announced the election of a new Chairman of the Board. The press release making this announcement is attached hereto as Exhibit 99.2.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

99.1 Press release issued by the Company on April 25, 2001 announcing its 2001 first quarter earnings and related matters.

99.2 Press release issued by the Company on April 25, 2001 announcing the election of a new Chairman of the Board.

(b) The Company filed no reports on Form 8-K during the quarter for which this report is filed.

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 thereunto duly authorized.

GULF ISLAND FABRICATION, INC.

/s/ Joseph P. Gallagher, III
By:_____________________________
Joseph P. Gallagher, III
Vice President - Finance,
Chief Financial Officer
and Treasurer
(Principal Financial Officer
and Duly Authorized Officer)

Date: May 10, 2001

GULF ISLAND FABRICATION, INC.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
99.1	Press release issued by the Company on April 25, 2001 announcing its 2001 first quarter earnings and related matters.
99.2	Press release issued by the Company on April 25, 2001 announcing the election of a new Chairman of the Board.

EXHIBIT 99.1

NEWS RELEASE

For further information contact:

Kerry J. Chauvin
Chief Executive Officer
(504) 872-2100

Joseph "Duke" Gallagher
Chief Financial Officer
(504) 872-2100

FOR IMMEDIATE RELEASE
WEDNESDAY, APRIL 25, 2001

GULF ISLAND FABRICATION, INC.
REPORTS FIRST QUARTER EARNINGS

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of $918 thousand ($.08 diluted EPS) on revenue of $27.6 million for its first quarter ended March 31, 2001, compared to net income of $1.1 million ($.09 diluted EPS) on revenue of $31.7 million for the first quarter ended March 31, 2000.

At March 31, 2001, the company had a revenue backlog of $40.7 million and a labor backlog of approximately 735 thousand man-hours remaining to work.

SELECTED BALANCE SHEET INFORMATION
(in thousands)

	March 31, 2001	December 31, 2000
Cash and short-term investments	$20,384	$26,103
Total current assets	49,795	47,546
Property, plant and equipment, at cost, net	43,087	42,662
Total assets	98,625	96,062
Total current liabilities	11,554	10,371
Debt	0	0
Shareholders' equity	82,547	81,266
Total liabilities and shareholders' equity	98,625	96,062

Gulf Island Fabrication, Inc., based in Houma, Louisiana, is a leading fabricator of offshore drilling and production platforms, offshore living quarters and other specialized structures used in the development and production of offshore oil and gas reserves. The Company also offers offshore interconnect pipe hook-up, inshore marine construction, manufacture and repair of pressure vessels, steel warehousing and sales.

EXHIBIT 99.1

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(in thousands, except per share data)

<TABLE>
<CAPTION>

	Three Months Ended March 31, 2001	2000
<S>	<C>	<C>
Revenue	$27,558	$31,741
Cost of revenue	25,275	29,193
Gross profit	2,283	2,548
General and administrative expenses	1,141	1,124
Operating income	1,142	1,424
Other income (expense):		
Interest expense	(9)	(18)
Interest income	314	319
Other - net	(7)	(57)
	298	244
Income before income taxes	1,440	1,668
Income taxes	522	561

Net income	$ 918	$ 1,107
Per share data:		
Basic earnings per share	$0.08	$0.10
Diluted earnings per share(1)	$0.08	$0.09
Weighted-average shares	11,696	11,638
Adjusted weighted-average shares(1)	11,845	11,705
Depreciation and amortization included in expense above	$ 1,185	$ 1,224

</TABLE>

(1) The calculation of diluted earnings per share assumes that all stock options are exercised and that the assumed proceeds are used to purchase shares at the average market price for the period.

EXHIBIT 99.2

NEWS RELEASE

For further information contact:

Kerry J. Chauvin	Joseph "Duke" Gallagher
Chief Executive Officer	Chief Financial Officer
(504) 872-2100	(504) 872-2100

FOR IMMEDIATE RELEASE
WEDNESDAY, APRIL 25, 2001

GULF ISLAND FABRICATION, INC. ANNOUNCES NEW CHAIRMAN

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) announces that Mr. Kerry Chauvin, President and C.E.O. was unanimously elected to the additional post of Chairman by the Board of Directors.

Mr. Alden J. "Doc" Laborde, Chairman since 1986 and co-founder of the Company, will remain an active member of the Board and has been elected to the post of Chairman of the Executive Committee.

Mr. Laborde said, "I regret that because of my age, I find it appropriate to give up the position of Chairman of the Board. I am very proud to have served in that capacity and to have been involved with such a wonderful group of employees over a number of years. Gulf Island is a great company with a very promising future, and I hope to continue to participate in the affairs to the extent that my health permits.

I congratulate Kerry Chauvin on his outstanding accomplishments since the founding of the Company in 1985, and applaud the Board's recognition of his ability and qualities of leadership by electing him to the additional post of Chairman of the Board."

Gulf Island Fabrication, Inc., based in Houma, Louisiana, is a leading fabricator of offshore drilling and production platforms, offshore living quarters and other specialized structures used in the development and production of offshore oil and gas reserves. The Company also offers offshore interconnect pipe hook-up, inshore marine construction, manufacture and repair of pressure vessels, steel warehousing and sales.