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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, 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 August 9, 2001 was 11,705,916.

GULF ISLAND FABRICATION, INC

I N D E X

<TABLE>
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GULF ISLAND FABRICATION, INC.

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	(Unaudited) June 30, 2001	December 31, 2000
	(in thousands)	
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,539	$10,079
Short-term investments	16,420	16,024
Contracts receivable, net	30,553	15,922
Contract retainage	1,722	738
Costs and estimated earnings in excess of billings on uncompleted contracts	3,586	2,419
Prepaid expenses	735	1,017
Inventory	1,128	1,347
Total current assets	58,683	47,546
Property, plant and equipment, net	40,932	42,662
Excess of cost over fair value of net assets acquired less accumulated amortization of $1,085,825 and $869,225 at June 30, 2001 and December 31, 2000, respectively	4,982	5,198
Other assets	653	656
Total assets	$105,250	$96,062
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,159	$ 2,229
Billings in excess of costs and estimated earnings on uncompleted contracts	4,740	3,608
Accrued employee costs	2,082	1,696
Accrued expenses	2,833	2,446
Income taxes payable	1,433	

		392
	--------	-------
Total current liabilities	15,247	10,371
Deferred income taxes	4,508	4,425
	--------	-------
Total liabilities	19,755	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, 11,705,916 and 11,681,500 shares issued and outstanding at June 30, 2001 and December 31, 2000, respectively	4,226	4,195
Additional paid-in capital	36,095	35,755
Retained earnings	45,174	41,316
	--------	-------
Total shareholders' equity	85,495	81,266
	--------	-------
Total liability and shareholders' equity	$105,250	$96,062
	========	=======

</TABLE>

The accompanying notes are an integral part of these statements.

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

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
	(in thousands, except per share data)			
<S>	<C>	<C>	<C>	<C>
Revenue	$34,267	$28,380	$61,825	$60,121
Cost of revenue	28,630	25,930	53,905	55,123
Gross profit	5,637	2,450	7,920	4,998
General and administrative expenses	1,202	1,036	2,343	2,160
Operating income	4,435	1,414	5,577	2,838
Other income (expense):				
Interest expense	(9)	11	(18)	(7)
Interest income	265	293	579	612
Other - net	(102)	(44)	(109)	(101)
	154	260	452	504
Income before income taxes	4,589	1,674	6,029	3,342
Income taxes	1,649	646	2,171	1,207
Net income	$ 2,940	$ 1,028	$ 3,858	$ 2,135
Per share data:				
Basic earnings per share	$0.25	$0.09	$0.33	$0.18
Diluted earnings per share	$0.25	$0.09	$0.33	$0.18
Weighted-average shares	11,705	11,664	11,701	11,651
Effect of dilutive securities: employee stock options	97	104	123	89
Adjusted weighted-average shares	11,802	11,768	11,824	11,740

</TABLE>

The accompanying notes are an integral part of these statements.

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

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
		(in thousands, except share data)			
Balance at January 1, 2001	11,681,500	$4,195	$35,755	$41,316	$81,266
Exercise of stock options	24,416	31	281	-	312
Income tax benefit from exercise of stock options	-	-	59	-	59
Net income	-	-	-	3,858	3,858
Balance at June 30, 2001	11,705,916	$4,226	$36,095	$45,174	$85,495

The accompanying notes are an integral part of these statements.

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

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 3,858	$ 2,135
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	2,188	2,261
Amortization	217	138
Deferred income taxes	83	786
Changes in operating assets and liabilities:		
Contracts receivable	(14,631)	(1,246)
Contract retainage	(984)	905
Costs and estimated earnings in excess of billings on uncompleted contracts	(1,167)	2,472
Prepaid expenses, inventory and other assets	501	(141)
Accounts payable	1,930	(1,445)
Billings in excess of costs and estimated earnings on uncompleted contracts	1,132	166
Accrued employee costs	386	1,060
Accrued expenses	386	(149)
Income taxes payable	1,041	(1,253)
Net cash provided by (used in) operating activities	(5,060)	5,689
Cash flows from investing activities:		
Capital expenditures, net	(2,558)	(670)
Proceeds on the sale of property	2,100	-
Purchase of short-term investments	(396)	(4,391)
Other	3	(57)
Net cash used in investing activities	(851)	(5,118)
Cash flows from financing activities:		
Proceeds from exercise of stock options	371	427

Net cash provided by financing activities	371	427
Net increase (decrease) in cash and cash equivalents	(5,540)	998
Cash and cash equivalents at beginning of period	10,079	4,535
Cash and cash equivalents at end of period	$ 4,539	$ 5,533
Supplemental cash flow information:		
Interest paid	$ 18	$ 17
Income taxes paid	$ 810	$ 1,551

</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 AND SIX MONTH
PERIODS ENDED JUNE 30, 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 June 30, 2001 and for the three months and six months ended June 30, 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 June 30, 2001 and the results of its operations for the three months and six months ended June 30, 2001 and 2000, and its cash flows for the six months ended June 30, 2001 and 2000. The results of operations for the three months and six months ended June 30, 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 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Other Intangible Assets", effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives. The Company currently does not have any other intangible assets deemed to have indefinite lives. The Company will apply the new rules on accounting for goodwill beginning in the first quarter of 2002. Application of the nonamortization provisions of the Statement is expected to result in an increase in net income of $433,000 ($0.04 diluted EPS) per year. During 2002, the Company will perform the required impairment tests of goodwill as of January 1, 2002, but has not yet determined what effect these tests will have on the earnings and financial position of the Company.

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 and six-month periods ended June 30, 2001 was $34.3 million and $61.8 million, an increase of 20.7% and 2.8%, respectively, compared to $28.4 million and $60.1 million in revenue for the three-month and six-month periods ended June 30, 2000. Revenue increased as a result of the increase in the volume of direct labor hours applied to contracts in progress accompanied by increased prices available on several short-term contract jobs when comparing the three-month and the six-month periods ended June 30, 2001 to the similar periods of 2000.

The more favorable weather conditions combined with the utilization of labor saving equipment enabled the Company to increase production volumes and profit margins. Also contributing to increased margins were increased product prices and deeper discounts from major suppliers of material and services. Gross profit increased $3.2 million or 131% and $2.9 million or 58% when comparing the three-month and six-month periods ended June 30, 2001 to the comparative periods in 2000. For the three-month and six-month periods ended June 30, 2001, gross profit was $5.6 million (16.5% of revenue) and $7.9 million (12.8% of revenue), compared to $2.5 million (8.6% of revenue) and $5.0 million (8.3% of revenue) of gross profit for the three-month and six-month periods ended June 30, 2000.

The Company's general and administrative expenses were $1.2 million for the three-month period ended June 30, 2001 and $2.3 million for the six-month period ended June 30, 2001. This compares to $1.0 million for the three-month period ended June 30, 2000 and $2.2 million for the six-month period ended June 30, 2000. Although general and administrative expenses increased, the majority of the increases were related to costs that vary with sales volumes, primarily labor-related costs. As a percentage of revenue, general and administrative expenses decreased to 3.5% from 3.7% of revenue for the three-month periods ended June 30, 2001 and 2000, respectively, but increased to 3.8% from 3.6% of revenue for the comparative six-month periods.

The Company had net interest income of $256,000 and $561,000 for the three-month and six-month periods ended June 30, 2001, respectively, compared to $304,000 and $605,000 for the three-month and six-month periods ended June 30, 2000. The current reduction in interest income is the result of cash utilization associated with the increase in production levels for the three-month and six-month periods.

For the three-month period ended June 30, 2001, other-net, represented $102,000 of expenses compared to $44,000 of expenses for the period ended June 30, 2000. For the six-month period ended June 30, 2001, other-net, represented $109,000 of expenses compared to $101,000 of expenses for the six-month period ended June 30, 2000. These expenses 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 $5.1 million for the six-months ended June 30, 2001, working capital increased by $6.3 million to $43.4 million, resulting in a current ratio of 3.8 to 1. Net cash used in investing activities for the six months ended June 30, 2001 was $851,000, which included $2.1 million of proceeds on the sale of property, $2.6 million for the purchase of production machinery and equipment and facility improvements, and $396,000 for the purchase of short-term investments. In June 2001, the Company sold its 13-acre facility located in Harvey, Louisiana, which was previously occupied by Southport, Inc.

The Company's credit agreement currently provides for a revolving line of credit of up to $20.0 million that bears interest equal to, at the Company's option, the prime lending rate established by Bank One Corporation or LIBOR plus 1.5%. The revolving line of credit matures December 31, 2002 and is secured by a mortgage on the Company's real estate, 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 June 30, 2001, the Company was in compliance with these covenants and had no outstanding borrowings under the revolving line of credit.

Capital expenditures for the remaining six months of 2001 are budgeted to be approximately $7.2 million, including improvements to the facilities and various other fabrication equipment. Management believes that its available funds, cash generated by operating activities and funds available under the revolving line of credit 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 PROCEEDINGS.

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 5. OTHER INFORMATION.

On July 2, 2001 the Company announced the scheduled time for the release of its 2001 second quarter earnings and its quarterly conference call. The press release making this announcement is attached hereto as Exhibit 99.1.

On July 25, 2001 the Company announced its 2001 second quarter earnings and related matters. 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 July 2, 2001 announcing the scheduled time for the release of its 2001 second quarter earnings and its quarterly conference call.

99.2 Press release issued by the Company on July 25, 2001 announcing its 2001 second quarter earnings and related matters.

(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: August 9, 2001

GULF ISLAND FABRICATION, INC.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
99.1	Press release issued by the Company on July 2, 2001 announcing the scheduled time for the release of its 2001 second quarter earnings and its quarterly conference call.
99.2	Press release issued by the Company on July 25, 2001 announcing its 2001 second quarter earnings and related matters.

NEWS RELEASE Exhibit 99.1

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
MONDAY, JULY 2, 2001

GULF ISLAND FABRICATION, INC. TO RELEASE EARNINGS AND HOLD QUARTERLY CONFERENCE CALL

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) announced today that it is scheduled to report second quarter earnings during morning market hours on Wednesday, July 25, 2001.

The management of Gulf Island Fabrication, Inc. will hold a conference call on Thursday, July 26, 2001 at 9:00 a.m. CST, 10:00 a.m. EST, to discuss the Company's financial results for the six months ended June 30, 2001.

The call is accessible to the public by telephone. To participate in the conference call, please dial (888) 868-9080 approximately 10 minutes prior to the conference call start time.

If you are unable to participate, a replay of the conference call will be available through Thursday, August 9, 2001 and may be accessed by dialing (877) 519-4471, using the replay PIN# 2698294.

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.

NEWS RELEASE Exhibit 99.2

For further information contact:

Kerry J. Chauvin
Chief Executive Officer
(985) 872-2100

Joseph "Duke" Gallagher
Chief Financial Officer
(985) 872-2100

FOR IMMEDIATE RELEASE
WEDNESDAY, JULY 25, 2001

GULF ISLAND FABRICATION, INC.
REPORTS SECOND QUARTER EARNINGS

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of $2.9 million ($.25 diluted EPS) on revenue of $34.3 million for its second quarter ended June 30, 2001, compared to net income of $1.0 million ($.09 diluted EPS) on revenue of $28.4 million for the second quarter ended June 30, 2000. Net income for the first six months of 2001 was $3.9 million ($.33 diluted EPS) on revenue of $61.8 million, compared to net income of $2.1 million ($.18 diluted EPS) on revenue of $60.1 million for the six months of 2000.

At June 30, 2001, the company had a revenue backlog of $39.8 million and a labor backlog of approximately 720 thousand man-hours remaining to work.

SELECTED BALANCE SHEET INFORMATION
(in thousands)

	June 31, 2001	December 31, 2000
Cash and short-term investments	$ 20,959	$ 26,103
Total current assets	58,683	47,546
Property, plant and equipment, at cost, net	40,932	42,662
Total assets	105,250	96,062
Total current liabilities	15,247	10,371
Debt	0	0
Shareholders' equity	85,495	81,266
Total liabilities and shareholders' equity	105,250	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.

<TABLE>
<CAPTION>

Exhibit 99.2

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

<S>	Three Months Ended June 30, 2001 <C>	Three Months Ended June 30, 2000 <C>	Six Months Ended June 30, 2001 <C>	Six Months Ended June 30, 2000 <C>
Revenue	$ 34,267	$ 28,380	$ 61,825	$ 60,121
Cost of revenue	28,630	25,930	53,905	55,123
Gross profit	5,637	2,450	7,920	4,998
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Operating income	4,435	1,414	5,577	2,838

Other income (expense):

Interest expense	(9)	11	(18)	(7)
Interest income	265	293	579	612
Other - net	(102)	(44)	(109)	(101)
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Income before income taxes	4,589	1,674	6,029	3,342
Income taxes	1,649	646	2,171	1,207
Net income	$ 2,940	$ 1,028	$ 3,858	$ 2,135
Per share data:				
Basic earnings per share	$ 0.25	$ 0.09	$ 0.33	$ 0.18
Diluted earnings per share (1)	$ 0.25	$ 0.09	$ 0.33	$ 0.18
Weighted-average shares	11,705	11,664	11,701	11,651
Adjusted weighted-average shares (1)	11,802	11,768	11,824	11,740
Depreciation and amortization included in expense above	$ 1,220	$ 1,175	$ 2,405	$ 2,399

</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.