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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, 2002

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)

(985) 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 12, 2002 was 11,740,114.

GULF ISLAND FABRICATION, INC.

INDEX

<Table>
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GULF ISLAND FABRICATION, INC.
CONSOLIDATED BALANCE SHEETS

<Table>
<Caption>

<S>	<C> (Unaudited) June 30, 2002	<C> December 31, 2001
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,055	$ 11,274
Short-term investments	24,026	23,758
Contracts receivable, net	31,069	14,231
Contract retainage	787	1,736
Costs and estimated earnings in excess of billings on uncompleted contracts	1,500	1,961
Prepaid expenses	532	1,170
Inventory	1,581	1,331
Total current assets	65,550	55,461
Property, plant and equipment, net	46,177	41,666
Excess of cost over fair value of net assets acquired, net	--	4,765
Other assets	648	646
Total assets	$ 112,375	$ 102,538
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,674	$ 1,660
Billings in excess of costs and estimated earnings on uncompleted contracts	9,417	2,891
Accrued employee costs	2,189	2,012
Accrued expenses	2,611	1,929
Income taxes payable	814	368
Total current liabilities	19,705	8,860
Deferred income taxes	5,004	4,773
Total liabilities	24,709	13,633
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, 11,740,114 and 11,706,864 shares issued and outstanding at June 30, 2002 and December 31, 2001, respectively	4,258	4,227
Additional paid-in capital	36,482	36,101
Retained earnings	46,926	48,577
Total shareholders' equity	87,666	88,905
Total liabilities and shareholders' equity	$ 112,375	$ 102,538

</Table>

The accompanying notes are an integral part of these statements.

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

<Table>
<Caption>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Revenue	$ 33,053	$ 34,267	$ 60,299	$ 61,825
Cost of revenue	29,573	28,630	54,021	53,905
Gross profit	3,480	5,637	6,278	7,920
General and administrative expenses	1,018	1,202	1,926	2,343
Operating income	2,462	4,435	4,352	5,577
Other income (expense):				
Interest expense	(9)	(9)	(18)	(18)
Interest income	168	265	328	579
Other	--	(102)	57	(109)
	159	154	367	452
Income before income taxes	2,621	4,589	4,719	6,029
Income taxes	892	1,649	1,605	2,171
Net income before cumulative effect of change in accounting principle	1,729	2,940	3,114	3,858
Cumulative effect of change in accounting principle (Note 2)	--	--	(4,765)	--
Net income (loss)	$ 1,729	$ 2,940	$ (1,651)	$ 3,858
Per share data:				
Basic earnings (loss) per share:				
Net income before cumulative effect of change in accounting principle	$ 0.15	$ 0.25	$ 0.27	$ 0.33
Cumulative effect of change in accounting principle	--	--	(0.41)	--
Basic earnings (loss) per share	$ 0.15	$ 0.25	$ (0.14)	$ 0.33
Diluted income (loss) per share:				
Net income before cumulative effect of change in accounting principle	$ 0.15	$ 0.25	$ 0.26	$ 0.33
Cumulative effect of change in accounting principle	--	--	(0.40)	--
Diluted earnings (loss) per share	$ 0.15	$ 0.25	$ (0.14)	$ 0.33
Weighted-average shares	11,728	11,705	11,718	11,701
Effect of dilutive securities: employee stock options	126	97	96	123
Adjusted weighted-average shares	11,854	11,802	11,814	11,824

</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, 2002	11,706,864	$ 4,227	$ 36,101	$ 48,577	$ 88,905
Exercise of stock options	33,250	31	284	--	315
Income tax benefit from exercise of stock options	--	--	97	--	97
Net income (loss)	--	--	--	(1,651)	(1,651)
Balance at June 30, 2002	11,740,114	$ 4,258	$ 36,482	$ 46,926	$ 87,666

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, 2002	Six Months Ended June 30, 2001
	(in thousands)	
Cash flows from operating activities:		
Net income (loss)	$ (1,651)	$ 3,858
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,289	2,188
Amortization	--	217
Cumulative effect of change in accounting principle	4,765	--
Deferred income taxes	231	83
Changes in operating assets and liabilities:		
Contracts receivable	(16,838)	(14,631)
Contract retainage	949	(984)
Costs and estimated earnings in excess of billings on uncompleted contracts	461	(1,167)
Prepaid expenses, inventory and other assets	388	501
Accounts payable	3,014	1,930
Billings in excess of costs and estimated earnings on uncompleted contracts	6,526	1,132
Accrued employee costs	682	386
Accrued expenses	177	386
Income taxes payable	543	1,041
Net cash provided by (used in) operating activities	1,536	(5,060)
Cash flows from investing activities:		
Capital expenditures, net	(6,900)	(2,558)
Proceeds on the sale of equipment	100	2,100
Purchase of short-term investments	(268)	(396)
Other	(2)	3

Net cash used in investing activities	(7,070)	(851)
Cash flows from financing activities:		
Proceeds from exercise of stock options	315	371
Net cash provided by financing activities	315	371
Net decrease in cash and cash equivalents	(5,219)	(5,540)
Cash and cash equivalents at beginning of period	11,274	10,079
Cash and cash equivalents at end of period	$ 6,055	$ 4,539
Supplemental cash flow information:		
Interest paid	$ 26	$ 18
Income taxes paid	$ 903	$ 810

</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, 2002 AND 2001

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/or deck sections of floating production platforms (such as TLP's, SPAR's and FPSO's); piles; wellhead protectors; subsea templates; 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. The Company's principal markets are concentrated in the offshore regions of the Gulf of Mexico. The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The information presented at June 30, 2002, and for the three months and six months ended June 30, 2002 and 2001, 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, 2002, and the results of its operations for the three months and six months ended June 30, 2002 and 2001, and its cash flows for the six months ended June 30, 2002 and 2001. The results of operations for the three months and six months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.

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, 2001.

NOTE 2 - NEW ACCOUNTING STANDARD

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No.142 ("SFAS No. 142"), "Goodwill and Other Intangible Assets", which established a new method of testing goodwill for impairment using a fair-value-based approach and eliminated the amortization of goodwill as previously required by Accounting Principles Board ("APB") Opinion 17, "Intangibles". An impairment loss would be recorded if the recorded goodwill exceeds its implied fair value. At December 31, 2001, the Company had goodwill of $4.8 million (net of accumulated amortization of $1.3 million) related to the acquisition of Southport, Inc. ("Southport"). The Company adopted SFAS No. 142 effective January 1, 2002, and completed the required transitional impairment test during the quarter ended March 31, 2002. As a result of the transitional impairment test, the Company

calculated an impairment charge of $4.8 million. The impairment charge was calculated based on fair value using an expected cash flow approach. The Company considered in its expected cash flow projections the continued decline in the demand for, the highly competitive nature of, and the recent bid activity related to the fabrication of living quarters. The transitional impairment charge is reflected as a cumulative effect of change in accounting principle as of January 1, 2002, in the accompanying financial statements.

A reconciliation of reported net income before cumulative effect of change in accounting principle and related earnings per share to the adjusted net income and earnings per share to exclude the prior amortization expense of goodwill is as follows (in thousands, except per share data):

<Table>
<Caption>

	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
<S>	<C>	<C>
Reported net income before cumulative effect of change in accounting principle	$ 3,114	$ 3,858
Add back: Goodwill amortization	--	217
Adjusted net income before cumulative effect of change in accounting principle	$ 3,114	$ 4,075
Basic earnings-per-share		
Reported net income before cumulative effect of change in accounting principle	$ 0.27	$ 0.33
Add back: Goodwill amortization	--	0.02
Adjusted net income before cumulative effect of change in accounting principle	$ 0.27	$ 0.35
Diluted earnings-per-share		
Reported net income before cumulative effect of change in accounting principle	$ 0.26	$ 0.33
Add back: Goodwill amortization	--	0.02
Adjusted net income before cumulative effect of change in accounting principle	$ 0.26	$ 0.35

</Table>

NOTE 3 - INCOME TAX PROVISION

The effective tax rate was 34% for the three-month and six-month periods ended June 30, 2002, compared to the effective rate of 36% for three-month and six-month periods ended June 30, 2001. This reduction in the effective rate was the result of anticipated tax benefits arising from an increase in net income attributable to foreign contracts.

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Goodwill Impairment-Southport Acquisition

In assessing the recoverability of the Company's excess of cost over fair value of the net assets acquired (goodwill) from the Southport acquisition, the Company made assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. Pursuant to SFAS No. 142 the Company adopted the new rules for accounting for goodwill effective January 1, 2002, and completed the required transitional impairment test during the first quarter ended March 31, 2002. As a result of the transitional impairment test, the Company calculated an impairment charge of $4.8 million. The impairment charge was calculated based on fair value using an expected cash flow approach. The Company considered in its expected cash flow projections the continued decline in the demand for, the highly competitive nature of, and the recent bid activity related to the fabrication of living quarters. The transitional impairment charge is reflected as a cumulative effect of change in accounting principle as of January 1, 2002, in the accompanying financial statements.

RESULTS OF OPERATIONS

The Company's revenue for the three-month and six-month periods ended June 30, 2002 was $33.1 million and $60.3 million, a decrease of 3.5% and 2.5%, respectively, compared to $34.3 million and $61.8 million in revenue for the three-month and six-month periods ended June 30, 2001. Although the volume of direct labor hours applied to contracts in progress increased slightly for the three months and remained relatively stable for the six months, the lower pricing of projects available in the market resulted in a decrease in revenue when comparing the three-month and the six-month periods ended June 30, 2002 to the same periods of 2001.

The reduction in project prices combined with less favorable weather conditions and fewer discounts from major suppliers of material and services resulted in decreased profit margins. Gross profit decreased $2.2 million or 38.3% and $1.6 million or 20.7% when comparing the three-month and six-month periods ended June 30, 2002 to the comparative periods in 2001. For the three-month and six-month periods ended June 30, 2002, gross profit was $3.5 million (10.5% of revenue) and $6.3 million (10.4% of revenue), compared to $5.6 million (16.5% of revenue) and $7.9 million (12.8% of revenue) of gross profit for the three-month and six-month periods ended June 30, 2001.

The Company's general and administrative expenses were $1.0 million for the three-month period ended June 30, 2002 and $1.9 million for the six-month period ended June 30, 2002. This compares to $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. As a percentage of revenue, general and administrative expenses decreased to 3.1% from 3.5% of revenue for the three-month periods ended June 30, 2002 and 2001, respectively, and decreased to 3.2% from 3.8% of revenue for

the comparative six-month periods. The decreases were the result of the elimination of the goodwill amortization ($108,000 per quarter), which was effective January 1, 2002. Also contributing to the decrease in general and administrative expenses was a reduction of approximately $50,000, in the second quarter 2002 compared to 2001, and a reimbursement of approximately $70,000, during the first quarter 2002, of legal expenses related to a lawsuit that was settled in 2001.

The Company had net interest income of $159,000 and $310,000 for the three-month and six-month periods ended June 30, 2002, respectively, compared to $256,000 and $561,000 for the three-month and six-month periods ended June 30, 2001. The reduction in interest income was the result of cash utilization associated with the increase in capital expenditure levels for the three-month and six-month periods ended June 30, 2002 compared to those periods ended June 30, 2001. Also, income generated from investments decreased substantially during the three-month and six-month periods ended June 30, 2002, compared to the three-month and six-month periods ended June 30, 2001, due to the sharp decline in interest rates (approximately 38% and 45%, respectively) on short-term investments.

For the three-month period ended June 30, 2002, the Company did not have any Other income or expense. For the six-month period ended June 30, 2002, Other income was $57,000, which was related to the sale of miscellaneous equipment. For the three-month and six-month periods ended June 30, 2001, other expense ($102,000 and $109,000, respectively) consisted primarily of the Company's share of the MinDOC, L.L.C. activities to design and market the MinDOC floating platform concept for deepwater drilling and production. Prior to October 1, 2001, the Company's investment in MinDOC, L.L.C. was accounted for under the equity method of accounting for investments with its share of operating results included in other as an expense in the statements of income. Effective October 1, 2001, the Company's investment in MinDOC, L.L.C. and its operating results were consolidated within the consolidated financial statements of Gulf Island Fabrication, Inc.

LIQUIDITY AND CAPITAL RESOURCES

Historically the Company has funded its business activities primarily through funds generated from operations. The Company also maintains a revolving line of credit ("the Revolver") with a commercial bank but has not drawn on it since December 1998. Net cash provided by operating activities was $1.5 million for the six-months ended June 30, 2002, and working capital was $45.8 million, resulting in a current ratio of 3.3 to 1. Net cash used in investing activities for the six months ended June 30, 2002 was $7.1 million, which included $100,000 of proceeds on the sale of equipment, $6.9 million for capital expenditures, and $268,000 for the purchase of short-term investments. The majority of the capital expenditures for the first six months of 2002 were related to the construction of the new fabrication building scheduled to be completed in the fourth quarter of 2002.

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, 2003, and is secured by a mortgage on the Company's real estate, machinery and equipment, and fixtures. The Company pays a fee on a quarterly basis, of three-sixteenths of one percent per annum on the weighted-average unused portion of the Revolver. At June 30, 2002, there were no borrowings outstanding under the Revolver, but the Company did have

letters of credit outstanding totaling $5.0 million which reduces the unused portion of the Revolver. The Company is required to maintain certain covenants, including balance sheet and cash flow ratios. At June 30, 2002, the Company was in compliance with these covenants.

Capital expenditures for the remaining six months of 2002 are estimated to be approximately $5.4 million, including improvements to the facilities and the purchase of 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 them; 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, 2001.

ITEM 5. OTHER INFORMATION.

On July 10, 2002, the Company announced the scheduled time for the release of its 2002 second quarter earnings and its quarterly conference call. The press release making this announcement is attached hereto as Exhibit 99.1.

On July 24, 2002, the Company announced its 2002 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 10, 2002, announcing the scheduled time for the release of its 2002 second quarter earnings and its quarterly conference call.

99.2 Press release issued by the Company on July 24, 2002, announcing its 2002 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.

By: /s/ Joseph P. Gallagher, III

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

Date: August 12, 2002

GULF ISLAND FABRICATION, INC.

EXHIBIT INDEX

<Table>
<Caption>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
<S>	<C>
99.1	Press release issued by the Company on July 10, 2002, announcing the scheduled time for the release of its 2002 second quarter earnings and its quarterly conference call.
99.2	Press release issued by the Company on July 24, 2002, announcing its 2002 second quarter earnings and related matters.

</Table>

NEWS RELEASE

EXHIBIT 99.1

For further information contact:

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

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

FOR IMMEDIATE RELEASE
WEDNESDAY, JULY 10, 2002

GULF ISLAND FABRICATION, INC. TO ANNOUNCE EARNINGS RESULTS AND QUARTERLY CONFERENCE CALL

Houma, LA--(BUSINESS WIRE)--July 10, 2002--Gulf Island Fabrication, Inc. (NASDAQ: GIFI), will announce 2002 second quarter earnings on Wednesday, July 24, 2002 during morning market hours.

The management of Gulf Island Fabrication, Inc. will hold a conference call on Thursday, July 25, 2002, at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss the Company's financial results for the quarter ended June 30, 2002.

The call is accessible by webcast through CCBN and by dialing the following:

Dial In: 1 - 800-360-9865

Webcast: www.gulfisland.com

Replay of the call is available two hours after the call and ending August 1, 2002 by dialing:

Phone Number: 1-800-428-6051

Replay Passcode: 251461

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, and 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 24, 2002

GULF ISLAND FABRICATION, INC. REPORTS SECOND QUARTER EARNINGS

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of $1.7 million ($.15 diluted EPS) on revenue of $33.1 million for its second quarter ended June 30, 2002, compared to net income of $2.9 million ($.25 diluted EPS) on revenue of $34.3 million for the second quarter ended June 30, 2001. Net income for the first six months of 2002 was $3.1 million ($.27 diluted EPS), before a cumulative effect of change in accounting principle, on revenue of $60.3 million, compared to net income of $3.9 million ($.33 diluted EPS) on revenue of $61.8 million for the first six months of 2001.

Effective January 1, 2002 the Company adopted Statement of Financial Accounting Standards Board No. 142, ("SFAS No. 142"), "Goodwill and Other Intangibles Assets", which resulted in a $4.8 million non-cash charge for the impairment of goodwill, which was recorded as a cumulative effect of change in accounting principle. The recording of this non-cash charge for the impairment of goodwill resulted in a net loss of $1.7 million ($.14 diluted EPS) for the six months ended June 30, 2002.

At June 30, 2002, the company had a revenue backlog of $84.0 million and a labor backlog of approximately 1.3 million man-hours remaining to work.

SELECTED BALANCE SHEET INFORMATION
(in thousands)

<Table>
<Caption>

	June 30, 2002	December 31, 2001
<S>	<C>	<C>
Cash and short-term investments	$ 30,081	$ 35,032
Total current assets	65,550	55,461
Property, plant and equipment, at cost,net	46,177	41,666
Total assets	112,375	102,538
Total current liabilities	19,705	8,860
Debt	0	0
Shareholders' equity (*)	87,666	88,905
Total liabilities and shareholders' equity	112,375	102,538

</Table>

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, and steel warehousing and sales.

(*) Reference to Footnote 1 shown on page 2 (Consolidated Statements of Income).

Exhibit 99.2

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

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	Three Months Ended June 30,		Six Months Ended June 30,	
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Operating income	2,462	4,435	4,352	5,577
Other income (expense):				
Interest expense	(9)	(9)	(18)	(18)
Interest income	168	265	328	579
Other	--	(102)	57	(109)
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Income before income taxes	2,621	4,589	4,719	6,029
Income taxes	892	1,649	1,605	2,171
Net income before cumulative effect of change in accounting principle	1,729	2,940	3,114	3,858
Cumulative effect of change in accounting principle (1)	--	--	(4,765)	--
Net income (loss)	$ 1,729	$ 2,940	$ (1,651)	$ 3,858
Per share data:				
Basic earnings (loss) per share:				
Net income before cumulative effect of change in accounting principle	$ 0.15	$ 0.25	$ 0.27	$ 0.33
Cumulative effect of change in accounting principle (1)	--	--	(0.41)	--
Basic earnings (loss) per share	$ 0.15	$ 0.25	$ (0.14)	$ 0.33
Diluted income (loss) per share: (2)				
Net income before cumulative effect of change in accounting principle	$ 0.15	$ 0.25	$ 0.26	$ 0.33
Cumulative effect of change in accounting principle (1)	--	--	(0.40)	--
Diluted earnings (loss) per share	$ 0.15	$ 0.25	$ (0.14)	$ 0.33
Weighted-average shares	11,728	11,705	11,718	11,701
Effect of dilutive securities: employee stock options	126	97	96	123
Adjusted weighted-average shares (2)	11,854	11,802	11,814	11,824

Depreciation and amortization included in expense above (3)	$ 1,147	$ 1,220	$ 2,289	$ 2,405

</Table>

(1) The Company recorded a $4.8 million non-cash charge for the impairment of goodwill resulting from the adoption of Statement of Financial Accounting Standards Board No.142, "Goodwill and Other Intangible Assets".

(2) 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.

(3) Amortization of $123,000 and $217,000 included in the three months and six months ended June 30, 2001, respectively.