
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2003

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
(State or other jurisdiction of
incorporation or organization)

72-1147390
(I.R.S. Employer
Identification No.)

**583 THOMPSON ROAD,
HOUMA, LOUISIANA**
(Address of principal executive offices)

70363
(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 No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The number of shares of the Registrant's common stock, no par value per share, outstanding at November 6, 2003 was 11,789,118.

[Table of Contents](#)

GULF ISLAND FABRICATION, INC.

I N D E X

	<u>Page</u>
PART I	FINANCIAL INFORMATION
Item 1.	Financial Statements
	Consolidated Balance Sheets at September 30, 2003 (unaudited) and December 31, 2002
	3
	Consolidated Statements of Income for the Three and Nine Months Ended September 30, 2003 and 2002 (unaudited)
	4
	Consolidated Statement of Changes in Shareholders' Equity for the Nine Months Ended September 30, 2003 (unaudited)
	5
	Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2003 and 2002 (unaudited)
	6
	Notes to Consolidated Financial Statements
	7-8
	Independent Accountants' Review Report
	9
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
	10-12
Item 3.	Quantitative and Qualitative Disclosures About Market Risk
	12
Item 4.	Controls and Procedures
	12
PART II	OTHER INFORMATION
Item 1.	Legal Proceedings
	13
Item 5.	Other Information
	13
Item 6.	Exhibits and Reports on Form 8-K
	13
	SIGNATURES
	14
	EXHIBIT INDEX
	E-1

[Table of Contents](#)

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

GULF ISLAND FABRICATION, INC.
CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2003	(Note 1) December 31, 2002
(in thousands)		
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 10,601	\$ 5,667
Short-term investments	8,973	18,783
Contracts receivable, net	47,728	32,131
Contract retainage	3,390	1,842
Costs and estimated earnings in excess of billings on uncompleted contracts	7,268	4,061
Prepaid expenses	1,060	1,118
Inventory	1,905	1,430
Total current assets	80,925	65,032
Property, plant and equipment, net	58,855	47,471
Other assets	647	645
Total assets	\$ 140,427	\$ 113,148
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 7,795	\$ 1,718
Billings in excess of costs and estimated earnings on uncompleted contracts	9,807	4,317
Accrued employee costs	3,844	2,769
Accrued expenses	5,392	3,388
Income taxes payable	2,376	513
Total current liabilities	29,214	12,705
Deferred income taxes	6,032	5,467
Total liabilities	35,246	18,172
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, 11,789,118 and 11,745,414 shares issued and outstanding at September 30, 2003 and December 31, 2002, respectively	4,323	4,266
Additional paid-in capital	37,135	36,561
Retained earnings	63,723	54,149
Total shareholders' equity	105,181	94,976
Total liabilities and shareholders' equity	\$ 140,427	\$ 113,148

The accompanying notes are an integral part of these statements.

[Table of Contents](#)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Revenue	\$ 63,329	\$ 40,255	\$ 147,505	\$ 100,554
Cost of revenue	56,072	33,483	129,630	87,504
Gross profit	7,257	6,772	17,875	13,050
General and administrative expenses	1,234	1,103	3,568	3,029
Operating income	6,023	5,669	14,307	10,021
Other income (expense):				
Interest expense	(7)	(15)	(30)	(32)
Interest income	39	152	170	479
Other	15	1	19	58
	47	138	159	505
Income before income taxes	6,070	5,807	14,466	10,526
Income taxes	2,037	1,974	4,892	3,579
Net income before cumulative effect of change in accounting principle	4,033	3,833	9,574	6,947
Cumulative effect of change in accounting principle	—	—	—	(4,765)
Net income	\$ 4,033	\$ 3,833	\$ 9,574	\$ 2,182
Per share data:				
Basic earnings per share:				
Net income before cumulative effect of change in accounting principle	\$ 0.34	\$ 0.33	\$ 0.81	\$ 0.59
Cumulative effect of change in accounting principle	—	—	—	(0.41)
Basic earnings per share	\$ 0.34	\$ 0.33	\$ 0.81	\$ 0.19
Diluted income per share:				
Net income before cumulative effect of change in accounting principle	\$ 0.34	\$ 0.32	\$ 0.81	\$ 0.59
Cumulative effect of change in accounting principle	—	—	—	(0.40)
Diluted earnings per share	\$ 0.34	\$ 0.32	\$ 0.81	\$ 0.18
Weighted-average shares	11,787	11,744	11,774	11,727
Effect of dilutive securities: employee stock options	100	71	119	87
Adjusted weighted-average shares	11,887	11,815	11,893	11,814

The accompanying notes are an integral part of these statements.

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

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
	Shares	Amount			
	(in thousands, except share data)				
Balance at January 1, 2003	11,745,414	\$ 4,266	\$ 36,561	\$ 54,149	\$ 94,976
Exercise of stock options	43,704	57	503	—	560
Income tax benefit from exercise of stock options	—	—	71	—	71
Net income	—	—	—	9,574	9,574
Balance at September 30, 2003	11,789,118	\$ 4,323	\$ 37,135	\$ 63,723	\$ 105,181

The accompanying notes are an integral part of these statements.

[Table of Contents](#)

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

	Nine Months Ended September 30,	
	2003	2002
	(in thousands)	
Cash flows from operating activities:		
Net income	\$ 9,574	\$ 2,182
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,887	3,439
Cumulative effect of change in accounting principle	—	4,765
Deferred income taxes	565	268
Changes in operating assets and liabilities:		
Contracts receivable	(15,597)	(15,664)
Contract retainage	(1,548)	(123)
Costs and estimated earnings in excess of billings on uncompleted contracts	(3,207)	(247)
Prepaid expenses, inventory and other assets	(417)	185
Accounts payable	6,077	2,967
Billings in excess of costs and estimated earnings on uncompleted contracts	5,490	7,866
Accrued employee costs	1,075	382
Accrued expenses	2,004	609
Income taxes payable	1,934	1,863
Net cash provided by operating activities	9,837	8,492
Cash flows from investing activities:		
Capital expenditures, net	(15,273)	(8,880)
Proceeds from the sale of short-term investments	10,000	—
Purchase of short-term investments	(190)	(419)
Net cash used in investing activities	(5,463)	(9,299)
Cash flows from financing activities:		
Proceeds from exercise of stock options	560	387
Net cash provided by financing activities	560	387
Net increase (decrease) in cash and cash equivalents	4,934	(420)
Cash and cash equivalents at beginning of period	5,667	11,274
Cash and cash equivalents at end of period	\$ 10,601	\$ 10,854
Supplemental cash flow information:		
Interest paid	\$ 23	\$ 26
Income taxes paid	\$ 2,394	\$ 730

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 NINE MONTH
PERIODS ENDED SEPTEMBER 30, 2003 AND 2002

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 accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month and nine-month periods ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ended December 31, 2003.

The balance sheet at December 31, 2002 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles 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, 2002.

NOTE 2 – ACCOUNTING FOR STOCK BASED COMPENSATION

In December 2002, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 148 (“SFAS No. 148”), “Accounting for Stock-Based Compensation – Transition and Disclosure – An Amendment of SFAS No. 123,” which amends SFAS No. 123, “Accounting for Stock-Based Compensation.” SFAS No. 148 provides alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation and amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity’s accounting policy decisions with respect to stock-based employee compensation. Additionally, SFAS No. 148 amends Accounting Principles Board (“APB”) Opinion No. 28, “Interim Financial Reporting,” to require disclosure about those effects in interim financial information.

Table of Contents

The Company elected to continue to apply APB Opinion No. 25 and related interpretations in accounting for its stock option plans. Accordingly, no compensation cost has been recognized for its stock option plans as the exercise price of all stock options granted thereunder is equal to the fair value at the date of grant. Had compensation costs for the Company's stock-based compensation plans been determined based on the fair value at the grant dates for awards under those plans consistent with the method of SFAS No. 123, the Company's net income and net income per share for the nine-months ended September 30, would have been reduced to the pro forma amounts indicated below (in thousands, except per share data):

	<u>2003</u>	<u>2002</u>
Reported net income	\$ 9,574	\$ 2,182
Add back: Stock compensation costs, net of tax included in the determination of net income reported	—	—
Less: Stock compensation costs, net of tax, had option expense been measured at fair value applied to all awards	523	639
Incremental stock option expense per SFAS No. 123 net of tax	(523)	(639)
Pro forma net income	<u>\$ 9,051</u>	<u>\$ 1,543</u>
Weighted-average shares (basic) as reported	11,774	11,727
Adjusted weighted-average shares (diluted) as reported	11,893	11,814
Basic earnings-per-share		
Reported net income	\$ 0.81	\$ 0.19
Pro forma net income	\$ 0.77	\$ 0.13
Diluted earnings-per-share		
Reported net income	\$ 0.81	\$ 0.18
Pro forma net income	\$ 0.76	\$ 0.13

NOTE 3 – ACCOUNTING FOR CONSOLIDATION OF VARIABLE INTEREST ENTITIES

In January 2003, the FASB issued Interpretation No. 46, ("FIN 46") "Consolidation of Variable Interest Entities." FIN 46 requires a company to consolidate a variable interest entity ("VIE"), as defined, when the company will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. FIN 46 also requires consolidation of existing, non-controlled affiliates if the VIE is unable to finance its operations without investor support, or where the other investors do not have exposure to the significant risks and rewards of ownership. FIN 46 applies immediately to a VIE created or acquired after January 31, 2003. For a VIE acquired before February 1, 2003, FIN 46 applies in the first fiscal year or interim period ending after December 15, 2003. The Company has not completed its assessment of the impact of FIN 46, but does not anticipate a material impact on the its results of operations, financial position or cash flows.

Independent Accountants' Review Report

The Board of Directors and Shareholders
Gulf Island Fabrication, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of Gulf Island Fabrication, Inc. and subsidiaries as of September 30, 2003, and the related condensed consolidated statements of income for the three-month and nine-month periods ended September 30, 2003 and 2002, and the condensed consolidated statements of shareholders' equity and cash flows for the nine-month periods ended September 30, 2003 and 2002. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of Gulf Island Fabrication, Inc. and subsidiaries as of December 31, 2002, and the related consolidated statements of income, shareholders' equity and cash flows for the year then ended, not presented herein, and in our report dated January 31, 2003, we expressed an unqualified opinion on those consolidated financial statements. In our opinion the information set forth in the accompanying condensed consolidated balance sheet as of September 30, 2003, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Ernst & Young LLP

New Orleans, Louisiana
November 3, 2003

Item 2. Management's Discussion and Analysis of Financial Condition And Results of Operations.

Critical Accounting Policies and Estimates

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require the Company to make estimates and assumptions (see Note 1 to the consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2002). The Company believes that of its significant accounting policies, the following involve a higher degree of judgement and complexity: revenue recognition and estimating the recoverability of accounts receivable. Critical accounting policies are discussed more fully in the annual report on Form 10-K for the year ended December 31, 2002. There have been no changes in the Company's evaluation of its critical accounting policies since that date.

Results of Operations

The Company's revenue for the three-month and nine-month periods ended September 30, 2003 was \$63.3 million and \$147.5 million, an increase of 57.1% and 46.6%, respectively, compared to \$40.3 million and \$100.6 million in revenue for the three-month and nine-month periods ended September 30, 2002. The increase in revenue for the three-month and nine-month periods ended September 30, 2003 was directly associated with the increase in direct labor hours, 22.7% and 25.9%, respectively, and increased revenue associated with direct material and subcontractor pass-through sales, applied to contracts in progress compared to the three-month and nine-month periods ended September 30, 2002.

Gross profit increased \$500,000 (or 7.4%) and \$4.8 million (or 36.6%) when comparing the three-month and nine-month periods ended September 30, 2003 to the comparable periods in 2002. For the three-month and nine-month periods ended September 30, 2003, gross profit was \$7.3 million (11.5% of revenue) and \$17.9 million (12.1% of revenue), compared to \$6.8 million (16.9% of revenue) and \$13.1 million (13.0% of revenue) of gross profit for the three-month and nine-month periods ended September 30, 2002. Although the volume of direct labor hours applied to contracts in progress for the three-month and nine-month periods ended September 30, 2003 and 2002, respectively, increased, inefficiencies in production hours caused by the reliance on contract labor man-hours resulting from the unfavorable weather conditions during the second and third quarters of the year, combined with a greater amount of pass-through revenue for which no profit is recognized, reduced margins significantly for the three-month and to a lesser degree for the nine-month periods ended September 30, 2003 compared to the same periods ended September 30, 2002.

The Company's general and administrative expenses were \$1.2 million for the three-month period ended September 30, 2003 and \$3.6 million for the nine-month period ended September 30, 2003. This compares to \$1.1 million for the three-month period ended September 30, 2002 and \$3.0 million for the nine-month period ended September 30, 2002. As a percentage of revenue, general and administrative expenses decreased to 1.9% from 2.7% of revenue for the three-month periods ended September 30, 2003 and 2002, respectively, and decreased to 2.4% from 3.0% of revenue for the comparable nine-month periods. The increase in absolute dollar costs for general and administrative expenses primarily resulted from increased salary and wage related costs.

[Table of Contents](#)

The Company had net interest income of \$47,000 and \$159,000 for the three-month and nine-month periods ended September 30, 2003, respectively, compared to \$138,000 and \$505,000 for the three-month and nine-month periods ended September 30, 2002. The reduction in interest income was primarily the result of cash utilization associated with the increase in capital expenditure levels and the lower yields on short-term investments for the three-month and nine-month periods ended September 30, 2003 compared to those periods ended September 30, 2002.

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 with a commercial bank but has not drawn on it since December 1998. Net cash provided by operating activities was \$9.8 million for the nine-months ended September 30, 2003. At September 30, 2003, working capital was \$51.7 million, resulting in a current ratio of 2.8 to 1. Net cash used in investing activities for the nine-months ended September 30, 2003, was \$5.5 million, which included \$15.3 million for capital expenditures, \$190,000 for the purchase of short-term investments and \$10.0 million utilized from short-term investments. The majority of the capital expenditures for the first nine months of 2003 were related to the purchase of two Manitowoc model M2250 cranes (\$6.5 million) and for the costs associated with the construction of a new fabrication building (\$3.0 million) that was completed in the latter part of the second quarter of 2003.

The Company's bank credit facility provides for a revolving line of credit of up to \$20.0 million ("the Revolver"), which bears interest on any borrowings 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, 2004, and is secured by a mortgage on the Company's real estate, machinery and equipment, and fixtures. In addition, 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 September 30, 2003, there were no borrowings outstanding under the Revolver, but the Company did have letters of credit outstanding totaling \$5.1 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 September 30, 2003, the Company was in compliance with these covenants.

Capital expenditures for the remaining three months of 2003 are estimated to be approximately \$2.2 million, which includes the purchase of machinery and equipment and additional yard and facility expansion improvements. 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.

[Table of Contents](#)

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 forward-looking 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 (a deepwater floating, drilling and production concept) 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes from the information included in the Company’s Form 10-K for the year ended December 31, 2002.

Item 4. Controls and Procedures.

The Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of September 30, 2003. The evaluation was carried out under the supervision of and with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer. Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures are effective in timely alerting them to material information relating to the Company, including its consolidated subsidiaries, required to be included in reports the Company files with or submits to the Securities and Exchange Commission under the Securities Exchange Act of 1934. There have been no changes during the fiscal quarter ended September 30, 2003 in the Company’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceeding.

The Company is subject to various routine legal proceedings in the normal conduct of its business primarily involving commercial claims, workers' compensation claims, and claims for personal injury under general maritime laws of the United States and the Jones Act. While the outcome of these lawsuits, legal proceedings and claims cannot be predicted with certainty, management believes that the outcome of any such proceedings, even if determined adversely, would not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Item 5. Other Information.

On October 10, 2003, the Company announced the scheduled time for the release of its 2003 third quarter earnings and its quarterly conference call. The press release making this announcement is attached hereto as Exhibit 99.1.

Item 6. Exhibits and Reports on Form 8-K.

- (a) Exhibits.
 - 31.1 CEO Certifications pursuant to Rule 13a-14 under the Securities Exchange Act of 1934.
 - 31.2 CFO Certifications pursuant to Rule 13a-14 under the Securities Exchange Act of 1934.
 - 32 Section 906 Certification furnished pursuant to 18 U.S.C. Section 1350.
 - 99.1 Press release issued by the Company on October 10, 2003, announcing the scheduled time for the release of its 2003 third quarter earnings and its quarterly conference call.
- (b) Reports on Form 8-K.

On July 24, 2003, the Company filed a report on Form 8-K to furnish its press release announcing its second quarter earnings.

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: November 6, 2003

GULF ISLAND FABRICATION, INC.
EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
31.1	CEO Certifications pursuant to Rule 13a-14 under the Securities Exchange Act of 1934.
31.2	CFO Certifications pursuant to Rule 13a-14 under the Securities Exchange Act of 1934.
32	Section 906 Certification furnished pursuant to 18 U.S.C. Section 1350.
99.1	Press release issued by the Company on October 10, 2003, announcing the scheduled time for the release of its 2003 third quarter earnings and its quarterly conference call.

Certifications

I, Kerry J. Chauvin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gulf Island Fabrication, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

-
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2003

/s/ Kerry J. Chauvin

Kerry J. Chauvin
President and Chief Executive Officer

* * * * *

Certifications

I, Joseph P. Gallagher, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gulf Island Fabrication, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

-
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2003

/s/ Joseph P. Gallagher, III

Joseph P. Gallagher, III
Chief Financial Officer

* * * * *

Certification Furnished Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Gulf Island Fabrication, Inc. (the "Company") for the period ended September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, who are the Chief Executive Officer and Chief Financial Officer of the Company, certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period covered by the Report.

By: /s/ Kerry J. Chauvin

Kerry J. Chauvin
Chief Executive Officer
November 6, 2003

By: /s/ Joseph P. Gallagher, III

Joseph P. Gallagher, III
Chief Financial Officer
November 6, 2003

A signed original of this written statement required by Section 906 has been provided to Gulf Island Fabrication, Inc. and will be retained by Gulf Island Fabrication, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

NEWS RELEASE

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
FRIDAY, OCTOBER 10, 2003**

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

Houma, LA — (BUSINESS WIRE) — October 10, 2003—Gulf Island Fabrication, Inc. (NASDAQ: GIF1), will announce 2003 third quarter earnings on Wednesday, October 22, 2003 during morning market hours.

The management of Gulf Island Fabrication, Inc. will hold a conference call on Thursday, October 23, 2003, at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss the Company's financial results for the quarter ended September 30, 2003.

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

Dial In: 1.800.838.4403
Webcast: www.gulfisland.com

A digital rebroadcast of the call is available two hours after the call and ending October 31, 2003 by dialing:

Phone Number: 1.800.428.6051
Replay Passcode: 307051

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.