Synalloy CORPORATION

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NEWS RELEASE

FOR IMMEDIATE RELEASE

Synalloy Corporation Announces Third Quarter Results

Spartanburg, South Carolina, October 20, 2008...Synalloy Corporation (Nasdaq:SYNL), a producer of specialty chemicals, pigments, stainless steel pipe, vessels and process equipment, announces for the third quarter of 2008 earnings of $1,242,000, or $.20 per share, on sales of $45,092,000. This compares to net earnings of $2,260,000, or $.36 per share on sales of $51,515,000 in 2007's third quarter. Net earnings for the first 9 months of 2008 were $6,496,000, or $1.03 per share, on sales of $148,987,000, compared to net earnings of $8,980,000, or $1.42 per share, on sales of $139,854,000 in the first 9 months of 2007.

Specialty Chemicals Segment

The Specialty Chemicals Segment continued its top line growth with sales up 7% in the quarter and 16% in the nine months over the same periods last year. The increases in revenues came primarily from several new products that were added late in 2007 together with increased selling prices of our basic chemical products to pass on higher energy-related costs, partially offset by lower pigment sales. The decline in operating income for the quarter and first 9 months was caused by several factors. Last year the third quarter was the most profitable of 2007 with operating income equal to 40% of the year's total. This year the contract tolling business had a change in the mix of projects in the quarter that generated lower revenues as well as lower gross margins. The Segment was not able to raise prices sufficiently to cover rapidly increasing raw material and energy related costs in the quarter. Finally, pigment products gross profits were down significantly because of weak demand and highly competitive conditions. However, despite these factors, operating income for the third quarter increased compared to the second and first quarters of 2008.

Metals Segment

The sales decline for the quarter resulted from a 5% decrease in average selling prices coupled with a 17% decline in unit volumes compared to the third quarter of 2007. These decreases came from a change in product mix as unit volumes of lower priced commodity pipe increased while higher priced non-commodity pipe and piping systems volumes declined. Commodity pipe unit volumes in each of the second and third quarters of 2008 more than doubled the extremely depressed level generated in the first quarter of 2008. This increase in commodity volumes reflects the apparent benefit that the unfair-trade case, filed in January 2008 by U.S. producers of stainless steel pipe and the United Steelworkers Union against China, had on imports over the last 6 months. The increase in sales for the 9 months resulted from an increase in average selling prices of 23%, partially offset by a 17% decline in unit volumes compared to the same period last year. The decline in operating income in the quarter and nine months was partially the result of significant profits experienced in the 2007 periods from rising prices of stainless steel that led to increased profits under our FIFO inventory method, compared to the reverse in 2008 when losses have resulted from modestly declining prices. Also affecting the third quarter of 2008 compared to the same period last year were lower results from the piping systems business which can have significant variations quarter to quarter because of customer delivery requirements and the types of products being produced.

Other Items

The decrease in interest expense in the third quarter and first 9 months of 2008 compared to the same periods last year came from a reduction in the interest rate and our average borrowings during the period.

Outlook

The Specialty Chemicals Segment revenues and profits have grown sequentially in the second and third quarters of 2008. Management is hopeful that this favorable trend will continue, reflecting their efforts to generate new products, improve existing products, and compete in markets not as susceptible to foreign imports. However, we are experiencing significant price increases from our raw material suppliers and it may not be possible to increase our selling prices to match these increases in raw material as well as higher energy-related costs. Although Management is confident it is positioned to compete effectively, these factors together with the uncertainty of the domestic economy, add uncertainty to future performance.

As a result of the significant increases in stainless steel pipe imported from China, the Metals Segment along with 3 other U.S. producers of stainless steel pipe and the United Steelworkers Union filed an unfair-trade case against China on January 30, 2008. It is the third case involving pipe and tube imports from China filed since early 2007. So far, the U.S. Department of Commerce's ("DOC") findings have supported petitioners in the previous cases, although the U.S. International Trade Commission ("ITC") has yet to weigh in with final injury determinations on stainless steel pipe. On March 14, 2008, the ITC determined that there is a reasonable indication that our industry is materially injured or threatened with material injury by reason of imports of welded stainless steel pressure pipe from China that are allegedly subsidized and sold in the United States at less than fair value. As a result of the ITC's affirmative determinations, the DOC will continue to conduct its investigations of imports of welded stainless steel pressure pipe from China. At the end of June 2008, the DOC issued preliminary countervailing duties, and on August 28, 2008, it announced the preliminary determination of anti-dumping duties. These duties range from 22% to 128% on imported stainless steel welded pipe smaller than 16 inches from China. Management believes China is exporting pipe from excess capacity at dumped and subsidized prices into the US market. As discussed above, based on the second and third quarter's activity, we believe the actions by the ITC and the DOC have already reduced import activity and have had a positive influence on pricing and demand for domestic producers.This is encouraging but until this trade case is finalized it will add uncertainty to the future results from commodity pipe. This positive impact on commodity pipe volumes has been offset somewhat by falling stainless steel prices which, along with the uncertainty of the economy, have caused distributors to limit stocking of inventories. The impact from the current economic situation both domestically and world-wide coupled with the volume declines in our piping systems business experienced in the third quarter, makes it difficult to predict the performance of this Segment for the fourth quarter of 2008. However, management continues to be optimistic about the piping systems business over the long-term based on our current bidding activity for projects and our strong backlog, with over 90% of the backlog coming from energy and water and wastewater treatment projects.

For more information about Synalloy Corporation, please visit our web site at www.synalloy.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This press release includes and incorporates by reference "forward-looking statements" within the meaning of the securities laws. All statements that are not historical facts are "forward-looking statements." The words "estimate," "project," "intend," "expect," "believe," "anticipate," "plan" and similar expressions identify forward-looking statements. The forward-looking statements are subject to certain risks and uncertainties, including without limitation those identified below, which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements. The following factors could cause actual results to differ materially from historical results or those anticipated: adverse economic conditions, the impact of competitive products and pricing, product demand and acceptance risks, raw material and other increased costs, customer delays or difficulties in the production of products, unavailability of debt financing on acceptable terms and exposure to increased market interest rate risk, inability to comply with covenants and ratios required by our debt financing arrangements and other risks detailed from time-to-time in Synalloy's Securities and Exchange Commission filings. Synalloy Corporation assumes no obligation to update the information included in this press release.

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SYNALLOY CORPORATION COMPARATIVE ANALYSIS

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	Sep 27, 2008	Sep 29, 2007	Sep 27, 2008	Sep 29, 2007
Net sales				
Specialty Chemicals Segment	$ 15,990,000	$ 14,982,000	$ 45,318,000	$ 39,045,000
Metals Segment	29,102,000	36,533,000	103,669,000	100,809,000
	$ 45,092,000	$ 51,515,000	$ 148,987,000	$ 139,854,000
Operating income				
Specialty Chemicals Segment	$ 744,000	$ 1,106,000	$ 1,919,000	$ 2,239,000
Metals Segment	1,858,000	3,477,000	10,522,000	14,451,000
	2,602,000	4,583,000	12,441,000	16,690,000
Unallocated expenses				
Corporate	569,000	648,000	2,097,000	2,109,000
Interest and debt expense	148,000	364,000	501,000	835,000
Other income	(2,000)	-	(6,000)	(2,000)
Income before income taxes	1,887,000	3,571,000	9,849,000	13,748,000
Provision for income taxes	645,000	1,311,000	3,353,000	4,768,000
Net income	$ 1,242,000	$ 2,260,000	$ 6,496,000	$ 8,980,000
Net income				
Per basic common share	$.20	$.36	$1.04	$1.45
Per diluted common share	$.20	$.36	$1.03	$1.42
Average shares outstanding				
Basic	6,247,534	6,236,263	6,244,121	6,203,083
Diluted	6,296,555	6,347,252	6,290,389	6,315,774
Backlog-Piping Systems & Process Equipment			$ 38,700,000	$ 66,800,000

Balance Sheet	Sep 27, 2008	Dec 29, 2007
Assets		
Cash and sundry current assets	$ 2,896,000	$ 2,745,000
Accounts receivable, net	26,240,000	19,888,000
Inventories	52,772,000	48,801,000
Total current assets	81,908,000	71,434,000
Property, plant and equipment, net	21,798,000	20,859,000
Other assets	4,331,000	4,328,000
Total assets	$ 108,037,000	$ 96,621,000
Liabilities and shareholders' equity		
Current portion of long-term debt	$ 467,000	$ 467,000
Accounts payable	18,397,000	13,029,000
Accrued expenses	9,546,000	11,240,000
Total current liabilities	28,410,000	24,736,000
Long-term debt	12,776,000	10,246,000
Other long-term liabilities	3,526,000	3,499,000
Shareholders' equity	63,325,000	58,140,000
Total liabilities & shareholders' equity	$ 108,037,000	$ 96,621,000