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 July 3, 2004

[ ] 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 0-19687

SYNALLOY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**57-0426694**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification Number)*
2155 West Croft Circle Spartanburg, South Carolina	**29302**
(Address of principal executive offices)	*(Zip code)*

(864) 585-3605
(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 ___ .

Indicate by check mark whether the registrant is an accelerated filer as defined in Rule 12b-2 of the Exchange Act. Yes____ No x

The number of shares outstanding of the registrant's common stock as of July 3, 2004 was 6,014,764.

Synalloy Corporation

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PART I

Item 1. FINANCIAL STATEMENTS

Synalloy Corporation

Condensed Consolidated Balance Sheets

	Jul 3, 2004	Jan 3, 2004
	(Unaudited)	*(Note)*
Assets		
Current assets		
Cash and cash equivalents	$ 3,005	$ 2,110
Accounts receivable, less allowance		
for doubtful accounts	17,168,044	15,545,238
Inventories		
Raw materials	11,435,219	10,504,072
Work-in-process	5,518,324	4,641,392
Finished goods	10,606,404	8,973,810
	----------------	----------------
Total inventories	27,559,947	24,119,274
Note Receivable	666,667	-
Deferred income taxes	172,000	172,000
Prepaid expenses and other current assets	432,099	346,736
	----------------	----------------
Total current assets	46,001,762	40,185,358
Cash value of life insurance	2,497,457	2,467,457
Property, plant & equipment, net of accumulated		
depreciation of $38,399,000 and $36,961,000	19,008,671	19,563,499
Deferred charges and other assets	2,614,558	2,708,720
	----------------	----------------
Total assets	$ 70,122,448	$ 64,925,034
	=========	=========
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	$ 11,378,564	$ 8,448,757
Accrued expenses	3,305,974	2,374,062
Current portion of environmental reserves	547,278	656,254

Total current liabilities		15,231,816		11,479,073
Long-term debt, less current portion		18,581,565		18,761,415
Environmental reserves		-		188,249
Deferred compensation		544,850		543,975
Deferred income taxes		1,925,307		1,396,000
Shareholders' equity				
Common stock, par value $1 per share - authorized				
12,000,000 shares; issued 8,000,000 shares		8,000,000		8,000,000
Retained earnings		42,502,717		41,433,837
Less cost of Common Stock in treasury:				
1,985,236 and 2,010,696 shares, respectively		(16,663,807)		(16,877,515)
Total shareholders' equity		33,838,910		32,556,322
Total liabilities and shareholders' equity	$	70,122,448	$	64,925,034

Note: The balance sheet at January 3, 2004 has been derived from the audited consolidated financial statements at that date.

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation

Condensed Consolidated Statements of Operations

(Unaudited)	**Three Months Ended**		**Six Months Ended**	
	Jul 3, 2004	**Jun 28, 2003**	**Jul 3, 2004**	**Jun 28, 2003**
Net sales	$ 30,494,733	$ 24,155,029	$ 63,976,640	$ 44,453,599
Cost of sales	26,279,718	21,072,671	54,789,481	39,196,949
Gross profit	4,215,015	3,082,358	9,187,159	5,256,650
Selling, general and administrative expense	3,235,798	2,564,432	6,874,176	5,028,162
Operating income	979,217	517,926	2,312,983	228,488

Other (income) and expense				
Interest expense	300,208	236,130	611,490	482,426
Other, net	(6)	(6,397)	(26)	(13,895)
	---------------	---------------	---------------	---------------
Income (loss) before taxes	679,015	288,193	1,701,519	(240,043)
Provision for (benefit from)				
income taxes	238,000	103,000	596,000	(87,000)
	---------------	---------------	---------------	---------------
Net income (loss)	$ 441,015	$ 185,193	$ 1,105,519	$ (153,043)
	========	========	========	========
Net income (loss) per common share:				
Basic	$.07	$.03	$.18	($.03)
	===	===	===	===
Diluted	$.07	$.03	$.18	($.03)
	===	===	===	===
Average shares outstanding				
Basic	6,005,274	5,964,304	5,997,289	5,964,304
Diluted	6,151,708	5,967,168	6,107,990	5,964,304

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation

Condensed Consolidated Statements of Cash Flows

(Unaudited)	Six Months Ended	
	<u>Jul 3, 2004</u>	<u>Jun 28, 2003</u>
Operating activities		
Net income (loss)	$ 1,105,519	$ (153,043)
Adjustments to reconcile net income (loss) to net cash		
provided by operating activities:		
Depreciation expense	1,524,028	1,474,400
Amortization of deferred charges	250,862	172,212
Deferred compensation	875	(271,797)
Deferred income taxes	529,307	-
Provision for losses on accounts receivable	529,981	136,887
Gain on sale of property, plant and equipment	(15,107)	(3,680)
Cash value of life insurance	(30,000)	(30,000)
Environmental reserves	(297,225)	(549,403)

Issuance of treasury stock for Director fees	124,989	-
Changes in operating assets and liabilities:		
Accounts receivable	(2,152,787)	(1,920,080)
Inventories	(3,440,673)	(274,899)
Other assets	(242,063)	(475,885)
Accounts payable	2,929,807	(314,636)
Accrued expenses	931,912	358,383
Income taxes payable	-	2,519,100
	----------------	----------------
Net cash provided by operating activities	1,749,425	667,559
Investing activities		
Purchases of property, plant and equipment	(971,885)	(473,758)
Proceeds from sale of property, plant and equipment	17,792	478,318
(Increase) decrease in note receivables	(666,667)	346,690
	----------------	----------------
Net cash (used in) provided by investing activities	(1,620,760)	351,250
Financing activities		
Proceeds from revolving lines of credit	(179,850)	(1,062,667)
Proceeds from exercised stock options	52,080	-
	----------------	----------------
Net cash used in financing activities	(127,770)	(1,062,667)
	----------------	----------------
Increase (decrease) in cash and cash equivalents	895	(43,858)
Cash and cash equivalents at beginning of year	2,110	48,656
	----------------	----------------
Cash and cash equivalents at end of period	$ 3,005	$ 4,798
	=========	=========

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation
Notes To Condensed Consolidated Financial Statements
(Unaudited)

July 3, 2004

NOTE 1--

BASIS OF PRESENTATION: The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 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 of America 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 six-month period ended July 3, 2004, are not necessarily indicative of the results that may be expected for the year ending January 1, 2005. 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 period ended January 3, 2004.

NOTE 2--INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market.

NOTE 3--SALE OF ASSETS

On March 8, 2004, the Company completed the sale of its liquid dye business, comprised of vat, sulfur, liquid disperse and liquid reactive dyes, for a purchase price of $1,500,000 which was approximately the book value of the assets sold. Consequently, there was no gain or loss from the sale. The Company received $500,000 at closing and recorded a $1,000,000 note receivable for the balance, which will be received in three equal quarterly payments with the final payment due December 8, 2004. The first payment of $333,000 was received in June of 2004, leaving a balance of $667,000 at July 3, 2004.

NOTE 4--DEFERRED CHARGES AND OTHER ASSETS

Included in Deferred Charges and Other Assets is $2,051,000 of goodwill arising from acquisitions as of July 3, 2004 and January 3, 2004, which is evaluated annually for impairment.

NOTE 5--STOCK OPTIONS

The Company accounts for its stock-based compensation plans under the recognition and measurement principles of Accounting Standards Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Statement of Financial Accounting Standards No. 123 requires the Company to disclose pro forma net income and income per share data as if a fair value based accounting method had been used in the computation of compensation expense. Under APB No. 25, because the exercise price of the Company's employee stock options at least equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized. For the first six months of 2004, options exercised, cancelled and expired totaled 41,000, 22,500 and 11,200 shares, respectively, leaving 519,800 options outstanding at July 3, 2004. For purposes of the following pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period:

	Three Months Ended		Six Months Ended	
	Jul 3, 2004	Jun 28, 2003	Jul 3, 2004	Jun 28, 2003
Net income (loss) reported	$ 441,000	$ 185,000	$ 1,106,000	$ (153,000)
Compensation expense, net of tax	(38,000)	(5,000)	(94,000)	(38,000)
Pro forma net income (loss)	$ 403,000	$ 180,000	$ 1,012,000	$ (191,000)
Basic and diluted income (loss) per share	$.07	$.03	$.18	($.03)
Compensation expense, net of tax	($.01)	$.00	($.02)	($.01)
Pro forma basic and diluted income (loss) per share	$.06	$.03	$.16	($.04)

NOTE 6--SEGMENT INFORMATION

	Three Months Ended		Six Months Ended	
	Jul 3, 2004	**Jun 28, 2003**	**Jul 3, 2004**	**Jun 28, 2003**
Net sales				
Colors Segment	$ 7,848,000	$ 4,294,000	$ 16,200,000	$ 8,913,000
Specialty Chemicals Segment	7,676,000	6,636,000	15,195,000	12,553,000
	---------------	---------------	---------------	---------------
Chemicals Group	15,524,000	10,930,000	31,395,000	21,466,000
Metals Segment	14,971,000	13,225,000	32,582,000	22,988,000
	---------------	---------------	---------------	---------------
	$ 30,495,000	$ 24,155,000	$ 63,977,000	$ 44,454,000
	=========	=========	=========	=========
Operating income (loss)				
Colors Segment	(243,000)	(95,000)	(350,000)	(101,000)
Specialty Chemicals Segment	297,000	436,000	964,000	488,000
	---------------	---------------	---------------	---------------
Chemicals Group	54,000	341,000	614,000	387,000
Metals Segment	1,197,000	415,000	2,272,000	315,000
	---------------	---------------	---------------	---------------
	1,251,000	756,000	2,886,000	702,000
Unallocated expenses				
Corporate	272,000	238,000	573,000	474,000
Interest expense	300,000	236,000	611,000	482,000
Other (income) expense	-	(6,000)	-	(14,000)
	---------------	---------------	---------------	---------------
Income (loss)	$ 679,000	$ 288,000	$ 1,702,000	$ (240,000)
	=========	=========	=========	=========

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

The following is management's discussion of certain significant factors that affected the Company during the quarter ended July 3, 2004.

Consolidated sales for the quarter and Year-to-date were up, increasing 26 and 44 percent compared to the same periods one year ago, respectively. The Company achieved consolidated net income of $441,000 for the quarter, or $.07 per share, and $1,106,000, or $.18 per share, Year-to-date, compared to net income of $185,000, or $.03 per share, and a net loss of $153,000, or $.03 per share, reported the same periods one year ago.

Sales in the Colors Segment were up 83 percent and 82 percent for the quarter and Year-to-date, respectively, from a year earlier; however, the Segment experienced operating losses of $243,000 and $350,000 compared to losses of $95,000 and $101,000 reported in 2003's second quarter and year-to-date, respectively. The significant increase in sales reflects the impact of acquiring certain assets of Rite Industries, Inc. in the third quarter of 2003, partially offset by the sale of the Segment's liquid dye business in the first quarter of this year. The Segment experienced poor business conditions in all of its product lines, especially in the first half of the second quarter, negatively impacting sales volumes and margins. We have continued to downsize our operations, cutting costs, and in June implemented price increases throughout our product lines. While we are disappointed in the second quarter's results, we believe the combination of the price increases and cost structure we have going into the third quarter will give us the chance to improve this Segment's results for the balance of 2004.

Sales in the Specialty Chemicals Segment were up 16 percent for the second quarter and 21 percent for the first six months, respectively, from the prior year. Operating income declined 32 percent for the quarter compared to 2003, but increased 98 percent for the first six months compared to the same period last year. The sales improvement came from improved business conditions experienced through the first six months of this year. The decline in profits for the quarter came from the timing of certain tolling contracts at the Spartanburg location. The timing of our production for these contracts varies from year to year based on customer requirements resulting in significant swings in profits from quarter-to-quarter when compared to the prior year. The increase in profits for the first six months came from a combination of higher manufacturing cost absorption resulting from the increased volume experienced at both plants, coupled with the increase of several higher margin tolling contracts at both facilities. Management continues to be optimistic about a new line of fire retardant chemicals that we should begin producing in the third quarter. Applications for this new line of chemicals include mattresses, furniture and home appliances which are subject to new fire retardant regulations that will become effective in 2005. In addition, our products offer a safer alternative to the use of brominated compounds used in products currently servicing these industries. Qualifications of these products are progressing with good success in each of the applications. Regulations in California will require mattress manufacturers to begin utilizing fire retardant products that conform to the new regulations in their production process beginning January 1, 2005. As a result, we anticipate generating material revenues from this product beginning in the fourth quarter. Assuming no significant downturn in the general economy, management believes this Segment has a good chance to continue to operate profitably over the balance of 2004.

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

Dollar sales for the Metals Segment increased 13 percent for the quarter and 42 percent for the year from the same periods a year earlier. The increase for the quarter resulted from 23 percent higher average selling prices partially offset by 13 percent lower unit volumes compared to last year's second quarter. The six-month increase over the first six months of 2003 resulted from 24 percent higher average selling prices coupled with a 19 percent increase in unit volumes. Operating income increased 188 percent and 622 percent for the quarter and year-to-date, respectively, compared to the same periods last year. Although pipe sales declined sequentially from the first quarter of 2004, the Segment experienced an eleven percent increase in operating profit compared to the first quarter of 2004. The Segment continues to benefit from selling price increases implemented to offset the continued increases in surcharges included in raw material costs. Because of the steadily increasing raw material and selling prices throughout the quarter and first six months, the Segment generated higher profits from selling lower cost inventories, which contributed to the significant profit improvement experienced for the quarter and year-to-date compared to the same periods last year. A high level of uncertainty exists within the nickel market, the primary component of stainless steel surcharges. Most of the Segment's pipe is sold through distributors that spent the first quarter of 2004 increasing inventories in anticipation of higher pricing from increased surcharges. However, since surcharges appeared to be leveling or declining during the second quarter, distributors were hesitant to restock inventories, which led to the unit volume decline compared to the first quarter. While commodity pipe generated operating income, piping systems incurred a loss for the quarter and year-to-date. However, piping systems' backlog continued to increase and is now $10,000,000, or 150% higher than the 2003 year-end amount. We are confident that, subject to unexpected changes in customers' scheduling requirements, work through the shop will increase steadily over the third quarter, which will allow piping systems to begin to operate profitably. Subject to the nickel surcharge uncertainty, management continues to be optimistic about the current conditions that exist in the commodity pipe market. Surcharges are expected to increase in the third quarter giving us the opportunity to continue to capitalize on favorable inventory costs. If piping systems can capitalize on its backlog as expected, management believes this Segment has a good chance to continue to operate profitably.

Consolidated selling and administrative expense for the second quarter increased $671,000 and $1,846,000, or 26 and 37 percent, compared to the second quarter and six months of last year, respectively, and 11 percent of sales for the quarter and six months compared to 11 percent for the second quarter and six months of last year. Consolidated selling and administrative expense in the second quarter declined eleven percent from the first quarter of 2004 and 17 percent from the fourth quarter of 2003 reflecting cost reductions implemented in both the first and second quarters of this year. The quarter and six month increases from last year came from the acquisition of the Rite assets in July of 2003.

Cash flows provided by operations totaled $1,749,000 for the first six months of 2004 compared to $668,000 for the first six months of 2003. The increase came from earnings of $2,880,000 before deducting depreciation and amortization, compared to last year's six month total of $1,494,000, and an increase in accounts payable of $2,930,000. Cash flows in the first six months were reduced by a $3,441,000 increase in inventories primarily in the Metals Segment resulting from increase in stainless steel raw material costs discussed above, and a $2,153,000 increase in

Results of Operations - Continued

accounts receivables coming from the increase in sales experienced in the quarter. Borrowings under the line of credit are limited to a borrowing base calculation including eligible accounts receivable, inventories, and cash surrender value of the Company's life insurance as defined in the agreement related to the line of credit. As of July 3, 2004, the amount available for borrowing was $23,000,000 of which $18,582,000 was borrowed leaving $4,418,000 of availability. Covenants include, among others, restrictions on the payment of dividends. The Company was in compliance with its debt covenants as of July 3, 2004, and expects that available cash and existing lines of credit will be sufficient to meet normal operating requirements, including capital expenditures over the near term.

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

The statements contained in this release that are not historical facts may be 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, which speak only as of their dates. 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. The preliminary earnings shown herein are forward looking statements and are subject to change for any adjustments resulting from the auditing process. Synalloy Corporation assumes no obligation to update the information included in this release.

Item 4. Controls and Procedures.

Based on the evaluation required by 17 C.F.R. Section 240.13a-15(b) or 240.15d-15(b) of the Company's disclosure controls and procedures (as defined in 17 C.F.R. Sections 240.13a-15(e) and 240.15d-15(e)), the Company's chief executive officer and chief financial officer concluded that the effectiveness of such controls and procedures, as of the end of the period covered by this quarterly report, was adequate.

No disclosure is required under 17 C.F.R. Section 229.308(c).

Item 5. Other Information

A. The Annual Meeting of Shareholders was held April 29, 2004 at the Company's Corporate Headquarters in Spartanburg, South Carolina.

B. The following individuals were elected as directors at the Annual Meeting:

Name	Votes For	Votes Withheld
James G. Lane, Jr.	5,675,583	14,629
Ralph Matera	5,678,275	11,937
Sibyl N. Fishburn	5,674,976	15,236
Carroll D. Vinson	5,676,305	13,907
Murray H. Wright	5,678,275	11,397
Craig C. Bram	5,678,275	11,937

Item 6. Exhibits And Reports On Form 8-K

The following exhibits are included herein:

10.4 Amended Employment Agreement, dated July 1, 2005, between Registrant and Ralph Matera

31 Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer and Chief Financial Officer

32 Certifications Pursuant to 18 U.S.C. Section 1350

A Form 8-K was filed April 23, 2004 disclosing information pursuant to Item 12.

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.

SYNALLOY CORPORATION

(Registrant)

Date: August 10, 2004 By: **/s/ Ralph Matera**

Ralph Matera

President and Chief Executive Officer

Date: August 10, 2004 By: **/s/ Gregory M. Bowie**

Gregory M. Bowie

Vice President Finance and Chief Financial Officer

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO S.C.CODE ANN. SECTION 15-48-10 ET SEQ., CODE OF LAWS OF SOUTH CAROLINA, 1976 (AS AMENDED).

IF THE SOUTH CAROLINA UNIFORM ARBITRATION ACT IS DEEMED NOT TO APPLY, THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT, TITLE 9, SECTION 1 ET. SEQ., UNITED STATES CODE (AS AMENDED).

AMENDED

EMPLOYMENT AGREEMENT

This Agreement is effective upon its execution by and between Synalloy Corporation, a corporation organized under the laws of the State of Delaware (the "'Corporation"'), and Ralph Matera, a resident of Johnson City, Tennessee (the "'Employee"').

W I T N E S S E T H:

That in consideration of the agreements hereinafter contained, the parties hereto agree as follows:

1. Employment. The Corporation agrees to extend until July 1, 2005, the term of the initial Agreement between Employer and the Employee. The Employee agrees to serve as Chief Executive Officer and President of the Corporation, and Chief Executive Officer of Bristol Metals, L.P., a subsidiary of the Company located in Bristol, Tennessee, and in such other capacities as the Board of Directors of the Corporation (the "'Board"') may designate from time to time. During the term of his employment, the Employee shall devote his full time, attention, skill and efforts to the performance of his duties for the Corporation.

2. Compensation. The Corporation shall pay the Employee during the term of his employment hereunder a base salary of Two Hundred Thousand and 00/100ths Dollars ($200,000.00) per year together with compensation payable as provided in Paragraph 3 below, unless forfeited by the occurrence of any of the events of forfeiture specified in Paragraph 7 below. Salary shall be payable monthly or on a less frequent basis by mutual agreement.

3. Bonus. In addition to the base salary provided for in Paragraph 2 above, for each fiscal year during which Employee serves as Chief Executive Officer of Corporation and provided Employee is in the employ of the Corporation on the last day of such fiscal year (except as provided in paragraphs 5 and 6 hereof), the Employee shall be entitled to a bonus equal to five percent (5%) of "'net income before income taxes"' in excess of ten percent (10%) of average shareholders' equity.

   As used in this Agreement, the term "'net income before income taxes"' shall mean the consolidated net income before income taxes of the Corporation before the bonus-compensation payable under this Agreement and before gains and losses on the sale or other disposition of capital assets. Such net income before income taxes shall be determined by the independent public accountants regularly retained by the Corporation, in accordance with sound accounting principles and consistent with the past accounting practices of the Corporation (except as otherwise expressly provided for herein), within ninety (90) days after the end of its fiscal year (Saturday nearest December 31), and the determination of such accountants shall be final, binding and conclusive upon the parties hereto. The Corporation may at any time or times change or discontinue any or all of its present or future operations, or may close, sell or move any one or more of its plants, facilities or divisions, or may undertake any new or other operations, or may take any and all other steps which the Board, in its exclusive judgment, shall deem advisable or desirable for the Corporation, and if any such action taken by the Corporation or its Board adversely affects net income before income taxes as hereinabove defined, the Employee shall have no claim or recourse by reason of any such action.

4. Vacations. The Employee shall be entitled (each year) to a vacation of four (4) weeks, during which time his compensation shall be paid in full. Said vacation may be taken by the Employee over a consecutive period or in several non-consecutive periods, at the discretion of the Employee.

5. Disability. If because of illness, physical or mental disability, or other incapacity, certified by a physician acceptable to the Corporation, Employee shall fail to render the services provided for by this Agreement, or if Employee contracts an illness or injury, certified by a physician acceptable to the Corporation, which will permanently prevent the performance by him of the services provided for by this Agreement, then the "'base salary"' provided for in Paragraph 2 hereof shall continue during the term of this Agreement, but in no event less than three (3) months, with the bonus-compensation for that fiscal year to be prorated to the date Employee's disability commenced.

6. Death. If the Employee dies during the term of this Agreement, then the "'base salary"' provided for in Paragraph 2 hereof shall continue during the term of this Agreement, but in no event less than three (3) months, which "'base salary"' shall be paid to the estate of Employee, with the bonus-compensation for that fiscal year to be prorated to the date of Employee's death In the event of Employee's death and the termination of this Agreement on the terms of this paragraph, all other obligations of the Corporation under this Agreement shall cease and terminate.

7. Termination for Cause. Nothing in this Agreement shall be construed to prevent the Corporation from terminating Employee's employment hereunder at any time for cause. Fraud, dishonesty, gross negligence, willful misconduct, misappropriation, embezzlement, material violation of any code of conduct adopted by the Board, excessive absences from work (except for reasons of health), entry of any order by the Securities and Exchange Commission pursuant to Section 21C of the Securities Exchange Act of 1934 or Section 8A of the Securities Act of 1933 prohibiting Employee from serving as an officer or director of an issuer that has a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or that is required to file reports

pursuant to Section 15(d) of that Act, or the like, or any act or omission deemed by the Board to have been disloyal to the Corporation shall constitute cause for termination. Termination for cause pursuant to this paragraph shall not constitute a breach of this Agreement by the Corporation.

8. Covenant Not to Compete. Employee agrees during the term of employment and for a period of one (1) year after his employment terminates for any reason, the Employee will not, without the prior written approval of the Board, become an officer, employee, agent, partner, or director of any business enterprise which competes with the Corporation and its affiliates for customers, orders, supply sources, or contracts in those businesses in which the Corporation and its affiliates were engaged on the date his employment terminated, unless, Employee's activities for such business enterprise are limited in such a way that Employee is not engaged, directly or indirectly, in competition with the Corporation or its affiliates for customers, orders, supply sources or contracts. Employee acknowledges that the Corporation is a leader in the chemical and metals businesses in which it manufactures and has substantial customer relationships throughout the continental United States.

   Employee further agrees that at no time during his employment or thereafter will he divulge, communicate or use to the detriment of the Corporation any of the Corporation's confidential information, data, trade secrets, sale methods, customer lists, supply sources, or other proprietary information.

9. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision hereof.`

10. Arbitration. Any controversy or claim arising out of, or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of Spartanburg, State of South Carolina, in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.

11. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by registered or certified mail to his residence in the case of Employee, or to its Executive Offices in the case of the Corporation.

12. Benefit. This Agreement, in accordance with its terms and conditions, shall inure to the benefit of and be binding upon the Corporation, its successors and assigns, including but not limited to any corporation which may acquire all or substantially all of the Corporation's assets and business, or with or into which the Corporation may be consolidated or merged, and Employee, his heirs, executors, administrators, and legal representatives, provided that the obligations of the Employee hereunder may not be delegated. Employee agrees, however, that any such sale or merger shall not be deemed a termination hereunder provided that the Employee's operational duties are not substantially reduced as a result thereof.

13. Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the State of South Carolina.

14. Entire Agreement. This instrument amends and restates the Employment Agreement between the parties dated July 16, 2001, and contains the entire agreement of the parties hereto. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

CERTIFICATIONS Exhibit 31

I, Ralph Matera, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Synalloy Corporation;

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 officers 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;

c) 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

d) 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 officers 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

a. 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.

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Date: August 10, 2004 /s/Ralph Matera

Ralph Matera
Chief Executive Officer

I, Gregory M. Bowie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Synalloy Corporation;

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 officers 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;

c) 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

d) 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 officers 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: August 10, 2004

/s/Gregory M. Bowie

Gregory M. Bowie
Vice President, Finance and Chief Financial Officer

Exhibit 32

Certifications Pursuant to 18 U.S.C. Section 1350

The undersigned, who are the chief executive officer and the chief financial officer of Synalloy Corporation, each hereby certifies that, to the best of his knowledge, the accompanying Form 10-Q of the issuer fully complies with the requirements of Section 13(a)or 15(d) of the Securities Exchange Act of 1934, and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

August 10, 2004

s/Ralph Matera

Ralph Matera
Chief Executive Officer

s/Gregory M. Bowie

Gregory M. Bowie
Vice President, Finance and Chief Financial Officer