

Securities and Exchange Commission
Washington, D. C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarter ended September 27, 1997

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 0-19687

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

Delaware
(State or other jurisdiction of
incorporation or organization)

57-0426694
(I.R.S. Employer
Identification Number)

Post Office Box 5627
Croft Industrial Park
Spartanburg, South Carolina
(Address of principal executive offices)

29304
(Zip Code)

Registrant's Telephone Number, Including Area Code (864) 585-3605

Not Applicable
(Former name, former address and former fiscal year,
if changed since last year.)

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 the number of shares outstanding of each of the issuer's classes of
Common Stock, as of the latest practical date.

Title of Class	Number of Shares Outstanding As of September 27, 1997
Common Stock, \$1.00 Par Value	6,971,834

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Synalloy Corporation
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PART 1. FINANCIAL STATEMENTS

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Synalloy Corporation
Condensed Consolidated Balance Sheets

<S>	<C> Sep 27, 1997 (Unaudited)	<C> Dec 28, 1996 (Note)
Assets		
Current assets		
Cash and cash equivalents	\$ 83,905	\$ 115,828
Accounts receivable, less allowance for doubtful accounts	18,562,794	17,253,534
Inventories		
Raw materials	8,952,402	8,357,884
Work-in-process	5,479,696	5,112,695
Finished goods	13,454,378	16,384,891
Total inventories	27,886,476	29,855,470
Deferred income taxes	130,000	130,000
Prepaid expenses and other current assets	630,760	278,276
Total current assets	47,293,935	47,633,108
Cash value of life insurance	1,792,301	1,733,801
Investment	329,117	329,117
Property, plant & equipment, net of accumulated depreciation of \$27,440,000 and \$26,128,000	23,303,521	23,627,889
Deferred charges and other assets	3,077,402	3,265,211
Total assets	\$75,796,276	\$76,589,126
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 420,000	\$ 1,500,000
Accounts payable	8,464,653	6,252,449
Income taxes	572,300	332,507
Accrued expenses	2,103,466	2,492,660
Current portion of environmental reserves	359,294	359,294
Current portion of long-term debt	200,000	1,400,000
Notes payable to an employee		1,154,805
Total current liabilities	12,119,713	13,491,715
Long-term debt, less current portion	10,400,000	11,200,000
Environmental reserves	992,876	1,300,100
Deferred compensation	1,304,778	1,299,176
Deferred income taxes	1,024,000	1,024,000
Contingencies		
Shareholders' equity		

Common stock, par value \$1 per share - authorized and issued 8,000,000 shares	8,000,000	8,000,000
Capital in excess of par value	31,616	81,746
Retained earnings	51,133,100	49,074,919
Less cost of Common Stock in treasury	(9,209,807)	(8,882,530)
Total shareholders' equity	49,954,909	48,274,135
Total liabilities and shareholders' equity	\$75,796,276	\$76,589,126

Note: The balance sheet at December 28, 1996 has been derived from the audited financial statements at that date. See accompanying notes to condensed consolidated financial statements

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<TABLE>

Synalloy Corporation

Condensed Consolidated Statements of Income

<S> (Unaudited)	<C>		<C>	
	Three Months Ended		Nine Months Ended	
	Sep 27, 1997	Sep 28, 1996	Sep 27, 1997	Sep 28, 1996
Net sales	\$31,370,635	\$29,404,951	\$93,478,935	\$97,800,372
Cost of sales	26,495,268	25,346,054	79,525,161	80,484,383
Gross profit	4,875,367	4,058,897	13,953,774	17,315,989
Selling, general and administrative expense	2,335,679	2,059,383	7,285,166	6,954,749
Operating income	2,539,688	1,999,514	6,668,608	10,361,240
Other (income) and expense				
Interest expense	169,102	217,021	582,129	629,416
Other, net	(16,655)	6,409	(6,843)	16,921
Income before taxes	2,387,241	1,776,084	6,093,322	9,714,903
Provision for income tax	844,000	533,000	2,153,000	3,431,000
Net income	\$ 1,543,241	\$ 1,243,084	\$ 3,940,322	\$ 6,283,903
Net income per common share	\$.22	\$.18	\$.56	\$.89
Dividends paid per common share	\$.09	\$.09	\$.27	\$.25
Average shares outstanding	7,029,464	7,015,948	7,026,335	7,068,940

See accompanying notes to condensed consolidated financial statements

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<TABLE>

Synalloy Corporation

Condensed Consolidated Statements of Cash Flows

<S> <C> <C>

(Unaudited)	Nine Months Ended	
	Sep 27, 1997	Sep 28, 1996
Operating activities		
Net income	\$ 3,940,322	\$ 6,283,903
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	2,372,488	2,023,587
Amortization of deferred charges	188,303	90,326
Deferred compensation	5,602	248
Deferred income taxes	0	0
Provision for losses on accounts receivable	(162)	(168,600)
Loss on sale of property, plant and equipment	114,215	37,063
Cash value of life insurance	(58,500)	(56,550)
Environmental reserves	(307,224)	(362,605)
Changes in operating assets and liabilities:		
Accounts receivable	(1,309,098)	3,637,001
Inventories	1,968,994	4,935,379
Other assets	(357,905)	(1,092,343)
Accounts payable and accrued expenses	1,823,010	(449,175)
Income taxes payable	239,793	(86,769)
Net cash provided by operating activities	8,619,838	14,791,465
Investing activities		
Purchases of property, plant and equipment	(2,171,785)	(3,164,964)
Proceeds from sale of property, plant and equipment	9,450	56,071
Proceeds from notes receivable	4,927	4,460
Net cash (used in) investing activities	(2,157,408)	(3,104,433)
Financing activities		
Proceeds from revolving lines of credit	13,330,000	40,526,000
Payments on revolving lines of credit	(14,410,000)	(45,206,000)
Principal payments on long-term debt	(2,000,000)	(57,692)
Payment of notes payable to employee	(1,154,805)	
Proceeds from exercised stock options	61,956	234,008
Purchases of treasury stock	(439,364)	(5,623,609)
Dividends paid	(1,882,140)	(1,757,763)
Net cash (used in) financing activities	(6,494,353)	(11,885,056)
(Decrease) in cash and cash equivalents	(31,923)	(198,024)
Cash and cash equivalents at beginning of year	115,828	267,061
Cash and cash equivalents at end of period	\$ 83,905	\$ 69,037

See accompanying notes to condensed consolidated financial statements
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Synalloy Corporation
Notes To Condensed Consolidated Financial Statements - (Unaudited)
September 27, 1997

NOTE 1--BASIS OF PRESENTATION

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 Rule 10-01 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 and nine-month periods ended September 27, 1997, are not necessarily indicative of the results that may be expected for the year ending January 3, 1998. For comparative purposes, certain amounts in the 1996 financial statements have been reclassified to conform with the 1997 presentation. 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 December 28, 1996.

NOTE 2--INVENTORIES

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

NOTE 3--LEGAL MATTERS

The Company is from time to time subject to various claims, other possible legal actions for product liability and other damages, and other matters arising out of the normal conduct of the Company's business. Management believes that based on present information, it is unlikely that liability, if any, exists that would have a materially adverse effect on the consolidated operating results or financial position of the Company.

NOTE 4--NET INCOME PER COMMON SHARE

Income per share is computed using the weighted average shares of common stock and dilutive Common Stock equivalents (options) outstanding during the respective periods. Stock options in the aggregate reduce earnings per share by less than three percent in all periods presented; therefore, diluted per share amounts are not disclosed.

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, Earnings Per Share, which is required to be adopted on December 31, 1997. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, the dilutive effect of stock options will be excluded. The impact of Statement 128 on the calculations of earnings per share and fully diluted earnings per share is not expected to be material.

NOTE 5--LONG-TERM DEBT

In June 1997, the Company entered into an agreement to amend its Revolving Credit/Term Loan Agreement and prepaid \$800,000 reducing the balance owed to \$10,000,000. The amendment converts the debt from a five year term loan, payable in equal quarterly installments, to a \$10,000,000 revolving line of credit expiring five years from the date of the Agreement. Interest is payable quarterly on the outstanding balance at the lower of the bank's prime rate less .25 percent or LIBOR plus .60 percent.

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Synalloy Corporation

Management's Discussion And Analysis Of The Financial
Condition And Results Of Operations

The following is management's discussion of certain significant factors that affected the Company during the quarter ended September 27, 1997.

Consolidated sales were \$31,371,000 for the quarter and \$93,479,000 year-to-date reflecting a seven percent increase and four percent decrease, respectively, compared to the same periods one year ago. Consolidated net income increased 24 percent to \$1,543,000 for the quarter, or \$.22 per share, and decreased 37 percent to \$3,940,000 year-to-date, or \$.56 per share, compared to the same periods one year ago. The gains for the quarter came from the Chemicals Segment, which showed significant improvement, while the Metals Segment had lower results. Improvement was also shown sequentially with sales up modestly and net income up 11 percent compared to the previous quarter.

Chemicals Segment sales were \$12,790,000 for the quarter and \$41,301,000 year-to-date reflecting 41 and 36 percent increases, respectively, compared to the same periods one year ago. Operating income increased 172 percent to \$888,000 for the quarter and increased 45 percent to \$3,431,000 year-to-date, compared to the same periods one year ago. Much of the improvement resulted from Manufacturers Chemicals, L.P., which was acquired in October 1996. However, excluding the acquired business, sales were up six and four percent and operating income was up 106 and 13 percent for the quarter and year-to-date, respectively, because of better performance from textile dyes. Textile dye markets improved from the extremely weak conditions of a year earlier. Profit margins benefited from the increased demand and cost cutting initiatives including overseas sourcing of certain dyes formerly manufactured at higher costs. Chemical specialties, bolstered by the acquisition, contributed 40 and 42 percent of sales for the quarter and year-to-date, respectively, and an even greater percentage of operating income. The Company believes these products provide good opportunity for future growth.

Metals Segment sales were \$18,581,000 for the quarter and \$52,178,000 year-to-date reflecting nine and 23 percent decreases, respectively, compared to the same periods one year ago. Operating income decreased five percent to \$1,884,000 for the quarter and 55 percent to \$4,066,000 year-to-date, compared to the same periods one year ago. Dollar sales were down because of lower sales prices. However, unit volume growth actually increased two percent in the third quarter compared to the third quarter of 1996. Operating income declined by a smaller percentage benefiting from higher profit margins from stainless pipe partially offset by lower margins in piping systems. Operations showed good improvement on a sequential basis with third quarter sales up nine percent and operating income up 18 percent compared to the previous quarter. Prices for the Metals Segment's principal product, stainless steel pipe, continue to be intensely competitive. The Company

announced an eight percent price increase in April of this year, about half of which held in the market for a while. However, prices have now eroded back to the lowest levels that existed before that attempted increase. Sales to distributors weakened in September, probably because of the price erosion, although end use demand seems to be holding up well.

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Synalloy Corporation

Management's Discussion And Analysis Of The Financial
Condition And Results Of Operations - Continued

Selling and administrative expense for the quarter and year to date were up 13 and five percent from the same periods last year, and totaled eight percent of consolidated sales compared to last year's seven percent for both the quarter and year to date. The increases reflect adding selling and administrative costs from Manufacturers Chemical, offset by lower profit-based incentives.

Cash flows from operations totaled \$8,620,000 during the first nine months compared to \$14,791,000 generated during the same period one year ago. The decrease reflects the planned reduction of inventories that occurred in the third quarter of 1996 and the decrease in net income experienced in the first nine months of 1997 compared to the same period in 1996. The Company used part of the cash flows generated in 1997 to pay \$2,000,000 of long-term debt and \$1,155,000 of notes payable to an employee related to the acquisition of Manufacturers Chemicals. The Company expects that available cash and existing lines of credit will be sufficient to meet normal operating requirements, including capital expenditures and payment of dividends over the near term.

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

The statements contained in this management discussion and analysis 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, 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 herein.

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PART II: OTHER INFORMATION

Synalloy Corporation

Item 1. Legal Proceedings

None

Item 2. Change In Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission Of Matters To A Vote Of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits And Reports On Form 8-K

The following exhibits are included herein:

None

The Company did not file any reports on Form 8-K during the three months ended September 27, 1997

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Synalloy Corporation

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: November 12, 1997 /s/ James G. Lane, Jr.
James G. Lane, Jr., Chairman and
Chief Executive Officer

Date: November 12, 1997 /s/ Gregory M. Bowie
Gregory M. Bowie
Vice President, Finance

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