

NEWS RELEASE

NORTH AMERICAN GALVANIZING & COATINGS, INC.

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North American Galvanizing & Coatings

Reports Record Earnings for 2008;

a 37% increase in Earnings Per Share from Continuing Operations from 2007

Tulsa, Oklahoma, February 9, 2009 – North American Galvanizing & Coatings, Inc. (NASDAQ: NGA) announced today unaudited fourth-quarter 2008 earnings from continuing operations of \$3.0 million, or \$.18 per share, a 39% increase over the prior year fourth quarter. For the year, income from continuing operations was \$12.5 million, or \$.74 per share, a 37% increase over the prior year. This year was the highest earnings year in the Company's fifty-three year history.

The Company previously announced a final settlement agreement with the Metropolitan Water District of Greater Chicago, related to the Company's former subsidiary, Lake River Corporation. The loss from discontinued operations of \$.7 million, net of tax, was recorded in the fourth quarter of 2008. Net income per share for the fourth quarter was \$.14 per share, a 7.7% increase from the prior year fourth quarter net income, including the (\$.04) per share result from discontinued operations recorded in 2008.

All per share data are reported on a fully-diluted basis and have been adjusted to reflect the effect of the September 14, 2008 four-for-three stock split effected by a stock dividend.

Commenting on the results, Ronald J. Evans, president and chief executive officer, said "North American Galvanizing achieved record financial results for the fourth quarter and year. The Company finished the year in a solid financial position, and began 2009 aggressively by announcing the addition of a new plant. With the final resolution of the matters relating to previously discontinued operations, we can now focus our attention on implementing our growth plans."

Results from Operations

Due to an overall increase in demand from existing customers and incremental project work, sales volumes for the year ended December 31, 2008 increased 7% over the prior year. The average selling price for 2008 was 9% lower than the average selling price for 2007 resulting in a 2.6% decrease in annual revenues. A combination of product mix and the lower cost of zinc contributed to the lower average selling price in 2008. Market prices have decreased related to decreases in zinc costs.

The decrease in cost of goods sold from 2007 to 2008 was mainly to due to the decrease in zinc costs. Selling, general, and administrative expenses increased \$.9 million, or 9.8%, in 2008 compared to the prior year due to increases in personnel costs, primarily non-cash share-based compensation.

Recent New Plant Announcement

On January 27, 2009 the Company announced that it would be constructing a new hot dip galvanizing plant located in Benwood, West Virginia. The new operation, which is expected to be online in late April, will utilize a 30 foot kettle and becomes the Company's eleventh hot dip galvanizing plant. The new plant located three miles south of Wheeling, West Virginia, centrally located in the vicinity of Interstates 77, 70 and 79, will allow the Company to more economically and efficiently service regional customers, others in the tri-state area, as well as in-transit work. This new location is a logical geographic extension, supporting the Company's internal growth plans. The plant will be constructed in an existing building that the Company has leased. The company projects a \$3.5 million expenditure for fixed assets.

Share Related Activity during 2008

During fourth quarter 2008, the Company repurchased 487,000 shares of NGA common stock for \$1.7 million or approximately \$3.52 per share. During 2008, the Company repurchased 1,118,000 shares (adjusted for the four-for-three stock split) of its common stock for \$5.1 million. During 2007, the Company repurchased 28,575 shares of its common stock for \$.2 million. At December 31, 2008, there was approximately \$.5 million remaining under the existing share repurchase authorization plan.

North American Galvanizing is a leading provider of hot-dip galvanizing and coatings for corrosion protection of fabricated steel products. The Company conducts its galvanizing and coating business through a network of plants located in Canton, Ohio; Denver, Hurst (Dallas/Forth Worth), Houston, Kansas City, Louisville, Nashville, St. Louis and the Tulsa area. Hot-dip galvanizing provides metals corrosion protection for many product applications used in commercial, construction and industrial markets. Our home page is: www.nagalv.com.

Cautionary Statement. Results are preliminary and unaudited. This press release may contain "forward-looking statements" as defined under U.S. securities laws, including, but not limited to, statements concerning the Company's beliefs and expectations of future performance. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from such forward-looking statements and management's present expectations or projections. These risks and uncertainties include the risk factors described in the Company's SEC filings including the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 7, 2008. These forward-looking statements are made as of the date of this press release. The Company assumes no obligation to update or revise these statements or to provide reasons why actual results may differ.

NORTH AMERICAN GALVANIZING & COATINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In thousands, except per share amounts)

	For the Three Months Ended		For the Year Ended	
	December 31		December 31	
	2008	2007	2008	2007
SALES	\$ 21,609	\$ 20,235	\$ 86,134	\$ 88,396
COSTS AND EXPENSES:				
Cost of sales	13,563	13,430	53,219	60,329
Selling, general and administrative expenses	2,491	2,145	10,039	9,143
Depreciation and amortization	<u>973</u>	<u>907</u>	<u>3,529</u>	<u>3,519</u>
Total costs and expenses	<u>17,027</u>	<u>16,482</u>	<u>66,787</u>	<u>72,991</u>
OPERATING INCOME	4,582	3,753	19,347	15,405
Interest expense	-	(26)	-	(553)
Interest income and other	<u>30</u>	<u>12</u>	<u>247</u>	<u>81</u>
INCOME BEFORE INCOME TAXES	4,612	3,739	19,594	14,933
INCOME TAX EXPENSE	<u>1,615</u>	<u>1,572</u>	<u>7,062</u>	<u>5,701</u>
INCOME FROM CONTINUING OPERATIONS	<u>2,997</u>	<u>2,167</u>	<u>12,532</u>	<u>9,232</u>
LOSS FROM DISCONTINUED OPERATIONS, net of income taxes	<u>(662)</u>	<u>-</u>	<u>(662)</u>	<u>-</u>
NET INCOME	<u>\$ 2,335</u>	<u>\$ 2,167</u>	<u>\$ 11,870</u>	<u>\$ 9,232</u>
NET INCOME PER COMMON SHARE:				
Continuing Operations				
Basic	\$0.19	\$0.14	\$0.77	\$0.56
Diluted	\$0.18	\$0.13	\$0.74	\$0.54
Discontinued Operations				
Basic	(\$0.04)	-	(\$0.04)	-
Diluted	(\$0.04)	-	(\$0.04)	-
Net Income				
Basic	\$0.15	\$0.14	\$0.73	\$0.56
Diluted	\$0.14	\$0.13	\$0.70	\$0.54

Note: All per share data have been adjusted to reflect the effect of the September 14, 2008 four-for-three stock split effected by a stock dividend for all periods presented.

North American Galvanizing & Coatings, Inc.
OTHER SELECTED FINANCIAL INFORMATION
(In thousands)
(Unaudited)

Condensed Balance Sheet Information	December 31, 2008	December 31, 2007
Cash	\$ 9,322	\$ 2,966
Other current assets	19,673	18,530
Net fixed assets	22,200	22,487
Goodwill and other assets	<u>3,577</u>	<u>3,589</u>
Total assets	<u>\$ 54,772</u>	<u>\$ 47,572</u>
Current liabilities	\$ 9,878	\$ 10,831
Deferred tax liability	504	697
Debt	-	15
Equity	<u>44,390</u>	<u>36,029</u>
Total liabilities and equity	<u>\$ 54,772</u>	<u>\$ 47,572</u>

Other Information	Year Ended December 31,	
	2008	2007
Capital Expenditures	\$ 3,228	\$ 4,330