

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 24, 2007

Universal Stainless & Alloy Products, Inc.

(Exact name of registrant as specified in its charter)

Delaware	000-25032	25-1724540
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

600 Mayer Street, Bridgeville, Pennsylvania	15017
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(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (412) 257-7600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- / / Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- / / Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- / / Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- / / Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On April 24, 2007, Universal Stainless and Alloy Products, Inc. issued a press release regarding its earnings for the first quarter ended March 31, 2007. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K, including the attached press release, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 99.1 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated April 24, 2007

SIGNATURE

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 hereunto duly authorized.

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

By: /s/ Richard M. Ubinger

Vice President of Finance,
Chief Financial Officer and Treasurer

Dated: April 24, 2007

[GRAPHIC OMITTED][GRAPHIC OMITTED]

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President
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FOR IMMEDIATE RELEASE

UNIVERSAL STAINLESS REPORTS RECORD SALES AND EARNINGS
FOR 2007 FIRST QUARTER
- FIRST QUARTER EPS REACHES \$1.00 ON \$56 MILLION IN SALES -

BRIDGEVILLE, PA, APRIL 24, 2007 - UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC. (NASDAQ: USAP) reported today that sales for the first quarter of 2007 rose 25% to a record \$56.2 million compared with \$44.9 million in the same period of 2006. First quarter 2007 net income rose 70% to a record \$6.8 million, or \$1.00 per diluted share. This compares with net income of \$4.0 million, or \$0.61 per diluted share, for the first quarter of 2006.

The 2007 first quarter results reflect a reduction in the annual income tax rate to 35.0% from 36.0% recorded in the 2006 first quarter, equivalent to \$0.02 per diluted share. Net income for the 2006 first quarter has been adjusted for the retrospective application of an accounting pronouncement as detailed in the financial tables.

The first quarter 2007 sales were in line with the Company's forecast of \$52 to \$57 million while diluted EPS substantially exceeded the forecasted range of \$0.82 to \$0.87, mainly due to higher than expected nickel pricing.

Chairman and CEO Mac McAninch commented: "Our record first quarter shows the ongoing benefit of our investments in equipment and personnel over the past two years, which have enabled us to respond to strong end markets and continue our shift to higher value-added products while also improving our on-time delivery performance. Our strong year-over-year growth to all our end markets in the first quarter was led, once again, by aerospace. In fact, our sales of high strength low alloy and high temperature alloy steels, which are used primarily for aerospace applications, represented 16% of our total sales in the 2007 first quarter compared with 11% in the same quarter last year. With the peak in commercial aircraft delivery not expected until 2010 and the potential for replacement aircraft orders from domestic airlines, we expect aerospace demand to drive our growth for the foreseeable future, supported by the strong prospects for all our niche markets."

USAP REPORTS RECORD 2007 FIRST QUARTER RESULTS

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SEGMENT REVIEW

In the first quarter of 2007, the Universal Stainless & Alloy Products segment had record sales of \$48.2 million and record operating income of \$7.2 million, yielding an operating margin of 15%. This compares with first quarter 2006 sales of \$39.1 million and operating income of \$5.1 million, or 13% of sales. In the fourth quarter of 2006, sales were \$47.1 million and operating income was \$4.6 million, or 10% of sales.

The 23% increase in sales and 41% increase in operating income from the 2006 first quarter reflect the contribution of new vacuum-arc remelt (VAR) furnaces installed in December 2005 and August 2006, which supported a continued shift to higher value added products. Favorable product mix also accounted for the 55% increase in the first quarter 2007 operating margin on a 2% increase in sales compared with the 2006 fourth quarter, while higher sales of bar and tool steel plate products to service centers offset lower sales of semi-finished products to rerollers and forgers.

The Dunkirk Specialty Steel segment reported record sales for the 2007 first quarter of \$20.4 million and operating income of \$3.8 million, resulting in an operating margin of 19%. This compares with sales of \$14.0 million and operating income of \$1.5 million, or 10% of sales, in the first quarter of 2006. In the fourth quarter of 2006, sales were \$20.3 million and operating income was \$3.9 million, or 19% of sales.

Dunkirk's 46% increase in sales and 162% rise in operating income over the 2006 first quarter were due to the improved VAR remelted feedstock supply from Bridgeville, workforce additions, and rising nickel prices that affected the surcharge mechanism. The growth in sales over the 2006 first quarter reflected increases in every customer category, including a 102% increase in OEM sales and a 77% increase in sales to redrawers. Sales and operating income were in line with those of the 2006 fourth quarter, with growth in sales of bar products to service centers and OEMs. These gains more than offset lower rod and wire sales, mainly reflecting the delay of orders for high nickel-bearing grades of steel because of record nickel prices.

BUSINESS OUTLOOK

The following statements are based on the Company's current expectations. These statements are forward-looking, and actual results may differ materially.

The Company estimates that second quarter 2007 sales will range from \$52 to \$57 million and that diluted EPS will range from \$0.85 to \$0.90. This compares with sales of \$48.0 million and diluted EPS of \$0.70, as adjusted, in the second quarter of 2006.

The following factors were considered in developing these estimates:

- o The Company's total backlog at March 31, 2007 was approximately \$114 million compared to \$120 million at December 31, 2006.
- o End market demand led by aerospace is expected to remain strong in the 2007 second quarter.

USAP REPORTS RECORD 2007 FIRST QUARTER RESULTS

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- o Nickel prices are expected to remain at the high levels experienced in the 2007 first quarter.
- o Sales from the Dunkirk Specialty Steel segment are expected to approximate \$20 million in the second quarter of 2007 based on its backlog of \$44 million at March 31, 2007.

WEBCAST

A simultaneous Webcast of the Company's conference call discussing the first quarter of 2007 and the second quarter outlook, scheduled at 10:00 a.m. (Eastern) today, will be available on the Company's website at www.univstainless.com, and thereafter archived on the website. A telephone replay of the conference call will be available beginning at 12:00 noon (Eastern) today and continuing through May 1st. It can be accessed by dialing 706-645-9291, passcode 4463625. This is a toll call.

ABOUT UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

Universal Stainless & Alloy Products, Inc., headquartered in Bridgeville, Pa., manufactures and markets a broad line of semi-finished and finished specialty steels, including stainless steel, tool steel and certain other alloyed steels. The Company's products are sold to rerollers, forgers, service centers, original equipment manufacturers and wire redrawers.

FORWARD-LOOKING INFORMATION SAFE HARBOR

EXCEPT FOR HISTORICAL INFORMATION CONTAINED HEREIN, THE STATEMENTS IN THIS RELEASE ARE FORWARD-LOOKING STATEMENTS THAT ARE MADE PURSUANT TO THE "SAFE HARBOR" PROVISION OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT MAY CAUSE THE COMPANY'S ACTUAL RESULTS IN FUTURE PERIODS TO DIFFER MATERIALLY FROM FORECASTED RESULTS. THOSE RISKS INCLUDE, AMONG OTHERS, RISKS ASSOCIATED WITH THE RECEIPT, PRICING AND TIMING OF FUTURE CUSTOMER ORDERS, RISKS ASSOCIATED WITH SIGNIFICANT FLUCTUATIONS THAT MAY OCCUR IN RAW MATERIAL AND ENERGY PRICES, RISKS ASSOCIATED WITH THE MANUFACTURING PROCESS AND PRODUCTION YIELDS, RISKS RELATED TO PROPERTY, PLANT AND EQUIPMENT AND RISKS RELATED TO THE ULTIMATE OUTCOME OF THE COMPANY'S CURRENT AND FUTURE LITIGATION AND REGULATORY MATTERS. CERTAIN OF THESE RISKS AND OTHER RISKS ARE DESCRIBED IN THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) OVER THE LAST 12

MONTHS, COPIES OF WHICH ARE AVAILABLE FROM THE SEC OR MAY BE OBTAINED UPON REQUEST FROM THE COMPANY.

- FINANCIAL TABLES FOLLOW -

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.
FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share information)
(Unaudited)

CONSOLIDATED STATEMENT OF OPERATIONS

	For the Quarter Ended	
	March 31,	
	2007	2006
	----	----
NET SALES		
Stainless steel	\$ 39,570	\$ 33,418
Tool steel	7,097	5,827
High-strength low alloy steel	6,234	2,552
High-temperature alloy steel	2,745	2,369
Conversion services	489	729
Other	104	42
	-----	-----
Total net sales	56,239	44,937
Cost of products sold	43,020	36,170
Selling and administrative expenses	2,554	2,256
	-----	-----
Operating income	10,665	6,511
Interest expense	(227)	(266)
Other income	4	2
	-----	-----
Income before taxes	10,442	6,247
Income tax provision	3,655	2,249
	-----	-----
Net income	\$ 6,787	\$ 3,998
	=====	=====
Earnings per share - Basic	\$ 1.03	\$ 0.62
	=====	=====
Earnings per share - Diluted	\$ 1.00	\$ 0.61
	=====	=====
Weighted average shares of Common Stock outstanding		
Basic	6,621,307	6,417,323
Diluted	6,761,157	6,559,491

NOTE: 2006 results have been adjusted to reflect the retrospective application of the January 1, 2007 change in accounting for major maintenance expenses from the accrue-in-advance method to the deferral method in accordance with the FASB Staff Position entitled "Accounting for Planned Major Maintenance Activities," issued in September 2006. The effect of the change in accounting is summarized below:

	For the Quarter Ended	
	March 31, 2006	
	As Reported	As Adjusted
	-----	-----
Operating income:		
Universal Stainless & Alloy Products Segment	\$ 4,949	5,106
Dunkirk Specialty Steel Segment	1,467	1,460
Intersegment elimination	(55)	(55)
	-----	-----
	6,361	6,511
	=====	=====
Net income	\$ 3,902	\$ 3,998

	=====	=====
Diluted earnings per share	\$ 0.59	\$ 0.61
	=====	=====

BUSINESS SEGMENT RESULTS

UNIVERSAL STAINLESS & ALLOY PRODUCTS SEGMENT

	For the Quarter Ended March 31,	
	2007	2006
	----	----
NET SALES		
Stainless steel	\$ 24,996	\$ 23,567
Tool steel	6,159	5,360
High-strength low alloy steel	4,000	1,239
High-temperature alloy steel	1,230	1,041
Conversion services	327	538
Other	86	40
	-----	-----
	36,798	31,785
Intersegment	11,367	7,352
	-----	-----
Total net sales	48,165	39,137
Material cost of sales	21,231	17,408
Operation cost of sales	18,017	15,094
Selling and administrative expenses	1,718	1,529
	-----	-----
Operating income	\$ 7,199	\$ 5,106
	=====	=====

DUNKIRK SPECIALTY STEEL SEGMENT

	For the Quarter Ended March 31,	
	2007	2006
	----	----
NET SALES		
Stainless steel	\$ 14,574	\$ 9,851
Tool steel	938	467
High-strength low alloy steel	2,234	1,313
High-temperature alloy steel	1,515	1,328
Conversion services	162	191
Other	18	2
	-----	-----
	19,441	13,152
Intersegment	999	835
	-----	-----
Total net sales	20,440	13,987
Material cost of sales	11,196	7,971
Operation cost of sales	4,587	3,829
Selling and administrative expenses	836	727
	-----	-----
Operating income	\$ 3,821	\$ 1,460
	=====	=====

MARKET SEGMENT INFORMATION

	For the Quarter Ended March 31,	
	2007	2006
	----	----
NET SALES		
Service centers	\$ 29,105	\$ 23,038

Forgers	12,574	7,564
Rerollers	7,192	7,847
Original equipment manufacturers	4,877	4,599
Wire redrawers	1,898	1,144
Conversion services	489	729
Other	104	16
	-----	-----
Total net sales	\$ 56,239	\$ 44,937
	=====	=====
Tons shipped	11,157	12,045
	=====	=====

CONSOLIDATED BALANCE SHEET

	March 31, 2007	December 31, 2006
	----	----
ASSETS		
Cash	\$ 882	\$ 2,909
Accounts receivable, net	36,917	33,308
Inventory	71,640	66,019
Deferred taxes	1,285	1,544
Other current assets	1,373	1,606
	-----	-----
Total current assets	112,097	105,386
Property, plant & equipment, net	49,608	49,251
Other assets	718	584
	-----	-----
Total assets	\$ 162,423	\$ 155,221
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	\$ 15,194	\$ 13,123
Outstanding checks in excess of bank balance	4,326	3,427
Current portion of long-term debt	2,370	2,364
Accrued employment costs	3,599	4,121
Accrued income tax	2,358	544
Other current liabilities	1,619	1,358
	-----	-----
Total current liabilities	29,466	24,937
Bank revolver	3,243	8,392
Long-term debt	8,241	8,836
Deferred taxes	8,402	8,402
	-----	-----
Total liabilities	49,352	50,567
Stockholders' equity	113,071	104,654
	-----	-----
Total liabilities and stockholders' equity	\$ 162,423	\$ 155,221
	=====	=====

CONSOLIDATED STATEMENT OF CASH FLOW DATA
For the Three-month Period Ended March 31,

	2007	2006
	----	----
Cash flows provided by operating activities:		
Net income	\$ 6,787	\$ 3,998
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	899	795
Deferred tax increase (decrease)	113	(184)
Stock based compensation expense	100	41

Excess tax benefits from share-based payment arrangements	(799)	(6)
Changes in assets and liabilities:		
Accounts receivable, net	(3,609)	(1,881)
Inventory	(5,621)	(4,295)
Trade accounts payable	2,071	1,496
Deferred revenue	277	3,487
Accrued income tax payable	1,814	2,370
Accrued employment costs	(522)	(611)
Other, net	1,025	506
	-----	-----
Cash flow provided by operating activities	2,535	5,716
	-----	-----
Cash flow used in investing activities:		
Capital expenditures	(1,253)	(2,216)
	-----	-----
Cash flow used in investing activities	(1,253)	(2,216)
	-----	-----
Cash flows used in financing activities:		
Revolving credit net repayments	(5,149)	(3,296)
Long-term debt repayments	(589)	(141)
Net change in outstanding checks in excess of bank balance	899	(205)
Proceeds from issuance of common stock	731	3
Excess tax benefits from share-based payment arrangements	799	6
	-----	-----
Cash flow used in financing activities	(3,309)	3,633
	-----	-----
Net cash flow	\$ (2,027)	\$ (133)
	=====	=====