

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): October 27, 2009

Universal Stainless & Alloy Products, Inc.

(Exact name of registrant as specified in its charter)

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

600 Mayer Street, Bridgeville, Pennsylvania	15017
----- (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 October 27, 2009, Universal Stainless and Alloy Products, Inc. issued a press release regarding its earnings for the third quarter ended September 30, 2009. 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 regarding the Company's earnings for the third quarter ended September 30, 2009, 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 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated October 27, 2009

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: October 27, 2009

[GRAPHIC OMITTED]

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FOR IMMEDIATE RELEASE

UNIVERSAL STAINLESS REPORTS PROFITABLE THIRD QUARTER 2009 RESULTS
- COMPANY GENERATES EPS OF \$0.05 ON SALES OF \$25.3 MILLION -
- CASH FLOW FROM OPERATIONS IN 3Q09 IS \$10.0 MILLION -
- CASH INCREASES TO \$42.2 MILLION VS. TOTAL DEBT OF \$13.1 MILLION -

BRIDGEVILLE, PA, OCTOBER 27, 2009 - UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC. (NASDAQ: USAP) reported today that it achieved net income for the third quarter of 2009 of \$312,000, or \$0.05 per diluted share, on sales of \$25.3 million. This compares with sales of \$57.6 million and net income of \$2.7 million, or \$0.40 per diluted share, in the third quarter of 2008, which included a charge of \$586,000, equivalent to \$0.06 per diluted share, for the relocation of the Company's round bar finishing line.

Cash flow from operations for the third quarter of 2009 totaled \$10.0 million, an increase of 44% from the third quarter of 2008. Capital expenditures were \$2.7 million including expenditures of \$2.1 million for a melt shop upgrade project, which remains on time and on budget. At September 30, 2009, the Company had cash of \$42.2 million, working capital of \$97.1 million, and long-term debt of \$11.5 million.

For the first nine months of 2009, sales were \$98.2 million and the Company incurred a net loss of \$3.9 million or \$0.58 per share. This included a negative tax adjustment in the second quarter of \$742,000, equivalent to \$0.11 per diluted share, and unusual charges in the first quarter of \$3.6 million equivalent to \$0.53 per diluted share after-tax, in response to economic conditions. Before the tax adjustment and unusual charges, the Company's net income for the first nine months of 2009 was \$408,000 or \$0.06 per diluted share. In the first nine months of 2008, sales were \$178.0 million and net income was \$12.7 million, or \$1.87 per diluted share.

President and CEO Dennis Oates commented: "Our ability to generate earnings and strong cash flow despite continued weak demand is due to the tight cost control and working capital management initiatives we began in the first quarter. At the same time, we have continued to execute our long-term plan including our melt shop investment, which has already improved yields on semi-finished products even though the project is not scheduled for completion until mid-2010.

"Each of our end markets remained challenged in the third quarter, although there were some signs of stabilization. Order entry continued to improve sequentially, rising 30% from the second quarter, but it was not sufficient to replenish our backlog, which totaled \$33 million at September 30 compared with \$38 million at the end of June. However, our backlogs of aerospace products increased for the first time since 2008. Our backlog of service center plate products also rose largely driven by increased automotive production and model changeover. We expect demand in the petrochemical and power generation markets will improve in 2010.

"We are further positioning ourselves to take advantage of opportunities that arise from stronger market demand as well as to capture additional market share. The most important part of this effort is maintaining our focus on unparalleled customer service, operational excellence and maintaining a strong balance sheet to permit strategic capital investment."

SEGMENT REVIEW

For the third quarter of 2009, the UNIVERSAL STAINLESS & ALLOY PRODUCTS

SEGMENT had sales of \$21.7 million and operating income of \$60,000, yielding an operating margin of 0.3% of sales. This compares with sales of \$52.2 million and operating income of \$3.3 million, or 6.3% of sales, in the third quarter of 2008. In the second quarter of 2009, sales were \$26.9 million and operating income was \$949,000, or 3.5% of sales.

Segment sales declined 59% from the third quarter of 2008 primarily due to a 49% decrease in tons shipped. Shipments to service centers, rerollers and forgers declined substantially from the 2008 third quarter offsetting a strong increase in shipments to OEMs. Segment sales decreased 19% from the second quarter of 2009 on 24% fewer tons shipped.

The DUNKIRK SPECIALTY STEEL SEGMENT recorded sales of \$8.5 million and operating income of \$397,000 for the third quarter of 2009, yielding an operating margin of 4.7% of sales. This compares with sales for the third quarter of 2008 of \$16.9 million and an operating loss of \$172,000, which included the \$586,000 charge for the relocation of the round bar finishing line and a \$416,000 increase to the segment's LCM reserve. In the second quarter of 2009, sales were \$10.2 million and the segment incurred an operating loss of \$384,000.

Dunkirk's sales declined 50% from the third quarter of 2008 while tons shipped decreased 33% due to lower shipments to all customer categories and lower surcharges. Dunkirk's sales were 17% lower than in the second quarter of 2009 on a 23% decrease in tons shipped.

WEBCAST

A simultaneous Webcast of the Company's conference call discussing the third quarter of 2009, 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.

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. More information is available at www.univstainless.com.

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, LABOR 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. THE COMPANY'S ACTUAL RESULTS IN FUTURE PERIODS ALSO MAY BE IMPACTED BY VARIOUS ECONOMIC AND MARKET RISK AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. 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.

-TABLES FOLLOW-

(Dollars in thousands, except per share information)
(Unaudited)

CONSOLIDATED STATEMENT OF OPERATIONS

	For the Quarter Ended September 30,		For the Nine-Months Ended September 30,	
	2009	2008	2009	2008
	----	----	----	----
NET SALES				
Stainless steel	\$ 18,622	\$ 42,094	\$ 78,032	\$ 127,882
Tool steel	1,136	10,393	6,028	31,159
High-strength low alloy steel	2,565	2,564	7,675	9,509
High-temperature alloy steel	1,488	1,763	4,383	6,253
Conversion services	277	541	873	1,514
Other	1,198	284	1,244	1,649
	-----	-----	-----	-----
Total net sales	25,286	57,639	98,235	177,966
Cost of products sold	22,571	51,040	94,527	150,837
Selling and administrative expenses	2,258	2,852	9,101	8,561
	-----	-----	-----	-----
Operating income (loss)	457	3,747	(5,393)	18,568
Interest expense	(19)	(26)	(70)	(81)
Other income	71	68	136	217
	-----	-----	-----	-----
Income (loss) before taxes	509	3,789	(5,327)	18,704
Income tax provision (benefit)	197	1,063	(1,413)	5,985
	-----	-----	-----	-----
Net income (loss)	\$ 312	\$ 2,726	\$ (3,914)	\$ 12,719
	=====	=====	=====	=====
Earnings (Loss) per share - Basic	\$ 0.05	\$ 0.41	\$ (0.58)	\$ 1.90
	=====	=====	=====	=====
Earnings (Loss) per share - Diluted	\$ 0.05	\$ 0.40	\$ (0.58)	\$ 1.87
	=====	=====	=====	=====
Weighted average shares of Common Stock outstanding				
Basic	6,769,086	6,727,677	6,751,036	6,699,471
Diluted	6,818,040	6,832,070	6,751,036	6,807,699

MARKET SEGMENT INFORMATION

	For the Quarter Ended September 30,		For the Nine-Months Ended September 30,	
	2009	2008	2009	2008
	----	----	----	----
NET SALES				
Service centers	\$ 8,393	\$ 26,826	\$ 39,042	\$ 89,910
Forgers	7,778	14,299	31,169	34,459
Rerollers	1,940	9,532	9,904	30,011
Original equipment manufacturers	4,980	3,751	13,176	14,987
Wire redrawers	720	2,406	2,827	5,467
Conversion services	277	541	873	1,514
Other	1,198	284	1,244	1,618
	-----	-----	-----	-----
Total net sales	\$ 25,286	\$ 57,639	\$ 98,235	\$ 177,966
	=====	=====	=====	=====
Tons shipped	5,562	10,808	22,010	33,998
	=====	=====	=====	=====

BUSINESS SEGMENT RESULTS

UNIVERSAL STAINLESS & ALLOY PRODUCTS SEGMENT

	For the Quarter Ended September 30,		For the Nine-Months Ended September 30,	
	2009	2008	2009	2008
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NET SALES				
Stainless steel	\$ 13,123	\$ 29,168	\$ 57,352	\$ 85,379
Tool steel	1,096	10,161	5,835	29,863
High-strength low alloy steel	1,084	729	2,746	2,956
High-temperature alloy steel	514	818	1,641	2,316
Conversion services	152	329	546	982
Other	1,185	252	1,225	1,524
	-----	-----	-----	-----
Intersegment	17,154	41,457	69,345	123,020
	4,515	10,777	15,888	30,504
	-----	-----	-----	-----
Total net sales	21,669	52,234	85,233	153,524
Material cost of sales	8,999	30,722	39,710	82,715
Operation cost of sales	11,060	16,314	41,651	51,040
Selling and administrative expenses	1,550	1,933	6,777	5,940
	-----	-----	-----	-----
Operating income (loss)	\$ 60	\$ 3,265	\$ (2,905)	\$ 13,829
	=====	=====	=====	=====

DUNKIRK SPECIALTY STEEL SEGMENT

	For the Quarter Ended		For the Nine-Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
	----	----	----	----
NET SALES				
Stainless steel	\$ 5,499	\$ 12,926	\$ 20,680	\$ 42,503
Tool steel	40	232	193	1,296
High-strength low alloy steel	1,481	1,835	4,929	6,553
High-temperature alloy steel	974	945	2,742	3,937
Conversion services	125	212	327	532
Other	13	32	19	125
	-----	-----	-----	-----
Intersegment	8,132	16,182	28,890	54,946
	354	758	1,184	3,220
	-----	-----	-----	-----
Total net sales	8,486	16,940	30,074	58,166
Material cost of sales	4,524	11,219	19,663	36,184
Operation cost of sales	2,857	4,974	10,575	14,622
Selling and administrative expenses	708	919	2,324	2,621
	-----	-----	-----	-----
Operating income (loss)	\$ 397	\$ (172)	\$ (2,488)	\$ 4,739
	=====	=====	=====	=====

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CONSOLIDATED BALANCE SHEET

	September 30,	December 31,
	2009	2008
	----	----
ASSETS		
Cash	\$ 42,172	\$ 14,812
Accounts receivable, net	15,905	33,057
Inventory, net	42,544	63,222
Other current assets	8,694	8,239
	-----	-----
Total current assets	109,315	119,330
Property, plant & equipment, net	69,355	62,626
Other assets	1,362	988
	-----	-----
Total assets	\$ 180,032	\$ 182,944
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	\$ 6,832	\$ 19,350
Outstanding checks in excess of bank balance	885	540
Accrued employment costs	2,303	3,795

Current portion of long-term debt	1,620	403
Other current liabilities	583	421
	-----	-----
Total current liabilities	12,223	24,509
Long-term debt	11,529	1,046
Deferred taxes	13,165	11,689
Other liabilities	189	-
	-----	-----
Total liabilities	37,106	37,244
Stockholders' equity	142,926	145,700
	-----	-----
Total liabilities and stockholders' equity	\$ 180,032	\$ 182,944
	=====	=====

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CONSOLIDATED STATEMENT OF CASH FLOW DATA
For the Nine-month Period Ended September 30,

	2009	2008
	----	----
Cash flows provided by operating activities:		
Net income (loss)	\$ (3,914)	\$ 12,719
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	3,583	3,030
Deferred income tax	1,015	191
Stock based compensation expense	766	591
Tax benefit from share-based payment arrangements	(86)	(534)
Changes in assets and liabilities:		
Accounts receivable, net	17,152	(6,366)
Inventory, net	20,678	(4,852)
Trade accounts payable	(12,518)	7,898
Accrued employment costs	(1,492)	(343)
Other, net	60	(487)
	-----	-----
Cash flow provided by operating activities	25,244	11,847
	-----	-----
Cash flow used in investing activities:		
Proceeds from sale of fixed assets	60	-
Capital expenditures	(10,304)	(9,585)
	-----	-----
Cash flow used in investing activities	(10,244)	(9,585)
	-----	-----
Cash flows provided by financing activities:		
Long-term debt issuance	12,000	-
Long-term debt repayments	(300)	(290)
Net change in outstanding checks in excess of bank balance	345	(279)
Deferred financing costs	(84)	-
Proceeds from issuance of common stock	313	723
Tax benefit from share-based payment arrangements	86	534
	-----	-----
Cash flow provided by financing activities	12,360	688
	-----	-----
Net cash flow	\$ 27,360	\$ 2,950
	=====	=====

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