

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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): July 21, 2004

Universal Stainless & Alloy Products, Inc.

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(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
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(Address of principal executive offices)		(Zip code)

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

Item 12. Results of Operations and Financial Condition

On July 21, 2004, Universal Stainless and Alloy Products, Inc. issued a press release regarding its earnings for the second quarter ended June 30, 2004. A copy of the press release is attached hereto.

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.

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  
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Vice President of Finance,  
Chief Financial Officer and Treasurer

Dated: July 21, 2004

[GRAPHIC OMITTED]

Universal Stainless & Alloy Products, Inc.  
600 Mayer Street o Bridgeville, Pennsylvania 15017

CONTACTS: Richard M. Ubinger  
Vice President of Finance,  
Chief Financial Officer and Treasurer  
(412) 257-7606

FOR IMMEDIATE RELEASE  
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Comm-Partners LLC  
June Filingeri  
(203) 972-0186

UNIVERSAL STAINLESS REPORTS EPS OF \$0.25 FOR 2004 SECOND QUARTER  
- Dunkirk operation attains operating income of \$651,000 on  
\$8.0 million in sales -

BRIDGEVILLE, PA, July 21, 2004 -- Universal Stainless & Alloy Products, Inc. (Nasdaq: USAP) today reported second quarter 2004 sales of \$29.0 million and net income of \$1.6 million, or \$0.25 per diluted share. These results represent sales at a near record level and EPS ahead of the projected range of \$0.15 to \$0.20. Sales increased 72% from the second quarter of 2003 and 36% from the first quarter of 2004. Second quarter 2004 net income showed a strong turnaround from the net loss of \$440,000, or \$0.07 per diluted share, in the year ago period and was greatly improved from the net income of \$227,000 or \$0.04 per diluted share reported in the 2004 first quarter.

Commenting on the results, President and CEO Mac McAninch stated: "Business is good across all the markets we serve. Our sales to service centers, rerollers and forgers in the 2004 second quarter demonstrated substantial growth over the prior quarter and year over year. Our strong financial performance resulted from greater demand for our higher value-added niche products. This was reflected in higher shipments of aerospace, power generation, petrochemical and tool steel products, which were up 42%, 56%, 63% and 18%, respectively, over the first quarter of 2004 and even more substantially over the prior year."

Mr. McAninch added: "The improvement in our profitability company-wide in the second quarter was also due to the price increases we have implemented to offset unprecedented raw material cost increases as well as higher energy and manufacturing supply costs. In addition, the improvement in the second quarter was due to the efforts of our employees at each operating location to respond to customer needs in a time of high demand."

USAP REPORTS STRONG 2004 SECOND QUARTER

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Segment Review  
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In the second quarter of 2004, the Universal Stainless & Alloy Products segment had sales of \$25.1 million and operating income of \$1.9 million. This compares with sales of \$14.5 million and an operating loss of \$255,000 in the second quarter of 2003 and sales of \$18.8 million and operating income of \$401,000 in the first quarter of 2004. The strong growth reflected increased sales to all customer categories, including sales of reroll product to Dunkirk, both year over year and sequentially. Increased shipments, combined with improved pricing, led to greater profitability.

The Dunkirk Specialty Steel segment reported record sales of \$8.0 million and operating income of \$651,000. This compares with sales of \$5.4

million and an operating loss of \$374,000 in the second quarter of 2003 and sales of \$6.7 million and operating income of \$34,000 in the prior quarter. Dunkirk's top line growth mainly reflected increased sales to service centers while its total sales volume allowed further reductions in the manufacturing cost of products sold, leading to the substantial improvement in its profitability.

#### Business Outlook

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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 third quarter 2004 sales will range from \$30 to \$35 million and that diluted EPS will range from \$0.30 to \$0.35. In the third quarter of 2003, sales were \$18.6 million and the Company incurred a net loss per diluted share of \$0.02.

The following factors were considered in developing these estimates:

- o The Company's total backlog at June 30, 2004 approximated \$49 million compared to \$37 million at March 31, 2004, reflecting strength in all of the Company's niche markets.
- o The third quarter results are expected to benefit from capital improvements implemented in the second quarter, including the addition of annealing furnaces for ingot, billet and bar products. The addition of a reheat furnace is scheduled to be completed in August and is expected to increase the throughput of the Bridgeville blooming mill with its full benefit expected in the 2004 fourth quarter.
- o Sales from the Dunkirk Specialty Steel segment are expected to approximate \$9 million due to strong customer demand. Further sales growth is expected when additional reroll product is available from the Bridgeville operation.

Mr. McAninch concluded: "The recent capital investments we have made will enable us to respond more quickly to customer needs which we expect will remain strong through the balance of the year."

USAP REPORTS STRONG 2004 SECOND QUARTER

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#### Webcast

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A simultaneous Webcast of the Company's conference call discussing the 2004 second quarter and the third quarter 2004 outlook, scheduled at 10:00 a.m. (Eastern) today, will be available on the Company's website at [www.univstainless.com](http://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, continuing through July 28th. It can be accessed by dialing 706-645-9291, passcode 8565498. This is a toll call.

About Universal Stainless & Alloy Products, Inc.

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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 original equipment manufacturers, service centers, forgers, rerollers and wire redrawers.

#### Forward-Looking Information Safe Harbor

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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 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 June 30,		For the Six-Months Ended June 30,	
	2004	2003	2004	2003
	----	----	----	----
Net Sales				
-----				
Stainless steel	\$ 22,889	\$ 12,612	\$ 39,057	\$ 23,849
Tool steel	3,743	2,599	6,908	4,500
High-strength low alloy steel	1,064	668	1,925	1,339
High-temperature alloy steel	612	625	1,322	1,142
Conversion services	596	265	928	598
Other	122	68	193	109
	-----	-----	-----	-----
Total net sales	29,026	16,837	50,333	31,537
Cost of products sold	24,531	15,941	43,875	30,621
Selling and administrative expenses	1,947	1,525	3,475	2,918
	-----	-----	-----	-----
Operating income (loss)	2,548	(629)	2,983	(2,002)
Interest expense	(106)	(94)	(194)	(189)
Other income	3	23	11	50
	-----	-----	-----	-----
Income (loss) before taxes	2,445	(700)	2,800	(2,141)
Income tax provision (benefit)	879	(260)	1,007	(1,118)
	-----	-----	-----	-----
Net income (loss)	\$ 1,566	\$ (440)	\$ 1,793	\$ (1,023)
	=====	=====	=====	=====
Earnings (loss) per share - Basic	\$ 0.25	\$ (0.07)	\$ 0.28	\$ (0.16)
	=====	=====	=====	=====
Earnings (loss) per share - Diluted	\$ 0.25	\$ (0.07)	\$ 0.28	\$ (0.16)
	=====	=====	=====	=====
Weighted average shares of Common Stock outstanding				
Basic	6,299,579	6,284,691	6,297,816	6,284,665
Diluted	6,355,148	6,284,691	6,345,591	6,284,665

MARKET SEGMENT INFORMATION

	For the Quarter Ended June 30,		For the Six-Months Ended June 30,	
	2004	2003	2004	2003
	----	----	----	----
Net Sales				
-----				

Service centers	\$ 12,267	\$ 7,905	\$ 22,173	\$ 14,855
Rerollers	8,187	4,240	12,257	8,039
Forgers	5,133	2,355	8,949	4,002
Original equipment manufacturers	1,904	1,372	3,838	2,421
Wire redrawers	843	640	2,039	1,520
Conversion services	596	265	928	598
Other	96	60	149	102
	-----	-----	-----	-----
Total net sales	\$ 29,026	\$ 16,837	\$ 50,333	\$ 31,537
	=====	=====	=====	=====
Tons shipped	12,131	8,645	21,197	16,058
	=====	=====	=====	=====

#### BUSINESS SEGMENT RESULTS

##### Universal Stainless & Alloy Products Segment

	For the Quarter Ended		For the Six-Months Ended	
	June 30,		June 30,	
	2004	2003	2004	2003
	----	----	----	----
Net Sales				
-----				
Stainless steel	\$ 16,376	\$ 7,949	\$ 27,096	\$ 15,060
Tool steel	3,668	2,413	6,747	4,180
High-strength low alloy steel	399	464	812	871
High-temperature alloy steel	525	547	1,075	1,025
Conversion services	475	198	724	508
Other	106	61	152	94
	-----	-----	-----	-----
	21,549	11,632	36,606	21,738
Intersegment	3,515	2,867	7,721	5,162
	-----	-----	-----	-----
Total net sales	25,064	14,499	44,327	26,900
Material cost of sales	8,390	5,244	18,924	9,640
Operation cost of sales	13,446	8,512	20,743	16,371
Selling and administrative expenses	1,331	998	2,362	1,918
	-----	-----	-----	-----
Operating income (loss)	\$ 1,897	\$ (255)	\$ 2,298	\$ (1,029)
	=====	=====	=====	=====

##### Dunkirk Specialty Steel Segment

	For the Quarter Ended		For the Six-Months Ended	
	June 30,		June 30,	
	2004	2003	2004	2003
	----	----	----	----
Net Sales				
-----				
Stainless steel	\$ 6,513	\$ 4,663	\$ 11,961	\$ 8,789
Tool steel	75	186	161	320
High-strength low alloy steel	665	204	1,113	468
High-temperature alloy steel	87	78	247	117
Conversion services	121	67	204	90
Other	16	7	41	15
	-----	-----	-----	-----
	7,477	5,205	13,727	9,799
Intersegment	558	190	1,053	380
	-----	-----	-----	-----
Total net sales	8,035	5,395	14,780	10,179
Material cost of sales	3,902	2,941	7,379	5,553
Operation cost of sales	2,866	2,301	5,603	4,599
Selling and administrative expenses	616	527	1,113	1,000
	-----	-----	-----	-----
Operating income (loss)	\$ 651	\$ (374)	\$ 685	\$ (973)
	=====	=====	=====	=====

CONSOLIDATED BALANCE SHEET

	June 30, 2004 ----	December 31, 2003 ----
Assets		
-----		
Cash	\$ 369	\$ 4,735
Accounts receivable, net	19,548	12,690
Inventory	30,578	22,281
Other current assets	3,941	4,285
	-----	-----
Total current assets	54,436	43,991
Property, plant & equipment, net	39,805	40,176
Other assets	732	758
	-----	-----
Total assets	\$ 94,973 =====	\$ 84,925 =====
Liabilities and Stockholders' Equity		
-----		
Accounts payable	\$ 10,939	\$ 6,792
Bank overdrafts	305	813
Accrued employment costs	1,740	833
Current portion of long-term debt	1,928	1,944
Other current liabilities	1,550	195
	-----	-----
Total current liabilities	16,462	10,577
Bank revolver	3,167	--
Long-term debt	4,632	5,599
Deferred taxes	9,397	9,313
	-----	-----
Total liabilities	33,658	25,489
Stockholders' equity	61,315	59,436
	-----	-----
Total liabilities and stockholders' equity	\$ 94,973 =====	\$ 84,925 =====

CONSOLIDATED STATEMENT OF CASH FLOW DATA  
For the Six-Months Ended June 30,

	2004 ----	2003 ----
Cash flows from operating activities:		
Net income (loss)	\$ 1,793	\$ (1,023)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	1,571	1,571
Deferred taxes	84	145
Tax benefit from exercise of stock options	3	-
Changes in assets and liabilities:		
Accounts receivable, net	(6,858)	(797)
Inventory	(8,297)	780
Trade accounts payable	4,147	1,776
Accrued employment costs	907	(13)
Refundable taxes	-	(265)
Other, net	1,720	839
	-----	-----
Cash flow from (due to) operating activities	(4,930)	3,013
	-----	-----
Cash flow from investing activities:		
Capital expenditures	(1,195)	(191)
	-----	-----
Cash flow due to investing activities	(1,195)	(191)

Cash flows from financing activities:	-----	-----
Net borrowings under revolving line of credit	3,167	-
Proceeds from deferred loan agreement	-	200
Repayments of long-term debt	(983)	(959)
Net change in bank overdrafts	(508)	641
Proceeds from issuance of common stock	83	25
	-----	-----
Cash flow from (due to) financing activities	1,759	(93)
	-----	-----
Net cash flow	\$ (4,366)	\$ 2,729
	=====	=====