

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 20, 2004

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
-----	-----
(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 20, 2004, Universal Stainless and Alloy Products, Inc. issued a press release regarding its earnings for the third quarter ended September 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

Vice President of Finance,
Chief Financial Officer and Treasurer

Dated: October 20, 2004

[GRAPHIC OMITTED][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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UNIVERSAL STAINLESS 2004 THIRD QUARTER EPS EXCEEDS FORECAST
- Backlog Reaches \$60 million -

BRIDGEVILLE, PA, October 20, 2004 -- Universal Stainless & Alloy Products, Inc. (Nasdaq: USAP) today reported third quarter 2004 sales of \$33.3 million and net income of \$2.7 million, or \$0.43 per diluted share. This includes other income of \$565,000, or \$0.06 per diluted share, related to the delayed receipt of the remaining 2003 import duties awarded the Company under the "Continued Dumping and Subsidy Act of 2000" resulting from a favorable ruling on a lawsuit challenging the distribution method of the import duties.

Sales for the 2004 third quarter were in line with the Company's forecast and EPS was ahead of the projected range of \$0.30 to \$0.35, before including the other income from import duties.

In the third quarter of 2003, sales were \$18.6 million and the Company incurred a net loss of \$121,000 or \$0.02 per diluted share.

Commenting on the results, President and CEO Mac McAninch stated: "I am pleased with our performance in all of our markets and by the confidence our customers have demonstrated in us. In a period of very high market demand, we have worked diligently to respond to our customers' needs by investing rapidly to increase throughput and by maintaining a fair and transparent pricing policy in the face of volatile, rising costs."

Mr. McAninch continued: "Our third quarter sales rose 79% from last year, which was a difficult period for the economy and our industry. More importantly, end market sales improved 15% over stronger 2004 second quarter levels, with sales of aerospace, power generation, petrochemical and tool steel products up 17%, 2%, 11% and 14%, respectively."

USAP REPORTS 2004 THIRD QUARTER RESULTS

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Mr. McAninch added: "We continued to improve our profitability in the third quarter by focusing on higher value-added products and by taking necessary pricing action for cost recovery. I am especially pleased with the enthusiasm and dedication of our employees at Dunkirk Specialty Steel. They have done an excellent job of penetrating attractive niche markets and improving their product mix. Their improved operating results begin to show the facility's true potential to the Company. I also want to acknowledge the efforts of our employees at Bridgeville and Titusville, who increased shipments by 17% from the prior quarter. As our backlog continues to rise, we must continue to increase

our productivity and remain focused on quality improvement and cost reduction initiatives."

Segment Review

In the third quarter of 2004, the Universal Stainless & Alloy Products segment had sales of \$31.2 million and operating income of \$2.9 million. This compares with sales of \$16.2 million and operating income of \$554,000 in the third quarter of 2003 and sales of \$25.1 million and operating income of \$1.9 million in the second quarter of 2004.

The strong growth reflected increased sales to all customer categories, including sales of reroll product to Dunkirk, in the year-over-year period and sequentially. Higher shipments, improved mix and price recovery initiatives led to greater profitability.

The Dunkirk Specialty Steel segment reported record sales of \$9.5 million and operating income of \$1.2 million. This compares with sales of \$5.2 million and an operating loss of \$732,000 in the third quarter of 2003 and sales of \$8.0 million and operating income of \$651,000 in the prior quarter.

Dunkirk's top line growth mainly reflected improved product mix and increased sales to service centers, while its total sales volume allowed further reductions in the manufacturing cost of products sold, leading to the continued improvement in its profitability.

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 fourth quarter 2004 sales will range from \$32 to \$37 million and that diluted EPS will range from \$0.32 to \$0.37. In the fourth quarter of 2003, sales were \$18.8 million and the Company incurred a net loss per diluted share of \$0.04. The 2004 fourth quarter EPS estimate does not include any monies that may be received by the Company related to the Continued Dumping and Subsidy Act of 2000 for the current year.

The following factors were considered in developing these estimates:

- O The Company's total backlog at September 30, 2004 approximated \$60 million compared to \$49 million at June 30, 2004, reflecting continued strength in all of the Company's markets.
- O Capital improvements implemented in the second and third quarters, including the addition of a reheat furnace to increase throughput at the Bridgeville blooming mill, should fully benefit the fourth quarter.
- O Sales from the Dunkirk Specialty Steel segment are expected to approximate the 2004 third quarter sales of \$9.5 million. Additional sales are dependent upon the level of inventory management initiatives implemented by the service center industry near the end of the year.
- O The Company expects raw material costs to remain volatile for the balance of the year. Its electricity costs will increase by \$200,000 per month in the fourth quarter due to a recent Public Utility Commission ruling that has reduced the number of off-peak power hours available to conduct its melting operations at the Bridgeville facility. The Company has retained a consultant to recommend energy-saving initiatives and is currently negotiating its 2005 energy contract.

Mr. McAninch concluded: "Our Company and our industry have realized substantial improvement this year. Based on our own assessment of the marketplace and what we are currently hearing from our customers, we expect continued strength in our business at least through the first half of 2005."

Webcast

A simultaneous Webcast of the Company's conference call discussing the 2004 third quarter and the fourth quarter 2004 outlook, scheduled at 10:30 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 1:00 p.m. (Eastern) today and continuing through October 27th. It can be accessed by dialing 706-645-9291, passcode 1371941. 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 original equipment manufacturers, service centers, forgers, rerollers and wire redrawers.

USAP REPORTS 2004 THIRD QUARTER RESULTS

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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		For the Nine-Months Ended	
	September 30,		September 30,	
	2004	2003	2004	2003
	----	----	----	----
Net Sales				
Stainless steel	\$ 26,529	\$ 14,215	\$ 65,586	\$ 38,064
Tool steel	4,277	2,828	11,185	7,328
High-strength low alloy steel	1,160	619	3,085	1,958
High-temperature alloy steel	473	608	1,795	1,750
Conversion services	707	247	1,635	845
Other	151	108	344	217
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Total net sales	33,297	18,625	83,630	50,162
Cost of products sold	27,701	17,296	71,576	47,917
Selling and administrative expenses	1,873	1,507	5,348	4,425
	-----	-----	-----	-----
Operating income (loss)	3,723	(178)	6,706	(2,180)
Interest expense	(108)	(100)	(302)	(289)
Other income	566	24	577	74

Income (loss) before taxes	4,181	(254)	6,981	(2,395)
Income tax provision (benefit)	1,436	(133)	2,443	(1,251)
Net income (loss)	\$ 2,745	\$ (121)	\$ 4,538	\$ (1,144)
Earnings (loss) per share - Basic	\$ 0.44	\$ (0.02)	\$ 0.72	\$ (0.18)
Earnings (loss) per share - Diluted	\$ 0.43	\$ (0.02)	\$ 0.71	\$ (0.18)
Weighted average shares of Common Stock outstanding				
Basic	6,305,456	6,289,485	6,300,229	6,286,271
Diluted	6,400,188	6,289,485	6,363,656	6,286,271

MARKET SEGMENT INFORMATION

	For the Quarter Ended September 30,		For the Nine-Months Ended September 30,	
	2004	2003	2004	2003
Net Sales				
Service centers	\$ 13,443	\$ 7,478	\$ 35,616	\$ 22,333
Rerollers	9,208	5,246	21,465	13,285
Forgers	6,232	3,052	15,181	7,054
Original equipment manufacturers	2,263	1,423	6,101	3,844
Wire redrawers	1,307	1,095	3,346	2,615
Conversion services	707	246	1,635	844
Other	137	85	286	187
Total net sales	\$ 33,297	\$ 18,625	\$ 83,630	\$ 50,162
Tons shipped	13,470	9,600	34,667	25,658

BUSINESS SEGMENT RESULTS

Universal Stainless & Alloy Products Segment

	For the Quarter Ended September 30,		For the Nine-Months Ended September 30,	
	2004	2003	2004	2003
Net Sales				
Stainless steel	\$ 18,373	\$ 9,805	\$ 45,469	\$ 24,865
Tool steel	4,155	2,744	10,902	6,924
High-strength low alloy steel	575	313	1,387	1,184
High-temperature alloy steel	451	438	1,526	1,463
Conversion services	632	208	1,356	716
Other	146	108	298	202
Intersegment	24,332	13,616	60,938	35,354
	6,867	2,552	14,588	7,714
Total net sales	31,199	16,168	75,526	43,068
Material cost of sales	14,999	6,247	33,923	15,887
Operation cost of sales	11,990	8,362	32,733	24,733
Selling and administrative expenses	1,310	1,005	3,672	2,923
Operating income (loss)	\$ 2,900	\$ 554	\$ 5,198	\$ (475)

Dunkirk Specialty Steel Segment

	For the Quarter Ended September 30,		For the Nine-Months Ended September 30,	
	2004	2003	2004	2003
Net Sales				
Stainless steel	\$ 8,156	\$ 4,410	\$ 20,117	\$ 13,199
Tool steel	122	84	283	404
High-strength low alloy steel	585	306	1,698	774
High-temperature alloy steel	22	170	269	287
Conversion services	75	39	279	129
Other	5	-	46	15
	8,965	5,009	22,692	14,808
Intersegment	519	216	1,572	596
Total net sales	9,484	5,225	24,264	15,404
Material cost of sales	4,716	3,170	12,095	8,723
Operation cost of sales	3,042	2,285	8,645	6,884
Selling and administrative expenses	563	502	1,676	1,502
Operating income (loss)	\$ 1,163	\$ (732)	\$ 1,848	\$ (1,705)

CONSOLIDATED BALANCE SHEET

	September 30, 2004	December 31, 2003
Assets		
Cash	\$ 549	\$ 4,735
Accounts receivable, net	22,629	12,690
Inventory	33,808	22,281
Other current assets	3,098	4,285
Total current assets	60,084	43,991
Property, plant & equipment, net	40,225	40,176
Other assets	472	758
Total assets	\$ 100,781	\$ 84,925
Liabilities and Stockholders' Equity		
Accounts payable	\$ 11,787	\$ 6,792
Bank overdrafts	939	813
Accrued employment costs	2,818	833
Current portion of long-term debt	1,931	1,944
Other current liabilities	1,030	195
Total current liabilities	18,505	10,577
Bank revolver	4,597	-
Long-term debt	4,150	5,599
Deferred taxes	9,451	9,313
Total liabilities	36,703	25,489
Stockholders' equity	64,078	59,436
Total liabilities and stockholders' equity	\$ 100,781	\$ 84,925

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

	2004 ----	2003 ----
Cash flows from operating activities:		
Net income (loss)	\$ 4,538	\$ (1,144)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	2,336	2,319
Deferred taxes	480	670
Tax benefit from exercise of stock options	8	-
Changes in assets and liabilities:		
Accounts receivable, net	(9,939)	(2,167)
Inventory	(11,527)	(188)
Trade accounts payable	4,995	2,559
Accrued employment costs	1,985	243
Refundable taxes	1,405	(930)
Other, net	553	227
	-----	-----
Cash flow from (due to) operating activities	(5,166)	1,589
	-----	-----
Cash flow from investing activities:		
Capital expenditures	(2,377)	(713)
	-----	-----
Cash flow due to investing activities	(2,377)	(713)
	-----	-----
Cash flows from financing activities:		
Net borrowings under revolving line of credit	4,597	-
Proceeds from deferred loan agreement	-	200
Repayments of long-term debt	(1,462)	(1,451)
Net change in bank overdrafts	126	235
Proceeds from issuance of common stock	96	25
	-----	-----
Cash flow from (due to) financing activities	3,357	(991)
	-----	-----
Net cash flow	\$ (4,186)	\$ (115)
	=====	=====