



## Universal Stainless & Alloy Products, Inc. Announces Second Quarter Results

BRIDGEVILLE, PA, July 20, 1999 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced results for the quarter ended June 30, 1999:

	Quarter Ended June 30		Six Months Ended June 30	
	1999	1998	1999	1998
Net sales	\$15,485,000	\$21,163,000	\$29,973,000	\$43,512,000
Net income	\$249,000	\$1,535,000	\$480,000	\$3,346,000
Earnings per diluted share	\$0.04	\$0.24	\$0.08	\$0.52

Mac McAninch, President and Chief Executive Officer of Universal Stainless commented, "The second quarter was a continuation of first quarter trends of increased scrap costs and lower selling prices for our products. Price increases initiated in April have been difficult to implement due to the continued impact of imports. Nonetheless, through careful management of our costs we continue to operate profitably. During the quarter, we saw lower sales of forging products due to decreased demand from the petrochemical, oil, and aerospace industries. This was partially offset by renewed demand from the power generation industry. Our scheduled July maintenance shutdown is complete, and our bar mill is operating on a two-turn basis and the round bar finishing facility is fully operational."

Mr. McAninch continued, "We believe the second half of 1999 will be stronger than the first. While preliminary indications are that scrap costs will remain high due to foreign demand, we expect domestic pricing to improve as the Asian economies strengthen and imports decline. We continue to add new customers, and we expect increases in our backlog as market conditions improve. With our bar mill and round bar finishing facility now fully operational, we are aggressively increasing our presence in the finished round bar market." Universal Stainless & Alloy Products, Inc., headquartered in Bridgeville, Pa., manufactures and markets semi-finished and finished specialty steels, including stainless steel, tool steel and certain other alloyed steels. The Company's products are sold to rollers, forgers, service centers and original equipment manufacturers, which primarily include the power generation and aerospace industries.

Except for historical information contained herein, the statements in this release are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties which 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 and timing of future customer orders, risks associated with the manufacturing process and production yields, risks related to property, plant and equipment. 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.

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,	
	1999	1998	1999	1998
Net sales	\$15,485	\$21,163	\$29,973	\$43,512
Cost of products sold	13,940	17,332	26,901	35,799
Selling and administrative expenses	970	1,336	1,984	2,476
Operating income	575	2,495	1,088	5,237
Other income (expense)	(180)	(58)	(326)	75

Income before taxes	395	2,437	762	5,312
Income taxes	146	902	282	1,966
Net income	\$ 249	\$ 1,535	\$ 480	\$ 3,346
Earnings per share:				
Basic	\$ 0.04	\$ 0.24	\$ 0.08	\$ 0.53
Diluted	\$ 0.04	\$ 0.24	\$ 0.08	\$ 0.52
Weighted average shares of Common Stock outstanding				
Basic	6,102,593	6,311,203	6,132,954	6,303,356
Diluted	6,102,593	6,372,742	6,132,954	6,405,711
Tons shipped	11,354	13,665	21,514	28,229

BALANCE SHEET DATA

	June 30, 1999	December 31, 1998
Current assets	\$28,999	\$28,442
Net property, plant & equipment	37,116	35,710
Other assets	288	298
	\$66,403	\$64,450
Current liabilities	\$ 9,148	\$ 6,613
Long-term debt	10,926	11,841
Deferred taxes	4,133	3,431
Total liabilities	24,207	21,885
Stockholders' equity	42,196	42,565
	\$66,403	\$64,450

CONTACT: Morgen-Walke Associates  
Gordon McCoun, Eric Boyriven  
Media Contact: Brian Maddox  
(212) 850-5600