

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): July 24, 2007

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
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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 July 24, 2007, Universal Stainless and Alloy Products, Inc. issued a press release regarding its earnings for the second quarter ended June 30, 2007. 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated July 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: July 24, 2007

[GRAPHIC OMITTED][GRAPHIC OMITTED]

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FOR IMMEDIATE RELEASE

UNIVERSAL STAINLESS REPORTS STRONG RESULTS, RECORD SALES
FOR SECOND QUARTER OF 2007
- Company Announces \$3.5 Million Capital Project -

BRIDGEVILLE, PA, July 24, 2007 - Universal Stainless & Alloy Products, Inc. (Nasdaq: USAP) reported today that sales for the second quarter of 2007 rose 29% to a record \$62.1 million compared with \$48.0 million in the same period of 2006. Net income for the 2007 second quarter rose 27% to \$5.9 million, or \$0.87 per diluted share, including the effect of an after-tax charge of \$520,000, equivalent to \$0.08 per diluted share, related to a previously reported legal settlement. In the second quarter of 2006, net income was \$4.6 million, or \$0.70 per diluted share.

The 2007 second quarter results also included a net inventory adjustment of \$1.0 million, equivalent to \$0.10 per diluted share, mainly due to increased reserves related to a sharp decline in nickel prices at the end of the quarter. The annual income tax rate declined to 35.0% from 36.0% recorded in the 2006 second quarter, equivalent to \$0.01 per diluted share. Net income for the 2006 second quarter has been adjusted for the retrospective application of an accounting pronouncement as detailed in the financial tables.

Sales for the second quarter of 2007 exceeded the Company's forecasted range of \$52 to \$57 million and its diluted EPS was within the Company's forecast of \$0.85 to \$0.90. Excluding the previously described charges for the legal settlement and inventory adjustments, which are \$0.18 per diluted share in the aggregate, diluted EPS would have exceeded the Company's forecast.

For the first six months of 2007, sales rose 27% to \$118.3 million and net income increased 47% to \$12.6 million, or \$1.87 per diluted share, compared to same period of 2006.

Chairman and CEO Mac McAninch commented: "The sustained strength of the aerospace market continued to be a main driver of our growth in the second quarter and its outlook is very positive into the next decade. The power generation, petrochemical and heavy equipment markets hold enormous opportunity for us as well."

USAP REPORTS STRONG RESULTS FOR 2007 SECOND QUARTER

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Mr. McAninch continued: "Our optimism and the positive outlook for our end markets are not diminished by the continuing volatility in the market price of nickel and its recent decline, although that decline has affected our forecast for the current third quarter. However, over the longer term, we expect lower nickel prices to encourage our service center customers to rebuild their inventories. Lower nickel prices should also decrease our working capital needs.

"Our capital investments over the past two years have enabled us to better respond to opportunities in our niche markets to date. We have decided to take another major step to enhance our capabilities by adding high temperature annealing equipment capable of oil, water and air quenching at our Dunkirk facility. Dunkirk's high temperature heat treating operation, which is required for most of its product categories, is approaching full utilization. This capital expansion project, which will cost approximately \$3.5 million and is scheduled for completion in the fourth quarter, has the potential to expand Dunkirk's annual sales by as much as \$20 million. Our continued reinvestment of capital combined with our focus on further improving our processes and on-time delivery performance reflects our ongoing commitment to better serve the needs of our customers."

Segment Review

In the second quarter of 2007, the Universal Stainless & Alloy Products segment had record sales of \$55.1 million and operating income of \$5.8 million, yielding an operating margin of 11%. The operating income included \$1.3 million of costs related to the aforementioned pre-tax effect of the legal settlement and the portion of the inventory adjustment attributable to the segment. In the second quarter of 2006, sales were \$45.7 million and operating income was \$5.8 million, or 13% of sales. In the first quarter of 2007, sales were \$48.2 million and operating income was \$7.2 million, or 15% of sales.

The 21% increase in sales from the 2006 second quarter reflected a doubling of sales to forgers mainly of billet for power generation applications and a 57% increase in sales of bar products to service centers mainly for aerospace applications. These included the contribution of a new vacuum-arc remelt (VAR) furnace installed in August 2006 and the effect of higher nickel prices on the surcharge pricing mechanism. These increases were partially offset by lower shipments of tool steel plate to service centers.

USAP REPORTS STRONG RESULTS FOR 2007 SECOND QUARTER

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The Dunkirk Specialty Steel segment reported record sales of \$21.3 million and operating income of \$3.7 million for the 2007 second quarter, resulting in an operating margin of 17%. The operating income included \$492,000 of costs related to the inventory adjustment attributable to the segment. In the second quarter of 2006, sales were \$16.2 million and operating income was \$2.3 million, or 14% of sales. In the first quarter of 2007, sales were \$20.4 million and operating income was \$3.8 million, or 19% of sales.

Dunkirk's 32% increase in sales and 60% rise in operating income over the 2006 second quarter were due to improved VAR remelted feedstock supply from Bridgeville, workforce additions, and the effect of higher nickel prices on the surcharge mechanism. The sales growth reflected a 37% increase in sales of bar products to service centers and OEMs, which offset lower sales of rod and wire products to service centers.

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 third quarter 2007 sales will range from \$52 to \$57 million and that diluted EPS will range from \$0.77 to \$0.82. This compares with sales of \$55.1 million and diluted EPS of \$0.86, as adjusted, in the third quarter of 2006.

The following factors were considered in developing these estimates:

- o The Company's total backlog at June 30, 2007 was approximately \$103 million compared to \$114 million at March 31, 2007.
- o Sales from the Dunkirk Specialty Steel segment are expected to approximate \$19 million in the third quarter of 2007 on shipment volumes that are expected to approximate the prior quarter's level. The reduction in revenues is a result of lower surcharges anticipated due to the decline in the market value of nickel, which also is expected to eliminate the FIFO (First-In First-Out inventory accounting method) benefit the Company has experienced mainly in the Dunkirk segment in the past four quarters. The Company estimates that the 2007 second quarter FIFO benefit was \$1.2 million, or \$0.12 per diluted share.
- o The Company's progress in improving its on-time delivery performance has helped it to reduce its backlog, which is also being affected by delays in inventory replenishment by service centers. The Company expects service center order entry to return to more normal levels as it approaches the fourth quarter.

Webcast

A simultaneous Webcast of the Company's conference call discussing the second quarter of 2007 and the third 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 July 31st. It can be accessed by dialing 706-645-9291, passcode 5400663. 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. 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. 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 Six-Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
	----	----	----	----
Net Sales				
Stainless steel	\$ 45,128	\$ 35,015	\$ 84,698	\$ 68,433
Tool steel	6,444	7,410	13,541	13,237
High-strength low alloy steel	7,572	3,241	13,806	5,793
High-temperature alloy steel	2,355	1,744	5,100	4,113
Conversion services	492	504	981	1,233
Other	65	105	169	147
	-----	-----	-----	-----

Total net sales	62,056	48,019	118,295	92,956
Cost of products sold	49,442	37,641	92,462	73,811
Selling and administrative expenses	3,407	2,879	5,961	5,135
	-----	-----	-----	-----
Operating income	9,207	7,499	19,872	14,010
Interest expense	(195)	(269)	(422)	(535)
Other income	6	2	10	4
	-----	-----	-----	-----
Income before taxes	9,018	7,232	19,460	13,479
Income tax provision	3,156	2,603	6,811	4,852
	-----	-----	-----	-----
Net income	\$ 5,862	\$ 4,629	12,649	8,627
	=====	=====	=====	=====
Earnings per share - Basic	\$ 0.88	\$ 0.72	\$ 1.91	\$ 1.34
	=====	=====	=====	=====
Earnings per share - Diluted	\$ 0.87	\$ 0.70	\$ 1.87	1.31
	=====	=====	=====	=====
Weighted average shares of Common Stock outstanding				
Basic	6,642,655	6,426,374	6,631,981	6,421,848
Diluted	6,774,553	6,614,717	6,767,855	6,587,917

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 June 30, 2006		For the Six-Months Ended June 30, 2006	
	As Reported	As Adjusted	As Reported	As Adjusted
	-----	-----	-----	-----
Operating income:				
Universal Stainless & Alloy Products Segment	\$ 5,844	\$ 5,826	\$ 10,793	\$ 10,932
Dunkirk Specialty Steel Segment	2,257	2,326	3,724	3,786
Intersegment elimination	(653)	(653)	(708)	(708)
	-----	-----	-----	-----
	7,448	7,499	13,809	14,010
	=====	=====	=====	=====
Net income	\$ 4,596	\$ 4,629	\$ 8,498	\$ 8,627
	=====	=====	=====	=====
Diluted earnings per share	\$ 0.69	\$ 0.70	\$ 1.29	\$ 1.31
	=====	=====	=====	=====

BUSINESS SEGMENT RESULTS

Universal Stainless & Alloy Products Segment

	For the Quarter Ended June 30,		For the Six-Months Ended June 30,	
	2007	2006	2007	2006
	----	----	----	----
Net Sales				
Stainless steel	\$ 30,804	\$ 22,444	\$ 55,800	\$ 46,011
Tool steel	6,111	7,254	12,270	12,614
High-strength low alloy steel	3,822	1,690	7,822	2,929
High-temperature alloy steel	916	718	2,146	1,759

Conversion services	325	384	652	922
Other	36	72	122	112
	-----	-----	-----	-----
	42,014	32,562	78,812	64,347
Intersegment	13,080	13,138	24,447	20,490
	-----	-----	-----	-----
Total net sales	55,094	45,700	103,259	84,837
Material cost of sales	29,684	20,346	50,915	37,754
Operation cost of sales	17,033	17,502	35,050	32,596
Selling and administrative expenses	2,571	2,026	4,289	3,555
	-----	-----	-----	-----
Operating income	\$ 5,806	\$ 5,826	\$ 13,005	\$ 10,932
	=====	=====	=====	=====

Dunkirk Specialty Steel Segment

	For the Quarter Ended June 30,		For the Six-Months Ended June 30,	
	2007	2006	2007	2006
	----	----	----	----
Net Sales				
Stainless steel	\$ 14,324	\$ 12,571	\$ 28,898	\$ 22,422
Tool steel	333	156	1,271	623
High-strength low alloy steel	3,750	1,551	5,984	2,864
High-temperature alloy steel	1,439	1,026	2,954	2,354
Conversion services	167	120	329	311
Other	29	33	47	35
	-----	-----	-----	-----
	20,042	15,457	39,483	28,609
Intersegment	1,279	722	2,278	1,557
	-----	-----	-----	-----
Total net sales	21,321	16,179	41,761	30,166
Material cost of sales	12,048	8,938	23,244	16,909
Operation cost of sales	4,719	4,062	9,306	7,891
Selling and administrative expenses	836	853	1,672	1,580
	-----	-----	-----	-----
Operating income	\$ 3,718	\$ 2,326	\$ 7,539	\$ 3,786
	=====	=====	=====	=====

MARKET SEGMENT INFORMATION

	For the Quarter Ended June 30,		For the Six-Months Ended June 30,	
	2007	2006	2007	2006
	----	----	----	----
Net Sales				
Service centers	\$ 32,598	\$ 26,318	\$ 61,703	\$ 49,356
Forgers	13,744	6,857	26,318	14,421
Rerollers	8,658	7,377	15,850	15,224
Original equipment manufacturers	4,540	4,956	9,417	9,555
Wire redrawers	2,015	1,876	3,913	3,020
Conversion services	492	504	981	1,233
Other	9	131	113	147
	-----	-----	-----	-----
Total net sales	\$ 62,056	\$ 48,019	\$ 118,295	\$ 92,956
	=====	=====	=====	=====
Tons shipped	11,327	12,740	22,484	24,785
	=====	=====	=====	=====

CONSOLIDATED BALANCE SHEET

Assets	June 30, 2007 ----	December 31, 2006 ----
Cash	\$ 861	\$ 2,909
Accounts receivable, net	39,157	33,308
Inventory	75,577	66,019
Deferred taxes	1,831	1,544
Other current assets	1,663	1,606
	-----	-----
Total current assets	119,089	105,386
Property, plant & equipment, net	50,340	49,251
Other assets	739	584
	-----	-----
Total assets	\$ 170,168 =====	\$ 155,221 =====
Liabilities and Stockholders' Equity		
Trade accounts payable	\$ 18,305	\$ 13,123
Outstanding checks in excess of bank balance	7,556	3,427
Accrued employment costs	4,927	4,121
Current portion of long-term debt	2,375	2,364
Other current liabilities	1,124	1,902
	-----	-----
Total current liabilities	34,287	24,937
Bank revolver	218	8,392
Long-term debt	7,645	8,836
Deferred taxes	8,550	8,402
	-----	-----
Total liabilities	50,700	50,567
Stockholders' equity	119,468	104,654
	-----	-----
Total liabilities and stockholders' equity	\$ 170,168 =====	\$ 155,221 =====

CONSOLIDATED STATEMENT OF CASH FLOW DATA

For the Six-month Period Ended June 30,

	2007 ----	2006 ----
Cash flows provided by operating activities:		
Net income	\$ 12,649	\$ 8,627
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	1,822	1,639
Deferred tax decrease	(318)	(271)
Stock based compensation expense	208	126
Excess tax benefits from share-based payment arrangements	(982)	(115)
Changes in assets and liabilities:		
Accounts receivable, net	(5,849)	(4,880)
Inventory	(9,558)	(7,731)
Trade accounts payable	5,182	1,081
Deferred revenue	199	3,942
Accrued employment costs	806	1,023
Other, net	(33)	698
	-----	-----

Cash flow provided by operating activities	4,126	4,139
	-----	-----
Cash flow used in investing activities:		
Capital expenditures	(2,906)	(5,290)
	-----	-----
Cash flow used in investing activities	(2,906)	(5,290)
	-----	-----
Cash flows used in financing activities:		
Revolving credit net repayments	(8,174)	714
Long-term debt repayments	(1,180)	(278)
Net change in outstanding checks in excess of bank balance	4,129	285
Proceeds from issuance of common stock	975	207
Excess tax benefits from share-based payment arrangements	982	115
	-----	-----
Cash flow (used in) provided by financing activities	(3,268)	1,043
	-----	-----
Net cash flow	\$ (2,048)	\$ (108)
	=====	=====