



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

BRIDGEVILLE, PA, October 19, 1999 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced results for the quarter ended September 30, 1999:

	Quarter Ended 9/30,		9 Month Ended 9/30,	
	1999	1998	1999	1998
Net sales	\$16,110,000	\$15,977,000	\$46,083,000	\$59,489,000
Net income	\$ 455,000	\$ 982,000	\$ 935,000	\$ 4,328,000
Earnings per diluted share	\$ 0.07	\$ 0.16	\$ 0.15	\$ 0.68

Commenting on these results, Mac McAninch, President and Chief Executive Officer of Universal Stainless said, "Sales increased during the 1999 third quarter in comparison to the year- ago period due to higher shipments of products to the reroller and power generation markets. Net income was unfavorably impacted by continued pricing pressures resulting from imports, as well as rising raw material and energy costs. Our cost containment programs started in early 1999, combined with an improved sales mix, enhanced our profitability despite the issues that continue to impact our markets."

Mr. McAninch continued, "Looking ahead, we believe the positive trends of the 1999 third quarter will continue into the fourth quarter. The power generation sector remains strong and demand for our bar mill products should increase based on the successful implementation of several initiatives to improve our production capabilities."

The Company also noted that it continued to pursue its stock repurchase program during the third quarter. Universal Stainless repurchased an additional 21,200 shares of its common stock, bringing the total number of shares repurchased to 238,700 since the program was initiated on October 19, 1998. The Company is authorized to repurchase an additional 76,300 shares.

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 rerollers, 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.

- 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,	
	1999	1998	1999	1998
Net sales	\$16,110	\$15,977	\$46,083	\$59,489
Cost of products sold	14,210	13,141	41,111	48,940
Selling and administrative expenses	1,007	1,149	2,991	3,625
Operating income	893	1,687	1,981	6,924
Other income (expense)	(170)	(129)	(496)	(54)
Income before taxes	723	1,558	1,485	6,870
Income taxes	268	576	550	2,542
Net income	\$ 455	\$ 982	\$ 935	\$ 4,328
Earnings per share:				
Basic	\$ 0.07	\$ 0.16	\$ 0.15	\$ 0.69
Diluted	\$ 0.07	\$ 0.16	\$ 0.15	\$ 0.68
Weighted average shares of Common Stock outstanding				
Basic	6,104,661	6,315,450	6,123,523	6,307,387
Diluted	6,104,661	6,315,450	6,123,523	6,375,624
Tons shipped	10,594	10,625	32,108	38,854

BALANCE SHEET DATA

	September 30,	December 31,
	1999	1998
Current assets	\$30,475	\$28,442
Net property, plant & equipment	37,002	35,710
Other assets	285	298
	\$67,762	\$64,450
Current liabilities	\$ 9,939	\$ 6,613
Long-term debt	10,752	11,841
Deferred taxes	4,518	3,431
Total liabilities	25,209	21,885
Stockholders' equity	42,553	42,565
	\$67,762	\$64,450

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