

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): January 27, 2010

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
----- (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 January 27, 2010, Universal Stainless and Alloy Products, Inc. (the "Company") issued a press release regarding its earnings for the fourth quarter and year ended December 31, 2009. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K, including the attached press release regarding the Company's earnings for the fourth quarter and year ended December 31, 2009, 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 January 27, 2010

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: January 27, 2010

[GRAPHIC OMITTED]

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

June Filingeri  
President  
Comm-Partners LLC  
(203) 972-0186

FOR IMMEDIATE RELEASE  
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UNIVERSAL STAINLESS REPORTS CONTINUED IMPROVEMENT IN  
FOURTH QUARTER OF 2009

- SALES INCREASE 5.5% FROM 2009 THIRD QUARTER TO \$26.7 MILLION -  
-4Q09 EPS IS \$0.14, INCLUDING \$0.06 OF IMPORT DUTIES, VS. EPS OF \$0.05 IN 3Q09-  
- BACKLOG RESUMES GROWTH -

BRIDGEVILLE, PA, JANUARY 27, 2010 - UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC. (NASDAQ: USAP) reported today that sales for the fourth quarter of 2009 were \$26.7 million compared with \$57.1 million in the fourth quarter of 2008 and \$25.3 million in the third quarter of 2009.

Net income for the fourth quarter was \$956,000 or \$0.14 per diluted share compared with \$1.2 million or \$0.18 per diluted share in the fourth quarter of 2008 and \$312,000 or \$0.05 per diluted share in the third quarter of 2009. Import duties received in the 2009 and 2008 fourth quarters were \$551,000 and \$599,000, respectively, both amounts equivalent to \$0.06 per diluted share.

Cash flow from operations for the fourth quarter of 2009 totaled \$2.5 million compared with \$5.8 million in the fourth quarter of 2008 and \$10.0 million in the third quarter of 2009. Cash flow decreased in the quarter due to the slowing rate of reduction in managed working capital because of improving shipment volume and order entry. In addition, capital expenditures were \$2.1 million including \$1.8 million for a melt shop upgrade project, which remains on budget.

For the full year of 2009, sales were \$124.9 million and the Company incurred a net loss of \$3.0 million or \$0.44 per share. The net loss included a negative tax adjustment in the second quarter of \$742,000, equivalent to \$0.11 per diluted share, and unusual charges related to economic conditions in the first quarter of \$3.6 million, equivalent to \$0.53 per diluted share after-tax. Before the tax adjustment and unusual charges, the Company's net income for 2009 was \$1.4 million or \$0.20 per diluted share. In 2008, the Company had record sales of \$235.1 million and net income was \$14.0 million, or \$2.05 per diluted share.

President and CEO Dennis Oates commented: "The fourth quarter of 2009 was marked by early-stage recovery in demand. Our order entry improved each month in the quarter, and resulted in the first sequential increase in our backlog since the third quarter of 2008. In total, our year-end backlog was \$36 million, an increase of 8% from September 30.

"The sequential growth in fourth quarter 2009 sales and tons shipped resulted from a 50% increase in our shipments to service centers, consistent with indications that service centers have generally finished inventory destocking. Sales of tool steel plate tripled and aerospace sales improved modestly.

"Our profitability improved over the third quarter of 2009 due to higher shipment volumes, cost savings being realized from recent capital projects and process improvements, and improved cycle times.

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"There is widespread belief among our customers that 2010 will be better than 2009, but the level of caution accompanying their optimism is high. Therefore, we currently expect further recovery in market demand to be gradual."

SEGMENT REVIEW  
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For the fourth quarter of 2009, the UNIVERSAL STAINLESS & ALLOY PRODUCTS SEGMENT had sales of \$23.1 million and operating income of \$509,000, yielding an operating margin of 2.2% of sales. This compares with sales of \$53.1 million and operating income of \$1.9 million, or 3.5% of sales, in the fourth quarter of 2008. In the third quarter of 2009, sales were \$21.7 million and operating income was \$60,000, or 0.3% of sales.

Segment sales declined 57% from the fourth quarter of 2008 primarily due to a 48% decrease in tons shipped. Shipments to rerollers, forgers and service centers declined substantially from the 2008 fourth quarter offsetting a strong increase in shipments to OEMs. Segment sales increased 7% from the third quarter of 2009 on 11% more tons shipped, reflecting higher shipments to service centers, especially of tool steel plate, and to forgers.

The DUNKIRK SPECIALTY STEEL SEGMENT recorded sales of \$8.5 million and operating income of \$227,000 for the fourth quarter of 2009, yielding an operating margin of 2.7% of sales. This compares with sales in the fourth quarter of 2008 of \$11.4 million and an operating loss of \$1.3 million, which included a \$248,000 charge for the relocation of the round bar finishing line to Dunkirk from Bridgeville and a \$385,000 increase to the segment's LCM reserve. In the third quarter of 2009, sales were \$8.5 million and operating income was \$397,000, or 4.7% of sales.

Dunkirk's sales declined 25% from the fourth quarter of 2008 on 3% fewer tons shipped due to product mix and lower surcharges. Dunkirk's sales were level with the third quarter of 2009 on a 3% increase in tons shipped.

WEBCAST  
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A simultaneous webcast of the Company's conference call discussing the fourth quarter of 2009, 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 through the end of the first quarter of 2010.

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 rerollers, forgers, service centers, original equipment manufacturers and wire redrawers. More information is available at [www.univstainless.com](http://www.univstainless.com).

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, 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. THE COMPANY'S ACTUAL RESULTS IN FUTURE PERIODS ALSO MAY BE IMPACTED BY VARIOUS ECONOMIC AND MARKET RISK AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. 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.

- 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 Year Ended	
	December 31,		December 31,	
	2009	2008	2009	2008
	----	----	----	----
NET SALES				
Stainless steel	\$ 20,037	\$ 44,340	\$ 98,069	\$ 172,222
Tool steel	3,385	7,887	9,413	39,046
High-strength low alloy steel	1,560	2,427	9,235	11,936
High-temperature alloy steel	1,184	1,678	5,567	7,931
Conversion services	330	427	1,203	1,941
Other	176	381	1,420	2,030
	-----	-----	-----	-----
Total net sales	26,672	57,140	124,907	235,106
Cost of products sold	23,374	54,092	117,901	204,929
Selling and administrative expenses	2,562	2,524	11,663	11,085
	-----	-----	-----	-----
Operating income (loss)	736	524	(4,657)	19,092
Interest expense	(19)	(24)	(89)	(105)
Other income	559	694	695	911
	-----	-----	-----	-----
Income (loss) before taxes	1,276	1,194	(4,051)	19,898
Income tax provision (benefit)	320	(37)	(1,093)	5,948
	-----	-----	-----	-----
Net income (loss)	\$ 956	\$ 1,231	\$ (2,958)	\$ 13,950
	=====	=====	=====	=====
Earnings (loss) per share - Basic	\$ 0.14	\$ 0.18	\$ (0.44)	\$ 2.08
	=====	=====	=====	=====
Earnings (loss) per share - Diluted	\$ 0.14	\$ 0.18	\$ (0.44)	\$ 2.05
	=====	=====	=====	=====
Weighted average shares of Common Stock outstanding				
Basic	6,769,130	6,727,727	6,755,560	6,706,535
Diluted	6,815,853	6,781,712	6,755,560	6,801,203

MARKET SEGMENT INFORMATION

	For the Quarter Ended		For the Year Ended	
	December 31,		December 31,	
	2009	2008	2009	2008
	----	----	----	----
NET SALES				
Service centers	\$ 11,313	\$ 20,979	\$ 50,355	\$ 110,889
Forgers	8,652	18,092	39,821	52,551
Rerollers	2,270	11,649	12,174	41,660
Original equipment manufacturers	2,913	3,968	16,089	18,955
Wire redrawers	1,018	1,662	3,845	7,129
Conversion services	330	427	1,203	1,941
Other	176	363	1,420	1,981
	-----	-----	-----	-----
Total net sales	\$ 26,672	\$ 57,140	\$ 124,907	\$ 235,106
	=====	=====	=====	=====
Tons shipped	6,172	11,681	28,182	45,679
	=====	=====	=====	=====

UNIVERSAL STAINLESS & ALLOY PRODUCTS SEGMENT

	For the Quarter Ended		For the Year Ended	
	December 31,		December 31,	
	2009	2008	2009	2008
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NET SALES				
Stainless steel	\$ 14,318	\$ 36,233	\$ 71,670	\$ 121,612
Tool steel	3,311	7,768	9,146	37,631
High-strength low alloy steel	271	925	3,017	3,881
High-temperature alloy steel	347	661	1,988	2,977
Conversion services	217	296	763	1,278
Other	166	351	1,391	1,875
	-----	-----	-----	-----
	18,630	46,234	87,975	169,254
Intersegment	4,456	6,880	20,344	37,384
	-----	-----	-----	-----
Total net sales	23,086	53,114	108,319	206,638
Material cost of sales	9,882	32,215	49,592	114,930
Operation cost of sales	11,005	17,375	52,656	68,415
Selling and administrative expenses	1,690	1,673	8,467	7,613
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Operating income (loss)	\$ 509	\$ 1,851	\$ (2,396)	\$ 15,680
	=====	=====	=====	=====

DUNKIRK SPECIALTY STEEL SEGMENT

	For the Quarter Ended		For the Year Ended	
	December 31,		December 31,	
	2009	2008	2009	2008
	----	----	----	----
NET SALES				
Stainless steel	\$ 5,719	\$ 8,107	\$ 26,399	\$ 50,610
Tool steel	74	119	267	1,415
High-strength low alloy steel	1,289	1,502	6,218	8,055
High-temperature alloy steel	837	1,017	3,579	4,954
Conversion services	113	131	440	663
Other	10	30	29	155
	-----	-----	-----	-----
	8,042	10,906	36,932	65,852
Intersegment	475	492	1,659	3,712
	-----	-----	-----	-----
Total net sales	8,517	11,398	38,591	69,564
Material cost of sales	4,904	8,031	24,567	44,215
Operation cost of sales	2,514	3,843	13,089	18,465
Selling and administrative expenses	872	851	3,196	3,472
	-----	-----	-----	-----
Operating income (loss)	\$ 227	\$ (1,327)	\$ (2,261)	\$ 3,412
	=====	=====	=====	=====

CONSOLIDATED BALANCE SHEET

	December 31,	December 31,
	2009	2008
	----	----
ASSETS		
Cash	\$ 42,349	\$ 14,812
Accounts receivable, net	17,028	33,057
Inventory, net	41,322	63,222
Other current assets	9,344	8,239
	-----	-----

Total current assets	110,043	119,330
Property, plant & equipment, net	70,085	62,626
Other assets	1,586	988
	-----	-----
Total assets	\$ 181,714	\$ 182,944
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	\$ 7,783	\$ 19,350
Outstanding checks in excess of bank balance	734	540
Accrued employment costs	1,178	3,795
Current portion of long-term debt	2,223	403
Other current liabilities	553	421
	-----	-----
Total current liabilities	12,471	24,509
Long-term debt	10,823	1,046
Deferred taxes	14,049	11,689
Other liabilities	145	-
	-----	-----
Total liabilities	37,488	37,244
Stockholders' equity	144,226	145,700
	-----	-----
Total liabilities and stockholders' equity	\$ 181,714	\$ 182,944
	=====	=====

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#### CONSOLIDATED STATEMENT OF CASH FLOW DATA

For the Year Ended December 31,

	2009	2008
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Cash flows provided by operating activities:		
Net income (loss)	\$ (2,958)	\$ 13,950
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	4,859	4,167
Loss on retirement of fixed assets	84	402
Deferred income tax	1,853	558
Stock based compensation expense	1,058	838
Tax benefit from share-based payment arrangements	(86)	(529)
Changes in assets and liabilities:		
Accounts receivable, net	16,029	(5,556)
Inventory, net	21,900	2,350
Trade accounts payable	(11,567)	5,367
Accrued employment costs	(2,617)	(1,512)
Current income tax, net	(1,613)	(1,491)
Other, net	764	(874)
	-----	-----
Cash flow provided by operating activities	27,706	17,670
	-----	-----
Cash flow used in investing activities:		
Proceeds from sale of fixed assets	60	-
Capital expenditures	(12,394)	(12,905)
	-----	-----
Cash flow used in investing activities	(12,334)	(12,905)
	-----	-----
Cash flows provided by financing activities:		
Long-term debt issuance	12,000	-
Long-term debt repayments	(403)	(387)
Net change in outstanding checks in excess		

of bank balance	194	(1,524)
Deferred financing costs	(84)	-
Proceeds from issuance of common stock	372	781
Tax benefit from share-based payment arrangements	86	529
	-----	-----
Cash flow provided by (used in) financing activities	12,165	(601)
	-----	-----
Net cash flow	\$ 27,537	\$ 4,164
	=====	=====