

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): November 17, 1998

Universal Stainless & Alloy Products, Inc.
(Exact name of registrant as specified in charter)

| | | |
|---|-------------------------------------|--|
| Delaware (State or other jurisdiction of incorporation) | 0-25032 (Commission file number) | 25-1724540 (IRS employer identification no.) |
|---|-------------------------------------|--|

600 Mayer Street
Bridgeville, Pennsylvania
(Address of principal executive offices)

15017
(Zip code)

Registrant's telephone number,
including area code: (412) 257-7600

Item 5. Other Events.

On November 17, 1998, Universal Stainless & Alloy Products, Inc. (the "Company") announced that its letter of intent to acquire AL Tech Specialty Steel Corporation ("AL Tech") had expired. AL Tech is a producer of finished specialty steel products including bar, rod and wire, and is operating under the protection of Chapter 11 of the federal bankruptcy code.

On November 25, 1998, the Company announced that a settlement has been reached with its former insurance carrier regarding a claim related to the six-week production halt of the Company's universal rolling mill in 1995. After deducting all fees associated with the settlement of the claim, the Company will receive \$750,000 before tax, which will be recorded as a one-time gain in the 1998 fourth quarter.

The Company also announced that it will record charges related to due diligence costs associated with its intent to acquire AL Tech. The Company will recognize this and other non-recurring charges, which will total approximately \$550,000, in the 1998 fourth quarter. Net of these one-time costs, the pre-tax gain from the settlement is anticipated to be approximately \$200,000, or \$0.02 per diluted share after tax.

Copies of the Company's press releases announcing these events are attached hereto as Exhibits 99.01 and 99.02 and are incorporated by reference herein in their entirety.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

99.01 Press Release of Universal Stainless & Alloy Products, Inc.
dated November 17, 1998.

99.02 Press Release of Universal Stainless & Alloy Products, Inc.
dated November 25, 1998.

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SIGNATURES

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 thereunto duly authorized.

UNIVERSAL STAINLESS & ALLOY
PRODUCTS, INC.

Date: November 25, 1998

By: /s/CLARENCE M. MCANINCH

Name: Clarence M. McAninch

Title: President and Chief

Executive Officer

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EXHIBIT INDEX

| EXHIBIT NO. | DOCUMENT |
|-------------|--|
| ----- | ----- |
| 99.01 | Press Release of Universal Stainless & Alloy Products, Inc. dated November 17, 1998. |
| 99.02 | Press Release of Universal Stainless & Alloy Products, Inc. dated November 25, 1998. |

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NEWS RELEASE

FOR: UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

APPROVED BY: Clarence "Mac" McAninch
President & CEO
(412) 257-7600

FOR IMMEDIATE RELEASE
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CONTACT: Morgan-Walke Associates
June Filingeri, Eric Boyriven
Media Contact: Brian Maddox, Estelle Bieber
(212) 850-5600

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.
ACQUISITION LETTER OF INTENT EXPIRES

BRIDGEVILLE, PA, November 17, 1998 - Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) announced today that its letter of intent to acquire the assets of AL Tech Specialty Steel Corporation has expired. AL Tech, headquartered in Dunkirk, New York, is a producer of finished specialty steel products including bar, rod and wire and is operating under the protection of Chapter 11 of the Federal Bankruptcy Code.

Mac McAninch, President and Chief Executive Officer of Universal Stainless, stated, "The proposed alliance between Universal Stainless and AL Tech would generate significant synergies. Our due diligence identified certain issues that would require the Company to assume future liabilities in excess of the amount that we were prepared to accept. Although our letter of intent has expired, we would consider completing the transaction under the right circumstances."

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

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UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.
ACQUISITION LETTER OF INTENT EXPIRES

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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 and risks related to plant and equipment additions and maintenance. Those 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.

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NEWS RELEASE

FOR: UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

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CONTACT: Morgan-Walke Associates
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UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC. ANNOUNCES
INSURANCE CLAIM SETTLEMENT

BRIDGEVILLE, PA, November 25, 1998 - Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced that a settlement has been reached with its former insurance carrier regarding a claim related to the six-week production halt of the Company's universal rolling mill in 1995. After deducting all fees associated with the settlement of the claim, the Company will receive \$750,000 before tax, which will be recorded as a one-time gain in the 1998 fourth quarter.

The Company also announced that it will record charges related to due diligence costs associated with its intent to acquire AL Tech Specialty Steels, Inc. The Company's letter of intent to acquire AL Tech expired on November 17, 1998, as previously announced. The Company will recognize this and other non-recurring charges, which will total approximately \$550,000, in the 1998 fourth quarter. Net of these one-time costs, the pre-tax gain from the settlement is anticipated to be approximately \$200,000, or \$0.02 per diluted share after tax.

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.

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UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.
INSURANCE CLAIM SETTLEMENT

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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 and risks related to plant and equipment additions and maintenance. Those 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.

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