



Universal Stainless Announces Improved Third Quarter Results

BRIDGEVILLE, Pa., October 19, 2000 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced improved financial results for the third quarter ended September 30, 2000.

	Quarter Ended		Nine Months Ended	
	Sept. 30,		Sept. 30,	
	2000	1999	2000	1999
Net sales	\$20,809,000	\$16,110,000	\$57,910,000	\$46,083,000
EBITDA	\$ 3,300,000	\$ 1,433,000	\$ 8,394,000	\$ 3,533,000
Net income	\$ 1,438,000	\$ 455,000	\$ 3,700,000	\$ 935,000
Earnings per				
diluted share	\$ 0.24	\$ 0.07	\$ 0.61	\$ 0.15

Mac McAninch, President and Chief Executive Officer of Universal Stainless, commented, "Our third quarter results continued the positive sales and earnings trend we have seen at the Company throughout 2000. During the quarter, our performance reflected improved demand from our forging, OEM and service center customers, which resulted in rapid growth in sales. Demand for our power generation and aerospace products continues to be strong, and we have also experienced increased demand from the petrochemical market. Profitability improved as a result of the higher sales levels, the implementation of an alloy surcharge mechanism, increased capacity utilization and careful cost management. Shipments of bar products increased as we continued to improve the operating performance of our bar operations. In addition, our sales revenue from Titusville special shape products increased by 19% and 42% for the three- and nine- month periods ended September 30, 2000, in comparison to year-ago periods."

The Company's growing earnings have resulted in an increase in its estimated effective income tax rate from 35% to 37.5%, decreasing net income for the quarter by approximately \$148,000 or \$0.02 per diluted share.

Mr. McAninch continued, "Looking ahead to the fourth quarter, we expect to see continued strong demand for our power generation, aerospace and petrochemical products. However, the combination of increased imports and higher than normal inventory levels is resulting in a softening of the service center market. While this will have some impact on our fourth quarter results, we are optimistic that we can sustain current levels of profitability."

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 plant and equipment additions and maintenance. 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	For the Nine Months Ended
September 30,	September 30,

	2000	1999	2000	1999
Net sales	\$20,809	\$16,110	\$57,910	\$46,083
Cost of products sold	16,839	14,210	47,469	41,111
Selling and administrative expenses	1,271	1,007	3,806	2,991
Operating income	2,699	893	6,635	1,981
Other income (expense)	(259)	(170)	(715)	(496)
Income before taxes	2,440	723	5,920	1,485
Income taxes	1,002	268	2,220	550
Net income	\$ 1,438	\$ 455	\$ 3,700	\$ 935
Earnings per share:				
Basic	\$ 0.24	\$ 0.07	\$ 0.61	\$ 0.15
Diluted	\$ 0.24	\$ 0.07	\$ 0.61	\$ 0.15

Weighted average shares of
Common Stock outstanding

Basic	6,076,839	6,097,417	6,073,973	6,121,336
Diluted	6,081,727	6,097,417	6,078,094	6,121,336
Tons shipped	11,561	10,594	32,110	32,108
EBITDA	\$ 3,300	\$ 1,433	\$ 8,394	\$ 3,533

BALANCE SHEET DATA

	September 30, 2000	December 31, 1999
Current assets	\$35,785	\$30,275
Net property, plant & equipment	38,383	36,989
Other assets	647	915
	\$74,815	\$68,179
Current liabilities	\$12,110	\$ 9,475
Long-term debt	9,374	10,005
Deferred taxes	5,953	5,046
Total Liabilities	27,437	24,526
Stockholders' equity	47,378	43,653
	\$74,815	\$68,179

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