



Universal Stainless Expects to Exceed Third Quarter Earnings Projection

BRIDGEVILLE, Pa., Sept. 20, 2001 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced that it expects third quarter 2001 sales to be approximately \$24 million and diluted earnings per share to exceed \$0.35. This places third quarter sales at the high end of its earlier projection of sales ranging from \$20 to \$24 million, and substantially exceeds its original estimate of diluted earnings per share of between \$0.27 to \$0.32. In the prior year third quarter, the Company reported sales of \$19 million and diluted earnings per share of \$0.24, before an accounting adjustment affecting prior year results described below. After the adjustment, sales were \$19 million and diluted earnings per share were \$0.21. The Company will report final third quarter results as well as fourth quarter expectations in its earnings release and conference call slated for October 18. Mac McAninch, President and Chief Executive Officer, commented: "Our strategy of focusing on attractive niche markets has significantly contributed to the anticipated record third quarter results. In light of last week's tragic events, the management team has initiated a project to review the impact of these events with our customers. This project will help us identify their needs and the niche markets Universal Stainless will emphasize in its 2002 business plan."

The Company also reported that it has reactivated its stock repurchase program as a result of this week's stock market decline. It noted that the stock is currently selling well below its June 30, 2001 book value of \$8.58.

Mr. McAninch continued: "The reactivation of the stock repurchase program underscores our confidence in this company and its future."

The financial results for the year-ago period have been adjusted to reflect the effect of conforming to the Securities and Exchange Commission's (SEC) Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" (SAB 101). The application of the SEC's guidance to language in the Company's previous Standard Terms and Conditions of Sale required Universal Stainless to defer revenue recognition until cash was collected, even though risk of loss passed to the buyer at time of shipment. In the fourth quarter of 2000, management modified the Company's Standard Terms and Conditions of Sale to more closely reflect the substance of its sales transactions and permit the recognition of revenue on a basis consistent with past practices.

About Universal Stainless & Alloy Products, Inc.

Universal Stainless & Alloy Products, Inc. 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" 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 related to the financial viability of customers, 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.

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