



## Universal Stainless Announces Strong Second Quarter Results

BRIDGEVILLE, Pa.--July 20, 2000--Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced substantially improved results for the second quarter ended June 30, 2000.

	Quarter Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Net sales	\$19,012,000	\$15,485,000	\$37,101,000	\$29,973,000
EBITDA	\$ 2,952,000	\$ 1,109,000	\$ 5,093,000	\$ 2,100,000
Net income	\$ 1,366,000	\$ 249,000	\$ 2,262,000	\$ 480,000
Earnings per diluted share	\$ 0.22	\$ 0.04	\$ 0.37	\$ 0.08

Mac McAninch, President and Chief Executive Officer of UniversalStainless, commented, "We are very pleased with our results for the three- and six-month periods ended June 30, 2000, which showed significant improvement over year-ago levels. While total tons shipped decreased during the second quarter of 2000 in comparison to the first quarter of 2000 and year-ago levels, our increase in sales revenue resulted from an improved sales mix of products, as well as some price increases to cover higher raw material and energy costs. We continued to benefit from increased demand for power generation and aerospace products shipped to our roller and forging market customers and for tool steel and bar mill products shipped to our service center customers. In addition, our sales revenue from Titusville special shape products increased by 70% and 56% for the three- and six- month periods ended June 30, 2000 in comparison to year-ago periods." The Company's selling and administrative costs for the three and six month periods ended June 30, 2000 reflect higher employment costs in comparison to the year-ago periods, and a non-recurring pre-tax bad debt charge of \$142,000.

Mr. McAninch continued, "Looking ahead, we continue to remain optimistic about our future. Our backlog has increased 17.7% over year-ago levels, and reflects strong demand for our power generation products and an improved demand for our aerospace products. This, combined with continued operational improvements, should continue to generate improved results in the second half of 2000."

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 Six Months Ended	
	June 30, 2000	June 30, 1999	June 30, 2000	June 30, 1999
Net sales	\$19,012	\$15,485	\$37,101	\$29,973

Cost of products sold	15,227	13,940	30,630	26,901
Selling and administrative expenses	1,433	970	2,535	1,984
Operating income	2,352	575	3,936	1,088
Other income (expense)	(250)	(180)	(456)	(326)
Income before taxes	2,102	395	3,480	762
Income taxes	736	146	1,218	282
Net income	\$ 1,366	\$ 249	\$ 2,262	\$ 480
Earnings per share:				
Basic	\$ 0.22	\$ 0.04	\$ 0.37	\$ 0.08
Diluted	\$ 0.22	\$ 0.04	\$ 0.37	\$ 0.08

Weighted average shares of  
Common Stock outstanding

Basic	6,072,564	6,102,593	6,072,540	6,132,954
Diluted	6,076,470	6,102,593	6,076,277	6,132,954

Tons shipped	9,709	11,354	20,549	21,514
EBITDA	\$2,952	\$1,109	\$5,093	\$2,100

BALANCE SHEET DATA

	June 30, 2000	December 31, 1999
Current assets	\$35,368	\$30,275
Net property, plant & equipment	38,079	36,989
Other assets	878	915
	\$74,325	\$68,179
Current liabilities	\$12,907	\$ 9,475
Long-term debt	10,225	10,005
Deferred taxes	5,253	5,046
Total Liabilities	28,385	24,526
Stockholders' equity	45,940	43,653
	\$74,325	\$68,179

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