



Universal Stainless Announces Fourth Quarter Results

BRIDGEVILLE, PA Jan. 25, 2000 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced results for the quarter and year ended December 31, 1999:

	Quarter Ended December 31,		Year Ended December 31,	
	1999	1998	1999	1998
Net sales	\$20,580,000	\$13,106,000	\$66,663,000	\$72,595,000
Net income	\$ 1,168,000	\$ 676,000	\$ 2,103,000	\$ 5,004,000
Earnings per diluted share	\$ 0.19	\$ 0.11	\$ 0.34	\$ 0.79

Commenting on these results, Mac McAninch, President and Chief Executive Officer of Universal Stainless, stated, "We are very pleased with our fourth quarter performance, which benefited from increased product demand and favorable production efficiencies. During the quarter, sales volumes were positively impacted by demand from the reroll, forging and power generation markets, and the addition of new customers."

The Company's 1999 fourth quarter and full-year results reflected a reduction in the effective income tax rate from 37 percent to 31 percent, which increased the Company's net income by \$197,000 or \$0.03 per diluted share. The Company's 1998 fourth quarter and full-year results reflected a one-time gain of \$149,000, or \$0.02 per diluted share.

Mr. McAninch continued, "1999 ended on a strong note, as demand in some of our markets began to recover and pricing pressures from imports started to ease. Looking ahead, we expect to see a continuing recovery in overall demand for our products, particularly in the reroll, forging and power generation markets, as well as a slight recovery in the service center and aerospace markets. We believe that this higher demand, combined with our focus on cost control, a recently implemented alloy surcharge mechanism and our two recently announced price increases will contribute to sales growth and better profitability. We are optimistic about our prospects for the coming year."

The Company also noted that it continued its stock repurchase program during the fourth quarter. Universal Stainless repurchased an additional 22,200 shares of its common stock, bringing the total number of shares repurchased to 257,900 since the program was initiated on October 19, 1998. The Company is authorized to repurchase an additional 57,100 shares.

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, pricing and timing of future customer orders, 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.

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,	
1999	1998	1999	1998

Net sales	\$20,580	\$13,106	\$66,663	\$72,595
Cost of products sold	17,522	11,155	58,633	60,095
Selling and administrative expenses	1,308	1,309	4,299	4,934
Operating income	1,750	642	3,731	7,566
Other income (expense)	(210)	350	(706)	296
Income before taxes	1,540	992	3,025	7,862
Income taxes	372	316	922	2,858
Net income	\$ 1,168	\$ 676	\$ 2,103	\$ 5,004
Earnings per share:				
Basic	\$ 0.19	\$ 0.11	\$ 0.34	\$ 0.79
Diluted	\$ 0.19	\$ 0.11	\$ 0.34	\$ 0.79
Weighted average shares of Common Stock outstanding				
Basic	6,079,637	6,295,935	6,110,911	6,304,524
Diluted	6,079,637	6,295,935	6,110,911	6,355,231
Tons shipped	12,723	6,608	44,831	45,462

BALANCE SHEET DATA

	December 31, 1999	December 31, 1998
Current assets	\$30,275	\$28,442
Net property, plant & equipment	36,989	35,710
Other assets	915	298
	\$68,179	\$64,450
Current liabilities	\$ 9,475	\$ 6,613
Long-term debt	10,005	11,841
Deferred taxes	5,046	3,431
Total liabilities	24,526	21,885
Stockholders' equity	43,653	42,565
	\$68,179	\$64,450

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