



Universal Stainless & Alloy Products, Inc. Reports on Outlook for 1999 First Quarter

BRIDGEVILLE, PA, March 30, 1999 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) reported today that based on preliminary information it expects net income for the first quarter 1999 to be between breakeven and \$0.1 million, or \$0.00 to \$0.02 per diluted share. Revenues in the quarter are expected to be in a range of \$13.5 million to \$14.0 million. In the first quarter of 1998, the Company reported net income of \$1.8 million, or \$0.28 per diluted share, on revenues of \$22.3 million.

Results in the quarter were negatively affected primarily by rising prices of raw materials, which the Company was unable to offset through higher selling prices. Mechanical problems at the bar mill were also a factor.

Mac McAninch, President and Chief Executive Officer of Universal Stainless commented, "We experienced an increase in our scrap prices during the period due to relatively tight supplies as scrap suppliers took advantage of higher demand and prices to export their product to Asian markets. At the same time, our results continue to feel the impact of imports, especially in the sale of tool steel plate and stainless round bar to service centers. The recently reported drop-off of imports should reduce the impact of this factor on our operations for the balance of the year."

Mr. McAninch added, "We also experienced lower productivity primarily due to mechanical problems at our bar mill. These problems resulted in delays in shipments and higher than expected costs. These issues are resolved, and will have minimal impact on future results."

Mr. McAninch concluded, "As we have indicated before, we look for our market conditions to bottom out during the first half of 1999, followed by a stronger second half. Sales of reroll products have begun to rebound off fourth quarter levels, and we are seeing an increase in orders received from our forging, aerospace and power generation customers."

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 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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