

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 29, 2009

Universal Stainless & Alloy Products, Inc.

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(Exact name of registrant as specified in its charter)

Delaware	000-25032	25-1724540
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

600 Mayer Street, Bridgeville, Pennsylvania	15017
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(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (412) 257-7600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- / / Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- / / Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- / / Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- / / Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On July 29, 2009, Universal Stainless and Alloy Products, Inc. issued a press release regarding its earnings for the second quarter ended June 30, 2009. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K, including the attached press release regarding the Company's earnings for the second quarter ended June 30, 2009, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated July 29, 2009

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.

By: /s/ Richard M. Ubinger

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Vice President of Finance,  
Chief Financial Officer and Treasurer

Dated: July 29, 2009

[GRAPHIC OMITTED]

CONTACTS: Richard M. Ubinger	June Filingeri
Vice President of Finance,	President
Chief Financial Officer and Treasurer	Comm-Partners LLC
(412) 257-7606	(203) 972-0186

FOR IMMEDIATE RELEASE

UNIVERSAL STAINLESS REPORTS SECOND QUARTER 2009 RESULTS

- Company Generates Operating Income -
- Sales Are \$30.8 Million on 40% Fewer Tons Shipped -
- Net Loss of \$0.06 per Share Includes \$0.11 per Share Negative Tax Adjustment -
- Cash Flow from Operations Increases to \$12.7 Million in 2Q 09 -
- Cash on Hand Increased to \$34.4 Million vs.
- Total Debt of 13.3 Million - - Melt Shop
- Project Continues On-Time and On-Budget -

BRIDGEVILLE, PA, July 29, 2009 - Universal Stainless & Alloy Products, Inc. (Nasdaq: USAP) reported today that sales for the second quarter of 2009 were \$30.8 million, a decline of 52% from the record \$63.5 million reported in the second quarter of 2008. Tons shipped declined 40% from the prior year period.

The Company reported a net loss of \$400,000 or \$0.06 per share in the second quarter of 2009 that included a tax adjustment of \$742,000, equivalent to \$0.11 per share, for the reconciliation of tax balances to the 2008 federal and state income tax returns to be filed in the third quarter of 2009. Without this adjustment, net income in the second quarter of 2009 would have been \$342,000, or \$0.05 per diluted share. This compares with net income of \$5.3 million, or \$0.77 per diluted share, in the second quarter of 2008.

For the second quarter of 2009, cash flow from operations totaled \$12.7 million, an increase of 168% from the second quarter of 2008. Capital expenditures were \$3.9 million including expenditures of \$3.2 million for the melt shop upgrade project. At June 30, 2009, cash was \$34.4 million, working capital was \$97.4 million, and long-term debt was \$12.2 million.

For the first six months of 2009, sales were \$72.9 million and the Company incurred a net loss of \$4.2 million or \$0.63 per share, including the tax adjustment in the second quarter and unusual charges recognized in the 2009 first quarter of \$3.6 million equivalent to \$0.53 per share, after-tax. In the first half of 2008, sales were \$120.3 million and net income was \$10.0 million, or \$1.47 per diluted share.

President and CEO Dennis Oates commented: "During the first quarter, we implemented an aggressive plan to reduce costs, generate cash and adjust our operating levels in the face of difficult economic and credit conditions and significant de-stocking in the specialty steel supply channel. As a result, we were able to report operating income in the second quarter despite 27% lower sales and 29% fewer tons shipped than in the first quarter. Our cost control and working capital management, which included a 19% sequential reduction in WIP inventory, also yielded a nearly four-fold increase in operating cash flow compared to the first quarter and enabled us to increase our net cash position by \$8.7 million to \$21.1 million.

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"Our melt shop upgrade project remains on time and on budget. While not scheduled for completion until mid-2010, the upgrades placed into service have already produced better product quality and improved material yields. The resulting improvement in our on-time delivery and shortened lead times have enabled us to capture additional orders from our customers. We also recently achieved AS9100 certification for our Bridgeville and Dunkirk facilities, which better positions us to serve the international aerospace market.

"In a sign that business is starting to return, total order entry has improved each month since April. However, bookings are well below normal levels and our backlog has dropped to \$38 million at June 30 as our end markets remain challenged and inventory restocking has not resumed in the supply channel. Our lean operations, low fixed costs and continued aggressive working capital management should allow us to generate positive cash flow and maintain our strong financial position in the third quarter in spite of the current low

volume environment."

Segment Review

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For the second quarter of 2009, the Universal Stainless & Alloy Products segment had sales of \$26.9 million and operating income of \$949,000, yielding an operating margin of 4% of sales. This compares with sales of \$53.1 million and operating income of \$5.6 million, or 11% of sales, in the second quarter of 2008. In the first quarter of 2009, sales were \$36.7 million and there was an operating loss of \$3.9 million, including \$5.0 million of unusual charges.

Segment sales declined 49% from the second quarter of 2008 primarily due to a 33% decrease in tons shipped and lower surcharges. Increased shipments to forgers and OEMs, mainly of power generation products, were offset by substantially lower shipments to rerollers and to service centers, mainly of tool steel plate. Segment sales decreased 27% from the first quarter of 2009 on 24% fewer tons shipped.

The Dunkirk Specialty Steel segment recorded sales of \$10.2 million and an operating loss of \$384,000 for the second quarter of 2009. This compares with sales of \$21.2 million and operating income of \$2.1 million, or 10% of sales, in the second quarter of 2008. In the first quarter of 2009, sales were \$11.4 million and the operating loss was \$2.5 million, including unusual charges of \$1.0 million.

Dunkirk's sales declined 52% from the second quarter of 2008 while tons shipped decreased 31% due to lower shipments to all customer categories and lower surcharges. Dunkirk's sales were 10% lower than in the first quarter of 2009 on a 2% decrease in tons shipped.

Webcast

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A simultaneous Webcast of the Company's conference call discussing the second quarter of 2009, scheduled at 10:00 a.m. (Eastern) today, will be available on the Company's website at [www.univstainless.com](http://www.univstainless.com), and thereafter archived on the website.

About Universal Stainless & Alloy Products, Inc.

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Universal Stainless & Alloy Products, Inc., headquartered in Bridgeville, Pa., manufactures and markets a broad line of 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, original equipment manufacturers and wire redrawers. More information is available at [www.univstainless.com](http://www.univstainless.com).

Forward-Looking Information Safe Harbor

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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 associated with significant fluctuations that may occur in raw material and energy prices, risks associated with the manufacturing process, labor and production yields, risks related to property, plant and equipment, and risks related to the ultimate outcome of the Company's current and future litigation and regulatory matters. The Company's actual results in future periods also may be impacted by various economic and market risk and uncertainties, many of which are beyond the Company's control. 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,		June 30,	
	2009	2008	2009	2008
	----	----	----	----
Net Sales				
Stainless steel	\$ 25,648	\$ 43,760	\$ 59,410	\$ 85,788
Tool steel	1,563	11,659	4,892	20,766
High-strength low alloy steel	2,367	2,934	5,110	6,945
High-temperature alloy steel	876	3,344	2,895	4,490
Conversion services	292	448	596	973
Other	17	1,337	46	1,365
	-----	-----	-----	-----
Total net sales	30,763	63,482	72,949	120,327
Cost of products sold	28,092	53,018	71,956	99,797
Selling and administrative expenses	2,106	2,634	6,843	5,709
	-----	-----	-----	-----
Operating income	565	7,830	(5,850)	14,821
Interest expense	(27)	(27)	(51)	(55)
Other income	35	62	65	149
	-----	-----	-----	-----
Income (loss) before taxes	573	7,865	(5,836)	14,915
Income tax provision (benefit)	973	2,595	(1,610)	4,922
	-----	-----	-----	-----
Net income (loss)	\$ (400)	\$ 5,270	(4,226)	9,993
	=====	=====	=====	=====
Earnings per share - Basic	\$ (0.06)	\$ 0.79	\$ (0.63)	\$ 1.49
	=====	=====	=====	=====
Earnings per share - Diluted	\$ (0.06)	\$ 0.77	\$ (0.63)	1.47
	=====	=====	=====	=====
Weighted average shares of				
Common Stock outstanding				
Basic	6,751,739	6,707,523	6,742,012	6,685,368
Diluted	6,751,739	6,819,546	6,742,012	6,795,514

MARKET SEGMENT INFORMATION

	For the Quarter Ended		For the Six-Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
	----	----	----	----
Net Sales				
Service centers	\$ 13,117	\$ 33,850	\$ 30,649	\$ 63,084
Forgers	10,420	11,142	23,391	20,160
Rerollers	1,960	9,240	7,964	20,479
Original equipment manufacturers	3,797	5,795	8,196	11,236
Wire redrawers	1,160	1,692	2,107	3,061
Conversion services	292	448	596	973
Other	17	1,315	46	1,334
	-----	-----	-----	-----
Total net sales	\$ 30,763	\$ 63,482	\$ 72,949	\$ 120,327
	=====	=====	=====	=====
Tons shipped	6,855	11,423	16,448	23,190
	=====	=====	=====	=====

BUSINESS SEGMENT RESULTS

Universal Stainless & Alloy Products Segment

	For the Quarter Ended		For the Six-Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
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Net Sales				
Stainless steel	\$ 18,234	\$ 28,901	\$ 44,229	\$ 56,211
Tool steel	1,531	11,278	4,739	19,702
High-strength low alloy steel	647	1,114	1,662	2,227
High-temperature alloy steel	393	929	1,127	1,498
Conversion services	206	296	394	653
Other	11	1,262	40	1,272
	-----	-----	-----	-----
	21,022	43,780	52,191	81,563
Intersegment	5,857	9,312	11,373	19,727
	-----	-----	-----	-----
Total net sales	26,879	53,092	63,564	101,290
Material cost of sales	10,445	28,654	30,711	51,993
Operation cost of sales	14,131	16,936	30,591	34,726
Selling and administrative expenses	1,354	1,869	5,227	4,007
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Operating income (loss)	\$ 949	\$ 5,633	\$ (2,965)	\$ 10,564
	=====	=====	=====	=====

Dunkirk Specialty Steel Segment

	For the Quarter Ended		For the Six-Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
	----	----	----	----
Net Sales				
Stainless steel	\$ 7,414	\$ 14,859	\$ 15,181	\$ 29,577
Tool steel	32	381	153	1,064
High-strength low alloy steel	1,720	1,820	3,448	4,718
High-temperature alloy steel	483	2,415	1,768	2,992
Conversion services	86	152	202	320
Other	6	75	6	93
	-----	-----	-----	-----
	9,741	19,702	20,758	38,764
Intersegment	465	1,474	830	2,462
	-----	-----	-----	-----
Total net sales	10,206	21,176	21,588	41,226
Material cost of sales	6,345	13,126	15,139	24,965
Operation cost of sales	3,493	5,159	7,718	9,648
Selling and administrative expenses	752	765	1,616	1,702
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Operating income (loss)	\$ (384)	\$ 2,126	\$ (2,885)	\$ 4,911
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CONSOLIDATED BALANCE SHEET

	June 30,	December 31,
	2009	2008
	----	----
ASSETS		
Cash	\$ 34,399	\$ 14,812
Accounts receivable, net	19,891	33,057
Inventory	45,175	63,222
Other current assets	9,726	8,239

Total current assets	109,191	119,330
Property, plant & equipment, net	67,937	62,626
Other assets	1,309	988
	-----	-----
Total assets	\$ 178,437	\$ 182,944
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	\$ 7,500	\$ 19,350
Outstanding checks in excess of bank balance	364	540
Accrued employment costs	2,509	3,795
Current portion of long-term debt	1,015	403
Other current liabilities	410	421
	-----	-----
Total current liabilities	11,798	24,509
Long-term debt	12,235	1,046
Deferred taxes	12,000	11,689
Other liabilities	87	-
	-----	-----
Total liabilities	36,120	37,244
Stockholders' equity	142,317	145,700
	-----	-----
Total liabilities and stockholders' equity	\$ 178,437	\$ 182,944
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CONSOLIDATED STATEMENT OF CASH FLOW DATA

For the Six-month Period Ended June 30,

	2009	2008
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Cash flows provided by operating activities:		
Net income (loss)	\$ (4,226)	\$ 9,993
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	2,338	2,008
Deferred tax increase (decrease)	(262)	304
Stock based compensation expense	499	413
Tax benefit from share-based payment arrangements	(86)	(511)
Changes in assets and liabilities:		
Accounts receivable, net	13,166	(7,133)
Inventory	18,047	(6,827)
Trade accounts payable	(11,850)	6,836
Accrued employment costs	(1,286)	(366)
Other, net	(1,048)	216
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Cash flow provided by operating activities	15,292	4,933
	-----	-----
Cash flow used in investing activities:		
Capital expenditures	(7,645)	(5,401)
	-----	-----
Cash flow used in investing activities	(7,645)	(5,401)
	-----	-----
Cash flows provided by financing activities:		
Long-term debt issuance	12,000	-
Long-term debt repayments	(199)	(194)
Net change in outstanding checks in excess of bank balance	(176)	1,848
Deferred financing costs	(84)	-
Proceeds from issuance of common stock	313	722
Tax benefit from share-based payment arrangements	86	511
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Cash flow provided by financing activities	11,940	2,887

Net cash flow

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\$ 19,587	\$ 2,419
=====	=====