SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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): January 22, 2008

Universal Stainless & Alloy Products, Inc.
(Exact name of registrant as specified in its charter)

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

600 Mayer Street, Bridgeville, Pennsylvania	15017
(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 January 22, 2008, Universal Stainless and Alloy Products, Inc. issued a press release regarding its earnings for the fourth quarter ended December 31, 2007. 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, 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 January 22, 2008

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

Vice President of Finance,
Chief Financial Officer and Treasurer

Dated: January 22, 2008

Exhibit 99.1

[GRAPHIC OMITTED][GRAPHIC OMITTED]

CONTACTS: Richard M. Ubinger
Vice President of Finance,
Chief Financial Officer and Treasurer
(412) 257-7606

June Filingeri
President
Comm-Partners LLC
(203) 972-0186

FOR IMMEDIATE RELEASE

UNIVERSAL STAINLESS REPORTS 2007 FOURTH QUARTER, FULL YEAR RESULTS

- Fourth Quarter Diluted EPS is $0.65 on Sales of $50 Million -
- Full Year Sales of $230 Million and EPS of $3.32 Set New Company Records -
- Cash Flow from Operations Reaches Record $33.6 Million -

BRIDGEVILLE, PA, January 22, 2008 - Universal Stainless & Alloy Products, Inc. (Nasdaq: USAP) reported today that sales for the fourth quarter of 2007 were $49.6 million compared with $55.8 million in the fourth quarter of 2006. Net income for the 2007 fourth quarter was $4.4 million, or $0.65 per diluted share, compared with $6.3 million, or $0.94 per diluted share, in the fourth quarter of 2006. For the full year 2007, sales rose to a record $229.9 million and net income increased to a record $22.5 million, or $3.32 per diluted share, compared to sales of $203.9 million and net income of $20.6 million, or $3.11 per diluted share in 2006.

The Company had forecasted sales in the range of $45 to $50 million and diluted EPS in the range of $0.60 to $0.65 for the fourth quarter of 2007.

Results for the fourth quarter of 2007 included $586,000 of other income, equivalent to $0.06 per diluted share, from the receipt of import duties, compared with $465,000, equivalent to $0.05 per diluted share, in the 2006 fourth quarter.

Nickel costs continued to decline in the fourth quarter of 2007. The impact from the change in nickel costs on the Company's Dunkirk segment reduced gross margins by an estimated $53,000 (FIFO charge) compared with an increase (FIFO benefit) of $1.1 million, equivalent to $0.11 per diluted share, in the fourth quarter of 2006. The swing in the FIFO effect combined with lower total shipment volume reduced company-wide gross margin dollars in the fourth quarter of 2007 compared with the same period of 2006.

The Company's tax rate for 2007 was 32.7% compared to 35.2% in 2006 due to adjustments to state income tax provisions. The impact of this rate change in comparison to the 2006 fourth quarter and full year was equivalent to $0.05 and $0.12 per diluted share, respectively. Net income for the 2006 fourth quarter has been adjusted for the retrospective application of an accounting pronouncement as detailed in the financial tables.

For the full-year 2007, cash flow from operations reached a record $33.6 million and free cash flow (cash from operations minus capital expenditures) rose to $24.8 million, equivalent to $3.67 per diluted share. This was due to lower levels of receivables and inventories. The strong cash flow enabled the Company to retire the $7.5 million outstanding balance on its PNC term loan.

President and CEO Dennis Oates commented: "Our fourth quarter sales reached the high end of our forecast which recognized volatile raw material costs and economic uncertainty as well as normal conservative year-end order patterns. While we expected nickel to be the most volatile of our costs, the magnitude of its decline in December impacted our profitability for the quarter. Nickel prices have moved higher since then and we expect their volatility to continue.

"While there is caution in our marketplace due to ongoing concern about the U.S. economy, the end markets we serve are global in scope and have solid backlogs going out for several years. Although our direct customers will continue to make periodic inventory adjustments, we expect to see improving trends through the balance of the year. We also expect our cash flow to remain strong."

Mr. Oates added: "We have entered 2008 with a high level of optimism about our prospects. To generate further growth, we are focused on quickly developing new business opportunities. Additionally, we are accelerating efforts to eliminate waste in our operations and enhance customer satisfaction."

Segment Review

In the fourth quarter of 2007, the Universal Stainless & Alloy Products segment had sales of $43.4 million and operating income of $3.2 million, yielding an operating margin of 7%. That compares with sales of $47.1 million and operating income of $4.6 million, or 10% of sales, in the fourth quarter of 2006. In the third quarter of 2007, sales were $55.9 million and operating income was $4.3 million, or 8% of sales, and included a charge of $772,000 to the LCM (Lower of Cost or Market) reserve attributable to the segment.

Segment sales declined 8% compared with the fourth quarter of 2006 despite a 50% increase in sales of tool steel plate to service centers and a 12% increase in reroll product sales to the Dunkirk operation and other customers. These sales increases did not fully offset a 43% decrease in sales to forgers and a 22% decrease in sales of bar products to service centers, which continued to restrain orders due in part to volatile nickel pricing and excess inventories. Operating margins were lower due to a 15% decrease in shipment volume as well as product mix.

The Dunkirk Specialty Steel segment reported sales of $18.7 million and operating income of $2.2 million for the fourth quarter of 2007, resulting in an operating margin of 12%, which included the FIFO charge of $53,000. That compares with sales of $20.3 million and operating income of $3.9 million, or 19% of sales, in the fourth quarter of 2006, which included the estimated FIFO benefit of $1.1 million. In the third quarter of 2007, sales were $21.3 million and operating income was $3.0 million or 14% of sales and included a charge of $635,000 to the LCM reserve attributable to the segment, offset by an estimated $1.5 million FIFO benefit due to the timing of surcharges and the changing price of nickel.

The 8% decline in Dunkirk's sales over the 2006 fourth quarter reflected a 46% decrease in sales of rod and wire products, which was partially offset by a 9% increase in sales of bar products to OEMs and service centers. The decline in the operating margin over the fourth quarter of 2006 mainly reflected a 15% decrease in shipment volume and the swing in the FIFO effect resulting from the impact of nickel price changes in the applicable periods.

Business Outlook

The following statements are based on the Company's current expectations. These statements are forward-looking, and actual results may differ materially.

The Company estimates that first quarter 2008 sales will range from $50 to $55 million and that diluted EPS will range from $0.60 to $0.65. This compares with sales of $56.2 million and diluted EPS of $1.00, in the first quarter of 2007, which included a FIFO benefit estimated at approximately $1.2 million, equivalent to $0.12 per diluted share.

The following factors were considered in developing these estimates:

- The Company's total backlog at December 31, 2007 was approximately $85 million compared to $88 million at September 30, 2007. The Company experienced improvement in order entry for its electro-slag remelt products for the power generation market and for its tool steel products, which are used in heavy equipment manufacturing.

- Sales from the Dunkirk Specialty Steel segment are expected to approximate $19 million in the first quarter of 2008, with volume growth limited by high temperature annealing capacity constraints. The Company expects its new high temperature annealing equipment to be operational in the 2008 second quarter.

- The first quarter 2008 earnings forecast assumes that there will be no FIFO benefit at the Dunkirk operation. It also assumes lower interest expense due to the pay down of the PNC term loan. The estimated tax rate for 2008 is 34%.

Webcast

A simultaneous Webcast of the Company's conference call discussing the fourth quarter of 2007 and the first quarter outlook, scheduled at 10:00 a.m. (Eastern) today, will be available on the Company's website at www.univstainless.com, and thereafter archived on the website. A telephone replay of the conference call will be available beginning at 12:00 noon (Eastern) today and continuing through January 29th. It can be accessed by dialing 706-645-9291, passcode 30027258. This is a toll call.

About Universal Stainless & Alloy Products, Inc.

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.

Forward-Looking Information Safe Harbor

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. 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.

- FINANCIAL TABLES FOLLOW -

UNIVERSAL STAINLESS & ALLOY PRODUCTS, INC.
FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share information)
(Unaudited)

CONSOLIDATED STATEMENT OF OPERATIONS

	For the Quarter Ended December 31, 2007	For the Quarter Ended December 31, 2006	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Net Sales				
Stainless steel	$ 34,020	$ 41,474	$ 164,228	$ 151,633
Tool steel	7,297	4,744	28,119	23,389
High-strength low alloy steel	6,080	6,145	25,892	16,467
High-temperature alloy steel	1,580	2,792	9,317	9,837
Conversion services	584	443	2,011	2,137
Other	72	209	369	410

Total net sales	49,633	55,807	229,936	203,873
Cost of products sold	41,154	44,001	184,491	160,722
Selling and administrative expenses	3,087	2,619	12,038	10,792
Operating income	5,392	9,187	33,407	32,359
Interest expense	(128)	(296)	(731)	(1,106)
Other income	740	516	776	522
Income before taxes	6,004	9,407	33,452	31,775
Income tax provision	1,616	3,133	10,948	11,185
Net income	$ 4,388	$ 6,274	$ 22,504	$ 20,590
Earnings per share - Basic	$ 0.66	$ 0.96	$ 3.39	$ 3.19
Earnings per share - Diluted	$ 0.65	$ 0.94	$ 3.32	$ 3.11
Weighted average shares of Common Stock outstanding				
Basic	6,656,783	6,516,880	6,644,374	6,451,037
Diluted	6,780,808	6,658,566	6,774,924	6,612,530

Note: 2006 results have been adjusted to reflect the retrospective application of the January 1, 2007 change in accounting for major maintenance expenses from the accrue-in-advance method to the deferral method in accordance with the FASB Staff Position entitled "Accounting for Planned Major Maintenance Activities," issued in September 2006. The effect of the change in accounting is summarized below:

	For the Quarter Ended December 31, 2006		For the Year Ended December 31, 2006	
	As Reported	As Adjusted	As Reported	As Adjusted
Operating income:				
Universal Stainless & Alloy Products Segment	$ 4,850	$ 4,645	$ 19,690	$ 19,674
Dunkirk Specialty Steel Segment	3,961	3,923	11,496	11,472
Intersegment elimination	619	619	1,213	1,213
	$ 9,430	$ 9,187	$ 32,399	$ 32,359
Net income	$ 6,428	$ 6,274	$ 20,614	$ 20,590
Diluted earnings per share	$ 0.97	$ 0.94	$ 3.12	$ 3.11

BUSINESS SEGMENT RESULTS

Universal Stainless & Alloy Products Segment

	For the Quarter Ended December 31,		For the Year Ended December 31,	
	2007	2006	2007	2006
Net Sales				
Stainless steel	$ 21,524	$ 28,019	$ 108,535	$ 102,372
Tool steel	6,620	4,281	25,638	21,747
High-strength low alloy steel	2,382	3,141	12,764	8,177
High-temperature alloy steel	714	1,097	4,067	3,787
Conversion services	448	287	1,405	1,530
Other	66	174	295	325
	31,754	36,999	152,704	137,938
Intersegment	11,614	10,143	49,858	41,232
Total net sales	43,368	47,142	202,562	179,170
Material cost of sales	23,386	23,489	106,456	85,298
Operation cost of sales	14,730	17,295	67,286	66,806
Selling and administrative expenses	2,034	1,713	8,345	7,392
Operating income	$ 3,218	$ 4,645	$ 20,475	$ 19,674

Dunkirk Specialty Steel Segment

	For the Quarter Ended December 31, 2007	For the Quarter Ended December 31, 2006	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Net Sales				
Stainless steel	$ 12,496	$ 13,455	$ 55,693	$ 49,261
Tool steel	677	463	2,481	1,642
High-strength low alloy steel	3,698	3,004	13,128	8,290
High-temperature alloy steel	866	1,695	5,250	6,050
Conversion services	136	156	606	607
Other	6	35	74	85
	17,879	18,808	77,232	65,935
Intersegment	817	1,446	4,493	4,320
Total net sales	18,696	20,254	81,725	70,255
Material cost of sales	11,531	10,949	47,905	38,705
Operation cost of sales	3,953	4,476	17,404	16,678
Selling and administrative expenses	1,053	906	3,693	3,400
Operating income	$ 2,159	$ 3,923	$ 12,723	$ 11,472

MARKET SEGMENT INFORMATION

	For the Quarter Ended December 31, 2007	For the Quarter Ended December 31, 2006	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006
Net Sales				
Service centers	$ 26,582	$ 25,760	$ 119,736	$ 101,510
Forgers	7,541	13,504	47,711	38,539
Rerollers	8,957	8,193	35,006	33,273
Original equipment manufacturers	4,418	4,392	18,287	18,368
Wire redrawers	1,506	3,330	6,843	9,660
Conversion services	584	443	2,011	2,137
Other	45	185	342	386
Total net sales	$ 49,633	$ 55,807	$ 229,936	$ 203,873
Tons shipped	9,788	12,064	43,644	50,485

CONSOLIDATED BALANCE SHEET

	December 31, 2007	December 31, 2006
Assets		
Cash	$ 10,648	$ 2,909
Accounts receivable, net	27,501	33,308
Inventory	65,572	66,019
Deferred taxes	2,574	1,544
Other current assets	2,853	1,606
Total current assets	109,148	105,386
Property, plant & equipment, net	54,271	49,251

Other assets	767	584
Total assets	$ 164,186	$ 155,221

Liabilities and Stockholders' Equity

Trade accounts payable	$ 13,983	$ 13,123
Outstanding checks in excess of bank balance	2,064	3,427
Accrued employment costs	5,307	4,121
Current portion of long-term debt	383	2,364
Other current liabilities	1,490	1,902
Total current liabilities	23,227	24,937
Bank revolver	-	8,392
Long-term debt	1,453	8,836
Deferred taxes	9,904	8,402
Total liabilities	34,584	50,567
Stockholders' equity	129,602	104,654
Total liabilities and stockholders' equity	$ 164,186	$ 155,221

CONSOLIDATED STATEMENT OF CASH FLOW DATA
For the Year Ended December 31,

	2007	2006
Cash flows provided by operating activities:		
Net income	$ 22,504	$ 20,590
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	3,731	3,337
Loss on retirement of fixed assets	40	911
Deferred tax increase (decrease)	252	(1,852)
Stock based compensation expense	427	273
Tax benefit from share-based payment arrangements	(958)	(1,073)
Changes in assets and liabilities:		
Accounts receivable, net	5,807	(5,345)
Inventory	447	(14,621)
Trade accounts payable	860	544
Accrued employment costs	1,186	1,163
Other, net	(67)	2,374
Cash flow provided by operating activities	33,623	6,301
Cash flow used in investing activities:		
Capital expenditures	(8,782)	(7,716)
Cash flow used in investing activities	(8,782)	(7,716)
Cash flows used in financing activities:		
Revolving credit net repayments	(8,392)	2,275
Long-term debt repayments	(9,364)	(1,555)
Net change in outstanding checks in excess of bank balance	(1,363)	326
Proceeds from issuance of common stock	1,059	1,585
Tax benefit from share-based payment arrangements	958	1,073
Cash flow (used in) provided by financing activities	(17,102)	3,704
Net cash flow	$ 7,739	$ 2,289