

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 23, 2003

Universal Stainless & Alloy Products, Inc.

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(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

Item 9.

The information contained in this Item 9 of this Current Report is being furnished pursuant to "Item 12. Results of Operations and Financial Condition" of Form 8-K in accordance with SEC Release Nos. 33-8216; 34-47583.

The information in this Current Report is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On July 23, 2003, Universal Stainless and Alloy Products, Inc. issued a press release announcing its financial results for the second quarter ended June 30, 2003. A copy of the press release is attached as Exhibit 99.1.

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 23, 2003

[LOGO OMITTED]

Universal Stainless & Alloy Products, Inc.  
600 Mayer Street o Bridgeville, Pennsylvania 15017

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

FOR IMMEDIATE RELEASE  
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Comm-Partners LLC  
June Filingeri  
(203) 972-0186

UNIVERSAL STAINLESS REPORTS SECOND QUARTER 2003 RESULTS IN LINE WITH FORECAST

BRIDGEVILLE, PA, July 23, 2003 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today reported second quarter 2003 sales of \$16.8 million and a net loss of \$440,000, or \$0.07 per diluted share. This compares to sales of \$21.4 million, net income of \$777,000 and diluted earnings per share of \$0.12 reported in the comparable period of 2002.

The 2003 second quarter results were in line with the Company's estimate reported April 23 and show sequential improvement over first quarter 2003 sales of \$14.7 million and net loss of \$583,000 or \$0.09 per diluted share.

Commenting on the results, President and CEO Mac McAninch stated: "We achieved our highest sales level in four quarters and cut our operating loss by half over the first quarter. Our service center sales were up 14% from the 2003 first quarter and 36% from the same period last year directly as a result of our expanded product capability through Dunkirk Specialty Steel and our leadership position in tool steel. While overall demand for aerospace and power generation products remains weak, we are concentrating on the repair segment of those markets. As a result, sales to forgers increased 44% over the first quarter."

Mr. McAninch continued: "Industry conditions remain highly competitive, as economic recovery has not materialized in the majority of our markets. Despite this, we remain disciplined in our pricing while continuing to focus on reducing costs, increasing cash flow and maintaining a strong balance sheet."

USAP REPORTS SECOND QUARTER RESULTS IN LINE WITH FORECAST

Segment Review  
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The Universal Stainless & Alloy Products segment had sales of \$14.5 million and an operating loss of \$255,000 for the second quarter of 2003, compared with sales of \$20.9 million and operating income of \$1.7 million in the same period of 2002. The higher second quarter 2002 sales mainly reflect a temporary benefit to commodity reroller sales resulting from tariffs imposed by President Bush on certain imported specialty steel products.

Second quarter 2003 sales rose 17% over the \$12.4 million reported in the first quarter of 2003 due mainly to a 35% increase in tool steel sales, a 37% increase in sales to forgers and a 39% increase in shipments of non-commodity reroll products to the Dunkirk Specialty Steel segment. The operating loss narrowed by 67% from the \$774,000 reported in the 2003 first quarter due to a shift to higher margin products and higher utilization from the increased sales level.

The Dunkirk Specialty Steel segment reported 2003 second quarter sales of \$5.4 million and an operating loss of \$374,000. This compares with sales of \$2.2 million and an operating loss of \$376,000 in the same period of 2002, which was during its early start-up phase and included the shipment of products that were purchased as part of its February 14, 2002 acquisition by the Company.

In the first quarter of 2003, Dunkirk's sales were \$4.8 million and the

operating loss was \$599,000. The improvement over the first quarter of 2003 reflects higher sales of finished bar products to service centers and OEMs.

#### Business Outlook

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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 third quarter 2003 sales will range from \$15 to \$19 million and that it will incur a net loss per diluted share of \$0.07 to \$0.12. In the third quarter of 2002, sales were \$15.9 million and diluted earnings per share were \$0.03. The following factors were considered in developing these estimates:

- o The Company's total backlog approximated \$13.0 million on June 30, 2003, as compared to \$14.6 million at March 30, 2003.
- o Demand for reroll and forging semi-finished products from the Universal Stainless & Alloy Products segment is expected to increase mainly through its focus on the aerospace and power generation repair markets.
- o Sales from the Dunkirk Specialty Steel segment are expected to approximate \$5 million in the 2003 third quarter, based on its June 30, 2003 backlog of \$3.8 million. The Company remains committed to its pricing discipline with the result that Dunkirk Specialty Steel's sales are expected to remain at current levels given competitive industry conditions in response to the weak economic environment.

USAP REPORTS SECOND QUARTER RESULTS IN LINE WITH FORECAST

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The Company noted that it is in compliance with its amended financial covenants with PNC Bank through June 30, 2003. The Company also noted that it has reached a tentative agreement with PNC Bank to replace certain financial covenants with an asset-based funding formula.

Mr. McAninch concluded, "Our business will remain competitive and challenging given the weak economy. We are taking all possible steps to fully regain our footing and return to profitability. In this regard, we have added John DeSanzo as General Manager of the Bridgeville operation. John has nearly 30 years of industry experience and is hard at work evaluating and improving our processes and utilization at Bridgeville to improve on-time deliveries and reduce costs. We will continue to focus on strengthening Universal Stainless and the value we offer our customers as we position ourselves for better economic conditions."

#### Webcast

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A simultaneous Webcast of the Company's conference call discussing the 2003 second quarter and the third quarter outlook, 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. A telephone replay of the conference call will be available beginning at 12:00 noon (Eastern) today, continuing through July 30th. It can be accessed by dialing 706-645-9291, passcode 1481049. This is a toll call.

#### 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 original equipment manufacturers, service centers, forgers, rerollers and wire redrawers.

#### 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 limited operating history of Dunkirk Specialty Steel LLC, risks associated with the Company's ability to meet its current loan covenants, risks associated with the receipt, pricing and timing of future customer orders, risks related to the financial viability of customers, risks associated with the manufacturing process and production yields, and 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.

- 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 June 30,		For the Six-Months Ended June 30,	
	2003	2002	2003	2002
Net sales	\$16,837	\$21,422	\$ 31,537	\$39,018
Cost of products sold	15,941	18,574	30,621	32,819
Selling and administrative expenses	1,525	1,537	2,918	2,910
Operating income (loss)	(629)	1,311	(2,002)	3,289
Interest expense	(94)	(118)	(189)	(228)
Other income	23	31	50	62
Income (loss) before taxes	(700)	1,224	(2,141)	3,123
Income tax provision (benefit)	(260)	447	(1,118)	1,140
Net income (loss)	\$ (440)	\$ 777	\$ (1,023)	\$ 1,983
Earnings (loss) per share - Basic	\$(0.07)	\$ 0.13	\$ (0.16)	\$ 0.32
Earnings (loss) per share - Diluted	\$(0.07)	\$ 0.12	\$ (0.16)	\$ 0.32
Weighted average shares of Common Stock outstanding				
Basic	6,284,699	6,176,813	6,284,669	6,127,043
Diluted	6,285,895	6,253,245	6,285,757	6,182,916

BUSINESS SEGMENT AND OTHER INFORMATION

Net sales				
Universal Stainless & Alloy Products	\$ 14,499	\$ 20,882	\$ 26,900	\$ 38,520
Dunkirk Specialty Steel	5,395	2,173	10,179	2,379
Intersegment	(3,057)	(1,633)	(5,542)	(1,881)
Consolidated net sales	\$ 16,837	\$ 21,422	\$ 31,537	\$ 39,018
Operating income (loss)				
Universal Stainless & Alloy Products	\$ (255)	\$ 1,687	\$ (1,029)	\$ 4,171
Dunkirk Specialty Steel	(374)	(376)	(973)	(882)
Total operating income (loss)	(629)	1,311	(2,002)	3,289
Depreciation and amortization of fixed assets	741	750	1,547	1,500
Other income	23	31	50	62
EBITDA	\$ 135	\$ 2,092	\$ (405)	\$ 4,851
Tons shipped	8,646	12,642	16,059	20,988

CONSOLIDATED BALANCE SHEET  
(Dollars in thousands)

	June 30, 2003 ----	December 31, 2002 ----
Cash	\$ 6,037	\$ 3,308
Accounts receivable, net	12,347	11,550
Inventory	21,937	22,717
Deferred taxes	1,192	1,127
Other current assets	2,392	2,454
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Current assets	43,905	41,156
Property, plant & equipment, net	40,687	42,246
Other assets	624	642
	-----	-----
	\$ 85,216	\$ 84,044
	=====	=====
Accounts payable	\$ 5,966	\$ 4,190
Bank overdrafts	916	275
Accrued employment costs	1,006	1,019
Current portion of long-term debt	1,972	1,971
Other current liabilities	660	163
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Current liabilities	10,520	7,618
Long-term debt	6,560	7,502
Deferred taxes	8,333	8,123
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Total liabilities	25,413	23,243
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Stockholders' equity	59,803	60,801
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	\$ 85,216	\$ 84,044

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CONSOLIDATED STATEMENT OF CASH FLOW DATA  
For the Six-Months Ended June 30,

	2003 ----	2002 ----
Cash flow from operating activities	\$ 3,013	\$ 4,595
Cash flow due to investing activities	(191)	(3,093)
Cash flow due to financing activities	(93)	1,779
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Net cash flow	\$ 2,729	\$ 3,281
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