



UNIVERSAL STAINLESS
& ALLOY PRODUCTS, INC.

2009 Annual Meeting of Shareholders

May 20, 2009

Nasdaq: USAP
www.univstainless.com





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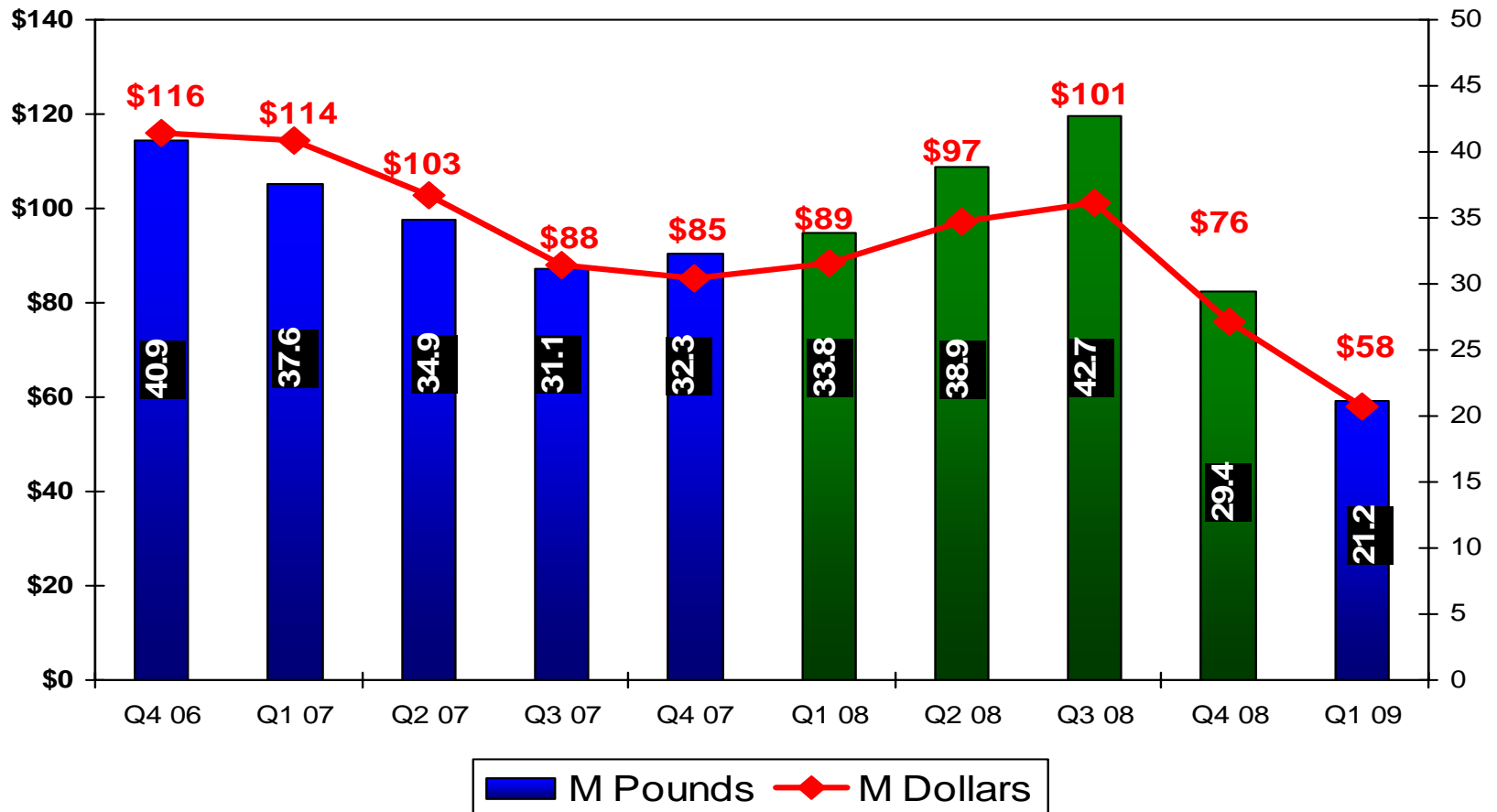


Safe Harbor

Forward looking statements have been provided pursuant to the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995. They involve known and unknown risks and uncertainties that may cause the Company’s actual results in future periods to be materially different from any future performance suggested by this presentation. Please refer to the discussion of risk factors detailed in the company’s filings with the SEC during the past 12 months.

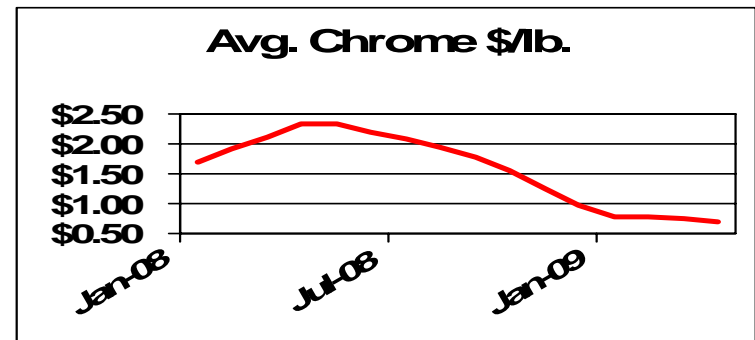
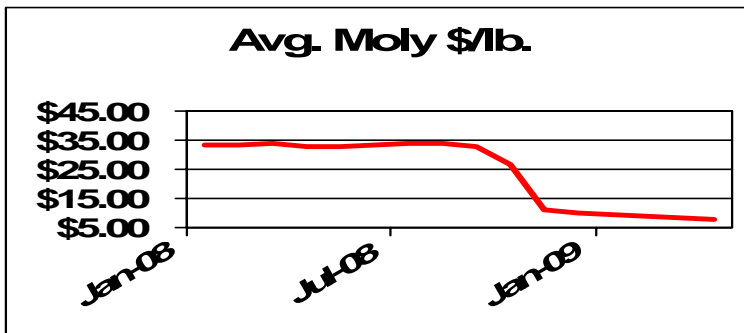
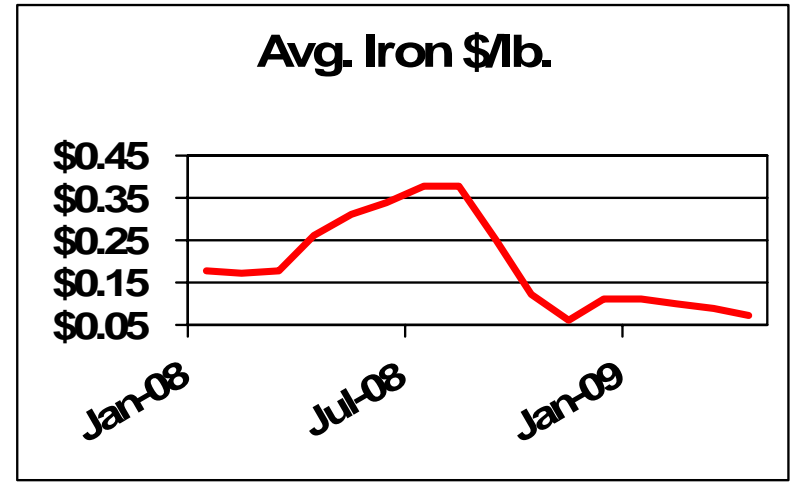
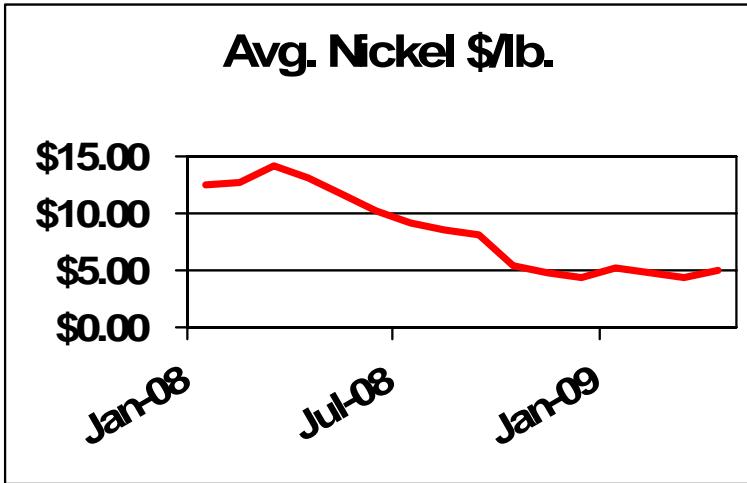


CONSOLIDATED BACKLOG TRENDS





Raw Material Cost Volatility



Sources: LME, Ryan's Notes and American Metal Market

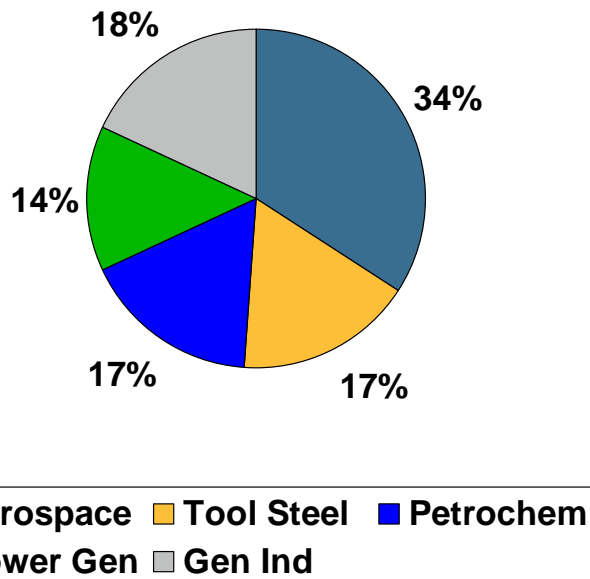


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Sales Profile by End Use Market

End Market Sales 2008



End Market Sales Trends

<i>Market</i>	2008	2007	2006	2005
<i>Tool Steel</i>	\$39.0	\$ 28.1	\$23.4	\$20.7
<i>Aerospace</i>	\$80.5	\$103.6	\$89.0	\$54.6
<i>Petrochem</i>	\$40.7	\$ 31.2	\$35.4	\$31.9
<i>Power Gen</i>	\$31.3	\$ 27.0	\$27.7	\$26.7
<i>Gen Ind.</i>	\$43.5	\$ 40.0	\$28.3	\$36.1
TOTAL	\$235.1	\$229.9	\$203.9	\$170.0



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2008/2009 Accomplishments

- **Provide Unparalleled Customer Service**
 - Improved On-Time Delivery
 - Shortened Lead Times
 - Quicker Response Times
- **Expand Market Penetration**
 - Increased Market Share
 - Power Generation
 - Petro Chemical
 - Tool Steel
 - Pursued International Opportunities
 - Secured AS 9100 Certification



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2008/2009 Accomplishments

- **Achieve Operational Excellence**
 - Sharp Improvement in Safety
 - Decreased Cycle Times
 - Reduced Scrap Rates
 - Increased Melt Shop Productivity
 - Technical Experiments Yielded Cost & Quality Benefits

- **Develop the Organization**
 - Sales
 - Operations
 - Engineering
 - Technical
 - Board of Directors



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2008/2009 Accomplishments

- **Strategic Capital Investment**
 - Added Heat Treating Capability
 - Relocated Bar Finishing Cell
 - Expanded Milling Operations
 - Installed New Bridgeville Capacitor Bank
 - Started \$13M Melting Upgrade (M+) Project



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M+ Major Accomplishments

First Four Months

- “G” furnace shell and foundation replacement
- “G” furnace MOD switch
- Skip car drive system
- Major equipment – 85% on order
- Construction engineering – 95% complete
- MAP project awarded to MSA and Praxair
- Scrap crane and scrap building runway repairs
- Video monitoring and recording
- Horizontal Preheat Station
- Zero Safety Incidents



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M+ Planned Completions Next Four Months

- Vertical and AOD preheating installations
- Relocation of mold prep to scrap building
 - Add Mold transfer car
- Install/relocate all teeming bays and pads
- New trim station
- New 4160/480 distribution system



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Annual Financial Results

For the year ended December 31,	2008	2007	2006
Tons shipped	45,679	43,644	50,485
Sales	\$ 235,106	\$ 229,936	\$ 203,873
Operating income	19,092	33,407	32,359
Net income	13,950	22,504	20,590
EPS	\$ 2.05	\$ 3.32	\$ 3.11
Capex	12,905	8,782	7,716



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First Quarter 2009 Financial Results Before and After Unusual Items

For the quarter ended	3/31/2009			3/31/2008
	As Reported	Unusual Charges	Adjusted	
Tons shipped	9,593		9,593	11,767
Sales	\$ 42,186		\$ 42,186	\$ 56,845
Operating income (loss)	(6,415)	5,976	(439)	6,991
Net income (loss)	(3,826)	3,564	(262)	4,723
EPS	\$ (0.57)	\$ 0.53	\$ (0.04)	\$ 0.70
Capex	3,734		3,734	3,092



2009 Balance Sheet

(\$ in millions)	March 2009	December 2008
Cash	\$ 25.8	\$ 14.8
Accounts receivable	29.2	33.1
Inventory	51.4	63.2
Other current assets	11.0	8.2
Current assets	117.4	119.3
Fixed assets	65.2	62.6
Other	1.3	1.0
Total assets	\$ 183.9	\$ 182.9
Current liabilities	\$ 16.7	\$ 24.5
Long-term liabilities	\$ 25.3	\$ 12.7
Stockholders' equity	\$ 141.9	\$ 145.7



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Short Term – Weather the Storm

- **Tight Cost Control**
- **Flexible Operating Plans**
- **Reduce Working Capital**
- **Conserve Cash**

- **Continue to...**
 - Develop the Organization
 - Strategically Invest
 - Protect the Core

- **Pounce on the Recovery**



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Long Term - Organic Growth Promising

- **Capture Additional Share of Existing Customers**
- **Build New Customer Relationships**
- **Penetrate Underserved Markets**
- **Establish International Presence**
- **Expand Product Portfolio**