

UNITED STATES
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): April 26, 2007

Sypris Solutions, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation)	0-24020 (Commission File Number)	61-1321992 (I.R.S. Employer Identification No.)
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101 Bullitt Lane, Suite 450
Louisville, Kentucky
(Address of Principal
Executive Offices)

40222
(Zip Code)

Registrant's telephone number, including area code: (502) 329-2000

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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:

- 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))

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition.

On April 26, 2007, Sypris Solutions, Inc. (the "Company") announced its financial results for the first quarterly period ended April 1, 2007. The full text of the press release is set forth in Exhibit 99 hereto.

The information in this Form 8-K and the attached Exhibit is being furnished pursuant to Item 2.02 "Results of Operations and Financial Condition" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 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, except as shall be expressly set forth by specific reference in such filing.

Section 7 - Regulation FD

Item 7.01 Regulation FD Disclosure.

On April 26, 2007, Sypris Solutions, Inc. (the "Company")

announced its financial results for the first quarterly period ended April 1, 2007. The full text of the press release is set forth in Exhibit 99 hereto.

The information in this Form 8-K and the attached Exhibit is being furnished pursuant to Item 7.01 "Regulation FD Disclosure" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 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, except as shall be expressly set forth by specific reference in such filing.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
----- 99	----- Press release issued April 26, 2007.

SIGNATURES

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.

Dated: April 26, 2007

Sypris Solutions, Inc.

By: /s/ T. Scott Hatton

T. Scott Hatton
Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit
Number

Description

99 Registrant's press release dated April 26, 2007.

Sypris Reports First Quarter Results

Electronics Group Posts Strong Orders

LOUISVILLE, Ky.--(BUSINESS WIRE)--April 26, 2007--Sypris Solutions, Inc. (Nasdaq/NM: SYPR) today reported revenue of \$111.4 million for the first quarter compared to \$130.0 million for the prior year period. The Company reported a net loss of \$0.2 million, or \$0.01 per diluted share for the first quarter compared to net income of \$0.9 million or \$0.05 per diluted share for the prior year period.

"The Company's financial results exceeded our expectations for the first quarter of 2007," said Jeffrey T. Gill, president and chief executive officer. "The cyclical downturn in demand for commercial vehicles impacted the Company's top line, but the implementation of cost containment measures, combined with better pricing, and higher than forecasted sales from our Industrial and Test & Measurement businesses, improved our gross margin rate despite the lower volumes."

Gill continued, "We expect revenue to decline further during the second quarter of this year in line with the cycle for commercial vehicle production, while the 34% increase in orders for our Electronics Group during the period provides the Company with important momentum moving into the second half of the year. In addition, Sypris Electronics announced the award of a multi-year, \$400 million IDIQ contract from the Department of Defense during the quarter. This contract, which will serve as the platform for the purchase of digital cryptographic security equipment from Sypris and one other vendor, is expected to contribute to the Company's financial results as early as the third quarter of 2007."

The Industrial Group

Revenue for our Industrial Group was \$79.1 million in the first quarter compared to \$92.5 million for the prior year period. Gross profit for the quarter was \$5.3 million compared to \$6.0 million for the prior year period and increased 155% sequentially from the fourth quarter of last year. Volumes in the Heavy and Light vehicle markets exceeded our expectation while our energy-related products continued to experience strong demand. Improved pricing also contributed to a stronger performance.

The Electronics Group

Revenue for our Electronics Group was \$32.3 million in the first quarter compared to \$37.5 million in the prior year period, but increased \$3.4 million sequentially from the fourth quarter of last year. Gross profit for the quarter was \$6.7 million, which was consistent with the prior year period. Net orders increased 34% to \$41.2 million for the quarter when compared to prior year period. Strong bookings were realized from the EMS, data recorder and calibration businesses. As a result, backlog for the Electronics Group rose by \$9.0 million or 9% sequentially from fourth quarter of last year.

Revenue for the Aerospace & Defense segment was \$19.7 million compared to \$26.0 million for the prior year period. Revenue for the Test & Measurement segment was \$12.6 million compared to \$11.5 million for the prior year period. Gross profit for the Aerospace & Defense segment was \$3.2 million compared to \$4.0 million for the prior year period. Gross profit for the Test & Measurement segment increased 30% to \$3.5 million from \$2.7 million in the prior year period.

Outlook

Gill added, "As a result of the Company's performance during the first quarter, we have revised our guidance upward for the full year. This latest outlook largely recognizes the upside from the first quarter, but does not assume a change in our outlook for the balance of the year at this time. Consequently, revenue for 2007 is now forecast to be in the range of \$420 to \$430 million, up from the previous guidance of \$410 to \$420 million, while the outlook for earnings for the full year has improved to a loss of \$0.30 to \$0.35 per diluted share compared to previous guidance of \$0.40 to \$0.45 loss per diluted share. We continue to expect free cash flow to be positive, although we have adjusted our expectations to be in the range of \$10.0 to \$15.0 million, as a result of necessary working

capital investments related to the previously announced restructuring program in our Industrial Group.

"Looking forward to the second quarter of 2007, we expect revenue to be in the range of \$100 to \$105 million compared to \$132 million for the prior year period. Losses for the second quarter are forecast to be in the range of \$0.11 to \$0.13 per diluted share compared to \$0.02 per diluted share for the prior year period."

Sypris Solutions is a diversified provider of technology-based outsourced services and specialty products. The Company performs a wide range of manufacturing and technical services, typically under multi-year, sole-source contracts with major corporations and government agencies in the markets for aerospace and defense electronics, truck components and assemblies, and test and measurement services. For more information about Sypris Solutions, visit its Web site at www.sypris.com.

Each "forward-looking statement" herein is subject to serious risks and should not be relied upon, as detailed in our most recent Form 10-K and subsequent SEC filings. Briefly, such risks also include: cost and availability of raw materials such as steel, components, freight, natural gas or utilities; cost and inefficiencies associated with increasing our manufacturing capacity and launching new programs; stability and predictability of our costs and margins or our customers' forecasts, financial conditions (including bankruptcies or other restructurings), late payments, low-margin product mix, market shares, changing product requirements or scheduling demands; costs associated with breakdowns or repairs of machinery and equipment; growth beyond our productive capacity, cyclical or other downturns, adverse impacts of new technologies or other competitive pressures which erode our margins; cost, efficiency and yield of our operations including capital investments, working capital, scrap rates, cycle times, injuries, self-insured risks, wages, freight, production schedules, overtime costs, expediting costs or scrap rates; failure to make strategic acquisitions or to integrate and improve results of acquired businesses or to identify and adequately insure environmental or other risks in due diligence; inventory valuation risks due to obsolescence, shrinkage, price, overstocking or underbilling; changes in government funded or other customer programs (including the failure to appropriate funds for IDIQ contracts); reliance on major customers or suppliers; revised contract prices or estimates of major contract costs; dependence on, recruitment or retention of management or other key employees; union negotiations; pension valuation, health care or other benefit costs; labor relations; strikes; risks of foreign operations; currency exchange rates; costs and supply of debt, equity capital, or insurance due to poor operating or financial results, new business risks, credit ratings, debt covenants (including those regarding our creditors' secured interests), contract claims, insurance conditions or regulatory developments; impairments or write-offs of goodwill or fixed assets; changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; completion of the internal control assessment process; costs of compliance with auditing, regulatory or contractual obligations; regulatory actions or sanctions; contract terminations or other disputes or litigation, involving customer, supplier, creditor, stockholder, product liability, environmental or asbestos-related claims; war, terrorism or political uncertainty; unanticipated or uninsured disasters, losses or business risks; inaccurate data about markets, customers or business conditions; or unknown risks and uncertainties.

SYPRIS SOLUTIONS, INC.

Financial Highlights

(In thousands, except per share amounts)

Three Months Ended

April 1, March 31,
2007 2006

(Unaudited)

Revenue	\$111,439	\$129,997
Net (loss) income	\$(245)	\$857

(Loss) income per common share:		
Basic	\$(0.01)	\$0.05
Diluted	\$(0.01)	\$0.05
Weighted average shares outstanding:		
Basic	18,107	18,042
Diluted	18,107	18,289

Sypris Solutions, Inc.
Consolidated Statements of Operations
(in thousands, except for per share data)

	Three Months Ended	
	April 1, 2007	March 31, 2006
	----- (Unaudited)	
Net revenue:		
Industrial Group	\$79,119	\$92,499
Aerospace & Defense	19,671	26,011
Test & Measurement	12,649	11,487
	-----	-----
Electronics Group	32,320	37,498
	-----	-----
Total net revenue	111,439	129,997
Cost of sales:		
Industrial Group	73,799	86,550
Aerospace & Defense	16,516	22,056
Test & Measurement	9,117	8,772
	-----	-----
Electronics Group	25,633	30,828
	-----	-----
Total cost of sales	99,432	117,378
Gross profit:		
Industrial Group	5,320	5,949
Aerospace & Defense	3,155	3,955
Test & Measurement	3,532	2,716
	-----	-----
Electronics Group	6,687	6,670
	-----	-----
Total gross profit	12,007	12,619
Selling, general and administrative	10,902	9,919
Research and development	679	334
Amortization of intangible assets	164	159
	-----	-----
Operating income	262	2,207
Interest expense, net	719	1,159
Other income, net	(20)	(250)
	-----	-----
(Loss) income before income taxes	(437)	1,298
Income tax (benefit) expense	(192)	441
	-----	-----
Net (loss) income	\$(245)	\$857
	=====	=====
(Loss) earnings per common share:		
Basic	\$(0.01)	\$0.05
Diluted	\$(0.01)	\$0.05
Dividends declared per common share	\$0.03	\$0.03
Weighted average shares outstanding:		
Basic	18,107	18,042
Diluted	18,107	18,289

Sypris Solutions, Inc.
Consolidated Balance Sheets
(in thousands, except for share data)

	April 1, 2007	December 31, 2006
	----- (Unaudited)	----- (Note)
ASSETS		
Current assets:		
Cash and cash equivalents	\$24,751	\$32,400
Restricted cash	1,002	1,002

Accounts receivable, net	60,374	59,876
Inventory, net	82,174	74,146
Other current assets	33,149	34,014
	-----	-----
Total current assets	201,450	201,438
Property, plant and equipment, net	149,096	155,341
Goodwill	14,277	14,277
Other assets	7,877	7,977
	-----	-----
Total assets	\$372,700	\$379,033
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$71,824	\$76,291
Accrued liabilities	23,957	19,430
Current portion of long-term debt	--	5,000
	-----	-----
Total current liabilities	95,781	100,721
Long-term debt	55,000	55,000
Other liabilities	13,130	13,426
	-----	-----
Total liabilities	163,911	169,147
Stockholders' equity:		
Preferred stock, par value \$0.01 per share, 975,150 shares authorized; no shares issued	--	--
Series A preferred stock, par value \$0.01 per share, 24,850 shares authorized; no shares issued	--	--
Common stock, non-voting, par value \$0.01 per share, 10,000,000 shares authorized; no shares issued	--	--
Common stock, par value \$0.01 per share, 30,000,000 shares authorized; 18,901,875 shares issued and 18,898,116 outstanding in 2007 and 18,342,243 shares issued and 18,338,484 outstanding in 2006 and	189	183
Additional paid-in capital	143,956	143,537
Retained earnings	69,003	69,816
Accumulated other comprehensive loss	(4,343)	(3,634)
Treasury stock, 3,759 shares	(16)	(16)
	-----	-----
Total stockholders' equity	208,789	209,886
	-----	-----
Total liabilities and stockholders' equity	\$372,700	\$379,033
	=====	=====

Note: The balance sheet at December 31, 2006 has been derived from the audited consolidated financial statements at that date but does not include all information and footnotes required by accounting principles generally accepted in the United States for a complete set of financial statements.

Sypris Solutions, Inc.
Consolidated Cash Flow Statements
(in thousands)

	Three Months Ended	
	April 1, 2007	March 31, 2006

	(Unaudited)	
Cash flows from operating activities:		
Net (loss) income	\$(245)	\$857
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	7,134	6,819
Other noncash items	(149)	(38)
Changes in operating assets and liabilities:		
Accounts receivable	(534)	(3,167)
Inventory	(3,900)	938
Other current assets	(3,384)	(236)

Accounts payable	(4,432)	(4,145)
Accrued liabilities	4,685	6,131
	-----	-----
Net cash (used in) provided by operating activities	(825)	7,159
Cash flows from investing activities:		
Capital expenditures	(697)	(3,862)
Proceeds from sale of assets	22	10
Changes in nonoperating assets and liabilities	(598)	(650)
	-----	-----
Net cash used in investing activities	(1,273)	(4,502)
Cash flows from financing activities:		
Net change in debt under revolving credit agreements	(5,000)	--
Cash dividends paid	(551)	(545)
Proceeds from issuance of common stock	--	140
	-----	-----
Net cash used in financing activities	(5,551)	(405)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(7,649)	2,252
Cash and cash equivalents at beginning of period	32,400	12,060
	-----	-----
Cash and cash equivalents at end of period	\$24,751	\$14,312
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CONTACT: Sypris Solutions, Inc.
T. Scott Hatton, 502-329-2000
Chief Financial Officer