

UNITED STATES  
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): December 20, 2011

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**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.)

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))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On December 20, 2011, the Board of Directors authorized the Company to enter into an Executive Equity Repurchase Agreement (the “Agreement”) whereby certain members of the Company’s management team, including executive officers and directors, would grant the Company a first right to purchase shares of common stock of the Company (the “Common Stock”) beneficially owned by those individuals at then-current market prices, subject to certain exceptions.

There are two circumstances, subject to certain exceptions in each case, in which a party to the Agreement would be required to offer to sell shares of Common Stock beneficially held by such person to the Company. The first is when any party to the Agreement proposes to transfer more than 1,500 shares of Common Stock to a third party. The second is when a party to the Agreement separates service from the Company. In that second circumstance, the Company has the right to acquire all of the shares of Common Stock beneficially owned by the departing person. In both circumstances, the price per share, if accepted by the Company, would be based on the average of the closing prices of the Common Stock on NASDAQ for a trailing five trading day period.

The Agreement has a five year term, subject to earlier termination by the Company, and participation by each individual is voluntary.

**Item 8.01. Other Events.**

On December 20, 2011, the Company issued a press release announcing that its Board of Directors has authorized a share repurchase program authorizing the Company to repurchase up to \$5 million of the Company’s outstanding common stock from time to time over the next twelve months, subject to renewal by the Board. The Company’s repurchases may be executed through open market purchases, privately negotiated transactions or through the Equity Repurchase Agreement described above or other arrangements which comply with the provisions of the Securities Exchange Act of 1934 and the terms of the Company’s existing credit facility. The program does not require that the Company purchase any specific number of shares or make purchases by a certain time and date. The program may be suspended or discontinued at any time without prior notice.

**Item 9.01 Financial Statements & Exhibits**

(d) Exhibits

99.1 Press Release dated, December 20, 2011.

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**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: December 20, 2011

**Sypris Solutions, Inc.**

By: /s/ John R. McGeeney  
John R. McGeeney  
General Counsel and Secretary

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INDEX TO EXHIBITS

Exhibit  
Number

Description

99.1

Registrant's press release dated December 20, 2011.

## Sypris Announces Share Repurchase Program

### *Program to Extend Through 2012*

LOUISVILLE, Ky.--(BUSINESS WIRE)--December 20, 2011--Sypris Solutions, Inc. (Nasdaq/NM: SYPR) announced today that its Board of Directors approved a new program authorizing the Company to repurchase up to \$5 million of its outstanding shares of common stock from time to time over the next twelve months. The share repurchase program does not obligate the Company to repurchase a minimum number of shares, and the program may be suspended or discontinued at any time without prior notice. The share repurchase program will be funded with the Company's cash on hand, and repurchased shares will be retired and returned to unissued status.

"Sypris is positioned for profitable growth in a way that we believe is still unrecognized by the market," said Jeffrey T. Gill, President and Chief Executive Officer. "We are pleased to launch our share repurchase program with this initial \$5 million authorization to take advantage of this situation."

In connection with the share repurchase program, the Board also authorized an Executive Equity Repurchase Agreement whereby management, including officers and directors, would grant the Company a first right to purchase shares at current market prices (calculated as the average of several days' closing prices). The Company's right to purchase the shares would occur any time a party to the Agreement departed the Company or intended to sell more than 1,500 shares of common stock. The Agreement has a five-year term, subject to earlier termination by the Company, and participation by each individual is voluntary.

"The combination of our share repurchase program and this new Agreement with our management team reflects our confidence in the future of our business and our commitment to returning value to Sypris shareholders," Mr. Gill added.

The repurchases under the share repurchase program may be made in open market or privately negotiated transactions or pursuant to the Equity Repurchase Agreement, depending on prevailing market conditions and other factors.

#### **About Sypris**

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

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### **Cautionary Note Regarding Forward-Looking Statements**

*This press release contains "forward-looking statements" within the meaning of the federal securities laws. Such forward-looking statements include statements regarding the Company's share repurchase program and the Company's future cash generation and cash resources. Forward-looking statements are subject to risks and uncertainties and are subject to change. Such risks include those described in our most recent Form 10-K and Form 10-Q and other SEC filings. Briefly, we currently believe that such risks also include: potential impairments, non-recoverability or write-offs of goodwill, assets or deferred costs, including capitalized pre-contract costs related to the development of a replacement for certain aerospace and defense products; inventory valuation risks including obsolescence, shrinkage, theft, overstocking or underbilling; declining revenues in our aerospace and defense business lines as we transition from legacy products and services into new market segments and technologies; U.S. government spending on products and services that our Electronics Group provides, including the timing of budgetary decisions; potential liabilities associated with discontinued operations, including post-closing indemnifications or claims related to business or asset dispositions; the costs of compliance with our auditing, regulatory or contractual obligations; regulatory actions or sanctions (in each case including FCPA, OSHA and Federal Acquisition Regulations, among others); adverse determinations by government contracting officers, especially regarding the potential retrofit of certain electronic products with respect to alleged "latent defects," which are disputed by the Company; dependence on, recruitment or retention of key employees; pension valuation, health care or other benefit costs; labor relations; strikes; union negotiations; changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; breakdowns, relocations or major repairs of machinery and equipment; changes or delays in government or other customer budgets, funding or programs; potential weaknesses in internal controls over [financial reporting and] enterprise risk management; reliance on major customers or suppliers, especially in the automotive or aerospace and defense electronics sectors; the cost, efficiency and yield of our operations and capital investments, including working capital, production schedules, cycle times, scrap rates, injuries, wages, overtime costs, freight or expediting costs; our inability to successfully launch or sustain new or next generation programs or product features, especially in accordance with budgets or committed delivery schedules; disputes or litigation, involving customer, supplier, lessor, landlord, creditor, stockholder, product liability or environmental claims; the costs and supply of debt, equity capital, or insurance; fees, costs or other dilutive effects of refinancing, compliance with covenants; cost and availability of raw materials such as steel, component parts, natural gas or utilities; volatility of our customers' forecasts, financial conditions, market shares, product requirements or scheduling demands; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; failure to adequately insure or to identify environmental or other insurable risks; revised contract prices or estimates of major contract costs; risks of foreign operations; currency exchange rates; war, terrorism, computer hacking or other cyber attacks, or political uncertainty; unanticipated or uninsured disasters, losses or business risks; inaccurate data about markets, customers or business conditions; or unknown risks and uncertainties.*

*The Company undertakes no obligation to update or revise publicly, any forward-looking statements, whether as a result of new information, future events or otherwise.*

**CONTACT:**

**Sypris Solutions, Inc.**

**Brian A. Lutes, 502-329-2000**

**Chief Financial Officer**