

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q/A

(Mark One)

X

Quarterly report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934. For the quarterly period ended
March 31, 2002.

or

Transition report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934. For the transition period from
to .

Commission file number: 0-24020

SYPRIS SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

61-1321992
(I.R.S. Employer
Identification No.)

101 Bullitt Lane, Suite 450
Louisville, Kentucky 40222

(Address of principal executive offices, including zip code)

(502) 329-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes X No____.

As of April 24, 2002 the registrant had 14,060,126 shares of common stock
outstanding.

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SYPRIS SOLUTIONS, INC.

CONSOLIDATED INCOME STATEMENTS
(in thousands, except for per share data)

	Three Months Ended	
	March 31, 2002	April 1, 2001
	(Unaudited)	
Net revenue:		
Outsourced services	\$ 52,661	\$ 46,018
Products	9,872	12,017
	-----	-----
Total net revenue	62,533	58,035
Cost of sales:		
Outsourced services	44,813	39,991
Products	6,591	7,880
	-----	-----
Total cost of sales	51,404	47,871
	-----	-----
Gross profit	11,129	10,164
Selling, general and administrative	6,514	6,575
Research and development	831	677
Amortization of intangible assets	51	335
	-----	-----
Operating income	3,733	2,577
Interest expense, net	1,082	1,129
Other income, net	(29)	(152)
	-----	-----
Income before income taxes	2,680	1,600
Income tax expense	855	581
	-----	-----
Net income	\$ 1,825	\$ 1,019
	=====	=====
Earnings per share:		
Basic	\$ 0.18	\$ 0.10
Diluted	\$ 0.17	\$ 0.10
Weighted average shares outstanding:		
Basic	10,169	9,723
Diluted	10,742	9,900

The accompanying notes are an integral part of the consolidated financial statements.

Sypris Solutions, Inc.

Consolidated Balance Sheets
(in thousands, except for share data)

	March 31, 2002	December 31, 2001
	----- (Unaudited)	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 27,247	\$ 13,232
Accounts receivable, net	42,930	39,758
Inventory, net	63,012	60,574
Other current assets	8,465	7,991
	-----	-----
Total current assets	141,654	121,555
Property, plant and equipment, net	73,457	70,452
Intangible assets, net	15,875	15,926
Other assets	4,018	3,511
	-----	-----
	\$ 235,004	\$ 211,444
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 26,188	\$ 26,828
Accrued liabilities	18,137	19,902
Current portion of long-term debt	--	7,500
	-----	-----
Total current liabilities	44,325	54,230
Long-term debt	62,500	80,000
Other liabilities	6,824	7,094
	-----	-----
Total liabilities	113,649	141,324
Stockholders' equity:		
Preferred stock, par value \$.01 per share, 989,000 shares authorized; no shares issued	--	--
Series A preferred stock, par value \$.01 per share, 11,000 shares authorized; no shares issued	--	--
Common stock, non-voting, par value \$.01 per share, 10,000,000 shares authorized; no shares issued	--	--
Common stock, par value \$.01 per share, 20,000,000 shares authorized; 13,547,853 and 9,898,675 shares issued and outstanding in 2002 and 2001, respectively	135	99
Additional paid-in capital	74,697	25,490
Retained earnings	48,252	46,427
Accumulated other comprehensive income (loss)	(1,729)	(1,896)
	-----	-----
Total stockholders' equity	121,355	70,120
	-----	-----
	\$ 235,004	\$ 211,444
	=====	=====

The accompanying notes are an integral part of the consolidated financial statements.

SYPRIS SOLUTIONS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Three Months Ended	
	March 31, 2002	April 1, 2001
	(Unaudited)	
Cash flows from operating activities:		
Net income	\$ 1,825	\$ 1,019
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	2,680	2,328
Other noncash charges	257	150
Changes in operating assets and liabilities:		
Accounts receivable	(3,290)	(259)
Inventory	(2,470)	(4,108)
Other assets	(483)	2,330
Accounts payable	1,002	5,135
Accrued liabilities	(1,635)	98
Net cash (used in) provided by operating activities	(2,114)	6,693
Cash flows from investing activities:		
Capital expenditures	(7,602)	(8,114)
Proceeds from sale of assets	-	66
Changes in nonoperating assets and liabilities	(433)	(254)
Net cash used in investing activities	(8,035)	(8,302)
Cash flows from financing activities:		
Net (decrease) increase in debt under revolving credit agreements	(25,000)	625
Proceeds from issuance of common stock	49,164	139
Net cash provided by financing activities	24,164	764
Net increase (decrease) in cash and cash equivalents	14,015	(845)
Cash and cash equivalents at beginning of period	13,232	14,674
Cash and cash equivalents at end of period	\$ 27,247	\$ 13,829

The accompanying notes are an integral part of the consolidated financial statements.

SYPRIS SOLUTIONS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of Business

Sypris is a diversified provider of outsourced services and specialty products. The Company performs a wide range of manufacturing, engineering, design, testing and other technical services, typically under multi-year, sole-source contracts with major companies and government agencies in the markets for aerospace & defense electronics, truck components & assemblies, and for users of test & measurement equipment.

(2) Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of Sypris Solutions, Inc. and its wholly-owned subsidiaries (collectively, "Sypris" or the "Company"), Sypris Electronics, LLC, Sypris Test & Measurement, Inc., Sypris Data Systems, Inc., and Sypris Technologies, Inc., and have been prepared by the Company in accordance with the rules and regulations of the Securities and Exchange Commission (the "Commission"). All significant intercompany transactions and accounts have been eliminated. These unaudited consolidated financial statements reflect, in the opinion of management, all material adjustments (which include only normal recurring adjustments) necessary to fairly state the results of operations, financial position and cash flows for the periods presented, and the disclosures herein are adequate to make the information presented not misleading. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results for the three months ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements, and notes thereto, for the year ended December 31, 2001 as presented in the Company's annual report on Form 10-K.

(3) Earnings Per Share

There were no adjustments required to be made to net income for purposes of computing basic and diluted earnings per share. A reconciliation of the weighted average shares outstanding used in the calculation of basic and diluted earnings per share is as follows (in thousands):

	Three Months Ended	
	March 31, 2002	April 1, 2001
	(Unaudited)	
Shares used to compute basic earnings per share	10,169	9,723
Dilutive effect of stock options	573	177
	10,742	9,900
	10,742	9,900

(4) Inventory

Inventory consists of the following (in thousands):

	March 31, 2002	December 31, 2001
	-----	-----
	(Unaudited)	
Raw materials	\$ 16,036	\$ 19,003
Work in process	14,306	9,661
Finished goods	3,645	5,450
Costs relating to long-term contracts and programs, net of amounts attributed to revenue recognized to date	38,234	37,908
Progress payments related to long-term contracts and programs	(3,902)	(6,540)
LIFO reserve	(1,126)	(987)
Reserve for excess and obsolete inventory	(4,181)	(3,921)
	-----	-----
	\$ 63,012	\$ 60,574
	=====	=====

(5) Segment Data

The Company's operations are conducted in two reportable business segments: the Electronics Group and the Industrial Group. There was no intersegment net revenue recognized in either of the periods presented. The following table presents financial information for the reportable segments of the Company for the three months ended March 31, 2002 and April 1, 2001 (in thousands):

	Three Months Ended	
	March 31, 2002	April 1, 2001
	-----	-----
	(Unaudited)	
Net revenue from unaffiliated customers:		
Electronics Group	\$ 44,076	\$ 50,081
Industrial Group	18,457	7,954
	-----	-----
	\$ 62,533	\$ 58,035
	=====	=====
Gross profit:		
Electronics Group	\$ 8,688	\$ 9,300
Industrial Group	2,441	864
	-----	-----
	\$ 11,129	\$ 10,164
	=====	=====
Operating income:		
Electronics Group	\$ 3,150	\$ 3,233
Industrial Group	1,458	398
General, corporate and other	(875)	(1,054)
	-----	-----
	\$ 3,733	\$ 2,577
	=====	=====

(6) Commitments and Contingencies

The Company's Sypris Technologies subsidiary is a co-defendant in two lawsuits arising out of an explosion at a coker plant owned by Exxon Mobil Corporation located in Baton Rouge, Louisiana. In each of these lawsuits, it is alleged that a carbon steel pipe elbow that Sypris Technologies manufactured was improperly installed and the failure of which caused the explosion. One of the actions was brought by Exxon Mobil in 1994 in state district court in Louisiana and claims damages for destruction of the plant, which Exxon Mobil estimates exceed one hundred million dollars. Sypris Technologies is a co-defendant in this action with the fabricator who built the pipeline into which the elbow was incorporated and with the general contractor for the plant. The second action is a class action suit also filed in 1994 in federal

court in Louisiana on behalf of the residents living around the plant and claims unspecified damages. Sypris Technologies is a co-defendant in this action with Exxon Mobil, the contractor and the fabricator. In both actions, the Company maintains that the carbon steel pipe elbow at issue was appropriately marked as carbon steel and was improperly installed, without Sypris Technologies' knowledge, by the fabricator and general contractor in circumstances that required the use of a chromium steel elbow. Although the Company believes these defenses to be meritorious, there can be no assurance that the Company will not be found liable for some or all of the alleged damages. If the Company was to be found liable and the damages exceeded available insurance coverage, the impact could materially and adversely affect the Company's financial condition and results of operations.

The Company is involved in certain litigation and contract issues arising in the normal course of business. While the outcome of these matters cannot, at this time, be predicted in light of the uncertainties inherent therein, management does not expect that these matters will have a material adverse effect on the consolidated financial position or results of operations of the Company.

(7) Adoption of Recently Issued Accounting Standard

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, goodwill and indefinite lived intangible assets are no longer amortized but will be reviewed at least annually for impairment. Separable intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives. The Company completed the first of the required impairment tests of goodwill and indefinite lived intangible assets during the three months ended March 31, 2002 and no adjustment to the carrying value of goodwill was required.

The nonamortization of goodwill has increased the Company's net income and earnings per share. Following are pro forma results assuming goodwill had not been amortized prior to January 1, 2002 (in thousands, except for per share data):

	Three Months Ended	
	March 31, 2002	April 1, 2001
	(Unaudited)	
Reported net income	\$ 1,825	\$ 1,019
Adjustment for amortization of goodwill	-	183
	-----	-----
Adjusted net income	\$ 1,825	\$ 1,202
	=====	=====
Basic earnings per share as reported	\$ 0.18	\$ 0.10
Adjustment for amortization of goodwill	-	0.02
	-----	-----
Adjusted basic earnings per share	\$ 0.18	\$ 0.12
	=====	=====
Diluted earnings per share as reported	\$ 0.17	\$ 0.10
Adjustment for amortization of goodwill	-	0.02
	-----	-----
Adjusted diluted earnings per share	\$ 0.17	\$ 0.12
	=====	=====

There has been no change to the carrying value of the Company's goodwill since January 1, 2002. Goodwill at March 31, 2002 for the Electronics Group and the Industrial Group was \$13,818,000 and \$440,000, respectively. The Company's intangible assets subject to amortization and the related amortization expense are not material to the Company's consolidated financial position or results of operations, respectively.

(8) Issuance of Common Stock

On March 26, 2002, the Company completed a public stock offering of 3,600,000 shares of its common stock at \$14.50 per share and generated proceeds, after underwriting discounts and estimated expenses, of approximately \$48,844,000. On April 19, 2002, an over-allotment option was exercised for 500,000 shares at \$14.50 per share and generated proceeds, after underwriting discounts and estimated expenses, of approximately \$6,785,000. The proceeds of the offering were used to repay debt of \$30,000,000 during March 2002 and \$22,500,000 during April 2002.

(9) Income Taxes

The Company's effective tax rate for the three months ended March 31, 2002 was 31.9%. Reconciling items between the federal statutory income tax rate and the effective tax rate include management's estimate for 2002 of research and development tax credits, state income tax benefits and certain other permanent differences.

(10) Accumulated Other Comprehensive Income

The aggregate fair market value of all interest rate swap agreements decreased from \$728,000 at December 31, 2001 to \$461,000 at March 31, 2002 and was included in other liabilities on the consolidated balance sheet. The change in fair market value, net of tax of \$100,000, was recorded as other comprehensive income during the three months ended March 31, 2002.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number	Note	Description
3.2	(1)	Bylaws of the Company.
10.20	(1)	Underwriting Agreement dated March 20, 2002 among Sypris Solutions, Inc., Needham & Company, Inc. and A.G. Edwards & Sons, Inc.
10.21	(1)	Sypris Solutions, Inc. Executive Bonus Plan, effective as of January 2, 2002, executed on or after April 1, 2002.
99.1		Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

(1) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended March 31, 2002 filed on April 29, 2002.

(b) Reports on Form 8-K:

The Company filed no reports on Form 8-K during the three months ended March 31, 2002.

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 thereunto duly authorized.

SYPRIS SOLUTIONS, INC.
(Registrant)

Date: September 23, 2002 By: /s/ David D. Johnson

David D. Johnson
Vice President & Chief Financial Officer

Date: September 23, 2002 By: /s/ Anthony C. Allen

Anthony C. Allen
Vice President, Controller & Chief Accounting Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sypris Solutions, Inc (the "Company") on Form 10-Q/A for the period ended March 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge and belief:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 23, 2002

By: /s/ Jeffrey T. Gill

Jeffrey T. Gill
President & Chief Executive Officer

Date: September 23, 2002

By: /s/ David D. Johnson

David D. Johnson
Vice President & Chief Financial Officer