

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): October 25, 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)
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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 October 25, 2007, Sypris Solutions, Inc. (the "Company") announced its financial results for the third quarterly period ended September 30, 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 October 25, 2007, the Company announced its financial results for the third quarterly period ended September 30, 2007 as well as

certain other information. The full text of the press release is set forth in Exhibit 99 hereto. The Company has also released certain supplemental financial information that can be accessed through the Company's website at <http://www.sypris.com>.

The information in this Form 8-K and the attached Exhibit as well as the supplemental information referenced above 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
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99	Press release issued October 25, 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: October 25, 2007

Sypris Solutions, Inc.

By: /s/ John R. McGeeney

John R. McGeeney
General Counsel and Secretary

INDEX TO EXHIBITS

Exhibit
Number

Description

99	Registrant's press release dated October 25, 2007.
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Sypris Reports Third Quarter Results;
Declares Quarterly Dividend

Aerospace and Defense Orders Increase 35%

LOUISVILLE, Ky.--(BUSINESS WIRE)--Oct. 25, 2007--Sypris Solutions, Inc. (Nasdaq/NM: SYPR) today reported revenue of \$104.5 million for the third quarter compared to \$126.0 million for the prior year period. The Company reported net income of \$2.6 million, or \$0.14 per diluted share for the third quarter compared to a net loss of \$0.8 million, or \$0.04 per diluted share for the prior year period. The results for the quarter reflect the previously announced settlement agreement with Dana, which contributed \$5.4 million to net income, or \$0.29 per diluted share.

On October 23, 2007, the Company's Board of Directors also declared a regular quarterly cash dividend of \$0.03 per share. The dividend will be payable on January 10, 2008 to shareholders of record as of December 21, 2007. Sypris Solutions currently has 19.1 million shares outstanding.

For the nine months ended September 30, 2007, the Company reported revenue of \$332.2 million compared to \$388.2 million for the prior year period and net income of \$0.1 million, or \$0.00 per diluted share compared to a net loss of \$0.4 million, or \$0.02 per diluted share for the same period in 2006. Net income for the nine months ended September 30, 2007 includes the impact of the Dana settlement agreement (net of litigation expenses incurred in the first six months) of \$4.5 million, net of taxes, or \$0.24 per diluted share.

"The Company's financial results were largely in line with our expectations for the third quarter of 2007," said Jeffrey T. Gill, president and chief executive officer. "Continued margin improvement served to offset the impact of lower than expected revenue, which was driven by a softening in the trailer market and a delay in shipments in our Electronics Group due to the extension of the certification process for certain key, classified defense electronic product programs."

"Orders for our Electronics Group increased 30% compared to the prior year period and 47% sequentially, driven by a 35% year over year increase in bookings in our Aerospace and Defense segment. The strength of this order pattern provides us with important support for achieving double digit growth in the top line of this business during the coming years. Our Test & Measurement segment also posted strong bookings with orders increasing 17% compared to the prior year."

The Industrial Group

Revenue for our Industrial Group was \$67.6 million in the third quarter compared to \$93.0 million for the prior year period as a result of the forecasted decline in heavy truck production. Gross profit for the quarter decreased to \$4.7 million from \$5.2 million for the same period in 2006, as a result of lower volumes, partially offset by price improvements and the impact of the Dana settlement.

The Electronics Group

Revenue for our Electronics Group increased 12.1% to \$36.9 million in the third quarter compared to \$32.9 million in the prior year period. Gross profit for the quarter was \$5.8 million compared to \$5.1 million for the same period in 2006, reflecting higher margin conversion in our Test and Measurement segment.

Revenue for the Aerospace & Defense segment increased 11.5% to \$23.6 million in the third quarter compared to \$21.2 million for the prior year period primarily as a result of an increase in contract manufacturing service activity. Revenue for the Test & Measurement segment increased 13.2% to \$13.3 million compared to \$11.8 million for the prior year period as a result of growth in our component screening and calibration markets. Gross profit for the Aerospace & Defense segment was \$2.5 million compared to \$2.6 million for the prior year period. Gross profit for the Test & Measurement segment increased 32.6% to \$3.3 million from \$2.5 million in the prior year period due to new business wins in calibration and a favorable product mix in test services.

Outlook

Mr. Gill added, "Looking forward, we believe the balance of 2007 will remain challenging for Sypris as demand for commercial vehicle and trailer components is expected to be lower than previously forecast. Additionally, certification requirements for certain key, classified defense electronic product programs will reduce the short-term outlook for revenue and margin in the Aerospace & Defense segment, while the Test & Measurement segment is expected to continue to show strength."

"As a result, we have revised our revenue guidance slightly for the full year. Revenue for 2007 is now forecast to be in the range of \$435 to \$440 million, down from the previous guidance of \$443 to \$453 million. Similarly, our outlook for earnings for the full year is reduced to a range of \$0.00 to a loss of \$0.05 per diluted share from a net profit of \$0.01 to \$0.06 per diluted share. Additionally, we expect a use of free cash flow in the range of \$8.0 to \$13.0 million, down from a use of \$0.0 million to \$5.0 million, as a result of lower volume and increased capital investment. The outlook for free cash flow assumes that the Company does not liquidate the \$89.9 million unsecured claim with Dana."

"Consistent with this total year outlook, we expect fourth quarter revenue to be in the range of \$107 to \$112 million compared to \$109 million for the prior year period. Earnings for the fourth quarter are forecast to be in the range of \$0.00 to a net loss of \$0.05 per diluted share compared to a net loss of \$0.05 per diluted share for the prior year period. Consistent with our past practice, we will issue a press release and host a conference call on December 20th at 9:00 EST to discuss the Company's financial outlook for 2008."

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 Form 10-Q and subsequent SEC filings. Briefly, we currently believe that such risks also include: our ability to liquidate our unsecured claims against the Dana bankruptcy estates at satisfactory valuations; costs and inefficiencies of restructuring our manufacturing capacity or breakdowns, relocations or major repairs of machinery and equipment; our inability to successfully launch new or next generation programs; impairments, non-recoverability or write-offs of goodwill, assets or deferred costs; cost, efficiency and yield of our operations including capital investments, working capital, production schedules, cycle times, scrap rates, injuries, wages, overtime costs, freight or expediting costs; 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; cyclical or other downturns; 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 risks; inventory valuation risks including obsolescence, shrinkage, theft, overstocking or underbilling; changes in government or other customer programs; reliance on major customers or suppliers, especially in the automotive or aerospace and defense electronics sectors; revised contract prices or estimates of major contract costs; dependence on, recruitment or retention of 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; changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; weaknesses in internal controls; costs of compliance with auditing, regulatory or contractual obligations; regulatory actions or sanctions; disputes or litigation, involving customer, supplier, creditor, stockholder, product liability or environmental claims including potential, pre-existing product liability and unknown warranty claims that were preserved in our settlement agreement with Dana; 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 September 30,	

	2007	2006

	(Unaudited)	
Revenue	\$104,520	\$125,955
Net income (loss)	\$2,637	\$(802)
Earnings (loss) per common share:		
Basic	\$0.14	\$(0.04)
Diluted	\$0.14	\$(0.04)
Weighted average shares outstanding:		
Basic	18,314	18,094
Diluted	18,548	18,094
	Nine Months Ended September 30,	

	2007	2006

	(Unaudited)	
Revenue	\$332,206	\$388,185
Net income (loss)	\$91	\$(389)
Income (loss) per common share:		
Basic	\$-	\$(0.02)
Diluted	\$-	\$(0.02)
Weighted average shares outstanding:		
Basic	18,196	18,071
Diluted	18,351	18,071

Note: The selected data at December 31, 2006 has been derived from the audited consolidated financial statements at that date and 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 Statements of Operations
(in thousands, except for per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	-----		-----	
	2007	2006	2007	2006
	-----		-----	
	(Unaudited)		(Unaudited)	
Net revenue:				
Industrial Group	\$67,595	\$93,021	\$220,186	\$283,974
Aerospace & Defense	23,604	21,166	72,655	69,094
Test & Measurement	13,321	11,768	39,365	35,117
	-----		-----	
Electronics Group	36,925	32,934	112,020	104,211
	-----		-----	
Total net revenue	104,520	125,955	332,206	388,185
Cost of sales:				
Industrial Group	62,882	87,871	206,404	268,384
Aerospace & Defense	21,133	18,559	66,252	59,185
Test & Measurement	10,033	9,289	29,370	27,327
	-----		-----	
Electronics Group	31,166	27,848	95,622	86,512
	-----		-----	
Total cost of sales	94,048	115,719	302,026	354,896
Gross profit:				
Industrial Group	4,713	5,150	13,782	15,590
Aerospace & Defense	2,471	2,607	6,403	9,909
Test & Measurement	3,288	2,479	9,995	7,790
	-----		-----	
Electronics Group	5,759	5,086	16,398	17,699
	-----		-----	

Total gross profit	10,472	10,236	30,180	33,289
Selling, general and administrative	10,369	9,600	29,740	28,474
Research and development	608	427	2,001	1,132
Amortization of intangible assets	129	163	457	480
Non-recurring items	(4,835)	575	(3,281)	1,252
Operating income (loss)	4,201	(529)	1,263	1,951
Interest expense, net	991	820	2,624	3,062
Other (income) expense, net	(26)	12	15	(246)
Income (loss) before income taxes	3,236	(1,361)	(1,376)	(865)
Income tax expense (benefit)	599	(559)	(1,467)	(476)
Net income (loss)	\$2,637	\$(802)	\$91	\$(389)
Earnings (loss) per common share:				
Basic	\$0.14	\$(0.04)	\$-	\$(0.02)
Diluted	\$0.14	\$(0.04)	\$-	\$(0.02)
Dividends declared per common share	\$0.03	\$0.03	\$0.09	\$0.09
Weighted average shares outstanding:				
Basic	18,314	18,094	18,196	18,071
Diluted	18,548	18,094	18,351	18,071

Note: The statement of operations 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 Balance Sheets
(in thousands, except for share data)

	September 30, 2007	December 31, 2006
	(Unaudited)	(Note)
ASSETS		
Current assets:		
Cash and cash equivalents	\$16,345	\$32,400
Restricted cash	883	1,002
Accounts receivable, net	58,473	59,876
Inventory, net	82,284	74,146
Other current assets	109,761	34,014
Total current assets	267,746	201,438
Property, plant and equipment, net	139,388	155,341
Goodwill	14,277	14,277
Other assets	13,626	7,977
Total assets	\$435,037	\$379,033
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$67,283	\$76,291
Accrued liabilities	47,241	19,430
Current portion of long-term debt	5,000	5,000
Total current liabilities	119,524	100,721
Long-term debt	50,000	55,000
Other liabilities	55,546	13,426
Total liabilities	225,070	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; 19,185,179 shares issued and 19,075,441 outstanding in 2007 and 18,342,243 shares issued and 18,338,484 outstanding in 2006	192	183
Additional paid-in capital	145,826	143,537
Retained earnings	68,202	69,816
Accumulated other comprehensive loss	(4,056)	(3,634)
Treasury stock, 109,738 and 3,759 shares in 2007 and 2006, respectively	(197)	(16)
	-----	-----
Total stockholders' equity	209,967	209,886
	-----	-----
Total liabilities and stockholders' equity	\$435,037	\$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)

	Nine Months Ended September 30,	
	2007	2006

	(Unaudited)	
	-----	-----
Cash flows from operating activities:		
Net income (loss)	\$91	\$(389)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	21,738	21,272
Noncash compensation expense	1,276	724
Deferred income taxes	(13,735)	--
Other noncash items	(9,624)	690
Changes in operating assets and liabilities:		
Accounts receivable	(5,377)	18,334
Inventory	(3,916)	1,657
Other current assets	(3,414)	(4,142)
Accounts payable	(3,221)	9,288
Accrued liabilities	12,897	(4,238)
	-----	-----
Net cash (used in) provided by operating activities	(3,285)	43,196
Cash flows from investing activities:		
Capital expenditures	(5,118)	(7,852)
Proceeds from sale of assets	22	71
Changes in nonoperating assets and liabilities	(1,152)	85
	-----	-----
Net cash used in investing activities	(6,248)	(7,696)
Cash flows from financing activities:		
Net change in debt under revolving credit agreements	20,000	(20,000)
Payments on Senior Notes	(25,000)	--
Cash dividends paid	(1,690)	(1,643)
Proceeds from issuance of common stock	168	321
	-----	-----
Net cash used in financing activities	(6,522)	(21,322)
	-----	-----
Net (decrease) increase in cash and cash equivalents	(16,055)	14,178
Cash and cash equivalents at beginning of period	32,400	12,060
	-----	-----

Cash and cash equivalents at end of period	\$16,345	\$26,238
	=====	=====

Note: The cash flow statement 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.

CONTACT: Sypris Solutions, Inc.
T. Scott Hatton, Chief Financial Officer, 502-329-2000