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

FORM 10-Q

(Mark One)

  X   Quarterly report pursuant to Section 13 or 15(d) of the Securities
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Exchange Act of 1934. For the quarterly period ended April 1, 2001.

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	61-1321992
(State or Other Jurisdiction of Incorporation or Organization)	(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 23, 2001 the registrant had 9,801,798 shares of common stock outstanding.

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Part I. Financial Information

Item 1. Financial Statements

Sypris Solutions, Inc.

Consolidated Income Statements

(in thousands, except for per share data)

	Three Months Ended April 1, 2001	Three Months Ended April 2, 2000
	(Unaudited)	
Net revenue:		
Outsource services	$46,018	$39,852
Products	12,017	10,845
Total net revenue	58,035	50,697
Cost of sales:		
Outsource services	39,991	33,562
Products	7,880	6,381
Total cost of sales	47,871	39,943
Gross profit	10,164	10,754
Selling, general and administrative expense	6,575	6,303
Research and development	677	1,167
Amortization of intangible assets	335	362
Special charges	--	1,740
Operating income	2,577	1,182
Interest expense, net	1,129	931
Other income, net	(152)	(5)
Income before income taxes	1,600	256
Income tax expense	581	77
Net income	$ 1,019	$ 179
Net income per common share:		
Basic	$ 0.10	$ 0.02
Diluted	$ 0.10	$ 0.02
Shares used in computing per common share amounts:		
Basic	9,723	9,637
Diluted	9,900	9,990

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

Sypris Solutions, Inc.

Consolidated Balance Sheets

(in thousands, except for share data)

	April 1, 2001 (Unaudited)	December 31, 2000
Assets		
Current assets:		
Cash and cash equivalents	$ 13,829	$ 14,674
Accounts receivable, net	32,104	31,896
Inventory, net	55,116	51,055
Other current assets	5,365	7,695
Total current assets	106,414	105,320
Property, plant and equipment, net	56,680	54,317
Intangible assets, net	16,992	17,154
Other assets	2,797	2,331
	$182,883	$179,122
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 29,179	$ 25,670
Accrued liabilities	17,520	18,548
Current portion of long-term debt	3,125	2,500
Total current liabilities	49,824	46,718
Long-term debt	62,500	62,500
Other liabilities	5,196	5,699
Total liabilities	117,520	114,917
Shareholders' equity:		
Preferred stock, no par value, 1,000,000 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; 9,736,749 and 9,709,669 shares issued and outstanding in 2001 and 2000, respectively	97	97
Additional paid-in capital	24,540	24,401
Retained earnings	41,079	40,060
Accumulated other comprehensive income (loss)	(353)	(353)
Total shareholders' equity	65,363	64,205
	$182,883	$ 179,122

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	
	April 1, 2001	April 2, 2000
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 1,019	$ 179
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,328	2,391
Other noncash charges	150	101
Changes in operating assets and liabilities:		
Accounts receivable	(259)	(5,616)
Inventory	(4,108)	3,391
Other current and noncurrent assets	2,330	1,593
Accounts payable	5,135	2,588
Accrued and other liabilities	98	(1,977)
Net cash provided by operating activities	6,693	2,650
Cash flows from investing activities:		
Capital expenditures	(8,114)	(3,052)
Proceeds from sale of equipment	66	---
Other	(254)	(345)
Net cash used in investing activities	(8,302)	(3,397)
Cash flows from financing activities:		
Net increase in debt under revolving credit agreements	625	5,600
Proceeds from issuance of common stock	139	142
Net cash provided by financing activities	764	5,742
Net (decrease) increase in cash and cash equivalents	(845)	4,995
Cash and cash equivalents at beginning of period	14,674	10,406
Cash and cash equivalents at end of period	$13,829	$15,401

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

Sypris Solutions, Inc.

Notes to Consolidated Financial Statements

(1) Organization

Sypris Solutions, Inc. is a diversified provider of technology-based outsource services and specialized industrial products. The Company performs a wide range of manufacturing and technical services, typically under long-term contracts with major manufacturers. The Company also manufactures and sells complex data storage systems, magnetic instruments, current sensors, high-pressure closures and a variety of other industrial products.

(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"), Bell Technologies, Inc. ("Bell"), Group Technologies Corporation ("GroupTech"), Metrum-Datatape, Inc. ("Metrum-Datatape"), and Tube Turns Technologies, Inc. ("Tube Turns"), 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 April 1, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements, and notes thereto, for the year ended December 31, 2000 as presented in the Company's annual report on Form 10-K.

(3) Net Income Per Common Share

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

	Three Months Ended	
	April 1, 2001	April 2, 2000
	(Unaudited)	
Shares used to compute basic net income per common share.....................	9,723	9,637
Dilutive effect of stock options..	177	353
Shares used to compute diluted net income per common share..................	9,900	9,990

(4) Inventory

Inventory consists of the following (in thousands):

	April 1, 2001 (Unaudited)	December 31, 2000
Raw materials	$ 12,762	$ 13,567
Work-in-process	10,376	8,388
Finished goods	921	1,632
Costs relating to long-term contracts and programs, net of amounts attributed to revenue recognized to date	50,624	45,542
Progress payments related to long-term contracts and programs	(15,347)	(14,011)
LIFO reserve	(1,059)	(1,059)
Reserve for excess and obsolete inventory	(3,161)	(3,004)
	$ 55,116	$ 51,055

(5) Special Charges

Special charges of $1,740,000 were recognized during the three months ended April 2, 2000 for activities related to the consolidation of certain operations within the Electronics Group. The special charges incurred for these activities include workforce reductions, facilities rearrangement and relocation expenses, and employment costs related to the transfer of production.

(6) 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 April 1, 2001 and April 2, 2000 (in thousands):

	Three Months Ended	
	April 1, 2001	April 2, 2000
	(Unaudited)	
Net revenue from unaffiliated customers:		
Electronics Group	$50,081	$41,310
Industrial Group	7,954	9,387
	$58,035	$50,697
Gross profit:		
Electronics Group	$ 9,300	$ 9,187
Industrial Group	864	1,567
	$10,164	$10,754
Operating income:		
Electronics Group	$ 3,233	$ 893
Industrial Group	398	1,038
General, corporate and other	(1,054)	(749)
	$ 2,577	$ 1,182

(7) Commitments and Contingencies

Tube Turns is a co-defendant in two separate lawsuits filed in 1993 and 1994, one pending in federal court and one pending in state district court in Louisiana, arising out of an explosion in a coker plant owned by Exxon Corporation located in Baton Rouge, Louisiana. The suits are being defended for Tube Turns by its insurance carrier, and the Company intends to vigorously defend its case. The Company believes that a settlement or related judgment would not result in a material loss to Tube Turns or the Company.

More specifically, according to the complaints, Tube Turns is the alleged manufacturer of a carbon steel pipe elbow which failed, causing the explosion which destroyed the coker plant and caused unspecified damages to surrounding property owners. One of the actions was brought by Exxon and claims damages for destruction of the plant, which Exxon estimates exceed one hundred million dollars. In this action, Tube Turns is a co-defendant with the fabricator who built the pipe line in which the elbow was incorporated and with the general contractor for the plant. The second action is a class action suit filed on behalf of the residents living around the plant and claims damages in an amount as yet undetermined. Exxon is a co-defendant with Tube Turns, the contractor and the fabricator in this action. In both actions, Tube Turns maintains that the carbon steel pipe elbow at issue was appropriately marked as carbon steel and was improperly installed, without the knowledge of Tube Turns, by the fabricator and general contractor in a part of the plant requiring a chromium steel elbow.

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect the Company's consolidated financial statements or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following table sets forth certain financial data, expressed as a percentage of net revenue, derived from the Company's consolidated income statements for the three months ended April 1, 2001 and April 2, 2000.

	Three Months Ended	
	April 1, 2001	April 2, 2000
Net revenue	100.0%	100.0%
Cost of sales	82.5	78.8
Gross profit	17.5	21.2
Selling, general and administrative expense	11.3	12.4
Research and development	1.2	2.3
Amortization of intangible assets	0.6	0.7
Special charges	--	3.5
Operating income	4.4%	2.3%
Net income	1.8%	0.4%

For reporting purposes, the operations of Bell, GroupTech and Metrum-Datatape are included in the Electronics Group, and Tube Turns' operations are included in the Industrial Group. Segment discussion is included in the following discussion and analysis of the Company's consolidated results of operations.

Net revenue totaled $58.0 million for the first quarter of 2001, an increase of $7.3 million, or 14.5%, from $50.7 million for the first quarter of 2000. The Electronics Group's net revenue for the first quarter of 2001 was $50.1 million, an increase of $8.8 million or 21.2% from $41.3 million for the first quarter of 2000. The Industrial Group's net revenue for the first quarter of 2001 was $7.9 million, a decrease of $1.5 million, or 15.3%, from $9.4 million for the first quarter of 2000. Backlog for the Electronics Group and the Industrial Group at April 1, 2001 was $134.5 million and $16.1 million, respectively.

The Electronics Group's $8.8 million increase in net revenue was generated primarily from contracts for manufacturing services. During the first quarter of 2001, manufacturing service contracts generated a $7.3 million increase in revenue, primarily attributable to increased shipments on several contracts with defense and aerospace customers that began to ramp-up during 2000 and reached higher production levels during the first quarter of 2001. The Electronics Group is expected to have a more equally balanced mix of start-up and mature manufacturing service contracts in 2001 as compared to 2000 and expects to sustain the quarterly revenue levels achieved during the first quarter throughout the remainder of 2001. Other outsource services for the Electronics Group accounted for a net $0.5 million increase in net revenue during the first quarter of 2001. Product revenue contributed $1.0 million to the increase in net revenue for the Electronics Group. The increase in product revenue is primarily due to increased sales quantities for data storage and other electronic product offerings. Demand for the Electronics Group's data storage products, which declined throughout 2000, is expected to stabilize in 2001 with sales volumes projected to approximate the levels of 2000.

The Industrial Group's $1.5 million decrease in net revenue was primarily due to a decline in outsource services provided to customers in the heavy-duty truck market. Unfavorable market conditions that arose during the second half of 2000 for heavy-duty truck production resulted in an overall market decrease of approximately 40%. This reduced the volume of forged truck axles provided under manufacturing service agreements by the Industrial Group and accounted for a $2.3 million decrease in net revenue for the first quarter of 2001. The Company expects demand in the heavy-duty truck market to remain weak during 2001, however, further significant declines in demand are not anticipated. Revenue derived from manufacturing services in other markets served by the Industrial Group increased by $0.7 million and fabricated product sales increased by $0.1 million. The capital program to expand the Industrial Group's forging capacity and add new machining capabilities continued in the first quarter of 2001 with expenditures of $5.0 million. Capital expenditures for the remainder of 2001 are projected to approximate $16.0 million. The Industrial Group expects to begin production on certain new machining equipment in the second quarter of 2001, with the majority of new production anticipated to begin in the fourth quarter of 2001.

Gross profit totaled $10.2 million for the first quarter of 2001, or 17.5% of net revenue, as compared to $10.8 million, or 21.2% of net revenue for the first quarter of 2000. The Electronics Group's gross profit for the first quarter of 2001 was $9.3 million, or 18.6% of net revenue, as compared to $9.2 million, or 22.2% of net revenue for the first quarter of 2000. The Industrial Group's gross profit for the first quarter of 2001 was $0.9 million, or 10.9% of net revenue, as compared to $1.6 million, or 16.7% of net revenue for the first quarter of 2000. The factors impacting gross profit are discussed immediately below for each segment.

The Electronics Group's $0.1 million increase in gross profit in the first quarter of 2001 was primarily due to the increased volume of manufacturing service contracts. The positive impact of the manufacturing services revenue growth was offset by continued manufacturing inefficiencies due to the shortages and extended lead times for the purchase of certain electronic components, resulting in a net increase in gross profit from manufacturing services of $0.4 million. The current supply level of electronic components has improved from 2000, however, margins for manufacturing services have continued to be negatively impacted as a result of this shortage. The electronic component supply conditions contributed to a decline in gross margin for the Electronics Group of approximately 200 basis points. While management believes that a sufficient supply of components will be available to enable it to substantially meet its customer delivery schedules for the remainder of 2001, the Company's results of operations or financial position could be negatively impacted by these component market conditions. The $0.4 million increase in gross profit from manufacturing services was further offset by reduced gross profit on product sales of $0.3 million. The decrease in gross profit for product sales was predominately due to additional labor costs incurred to overcome production delays caused by the timing of material receipts for certain products.

The Industrial Group's $0.7 million decrease in gross profit was primarily due to the downturn of the heavy-duty truck market. The reduction in demand and corresponding impact on shipments occurred as the organizational infrastructure to support future growth plans was being developed. The increased cost structure associated with the additional people and systems required to meet future contractual requirements and the underabsorption of overhead due to the volume decline resulted in low gross margin levels. The Company expects gross profit will continue to be adversely effected, as the truck market demand is not expected to increase during 2001.

Selling, general and administrative expense in the first quarter of 2001 was $6.6 million, or 11.3% of net revenue, as compared to $6.3 million, or 12.4% of net revenue in the first quarter of 2000. The increase in selling, general and administrative expense was primarily attributable to an increase in employment costs.

Research and development expense in the first quarter of 2001 was $0.7 million, or 1.2% of net revenue, as compared to $1.2 million, or 2.3% of net revenue in the first quarter of 2000. This decrease was attributable to the Electronics Group, and relates to the quantity and timing of new product releases for the data acquisition, storage and analysis product lines and the utilization of strategic alliances with suppliers for product development.

Amortization of intangible assets in the first quarter of 2001 was $0.3 million, which was consistent with the amount of amortization recognized in the first quarter of 2000.

Special charges of $1.7 million were recognized during the first quarter of 2000 for activities related to the consolidation of certain operations within the Electronics Group. During 2000, management identified potential cost savings that could be realized through the elimination of redundant manufacturing operations and staffing of functional areas between two related facilities. The special charges incurred for these activities include workforce reductions, facilities rearrangement and relocation expenses, and employment costs related to the transfer of production. The consolidation activities were completed in 2000 and the Company does not expect to incur additional special charges for these consolidation activities in 2001.

Interest expense in the first quarter of 2001 was $1.1 million, an increase of $0.2 million, or 21.3%, from $0.9 million in the first quarter of 2000. The interest expense of $1.1 million in the first quarter of 2001 was net of capitalized interest of $0.4 million related to the capital expenditure program. The increase in interest expense was primarily due to an increase in the weighted average debt outstanding coupled with an increase in interest rates. The Company's weighted average debt was approximately $63.4 million in the first quarter 2001 as compared to approximately $49.4 million in the first quarter of 2000. This increase resulted primarily from the capital expenditures made in 2000 to support the Company's new business opportunities. The weighted average interest rate for the first quarter of 2001 was approximately 9.2% as compared to approximately 7.4% for the prior year comparable period. The year-to-year rate change includes an increase in the margin paid on outstanding borrowings of approximately 150 basis points under the terms of the Company's credit agreement with a syndicate of banks (the "Credit Agreement"), as amended in February 2001.

Income tax expense of $0.6 million was recognized during the first quarter of 2001 as compared to $0.1 million recognized during the first quarter of 2000. The effective tax rate for the first quarter of 2001 was approximately 36% as compared to approximately 30% for the first quarter of 2000. The lower effective tax rate for the first quarter of 2000 was principally due to a reduction in the Company's valuation allowance for deferred tax assets.

Liquidity, Capital Resources and Financial Condition

Net cash provided by operating activities was $6.7 million for the first quarter of 2001 as compared to $2.7 million for the first quarter of 2000. Accounts receivable, inventory and accounts payable increased by $0.2 million, $4.1 million and $5.1 million, respectively. During the first quarter of 2001, inventory increased by $3.8 million and $0.3 million in the Electronics Group and the Industrial Group, respectively. The increase in the Electronics Group's inventory was primarily due to the increase in manufacturing services volume and production delays due to electronic component shortages. The increase in accounts payable relates to the increase in inventory and the timing of related vendor payments. Other current assets decreased $2.3 million primarily due to federal and state tax refunds received in the first quarter of 2001.

Net cash used in investing activities was $8.3 million for the first quarter of 2001 as compared to $3.4 million for the first quarter of 2000. The Company had increased levels of capital expenditures in the first quarter of 2001 in both the Electronics Group and the Industrial Group, which totaled $3.1 million and $5.0 million, respectively. Capital expenditures for the Electronics Group were principally comprised of manufacturing, assembly and test equipment. The Industrial Group's capital expenditures included new forging and machining equipment to increase and expand the range of production capabilities.

Net cash provided by financing activities was $0.8 million during the first quarter of 2001 as compared to $5.7 million during the first quarter of 2000. The Company's debt outstanding under its Credit Agreement increased $0.6 million during the first quarter of 2001, primarily to fund capital expenditures.

Under the terms of the Credit Agreement between the Company and its lenders, the Company had total availability for borrowings and letters of credit under its revolving credit facility of $34.4 million at April 1, 2001, which, when combined with the cash balance of $13.8 million, provides for total cash and borrowing capacity of $48.2 million. Maximum borrowings on the revolving credit facility are $100.0 million, subject to a $15.0 million limit for letters of credit. Borrowings under the Credit Agreement may be used to finance working capital requirements, eligible acquisitions as defined in the Credit Agreement and for general corporate purposes, including capital expenditures.

The Company's principal commitments at April 1, 2001 consisted of repayments of borrowings under the Credit Agreement and obligations under operating leases for certain of its real property and equipment. The Company also had purchase commitments for manufacturing equipment totaling approximately $14.5 million at April 1, 2001.

The Company believes sufficient resources will be available to satisfy the Company's cash requirements for at least the next twelve months. Cash requirements for periods beyond the next twelve months depend on the Company's profitability, its ability to manage working capital requirements and its rate of growth. If the Company makes significant acquisitions or if working capital and capital expenditure requirements exceed expected levels during 2001 or in the foreseeable future, it may require additional external sources of capital.

Forward-looking Statements

This Form 10-Q and the documents incorporated by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Similar forward-looking statements are made periodically in reports to the Securities and Exchange Commission, press releases, reports and documents and in written and oral presentations to investors, shareholders, analysts and others, regarding future results or expected developments. Words such as "anticipates," "believes," "estimates," "expects," "is likely," "predicts," and variations of such words and similar expressions are intended to identify such forward-looking statements. Although Sypris believes that its expectations are based on reasonable assumptions, it cannot assure that the expectations contained in such statements will be achieved. Such statements involve risks and uncertainties which may cause actual future activities and results of operations to be materially different from those suggested in this report, including, among others: the Company's dependence on its current management; the risks and uncertainties present in the Company's business; business conditions and growth in the general economy and the electronics and industrial markets served by the Company; competitive factors and price pressures; availability of third party component parts at reasonable prices; inventory risks due to shifts in market demand and/or price erosion of purchased components; changes in product mix; cost and yield issues associated with the Company's manufacturing facilities; as well as other factors described elsewhere in this report and in the Company's other filings with the Securities and Exchange Commission.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number	Description
10.6.2	2001A Amendment to Loan Documents between Bank One, Kentucky, NA, Sypris Solutions, Inc., Bell Technologies, Inc., Tube Turns Technologies, Inc., Group Technologies Corporation and Metrum-Datatape, Inc. dated February 15, 2001.

(b) Reports on Form 8-K:

The Company filed no reports on Form 8-K during the three months ended April 1, 2001.

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: April 30, 2001

By: /s/ David D. Johnson

(David D. Johnson)
Vice President & Chief
Financial Officer

Date: April 30, 2001

By: /s/ Anthony C. Allen

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

2001A AMENDMENT TO LOAN DOCUMENTS

THIS 2001A AMENDMENT TO LOAN DOCUMENTS (this "Amendment"), is made and entered into as of the 15th day of February, 2001, effective as of December 31, 2000, by and among (i) BANK ONE, KENTUCKY, NA, a national banking association with an office and place of business in Louisville, Kentucky ("the Agent Bank") (Bank One, Kentucky, NA may also be referred to as a "Bank"); (ii) the BANKS identified on Schedule 1.1 hereto (each a "Bank" and collectively, the "Banks"); (iii) SYPRIS SOLUTIONS, INC., a Delaware corporation, with its principal office and place of business and registered office in Louisville, Jefferson County, Kentucky (the "Borrower") and (iv) the GUARANTORS identified on Schedule 1.2 hereto (each a "Guarantor" and collectively, the "Guarantors").

PRELIMINARY STATEMENT:

A. Certain of the Guarantors and their Affiliates entered into a Loan Agreement dated as of March 21, 1997, with the Agent Bank (the "Original Loan Agreement"), whereby the Agent Bank extended in favor of the Guarantors a revolving line of credit in the amount of $20,000,000, a term loan in the amount of $10,000,000 and a swing line of credit subfacility in the amount of $5,000,000.

B. The predecessors to the Borrower and certain of the Guarantors entered into a 1997A Amended and Restated Loan Agreement dated as of November 1, 1997, with the Agent Bank (the "1997A Loan Agreement"), whereby the Agent Bank increased the revolving line of credit to $30,000,000 and the term loan to $15,000,000 and provided the swing line of credit subfacility in the amount of $5,000,000. The 1997A Loan Agreement was subsequently amended by, among other amendments, the 1998A Amendment to Loan Documents dated as of February 18, 1998.

C. The Borrower, the Guarantors, the Agent Banks and the Banks entered into the 1999 Amended and Restated Loan Agreement dated as of October 27, 1999 (the "Loan Agreement"), which amended, restated and replaced the Original Loan Agreement and the 1997A Loan Agreement, as amended. The Loan Agreement provides for (i) a revolving line of credit in the amount of $100,000,000, (ii) a swing line subfacility of $5,000,000 and (iii) a letter of credit subfacility of $15,000,000. The Loan Agreement was subsequently amended by the 2000A Amendment to Loan Documents dated as of November 9, 2000 (the "2000A Amendment").

D. The Borrower and the Guarantors wish to further amend the Loan Agreement and other Loan Documents to (i) change certain financial covenants and (ii) make certain other changes set forth herein. Terms not defined herein shall have the meanings set forth in the Loan Agreement.

E. The Banks are agreeable to the foregoing changes, on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein and for other good and valuable consideration, the mutuality, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. AMENDMENTS TO LOAN AGREEMENT.

A. The following definition in the Definitions section of the Loan Agreement is amended and restated:

1.74 "Pricing Level" means, for any Pricing Period, Pricing Level I, Pricing Level II, Pricing Level III, Pricing Level IV, Pricing Level V, Pricing Level VI, Pricing Level VII or Pricing Level VIII, as may be in effect for such Pricing Period; provided that, the Default Rate shall be in effect upon the occurrence and during the continuation of any Event of Default.

B. The following definitions are added to the Definitions section of the Loan Agreement:

1.111 "Pricing Level VIII" means the Pricing Level that will be in effect for the applicable Pricing Period if, as of the relevant Date of Determination, the ratio of the Borrower's Adjusted Funded Debt as measured on such Date of Determination, to the Borrower's EBITDA as measured on such Date of Determination, is equal to or greater than 3.51 to 1.00 but is less than or equal to 3.75 to 1.00.

1.112 "Additional Loan Documents" means the Security Agreements, the Mortgages, the Assignment of Leases and Rents, the Financing Statements, the Title Commitments, the Title Insurance Policies, the Insurance Certificates and such other documents and instruments as may be reasonably requested by Agent Bank, all as described in subsection E of Section 4.2 of the Loan Agreement.

1.113 "Permitted Exceptions" means (i) governmental laws, ordinances and regulations affecting the Collateral, (ii) liens for ad valorem real property taxes and assessments due and payable from and after the date of the Mortgages, and (iii) such easements, restrictions and stipulations of record as to the operation and use of the Real Property as Agent Bank approves.

C. Section 2.2A Rates of Interest. The following table is substituted for the existing table in Section 2.2A(ii):

Pricing Level	Adjusted Funded Debt to EBITDA	Applicable LIBOR Margin	Applicable Base Rate Margin
Pricing Level I	* 0.00, but ** 1.24	1.00%	0.00%
Pricing Level II	* 1.25, but ** 1.74	1.25	0.00
Pricing Level III	* 1.75, but ** 2.24	1.50	0.00
Pricing Level IV	* 2.25, but ** 2.50	1.75	0.00
Pricing Level V	* 2.51, but ** 3.00	2.00	0.00
Pricing Level VI	* 3.01, but ** 3.25	2.50	0.25
Pricing Level VII	* 3.26, but ** 3.50	3.00	0.50
Pricing Level VIII	* 3.51, but ** 3.75	3.25	0.75

* Greater than or equal to
** Less than or equal to

D. Section 2.3A Commitment Fees. The following table is substituted for the existing table in Section 2.3A(i):

Pricing Level	Adjusted Funded Debt to EBITDA	Applicable Commitment Fee Percentage
Pricing Level I	* 0.00, but ** 1.24	.20%
Pricing Level II	* 1.25, but ** 1.74	.20
Pricing Level III	* 1.75, but ** 2.24	.25
Pricing Level IV	* 2.25, but ** 2.50	.25
Pricing Level V	* 2.51, but ** 3.00	.25
Pricing Level VI	* 3.01, but ** 3.25	.30
Pricing Level VII	* 3.26, but ** 3.50	.40
Pricing Level VIII	* 3.51, but ** 3.75	.50

* Greater than or equal to
** Less than or equal to

E. Section 2.7 Letters of Credit. The following table is substituted for the existing table in Section 2.7F(i):

Pricing Level	Adjusted Funded Debt to EBITDA	Applicable Letter of Credit Percentage
Pricing Level I	* 0.00, but ** 1.24	1.00%
Pricing Level II	* 1.25, but ** 1.74	1.25
Pricing Level III	* 1.75, but ** 2.24	1.50
Pricing Level IV	* 2.25, but ** 2.50	1.75
Pricing Level V	* 2.51, but ** 3.00	2.00
Pricing Level VI	* 3.01, but ** 3.25	2.50
Pricing Level VII	* 3.26, but ** 3.50	3.00
Pricing Level VIII	* 3.51, but ** 3.75	3.25

* Greater than or equal to
** Less than or equal to

F. The following new Section 2.8 is added to the Loan Agreement:

2.8 Security for the Obligations. The Obligations shall be secured by the following:

A. A continuing first priority mortgage lien (subject only to the applicable Permitted Exceptions) on the fee simple interests of Bell in and to the land, building, improvements, fixtures, and other real property (collectively, the "Bell Property Collateral") located in Orange County, Florida, and assignment of leases and rents with respect thereto, pursuant to the Mortgage and Security Agreement and related Assignment of Leases and Rents described in subsection E[2] of Section 4.2 of the Loan Agreement:

B. A continuing first priority mortgage lien (subject only to the applicable Permitted Exceptions) on the fee simple interests of TT in and to the land, buildings, improvements, fixtures, and other real property (collectively, the "TT Real Property Collateral") located in Jefferson County, Kentucky, and assignment of leases and rents with respect thereto, pursuant to the Mortgage and Security Agreement and related Assignment of Leases and Rents described in subsection E[3] of Section 4.2 of the Loan Agreement (the Bell Real Property Collateral and the TT Real Property Collateral collectively are referred to herein as the "Real Property Collateral"); and

C. A continuing first priority security interest (subject only to the applicable Permitted Exceptions), in all personal property of the Borrower and each of the Guarantors, including but not limited to all accounts receivable, contract rights, general intangibles and other rights to payment, including instruments, documents and chattel paper of the Borrower and each of the Guarantors, and all inventory, machinery, equipment and other goods of the Borrower and each of the Guarantors, and all fixtures of the Borrower and each of the Guarantors, and all of the foregoing whether now or hereafter owned or existing, created, arising or acquired, and all proceeds and products thereof in each case (collectively, the "Personal Property Collateral"), pursuant to the Security Agreements described in subsection E[1] of Section 4.2 of the Loan Agreement (the Real Property Collateral and the Personal Property Collateral collectively are referred to herein as the "Collateral").

G. The following new Section 2.9 is added to the Loan Agreement:

2.9 Release of Collateral. Notwithstanding anything contained in this Loan Agreement to the contrary, the Agent Bank, on behalf of the Banks, shall release all of its liens and security interests on or in the

Collateral at any time on or after June 30, 2002, upon the written request of Borrower, provided each of the following terms and conditions are satisfied:

A. The Borrower, prior to its request for such release, shall have achieved a Fixed Charge Coverage Ratio of greater than or equal to 2.25 to 1.0 0 for two (2) consecutive Fiscal Quarters; and

B. The Borrower, prior to its request for such release, shall have achieved a ratio of Adjusted Funded Debt to EBITDA of less than or equal to 2.50 to 1.00 for two (2) consecutive Fiscal Quarters.

H. The following new Section E to Section 4.2 is added to the Loan Agreement:

4.2 E. Additional Loan Documents. The Borrower and the Guarantors, as applicable, shall have delivered to the Agent Bank the following Additional Loan Documents:

[1] A security agreement substantially in the forms attached to this Loan Agreement as Annex A (collectively, the "Security Agreements") from Borrower and each Guarantor granting to the Agent Bank, for the ratable benefit of the Banks, a security interest in the Personal Property Collateral as security for the Obligations;

[2] Mortgage and Security Agreement substantially in the form attached to this Loan Agreement as Annex B (the "Bell Mortgage") from Bell encumbering the Bell Real Property Collateral as security for the Obligations, and related Assignment of Leases, Rents, and Profits from Bell substantially in the form attached to this Loan Agreement as Annex C (the "Bell Assignment of Leases and Rents");

[3] Mortgage and Security Agreement substantially in the form attached to this Loan Agreement as Annex B (the "TT Mortgage") (the Bell Mortgage and the TT Mortgage collectively are referred to herein as the "Mortgages") from TT encumbering the TT Real Property Collateral as security for the Obligations, and related Assignment of Leases, Rents, and Profits from TT substantially in the form attached to this Loan Agreement as Annex C (the "TT Assignment of Leases and Rents") (the Bell Assignment of Leases and Rents and the TT Assignment of Leases and Rents collectively are referred to herein as the "Assignments of Leases and Rents");

[4] UCC-1 and other Financing Statements (the "Financing Statements") necessary to perfect the security interests granted pursuant to the Security Agreements and the Mortgages;

[5] Current title commitments in favor of the Agent Bank and in form and substance acceptable to the Agent Bank (the "Title Commitments"), issued by a title insurance company or companies acceptable to the Agent Bank (the "Title Insurers"), to issue loan policies of title insurance in favor of the Agent Bank (the "Title Insurance Policies") in form and amounts acceptable to the Agent Bank in respect of the Real Property Collateral encumbered pursuant to the Mortgages, containing no exceptions not acceptable to the Agent Bank in its sole and absolute discretion;

[6] An ACORD 27 or other evidence satisfactory to the Agent Bank of fire and extended coverage insurance of the Real Property Collateral subject to the Mortgages, containing standard mortgagee and lender loss payee clauses in favor of the Agent Bank, and evidence that the inventory and other tangible property of, as applicable, the Borrower and the Guarantors which is Collateral for the Obligations is insured under standard lender loss payee clauses naming the Agent Bank as an additional insured, all in amounts and coverages acceptable to the Agent Bank (the "ACORD 27 Certificate");

[7] An ACORD 25 or other evidence satisfactory to the Agent Bank that Agent Bank has been named as an additional insured under policies of comprehensive general liability insurance maintained by, as applicable, the Borrower or the Guarantors applicable to the Real Property Collateral (the "ACORD 25 Certificate") (the ACORD 27 Certificate and the ACORD 25 Certificate collectively are referred to herein as the "Insurance Certificates"); and

[8] Such other documents and instruments as the Agent Bank may reasonably request.

I. Section 7.4 Mortgages, Liens, Encumbrances, Security Interests, Assignments, etc. The following new Section G. is added to Section 7.4 of the Loan Agreement:

G. Liens granted in favor of the Agent Bank, for the ratable benefit of the Banks, described in the Loan Agreement.

J. Section 7.6 Fixed Charge Coverage Ratio. Section 7.6 is hereby amended and restated as follows:

7.6 Fixed Charge Coverage Ratio . The Borrower shall not permit the Fixed Charge Coverage Ratio for any period of four consecutive Fiscal Quarters, to fall below the following applicable ratio calculated as of the end of the applicable Fiscal Quarter set forth below:

Fiscal Quarter Ending	Applicable Minimum Ratio
12/31/00	1.10 to 1.00
3/31/01	1.10 to 1.00
6/30/01	1.15 to 1.00
9/30/01	1.30 to 1.00
12/31/01	1.50 to 1.00
3/31/02	1.75 to 1.00
6/30/02	2.00 to 1.00
9/30/02, 12/31/02, 3/31/03, 6/30/03, 9/30/03 and 12/31/03	2.25 to 1.00
3/31/04 and thereafter	2.50 to 1.00

K. Section 7.7 Ratio of Adjusted Funded Debt to EBITDA. Section 7.7 is hereby amended and restated as follows:

7.7 Ratio of Adjusted Funded Debt to EBITDA. The Borrower shall not permit the ratio of Adjusted Funded Debt to EBITDA for any period of four consecutive Fiscal Quarters, to exceed the following applicable ratio calculated as of the end of the applicable Fiscal Quarter set forth below:

Fiscal Quarter Ending	Applicable Maximum Ratio
12/31/00	3.75 to 1.00
3/31/01	3.75 to 1.00
6/30/01	3.75 to 1.00
9/30/01	3.60 to 1.00
12/31/01 and thereafter	3.00 to 1.00

L. EXHIBIT G Compliance Certificate. The Compliance Certificate is amended by substituting the form attached hereto as Revised Exhibit G.

M. Ratification. Except as specifically amended by the provisions hereinabove, the Loan Agreement remains in full, force and effect. The Borrower and Guarantors hereby reaffirm and ratify all of their obligations under the Loan Agreement, as amended and modified hereby.

3. AMENDMENT TO NEGATIVE PLEDGE AGREEMENT

A. Section 3 Exceptions to Negative Pledge. The following new subsection G. is added to Section 3 of the Negative Pledge Agreement:

G. Grant Liens in favor of the Agent Bank, for the ratable benefit of the Banks, described in the Loan Agreement.

4. OTHER LOAN DOCUMENTS. Except as specifically amended by the provisions hereinabove, the Loan Documents remain in full force and effect. The Borrower and Guarantors reaffirm and ratify their respective obligations, as applicable, to Agent Bank and the Banks under all of the Loan Documents, as amended and modified hereby, including, but not limited to, the Loan Agreement, the Revolving Credit Notes, the Negative Pledge Agreement, the Guaranty Agreements, any Interest Rate Agreement and all other agreements, documents and instruments now or hereafter evidencing and/or pertaining to the Loan Agreement.

5. CONDITIONS PRECEDENT. The Banks' obligations under this Amendment are expressly conditioned upon, and subject to the following:

A. The execution and delivery by the Borrower and the Guarantors, as applicable, of this Amendment and each of the Additional Loan Documents;

B. Delivery to the Agent Bank of a copy of the certificate of the corporate secretary of Borrower certifying resolutions of the Borrower's board of directors to the effect that execution, delivery and performance of this Amendment and the Additional Loan Documents has been duly authorized and as to the incumbency of those authorized to execute and deliver this Amendment, the Additional Loan Documents and all other documents to be executed in connection herewith;

C. Delivery to the Agent Bank of a copy of the certificate of the corporate secretary of each Guarantor certifying resolutions of such Guarantor's board of directors to the effect that execution, delivery and performance of this Amendment and the Additional Loan Documents has been duly authorized and as to the incumbency of those authorized to execute and deliver this Amendment, the Additional Loan Documents and all other documents to be executed in connection herewith;

D. The representations and warranties of the Borrower and the Guarantors as applicable in this Amendment and the Additional Loan Documents shall be true and accurate in all respects.

E. Delivery of opinions of counsel to Borrower and the Guarantors, satisfactory to the Agent Bank.

6. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE BORROWER. To induce the Agent Bank and the Banks to enter into this Amendment, the Borrower represents and warrants to Agent Bank and the Banks as follows:

A. The Borrower has full power, authority, and capacity to enter into this Amendment and the Additional Loan Documents to which the Borrower is a party, and this Amendment and the Additional Loan Documents to which the Borrower is a party constitute the legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms.

B. No uncured Event of Default under the Notes or any of the other Loan Documents has occurred which continues unwaived by the Agent Bank, and no event which with the passage of time, the giving of notice or both would constitute an Event of Default, exists as of the date hereof.

C. The person executing this Amendment and the Additional Loan Documents to which the Borrower is a party on behalf of the Borrower is duly authorized to do so.

D. The representations and warranties made by the Borrower in any of the Loan Documents are hereby remade and restated as of the date hereof.

E. Except as previously disclosed to the Agent Bank, there are no material actions, suits, legal, equitable, arbitration or administrative proceedings pending or threatened against the Borrower, the adverse determination of which could have a material adverse effect on the Loan Documents, the business operations or financial condition of the Borrower or the ability of the Borrower to fulfill its obligations under the Loan Documents.

7. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE GUARANTORS. To induce the Agent Bank and the Banks to enter into this Amendment, the Guarantors represent and warrant to the Agent Bank and the Banks as follows:

A. Each Guarantor has full power, authority, and capacity to enter into this Amendment and the Additional Loan Documents to which any such Guarantor is a party, and this Amendment and the Additional Loan Documents to which any such Guarantor is a party constitute the legal, valid and binding obligations of such Guarantor, enforceable against it in accordance with their terms.

B. The person executing this Amendment and the Additional Loan Documents to which such Guarantor is a party on behalf of each Guarantor is duly authorized to do so.

C. The representations and warranties made by each Guarantor in any of the Loan Documents are hereby remade and restated as of the date hereof.

D. Except as previously disclosed to the Agent Bank there are no material actions, suits, legal, equitable, arbitration or administrative proceedings pending or threatened against any Guarantor, the adverse determination of which could have a material adverse effect on the Loan Documents, the business operations or financial condition of any Guarantor or the ability of any Guarantor to fulfill its obligations under the Guaranty Agreement.

8. MISCELLANEOUS.

A. Amendment and Other Fees and Expenses. The Borrower agrees to pay to the Agent Bank for the benefit of the Banks in proportion to their respective Revolving Credit Facility Pro Rata Shares on the date hereof, an amendment fee equal to fifteen hundreds of one percent (0.15%) of the Revolving Loan Commitments which shall be payable at the closing of this Amendment. The Borrower agrees to pay to or for the account of the Agent Bank, whichever is applicable, upon the closing of this Amendment (i) the cost of the Title Commitments and the Title Policies described in subsection E[5] of Section 4.2 of the Loan Agreement, (ii) any recording or filing fees incurred by Agent Bank in connection with this 2001A Amendment, and (iii) the reasonable fees and expenses of Agent Bank's counsel in negotiating, drafting and closing this 2001A Amendment, the Additional Loan Documents and related documents.

B. Illegality. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

C. Changes in Writing. No modification, amendment or waiver of any provision of this Amendment nor consent to any departure by the Borrower or any of the Guarantors therefrom, will in any event be effective unless the same is in writing and signed by the Agent Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

D. Successors and Assigns. This Amendment will be binding upon and inure to the benefit of the Borrower, the Guarantors, the Agent Bank and the Banks and their respective heirs, executors, administrators, successors and assigns; provided, however, that neither the Borrower nor the Guarantors may assign this Amendment in whole or in part without the prior written consent of the Agent Bank, and the Agent Bank and the Banks at any time may assign this Amendment in whole or in part, as provided in Section 11 of the Loan Agreement.

E. Counterparts. This Amendment may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Agent Bank, each Bank, the Borrower and each Guarantor has caused this Amendment to be duly executed as of the day and year first above written.

BANK ONE, KENTUCKY, NA, as Agent Bank ("the Agent Bank")

/s/ Thelma B. Ferguson

By: Thelma B. Ferguson, First Vice President

BANK ONE, KENTUCKY, NA
as a Bank

/s/ Thelma B. Ferguson

By: Thelma B. Ferguson, First Vice President

BANK OF AMERICA, N.A.
as a Bank

/s/ Bryan Hulker

By: Bryan Hulker, Vice President

LASALLE BANK NATIONAL ASSOCIATION
as a Bank

/s/ A. Mark Mital

By: A. Mark Mital, Vice President

SUNTRUST BANK
as a Bank

/s/ Scott T. Corley

By: Scott T. Corley, Director

SYPRIS SOLUTIONS, INC. (the "Borrower")

/s/ David D. Johnson

By: David D. Johnson, Vice President

BELL TECHNOLOGIES, INC.
("Bell")(as a "Guarantor" and solely with respect to Sections 4.2.E, 6 and 7 of the Loan Agreement)

/s/ David D. Johnson

By: David D. Johnson, Treasurer

TUBE TURNS TECHNOLOGIES, INC.
("TT")(as a "Guarantor" and solely with respect to Sections 4.2.E, 6 and 7 of the Loan Agreement)

/s/ David D. Johnson

By: David D. Johnson, Treasurer

GROUP TECHNOLOGIES CORPORATION
("Group")(as a "Guarantor" and solely with respect to Sections 4.2.E, 6 and 7 of the Loan Agreement)

/s/ David D. Johnson

By: David D. Johnson, Treasurer

METRUM-DATATAPE, INC.
("MD")(as a "Guarantor" and solely with respect to Sections 4.2.E, 6 and 7 of the Loan Agreement)

/s/ David D. Johnson

By: David D. Johnson, Treasurer