

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): February 10, 2005

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

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 February 10, 2005, Sypris Solutions, Inc. (the "Company") announced its financial results for the fourth quarter and fiscal year ended December 31, 2004. 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 February 10, 2005, Sypris Solutions, Inc. (the "Company") announced its financial results for the fourth quarter and fiscal year ended December 31, 2004. The full text of the press release is set forth in Exhibit 99 hereto.

The information in this Form 8-K and the attached Exhibit is being furnished pursuant to Item 7.01 "Regulation FD Disclosure" and shall not be deemed "filed" for purposes of Section 18 of

the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description of Exhibit
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99	Press release issued February 10, 2005.

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: February 10, 2005

Sypris Solutions, Inc.

By: /s/ David D. Johnson

David D. Johnson

Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit
Number

Description

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99

Registrant's press release dated February 10, 2005.

Sypris Reports Fourth Quarter Earnings; Revenue Increases 56%

LOUISVILLE, Ky.--(BUSINESS WIRE)--Feb. 10, 2005--Sypris Solutions, Inc. (Nasdaq/NM:SYPR) today reported revenue increased 56% to a record \$121.7 million for the fourth quarter compared to \$78.2 million for the prior year period. The Company reported a loss for the period of \$1.5 million, or \$0.08 per diluted share, compared to a profit of \$3.4 million, or \$0.23 per diluted share, for the fourth quarter of 2003. The results for the quarter reflect a 20% increase in weighted average shares outstanding to 17.9 million shares compared to 14.9 million shares for the prior year period, or approximately \$0.02 per diluted share.

For the full year 2004, revenue increased 54% to a record \$425.4 million from \$276.6 million for the year-earlier period. Net income for the year was \$7.4 million, or \$0.42 per diluted share, compared to \$8.1 million, or \$0.56 per diluted share, for 2003. The results for 2004 reflect a 21% increase in weighted average shares outstanding to 17.7 million shares for 2004 compared to 14.7 million shares for the prior year, or approximately \$0.09 per diluted share.

In addition, while the Company has not fully completed the internal control assessment process with the related auditor attestation under Section 404 of the Sarbanes-Oxley Act, the Company has no reason to believe that the results of that assessment process will result in the identification of any material weaknesses.

"The fourth quarter proved to be extremely difficult," said Jeffrey T. Gill, president and chief executive officer. "The record increase in revenue was overshadowed by cost overruns that were incurred to increase manufacturing capacity, launch new programs and respond to shortages in material during a period of escalating customer demand. We expect the cost overruns to decrease over the first half of 2005 as the new manufacturing cells are completed and new programs enter full production, after which we expect margins to gradually return to historical levels."

"The outlook for continued growth remains positive, with net orders increasing 30% to \$129.7 million during the quarter, resulting in an increase in net orders of 48% to a record \$476.4 million when compared to 2003. Backlog increased as well, rising 26% to \$249.8 million at the end of 2004, while new contract awards increased to a record \$1.5 billion from \$639 million for the prior year. Execution will be key and will ultimately determine our future level of success."

The Industrial Group

Revenue for our Industrial Group increased 200% to \$75.3 million in the fourth quarter from \$25.1 million for the prior year period, but decreased 4% sequentially from the third quarter of 2004 due primarily to the fewer number of work days in the period. Gross profit for the quarter increased 17% to \$2.8 million from \$2.4 million for the same period in 2003, but declined sequentially from \$8.8 million in the third quarter of 2004, primarily due to excessive overtime and other expenses to accommodate late material deliveries and rapidly changing demand, changes in product mix, costs associated with the installation of new manufacturing cells and inefficiencies associated with the ramp up of new programs.

For the full year 2004, revenue for our Industrial Group increased 172% to a record \$260.4 million from \$95.9 million in the prior year period, primarily as a result of increased shipments under new long-term contracts with Dana and ArvinMeritor, and a 33% increase in commercial vehicle production during the year. Gross profit for 2004 increased 144% to \$23.7 million from \$9.7 million for the prior year period as a result of the increase in shipments to Dana and ArvinMeritor mentioned previously.

Gill added, "Our business expanded rapidly during 2004, with revenue growth supported by a 145% increase in orders during the year to a record \$318.8 million. Unfortunately, we experienced additional complexity and cost associated with the installation of new manufacturing cells and the launch of a number of new programs at a time when material deliveries and customer needs were changing rapidly. We expect these costs to abate throughout the first half of the year, however, which should set the stage for a meaningful improvement in 2005."

The Electronics Group

Revenue for our Electronics Group declined 13% to \$46.4 million in the fourth quarter from \$53.0 million for the prior year, but increased 16% sequentially from the third quarter of 2004 primarily due to the start up of new programs for certain aerospace and defense

customers. Gross profit for the quarter declined to \$6.2 million from \$11.1 million in the same period in 2003, and 8% sequentially from the third quarter of this year as a result of costs associated with a program cancellation and changes in product mix from higher-margin new product sales to lower-margin manufacturing services.

For the full year, revenue for our Electronics Group declined 9% to \$165.0 million from \$180.7 million for the prior year, primarily reflecting lower shipments of data storage products to various agencies of the US government and of circuit card assemblies for an attack helicopter program and an end-of-life missile program, offset by a 17% increase in revenue from test and measurement services. Gross profit for the year declined to \$28.4 million from \$36.3 million reflecting the lower levels of revenue and the change in mix described above.

Gill continued, "The performance of our Electronics Group during the quarter and year was impacted by a material reduction in orders for data storage products as a result of the reprioritization of spending by our defense and intelligence agencies to support the needs of our troops abroad. These highly technical systems, while not significant in terms of revenue dollars, typically involve significant intellectual property and therefore yield a higher gross margin than our manufacturing services. Net orders for the quarter declined from the prior year but increased 23% sequentially to \$40.8 million, while backlog declined to \$118.3 from \$125.8 million for the prior year."

Outlook

Gill added, "Even though the first quarter traditionally represents the Company's seasonally lowest period, we expect revenue for the first quarter of 2005 to be in the range of \$120 to \$125 million compared to \$89.4 million for the prior year period, which represents a 37% increase at the midpoint of our guidance. Earnings for the first quarter of 2005 are forecast to be in the range of \$0.02 to \$0.06 per diluted share, based upon 18.5 million weighted average shares outstanding, compared to \$0.22 per diluted share and 15.6 million weighted average shares outstanding for the first quarter of 2004. The earnings outlook reflects certain short-term costs in our Industrial Group for the completion of new manufacturing cells, the launch of several new programs, and the continuation of certain supply chain issues, as well as the change in mix experienced by our Electronics Group."

"We have increased our revenue guidance for the full year 2005 to reflect the scheduled ramp up of new programs from Dana and ArvinMeritor, but have tempered our earnings guidance to reflect a more cautious outlook for the resolution of supply chain issues. Revenue for 2005 is now forecast to be in the range of \$525 to \$545 million compared to \$425.4 million for 2004, which represents a 26% increase in revenue for 2005 at the midpoint of the range. Earnings are expected to increase fairly significantly on a sequential basis beginning with the second quarter as a result of the new automated capacity, shipments under new programs and the elimination of start-up and overtime costs associated with the above. As a result, we expect earnings of \$0.65 to \$0.85 per diluted share, based upon 18.6 million weighted average shares outstanding, compared to \$0.42 per diluted share for 2004, which represents a 79% increase for 2005 at the midpoint of the range."

Gill continued, "As we move forward, we expect the top line to benefit from the estimated \$1.5 billion of new contract awards received during this past year, the continued growth in the commercial vehicle market and the commencement of several new program launches. The Company's earnings outlook remains subject to our ability to complete the installation of the new manufacturing cells in accordance with plan, the timely launch of the new component programs and the stabilization of the global supply chain for steel and steel-related component parts."

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 for users of test and measurement equipment. For more information about Sypris Solutions, visit its Web site at www.sypris.com.

This release, and oral statements referring hereto, contain "forward-looking statements," from which actual results may differ materially due to factors such as: cost and availability of raw materials such as steel, components, freight, or utilities; cost and inefficiencies associated with increasing our manufacturing capacity and launching new programs; stability and predictability of customers' scheduling demands; costs associated with breakdowns or repairs of machinery and equipment; growth, reduction or competitive pressures in

our markets; cost, efficiency and yield of our operations including overtime costs; our ability to improve results of acquired businesses and associated costs; inventory valuation risks; product mix; changes in government or other customer programs; reliance on major customers or suppliers; revised contract prices or estimates of major contract costs; dependence on management; labor relations; risks of foreign operations; currency exchange rates; costs and supply of debt, equity capital, or insurance; significant increases in working capital; impairments or write-offs of goodwill or fixed assets; pension valuation risks; changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; completion of the internal control assessment process; compliance costs; regulatory actions or sanctions; litigation, including customer, creditor, stockholder, environmental or asbestos-related claims; war, terrorism or political uncertainty; disasters; unknown risks and uncertainties; or risk factors in our SEC filings.

SYPRIS SOLUTIONS, INC.
FINANCIAL HIGHLIGHTS
(In thousands, except per share amounts)

	Three Months Ended	
	Dec. 31, 2004	Dec. 31, 2003
Revenue	\$121,673	\$ 78,171
Net (loss) income	\$ (1,463)	\$ 3,391
(Loss) earnings per common share:		
Basic	\$ (0.08)	\$ 0.24
Diluted	\$ (0.08)	\$ 0.23
Weighted average shares outstanding:		
Basic	17,916	14,267
Diluted	17,916	14,868

	Years Ended	
	Dec. 31, 2004	Dec. 31, 2003
Revenue	\$425,402	\$276,605
Net income	\$ 7,407	\$ 8,135
Earnings per common share:		
Basic	\$ 0.43	\$ 0.57
Diluted	\$ 0.42	\$ 0.56
Weighted average shares outstanding:		
Basic	17,119	14,237
Diluted	17,745	14,653

SYPRIS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for per share data)

	Three Months Ended		Year Ended	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	(Unaudited)		(Unaudited)	
Net revenue:				
Electronics Group	\$ 46,365	\$53,032	\$164,992	\$180,733
Industrial Group	75,308	25,139	260,410	95,872
Total net revenue	121,673	78,171	425,402	276,605
Cost of sales:				
Electronics Group	40,118	41,952	136,557	144,467
Industrial Group	72,560	22,768	236,690	86,126
Total cost of sales	112,678	64,720	373,247	230,593
Gross profit:				
Electronics Group	6,247	11,080	28,435	36,266
Industrial Group	2,748	2,371	23,720	9,746
Total gross profit	8,995	13,451	52,155	46,012
Selling, general and administrative	9,547	6,601	35,248	26,711

Research and development	1,214	1,048	3,697	4,166
Amortization of intangible assets	185	85	596	194
Operating (loss) income	(1,951)	5,717	12,614	14,941
Interest expense, net	939	276	2,100	1,693
Other (income) expense, net	(47)	13	(138)	230
(Loss) income before income taxes	(2,843)	5,428	10,652	13,018
Income tax (benefit) expense	(1,380)	2,037	3,245	4,883
Net (loss) income	\$ (1,463)	\$ 3,391	\$ 7,407	\$ 8,135
(Loss) earnings per common share:				
Basic	\$ (0.08)	\$ 0.24	\$ 0.43	\$ 0.57
Diluted	\$ (0.08)	\$ 0.23	\$ 0.42	\$ 0.56
Dividends declared per common share	\$ 0.03	\$ 0.03	\$ 0.12	\$ 0.12
Weighted average shares outstanding:				
Basic	17,916	14,267	17,119	14,237
Diluted	17,916	14,868	17,745	14,653

SYPRIS SOLUTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except for share data)

	December 31,	
	2004	2003
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,060	\$ 12,019
Accounts receivable, net	104,637	45,484
Inventory, net	94,252	61,932
Other current assets	21,566	11,370
Total current assets	234,515	130,805
Property, plant and equipment, net	166,940	106,683
Goodwill	14,277	14,277
Other assets	13,222	11,730
	\$428,954	\$263,495
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 61,778	\$ 29,598
Accrued liabilities	20,378	17,491
Current portion of long-term debt	7,000	3,200
Total current liabilities	89,156	50,289
Long-term debt	110,000	53,000
Other liabilities	22,362	15,425
Total liabilities	221,518	118,714
Stockholders' equity:		
Preferred stock, par value \$.01 per share, 975,150 shares authorized; no shares issued	--	--
Series A preferred stock, par value \$.01 per share, 24,850 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, 30,000,000 shares authorized; 17,920,500 and 14,283,323 shares issued and outstanding in 2004 and 2003, respectively	179	143
Additional paid-in capital	140,898	83,541
Retained earnings	68,724	63,443
Accumulated other comprehensive income (loss)	(2,365)	(2,346)
Total stockholders' equity	207,436	144,781

\$428,954 \$263,495
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SYPRIS SOLUTIONS, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (in thousands)

	Year Ended December 31,	
	2004	2003

	(Unaudited)	
Cash flows from operating activities:		
Net income	\$ 7,407	\$ 8,135
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	19,066	12,831
Other noncash charges	6,377	7,292
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(60,995)	(7,724)
Inventory	(28,495)	6,219
Other assets	(7,196)	(2,427)
Accounts payable	33,947	3,154
Accrued liabilities	2,479	(205)
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Net cash (used in) provided by operating activities	(27,410)	27,275
Cash flows from investing activities:		
Capital expenditures	(55,900)	(22,521)
Purchase of the net assets of acquired entities	(29,648)	(23,300)
Proceeds from sale of assets	47	175
Changes in nonoperating assets and liabilities	(640)	(171)
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Net cash used in investing activities	(86,141)	(45,817)
Cash flows from financing activities:		
Net increase in debt under revolving credit agreements	5,800	19,200
Proceeds from long-term debt	55,000	--
Cash dividends paid	(2,023)	(1,709)
Proceeds from issuance of common stock	56,815	667
	-----	-----
Net cash provided by financing activities	115,592	18,158
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Net increase (decrease) in cash and cash equivalents	2,041	(384)
Cash and cash equivalents at beginning of period	12,019	12,403
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Cash and cash equivalents at end of period	\$ 14,060	\$ 12,019
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CONTACT: Sypris Solutions, Inc., Louisville
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