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

FORM 10-K

(Mark one)

X Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the fiscal year ended December 31, 2000.

_____ 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)

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $.01 par value
(Title of Class)

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 _____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the registrant's common stock held by non-affiliates on February 20, 2001 (based upon the average of the high and low prices of the registrant's common stock reported for such date on The Nasdaq Stock Market), was $8,833,012. As of February 20, 2001, the registrant had 9,736,749 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement to be delivered to shareholders in connection with the Annual Meeting of Stockholders to be held May 1, 2001 are incorporated by reference into Part III to the extent described therein.

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PART I

Item 1. Business

Introduction

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. The terms "Sypris" and the "Company" as used herein include Sypris Solutions, Inc. and its consolidated subsidiaries, except where the context indicates otherwise. The Company's wholly-owned subsidiaries are Bell Technologies, Inc. ("Bell"), Group Technologies Corporation ("GroupTech"), Metrum-Datatape, Inc. ("Metrum-Datatape") and Tube Turns Technologies, Inc. ("Tube Turns"). The Company's common stock is traded on The Nasdaq Stock Market under the symbol SYPR .

The Company has two reportable segments: the Electronics Group and the Industrial Group. The segments are each managed separately because of the distinctions between the products, services, markets, customers, technologies and workforce skills of the segments. The Company evaluates performance and allocates resources based on profit or loss from operations before interest and income taxes. Financial information about these segments for the three fiscal years ended December 31, 2000 is set forth in Note 16 to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Electronics Group

The Electronics Group consists of three operating units: Bell, GroupTech and Metrum-Datatape. The Electronics Group's products and manufacturing and technical services are marketed through a direct sales force, including the involvement of members of senior management and domestic and international independent distributors and representatives. The Electronics Group operates four manufacturing facilities, five testing laboratories and twenty service operations across the United States.

The Electronics Group's service offerings include a variety of manufacturing and technical services for a diversified base of customers as an outsource service provider. The Electronics Group employs a multi-disciplined engineering team that provides comprehensive manufacturing, design support and high assurance encryption solutions to its customers in a variety of markets, including information security, avionics, space and telecommunications. The Electronics Group's advanced engineering services capabilities include electronic design services, software systems, electronic assembly, testing, evaluation and related support services. The Electronics Group provides various levels of testing and evaluation services that include analysis, engineering, and mechanical and electronic testing to ascertain performance and reliability under induced environmental stress conditions including vibration, temperature extremes, hi-g acceleration, altitude, shock, flammability, acoustical noise and flight dynamics. The Electronics Group also provides calibration and repair services for electronic, mechanical and process-control instrumentation. Revenue derived from outsource services by the Electronics Group accounted for approximately 78%, 73% and 69% of the segment's net revenue and 66%, 59% and 56% of total net revenue in the years ended December 31, 2000, 1999 and 1998, respectively.

The Electronics Group's products include data acquisition, storage and analysis products for critical instrumentation recording and data collection applications in test aircraft, spacecraft, satellites, ships and submarines, in addition to applications in scientific laboratories and commercial data centers. The Electronics Group also manufactures magnetic and current sensing components and measurement instrumentation products for industrial and research applications. Revenue derived from product sales by the Electronics Group accounted for approximately 22%, 27% and 31% of the segment's net revenue and 19%, 22% and 26% of total net revenue in the years ended December 31, 2000, 1999 and 1998, respectively.

Although there were no acquisitions during 2000, a calibration and repair business was acquired late in December 1999 by the Electronics Group and, therefore, the impact was fully reflected in the operating results of 2000. The most significant component of this acquisition was the addition of a fleet of fifteen mobile calibration laboratories. These self-contained, temperature controlled, ISO-certified mobile laboratories allow the Electronics

Group to provide calibration services to remote locations across the United States. Additional calibration services are performed utilizing certain of the transportable equipment at other customer locations around the world. This operation complements the calibration and repair services offered by the Electronics Group at its branch and on-site service locations.

The Electronics Group successfully pursued and was awarded a number of manufacturing service contracts with major corporations during 2000, resulting in a record level of backlog of approximately $143 million at December 31, 2000. These new contracts are primarily with aerospace and defense companies and reflect what the Company believes is an increasing trend toward outsourcing across a wide range of industries. Shipments on certain new contracts began during 2000 and are expected to increase throughout 2001.

The principal raw materials and purchased component parts for the manufacture of the Electronics Group's products are available from a number of suppliers and have historically been available in sufficient quantities to meet production requirements. However, the Electronics Group has recently experienced shortages for certain electronic components. The supply shortages and extended lead times for certain components have resulted in curtailed production or delays in production of assemblies using that component, both of which have also contributed to an increase in inventory levels. The Company has generally been able to reduce the impact of the component shortages by working with customers to reschedule deliveries, by working with suppliers to provide the needed components, or by purchasing components at somewhat higher prices from distributors, rather than directly from manufacturers. These procedures reduce, but do not eliminate, the Company's inventory risk. The Company expects that shortages and delays in deliveries of certain electronic components will continue during 2001. Any shortages of raw materials may result in production delays or increased costs which could have a material adverse affect on the Company's financial position or results of operations.

The Electronics Group's customers include Raytheon Company, Honeywell, Inc., Lockheed Martin Corporation, Litton Industries, Inc., LAM Research Corporation, Boeing Corporation and certain other aerospace and defense companies. Revenue from Raytheon Company accounted for 15.4% of total net revenue and 18.3% of the Electronics Group's net revenue in 2000. Revenue from Raytheon Company accounted for 7.2% and 7.8% of the Electronics Group's net revenue in 1999 and 1998, respectively. No other single customer accounted for more than 10% of total net revenue in 2000, 1999 or 1998. The Electronics Group believes its relationship with its major customers are good, however, the loss of Raytheon Company or the combined loss of one or more of its major customers could have a material adverse affect on the Company's financial position or results of operations.

The Electronics Group's customers also include various agencies of the U.S. Government, which in the aggregate accounted for 21%, 26% and 22% of the Company's total net revenue and 25%, 32% and 27% of the Electronics Group's net revenue for 2000, 1999 and 1998, respectively. No single U.S. Government agency accounted for more than 10% of the Company's net revenue in 2000. The Company's contracts with U.S. Government agencies are subject to the standard government contract clause that permits the government to terminate such contracts at its convenience. In the event of such termination, there are provisions to enable the Company to recover its costs plus a fee. The Company does not anticipate the termination of any of its major government contracts.

The Electronics Group operates in a highly competitive environment and competes against numerous domestic and foreign manufacturers for the sale of its products and against numerous national, regional and local service providers. The Electronics Group's competitors are expected to increase the introduction of new products utilizing the latest technologies aimed at providing cost-effective solutions. The Company believes that the primary bases of competition for the Electronics Group in its targeted product markets are time-to-market, capability, price, manufacturing quality, advanced manufacturing technology and reliable delivery. The key competitive factors for the Electronics Group's services are price, technology, quality, responsiveness, on-time delivery and accuracy. The Company believes that it generally competes favorably with respect to each of these factors for its products and services.

Industrial Group

The Industrial Group consists of one operating unit: Tube Turns. The Industrial Group's products and services are marketed through a direct sales force, including the involvement of members of senior management and domestic and international independent representatives. The Industrial Group has two manufacturing facilities in the United States.

The Industrial Group provides manufacturing services to a variety of customers that outsource forged and finished steel components and subassemblies. The Industrial Group manufactures forged heavy-duty drive train components for the commercial truck and construction markets and forged engine cylinders and shafts for the aerospace market. The Industrial Group provides truck axles for the heavy-duty truck market under a multi-year manufacturing service agreement with one major customer and expects to substantially increase production of truck axles under a manufacturing service agreement with another major corporation during the fourth quarter of 2001. The Industrial Group is also currently in the process of installing two fully automated machining centers. The Industrial Group expects to begin machining a portion of the truck axles forged for its existing customer beginning in the second quarter of 2001. In addition to the revenue this machining capability will generate, it also gives the Industrial Group a competitive advantage by lowering the total cost of the product through reduced transportation and handling charges, cycle times and working capital requirements for its customers. Revenue derived from outsource services by the Industrial Group accounted for approximately 78%, 81% and 72% of the segment's net revenue and 12%, 15% and 13% of total net revenue in the years ended December 31, 2000, 1999 and 1998, respectively.

The Industrial Group also offers a line of fabricated products that includes engineered piping components and assemblies for use in pipeline, chemical, container and other pressurized systems used by the energy and chemical industries. The Industrial Group's fabricated products include high-pressure closures for storage tanks and insulated joints for underground piping. Revenue derived from fabricated product sales by the Industrial Group accounted for approximately 22%, 19% and 28% of the segment's net revenue and 3%, 4% and 5% of total net revenue in the years ended December 31, 2000, 1999 and 1998, respectively.

Steel utilized in the manufacturing process must meet certain specifications based upon the application in which the product will be utilized. The material specifications are determined by the customer and, for certain contracts, the supplier for the material must be approved by the customer. The Industrial Group presently purchases the majority of its steel from several North American suppliers. The Industrial Group believes its relationships with its suppliers are positive and has no indication that it will experience shortages of raw materials or components essential to its production processes or that it will be forced to seek alternative sources of supply. Any shortages of raw materials may result in production delays and increased costs which could have a material adverse effect on the Company's financial condition or results of operations.

Outsource services provided to ArvinMeritor, Inc. accounted for approximately 42%, 50% and 37% of the Industrial Group's net revenue during 2000, 1999 and 1998, respectively. The Industrial Group is the sole supplier of forged heavy-duty truck axles to this customer under a contract that began in 1997 and was renewed for a multi-year term beginning in 2000. The Industrial Group believes its relationship with this customer is good, however, the loss of this customer could have a material adverse effect on the Company's financial position or results of operations. The Industrial Group has a number of other customers for its forged and fabricated products in the construction, aerospace, energy and chemical markets.

The Industrial Group began a significant capital investment program in 1999 to support forging and machining opportunities in the truck market. Capital expenditures totaled $15.5 million and $7.1 million during 2000 and 1999, respectively. The Industrial Group further expects to invest approximately $24 million during 2001 to complete this capital program. The majority of this investment relates to machinery for additional forging capacity, automated material handling equipment, fully automated machining centers, induction heating units and material shear systems.

The Industrial Group faces competition for its manufacturing services from three major domestic competitors and from a number of smaller competitors. The Company believes that the Industrial Group maintains a good reputation in the market for forged manufacturing services, product quality and reliability. The fabricated product line competes with a number of domestic and international competitors. The Company believes the primary competitive factors for the Industrial Group are price, quality and on-time delivery and that it competes favorably with respect to each of these factors.

Organization

Sypris is a Delaware corporation that was organized in 1997 and began business on March 30, 1998 with the completion of the merger of Group Financial Partners, Inc. ("GFP") and two of its subsidiaries, Bell and Tube Turns, with and into GroupTech, a Nasdaq-traded company in which GFP owned an approximate 80% interest. Effective immediately thereafter, GroupTech was merged with and into Sypris, a subsidiary created to accomplish the reincorporation in Delaware. As a result of these and other transactions (collectively referred to herein as the "Reorganization"), Sypris became the holding company for Bell, GroupTech, Tube Turns and Metrum-Datatape, a wholly-owned subsidiary of GFP prior to the Reorganization, and succeeded to the listing of GroupTech on The Nasdaq Stock Market under the new symbol SYPR.

Research and Development

Sypris invested $3.6 million, $6.4 million and $5.9 million in research and development in 2000, 1999 and 1998, respectively. The investments were primarily in support of the development of the product lines of the Company's Electronics Group. Sypris also utilizes its research and development capability to develop processes and technologies for the benefit of its customers.

Patents, Trademarks and Licenses

Sypris owns and is licensed under a number of patents and trademarks that management believes are sufficient for its operations. The Company's business as a whole is not materially dependent upon any one patent, trademark or license or technologically-related group of patents or licenses.

Government Regulation

The Company's operations are subject to certain federal, state and local regulatory requirements relating to environmental, waste management, health and safety matters. Management believes that the Company's business is operated in material compliance with applicable regulations promulgated by the Occupational Safety and Health Administration and the Environmental Protection Agency and corresponding state agencies, which pertain to health and safety in the workplace and the use, discharge and storage of chemicals employed in the manufacturing process. Current costs of compliance are not material to the Company. However, new or modified requirements, not presently anticipated, could be adopted creating additional expense for the Company.

GroupTech's former leased facility located on Waters Avenue in Tampa, Florida, is currently subject to remediation activities related to ground water contamination by methylene chloride and other volatile organic compounds which occurred prior to GroupTech's lease of the facility. Through a series of evaluations, it was determined that ground water contamination is also present off site. In December 1986, Honeywell, Inc. ("Honeywell"), a prior operator of the facility, entered into a consent order (the "Consent Order") with the State of Florida Department of Environmental Regulation under which Honeywell agreed to take certain corrective actions to remediate the contamination.

Current remediation activities required under the Consent Order include the installation of recovery wells and the treatment of the contaminated ground water, which activities Honeywell estimates could cost up to $500,000 per year. However, pursuant to the Consent Order, Honeywell is also in the first phase of sampling soils beneath the building and studying a borrow pit which is partially located on the property. The purpose of these steps is to determine what, if any, additional remediation activities Honeywell will be required to take under the Consent Order.

At the time GroupTech purchased the assets of the business located on this leased site, it obtained an agreement from the seller, Philips Electronics North America Corporation, to indemnify and hold GroupTech harmless with respect to such matters. GroupTech vacated the property in December 1994, at which time its lease obligation expired.

In the course of the acquisition of certain assets of a business from Alliant Techsystems, Inc. ("Alliant") by Metrum Inc. ("Metrum"), a wholly-owned subsidiary of GroupTech, Metrum and GroupTech became aware of ground water contamination that will require remedial action at the facility located in Littleton, Colorado. The facility has been under lease to various subsidiaries of the Company since the acquisition by Metrum in December 1992. Evaluations indicate that certain chlorinated solvents were disposed of on the site by a previous owner of the business, and these solvents have contaminated the ground water. In December 1995, a remediation system approved by the State of Colorado was put in place by Alliant. Due to staffing restrictions at the state level, the federal Environmental Protection Agency (the "EPA") assumed responsibility for the site in early 2000. In September 2000, Alliant and the EPA entered into a Consent Order to conduct additional investigation at the site. In the meantime, Alliant continues to operate the remediation system approved in 1995. Alliant currently estimates that the total cost it will incur for investigations and remedial activities at the site could be as much as $10 million. As part of the agreement for the purchase and sale of the assets of the business, Alliant agreed to indemnify and hold Metrum harmless with respect to such matters.

The facility of Tube Turns was subject to environmental contamination involving underground storage tanks by a predecessor owner. Tube Turns has obtained a $1.0 million indemnity from Sumitomo Metal Industries, Ltd., Sumitomo Corporation and Sumitomo Corporation of America for these matters, substantially all of which has been expended. Tube Turns believes, however, that such contamination has been substantially remediated and that any further costs of remediation, if any, will not be material.

Backlog

The Company's order backlog at December 31, 2000 was $160.8 million as compared to order backlog at December 31, 1999 of $127.0 million. Backlog for the Electronics Group and the Industrial Group at December 31, 2000 was $143.2 million and $17.6 million, respectively. Backlog for the Electronics Group and the Industrial Group at December 31, 1999 was $107.7 million and $19.3 million, respectively. Backlog consists of firm purchase orders and commitments. Total backlog at December 31, 2000 includes $125.4 million for orders that are expected to be filled within twelve months. However, since orders and commitments may be rescheduled or canceled, backlog is not a definitive indicator of future financial performance.

Employees

As of December 31, 2000, Sypris employed approximately 1,600 employees. Approximately 460 of the Company's employees are covered by collective bargaining agreements with various unions that expire on various dates through 2005. The Company last experienced a temporary work stoppage during 1995 in connection with renegotiations of union contracts in the Industrial Group. Sypris believes its overall relationships with its employees are good and does not anticipate any significant labor disputes in 2001.

Forward-looking Statements

This Form 10-K 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.

Item 2. Properties

The following chart indicates the significant properties owned or leased by the Company, the segment which uses the properties, and the location and size of each such property. The properties listed below (other than the corporate office) are used principally as manufacturing facilities. Substantially all of the assets of the Company secure the borrowings of the Company under its principal credit facility.

Facility and Location	Own or Lease	Approximate Square Feet
Corporate Office		
Louisville, Kentucky..	Lease	9,000
Electronics Group		
Tampa, Florida........	Lease	308,000
Orlando, Florida......	Own	66,000
Littleton, Colorado...	Lease	56,500
Monrovia, California..	Lease	70,000
Industrial Group		
Louisville, Kentucky..	Own	467,000

In addition, the Company leases space in nineteen other facilities primarily utilized by the Electronics Group to provide technical services, all of which are located in the United States. The Company believes its facilities and equipment to be in good condition and reasonably suited and adequate for its current needs.

Item 3. Legal Proceedings

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.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of the year ended December 31, 2000.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The Company's common stock is traded on The Nasdaq Stock Market under the symbol "SYPR." The following table sets forth, for the periods indicated, the high and low sales prices per share of the common stock as reported by The Nasdaq Stock Market.

	High	Low
Year ended December 31, 1999:		
First Quarter	$ 8.250	$6.375
Second Quarter	$ 9.750	$6.875
Third Quarter	$11.000	$9.000
Fourth Quarter	$10.250	$8.625
Year ended December 31, 2000:		
First Quarter	$11.000	$8.875
Second Quarter	$10.750	$8.625
Third Quarter	$10.625	$8.625
Fourth Quarter	$ 8.750	$6.188

As of February 20, 2001, there were 1,020 holders of record of the Company's common stock.

The Company has historically not declared or paid any cash dividend on its common stock. The Company presently intends to retain all of its earnings for the future operation and growth of its business and does not intend to pay cash dividends in the foreseeable future. The payment of cash dividends in the future will be dependent upon the Company's results of operations, earnings, capital requirements, contractual restrictions and other factors considered relevant by the Board of Directors.

Item 6. Selected Financial Data

The following selected historical consolidated financial data should be read in conjunction with the consolidated financial statements and the related notes thereto in Item 8, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 and other financial information included elsewhere in this Form 10-K.

	Years ended December 31,				
	2000	1999	1998	1997	1996
	(in thousands, except for per share data)				
Income Statement Data (1):					
Net revenue	$216,571	$202,130	$211,625	$217,355	$308,598
Gross profit	40,313	44,949	47,923	32,135	30,383
Operating income	5,477	14,166	12,851	1,785	513
Income (loss) from continuing operations	3,184	9,556	7,446	1,527	(2,536)
Discontinued operations, net of tax	--	--	--	3,817	3,457
Net income	3,184	9,556	7,446	5,344	921
Per share data (2):					
Income (loss) from continuing operations:					
Basic	$ 0.33	$ 1.00	$ 0.79	$ 0.09	$ (0.45)
Diluted	$ 0.32	$ 0.97	$ 0.76	$ 0.09	$ (0.43)
Net income (loss):					
Basic	$ 0.33	$ 1.00	$ 0.79	$ 0.50	$ (0.08)
Diluted	$ 0.32	$ 0.97	$ 0.76	$ 0.48	$ (0.08)

	December 31,				
	2000	1999	1998	1997	1996
	(in thousands)				
Balance Sheet Data (1):					
Working capital	$ 58,602	$ 53,705	$ 32,121	$ 35,123	$ 6,337
Total assets	179,122	148,564	121,119	120,608	132,960
Total debt	65,000	54,400	28,583	31,340	46,597
Total shareholders' equity	64,205	60,820	49,359	27,728	22,384

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(1) See Note 2 to the consolidated financial statements in Item 8, for acquisition and merger information. On June 30, 1997, the Company divested certain operations and assets related to all of the Electronics Group's manufacturing services activities in Latin America.

(2) See Note 15 to the consolidated financial statements in Item 8, for details regarding the calculation of basic and diluted per share amounts. For periods prior to the Reorganization, shares used in computing basic and diluted net income per common share include the outstanding shares of Sypris common stock as of March 30, 1998 and the dilution associated with common stock options issued prior to that date. Earnings used in the computation of income from continuing operations and net income for periods prior to the Reorganization have been adjusted to exclude the minority interests reflected in the historical financial statements of GFP.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto which are included in Item 8 herein.

Results of Operations

The following table sets forth certain data from the Company's consolidated income statements for the years ended December 31, 2000, 1999 and 1998, expressed as a percentage of net revenue:

	Years ended December 31,		
	2000	1999	1998
Net revenue	100.0%	100.0%	100.0%
Cost of sales	81.4	77.8	77.4
Gross profit	18.6	22.2	22.6
Selling, general and administrative expense	12.4	11.5	13.3
Research and development	1.6	3.2	2.8
Amortization of intangible assets	0.7	0.5	0.4
Special charges	1.4	--	--
Operating income	2.5%	7.0%	6.1%
Net income	1.5%	4.7%	3.5%

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Net revenue totaled $216.6 million in 2000, an increase of $14.5 million, or 7.1%, from $202.1 million in 1999. The Electronics Group's net revenue in 2000 was $182.1 million, an increase of $17.2 million or 10.4% from $164.9 million in 1999. The Industrial Group's net revenue in 2000 was $34.5 million, a decrease of $2.7 million, or 7.3%, from $37.2 million in 1999. The Company's book-to-bill ratio during 2000 was 1.15 to 1, resulting in an increase in backlog of $33.8 million to $160.8 million at December 31, 2000. Backlog for the Electronics Group and the Industrial Group at December 31, 2000 was $143.2 million and $17.6 million, respectively.

The Electronics Group's $17.2 million increase in net revenue was generated primarily from new contracts for manufacturing services and the expansion of calibration services resulting from an acquisition completed in the fourth quarter of 1999. Production on several new manufacturing service contracts, mainly with defense and aerospace customers, began to ramp-up during 2000, generating a $16.2 million increase in revenue. The majority of the Electronics Group's backlog consists of manufacturing service contracts and shipments on these contracts are expected to increase during 2001. The acquired calibration business added a fleet of mobile calibration labs to the Electronics Group's service capabilities and accounted for an $8.4 million increase in revenue during 2000. The increase in service revenue was partially offset by a $6.5 million decrease in product revenue due to reduced sales quantities for certain product offerings. Demand for the Electronics Group's data storage products began to decline in 1999 and continued to decline throughout 2000. The reduced level of demand reflects an overall market decline and increased competition arising from technological advancements in the market. Market conditions for data storage products are expected to stabilize during 2001 and sales volumes are expected to approximate the levels of 2000. Other outsource services and product sales for the Electronics Group accounted for a net $0.9 million decrease in net revenue during 2000.

The Industrial Group's $2.7 million decrease in net revenue was primarily due to a decline in outsource services provided to customers in the heavy-duty truck market. Market conditions in North America for heavy-duty truck production were negatively impacted by oil prices, interest rates and an excess inventory of new and used trucks, resulting 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 $4.0 million decrease in net revenue, the majority of which occurred during the second half of 2000. 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 $0.5 million and fabricated product sales increased by $0.8 million. During 1999 and 2000, the Industrial Group invested approximately $22.6 million to expand its forging capacity and add new machining capabilities. The Industrial Group expects to invest approximately $24 million during 2001 to complete this capital program. Manufacturing service agreements are in place or are being negotiated for substantially all of the additional capacity. 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 $40.3 million in 2000, or 18.6% of net revenue, as compared to $44.9 million, or 22.2% of net revenue in 1999. The Electronics Group's gross profit in 2000 was $36.3 million, or 19.9% of net revenue, as compared to $37.9 million, or 23.0% of net revenue in 1999. The Industrial Group's gross profit in 2000 was $4.0 million, or 11.7% of net revenue, as compared to $7.0 million, or 19.0% of net revenue in 1999. The factors impacting gross profit are discussed immediately below for each segment.

The Electronics Group's $1.6 million decrease in gross profit in 2000 was primarily due to unfavorable volume and cost variances on data storage products and unfavorable cost variances on manufacturing service contracts. Volume declines for data storage products, related underabsorbed overhead costs and manufacturing inefficiencies arising from the transfer of production following the consolidation of two facilities during the first half of 2000 contributed to a $5.0 million decline in gross profit. This reduction was substantially offset by increased gross profit from the growth in the manufacturing and calibration service revenue. The additional volume generated increased gross profit of $4.4 million, however, this increase was offset by a $1.0 million unfavorable cost variance associated with the following three primary factors. First, shortages and extended lead times for the purchase of certain electronic components resulted in manufacturing inefficiencies due to the unpredictability of scheduling receipts of allocated components from vendors. Component supply levels were low throughout 2000, however, the availability of certain components began to improve during the fourth quarter. While management believes that a sufficient supply of components will be available to enable it to substantially meet its customer delivery schedules for the next twelve months, the Company's results of operations or financial position could be negatively impacted by these component market conditions. Second, the number of new program start-ups increased substantially during 2000 as compared to the prior year. Manufacturing inefficiencies on new programs generally result in lower gross margins during the start-up phase and margins typically improve as the programs mature. And third, additional costs incurred to make the necessary investments in people, equipment and processes to support the record level of backlog also reduced gross profit in 2000. Management expects the factors affecting gross profit in 2000 will begin to lessen during the first half of 2001, as manufacturing efficiency improves on new programs and shipments on contracts in backlog begin to accelerate.

The Industrial Group's $3.0 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, particularly during the second half of 2000. 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 2000 was $26.9 million, or 12.4% of net revenue, as compared to $23.4 million, or 11.5% of net revenue in 1999. The increase in selling, general and administrative expense was attributable primarily to the Electronics Group, which reported an increase of $2.9 million. Investments by the Company in organizational infrastructure as discussed above also include certain selling, general and administrative expenses, the majority of which are within the Electronics Group. Selling expenses incurred for marketing and bid and proposal activities during 2000 exceeded prior year amounts and were a contributing factor to the increased orders and net revenue in 2000.

Research and development expense in 2000 was $3.6 million, or 1.6% of net revenue, as compared to $6.4 million, or 3.2% of net revenue in 1999. 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 2000 was $1.4 million, an increase of $0.4 million, or 45.6% compared to $1.0 million in 1999. This increase resulted from the amortization of goodwill recorded in connection with the December 1999 calibration business acquisition by the Electronics Group.

Special charges of $2.9 million were recognized during 2000 for activities related to the consolidation of certain operations within the Electronics Group. Operations for the Electronics Group's data acquisition, storage and analysis product lines have been conducted at two facilities since the November 1997 acquisition that expanded this business. Although several consolidation actions were implemented immediately following this acquisition, management identified potential cost savings that could be realized through the elimination of redundant manufacturing operations and staffing of functional areas between the two facilities. The consolidation activities were substantially completed during the first nine months of 2000. The special charges incurred for these activities include workforce reductions, facilities rearrangement and relocation expenses, and employment costs related to the transfer of production.

Interest expense in 2000 was $4.0 million, an increase of $2.3 million, or 133%, from $1.7 million in 1999. 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 outstanding more than doubled to approximately $58.7 million in 2000 from approximately $28.4 million in 1999. This increase resulted primarily from the December 1999 acquisition by the Electronics Group, working capital funding related to the increase in revenue and order backlog and capital expenditures during 1999 and 2000 to support the Company's new business opportunities. The weighted average interest rate for 2000 was approximately 8.3% as compared to approximately 6.1% for the prior year. The year-to-year rate change includes an increase in the margin paid on outstanding borrowings of approximately 100 basis points under the terms of the Company's credit agreement with a syndicate of banks (the "Credit Agreement"), as amended in October 1999 and November 2000.

An income tax benefit of approximately $1.4 million was recognized during 2000 as compared to income tax expense of $3.1 million during 1999. The tax benefit during 2000 was primarily due to a $3.0 million reduction in the Company's valuation allowance on deferred tax assets. Certain issues related to the Company's consolidated federal taxable income were resolved during 2000, which gave rise to the elimination of the valuation allowance for deferred tax assets related to federal income tax temporary differences. The Company also recognized a tax benefit during 2000 of approximately $0.3 million for research and development tax credits. The provision for income taxes in 1999 included a reduction in the valuation allowance on deferred tax assets of $1.9 million and a benefit for research and development tax credits of $0.6 million.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998

Net revenue totaled $202.1 million in 1999, a decrease of $9.5 million, or 4.5%, from $211.6 million in 1998. Net revenue for the Electronics Group in 1999 was $164.9 million, a decrease of $9.5 million or 5.4% from $174.4 million in 1998 and net revenue for the Industrial Group in 1999 was $37.2 million, unchanged from 1998. The $9.5 million decrease in the Electronics Group's net revenue for 1999 was primarily a result of reduced demand for certain product offerings. During the fourth quarter of 1999, a portion of the government program funding related to these products was delayed due to the timing of the federal budget approval process and certain other program spending was suspended prior to year-end due to year 2000 concerns. The decrease in net revenue for product sales in the fourth quarter of 1999 was offset by an increase in net revenue for manufacturing services, which experienced increased sales volume during the second half of 1999. The Electronics Group's net revenue for the first half of 1999 was $15.8 million below the first half of 1998. However, net revenue increased in the third and fourth quarters of 1999 by $1.3 million and $5.0 million, respectively, over the comparative prior year quarters. The growth that occurred during the second half of 1999 was primarily the result of management's business development efforts in manufacturing services that began during 1998, specifically the transition from low-margin contracts to new business opportunities aimed at improving profitability. The Electronics Group's backlog increased from $76.7 million to $95.2 million to $107.7 million at December 31, 1997, 1998 and 1999, respectively. The backlog at December 31, 1999 also consisted of higher margin contracts than those in place during 1998. The Industrial Group continued to increase shipments of truck axles during 1999, thereby offsetting declines in other forged product lines provided to customers in the aerospace industry and foreign markets of the oil and gas industry.

Gross profit totaled $44.9 million in 1999, a decrease of $3.0 million, or 6.3%, from $47.9 million in 1998. Gross profit for the Electronics Group was $37.9 million in 1999, a decrease of $3.5 million, or 8.5%, from

$41.4 million in 1998 and gross profit for the Industrial Group was $7.0 million in 1999, an increase of $0.5 million, or 8.5%, from $6.5 million in 1998. The $3.5 million decrease in the Electronics Group's gross profit is comprised of a $4.7 million decrease primarily due to the decline in product sales described above, which was partially offset by a $1.2 million increase primarily due to the improved performance of manufacturing services. Operational and financial control improvements over manufacturing services reflects management's actions to improve profitability by focusing on specific manufacturing and service opportunities in which the Company offers value-added solutions under a competitive cost structure. Additionally, the Electronics Group's revenue mix for 1999 as compared to 1998 consisted of a higher percentage of manufacturing services revenue and a lower percentage of product sales, primarily due to revenue mix changes during the fourth quarter of 1999. Since the margins on manufacturing services are typically lower than product sales, the Electronics Group's gross profit percentage decreased to 23.0% in 1999 from 23.7% in 1998. The $0.5 million increase in the Industrial Group's gross profit was primarily due to manufacturing efficiencies in the production of forged truck axles and the increased capacity utilization and cost reductions on certain programs. The productivity and utilization improvements resulted in an increase in the Industrial Group's gross profit percentage to 19.0% in 1999 from 17.5% in 1998.

Selling, general and administrative expense totaled $23.4 million in 1999, a decrease of $4.8 million, or 17.1%, from $28.2 million in 1998. The consolidation of certain functional activities was the primary cause of the decrease in the year-to-year comparison. Workforce reductions in certain operations associated with the decrease in revenue and a strategic decision to align costs with the revenue base resulted in a decrease of approximately $0.5 million. Other contributing factors included a reduction in selling expense attributable to the decrease in net revenue and adjustments to the Company's estimated liability for the sale of certain assets of the Electronics Group in June 1997, for which a final settlement agreement was reached during the second quarter of 1999. Also included in 1998 were legal, accounting and other professional fees and other costs totaling approximately $0.4 million associated with the Reorganization which were nonrecurring.

Research and development expense totaled $6.4 million in 1999, an increase of $0.5 million, or 7.9%, from $5.9 million in 1998. This increase was generated by the Electronics Group, and reflected management's continued support and investment in the data acquisition, storage and analysis product lines.

Amortization of intangible assets totaled $1.0 million in 1999 and in 1998. The amortization was primarily attributable to goodwill recorded in connection with the Reorganization.

Interest expense totaled $1.7 million in 1999, an increase of $0.4 million, from $1.3 million in 1998. Average outstanding debt for 1999 exceeded 1998 primarily due to working capital investments and capital expenditures. The weighted average interest rate was higher in 1999 than in 1998 due to increased rates and a pricing adjustment on the refinancing completed early in the fourth quarter of 1999.

The provision for income taxes totaled $3.1 million in 1999, a decrease of $1.2 million, from $4.3 million in 1998. The Company's effective tax rate in 1999 was 24.5% as compared to 36.7% in 1998. During the fourth quarter of 1999, the Company recognized a tax benefit of approximately $0.6 million related to a claim for research and development credits attributable to prior years. The provision for income taxes during 1999 also reflected a reduction in the valuation allowance on deferred tax assets of $1.9 million as compared to $0.9 million in 1998.

Liquidity, Capital Resources and Financial Condition

Net cash provided by operating activities was $8.1 million for 2000 as compared to net cash used in operating activities of $2.1 million for 1999. Operating results for 2000 accounted for $10.7 million of cash flow, which was partially offset by a $2.6 million investment in working capital. Accounts receivable and accounts payable increased by $8.1 million and $9.3 million, respectively, commensurate with the growth in the Electronics Group's service revenue. The increase in accounts receivable also reflects the low volume of shipments immediately prior to December 31, 1999, principally related to Year 2000 issues and related concerns by customers. During 2000, inventory increased by $4.2 million in the Electronics Group and decreased by $2.2 million in the Industrial Group. The increase in the Electronics Group's inventory was primarily attributable to start-up programs for manufacturing services, electronic component shortages and expected shipments on certain contracts scheduled in the first half of 2001. The decrease in the Industrial Group's inventory was primarily due to reduced demand in the heavy-duty truck market.

Net cash used in investing activities was $14.9 million for 2000 as compared to $26.4 million for 1999. The Company had increased levels of capital expenditures in 2000 in both the Electronics Group and the Industrial Group, which totaled $8.0 million and $15.5 million, respectively. Capital expenditures for the Electronics Group were principally comprised of facilities improvements and manufacturing, assembly and test equipment. The Industrial Group's capital expenditures included facilities improvements and new forging and machining equipment to increase and expand the range of production capabilities. During 2000, the Company also sold certain manufacturing equipment and concurrently leased the equipment back under operating lease agreements with terms ranging from five to nine years. Proceeds from the sale and leaseback of the related assets totaled $9.3 million. During 1999, the Company completed the acquisition of the assets of two businesses for an aggregate purchase price of $11.6 million.

Net cash provided by financing activities was $11.1 million during 2000 as compared to $26.5 million during 1999. The Company's debt outstanding under its Credit Agreement increased $10.6 million during 2000, primarily to fund capital expenditures. The Company's net borrowings increased $25.8 million during 1999 primarily to fund two acquisitions and 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 $35.0 million at December 31, 2000, which, when combined with the cash balance of $14.7 million, provides for total cash and borrowing capacity of $49.7 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 Credit Agreement contains customary affirmative and negative covenants, including financial covenants requiring the maintenance of specified ratios and minimum levels of net worth. The terms of the Credit Agreement were last amended as of February 2001 to modify certain financial ratios and include collateral security, with substantially all other terms and conditions of the Credit Agreement remaining in effect as set forth in the original document. As a result of the February 2001 amendment, the Company was in compliance with all covenants associated with the Credit Agreement as of December 31, 2000 and expects to remain in compliance for the remaining term of the Credit Agreement.

The Company's principal commitments at December 31, 2000 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 $11.4 million at December 31, 2000.

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's working capital and capital expenditure requirements exceed expected levels during 2001 or in the foreseeable future, it may require additional external sources of capital.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The Company had no holdings of derivative financial or commodity instruments at December 31, 2000. The Company is exposed to financial market risks, including changes in interest rates and foreign currency exchange rates. All borrowings under the Company's Credit Agreement bear interest at a variable rate based on the prime rate, the London Interbank Offered Rate, or certain alternative short-term rates. An increase in interest rates of 100 basis points would result in additional interest expense of approximately $0.6 million on an annualized basis, based upon the Company's debt outstanding at December 31, 2000. Substantially all of the Company's business is transacted in U.S. dollars. Accordingly, foreign exchange rate fluctuations have never had a significant impact on the Company, and they are not expected to in the foreseeable future.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SYPRIS SOLUTIONS, INC.

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REPORT OF INDEPENDENT AUDITORS

Board of Directors and Shareholders
Sypris Solutions, Inc.

We have audited the accompanying consolidated balance sheets of Sypris Solutions, Inc. as of December 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. Our audits also included the financial statement schedule listed in the index at Item 14(a). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sypris Solutions, Inc. at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Louisville, Kentucky
February 16, 2001

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

	Years ended December 31,		
	2000	1999	1998
Net revenue:			
Outsource services	$168,216	$150,139	$146,706
Products	48,355	51,991	64,919
Total net revenue	216,571	202,130	211,625
Cost of sales:			
Outsource services	145,059	127,153	126,894
Products	31,199	30,028	36,808
Total cost of sales	176,258	157,181	163,702
Gross profit	40,313	44,949	47,923
Selling, general and administrative expense	26,881	23,388	28,169
Research and development	3,574	6,409	5,940
Amortization of intangible assets	1,436	986	963
Special charges	2,945	--	--
Operating income	5,477	14,166	12,851
Interest expense, net	4,035	1,730	1,298
Other income, net	(344)	(219)	(204)
Income before income taxes	1,786	12,655	11,757
Income tax (benefit) expense	(1,398)	3,099	4,311
Net income	$ 3,184	$ 9,556	$ 7,446
Net income per common share:			
Basic	$ 0.33	$ 1.00	$ 0.79
Diluted	$ 0.32	$ 0.97	$ 0.76
Shares used in computing per common share amounts:			
Basic	9,671	9,515	9,438
Diluted	9,964	9,861	9,793

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

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

	December 31, 2000	December 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,674	$ 10,406
Accounts receivable, net	31,896	23,793
Inventory, net	51,055	49,462
Other current assets	7,695	4,279
Total current assets	105,320	87,940
Property, plant and equipment, net	54,317	40,192
Intangible assets, net	17,154	18,038
Other assets	2,331	2,394
	$179,122	$148,564
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 25,670	$ 11,022
Accrued liabilities	18,548	17,813
Current portion of long-term debt	2,500	5,400
Total current liabilities	46,718	34,235
Long-term debt	62,500	49,000
Other liabilities	5,699	4,509
Total liabilities	114,917	87,744
Commitments and contingencies		
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; 9,709,669 and 9,589,214 shares issued and outstanding in 2000 and 1999, respectively	97	96
Additional paid-in capital	24,401	23,921
Retained earnings	40,060	36,876
Accumulated other comprehensive income (loss)	(353)	(73)
Total shareholders' equity	64,205	60,820
	$179,122	$148,564

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

SYPRIS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years ended December 31,		
	2000	1999	1998
Cash flows from operating activities:			
Net income	$ 3,184	$ 9,556	$ 7,446
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	9,351	7,582	6,909
Deferred income taxes	(2,478)	(645)	989
Provision for excess and obsolete inventory	453	446	851
Provision for doubtful accounts	18	(129)	135
Other noncash charges (credits)	202	133	(258)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(8,121)	2,619	1,727
Inventory	(2,046)	(11,277)	4,245
Other assets	(344)	(1,704)	(1,138)
Accounts payable	9,274	(1,997)	(1,855)
Accrued and other liabilities	(1,361)	(6,652)	(8,081)
Net cash provided by (used in) operating activities	8,132	(2,068)	10,970
Cash flows from investing activities:			
Capital expenditures	(23,886)	(14,443)	(5,845)
Proceeds from sale of assets	9,292	14	380
Purchase of the net assets of acquired entities	--	(11,642)	--
Changes in nonoperating assets and liabilities	(351)	(343)	(364)
Net cash used in investing activities	(14,945)	(26,414)	(5,829)
Cash flows from financing activities:			
Net increase in debt under revolving credit agreements	10,600	28,280	720
Payments on long-term debt	--	(2,463)	(3,284)
Proceeds from issuance of common stock	481	684	40
Payments for redemption of common stock in subsidiaries, net	--	--	(66)
Net cash provided by (used in) financing activities	11,081	26,501	(2,590)
Net increase (decrease) in cash and cash equivalents	4,268	(1,981)	2,551
Cash and cash equivalents at beginning of year	10,406	12,387	9,836
Cash and cash equivalents at end of year	$ 14,674	$ 10,406	$12,387

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

SYPRIS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except for share data)

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive Income	Total Shareholders'
	Shares	Amount	Capital	Earnings	(Loss)	Equity
Balance at January 1, 1998	314,196	$ 7,892	$ --	$ 19,836	$ --	$ 27,728
Net income	--	--	--	7,446	--	7,446
Adjustment in minimum pension liability	--	--	--	--	(1,294)	(1,294)
Comprehensive income (loss)	--	--	--	7,446	(1,294)	6,152
Issuance of shares for conversion of GFP no par value common stock to Sypris $.01 par value common stock	8,027,813	(7,808)	7,808	--	--	--
Issuance of shares for conversion of redeemable common stock to Sypris $.01 par value common stock	205,074	2	661	38	--	701
Issuance of shares for acquisition of minority interests in subsidiaries	893,822	9	3,560	--	--	3,569
Excess of fair value of common stock issued over net assets acquired	--	--	11,169	--	--	11,169
Exercise of stock options	9,688	--	40	--	--	40
Balance at December 31, 1998	9,450,593	95	23,238	27,320	(1,294)	49,359
Net income	--	--	--	9,556	--	9,556
Adjustment in minimum pension liability	--	--	--	--	1,221	1,221
Comprehensive income	--	--	--	9,556	1,221	10,777
Issuance of shares under Employee Stock Purchase Plan	15,600	--	99	--	--	99
Exercise of stock options	123,021	1	584	--	--	585
Balance at December 31, 1999	9,589,214	96	23,921	36,876	(73)	60,820
Net income	--	--	--	3,184	--	3,184
Adjustment in minimum pension liability	--	--	--	--	(280)	(280)
Comprehensive income (loss)	--	--	--	3,184	(280)	2,904
Issuance of shares under Employee Stock Purchase Plan	35,290	--	273	--	--	273
Exercise of stock options	85,165	1	207	--	--	208
Balance at December 31, 2000	9,709,669	$ 97	$ 24,401	$ 40,060	$ (353)	$ 64,205

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

(1) Organization and Significant Accounting Policies

Consolidation Policy

The accompanying 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"). All significant intercompany accounts and transactions have been eliminated.

Nature of Business

Sypris 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.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventory

Contract inventory is stated at actual production costs, reduced by the cost of units for which revenue has been recognized. Gross contract inventory is considered work in process. Progress payments under long-term contracts are specified in the contracts as a percentage of cost and are liquidated as contract items are completed and shipped. Other inventory is stated at the lower of cost or market. The first-in, first-out method was used for determining the cost of inventory excluding contract inventory and certain other inventory, which was determined using the last-in, first-out method (see Note 5).

Property, Plant and Equipment

Property, plant and equipment is stated on the basis of cost. Depreciation of property, plant and equipment is generally computed using the straight-line method over their estimated economic lives. For land improvements, buildings and building improvements, the estimated economic life is generally 40 years. Estimated economic lives range from three to twelve years for machinery, equipment, furniture and fixtures. Leasehold improvements are amortized over the respective lease term using the straight-line method. Expenditures for maintenance, repairs and renewals of minor items are expensed as incurred. Major renewals and improvements are capitalized.

Interest cost is capitalized for qualifying assets during the period in which the asset is being installed and prepared for its intended use. Capitalized interest cost is amortized on the same basis as the related depreciation. Capitalized interest for the year ended December 31, 2000 was $910,000.

Intangible Assets

Costs in excess of net assets of businesses acquired ("goodwill"), patents, product drawings and similar intangible assets are amortized over their estimated economic lives. Goodwill is being amortized over a period of fifteen years (see Notes 2 and 7). Other intangible assets are being amortized over periods ranging from five to fifteen years, using the straight-line method.

Impairment of Long-lived Assets

The Company evaluates long-lived assets, including goodwill, for impairment and assesses their recoverability based upon anticipated future cash flows. If facts and circumstances lead the Company's management to believe that the cost of one of its assets may be impaired, the Company will evaluate the extent to which that cost is recoverable by comparing the future undiscounted cash flows estimated to be associated with that asset to the asset's carrying amount and write down that carrying amount to market value, or discounted cash flow value, to the extent necessary.

Revenue Recognition

A portion of the Company's business is conducted under long-term, fixed-price contracts with aerospace and defense companies and agencies of the U.S. Government. Contract revenue is included in the consolidated income statements as units are completed and shipped using the units of delivery, percentage of completion method of accounting. The costs attributed to contract revenue are based upon the estimated average costs of all units to be shipped. The cumulative average costs of units shipped to date is adjusted through current operations as estimates of future costs to complete change (see "Contract Accounting" below).

Revenue recognized under the percentage of completion method of accounting totaled $105,535,000, $90,819,000 and $56,867,000 for the years ended December 31, 2000, 1999 and 1998, respectively. Substantially all such amounts were accounted for under the units of delivery method. All other revenue is recognized as product is shipped and title passes, or when services are rendered.

Contract Accounting

For long-term contracts, the Company capitalizes in inventory direct material, direct labor and factory overhead as incurred. The Company also capitalizes certain general and administrative costs for estimating and bidding on contracts awarded (of which approximately $210,000 remained in inventory at December 31, 2000 and 1999). Selling costs are expensed as incurred. Costs to complete long-term contracts are estimated on a monthly basis. Estimated margins at completion are applied to cumulative contract revenue to arrive at costs charged to operations.

Accounting for long-term contracts under the percentage of completion method involves substantial estimation processes, including determining the estimated cost to complete a contract. As contracts may require performance over several accounting periods, formal detailed cost-to-complete estimates are performed and updated monthly via performance reports. Management's estimates of costs-to-complete change due to internal and external factors, such as labor rate and efficiency variances, revised estimates of warranty costs, estimated future material prices and customer specification and testing requirement changes. Changes in estimated costs are reflected in gross profit in the period in which they are known. If increases in projected costs-to-complete are sufficient to create a loss contract, the entire estimated loss is charged to operations in the period the loss first becomes known. Provisions for losses on firm fixed-priced contracts totaled $1,701,000, $807,000 and $907,000 in 2000, 1999 and 1998, respectively.

Product Warranty Costs

The provision for estimated warranty costs is recorded at the time of sale and periodically adjusted to reflect actual experience. The accrued liability for warranty costs is included in the caption "Accrued liabilities" in the accompanying consolidated balance sheets.

Concentrations of Credit Risk

Financial instruments which potentially expose the Company to concentrations of credit risk consist of accounts receivable. The Company's customer base consists of various departments or agencies of the U.S. Government, aerospace and defense companies under contract with the U.S. Government and a number of customers in diverse industries across geographic areas. At December 31, 2000, the Company did not have significant credit risk concentrations. The Company performs periodic credit evaluations of its customers' financial condition and does not require collateral on its commercial accounts receivable. Credit losses are provided for in the financial statements and consistently have been within management's expectations.

The Company recognized revenue from contracts with the U.S. Government and its agencies of approximately $45,467,000, $53,244,000 and $47,178,000 during the years ended December 31, 2000, 1999 and 1998, respectively. The Company's single largest customer for the year ended December 31, 2000 was Raytheon Company, which represented approximately 15% of the Company's total net revenue. No other single customer accounted for more than 10% of the Company's total net revenue for the years ended December 31, 2000, 1999 or 1998.

Stock Based Compensation

Stock options are granted under various stock compensation programs to employees and independent directors (see Note 13). The Company accounts for stock option grants in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25").

Adoption of Recently Issued Accounting Standard

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 133 was subsequently amended by two other statements and is required to be adopted in years beginning after June 15, 2000. Because of the Company's minimal use of derivatives, SFAS 133 did not have a material impact on the Company's consolidated financial statements when it was adopted by the Company effective January 1, 2001.

Reclassifications

Certain amounts in the Company's 1999 and 1998 consolidated financial statements have been reclassified to conform with the 2000 presentation.

(2) Acquisitions and Mergers

During 1999, the Company completed two transactions in which it acquired the assets of the related businesses. The transactions were accounted for as purchases, in which the combined purchase price of $11,642,000 was allocated based on the fair values of assets acquired, with the excess amount allocated to goodwill, which totaled $6,607,000. The results of operations of the acquired businesses have been included in the consolidated financial statements since the respective acquisition dates. The acquisitions were financed by the Company's Credit Agreement (see Note 9).

Sypris was organized in 1997 and began business on March 30, 1998 with the completion of the merger of Group Financial Partners, Inc. ("GFP") and two of its subsidiaries, Bell and Tube Turns, with and into GroupTech, a Nasdaq-traded company in which GFP owned an approximate 80% interest. Effective immediately thereafter, GroupTech was merged with and into Sypris. As a result of these and other transactions (collectively referred to herein as the "Reorganization"), Sypris became the holding company for Bell, GroupTech, Tube Turns and Metrum-Datatape, a wholly-owned subsidiary of GFP prior to the Reorganization, and succeeded to the listing of GroupTech on the Nasdaq Stock Market under the new symbol SYPR.

The Reorganization was accounted for as a downstream merger, in which the merger of GFP and GroupTech was accounted for as a purchase of the minority interests of GroupTech. The issuance of shares in exchange for the redeemable common stock held by the Bell and Tube Turns minority shareholders was accounted for as a purchase, and accordingly, the excess of the fair value of the common stock issued over the fair market value of the proportional share of the net assets of Bell and Tube Turns was allocated to the assets and liabilities of Bell and Tube Turns and the excess was allocated to goodwill, which totaled $6,118,000.

(3) Special Charges

Special charges of $2,945,000 were recognized during the year ended December 31, 2000 for activities related to the consolidation of certain operations within the Electronics Group. The special charges incurred and paid during 2000 include workforce reductions, related severance and other benefit costs of $1,211,000, facilities rearrangement and relocation costs of $480,000, and employment costs related to the transfer of production of $1,254,000. The workforce reductions resulted in the termination of 48 employees involved in manufacturing, engineering, sales and administrative activities during 2000.

(4) Accounts Receivable

Accounts receivable consists of the following:

	December 31, 2000	December 31, 1999
	(in thousands)	
Commercial......................	$26,262	$18,419
U.S. Government.................	6,313	6,044
	32,575	24,463
Allowance for doubtful accounts..	(679)	(670)
	$31,896	$23,793

Accounts receivable from the U.S. Government includes amounts due under long-term contracts, all of which are billed at December 31, 2000 and 1999, of $4,864,000 and $4,282,000, respectively.

(5) Inventory

Inventory consists of the following:

	December 31, 2000	December 31, 1999
	(in thousands)	
Raw materials	$ 13,567	$12,640
Work-in process	8,388	9,649
Finished goods	1,632	1,673
Costs relating to long-term contracts and programs, net of amounts attributed to revenue recognized to date	45,542	29,637
Progress payments related to long-term contracts and programs	(14,011)	(1,038)
LIFO reserve	(1,059)	(430)
Reserve for excess and obsolete inventory	(3,004)	(2,669)
	$ 51,055	$49,462

The preceding amounts include inventory valued under the last-in, first-out ("LIFO") method totaling $5,365,000 and $7,582,000 at December 31, 2000 and 1999, respectively, which approximates replacement cost.

(6) Property, Plant and Equipment

Property, plant and equipment consists of the following:

	December 31, 2000	December 31, 1999
	(in thousands)	
Land and land improvements	$ 1,032	$ 1,024
Buildings and building improvements	14,979	13,392
Machinery, equipment, furniture and fixtures	77,901	70,173
Construction in progress	18,561	6,327
	112,473	90,916
Accumulated depreciation	(58,156)	(50,724)
	$ 54,317	$ 40,192

Depreciation expense totaled $7,906,000, $6,526,000 and $5,934,000 for the years ended December 31, 2000, 1999 and 1998, respectively. At December 31, 2000, $5,372,000 and $2,093,000 was included in accounts payable and accrued liabilities, respectively, for capital expenditures.

(7) Intangible Assets

Intangible assets consists of the following:

	December 31, 2000	December 31, 1999
	(in thousands)	
Costs in excess of net assets of businesses acquired..	$18,418	$18,462
Other...	3,107	2,954
	21,525	21,416
Accumulated amortization............................	(4,371)	(3,378)
	$17,154	$18,038

Amortization expense totaled $1,445,000, $1,056,000 and $975,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

(8) Accrued Liabilities

Accrued liabilities consists of the following:

	December 31, 2000	December 31, 1999
	(in thousands)	
Employee benefit plan accruals.......................	$ 4,770	$ 5,007
Salaries, wages and incentives.......................	2,921	3,694
Other...	10,857	9,112
	$18,548	$17,813

Included in other accrued liabilities are employee payroll deductions, advance payments, accrued operating expenses, accrued warranty expenses, accrued interest and other items, none of which exceed 5% of total current liabilities.

(9) Long-Term Debt

The Company has a credit agreement with a syndicate of banks (the "Credit Agreement") that was entered into in October 1999 and amended as of November 2000 and February 2001. The Credit Agreement provides for a revolving credit facility with an aggregate commitment of $100,000,000 through January 2005. Under the terms of the Credit Agreement, interest rates are determined at the time of borrowing and are based on the London Interbank Offered Rate plus a margin of 1.0% to 3.25%; or the greater of the prime rate or the federal funds rate plus 0.5%, plus a margin up to 0.75%. The Company also pays a fee of 0.2% to 0.5% on the unused portion of the aggregate commitment. The margins applied to the respective interest rates and the commitment fee are adjusted quarterly and are based on the Company's ratio of funded debt to earnings before interest, taxes, depreciation and amortization. The weighted average interest rate for outstanding borrowings at December 31, 2000 was 9.3%. The effective average interest rates for borrowings during the years ended December 31, 2000 and 1999 were 8.3% and 6.1%, respectively. Current maturities of long-term debt at December 31, 2000 and 1999 represent amounts due under a short-term borrowing arrangement included in the Credit Agreement. Standby letters of credit up to a maximum of $15,000,000 may be issued under the Credit Agreement and no amounts were outstanding at December 31, 2000 and 1999.

The Credit Agreement contains customary affirmative and negative covenants, including financial covenants requiring the maintenance of specified fixed charge and leverage ratios and minimum levels of net worth. The Credit Agreement is secured by substantially all assets of the Company, including but not limited to accounts receivable, inventory, equipment and real estate, and is also guaranteed by the subsidiaries of the Company. The asset collateralization requirement may be eliminated after June 2002 in the event the Company achieves certain financial ratios and remains in compliance with all covenants.

The Credit Agreement was last amended as of February 2001 to modify certain financial ratios and include collateral security, with substantially all other terms and conditions of the Credit Agreement remaining in effect as set forth in the original document. As a result of the February 2001 amendment, the Company was in compliance with all covenants associated with the Credit Agreement as of December 31, 2000 and expects to remain in compliance for the remaining term of the Credit Agreement.

Interest incurred during the years ended December 31, 2000, 1999 and 1998 totaled $5,260,000, $1,725,000 and $1,645,000, respectively. Interest paid during the years ended December 31, 2000, 1999 and 1998 totaled $5,063,000, $1,629,000 and $1,664,000, respectively.

(10) Fair Value of Financial Instruments

Cash, accounts receivable, accounts payable and accrued liabilities are reflected in the financial statements at their carrying amount which approximates fair value because of the short-term maturity of those instruments. The carrying amount of debt outstanding at December 31, 2000 and 1999 under the Credit Agreement approximates fair value because borrowings are for terms less than six months and have rates that reflect currently available terms and conditions for similar debt.

(11) Employee Benefit Plans

The Company sponsors noncontributory defined benefit pension plans (the "Pension Plans") covering certain employees of Tube Turns. The Pension Plans covering salaried and management employees provide pension benefits that are based on the employees' highest five-year average compensation within ten years before retirement. The Pension Plans covering hourly employees and union members generally provide benefits at stated amounts for each year of service. The Company's funding policy is to make the minimum annual contributions required by the applicable regulations. The Pension Plans' assets are primarily invested in equity securities and fixed income securities. The Company recorded a decrease of $280,000 and an increase of $1,221,000 to its minimum pension liability during 2000 and 1999, respectively. No tax effect was recorded related to these adjustments.

The following table details the components of pension expense:

	Years ended December 31,		
	2000	1999	1998
	(in thousands)		
Service cost benefits earned during the period	$ 180	$ 181	$ 163
Interest cost of projected benefit obligation	1,409	1,283	1,312
Net amortizations and deferrals	(189)	554	474
Actual return on plan assets	(927)	(1,480)	(1,321)
	$ 473	$ 538	$ 628

The following are summaries of the changes in the benefit obligations and plan assets and of the funded status of the Pension Plans:

	December 31, 2000	December 31, 1999
	(in thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 17,859	$ 19,185
Service cost	180	181
Interest cost	1,409	1,283
Plan amendments	798	--
Actuarial loss (gain)	131	(1,549)
Benefits paid	(1,281)	(1,241)
Benefit obligation at end of year	$ 19,096	$ 17,859
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 14,329	$ 13,146
Actual return on plan assets	927	1,480
Company contributions	1,181	944
Benefits paid	(1,281)	(1,241)
Fair value of plan assets at end of year	$ 15,156	$ 14,329
Funded status of the plans:		
Benefit obligation at end of year	$ 19,096	$ 17,859
Fair value of plan assets at end of year	15,156	14,329
Funded status of plan (underfunded)	(3,940)	(3,530)
Unrecognized actuarial gain	(260)	(821)
Unrecognized prior service cost	1,166	608
Net liability recognized	$ (3,034)	$ (3,743)
Balance sheet liabilities (assets):		
Accrued benefit liability	$ 4,510	$ 4,379
Intangible asset	(1,123)	(563)
Accumulated other comprehensive income (loss)	(353)	(73)
Net amount recognized	$ 3,034	$ 3,743
Assumptions at year end:		
Discount rate used in determining present values	8.00%	8.00%
Rate of compensation increase	4.25%	4.25%
Expected long-term rate of return on plan assets	9.50%	8.50%

The Company sponsors a defined contribution plan (the "Defined Contribution Plan") for substantially all employees of the Company. The Defined Contribution Plan is intended to meet the requirements of Section 401(k) of the Internal Revenue Code. The Defined Contribution Plan allows the Company to match participant contributions and provides discretionary contributions as approved by the Company's Board of Directors. Contributions to the Defined Contribution Plan in 2000, 1999 and 1998 totaled $3,459,000, $2,996,000 and $2,661,000, respectively.

During 1999 and 1998, the Company had partially self-insured medical plans (the "Medical Plans") covering certain employees. Beginning January 1, 2000, the Company expanded the coverage to cover substantially all employees. The number of employees participating in the Medical Plans was approximately 1,300 at December 31, 2000 as compared to approximately 600 at December 31, 1999. The Medical Plans limit the Company's annual obligations to fund claims to specified amounts per participant and in the aggregate. The Company is adequately insured for amounts in excess of these limits. Employees are responsible for payment of a portion of the premiums. During 2000, 1999 and 1998, the Company charged $4,456,000, $2,802,000 and $2,407,000, respectively, to operations related to reinsurance premiums, medical claims incurred and estimated, and administrative costs for the Medical Plans. Claims paid during 2000, 1999 and 1998 did not exceed the aggregate limits.

(12) Commitments and Contingencies

The Company leases certain of its real property and certain equipment, vehicles and computer hardware under operating leases with terms ranging from month-to-month to ten years and which contain various renewal and rent escalation clauses. Future minimum annual lease commitments (in thousands) under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2000 are as follows:

2001	$ 5,107
2002	4,686
2003	4,124
2004	3,187
2005	2,781
2006 and thereafter	5,410
	$25,295

Rent expense for the years ended December 31, 2000, 1999 and 1998 totaled $3,650,000, $3,858,000 and $4,701,000, respectively.

The Company entered into agreements for the sale and leaseback of certain specific manufacturing and testing equipment during 2000. The terms of the operating leases range from five to nine years and the Company has the option to purchase the equipment at the expiration of the respective lease at a fixed price based upon the equipment's estimated residual value. Proceeds from the sale and leaseback transactions during 2000 were $9,251,000 and the transactions resulted in a deferred loss of $351,000 that will be amortized over the term of the respective leases. Future minimum annual lease commitments related to these leases are included in the above schedule.

As of December 31, 2000, the Company had outstanding purchase commitments of approximately $11,416,000, primarily for the acquisition of manufacturing equipment, including certain equipment to be financed under an operating lease agreement that becomes effective when the equipment is placed in service in 2001.

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 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.

(13) Stock Option and Purchase Plans

The Company has certain stock compensation plans under which options to purchase common stock may be granted to officers, key employees and non-employee directors. Options may be granted at not less than the market price on the date of grant. Options are exercisable in whole or in part up to two years after the date of grant and ending ten years after the date of grant. The following table summarizes option activity for the three years ended December 31, 2000:

	Shares	Exercise Price Range	Weighted Average Exercise Price
Options assumed pursuant to the Reorganization effective March 30, 1998	871,987	$1.72 - 31.00	$ 5.33
Granted	379,214	7.00 - 9.13	8.68
Exercised	(9,688)	2.76 - 4.36	4.16
Forfeited	(13,125)	3.52 - 15.76	7.36
Balance at December 31, 1998	1,228,388	1.72 - 31.00	6.35
Granted	226,352	5.94 - 9.63	7.75
Exercised	(123,021)	2.76 - 6.68	4.75
Forfeited	(19,259)	2.96 - 11.00	8.26
Balance at December 31, 1999	1,312,460	1.72 - 31.00	6.71
Granted	518,746	6.56 - 10.50	9.52
Exercised	(114,246)	2.76 - 8.75	4.08
Forfeited	(163,223)	4.24 - 10.50	7.20
Balance at December 31, 2000	1,553,737	$1.72 - 31.00	$ 7.79

The following table summarizes certain weighted average data for options outstanding and currently exercisable at December 31, 2000:

	Outstanding			Exercisable	
		Weighted Average			Weighted
Exercise Price Range	Shares	Exercise Price	Remaining Contractual Life	Shares	Average Exercise Price
$1.72	156,648	$ 1.72	1.7	156,648	$ 1.72
$2.76 - $4.12	42,782	3.34	4.2	42,782	3.34
$4.24 - $6.24	118,505	4.90	5.2	99,261	4.91
$6.56 - $10.00	1,015,534	8.46	6.3	432,514	8.41
$10.06 - $15.76	206,161	10.79	6.6	40,811	12.21
$16.12 - $23.00	10,003	18.16	5.4	10,003	18.16
$25.52 - $31.00	4,104	28.86	4.1	4,104	28.86
Total	1,553,737	$ 7.79	5.7	786,123	$ 6.78

The Company's stock compensation program also provides for the grant of performance-based stock options to key employees. The terms and conditions of the performance-based option grants provide for the determination of the exercise price and the beginning of the vesting period to occur when the fair market value of the Company's common stock achieves certain targeted price levels. Performance-based options to purchase 108,000 shares, 16,000 shares and 380,000 shares of common stock were granted during 2000, 1999 and 1998, respectively. Performance-based options to purchase 112,000 shares of common stock were forfeited in 2000. None of the targeted price levels of the performance-based options were achieved during 2000, 1999 or 1998 and, accordingly, these options are excluded from disclosures of options outstanding at December 31, 2000, 1999 and 1998. The aggregate number of shares of common stock reserved for issuance under the Company's stock compensation programs as of December 31, 2000 was 3,000,000. The aggregate number of shares available for future grant as of December 31, 2000 was 899,566.

The Company applies APB 25 and related interpretations in accounting for its employee stock options because, as discussed below, the alternative fair value accounting provided for under SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), requires use of option valuation models that were not developed for use in valuing employee stock options. Under APB 25, when the exercise price of the Company's employee stock options is equal to the market price of the underlying stock on the date of grant, no compensation expense is recognized.

Pro forma information regarding net income and net income per share is required by SFAS 123, and has been determined as if the Company had accounted for its employee stock options under the fair value method of SFAS 123. The fair value for options granted by the Company during 2000, 1999 and 1998 were estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	Years ended December 31,		
	2000	1999	1998
Expected life (years)	6	6	6
Expected volatility	70.30%	75.50%	94.20%
Risk-free interest rates	4.98%	6.30%	5.68%
Expected dividend yield	--	--	--

The weighted average Black-Scholes value of options granted under the stock option plans during 2000, 1999 and 1998 was $7.05, $5.50 and $6.91, respectively.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information is as follows:

	Years ended December 31,		
	2000	1999	1998
	(in thousands, except for per share data)		
Pro forma net income	$ 2,086	$ 8,533	$ 5,989
Pro forma net income per common share:			
Basic	$ 0.22	$ 0.90	$ 0.63
Diluted	$ 0.21	$ 0.87	$ 0.61

Effective February 1, 1999, the Company adopted a stock purchase plan to provide substantially all employees who have satisfied the eligibility requirements the opportunity to purchase shares of the Company's common stock on a compensation deduction basis. The purchase price is the lower of 85% of the fair market value of the common stock on the first or last business day of the purchase period. Payroll deductions may not exceed $6,000 for any six-month cycle. The stock purchase plan expires January 31, 2006. At December 31, 2000 and 1999, there were 249,110 shares and 284,400 shares, respectively, available for purchase under the plan. During 2000 and 1999, a total of 35,290 shares and 15,600 shares, respectively, were issued under the plan.

(14) Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Accordingly, deferred income taxes have been provided for temporary differences between the recognition of revenue and expenses for financial and income tax reporting purposes and between the tax basis of assets and liabilities and their reported amounts in the financial statements.

The components of income tax (benefit) expense is as follows:

	Years ended December 31,		
	2000	1999	1998
	(in thousands)		
Current:			
Federal	$ 969	$ 3,386	$ 2,844
State	102	320	441
Other	9	38	37
	1,080	3,744	3,322
Deferred:			
Federal	(2,351)	(630)	1,011
State	(127)	(15)	(22)
	(2,478)	(645)	989
	$ (1,398)	$ 3,099	$ 4,311

The Company files a consolidated federal income tax return which includes all subsidiaries. Income taxes paid during 2000, 1999 and 1998 totaled $1,347,000, $2,136,000 and $5,329,000, respectively. During 2000, the Company received $2,102,000 in federal income tax refunds.

At December 31, 2000, the Company had $17,771,000 of state net operating loss carryforwards available to offset future taxable income. Such carryforwards reflect income tax losses incurred which will expire on December 31 of the following years (in thousands):

2008	$ 2,386
2009	8,362
2010	560
2011	5,999
2017	464
	$17,771

The following is a reconciliation of income tax (benefit) expense to that computed by applying the federal statutory rate of 34% to income before income taxes:

	Years ended December 31,		
	2000	1999	1998
		(in thousands)	
Federal tax at the statutory rate	$ 607	$ 4,303	$ 3,997
State income taxes, net of federal tax benefit	153	236	291
Change in valuation allowance for deferred tax asset	(3,008)	(1,891)	(882)
Research and development tax credit	(262)	(544)	--
Non-deductible expenses	240	135	166
Other	872	860	739
	$(1,398)	$ 3,099	$ 4,311

Deferred income tax assets and liabilities are as follows:

	December 31,	
	2000	1999
	(in thousands)	
Deferred tax assets:		
Compensation and benefit accruals	$ 1,108	$ 992
Inventory valuation	673	969
State net operating loss carryforwards	977	977
Contract provisions	796	577
Accounts receivable allowance	255	250
Defined benefit pension plan	995	985
Other	327	424
	5,131	5,174
Valuation allowance	(977)	(3,985)
	4,154	1,189
Deferred tax liabilities:		
Depreciation	(1,981)	(1,494)
Net deferred tax asset (liability)	$ 2,173	$ (305)

The valuation allowance for deferred tax assets decreased by $3,008,000, $1,891,000 and $882,000 in 2000, 1999 and 1998, respectively. The majority of the decrease in the valuation allowance in 2000 was recorded during the fourth quarter to reflect adjustments to the Company's effective tax rate based upon income before income taxes as reported for the fourth quarter and year ended December 31, 2000. At December 31, 2000, the valuation allowance of $977,000 relates to state tax net operating loss ("NOL") carryforwards. The utilization of the state NOL carryforwards is uncertain because it is unlikely the losses will be utilized within the carryforward periods prescribed by the applicable taxing jurisdiction based upon the Company's current filing status. Management believes it is more likely than not that the Company's future earnings will be sufficient to ensure the realization of deferred tax assets for federal and state purposes, excluding the state NOL carryforward.

(15) Net Income Per Common Share

Basic income per common share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted income per common share is calculated by using the weighted average number of common shares outstanding adjusted to include the potentially dilutive effect of outstanding stock options. For the period prior to the Reorganization on March 30, 1998, shares used in computing basic and diluted income per common share include the outstanding shares of Sypris common stock as of that date and the dilution associated with common stock options issued prior to that date.

The following table presents information necessary to calculate net income per common share:

	Years ended December 31,		
	2000	1999	1998
	(in thousands, except for per share data)		
Shares outstanding:			
Weighted average shares outstanding	9,671	9,515	9,438
Effect of dilutive employee stock options	293	346	355
Adjusted weighted average shares outstanding and assumed conversions	9,964	9,861	9,793
Net income applicable to common stock	$ 3,184	$ 9,556	$ 7,446
Net income per common share:			
Basic	$ 0.33	$ 1.00	$ 0.79
Diluted	$ 0.32	$ 0.97	$ 0.76

(16) Segment Information

The Company's operations are conducted in two reportable business segments: the Electronics Group and the Industrial Group. The segments are each managed separately because of the distinctions between the products, services, markets, customers, technologies and workforce skills of the segments. The Electronics Group provides a wide range of manufacturing and technical services for a diversified customer base as an outsource service provider. The Electronics Group also manufactures complex data storage systems, magnetic instruments, current sensors and other electronic products. The Industrial Group provides manufacturing services for a variety of customers that outsource forged and finished steel components and subassemblies. The Industrial Group also manufactures high-pressure closures and other fabricated products. Revenue derived from outsource services in 2000 for the Electronics Group and the Industrial Group accounted for 66% and 12% of total net revenue, respectively. There was no intersegment net revenue recognized for all years presented. The following table presents financial information for the reportable segments of the Company:

	Years ended December 31,		
	2000	1999	1998
	(in thousands)		
Net revenue from unaffiliated customers:			
Electronics Group	$ 182,126	$ 164,963	$ 174,396
Industrial Group	34,445	37,167	37,229
	$ 216,571	$ 202,130	$ 211,625
Gross profit:			
Electronics Group	$ 36,272	$ 37,873	$ 41,400
Industrial Group	4,041	7,076	6,523
	$ 40,313	$ 44,949	$ 47,923

	Years ended December 31,		
	2000	1999	1998
	(in thousands)		
Operating income:			
Electronics Group............	$ 6,935	$ 12,005	$ 11,207
Industrial Group.............	1,648	4,930	4,329
General, corporate and other..	(3,106)	(2,769)	(2,685)
	$ 5,477	$ 14,166	$ 12,851
Total assets:			
Electronics Group............	$124,523	$106,229	$ 90,174
Industrial Group.............	37,851	26,714	18,905
General, corporate and other..	16,748	15,621	12,040
	$179,122	$148,564	$121,119
Depreciation and amortization:			
Electronics Group............	$ 8,037	$ 6,551	$ 5,933
Industrial Group.............	1,109	902	825
General, corporate and other..	205	129	151
	$ 9,351	$ 7,582	$ 6,909
Capital expenditures:			
Electronics Group............	$ 7,971	$ 6,327	$ 4,598
Industrial Group.............	15,546	7,134	1,185
General, corporate and other..	369	982	62
	$ 23,886	$ 14,443	$ 5,845

The Company attributes net revenue to countries based upon the location of its operations. Export sales from the United States totaled $25,250,000, $30,061,000 and $25,551,000 in 2000, 1999 and 1998, respectively.

(17) Quarterly Financial Information (Unaudited)

The following is an analysis of certain items in the consolidated income statements by quarter for the years ended December 31, 2000 and 1999:

	2000				1999			
	First	Second	Third	Fourth	First	Second	Third	Fourth
	(in thousands, except for per share data)							
Net revenue	$50,697	$52,118	$53,887	$59,869	$44,898	$49,331	$48,291	$59,610
Gross profit................	10,754	11,353	9,090	9,116	9,720	11,734	12,041	11,454
Operating income............	1,182	2,739	707	849	2,432	3,704	4,364	3,666
Net income..................	179	1,368	90	1,547	1,533	2,459	2,763	2,801
Net income per common share:								
Basic..................	$ 0.02	$ 0.14	$ 0.01	$ 0.16	$ 0.16	$ 0.26	$ 0.29	$ 0.29
Diluted................	$ 0.02	$ 0.14	$ 0.01	$ 0.16	$ 0.16	$ 0.25	$ 0.28	$ 0.28

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required herein is incorporated by reference from sections of the Company's Proxy Statement titled "Section 16(a) Beneficial Ownership Reporting Compliance," "Election of Directors," and "Executive Officers," which Proxy Statement will be filed with the Securities and Exchange Commission pursuant to instruction G(3) of the General Instructions to Form 10-K.

Item 11. Executive Compensation

The information required herein is incorporated by reference from sections of the Company's Proxy Statement titled "Election of Directors - Board of Directors and Committees of the Board," "Compensation of Directors," "Compensation Committee Report," "Compensation Committee Interlocks and Insider Participation," "Performance Graph," and "Executive Compensation," which Proxy Statement will be filed with the Securities and Exchange Commission pursuant to instruction G(3) of the General Instructions to Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required herein is incorporated by reference from the section of the Company's Proxy Statement titled "Security Ownership of Certain Beneficial Owners and Management," which Proxy Statement will be filed with the Securities and Exchange Commission pursuant to instruction G(3) of the General Instructions to Form 10-K.

Item 13. Certain Relationships and Related Transactions

The information required herein is incorporated by reference from the section of the Company's Proxy Statement titled "Certain Relationships and Related Transactions," which Proxy Statement will be filed with the Securities and Exchange Commission pursuant to instruction G(3) of the General Instructions to Form 10-K.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as part of this Report:

1. Financial Statements

The financial statements as set forth under Item 8 of this report on Form 10-K are included.

2. Financial Statement Schedules

Schedule II - Valuation and Qualifying Accounts

All other consolidated financial statement schedules have been omitted because the required information is shown in the consolidated financial statements or notes thereto or they are not applicable.

3. Exhibits

Exhibit Number	Note	Description
2	(4)	Fourth Amended and Restated Agreement and Plan of Reorganization dated February 5, 1998 by and among Group Financial Partners, Inc., Group Technologies Corporation, Bell Technologies, Inc. and Tube Turns Technologies, Inc.
3.1	(6)	Certificate of Incorporation of the Company.
3.2	(7)	Bylaws of the Company.
4.1	(10)	Specimen common stock certificate.
4.2	(5)	Agreement and Plan of Merger dated September 22, 1997 by and between Group Technologies Corporation and Sypris Solutions, Inc.
10.1	(1)	Purchase and Sale Agreement among Honeywell Inc., Defense Communications Products Corporation (prior name of Group Technologies Corporation) and Group Financial Partners, Inc. dated May 21, 1989.
10.2	(1)	Purchase and Sale Agreement among Alliant Techsystems Inc., MAC Acquisition I, Inc. and Group Technologies Corporation dated December 31, 1992.
10.3	(1)	Purchase and Sale Agreement among Philips Electronic North America Corporation and Group Technologies Corporation dated June 25, 1993.
10.4	(3)	Stock and Asset Purchase and Sale Agreement among Group Technologies Corporation, Group Technologies Mexican Holding Company, SCI Systems, Inc., SCI Systems de Mexico S.A. de C.V. and SCI Holdings, Inc. dated June 30, 1997.
10.5	(8)	Asset Purchase Agreement among Datatape Incorporated, Delta Tango, Inc., Metrum-D, Inc., Impactdata, Inc. and M. Stuart Millar dated November 12, 1997.
10.6	(11)	1999 Amended and Restated Loan Agreement between Bank One, Kentucky, NA, Sypris Solutions, Inc., Bell Technologies, Inc., Tube Turns Technologies, Inc., Group Technologies Corporation and Metrum-Datatape, Inc. dated October 27, 1999.
10.6.1		2000A 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 November 9, 2000.
10.7	(1)	Form of U.S. Government Award/Contract.

10.8	(1)	Lease between John Hancock Mutual Life Insurance Company and Honeywell, Inc. dated April 27, 1979; related Notice of Assignment from John Hancock Mutual LIfe Insurance Company to Sweetwell Industrial Associates, L.P., dated July 10, 1986; related Assignment and Assumption of Lease between Honeywell, Inc. and Defense Communications Products Corporation (prior name of Group Technologies Corporation) dated May 21, 1989; and related Amendment I to Lease Agreement between Sweetwell Industries Associates, L.P. and Group Technologies Corporation dated October 25, 1991, regarding Tampa industrial park property.
10.8.1		Agreement related to Fourth Renewal of Lease between Sweetwell Industries Associates, L.P. and Group Technologies Corporation dated November 1, 2000, regarding Tampa industrial park property.
10.9	(8)	Lease between Metrum-Datatape, Inc. (assignee of Metrum, Inc.) and Alliant Techsystems, Inc. dated March 29, 1993 and amended July 29, 1993, May 2, 1994, November 14, 1995, December 4, 1996 and February 12, 1998 regarding 4800 East Dry Creek Road Property.
10.10	(8)	Sublease between Pharmacia & Upjohn Company and Metrum-D, Inc. dated November 14, 1997.
10.10.1		Amendment of Sublease between Pharmacia & Upjohn Company and Metrum-Datatape, Inc. dated August 6, 1998.
10.11	(2), (12)	Sypris Solutions, Inc. Stock Option Plan, Restated effective December 17, 1996, dated January 22, 1990.
10.12	(9), (12)	Sypris Solutions, Inc. 1994 Stock Option Plan for Key Employees as Amended and Restated effective July 1, 1998, dated October 27, 1994.
10.13	(8), (12)	Sypris Solutions, Inc. Share Performance Program For Stock Option Grants dated July 1, 1998.
10.14	(10), (12)	Sypris Solutions, Inc. Independent Directors' Stock Option Plan as Amended and Restated effective February 23, 1999, dated October 27, 1994.
10.15	(8), (12)	Sypris Solutions, Inc. Independent Directors Compensation Program Amended and Restated on April 28, 1998, dated September 1, 1995.
10.16	(12)	Sypris Solutions, Inc. Profit Sharing Bonus Plan, effective as of January 3, 2000.
10.17	(12)	Group Technologies Corporation Profit Sharing Bonus Plan, effective as of January 3, 2000.
10.18	(12)	Tube Turns Technologies, Inc. Profit Sharing Bonus Plan, effective as of January 3, 2000.
10.19	(12)	Sypris Solutions, Inc. Executive Bonus Plan, effective as of January 2, 2001.
10.20	(12)	Employment Agreement by and between Metrum-Datatape, Inc. and G. Darrell Robertson dated February 28, 2000.
21		Subsidiaries of the Company.
23		Consent of Ernst & Young LLP, independent auditors.

____

(1) Incorporated by reference to the Company's Registration Statement on Form S-1 filed May 18, 1994 (Registration No. 33-76326).

(2) Incorporated by reference to the Company's Form 10-K for the fiscal year ended December 31, 1996 filed on March 31, 1997.

(3) Incorporated by reference to the Company's Form 8-K filed on July 15, 1997.

(4) Incorporated by reference to Appendix A to the Prospectus included in the Company's Registration Statement on Form S-4/A filed February 12, 1998 (No. 333-20299).

(5) Incorporated by reference to Appendix G to the Prospectus included in the Company's Registration Statement on Form S-4/A filed February 12, 1998 (No. 333-20299).

(6) Incorporated by reference to Appendix H to the Prospectus included in the Company's Registration Statement on Form S-4/A filed February 12, 1998 (No. 333-20299).

(7) Incorporated by reference to Appendix I to the Prospectus included in the Company's Registration Statement on Form S-4/A filed February 12, 1998 (No. 333-20299).

(8) Incorporated by reference to the Company's Form 10-Q for the quarterly period ended June 28, 1998 filed on August 4, 1998.

(9) Incorporated by reference to the Company's Form S-8 filed on September 2, 1998.

(10) Incorporated by reference to the Company's Form 10-K for the fiscal year ended December 31, 1998 filed on March 5, 1999.

(11) Incorporated by reference to the Company's Form 10-K for the fiscal year ended December 31, 1999 filed on February 25, 2000.

(12) Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 2, 2001.

SYPRIS SOLUTIONS, INC.
(Registrant)

/s/ Jeffrey T. Gill

(Jeffrey T. Gill)
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 2, 2001:

/s/ Robert E. Gill (Robert E. Gill)	Chairman of the Board
/s/ Jeffrey T. Gill (Jeffrey T. Gill)	President, Chief Executive Officer and Director
/s/ David D. Johnson (David D. Johnson)	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Anthony C. Allen (Anthony C. Allen)	Vice President and Controller (Principal Accounting Officer)
/s/ Henry F. Frigon (Henry F. Frigon)	Director
/s/ R. Scott Gill (R. Scott Gill)	Director
/s/ William L. Healey (William L. Healey)	Director
(Roger W. Johnson)	Director
/s/ Sidney R. Petersen (Sidney R. Petersen)	Director
/s/ Robert Sroka (Robert Sroka)	Director

SCHEDULE II

SYPRIS SOLUTIONS, INC.
VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions		Balance at End of Period
	(in thousands)				
Allowance for doubtful accounts:					
Year ended December 31, 2000	$ 670	$ 18	$ (9)	(1)	$ 679
Year ended December 31, 1999	$ 836	$ (129)	$ (37)	(1)	$ 670
Year ended December 31, 1998	$ 1,097	$ 135	$ (396)	(1)	$ 836
Reserve for inactive, obsolete and unsalable inventory:					
Year ended December 31, 2000	$ 2,669	$ 453	$ (118)	(2)	$ 3,004
Year ended December 31, 1999	$ 4,024	$ 446	$ (1,801)	(3)	$ 2,669
Year ended December 31, 1998	$ 5,769	$ 851	$ (2,596)	(2)	$ 4,024

(1) Uncollectible accounts written off.
(2) Inactive, obsolete and unsalable inventory written off.
(3) Includes $180,000 for inactive, obsolete and unsalable inventory written off and a $1,621,000 reclassification to costs relating to long-term contracts to conform to the presentation for the year ended December 31, 2000.

2000A AMENDMENT TO LOAN DOCUMENTS

THIS 2000A AMENDMENT TO LOAN DOCUMENTS (this "Amendment"), is made and entered into as of the 9th day of November, 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").

P R E L I M I N A R Y   S T A T E M E N T:

A. Certain of the Guarantors and their Affiliate entered into a Loan Agreement dated as of March 21, 1997 with the Agent Bank (the "Original Loan Agreement"), whereby the Agent Bank has 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 1998B Amendment to Loan Documents.

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.

D. The Borrower and the Guarantors wish to amend the Loan Agreement, the Negative Pledge 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 or Pricing Level VII, 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:

1.107 "Applicable Base Rate Margin" means the applicable per annum percentage set forth in the table appearing in Section 2.2A hereof, with respect to Base Rate Loans.

1.108 "Operating Lease Obligations" means the present value of all minimum lease payments with respect to operating leases for factory equipment entered into by Borrower since September 15, 2000. The discount factor to be used in calculating the present value set forth in the preceding sentence is the interest rate in effect with respect to the Revolving Credit Facility at the inception of any such leases. The term "Operating Lease Obligations" excludes obligations with respect to (i) capital leases which are properly classified as a liability on a balance sheet in conformity with GAAP and (ii) that portion of obligations with respect to Synthetic Leases which is not classified as a liability on a balance sheet in conformity with GAAP (which obligations are encompassed within the definition of "Funded Debt" and "Adjusted Funded Debt").

1.109 "Pricing Level VI" 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 3.01 to 1.00 but is less than or equal to 3.25 to 1.00.

1.110 "Pricing Level VII" 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 3.26 to 1.00 but is less than or equal to 3.50 to 1.00.

C. Section 2.2A Rates of Interest. The first paragraph of Section 2.2A is hereby amended to replace the words "Base Rate" with "Base Rate plus the Applicable Base Rate Margin" wherever those words appear. The phrase set forth in (i) of the second paragraph of Section 2.2A is amended and restated as follows: "(i) if a Base Rate Loan, at a rate equal to the sum of the Base Rate plus the Applicable Base Rate Margin" and 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	2.75	0.50

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	.30

* 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	2.75

Additionally, the references to the "Base Rate" in Section 2.7F(ii) and in the last paragraph of Section 2.7J are hereby changed to "Base Rate plus the Applicable Base Rate Margin."

F. Section 7.1 Mergers, Acquisitions and Other Extraordinary Events. Section 7.1 is hereby amended and restated as follows:

7.1 Mergers, Acquisitions and Other Extraordinary Events.

Without the prior written consent of the Agent Bank, which shall not be unreasonably withheld or delayed, the Borrower and the Guarantors shall not:

A. Be a party to any consolidation, reorganization (including without limitation those types referred to in Section 368 of the United States Internal Revenue Code of 1986, as amended), recapitalization, "stock-swap" or merger; or

B. Sell or otherwise transfer any material part (10% or more) of their assets; or

C. Allow a Change in Control to occur with respect to the Borrower; or

D. Liquidate or dissolve or take any action with a view toward liquidation or dissolution; or

E. Purchase all or a substantial part of the capital stock or assets of any corporation or other business enterprise if (i) such purchase involves consideration, including assumption of Funded Debt, in excess of Ten Million Dollars ($10,000,000) for any single transaction or (ii) such purchase, when combined with other such transactions occurring in the same Fiscal Year, involves consideration, including assumption of liabilities, in excess of Twenty Million Dollars ($20,000,000) in the aggregate; provided, however, that the Borrower shall be required to obtain the prior written consent of the Majority Banks for any single purchase in excess of Two Million Dollars ($2,000,000) and any purchases occurring in a Fiscal Year in excess of Five Million Dollars (5,000,000) in the aggregate until such time as (i) the Borrower's Net Worth is greater than $70,000,000, (ii) the Fixed Charge Coverage ratio calculated pursuant to Section 7.6 hereof is greater than 2.25 to 1.00 and (iii) the ratio of Adjusted Funded Debt to EBITDA calculated pursuant to Section 7.7 hereof is equal to or less than 3.00 to 1.00.

An acquisition that can be accomplished without violating Section 7.1E or that has been consented to in writing by the Majority Banks as defined in Section 15.10 pursuant to this Section 7.1 shall be known as a "Permitted Acquisition."

G. Section 7.4 Mortgages, Liens, Encumbrances, Security Interests, Assignments, etc. Section 7.4 is hereby amended and restated as follows:

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

7.4 Mortgages, Liens, Encumbrances, Security Interests, Assignments, etc. The Borrower and the Guarantors will not, without the prior written consent of the Agent Bank, directly or indirectly create, incur, assume or permit to continue in existence any mortgage, lien, charge or encumbrance on, or security interest in, or pledge or deposit of, or conditional sale or other title retention agreement (including any lease which would constitute Funded Debt or which would constitute Operating Lease Obligations), or assignment of, with respect to, any property or asset now owned or hereafter acquired by the Borrower and the Guarantors; provided, however, that the restrictions in this Section 7.4 shall not prohibit:

A. Liens on assets as of the Closing Date and which have been disclosed to Agent Bank in Schedule 7.4 hereto or secure a debt in an amount less than $100,000;

B. Liens on assets acquired by the Borrower or any Guarantor in a Permitted Acquisition (as defined in Section 7.1 hereof);

C. Entering into leases of equipment (other than leases of equipment permitted under 7.4A and 7.4B), so long as the aggregate present value (calculated using a discount factor equal to the one described in Section 1.107 hereof) of minimum lease payments with respect to such leases does not exceed $23,000,000; provided, however, that the Borrower and the Guarantors may enter into leases with an aggregate present value (calculated using a discount factor equal to the one described in Section 1.107 hereof) of minimum lease payments in excess of $23,000,000 if (i) the Borrower's Net Worth is greater than $70,000,000, (ii) the Fixed Charge Coverage ratio calculated pursuant to Section 7.6 hereof is greater than 2.25 to 1.00 and (iii) (a) the ratio of Adjusted Funded Debt plus Operating Lease Obligations to EBITDA calculated pursuant to Section 7.7 hereof is equal to or less than 3.00 to 1.00 and (b) the incurring of such additional leasing obligations will not cause the ratio of Adjusted Funded Debt plus Operating Lease Obligations to EBITDA to exceed 3.00 to 1.00;

D. Liens for taxes, assessments or governmental charges not yet due and payable or the payment of which is not at the time required for the reasons set forth by the proviso to the first sentence of Section 6.2A; and

E. Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance and other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) for sums not yet due or being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor.

H. 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, 3/31/01 and 6/30/01	1.35 to 1.00
9/30/01 and 12/31/01	1.50 to 1.00
3/31/02 and 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

I. 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, 3/31/01, 6/30/01 and 9/30/01	3.50 to 1.00
12/31/01 and thereafter	3.00 to 1.00

J. Compliance Certificate. The Compliance Certificate, attached to the Loan Agreement as Exhibit G, is replaced in its entirety by Exhibit G hereto.

K. 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.

2. AMENDMENT OF NEGATIVE PLEDGE AGREEMENT. The Negative Pledge Agreement is hereby amended as follows:

A. Section 3. Section 3 is amended and restated in its entirety as follows:

3. Exceptions to Negative Pledge. The Borrower and Guarantors may have or allow to exist the following without violating the negative pledge of Collateral set forth in Section 2 hereof:

A. Liens on assets as of the Closing Date and which have been disclosed to Agent Bank in Schedule 7.4 to the Loan Agreement or secure a debt in an amount less than $100,000;

B. Liens on assets acquired by the Borrower or any Guarantor in a Permitted Acquisition (as defined in Section 7.1 of the Loan Agreement);

C. Leases of equipment (other than leases of equipment permitted under 7.4A and 7.4B of the Loan Agreement) so long as the aggregate present value (calculated using a discount factor equal to the one described in Section 1.107 of the Loan Agreement) of minimum lease payments under such leases does not exceed $23,000,000; provided, however, that the Borrower and the Guarantors may enter into leases with an aggregate present value (calculated using a discount factor equal to the one described in Section 1.107 of the Loan Agreement) of minimum lease payments in excess of $23,000,000 if (i) the Borrower's Net Worth is greater than $70,000,000, (ii) the Fixed Charge Coverage ratio calculated pursuant to Section 7.6 of the Loan Agreement is greater than 2.25 to 1.00 and (iii) (a) the ratio of Adjusted Funded Debt plus Operating Lease Obligations to EBITDA calculated pursuant to Section 7.7 of the Loan Agreement is equal to or less than 3.00 to 1.00 and (b) the incurring of such additional leasing obligations will not cause the ratio of Adjusted Funded Debt plus Operating Lease Obligations to EBITDA to exceed 3.00 to 1.00.

D. Liens for taxes, assessments or governmental charges not yet due and payable or the payment of which is not at the time required for the reasons set forth by the proviso to the first sentence of Section 6.2A of the Loan Agreement; and

E. Liens or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance and other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) for sums not yet due or being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted, if such reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor.

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

3. 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.

4. 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 of this Amendment;

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 has been duly authorized and as to the incumbency of those authorized to execute and deliver this Amendment 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 has been duly authorized and as to the incumbency of those authorized to execute and deliver this Amendment and all other documents to be executed in connection herewith;

D. The representations and warranties of the Borrower and the Guarantors in this Amendment shall be true and accurate in all respects.

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

5. 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 this Amendment constitutes the legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its 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 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.

6. 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 this Amendment constitutes the legal, valid and binding obligations of such Guarantor, enforceable against it in accordance with its terms.

B. The person executing this Amendment 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.

7. MISCELLANEOUS.

A. Amendment Fees. The Borrower shall 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 one eighth of one percent (0.125%) of the Revolving Loan Commitments.

B. Fixed Charge Coverage Ratio Fee. The Borrower shall pay to the Agent Bank, at the time the applicable Compliance Certificate is delivered 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, a fee equal to one sixteenth of one percent (0.0625%) of the Revolving Loan Commitments, if and to the extent that the Fixed Charge Coverage Ratio is less than 2.25 to 1.00 on December 31, 2001.

C. 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.

D. 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.

E. 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.

F. 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/ Todd D. Munson

By: Todd D. Munson, Senior Vice President

BANK ONE, KENTUCKY, NA
as a Bank

/s/ Todd D. Munson

By: Todd D. Munson, Senior Vice President

BANK OF AMERICA, N.A.
as a Bank

/s/ Bryan Hulker

By: Bryan Hulker, Senior Vice President

LASALLE BANK NATIONAL ASSOCIATION
as a Bank

/s/ Mark Mital

By: Mark Mital

SUNTRUST BANK
as a Bank

/s/ Scott Corley

By: Scott 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 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 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 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 6 and 7 of the Loan Agreement)

/s/ David D. Johnson

____

By: David D. Johnson, Treasurer

AGREEMENT RELATING TO

FOURTH RENEWAL OF LEASE

This AGREEMENT RELATING TO FOURTH RENEWAL OF LEASE (this "Agreement") is made and entered into by and between SWEETWELL INDUSTRIAL ASSOCIATES, L.P., a Delaware limited partnership ("Landlord"), and GROUP TECHNOLOGIES CORPORATION, a Florida corporation ("Tenant"), and is effective on the date executed by the last of Landlord and Tenant (the "Effective Date").

RECITALS:

A. John Hancock Mutual Life Insurance Company, as Landlord, and Honeywell Inc, as Tenant, entered into that certain Lease Agreement effective as of the 27th day of April, 1979, relating to certain premises legally described in the Lease Agreement (the "Premises").

B. Included within the Premises is an approximately 308,320 square foot building (the "Building") with a street address of 10901 Malcolm McKinley Drive, Tampa, Florida.

C. Landlord is successor in interest to John Hancock Mutual Life Insurance Company, as Landlord under the Lease, and Tenant is successor in interest to Honeywell Inc., as Tenant under the Lease.

D. The original Lease Agreement was amended by that certain First Amendment to Lease Agreement made as of the 25th day of October, 1991, between Landlord and Tenant (the "First Amendment'). The original Lease. Agreement, as amended by the First Amendment, is referred to below as the "Lease".

E. The term of the Lease currently expires on April 26, 2002, subject to two (2) remaining five-year renewal options in favor of Tenant to renew the Lease for a fourth renewal term to expire on April 26, 2007 (the "Fourth Renewal Term") and a fifth renewal term to expire on April 26, 2012 (the "Fifth Renewal Term").

F. The parties are currently in the process of attempting to agree upon the Basic Rent for the Fourth Renewal Term, in accordance with the procedures set forth in Section 19 of the Lease.

G. Landlord and Tenant wish to agree upon the Basic Rent for the Fourth Renewal Term and extend the Lease for the Fourth Renewal Term, on the terms set out in this Agreement.

STATEMENT OF THE AGREEMENT

In consideration of the premises, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficient of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Recitals and Definitions. The above Recitals are true and correct and are a part of this Agreement. Terms used in this Agreement without definition which are defined in the Lease will have the same meaning in this Agreement as in the Lease.

2. Term Amended. The Term of the Lease is hereby extended for the Fourth Renewal Term, so that it expires on April 26, 2007, subject to Tenant's right to further extend the Term for the Fifth Renewal Term.

3. Basic Rent. Basic Rent under the Lease for the Fourth Renewal Term shall be as follows:

Period	Rate Per Square Foot (308,320 sq. ft.)	Annual Basic Rent	Monthly Installment
April 27, 2002 to April 26, 2003	$3.70	$1,140,784.00	$ 95,065.33
April 27, 2003 to April 26, 2004	$3.81	$1,174,699.00	$ 97,891.60
April 27, 2004 to April 26, 2005	$3.92	$1,208,614.40	$100,717.87
April 27, 2005 to April 26, 2006	$4.03	$1,242,529.60	$103,544.13
April 27, 2006 to April 26, 2007	$4.15	$1,279,528.00	$106,627.33

4. Improvements to Premises. Tenant agrees to make the following repairs, alterations or improvements to the Premises:

(a) Within 48 months following the Effective Date, Tenant shall, at its cost, replace the approximately 144,200 square foot portion of the roof of the Building that was not replaced by Tenant in 1998, Tenant shall accomplish this work in a good, workmanlike manner, comparable with the approximately 172,800 square foot portion of the roof replaced or repaired by Tenant in 1998.

(b) Within 48 months following the Effective Date, Tenant shall, at its expense, paint the exterior of the entire Building. Prior to painting, Tenant shall, to the extent in need of replacement, remove the existing vertical masonry wall expansion joints and install new expansion joint sealant material. The need for replacement shall be determined by Law Engineering and Environmental Services, Inc. or another engineering firm reasonably acceptable to Landlord.

(c) Within 120 days following the Effective Date, Tenant shall, at its cost, perform the following work with respect to the approximately 172,800 square foot portion of the roof replaced or repaired by Tenant in 1998; repair one lead flashing at plumbing vent pipe, reflash roof drains in accordance with the manufacturer's specifications, fill all pitch pockets with modified roof cement, and seal open fishmouths in base flashing lap joints.

(d) Within 12 months following the Effective Date, Tenant shall, at its cost, perform the work described on the attached Exhibit "A".

(e) During the period beginning on the Effective Date and ending on the last day of the Fourth Renewal Term, Tenant, at its expense, shall, with respect to the HVAC package units on, in or at the Building, take reasonable care of them, keep them in good order, maintenance and condition, and make all necessary repairs to them. The term "repairs" shall include replacement or renewals when necessary, and all such repairs shall be equal in quality and class to the original work.

(f) Prior to the first day of the 60th month following the Effective Date, Tenant shall, at its cost, sealcoat the entire parking lot and re-stripe all parking spaces.

Landlord and Tenant acknowledge that a dispute currently exists between them relative to whether Tenant is in full compliance with its maintenance and repair obligations under the Lease. Without admitting any failure to comply with its maintenance and repair obligations under the Lease, Tenant has, as part of this Agreement, agreed to make the repairs, alterations or improvements described in this Section. To the extent that any of the repairs, alterations or improvements described in this Section are required under the Lease to be made in a period of time shorter than that provided in this Section, Landlord agrees that Tenant shall have the period set out in this Section to make such repairs, alterations or improvements. Landlord and Tenant acknowledge that Landlord has sent and Tenant has received several default notices relating to an alleged failure to maintain the Premises in accordance with the Lease and that this Agreement is intended to provide for the cure of the defaults alleged in those notices. Accordingly, Landlord withdraws such default notices effective as of the Effective Date.

5. Brokerage. Each party represents and warrants to the other that no broker has been involved in the transaction evidenced by this Agreement, except for Julien J. Studley, Inc. ("Broker"), whose commission shall be paid by Landlord pursuant to a separate agreement with Broker.

6. Agreement Limited. Except as provided for in this Amendment, the Lease remains unaffected and the Lease remains unmodified and in full force and effect.

WITNESSES:	"LANDLORD":
	SWEETWELL INDUSTRIAL ASSOCIATES, L.P., a Delaware limited partnership
/s/ Robert Albert Print Name: Robert Albert	By: Capital Properties Associates IX LP, General Partner
/s/ David Walsh Print Name: David Walsh	By: /s/ E. Robert Roskind E. Robert Roskind General Partner
	Date: November 1, 2000
	"TENANT":
	GROUP TECHNOLOGIES CORPORATION, a Florida corporation
/s/ Janis S. Beal Print Name: Janis S. Beal	By: /s/ James G. Cooke Name: James G. Cooke Its: President & CEO
/s/ Lauri K. Deschamps Print Name: Lauri K. Deschamps	Date: October 26, 2000

AMENDMENT OF SUBLEASE

THIS AMENDMENT OF SUBLEASE ("Amendment") is made and entered into as of the 6th day of August, 1998, by and between PHARMACIA & UPJOHN COMPANY, a Delaware corporation with an address of 7000 Portage Road, Kalamazoo, Michigan 49001-0199 ("Pharmacia") and METRUM-DATATAPE, INC., a Delaware corporation, formerly known as Metrum-D, Inc., with an address of 455 Fourth Avenue, Suite 350, Louisville, Kentucky 40202 ("Metrum-Datatape") (collectively "the Parties") with reference to the following facts:

RECITALS

A. The Parties entered into that certain Sublease dated as of November 14, 1997 for the Sublease of certain premises located at 605 East Huntington Drive, Monrovia, California, more particularly described therein (the "Sublease").

B. The Parties now wish to amend the Sublease, as more fully set forth herein.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants and conditions hereinafter set forth, the Parties hereto agree as follows:

1. Defined Terms. Except as otherwise indicated, capitalized terms in this Amendment shall have the same meaning as in the Sublease.

2. Description of Premises. The Premises described in Exhibit "B" attached to the Sublease is hereby deleted and Exhibit "A" attached hereto substituted in its place. Such revised description of the Premises shall be deemed to be the Premises for all purposes under the Sublease as of the date hereof. The Premises shall be deemed to be 69,954 rentable square feet.

3. Rent, Prorations and Expenses. The first two paragraphs of Section 4 of the Sublease are hereby deleted and restated in their entirety as follows:

> "As rent for the Premises, Metrum-Datatape shall pay directly to Pharmacia the following sums: (i) a basic monthly rental of $47,295 per month (in lieu of the "Basic Monthly Rental" due under Section 4.1 of the Lease), and (ii) fifty-two and fifty-five one hundredths percent (52.55%) of any and all rent (other than "Basic Monthly Rental" but including "Additional Rental" and any other sums due pursuant to Section 7.2 of the Lease), or other sums due from Pharmacia under the Lease, commencing on the Effective Date. Notwithstanding the foregoing, if, after March 1, 1999, monitoring of the utility submetering by Pharmacia indicates that Metrum-Datatape's use of the HVAC system is not consistent (by more than ten percent (10%)) with its "pro rata share" of overall Building expenses, Pharmacia shall equitably adjust the pro rate share of the payment due for the Building's HVAC maintenance agreement based upon such actual usage.
>
> Notwithstanding the foregoing, Metrum-Datatape shall not be liable or responsible for (i) any annual pro rata share of any property taxes required to be paid by Pharmacia under the Lease exceeding $144,000 per year, or (ii) any capital expenses related to or associated with the building systems (boilers, cooling towers, etc.). Metrum-Datatape will be responsible for all expenses of and relating to the relocation of the prior operations of Datatape purchased by

Metrum-Datatape into the Premises. Pharmacia will cooperate with and assist Metrum-Datatape, without incurring undue expense, in any effort to reduce the property taxes on the Leased Premises and will assist in obtaining any consent of Landlord in connection therewith."

4. Parking. Exhibit "C" attached to the Sublease is hereby deleted and replaced in its entirety by Exhibit "B" attached hereto, which, in addition to the parking rights granted in Section 5(ii) hereof, allows Metrum-Datatape the exclusive use of all parking spaces surrounding the Building (including for the use as a location for the Storage Facilities, as defined below, and at least two (2) handicapped spaces), other than twenty (20) parking spaces on the surface lot surrounding the Building. The twenty (20) spaces are currently labeled as spaces 135 and 136 (handicapped spaces), 137-149 (located in front of the Building) and 85-89 (located on the west side of the Building). Such twenty (20) spaces shall not be used by Metrum-Datatape or its employees, suppliers, shippers, contractors, customers or invitees.

5. License to Use Parking and Other Common Areas. In addition to Metrum-Datatape's rights to use and occupy the Premises as specified herein, and subject to Section 4 hereof and such rules and regulations of the Building as may be applicable, Pharmacia hereby grants Metrum-Datatape, for the benefit of Metrum-Datatape and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Sublease, a non-exclusive license for access, ingress, egress, use and enjoyment, in common with others entitled to such license, to: (i) all public or common areas and facilities outside the Metrum-Datatape Premises and within the exterior boundary of the Leased Premises, including the main lobby of the Building, common corridors and hallways, stairwells, passenger elevators, restrooms, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas (but excluding the aerial walkway to the parking garage across Huntington Drive, "Common Areas"), as they exist from time to time, subject to any rights, powers and privileges reserved by Pharmacia under the terms hereof, and (ii) at least fifty (50) spaces on the first level in the parking structure located across Huntington Drive from the Building but within the Leased Premises (but excluding the aerial walkway to the parking garage across Huntington Drive). Under no circumstances shall the license herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas, except for the existing temporary storage containers (the "Storage Facilities") located in a portion of the surface lot at the rear of the Building and the temporary storage facility located in the parking structure, which must be removed at the expiration or earlier termination of the Sublease consistent with the repair and restoration obligations Metrum-Datatape has under the Sublease and Article XIV of the Lease. Additionally, Metrum-Datatape acknowledges that Room 257F is to be Common Areas and utilized by Pharmacia and GNP as the Building facilities office. In the event that Pharmacia determines that a larger facilities office for the Building is desirable, Pharmacia reserves the right to convert Room 261 to Common Area to be used as additional facilities office for the Building, with a subsequent proportionate adjustment in the "basic monthly rental" and "pro rata share" figures and with Metrum-Datatape paying for the actual cost of such conversion, as estimated in the Scope of Work and Construction Bid from Heil Construction, Inc. attached hereto as Exhibit "D" and made a part hereof. Pharmacia further reserves the right to access those portions of the Premises containing telephone switches, utility meters, connections and equipment and other equipment servicing the entire Building for repair and maintenance purposes. Finally, Metrum-Datatape acknowledges and agrees that Pharmacia shall have the right to lease to third parties (other than GNP or Metrum-Datatape) eighty-one parking spaces relating to the parking structure (thirty-three (33) on the upper deck and forty-eight (48) on the surface lot between the parking structure ramp and Huntington Drive), notwithstanding anything in the Sublease or this Amendment to the contrary.

6. <u>Test Chamber Movement</u>. Metrum-Datatape shall be responsible for moving the test chamber from its existing location in the Leased Premises to the location previously approved by Pharmacia within the Premises in full compliance with all applicable governmental and Landlord requirements; provided, however, that such relocation shall be at the sole cost and expense of Pharmacia, but not to exceed $92,000, unless the lowest reasonable and responsible bid received for such moving services plus other related out-of-pocket costs (including without limitation removal of existing concrete slab, asphalt patching, paint touch-up and interior piping demolition) is greater than such amount, in which case Pharmacia shall pay the greater amount, but not to exceed $110,000. Further, upon the expiration or earlier termination of the Sublease, Metrum-Datatape shall be solely responsible, at its own cost and expense, for the removal of any external or interior piping and concrete slab, asphalt patching, paint touch-up and repair of any damage or penetrations of walls caused by such chamber at or external to the new location within the Leased Premises, in addition to any other repair or restoration obligations it may have under the Sublease.

7. <u>Acknowledgment of Shared Premises</u>. Metrum-Datatape acknowledges that the balance of the Leased Premises (other than the Common Areas) (the "GNP Premises") have been subleased by Pharmacia to GNP Computers, Inc. ("GNP"). Metrum-Datatape agrees to cooperate in all reasonable respects with GNP in the use and occupancy of the Building, including without limitation, the use of Common Areas, the sharing of the lobby, the maintenance of the card access security system (in both the Building and the parking structure) and parking areas. Metrum-Datatape agrees to report any disputes between GNP and Metrum-Datatape to Pharmacia for prompt resolution. Metrum-Datatape further acknowledges that Pharmacia has retained Investment Development Services, Inc. ("IDS") as its property manager for the Building and agrees to cooperate in all reasonable respects with IDS in its management of the Building on Pharmacia's behalf. Finally, Metrum-Datatape acknowledges and agrees that the license previously granted pursuant to Section 2(b) of the Sublease for use of the GNP Premises has been revoked and that Metrum-Datatape has no further right or interest in such GNP Premises.

Notwithstanding the foregoing, the indemnification of Pharmacia set forth in Section 5 of the Sublease shall continue in full force and effect as to the GNP Premises and the Common Areas for any liabilities, claims, costs, expenses, actions or causes of action incurred under the Sublease and related to the GNP Premises and the Common Areas between the Effective Date and the date hereof.

8. <u>Furniture, Fixtures and Equipment</u>. Metrum-Datatape may continue to use Pharmacia's leased furniture, fixtures and equipment currently located in the Premises, together with the existing AT&T System 75 PBX, Audix Voice Mail System and Microcall Call Accounting System, the maintenance and repair of which shall be at Metrum-Datatape's sole cost and expense through the expiration date of the Sublease. Metrum-Datatape and Pharmacia shall agree on a detailed inventory of such furniture, fixtures and equipment within thirty (30) days' of the date hereof.

9. <u>Pharmacia's Representations</u>. Pharmacia represents and warrants that, to the best of its knowledge: (a) the Lease is in full force and effect; (b) Pharmacia is not in default under the terms of the Lease or any assignment or sublease thereof and there has been no event or omission which, with the passage of time or the giving of notice, would constitute such a default by Pharmacia under the Lease or any such assignment or sublease; (c) Pharmacia is not aware of any default under the terms of the Lease by Landlord; (d) Pharmacia has not assigned the Lease nor currently sublet the Premises to any party other than Metrum-Datatape; (e) it has the full right, power and authority to enter into this Amendment without the prior consent of any other person, corporation or governmental entity (except for the approval

of the Landlord to this Amendment as provided for in Section 3(a)(ii) of the Sublease); and (f) the lease term set forth in Article 2 of the Lease expires February 1, 2004.

10. Metrum-Datatape's Representations. Metrum-Datatape represents and warrants to Pharmacia that: (a) it is a corporation, validly existing and in good standing under the laws of Delaware and has the power to own its own property and is authorized to do business in California; (b) it has the full right, power and authority to enter into this Sublease without the prior consent of any other person, corporation or governmental entity; and (c) the execution of this Amendment and the performance of the Sublease will not cause the breach of Metrum-Datatape's Bylaws or Certificate of Incorporation or any agreement to which Metrum-Datatape is or may be bound.

11. Miscellaneous

(a) Continuing Effectiveness of Agreement. Except as expressly modified by this Amendment, the Agreement shall continue unmodified and in full force and effect, and this Amendment shall be subject to all of the unmodified terms of the Agreement, which terms are hereby incorporated by this reference.

(b) Counterparts and Execution. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original Amendment, but all of which constitute one (1) Amendment, binding on the parties hereto. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart.

(c) Applicable Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California.

(d) Entire Agreement Modification. This Amendment contains the entire understanding among the parties hereto and supersedes any prior or contemporaneous understanding, correspondence, negotiations, or agreements between them respecting the within subject matter other than the Sublease. No alteration, modification or interpretation of this Amendment shall be binding unless in writing and signed by both parties. The execution of this Amendment by Pharmacia shall in no way constitute a waiver by Pharmacia of any rights or remedies it has against Metrum-Datatape for any defaults or breaches by Metrum-Datatape occurring prior to the date hereof under the Sublease.

(e) Exhibits. All exhibits attached to and to which reference is made in, this Amendment are incorporated into, and shall be deemed a part of, this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date and year first above written.

"Pharmacia"

PHARMACIA & UPJOHN COMPANY,
A Delaware corporation

By: /s/ Ted P. Pokorski

Its: Manager, Office
Facilities & Real Estate

METRUM-DATATAPE, INC.,
A Delaware corporation

By: /s/ Richard L. Davis

Its: Vice President

SYPRIS SOLUTIONS INC.
PROFIT SHARING BONUS PLAN

2000 FISCAL YEAR

1. Establishment of Plan.

Sypris Solutions Inc., a Delaware corporation (the "Company"), established this profit sharing bonus plan effective as of January 3, 2000 (the "Plan"), to provide a financial incentive for employees of the Company to advance the growth and prosperity of the Company.

2. Eligibility.

All full-time employees of the Company shall be eligible to participate in the Plan, other than those employees who are specifically included in another incentive bonus and/or profit sharing plan of the Company in lieu of participation in this Plan.

3. Profit Sharing Pool.

Award amounts will be based on a Profit Sharing Pool that shall be comprised of ten percent (10%) of the increase in the consolidated Profit Before Bonus and Taxes of the Company for the current fiscal year from the previous fiscal year, as reported on the consolidated financial statements of the Company. No award shall be granted should the Profit Before Bonus and Taxes of the Company for the current fiscal year decline from that of the previous fiscal year.

4. Participants.

(a) Eligibility. Employees of the Company who are specifically designated by the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee") for participation during the current fiscal year. A list of the participants shall be attached to a copy of this Plan and shall include each participant's name, salary, start date (for purposes of the current fiscal year), maximum percentage share of the Key Executive Award, and objectives for the year.

(b) Amount of Award. Each eligible employee shall be entitled to an amount equal to his or her maximum percentage share, subject to an adjustment and/or determination by the Compensation Committee to reflect (i) the actual contribution of the employee to the Company's performance and profitability during the course of the fiscal year, (ii) the portion of the fiscal year employed, (iii) his or her performance to goals, and (iv) the recommendation of the President and CEO of the Company, subject to the cap on such award as provided herein and the provisions of Sections 4(c), 8(a) and 8(b) below. The maximum amount payable to an eligible employee shall be equal to the lesser of his or her maximum percentage share or one hundred percent (100%) of the eligible employee's base salary.

(c) Time of Payment. Awards shall be payable to each eligible employee as soon as administratively practicable after release of the audited annual financial statements of the Company; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

5. Method of Payment.

Awards shall be payable by check in lump sum. All such payments shall be subject to withholding for income, social security or other such payroll taxes as may be appropriate.

6. Administration.

The Compensation Committee shall administer this Plan. The decisions of the Compensation Committee in interpreting and applying the Plan shall be final.

7. Miscellaneous.

(a) Employment Rights. The adoption and maintenance of this Plan is not an employment agreement between the Company and any employee. Nothing herein contained shall be deemed to give any employee the right to be retained in the employ of the Company nor to interfere with the right of the Company to discharge any employee at any time.

(b) Amendment and Termination. The Company may, without the consent of any employee or beneficiary, amend or terminate the Plan at any time and from time-to-time.

(c) Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

(d) Construction. The headings and subheadings of this Plan have been inserted for convenience for reference only and are to be ignored in any construction of the provisions hereof. The masculine shall be deemed to include the feminine, the singular shall include the plural, and the plural shall include the singular unless the context otherwise requires. The invalidity or unenforceability of any provision hereunder shall not affect the validity or enforceability of the balance hereof. This Plan represents the entire undertaking by the Company concerning its subject matter and supersedes all prior undertakings with respect thereto. No provision hereof may be waived or discharged except by a written document approved by the Compensation Committee and signed by a duly authorized representative of the Company.

SYPRIS SOLUTIONS INC.

/s/ Jeffrey T. Gill

President & CEO

1/3/2000

Date

GROUP TECHNOLOGIES CORPORATION
PROFIT SHARING BONUS PLAN

2000 FISCAL YEAR

1. Establishment of Plan.

Sypris Solutions Inc., a Delaware corporation ("Sypris"), established this profit sharing bonus plan effective as of January 3, 2000 (the "Plan"), to provide a financial incentive for the employees of Group Technologies Corporation, a wholly-owned subsidiary and a Florida corporation (the "Company"), to advance the growth and prosperity of Sypris and the Company.

2. Eligibility.

All full-time employees of the Company shall be eligible to participate in the Plan, other than those employees who are specifically included in another incentive bonus and/or profit sharing plan of the Company in lieu of participation in this Plan.

3. Profit Sharing Pool.

(a) Award amounts will be based on a Profit Sharing Pool that shall be comprised of (i) five percent (5%) of the Profit Before Bonus and Taxes of the Company for the previous fiscal year and (ii) thirty percent (30%) of the increase in Profit Before Bonus and Taxes of the Company for the current fiscal year from the previous fiscal year, as reported on the financial statements of the Company. No award shall be granted should the Profit Before Bonus and Taxes of the Company for the current fiscal year decline from that of the previous fiscal year.

(b) The sum of the face amount of all accounts receivable which have not been collected within ninety (90) days of the date of invoice and which have not otherwise been reserved for on the Company's balance sheet as of December 31, 2000, shall be deducted from the Profit Sharing Pool and classified as a "Delayed Bonus Payment." If an invoice is determined to be uncollectable and is subsequently written-off, the amount of the Delayed Bonus Payment will be reduced accordingly.

(c) The Profit Sharing Pool and the Delayed Bonus Payment shall be divided into two award levels, with thirty-five percent (35%) of the Profit Sharing Pool and the Delayed Bonus Payment set aside for award to Key Executives (the "Key Executive Award") and sixty-five percent (65%) of the Profit Sharing Pool and the Delayed Bonus Payment set aside for Key Employees (the "Key Employee Award").

4. Key Executive Award.

(a) Eligibility. Key Executives shall be eligible employees of the Company who are specifically designated by the Compensation Committee of the Board of Directors of Sypris (the "Compensation Committee") for participation during the current fiscal year. A list of the participants shall be attached to a copy of this Plan and shall include each participant's name, salary, start date (for purposes of the current fiscal year), maximum percentage share of the Key Executive Award, and objectives for the year.

(b) Amount of Award. Each eligible Key Executive employee shall be entitled to an amount equal to his or her maximum percentage share of the Key Executive Award, subject to an adjustment and/or determination by the Compensation Committee to reflect (i) the actual contribution of the employee to the Company's performance and profitability during the course of the fiscal year, (ii) the portion of the fiscal year employed, (iii) his or her performance to goals, and (iv) the recommendation of the President and CEO of the Company, subject to the cap on such award as provided herein and the provisions of Sections 4(c), 8(a) and 8(b) below. The maximum amount payable to an eligible Key Executive employee shall be equal to the lesser of his or her maximum percentage share of the Key Executive Award or one hundred percent (100%) of the eligible Key Executive employee's base salary.

(c) Time of Payment. Awards shall be payable to each eligible Key Executive employee as soon as administratively practicable after release of the audited annual financial statements of Sypris; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

(d) Delayed Bonus Payment. Distribution of the Delayed Bonus Payment will be made to each eligible Key Executive employee when payment of all invoices which created the Delayed Bonus Payment have been received and/or the amounts have been written-off by the Company; provided, however, that the Plan shall be in effect as of the date of the payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

5. Key Employee Award.

(a) Eligibility. Key Employees shall be eligible employees of the Company who are specifically designated by the Compensation Committee for participation during the current fiscal year. A list of the participants shall be attached to a copy of this Plan and shall include each participant's name, salary, start date (for purposes of the current fiscal year) and maximum percentage share of the Key Employee Award.

(b) Amount of Award. Each eligible Key Employee shall be entitled to an amount equal to his or her maximum percentage share of the Key Employee Award, subject to an adjustment and/or determination by the Compensation Committee to reflect (i) the actual contribution of the employee to the Company's performance and profitability during the course of the fiscal year, (ii) the portion of the fiscal year employed, and (iii) the recommendation of the President and CEO of the Company, subject to the cap on such award as provided herein and the provisions of Sections 5(c), 8(a) and 8(b) below. The maximum amount payable to an eligible Key Employee shall be equal to the lesser of his or her maximum percentage share of the Key Executive Award or one hundred percent (100%) of the eligible Key Employee's base salary.

(c) Time of Payment. Awards shall be payable to each eligible Key Employee as soon as administratively practicable after release of the audited annual financial statements of Sypris; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

(d) Delayed Bonus Payment. Distribution of the Delayed Bonus Payment will be made to each eligible employee when payment of all invoices which created the Delayed Bonus Payment have been received and/or the amounts have been written-off by the Company; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

6. Method of Payment.

Awards shall be payable by check in lump sum. All such payments shall be subject to withholding for income, social security or other such payroll taxes as may be appropriate.

7. Administration.

The Compensation Committee shall administer this Plan. The decisions of the Compensation Committee in interpreting and applying the Plan shall be final.

8. Miscellaneous.

(a) Employment Rights. The adoption and maintenance of this Plan is not an employment agreement between the Company and any employee. Nothing herein contained shall be deemed to give any employee the right to be retained in the employ of the Company nor to interfere with the right of the Company to discharge any employee at any time.

(b) Amendment and Termination. The Company may, without the consent of any employee or beneficiary, amend or terminate the Plan at any time and from time-to-time.

(c) Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

(d) Construction. The headings and subheadings of this Plan have been inserted for convenience for reference only and are to be ignored in any construction of the provisions hereof. The masculine shall be deemed to include the feminine, the singular shall include the plural, and the plural shall include the singular unless the context otherwise requires. The invalidity or unenforceability of any provision hereunder shall not affect the validity or enforceability of the balance hereof. This Plan represents the entire undertaking by the Company concerning its subject matter and supersedes all prior undertakings with respect thereto. No provision hereof may be waived or discharged except by a written document approved by the Compensation Committee and signed by a duly authorized representative of the Company.

SYPRIS SOLUTIONS INC.	GROUP TECHNOLOGIES CORP.
/s/ Jeffrey T. Gill	/s/ Thomas W. Lovelock
President & CEO	President & CEO
1/3/2000	1/3/2000
Date	Date

TUBE TURNS TECHNOLOGIES, INC.
PROFIT SHARING BONUS PLAN

2000 FISCAL YEAR

1. Establishment of Plan.

Sypris Solutions Inc., a Delaware corporation ("Sypris"), established this profit sharing bonus plan effective as of January 3, 2000 (the "Plan"), to provide a financial incentive for the employees of Tube Turns Technologies, Inc., a wholly-owned subsidiary and a Kentucky corporation (the "Company"), to advance the growth and prosperity of Sypris and the Company.

2. Eligibility.

All full-time employees of the Company shall be eligible to participate in the Plan, other than those employees who are specifically included in another incentive bonus and/or profit sharing plan of the Company in lieu of participation in this Plan.

3. Profit Sharing Pool.

(a) Award amounts will be based on a Profit Sharing Pool that shall be comprised of (i) five percent (5%) of the Profit Before Bonus and Taxes of the Company for the previous fiscal year and (ii) thirty percent (30%) of the increase in Profit Before Bonus and Taxes of the Company for the current fiscal year from the previous fiscal year, as reported on the financial statements of the Company. No award shall be granted should the Profit Before Bonus and Taxes of the Company for the current fiscal year decline from that of the previous fiscal year.

(b) The sum of the face amount of all accounts receivable which have not been collected within ninety (90) days of the date of invoice and which have not otherwise been reserved for on the Company's balance sheet as of December 31, 2000, shall be deducted from the Profit Sharing Pool and classified as a "Delayed Bonus Payment." If an invoice is determined to be uncollectable and is subsequently written-off, the amount of the Delayed Bonus Payment will be reduced accordingly.

(c) The Profit Sharing Pool and the Delayed Bonus Payment shall be divided into two award levels, with thirty-five percent (35%) of the Profit Sharing Pool and the Delayed Bonus Payment set aside for award to Key Executives (the "Key Executive Award") and sixty-five percent (65%) of the Profit Sharing Pool and the Delayed Bonus Payment set aside for Key Employees (the "Key Employee Award").

4. Key Executive Award.

(a) Eligibility. Key Executives shall be eligible employees of the Company who are specifically designated by the Compensation Committee of the Board of Directors of Sypris (the "Compensation Committee") for participation during the current fiscal year. A list of the participants shall be attached to a copy of this Plan and shall include each participant's name, salary, start date (for purposes of the current fiscal year), maximum percentage share of the Key Executive Award, and objectives for the year.

(b) Amount of Award. Each eligible Key Executive employee shall be entitled to an amount equal to his or her maximum percentage share of the Key Executive Award, subject to an adjustment and/or determination by the Compensation Committee to reflect (i) the actual contribution of the employee to the Company's performance and profitability during the course of the fiscal year, (ii) the portion of the fiscal year employed, (iii) his or her performance to goals, and (iv) the recommendation of the President and CEO of the Company, subject to the cap on such award as provided herein and the provisions of Sections 4(c), 8(a) and 8(b) below. The maximum amount payable to an eligible Key Executive employee shall be equal to the lesser of his or her maximum percentage share of the Key Executive Award or one hundred percent (100%) of the eligible Key Executive employee's base salary.

(c) Time of Payment. Awards shall be payable to each eligible Key Executive employee as soon as administratively practicable after release of the audited annual financial statements of Sypris; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

(d) Delayed Bonus Payment. Distribution of the Delayed Bonus Payment will be made to each eligible Key Executive employee when payment of all invoices which created the Delayed Bonus Payment have been received and/or the amounts have been written-off by the Company; provided, however, that the Plan shall be in effect as of the date of the payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

5. Key Employee Award.

(a) Eligibility. Key Employees shall be eligible employees of the Company who are specifically designated by the Compensation Committee for participation during the current fiscal year. A list of the participants shall be attached to a copy of this Plan and shall include each participant's name, salary, start date (for purposes of the current fiscal year) and maximum percentage share of the Key Employee Award.

(b) Amount of Award. Each eligible Key Employee shall be entitled to an amount equal to his or her maximum percentage share of the Key Employee Award, subject to an adjustment and/or determination by the Compensation Committee to reflect (i) the actual contribution of the employee to the Company's performance and profitability during the course of the fiscal year, (ii) the portion of the fiscal year employed, and (iii) the recommendation of the President and CEO of the Company, subject to the cap on such award as provided herein and the provisions of Sections 5(c), 8(a) and 8(b) below. The maximum amount payable to an eligible Key Employee shall be equal to the lesser of his or her maximum percentage share of the Key Executive Award or one hundred percent (100%) of the eligible Key Employee's base salary.

(c) Time of Payment. Awards shall be payable to each eligible Key Employee as soon as administratively practicable after release of the audited annual financial statements of Sypris; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

(d) Delayed Bonus Payment. Distribution of the Delayed Bonus Payment will be made to each eligible employee when payment of all invoices which created the Delayed Bonus Payment have been received and/or the amounts have been written-off by the Company; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. No employee shall have any right to payment of an award unless the Plan is in effect and the employee is employed by the Company as of the date of payment.

6. Method of Payment.

Awards shall be payable by check in lump sum. All such payments shall be subject to withholding for income, social security or other such payroll taxes as may be appropriate.

7. Administration.

The Compensation Committee shall administer this Plan. The decisions of the Compensation Committee in interpreting and applying the Plan shall be final.

8. Miscellaneous.

(a) Employment Rights. The adoption and maintenance of this Plan is not an employment agreement between the Company and any employee. Nothing herein contained shall be deemed to give any employee the right to be retained in the employ of the Company nor to interfere with the right of the Company to discharge any employee at any time.

(b) Amendment and Termination. The Company may, without the consent of any employee or beneficiary, amend or terminate the Plan at any time and from time-to-time.

(c) Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

(d) Construction. The headings and subheadings of this Plan have been inserted for convenience for reference only and are to be ignored in any construction of the provisions hereof. The masculine shall be deemed to include the feminine, the singular shall include the plural, and the plural shall include the singular unless the context otherwise requires. The invalidity or unenforceability of any provision hereunder shall not affect the validity or enforceability of the balance hereof. This Plan represents the entire undertaking by the Company concerning its subject matter and supersedes all prior undertakings with respect thereto. No provision hereof may be waived or discharged except by a written document approved by the Compensation Committee and signed by a duly authorized representative of the Company.

SYPRIS SOLUTIONS INC.	TUBE TURNS TECHNOLOGIES, INC.
/s/ Jeffrey T. Gill	/s/ John M. Kramer
President & CEO	President & CEO
1/3/2000	1/3/2000
Date	Date

SYPRIS SOLUTIONS INC.
EXECUTIVE BONUS PLAN
2001 FISCAL YEAR

1. Establishment of Plan.

Sypris Solutions Inc., a Delaware corporation (the "Company"), established this executive bonus plan effective as of January 2, 2001 (the "Plan"), to provide a financial incentive for employees of the Company to advance the growth and prosperity of the Company.

2. Eligibility.

Officers of the Company who are specifically designated by the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee") for participation during the current year shall be eligible to participate in the Plan.

3. Bonus Potential.

The Bonus Potential for each participant will be established and approved by the Compensation Committee at the beginning of each Plan year. Each participant will be provided with a copy of this Plan, which will include an exhibit that lists the participant's full name, salary, start date (for purposes of the current fiscal year), cash bonus potential, stock option bonus potential, the Company's (and the subsidiary's, in the case of a subsidiary president) financial plan benchmarks and management objectives for the current year. Participants who serve in the capacity of president of a Company subsidiary will derive 20% of their Bonus Potential from the performance of the Company and 80% of their Bonus Potential from the performance of the individual subsidiary for which they are responsible, as more fully described below, in accordance with the provisions of this Plan.

(a) Cash Bonus Potential. The Cash Bonus Potential will be divided into five award components of equal amount. Four of the award components will be allocated to each of the four quarters of the year, while the fifth award component will be allocated to the fiscal year. An award component will be deemed to have been activated and therefore available for future payment upon the achievement of at least 90% of the Company's (and/or the subsidiary's, in the case of a subsidiary president) financial plan for profit before bonus and tax and no more than 105% of the financial plan for average monthly net working capital for the period to which the award component has been allocated, with the exception of the fiscal year, for which at least 100% of the Company's (and/or the subsidiary's, in the case of a subsidiary president) financial plan must be achieved (the "Plan Metrics").

Should the Company's financial performance for any given quarter fail to meet the Plan Metrics for that quarter, the participant will still have the opportunity to activate that award component currently, or at some future point during the Plan year, based upon the achievement of the Company's Plan Metrics on a year-to-date basis. Once an award component has been activated, it will remain available for future payment regardless of any subsequent shortfall in financial performance by the Company.

(b) Stock Option Bonus Potential. The Stock Option Bonus Potential will also be divided into five award components of equal amount. Four of the award components will be allocated to each of the four quarters of the year, while the fifth award component will be allocated to the fiscal year. An award component will be deemed to have been activated and therefore available for future grant upon the achievement of the Company's (and/or the subsidiary's, in the case of a subsidiary president) Plan Metrics for the period to which the award component has been allocated.

Should the Company's financial performance for any given quarter fall short of the Plan Metrics for that quarter, the participant will still have the opportunity to activate that award component currently, or at some future point during the Plan year, based upon the achievement of the Company's Plan Metrics on a year-to-date basis. Once an award component has been activated, it will remain available for future grant regardless of any subsequent shortfall in financial performance by the Company.

(c) <u>Acquisitions and Divestitures</u>. The Plan Metrics will be adjusted to reflect the expected impact of any acquisitions and/or divestitures that are completed during the current Plan year at the time of such acquisition or divestiture.

4. <u>Bonus Award</u>.

Each eligible participant will be entitled to an amount equal to the sum of the cash award components and the sum of the shares represented by the stock option award components that have been activated during the Plan year, subject to the provisions of Sections 7(a), 7(b) and the following:

(a) <u>Management Objectives</u>. Each participant will have up to five Management Objectives for the Plan year, each of which will be specific with regard to (i) the expected outcome, (ii) the expected financial impact on the Company and (iii) the date or dates by which the objective must be achieved. Each objective will receive a weighting, the total of which for all objectives will be equal to 100%. The president and chief executive officer of the Company will have the responsibility to review and determine each participant's performance to objectives and to assign each individual a percentage that will be used as a factor to determine the actual amount of the awards to be distributed.

(b) <u>Discretionary Review</u>. The president and chief executive officer of the Company will have the discretion to increase the actual amount of the awards to be distributed by up to 20% of the participant's Bonus Potential, based upon the individual's specific performance and contribution to the Company. Such discretion will be used sparingly and will generally be limited to the recognition of extenuating circumstances and/or exceptional accomplishments that may or may not have been captured by the Management Objectives.

(c) <u>Approval of the Compensation Committee</u>. The Bonus Award for each participant will be subject to the review of and approval by the Compensation Committee. As a matter of policy, the Compensation Committee will not approve the award of any bonus that would otherwise lead or contribute to an operating loss as reported on the consolidated financial statements of Sypris Solutions Inc.

(d) <u>Qualification</u>. Awards will be payable to each eligible participant as soon as administratively practicable after release of the audited annual financial statements of the Company and the approval of the Compensation Committee; provided, however, that the Plan shall be in effect as of the date of payment and such employee shall be employed by the Company as of the date of payment. NO EMPLOYEE SHALL HAVE ANY RIGHT TO PAYMENT OF AN AWARD UNLESS THE PLAN IS IN EFFECT AND THE EMPLOYEE IS EMPLOYED BY THE COMPANY AS OF THE DATE OF PAYMENT.

5. <u>Method of Distribution</u>.

Cash awards shall be payable by check in lump sum. All such payments will be subject to withholding for income, social security or other such payroll taxes as may be appropriate. Stock option grants will be granted under and subject to the Sypris Solutions Inc. 1994 Stock Option Plan for Key Employees and will contain an option price that will be equal to the closing price of the common stock on the over-the-counter market, as reported by the Nasdaq Stock Market, on the date of grant.

6. <u>Administration</u>.

The Compensation Committee shall administer this Plan. The decisions of the Compensation Committee in interpreting and applying the Plan shall be final.

7. <u>Miscellaneous</u>.

(a) <u>Employment Rights</u>. The adoption and maintenance of this Plan is not an employment agreement between the Company and any employee. Nothing herein contained shall be deemed to give any employee the right to be retained in the employ of the Company nor to interfere with the right of the Company to discharge any employee at any time.

(b) Amendment and Termination. The Company may, without the consent of any employee or beneficiary, amend or terminate the Plan at any time and from time-to-time.

(c) Governing Law. This Plan shall be governed by and construed in accordance with the laws of the State of Delaware.

(d) Construction. The headings and subheadings of this Plan have been inserted for convenience for reference only and are to be ignored in any construction of the provisions hereof. The masculine shall be deemed to include the feminine, the singular shall include the plural, and the plural shall include the singular unless the context otherwise requires. The invalidity or unenforceability of any provision hereunder shall not affect the validity or enforceability of the balance hereof. This Plan represents the entire undertaking by the Company concerning its subject matter and supersedes all prior undertakings with respect thereto. No provision hereof may be waived or discharged except by a written document approved by the Compensation Committee and signed by a duly authorized representative of the Company.

IN WITNESS WHEREOF, the parties have entered into this Plan as of the date first written above.

SYPRIS SOLUTIONS INC. PARTICIPANT

/s/ Robert E. Gill

____________________________ ______________________

Robert E. Gill
Chairman

/s/ Henry F. Frigon

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Henry F. Frigon
Chairman
Compensation Committee

/s/ Jeffrey T. Gill

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Jeffrey T. Gill
President and CEO

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of the 28th day of February, 2000, between METRUM-DATATAPE, INC, a Delaware corporation (the "Company") and G. DARRELL ROBERTSON , a new employee of the Company (the "Employee").

WHEREAS, the Company recognizes that the Employee has made a commitment to relocate his family from Pennsylvania to California in order to join the Company and, in order to relieve the Employee of any apprehension concerning employment security during his period of transition to the Company and, therefore, help ensure that the Employee remains dedicated and focused on managing the affairs of the Company, the Company desires to enter into this Agreement with the Employee; and

WHEREAS, the Employee: (i) has read and understands the terms and conditions of this Agreement, and (ii) desires and intends to remain employed by the Company in the Employee's present position, pursuant to the terms and conditions hereof, and (iii) further intends to expend the Employee's time, knowledge, expertise and energy while at work to help the Company build upon and improve the condition of the business.

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

I. EMPLOYMENT PROVISIONS

1.1. Term. This Agreement shall be for a term of one-year commencing on February 28, 2000 and ending on February 27, 2001, unless the Employee's employment with the Company ends before that date for any of the reasons which are specified in Section 1.4 of this Agreement (the "Term").

1.2. Compensation and Benefits. As consideration for the services rendered by the Employee pursuant to this Agreement, including the agreement to devote the Employee's full business time and efforts to the performance of the duties and responsibilities of the Employee's position or positions at the Company, the Company will provide compensation and benefits to the Employee as follows:

(a) Salary. A base salary of ONE HUNDRED EIGHTY FIVE THOUSAND DOLLARS ($185,000), which will be dispersed in accordance with the standard payroll practices of the Company for salaried personnel. During the Term of this Agreement, the Company may increase the base salary of the Employee at the Company's sole discretion.

(b) Vacation. Paid vacation in accordance with the Company's vacation schedule policy.

(c) Additional Benefits. Participation (at the expense of the Company, where lawful and consistent with Company policy) in any and all employee retirement, medical, life and disability insurance and other benefits made available to salaried employees of the Company.

1.3. Termination of Employment With Payment. If the Employee is terminated by the Company during the Term of this Agreement without cause or for reasons other than those described in Section 1.4 hereof, the Company will compensate the Employee as follows:

(a) the Company will provide the Employee with pay continuance for a period of one year from the date of termination. Pay continuance will be calculated based upon an annual rate which is equal to the Employee's base salary at the time of termination, less any applicable federal and state taxes, and will be dispersed in accordance with the standard payroll practices of the Company for salaried personnel;

(b) the Company will make a lump sum payment to the Employee at the time of termination for all earned and/or accrued vacation days through the date of termination;

(c) the Company will provide hospitalization and medical insurance coverage, equal to the coverage provided to active salaried employees of the Company under its employee health plan (prior to the exercise of COBRA rights), for a period of one year from the date of termination; and

(d) the Company will provide life insurance coverage equal to the coverage provided by the Company's life insurance plan to active salaried employees of the Company for a period of one year from the date of termination.

1.4. Termination of Employment Without Payment. Should the Employee's employment with the Company terminate prior to the expiration of the Term of this Agreement upon the occurrence of any one or more of the following events, the Company will be without any further obligation to the Employee and will be under no obligation to provide the Employee with any compensation whatsoever pursuant to this Agreement other than salary and/or vacation pay in accordance with the then current policies of the Company:

(a) the voluntary resignation of the Employee (in which case the Employee will also agree to reimburse the Company for all out-of-pocket expenses incurred by it for purposes of hiring and relocating the Employee and his family to California from Pennsylvania);

(b) the death of the Employee;

(c) the material failure by the Employee to meet the performance standards of the Employee's job, as determined by the Company, provided that such material failure has not been cured within a reasonable time required to cure such failure;

(d) gross negligence or willful misconduct by the Employee in the performance of the Employee's duties for the Company;

(e) a material breach by Employee of any of the obligations of this Agreement, including, specifically, but not limited to the confidentiality provisions contained in Section 2.4 hereof;

(f) the conviction of the Employee (or the entering of a plea of guilty or nolo contendere by the Employee) for fraud, misappropriation, embezzlement, financial misconduct, or any other felony;

(g) the determination by the Company that the Employee has been unable, for a continuous period of at least six (6) months or for shorter periods totaling six (6) months during any 12-month period, to perform the Employee's duties because of injury, illness, or other physical or mental disability for which the Company was unable to make reasonable accommodation; or

(h) the refusal by the Employee to accept an offer of employment by the Company, any affiliate of the Company, or any successor to the Company, at a base salary that is equal to or greater than the Employee's base salary at the time the offer is made, unless such offer of employment is for a job at a location that is outside of the Continental United States.

II. GENERAL PROVISIONS

2.1. Representations by the Employee. The Employee hereby represents and warrants to the Company that:

(a) the Employee's execution and delivery of this Agreement and the performance of the Employee's duties and obligations hereunder will not conflict with, cause a breach or default under, or give any party a right to damages under (or to terminate) any other agreement to which the Employee is party or by which Employee is bound; and

(b) there are no restrictions, agreements or understandings that would make unlawful the Employee's execution or delivery of this Agreement or the Employee's employment hereunder.

2.2. Right of Offset. The parties hereto agree that the Company may reduce any compensation otherwise payable to the Employee under this Agreement by any amounts payable by the Employee to the Company or an affiliate of the Company.

2.3. Noncompetition.

(a) The Employee agrees that, during the Term of this Agreement, he will refrain from directly or indirectly (i) engaging or participating, as a principal, officer, director, employee, shareholder, investor, consultant, advisor, partner, joint venturer, broker, agent, equity owner, or in any other capacity whatsoever, in any business enterprise (regardless of whether it is a sole proprietorship or a corporation, partnership, trust, business association, or other equity) that engages (in the United States), directly or indirectly, in providing electronic testing services, calibration services and/or the sale of gaussmeters, current sensors and probes for commercial customers or for agencies of the United States government; or (ii) causing or attempting to cause (A) any person or entity to whom or for whom the Company or any subsidiary of the Company sells or distributes any product to terminate or reduce its relationship or dealings with the Company or such subsidiary, or (B) any company whose products are sold by or through the Company or any subsidiary of the Company to terminate or reduce its relationship or dealings with the Company or such subsidiary; (iii) causing or attempting to cause any employee, agent, consultant, or independent contractor of the Company or of any subsidiary of the Company to cease serving the Company in such capacity; or (iv) hiring or otherwise retaining or soliciting any person who is employed by the Company as an employee, consultant or other contractor of the Company.

2.4. Confidentiality.

(a) General Information. The Employee shall refrain from disclosing to any other person or entity any confidential documents or confidential information concerning the Company or its affiliates obtained by the Employee at any time. "Confidential Information" shall include but not be limited to communications with customers and active prospective customers, prices, contracts, financial information, marketing strategies, customer programs, computer programs, intellectual property and any other such information that would not otherwise be generally known by or available to a third party.

(b) Information Regarding this Agreement. Except as may be necessary to enforce the terms of this Agreement or as may otherwise be required by law, the Employee shall not disclose to any other person or entity: (i) any of the contents of this Agreement, (ii) any of the contents of the discussions, negotiations, or correspondence leading up to this Agreement, or (iii) any information regarding a potential or actual transaction concerning the business.

The parties hereto agree that the provisions contained in Section 2.4(a) shall survive the termination of this Agreement and shall remain in force for a period of three (3) years thereafter.

2.5. Expenses. Except as otherwise specifically provided in this Agreement, each party hereto will pay its own expenses respectively incurred or to be incurred by it in performing its obligations under this Agreement, or in consummating the transactions contemplated by this Agreement.

2.6. Notices. Any notice or communication given pursuant to this Agreement must be in writing and (a) delivered personally, (b) sent by telefacsimile or other similar facsimile transmission, (c) delivered by overnight express, or (d) sent by registered or certified mail, postage prepaid, as follows:

(i) If to the Employee:

G. Darrell Robertson
561 Nancy Road
Yardley, Pennsylvania 19067
Facsimile number: (215) 428-4587

(ii) If to the Company:

Metrum-Datatape, Inc.
605 East Huntington Drive
Monrovia, California 91016-3636
Attention: Vice President of Finance
Facsimile number: (626) 930-9475

All notices and other communication required or permitted under this Agreement that are addressed as provided in this Section 2.6 will (a) if delivered personally or by overnight express, be deemed given upon delivery; (b) if delivered by telefacsimile or similar facsimile transmission, be deemed given when electronically confirmed; and (c) if sent by registered or certified mail, be deemed given when received. Any party from time to time may change its address for the purpose of notices to that party by giving a similar notice specifying a new address, but no such notice will be deemed to have been given until it is actually received by the party sought to be charged with the contents thereof.

2.7. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior communications, agreements, understandings, representations, and warranties whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no oral or written agreements, understandings, representations, or warranties between the parties hereto with respect to the subject matter hereof other than those set forth in this Agreement.

2.8. Assignment and Amendment of Agreement. This Agreement will be binding upon the parties hereto and their respective successors and permitted assignees. Because the Employee's duties hereunder are special, personal and unique in nature, the Employee may not transfer, sell or otherwise assign the Employee's rights, obligations or benefits under this Agreement (and any attempt to do so will be void). The Company may assign its rights and obligations under this Agreement at its sole discretion. This Agreement may be modified or amended only by a writing duly executed on behalf of each party hereto.

2.9. Governing Law. This Agreement will be governed by and construed and enforced in accordance with the laws of the state of California (without regard to the principles of conflict of laws) applicable to a contract executed and to be performed in such state.

2.10. No Third Party Rights. Except as specifically provided in this Agreement, this Agreement is not intended and may not be construed to create any rights (including third party beneficiary rights) in any parties other than the Employee and the Company and their respective successors and permitted assignees.

2.11. Waiver and Remedies. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof. Any such waiver will be in writing and will be executed by such party. A waiver on one occasion will not be deemed to be a waiver of the same or any other breach on a future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

2.12. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, (c) the provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

2.13. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement as of the date first above written.

COMPANY:	EMPLOYEE:
METRUM-DATATAPE, INC.	G. DARRELL ROBERTSON
/s/ Jeffrey T. Gill	/s/ G. Darrell Robertson
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Jeffrey T. Gill	
Director	

EXHIBIT 21

SYPRIS SOLUTIONS, INC.
SUBSIDIARIES OF THE COMPANY

The Company's subsidiaries as of December 31, 2000 are as follows:

(1) Bell Technologies, Inc., a Florida corporation.

(2) Group Technologies Corporation, a Florida corporation.

(3) Metrum-Datatape, Inc., a Delaware corporation.

(4) Tube Turns Technologies, Inc., a Kentucky corporation.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in (i) Form S-8 Registration Statements Nos. 33-94546, 333-07195, 33-94544, 333-07199, 333-07111, 333-52589, 333-62781, 333-52593 and 333-77883, pertaining to the Sypris Solutions, Inc. 1994 Stock Option Plan for Key Employees (Formerly Group Technologies Corporation 1994 Stock Option Plan for Key Employees), to the Sypris Solutions, Inc. Independent Directors' Stock Option Plan (Formerly Group Technologies Corporation Independent Directors' Stock Option Plan), to the Sypris Solutions, Inc. Stock Option Plan Dated January 22, 1990 (Formerly Group Technologies Corporation Stock Option Plan Dated January 22, 1990) and (ii) Form S-8 Registration Statement No. 333-70319 pertaining to the Sypris Solutions, Inc. Employee Stock Purchase Plan, of our report dated February 16, 2001 with respect to the consolidated financial statements and schedule of Sypris Solutions, Inc. included in the Annual Report (Form 10-K) for the year ended December 31, 2000.

/s/ Ernst & Young LLP

Louisville, Kentucky
March 1, 2001