LOUISVILLE, KY – **Sypris Solutions Inc.** reported fourth-quarter 2007 revenue of $103.7 million, down 5.3% year-over-year.

The company recorded a net loss of $2.2 million, compared to a net loss of $1 million for the same period in 2006.

Results reflect a previously announced settlement agreement with Dana, which contributed $2.1 million to net income.

For the full year, Sypris reported revenue of $435.9 million, down 12.4% compared to 2006.

The company also recorded a net loss of $2.1 million for the year, compared to a net loss of $1.4 million in 2006. Net income includes the impact of the Dana settlement agreement (net of litigation expenses incurred) of $7.5 million.

Revenue for the Electronics Group was $44.8 million in the fourth quarter, up 55.2% year-over-year. Gross profit was $5.8 million compared to $5.7 million for the same period in 2006.

“The company’s fourth quarter earnings performance was in line with our expectations,” said Jeffrey T. Gill, president and CEO. “Stronger than anticipated revenue from our Electronics Group contributed to this performance.”

“Orders for our Electronics Group increased 29% compared to the prior year period, driven by a 32% year-over-year increase in bookings in our Aerospace and Defense segment, while revenue increased by 55%. The strength of this order pattern provides us with important support for achieving double-digit growth in the top line of this business during the coming years. Our Test and Measurement segment also posted strong bookings with orders and revenue increasing by 22% and 24%, respectively, compared to the prior year period.”

“Significant progress was made during 2007, laying the groundwork for a recovery during the second half of 2008, as increasing shipments from our Electronics Group combine with a recovery in demand for commercial vehicles. The wind down of program launch support costs, improved product mix and double-digit increases in volume are expected to drive an important expansion in margins for our Electronics Group, thereby leading to a more positive outlook for the back half of 2008 and beyond.”

Sypris expects revenue for the first quarter of 2008 to be in the range of $102 to $107 million compared to $111.4 million in 2007; first-quarter earnings are forecasted to be breakeven.