

Non-GAAP Financial Measures Reconciliation
Sypris Solutions, Inc.
October 2, 2011

Sypris Solutions, Inc. considers free cash flow to be an important metric of the Company's ability to service and repay its debt. Free cash flow is defined as cash provided by operating activities less capital expenditures. Free cash flow for periods ended in 2011 and 2010 are as follows (in thousands):

Reconciliation of Free Cash Flow and Free Cash Flow Before Restructuring Expense						
	Quarter ended October 2, 2011	Quarter ended July 3, 2011	Quarter ended April 3, 2011	Nine months ended October 2, 2011	Quarter ended October 3, 2010	Nine months ended October 3, 2010
Consolidated Cash Flow Statement:						
Cash flows from operating activities:						
Net cash provided by (used in) operating activities	A \$ 7,738	\$ 758	\$ 713	\$ 9,209	\$ (138)	\$ (198)
Cash flows from investing activities:						
Capital expenditures	B (929)	(1,520)	(1,378)	(3,827)	(373)	(1,003)
Proceeds from sale of assets	4,062	112	463	4,637	650	721
Changes in nonoperating assets and liabilities	10	12	22	44	(29)	7
Net cash provided by (used in) investing activities	3,143	(1,396)	(893)	854	248	(275)
Cash flows from financing activities:						
Repayment of former Revolving Credit Agreement	-	(10,000)	-	(10,000)	-	-
Repayment of former Senior Notes	-	(13,305)	-	(13,305)	-	-
Net proceeds from Credit Facility	(9,500)	22,000	-	12,500	-	-
Payments for deferred loan costs	(14)	(373)	-	(387)	-	-
Proceeds from issuance of common stock	-	48	16	64	-	-
Net cash provided by (used in) financing activities	(9,514)	(1,630)	16	(11,128)	-	-
Net increase (decrease) in cash and cash equivalents	1,367	(2,268)	(164)	(1,065)	110	(473)
Cash and cash equivalents at beginning of period	14,160	16,428	16,592	16,592	15,025	15,608
Cash and cash equivalents at end of period	\$ 15,527	\$ 14,160	\$ 16,428	\$ 15,527	\$ 15,135	\$ 15,135

	Quarter ended October 2, 2011	Quarter ended July 3, 2011	Quarter ended April 3, 2011	Nine months ended October 2, 2011	Quarter ended October 3, 2010	Nine months ended October 3, 2010
Free Cash Flow:						
Net cash provided by (used in) operating activities	A \$ 7,738	\$ 758	\$ 713	\$ 9,209	\$ (138)	\$ (198)
Capital expenditures	B (929)	(1,520)	(1,378)	(3,827)	(373)	(1,003)
Free cash flow	\$ 6,809	\$ (762)	\$ (665)	\$ 5,382	\$ (511)	\$ (1,201)
Free Cash Flow per Share						
Diluted shares outstanding	19,024	18,833	18,933	18,999	18,628	18,596
Free cash flow per share	\$ 0.36	\$ (0.04)	\$ (0.04)	\$ 0.28	\$ (0.03)	\$ (0.06)

Sypris Solutions, Inc. considers EBITDA to be an important metric, as it is commonly utilized by management, investors and financial institutions to analyze operating performance and entity valuation. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA for periods ended in 2011 and 2010 are computed as follows (in thousands):

Reconciliation of EBITDA						
	Quarter ended October 2, 2011	Quarter ended July 3, 2011	Quarter ended April 3, 2011	Nine months ended October 2, 2011	Quarter ended October 3, 2010	Nine months ended October 3, 2010
Income (loss) from continuing operations	\$ 6,082	\$ (1,550)	\$ 2,502	\$ 7,034	\$ (1,695)	\$ (8,083)
Income tax expense	1,808	768	432	3,008	457	1,227
Interest expense, net	153	726	729	1,608	612	1,796
Depreciation and amortization	3,506	3,648	3,637	10,791	3,655	11,083
EBITDA	\$ 11,549	\$ 3,592	\$ 7,300	\$ 22,441	\$ 3,029	\$ 6,023

Reconciliation of Segment EBITDA						
	Quarter ended October 2, 2011	Quarter ended July 3, 2011	Quarter ended April 3, 2011	Nine months ended October 2, 2011	Quarter ended October 3, 2010	Nine months ended October 3, 2010
Income (loss) from continuing operations:						
Industrial Group	\$ 8,850	\$ 3,676	\$ 5,305	\$ 17,831	\$ (359)	\$ (1,396)
Electronics Group	(306)	(2,448)	107	(2,647)	1,307	1,003
General, corporate and other	(2,462)	(2,778)	(2,910)	(8,150)	(2,643)	(7,690)
	6,082	(1,550)	2,502	7,034	(1,695)	(8,083)
Income tax expense:						
Industrial Group	1,796	758	431	2,985	436	1,206
Electronics Group	2	6	-	8	-	-
General, corporate and other	10	4	1	15	21	21
	1,808	768	432	3,008	457	1,227
Interest expense, net:						
Industrial Group	(28)	(49)	(18)	(95)	55	173
Electronics Group	-	-	1	1	3	8
General, corporate and other	181	775	746	1,702	564	1,615
	153	726	729	1,608	612	1,796
Depreciation and amortization:						
Industrial Group	3,002	3,139	3,125	9,266	3,118	9,358
Electronics Group	463	468	468	1,399	488	1,571
General, corporate and other	41	41	44	126	49	154
	3,506	3,648	3,637	10,791	3,655	11,083
EBITDA:						
Industrial Group	13,620	7,524	8,843	29,987	3,250	9,341
Aerospace & Defense	159	(1,974)	576	(1,239)	1,798	2,582
General, corporate and other	(2,230)	(1,959)	(2,119)	(6,307)	(2,019)	(5,900)
	\$ 11,549	\$ 3,592	\$ 7,300	\$ 22,441	\$ 3,029	\$ 6,023