First Quarter 2009
Earnings Conference Call

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Safe Harbor Disclaimer

Non-GAAP Financial Measures

Any non-GAAP measures, and their related reconciliation to GAAP measures, are provided and available on the company's website: www.sypris.com

Each "forward-looking statement" herein is subject to serious risks and should not be relied upon, as detailed in our most recent Form 10-K and Form 10-Q and subsequent SEC filings. *Briefly, we currently believe that such risks also include: the effects of a continuing economic downturn which could reduce our revenues, negatively impact our customers or suppliers and materially, adversely affect our financial results; our ability to liquidate our equity interests in Dana Holding Corporation at satisfactory valuation levels; potential impairments, non-recoverability or write-offs of goodwill, assets or deferred costs, including deferred tax assets in the U.S. or Mexico; fees, costs or other dilutive effects of refinancing, compliance with covenants in, or acceleration of, our loan and other debt agreements; unexpected or increased costs, time delays and inefficiencies of restructuring our manufacturing capacity; breakdowns, relocations or major repairs of machinery and equipment; our inability to successfully launch new or next generation programs; the cost, efficiency and yield of our operations and capital investments, including working capital, production schedules, cycle times, scrap rates, injuries, wages, overtime costs, freight or expediting costs; cost and availability of raw materials such as steel, component parts, natural gas or utilities; volatility of our customers' forecasts, financial conditions, market shares, product requirements or scheduling demands; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; failure to adequately insure or to identify environmental or other insurable risks; inventory valuation risks including obsolescence, shrinkage, theft, overstocking or underbilling; changes in government or other customer programs; reliance on major customers or suppliers, especially in the automotive or aerospace and defense electronics sectors; revised contract prices or estimates of major contract costs; dependence on, recruitment or retention of key employees; union negotiations; pension valuation, health care or other benefit costs; labor relations; strikes; risks of foreign operations; currency exchange rates; the costs and supply of debt, equity capital, or insurance (including the possibility that our common stock could cease to qualify for listing on the NASDAQ Stock Market due to a sustained decline in prices per share, or that any reverse stock split or other restructuring of our debt or equity financing could be accompanied by the deregistration of our common stock or other "going private" transactions); changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; weaknesses in internal controls; the costs of compliance with our auditing, regulatory or contractual obligations; regulatory actions or sanctions; disputes or litigation, involving customer, supplier, creditor, stockholder, product liability, asbestos-related or environmental claims; war, terrorism or political uncertainty; unanticipated or uninsured disasters, losses or business risks; inaccurate data about markets, customers or business conditions; or unknown risks and uncertainties.*

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Overview

- Very challenging period, especially for our Industrial Group
- Rapid contraction of the economy impacted truck and automotive sectors
  - Industrial revenue declined 46% year over year and 21% sequentially
    - Inventory reduced by 26% sequentially
    - Headcount reduced by 19% - December to April
  - Cyclical low appears to be nearing
  - Inventory balancing and economic uncertainty may hold down recovery
- Continued growth in Electronics Group helped to offset the effects
  - Aerospace & Defense revenue increased 29%
  - Test & Measurement revenue increased 7+% plus
  - Electronics Group increased to 54% of our consolidated revenue from 34% in Q1 2008
- Restructuring activities accelerated and showing positive variances to plan

Trough Appears to be Reached; Progress Continues

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Initiatives Update

- Objectives
  - Eliminate unnecessary waste
  - Reduce fixed overhead
  - Accelerate, where possible, integration efficiencies
  - Eliminate roadblocks to consolidation savings
- Key Components
  - Facilities Rationalization
  - Operational Efficiencies
  - Product Costing
  - Quality
- Expected Outcome
  - $25 million of annual savings
  - Reduced earnings volatility and risk

Executing with a Sense of Urgency and Purpose

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Status

	Annual Savings		Completion Status	Original Target Date	New Target Date
Facilities Closings	$	12.5	75%	Q2; Q4	**Q1; Q2**
Operational Efficiencies		7.5	50%	Q3	**Q3**
Product Costing		3.0	100%	Q1	**Q1**
Quality		2.0	33%	Q4	**Q4**
	$	25.0			

$25 Million of Annual Cost Savings

Expected Results

- Elimination of three facilities with a total of 830,000 square feet
  - Industrial Group
    - 40% reduction in facilities and overhead
    - 20% reduction in the average cost of direct labor
- Net headcount reductions of close to 200 people, or 12.5% of domestic workforce
- No expected loss of market share or top line
- Cost competitiveness of business model increased significantly
- Restructuring costs funded substantially by internal cash flow
- 75%, perhaps more, of the benefits expected to be realized as early as 2010

Ahead of Plan in Terms of Execution and Cost

Industrial Group

- 2009 Market Conditions
  - Remain extremely challenging
  - Signs of cyclical trough – inventory balancing and risk aversion to restrain build

	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Class 8 build per day (1)	845	785	528	438	483	593
Sequential change	-6.3%	-7.1%	-32.7%	-17.0%	10.3%	22.8%
Class 5-7 build per day (2)	564	535	396	381	356	466
Sequential change	-24.0%	-5.1%	-26.0%	-3.8%	-6.6%	30.9%

	2Q09	3Q09	4Q09	2009
Class 8 build plan (1)	26,277	29,476	35,000	119,289
Backlog (3)	16,472	11,257	15,474	
Open build slots	9,805	18,219	19,526	
Percent open	37.3%	61.8%	55.8%	

Notes:

(1) Sypris estimate of 35,000 Class 8 unit build in 4Q09

(2) Sypris estimate of 27,500 Class 5-7 unit build in 4Q09

(3) Backlog as of March 31, 2009

Growing Q4 Backlog Appears to Support Higher Class 8 Build

Industrial Group

- Plans in place to manage difficult 2009
  - Complete closure of two plants – 40% of rooftops
    - Kenton facility closed
    - Marion facility closure targeted to be completed by June 30
  - Inventory reduced 26% in Q1 from year-end balances
  - Workforce reduced by 19% through April from 12/31
  - Renegotiated collective bargaining agreements
- Consolidation of the supply base likely to occur
  - Increasing level of quotation activity
  - Focus to be on long-term versus short-term relationships
- Management team doing a terrific job under extremely challenging circumstances

2009 Defines Cyclical Low – Drive Profitability in 2010

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Electronics Group

- 2009 Market Conditions
  - Remain positive
  - Expect opportunities to increase across the board
- Items of Note:
  - The Electronics Group represented 54% of consolidated revenue in 1Q09, compared to 34% for 1Q08
  - Aerospace & Defense
    - Revenue increased 29%
    - Awarded additional follow on contract for F16 Fighting Falcon
    - Quoting activity for Space-related work remained strong
    - LEAN initiatives continued to attack costs and drive improved efficiencies
    - Development of new secure communications product on schedule for 2009 certification and production

Electronics Group

- Items of Note:
  - Test & Measurement
    - Revenue increased 7% during the quarter
      - Ninth consecutive quarter of comparable period growth
    - Gross margin expanded to 27% in 1Q09 from 24% in 4Q08
      - Further expansion forecast for 2009
    - Quoting activity increasing substantially
      - Trend toward outsourcing accelerating
    - Outlook remains positive with 2009 expected to be a record year
- Summary
  - The outlook remains positive for the Electronics Group, with expectations for further performance improvements during 2009

Financial Review – Q1 Results

($ in thousands)	1st Quarter 2009	1st Quarter 2008	Highlights
Revenue	81,691	106,262	Lower SIG revenues
Gross Profit	4,355	13,066	Driven by SIG revenue decline
SG&A	10,472	10,492	Legal and professional fees
R&D	1,168	995	A&D program investments
Amortization	28	71	
Operating (Loss) Income (Before Nonrecurring Expenses)	(7,313)	1,508	Lower volumes; loss of fixed overhead absorption
Nonrecurring Expenses	1,981	–	SIG restructuring ($1,242); A&D restructuring ($739)
Net (Loss) Income (Including Nonrecurring Expenses)	(11,345)	385	Restructuring / Q1'08 Dana favorable impact

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Financial Review – EBITDAR

($M)

	Q4 2008	Q1 2009	% Change
Consolidated Revenue	$94.5	$81.6	(14%)
EBITDAR(1)	($5.5)	($2.7)	53%

- Despite ~ 14% revenue decline from Q4, operating losses were substantially reduced by completed restructuring actions
- Acceleration of the Marion plant closure from Q4 to Q2 will drive additional savings during the 2nd half of the year
- Expect to recognize additional benefits from restructuring as the year progresses – absent any increase in revenue
- Eventual return to normal volume levels in our Industrial Group will dramatically improve future financial results

(1) EBITDAR – *please refer to the Company's website regarding the presentation of this non-GAAP measure.*

Restructuring Actions Yielding Substantial Benefits

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Financial Review – Restructuring Budget

Implementation Budget

2008 - 2010	Budget	To Date Estimate	Current Outlook	Remaining 2009
Capital Investments	$ 6.0	$ 1.0	**$ 4.3**	**$ 2.1**
- PP&E				
Cash Expense	$ 16.0	$ 10.5	**$ 13.8**	**$ 3.3**
- Severance and Transfers				
- Equipment Relocations				
- Environmental				

Non-Cash Charges Under Review

- Property, plant & equipment	**Complete Q2**
- Program reviews and exits	**Complete**
- Inventory	**Complete**
- Goodwill	**Complete**

Committed To Achieving Current Outlook

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Financial Review – Q1 Liquidity

- Credit facility amended 3/31 and extended its maturity to 1/15/2010 in a tough, unprecedented credit environment
- Net cash used in operating activities totaled $7.9M; Cash usage consistent with what we had forecast for the quarter
  - Partially driven by Q4 customer shutdowns and timing of Q1 shipments
- Significant majority of restructuring expenses have been incurred
- Expect positive free cash flow (FCF) before restructuring for the balance of 2009
- Efforts underway to ensure long-term financing to drive key growth platforms and respond to customer's needs
- Prudently managing expenses throughout the company
  - Stress tested multiple "downside" scenarios
  - Identified and prepared to take action if outlook deteriorates

Sufficient Liquidity To Meet Cash Requirements

Financial Review – Lean/Productivity

Key Initiatives	($ in millions)	Q1 2009	Q4 2008	% Change
• *Net Working Capital* • *LEAN/Six Sigma*	**Accounts Receivable**	$ 46.1	$ 44.7	3%
	Inventory	$ 41.7	$ 48.4	(14%)
	Accounts Payable	($39.4)	($44.6)	(12%)
• *SIG and A&D Segment Restructurings* • *A&D Lean Implementation*	**Total Headcount**	1,676	1,870	(10%)

LEAN Initiatives Continued To Attack Costs and Drive Efficiencies

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Summary

- Important achievements completed during Q1 throughout Sypris, despite the continuance of a very tough environment, particularly for our Industrial Group
- Strategic restructuring initiatives are ahead of plan in terms of execution and cost
  - Expect to be completed this year with 75%, perhaps more of the benefits to be realized as early as 2010
  - Mitigated losses despite steep revenue declines
- Electronics segment demonstrated continued strong growth with further performance improvements expected during 2009
- As discussed during our last call, 2009 is as difficult we thought it would be, but when measured in terms of accomplishments – and the impact on Sypris going forward – we've positioned ourselves to better deal with the prevailing market conditions

Earnings Conference Call

Q&A Session