2012 Fourth Quarter and Full Year Earnings Conference Call

March 12, 2013

Jeffrey T. Gill
President & CEO

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Safe Harbor Disclosure

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 following: declining revenues and backlog in our aerospace and defense business lines as we attempt to transition from legacy products and services into new market segments and technologies; dependence on, recruitment or retention of key employees; our ability to successfully develop, launch or sustain new products and programs within the Electronics Group especially in new market segments and technologies; reliance on major customers or suppliers, especially in the automotive or aerospace and defense electronics sectors; adverse impacts of new technologies or other competitive pressures which increase our costs or erode our margins; potential impairments, non-recoverability or write-offs of goodwill, assets or deferred costs; inventory valuation risks including obsolescence, shrinkage, theft, overstocking or underbilling; 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; potential weaknesses in internal controls over financial reporting and enterprise risk management; U.S. government spending on products and services that our Electronics Group provides, including the timing of budgetary decisions; potential liabilities associated with discontinued operations; fees, costs or other dilutive effects of refinancing or compliance with covenants; the costs of compliance with our auditing, regulatory or contractual obligations; regulatory actions or sanctions (including FCPA, OSHA and Federal Acquisition Regulations, among others); breakdowns, relocations or major repairs of machinery and equipment; pension valuation, health care or other benefit costs; labor relations; strikes; union negotiations; cyber security threats and disruptions; changes in licenses, security clearances, or other legal rights to operate, manage our work force or import and export as needed; changes or delays in customer budgets, funding or programs; disputes or litigation involving customer, supplier, lessor, landlord, creditor, stockholder, product liability or environmental claims; the costs and supply of debt, equity capital, or insurance; 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; failure to adequately insure or to identify environmental or other insurable risks; revised contract prices or estimates of major contract costs; risks of foreign operations; currency exchange rates; 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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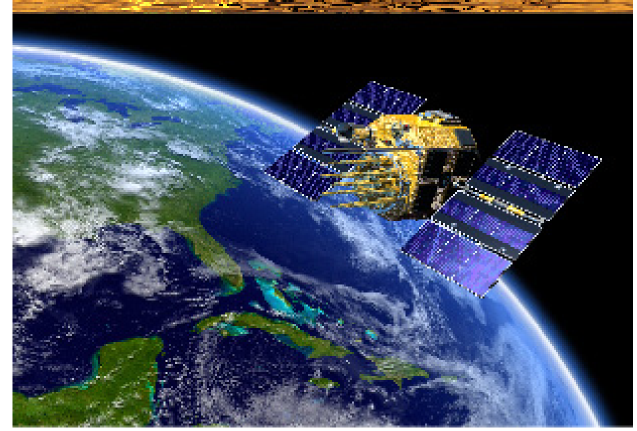
Overview

2012 Highlights

- Earnings and Margins Expand Faster than Sales
  - Revenue up 2% to $342 million
  - Gross profit up 24% to $44 million
  - Gross margin expands 230 basis points to 12.8%
  - Income[1] up 22% to exceed $10 million
  - EPS[1] up 16% to $0.50 per diluted share
- Reinstated Common Dividend
- Approved Stock Repurchase Program
- Added to the Russell 2000 Index
- Robert F. Lentz Elected to the Board



(1) From continuing operations

Aerospace & Defense

2012 Highlights

- Margins Increase on Expanded Product Mix
  - Revenue down 11% to $56 million
  - Gross profit up 62% to $13 million
  - Gross margin increases to 23.0% from 12.7%
  - R&D up 12% to $3.8 million
- Increased International Product Sales
  - Australia, New Zealand, Japan and India
  - Reduced dependency on US Government sales
- EMS Business Positioned for Additional Contract Awards
- Completed First Cyber Range
- Advancing Technologies to Customer Funded Development

Aerospace & Defense

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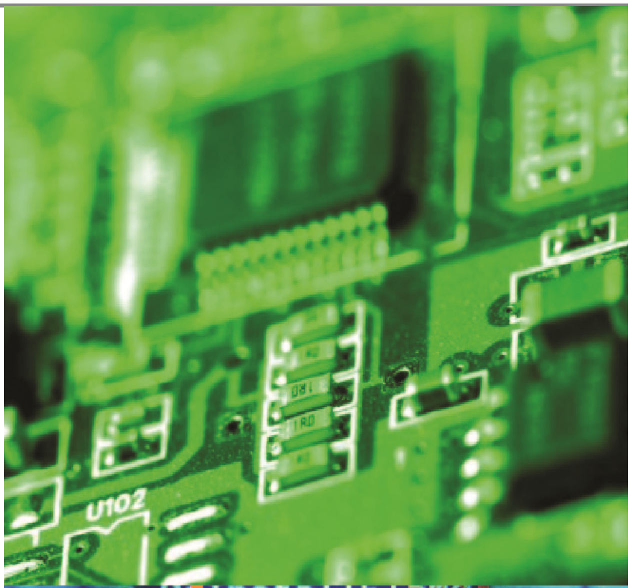
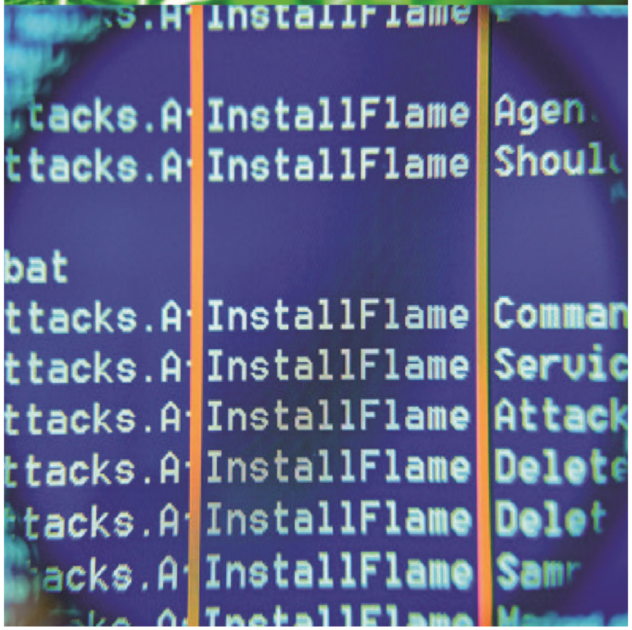
2013 Outlook

- US Budgetary Issues to Continue
  - Sequester; Continuing Resolution; Etc.
  - US Government markets expected to be dynamic
- Increase Product Sales to NATO countries, Japan and India
- Grow EMS Sales in Severe Environment Markets
  - ITT, Tyco, Northrop Grumman, L3 and Lockheed Martin
  - “Trusted Source” certification a differentiator
- Partner to Develop Technologies for New Markets
  - Purdue’s CERIAS; Carnegie Mellon’s CyLab
- Expand Cyber Range Product and Service Sales Globally
- Pursue Synergistic Acquisitions



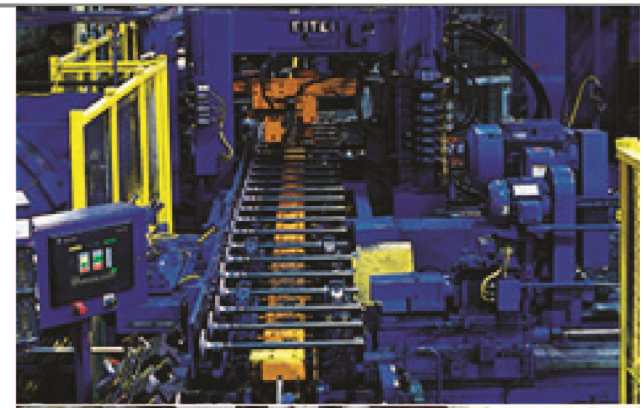


Industrial

2012 Highlights

- Revenue and Margins Expand
  - Revenue up 5% to $286 million
  - Gross profit up 13% to $31 million
  - Gross margin expands 80 basis points to 10.8%
  - EBITDA of $35 million, or 12.2% of sales
- Increased Sales 27% to Global Oil and Gas Markets
- Engaged Toyota to Implement TPS[1] in Plants
- Invested in Additional Production Technology
- Increased Investment in Product Engineering
- Evaluated Opportunities to Expand in New Markets

(1) Toyota Production System



Industrial

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2013 Outlook

- Market Outlooks are Positive
  - Commercial vehicle to recover from 4Q12
  - Light truck and trailer to remain solid
  - Agriculture and off highway to be stable
  - Oil and gas to experience continued growth
- Support Increased Sales to Mexico and Brazil
- Drive Margin Expansion through Efficiencies
  - Partner with Toyota to accelerate Lean conversion
  - Work closely with customers to reduce waste
- Invest to Expand Market and Customer Share
  - Evaluate opportunities to acquire unique capacity
  - Pursue joint ventures in developing countries

Financial Review
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Financial Results

($ in thousands, except EPS)

	4Q11	4Q12	
Revenue	$ 83,580	$ 67,466	• 2H decline in commercial vehicle market
Gross Profit	8,707	8,638	• GP holds despite a 19% revenue decline
Gross Margin	10.4%	12.8%	• Strength in execution; cost control
EPS[(1)]	$ 0.07	$ (0.04)	• Non-cash write-off of deferred contract costs impacts EPS

(1) EPS – from continuing operations

Financial Results

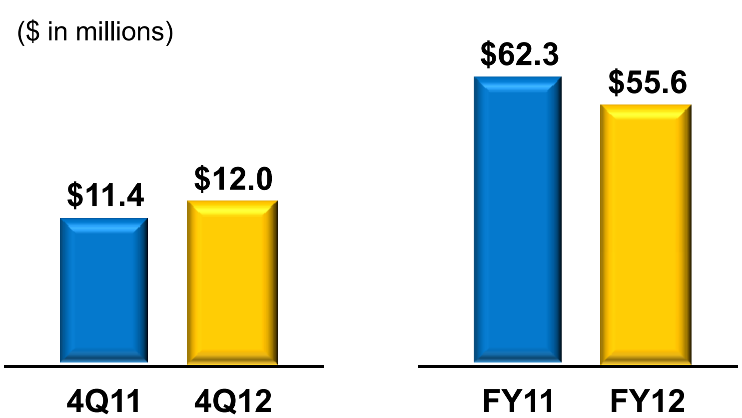
($ in thousands, except EPS)

	2011	2012	
Revenue	$ 335,625	$ 341,604	• 2H decline in commercial vehicle market
Gross Profit	35,229	43,749	• GP improves $8.5 million on nearly flat sales
Gross Margin	10.5%	12.8%	• Up 230 bps; strength of execution; mix
EPS[(1)]	$ 0.43	$ 0.50	• $0.07 improvement despite 2H decline in commercial vehicles, write-off of deferred contract costs and defense budgetary reductions and/or delays

(1) EPS – from continuing operations

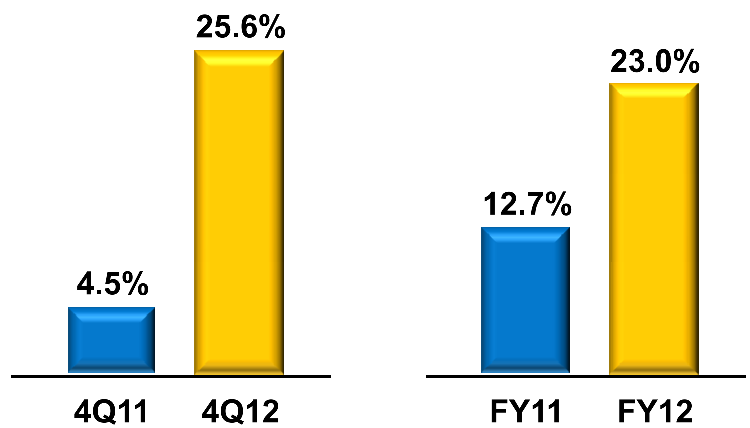
A&D Financial Results

Revenue



- Continuing Resolution, Presidential Election and threat of Sequestration drove tough challenges:
  - Quarterly revenue remained essentially unchanged from the prior year period
  - Full year revenue decreased 11% to $56 million

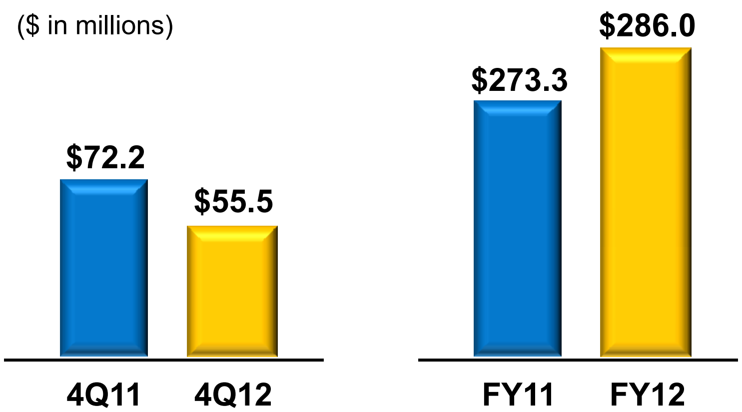
Gross Margin



- Q4 gross margin expanded to 25.6%, as a result of product sales to NATO countries and new product launch costs that were incurred during 4Q11
- Full year gross margin nearly doubled to 23% as a result of favorable mix of higher margin products and services, including international product sales

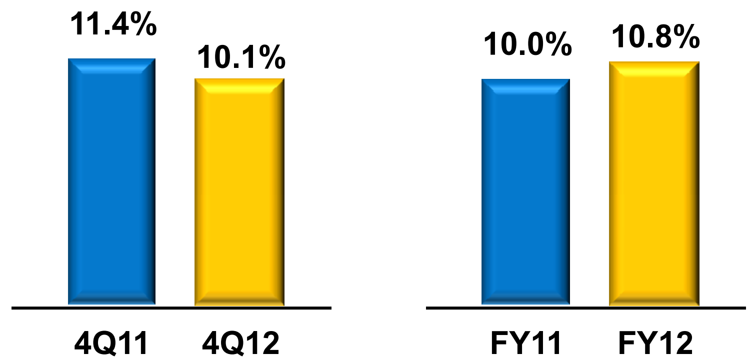
Industrial Financial Results

Revenue



- 4Q revenue negatively impacted vs. prior year period due to 2H decline in commercial vehicle demand
- Strength of 1H commercial vehicle demand drives full year revenue increase of 5% to $286 million
- Global oil and gas markets remain strong

Gross Margin



- Achieved 4Q gross margin of 10.1%, down 130 bps, despite a $16.7 million revenue decline from the prior year period
- Full year gross profit up 13% to $31 million; resulted in gross margin expansion of 80 bps to 10.8%
- Strong execution and emphasis on cost control helped mitigate 2H headwinds

Summary

- Margins and Earnings Continue to Outpace Revenue Growth for 2012
  - Gross profit up 24% to $44 million on 2% sales growth
  - Gross margin up 230 basis points to 12.8%
  - Income(1) up 22% to $10 million; earnings(1) up 16% to $0.50 per diluted share
- 4Q12 Performance Solid
  - Industrial gross margin of 10.1% despite 15% sequential fall in revenue
  - Electronics gross margin of 25.6%
- Positioned for Further Improvement in 2013
  - Industrial markets, including growing oilfield demand, positioned for solid year
  - Programs underway to drive productivity and eliminate inefficiencies
  - US Government budgetary impact uncertain at best
- Strong Balance Sheet Positions Company for Synergistic Growth Opportunities

(1) From continuing operations

Question and Answer Session
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