Driving Change

Fourth Quarter and Full-Year 2010 Earnings Conference Call

March 15, 2011

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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: our inability to successfully launch or sustain new or next generation programs or product features, especially in accordance with budgets or committed delivery schedules; declining revenues in our aerospace and defense business lines as we transition from legacy products and services into new market segments and technologies; potential liabilities associated with discontinued operations, including post-closing indemnifications or claims related to business or asset dispositions; breakdowns, relocations or major repairs of machinery and equipment; 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; pension valuation, health care or other benefit costs; labor relations; strikes; dependence on, recruitment or retention of key employees; union negotiations; changes in government or other customer budgets, funding or programs; reliance on major customers or suppliers, especially in the automotive or aerospace and defense electronics sectors; 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; fees, costs or other dilutive effects of refinancing, compliance with covenants in, or acceleration of, our loan and other debt agreements; potential impairments, non-recoverability or write-offs of goodwill, assets or deferred costs, including deferred tax assets in the U.S. or Mexico; 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; 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; failure to adequately insure or to identify environmental or other insurable risks; inventory valuation risks including obsolescence, shrinkage, theft, overstocking or underbilling; revised contract prices or estimates of major contract costs; risks of foreign operations; currency exchange rates; 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; war, terrorism, computer hacking or other cyber attacks, 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

- **Key Highlights for Q4**
  - Revenue increased to $67.2 million during the period, up from $66.1 million in the fourth quarter of the prior year period, driven by increased Industrial sales in the commercial vehicle and trailer markets
  - Gross profit increased 30.2% to $7.6 million, up from $5.8 million in the fourth quarter of the prior year period, reflecting the impact of Lean/continuous improvement efforts in both our Industrial and A&D segments
  - Gross margin increased to 11.2% of revenue, up from 10.4% sequentially and from 8.8% in the fourth quarter of last year
  - R&D spending increased dramatically during the quarter to accelerate new product introductions, culminating in eight new patent applications by year-end
  - Profit conversion on incremental revenue growth for our Industrial Group reached 18.6% during the quarter
  - Net Debt declined sequentially to $3.7 million

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Overview

- **Key Highlights for Q4**
  - Sypris Electronics opened a new wholly owned subsidiary, Sypris Europe ApS., based in Copenhagen, Denmark
  - The U.S. Air Force selected the RASKL electronic key fill device to serve as the sole replacement for the KYK-13 product formerly used by the Air Force to protect access to its critical secure communications networks
  - Shortly after year-end, Sypris Technologies entered into a new long-term supply agreement to provide drivetrain components to Meritor for its drive axle assembly operation in Brazil, and entered into a multi-year extension for two existing supply agreements with Meritor for components produced at Sypris plants in Kentucky and North Carolina

Overview

- **Key Highlights for 2010**
  - 2010 was the year in which the Company began to demonstrate the substantial benefits from the Restructuring Program. Some examples:
    - During Q4 of 2010, our Industrial Group generated $47.7 million of revenue compared to $47.3 million for Q4 of 2008, but with 800,000 fewer square feet of manufacturing space and 227 fewer people, resulting in a 29% increase in revenue per employee
      - Gross margin expanded by 7.5 percentage points, or the equivalent of $14 million on an annualized basis
    - Comparing 2010 with 2008, our Electronics Group employed 135 fewer people at year-end and operated out of one facility instead of three
      - Gross margin expanded by 14.4 percentage points, or the equivalent of an $11 million improvement on a $75 million base of business

Overview

- Operational effectiveness increased dramatically. Comparing 2010 results with those of 2008:
  - Our Electronics Group registered a 93% improvement in quality (in terms of PPMs), an 83% reduction in cycle time and a 72% reduction in scrap
  - Our Industrial Group registered a 75% increase in quality, a 65% reduction in the number of customer incidents, a 13% reduction in scrap rates while improving on-time-delivery into the mid-90s percentile
- The Company reported tremendous progress in terms of improving the quality and safety of its work environment
  - Workers' compensation claims declined by over 90% in 2010 compared to 2008

– The conclusion: The substantial reduction of fixed overhead combined with the rebalancing of production to lower cost regions and the dramatic improvement in operating efficiency, has lowered the Company's cost profile by more than an estimated $25.0 million per year, subject to market volumes

Overview

- **Key Highlights for 2010**
  - The demand for commercial vehicles began to recover in 2010, with Class 8 production increasing to 154,000 units, up from the low of 118,000 units in 2009
  - Received an important contract from the Department of Energy to pursue the development of a centralized cryptographic key management system to protect our Nation's electric power grids from Cyber attack
  - Worked internally to invigorate employee awareness on healthcare education and wellness; realized a 30% reduction in healthcare costs on a year-over-year basis
  - Continued our intensive Lean/Continuous improvement training of executives and staff at both business segments and specific cost programs aimed at reducing cycle times, supplies and scrap, while improving responsiveness
  - And finally, our people continued to do an excellent job in preparing the business for consistent, profitable growth in the future

Industrial

- **Market Outlook**
  - Continued recovery during 2011

	4Q10	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011
Class 5-7	32.6	32.0	35.2	38.5	41.0	146.7
Change		*-1.8%*	*10.0%*	*9.4%*	*6.5%*	*24.4%*
Class 8	43.8	52.3	60.0	63.2	68.5	244.0
Change		*19.4%*	*14.7%*	*5.3%*	*8.4%*	*58.1%*
Trailers	38.6	43.3	47.4	50.8	53.9	195.4
Change		*12.2%*	*9.5%*	*7.2%*	*6.1%*	*63.0%*

	2010	2011	Change	2012	Change	2013	Change
Class 5-7	117.9	146.7	24.4%	174.0	18.6%	196.5	12.9%
Class 8	154.3	244.0	58.1%	307.4	26.0%	313.9	2.1%
Trailers	119.9	195.4	63.0%	236.0	20.8%	251.6	6.6%

ACT N.A. Commercial Vehicle OUTLOOK March 10, 2011

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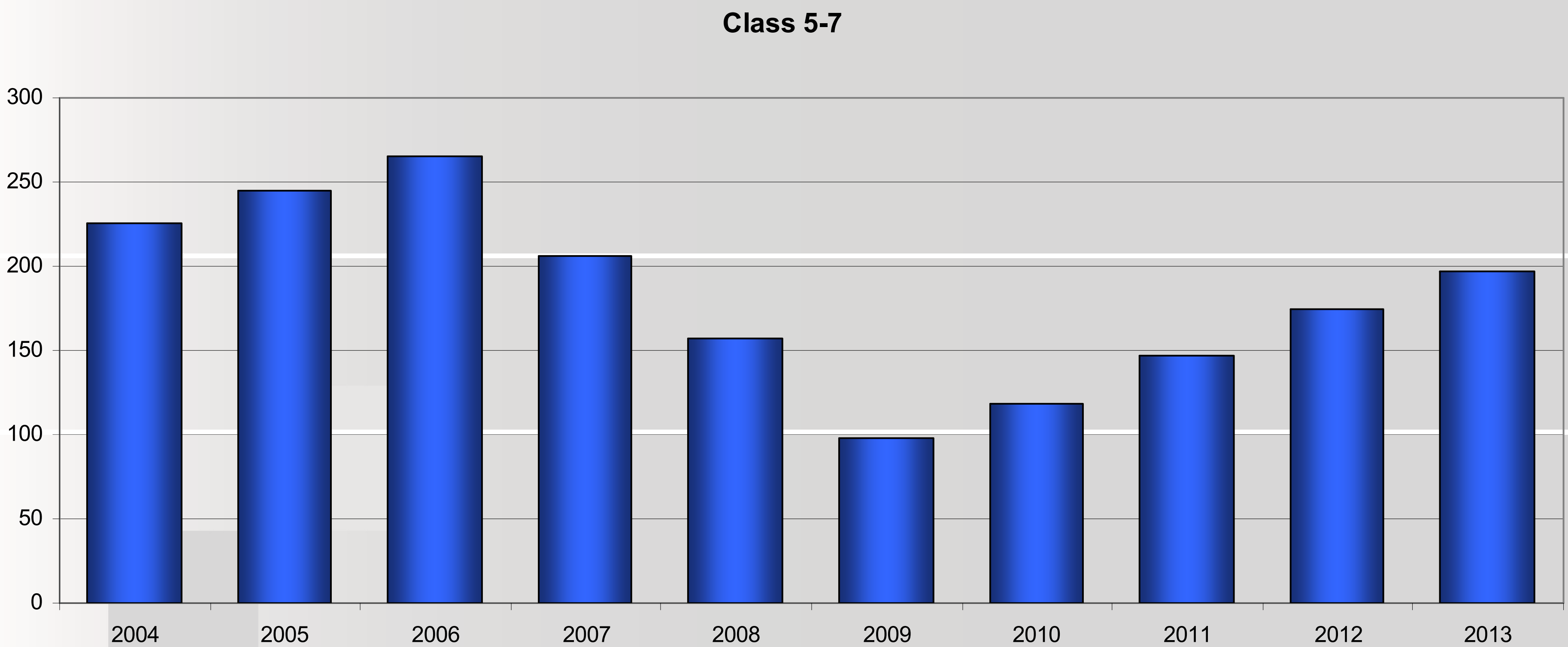
Industrial

- **Market Outlook**
  - Continued recovery during 2011

	2011 vs. 2010				
	Q1	Q2	Q3	Q4	Total
Class 5-7	*18.1%*	*24.4%*	*28.3%*	*26.2%*	*24.4%*
Class 8	*49.4%*	*70.5%*	*56.8%*	*56.4%*	*58.1%*
Trailers	*116.5%*	*71.7%*	*50.7%*	*39.6%*	*63.0%*

ACT N.A. Commercial Vehicle OUTLOOK March 10, 2011

Industrial – N.A. Unit Volumes



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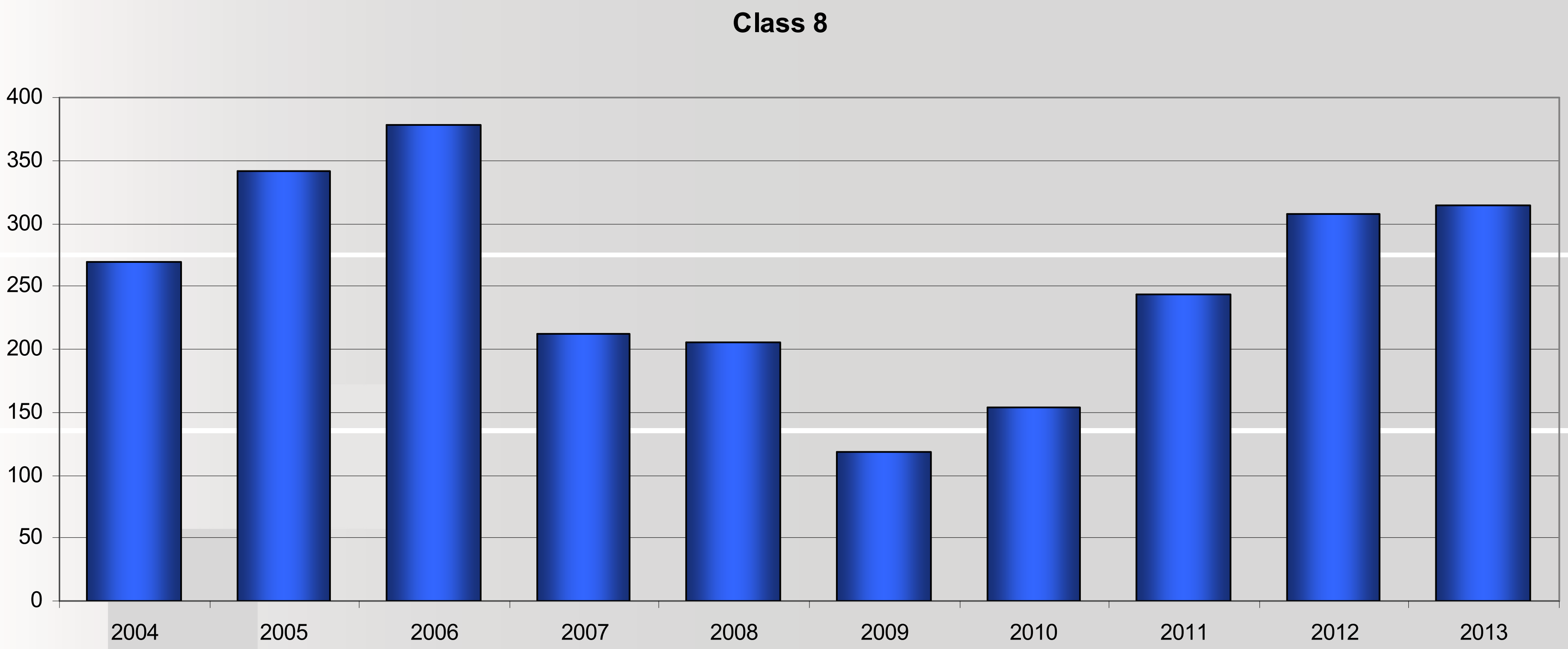

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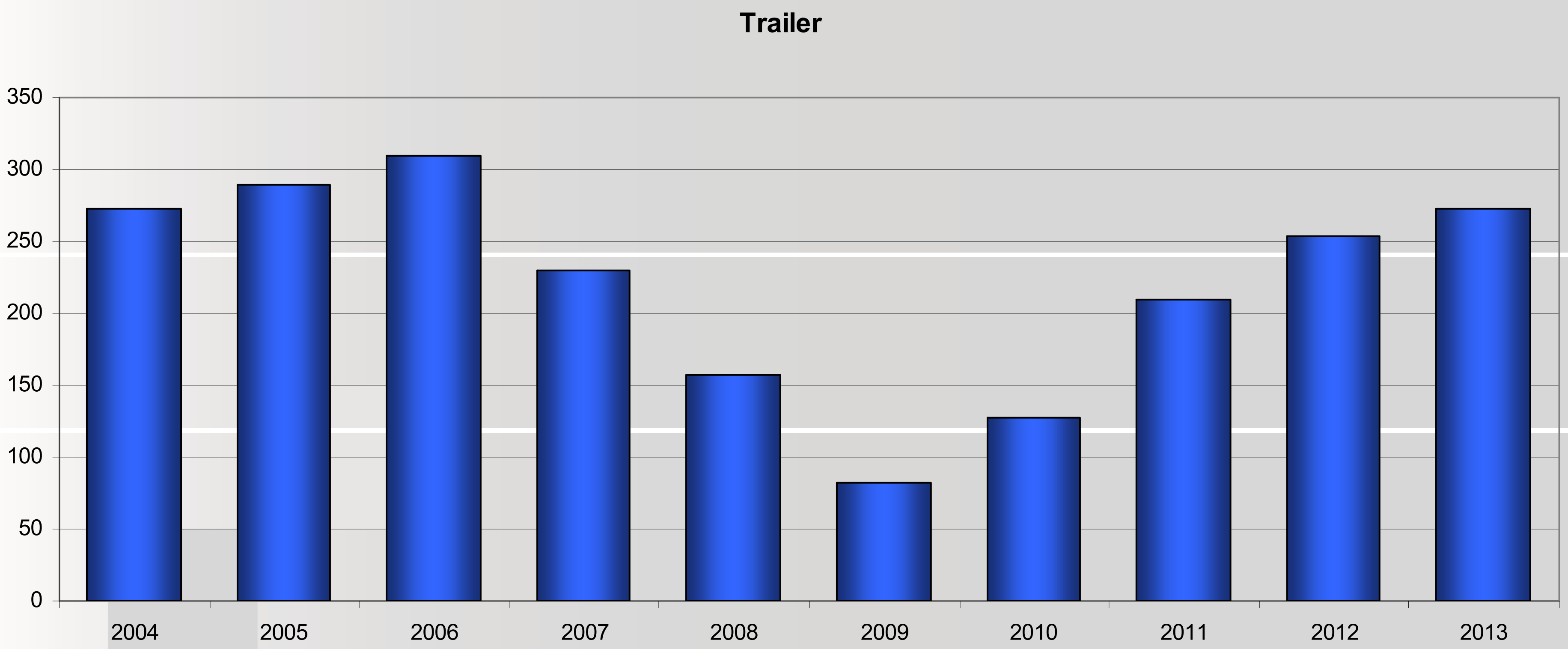

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Aerospace & Defense

- Launched new subsidiary, Sypris Europe, based in Copenhagen, Denmark
  - Sypris Europe will have the primary responsibility for developing and sustaining emerging market needs in Europe, Asia and the Middle East as they relate to information assurance and Cyber security
  - The office will also support and broaden Sypris' growing global network of international distributors and partners
  - Sypris Europe will offer a broad range of services and assurance solutions for the European Aerospace and Defense industry
- Development of International Cyber Range
  - Objective is to accelerate advances in Cyber Security and Cyber Warfare initiatives
  - Is nearing completion and will provide governments with a secure environment to test network and system attack-and-defend strategies

Aerospace & Defense

- Entered into a technology information exchange agreement with Cassidian, formerly known as EADS Defence and Security
  - The agreement provides a means for both companies to share best-in-class technologies for several critical information assurance areas, including Key Management, Secure Communications and Cyber Security
- RASKL selected by the U.S. Air Force to replace legacy key fill device to protect access to its critical secure communications network
  - RASKL will be the only KYK-13 replacement procured and supported by the U.S. Air Force for its users
- Increased R&D spending dramatically to accelerate new product introductions, culminating in eight new patent applications by year-end
- Received notification regarding the awarding of the Department of Energy contract
  - Sypris is to receive $3.1 million of funding from the DOE to develop a centralized cryptographic key management system to protect the nation's electric grid from Cyber attacks

SYPRIS SOLUTIONS

Q4 Financial Results – Consolidated

($ in thousands)

	4Q09	4Q10	Fav/ (Unfav)	Highlights
Revenue	66,097	67,233	1,136	SIG improvement offset by lower A&D revenue
Gross Profit	5,799	7,553	1,754	Reduced fixed overhead; Lean/CI; Mix
Gross Margin	8.8%	11.2%	2.4%	Margin expansion expected longer term
EBITDA [(1)]	335	2,376	2,041	Restructuring, Lean/CI initiatives driving significant benefits

***(1) EBITDA** – Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

SYPRIS SOLUTIONS

Q4 Financial Results – Aerospace & Defense

($ in thousands)

	4Q09	4Q10	Fav/ (Unfav)	Highlights
Revenue	25,679	19,494	(6,185)	Exit of legacy programs
Gross Profit	5,232	5,624	392	Impact of increased efficiency, lower costs
Gross Margin	20.4%	28.8%	8.4%	Continued focus on higher margin programs
EBITDA [(1)]	1,059	1,432	373	Includes $1.8 million increase in R&D over PYP

***(1) EBITDA –** Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

Q4 Financial Results – Industrial

($ in thousands)

	4Q09	4Q10	Fav/ (Unfav)	Highlights
Revenue	40,418	47,739	7,321	Heavy truck, trailer volumes up over last year
Gross Profit	567	1,929	1,362	Volumes and productivity
Gross Margin	1.4%	4.0%	2.6%	Lowered breakeven, efficiencies drive conversion partially offset by new product launch costs
EBITDA [(1)]	1,259	2,962	1,703	Restructuring and productivity benefits

(1) EBITDA – *Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

SYPRIS SOLUTIONS

2010 Financial Results – Consolidated

($ in thousands)

	2009	2010	Fav/ (Unfav)	Highlights
Revenue	265,900	266,654	754	SIG improvement offset by lower A&D revenue
Gross Profit	16,018	25,867	9,849	Expansion of SIG and A&D margins
Gross Margin	6.0%	9.7%	3.7%	SIG and A&D restructurings; Lean/CI efforts
EBITDA [(1)]	(7,244)	8,399	15,643	

***(1) EBITDA –** Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

SYPRIS SOLUTIONS

2010 Financial Results – Aerospace & Defense

($ in thousands)

	2009	2010	Fav/ (Unfav)	Highlights
Revenue	113,879	75,501	(38,378)	Completion of legacy products/programs
Gross Profit	19,679	16,864	(2,815)	Lower volumes; design change charges
Gross Margin	17.3%	22.3%	5.0%	Higher margin product and aerospace sales
EBITDA [(1)]	4,980	4,014	(966)	Operational efficiencies offset lower revenues

***(1) EBITDA –** Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

SYPRIS SOLUTIONS

2010 Financial Results – Industrial

($ in thousands)

	2009	2010	Fav/ (Unfav)	Highlights
Revenue	152,021	191,153	39,132	SIG market upturn; 26% increase in Class 5-8
Gross Profit	(3,661)	9,003	12,664	Volume, productivity, lower fixed costs
Gross Margin	(2.4%)	4.7%	7.1%	Leverage exists with continued market recovery
EBITDA [(1)]	(4,170)	12,303	16,473	Conversion on increased revenue

(1) EBITDA – *Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

2010 Summary

- Gross profit increased 61.5% to $25.9 million, up from $16.0 million in 2009
- The results of the Restructuring Program are real. The Company's cost profile has been reduced by an estimated $25.0 million per year, subject to market volumes
  - We expect the Industrial Group's improved cost profile and strong operational performance to make a material contribution to the growth and profitability of the Company's results in 2011 as the commercial vehicle and trailer markets continue to recover
  - Our Electronics Group's continued to show strength in its gross margin performance during the period as a result of continued Lean and Continuous Improvement efforts
- Our R&D efforts are expected to approximate 6.0% of A&D revenue going forward and will continue to drive the expansion of the Company's product and intellectual property portfolios and could contribute to the Company's financial results as early as 2012
- Our team remains focused on increasing the rate of profit conversion from each revenue dollar and look forward to returning the Company to profitability in 2011

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Q & A Session