2007 Earnings Update

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Disclosures

Safe Harbor Disclaimer

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 ability to liquidate our unsecured claims against the Dana bankruptcy estates at satisfactory valuations; cost and availability of raw materials such as steel, components, freight, natural gas or utilities; cost and inefficiencies associated with increasing our manufacturing capacity and launching new or next generation programs; stability and predictability of our costs and margins or our customers' forecasts, financial conditions, late payments, market shares, changing product requirements or scheduling demands; costs associated with breakdowns or repairs of machinery and equipment; growth beyond our productive capacity, cyclical or other downturns, adverse impacts of new technologies or other competitive pressures which erode our margins; cost, efficiency and yield of our operations including capital investments, working capital, cycle times, injuries, self-insured risks, wages, freight, production schedules, overtime costs, expediting costs or scrap rates; failure to adequately insure or to identify environmental or other risks; inventory valuation risks due to obsolescence, shrinkage, theft, price, overstocking or underbilling; changes in government funded or other customer programs; reliance on major customers or suppliers, especially in the automotive sector where bankruptcies or other restructurings could adversely impact our contracts; revised contract prices or estimates of major contract costs; dependence on, recruitment or retention of management or other key employees; union negotiations; pension valuation, health care or other benefit costs; labor relations; strikes; risks of foreign operations; currency exchange rates; costs and supply of debt, equity capital, or insurance due to poor operating or financial results, new business risks, credit ratings, debt covenant violations, contract claims, insurance conditions or regulatory developments; impairments, non-recoverability or write-offs of goodwill, deferred contract or pre-contract expenses or fixed assets; 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; costs of compliance with auditing, regulatory or contractual obligations; regulatory actions or sanctions; disputes or litigation, involving customer, supplier, creditor, stockholder, product liability or environmental claims including potential, pre-existing product liability and unknown warranty claims that were preserved in our settlement agreement with Dana; 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.

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

SYPRIS® SOLUTIONS

Agenda

- Dana Settlement Overview
- Revised Guidance
- SIG Restructuring Update
- Summary
- Q&A Session

Dana Settlement Overview

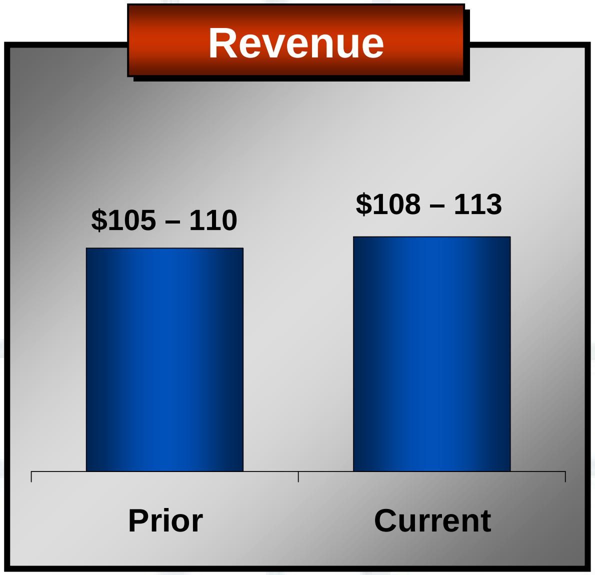
- Comprehensive Settlement
  - All litigation with regard to prior disputes is resolved
  - Master supply agreement replaces three existing contracts – runs through 2014
  - Dana and Sypris to exchange production of certain non-core components
  - Sypris to rebalance production among our plants to reduce costs for both parties
  - Sypris to provide Dana with certain limited price concessions beginning in 2008
  - Dana relieved from committed but undelivered volumes of certain business
  - Sypris received $89.9 million claim – estimated liquidation proceeds of $70 to $75 million, based upon current conditions
- Considerations
  - Sypris to invest in new equipment
  - Sypris to invest in working capital to support revised credit terms
  - Sypris and Dana to relocate production during next 9 to 12 months
  - Sypris to accrue certain relocation expenses and asset impairments
  - Future pricing actions and other costs to be offset by amortization of the claim

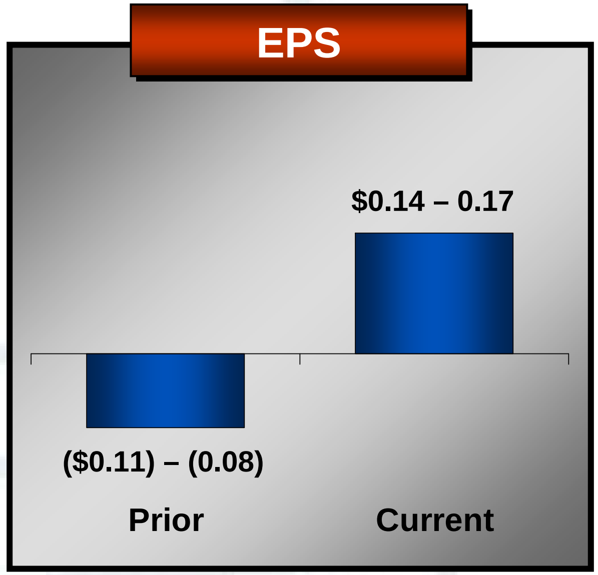
Dana Settlement Overview

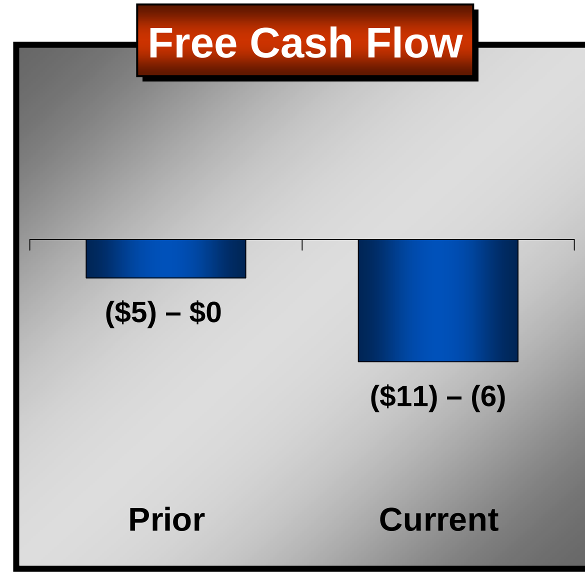
- Benefits for Sypris
  - Eliminates cost and distraction of litigation
  - Exchanges certain low margin business for higher margin products
  - Sypris to be the exclusive supplier of the components through 2014
  - Agreement is consistent with plans to rebalance production to lower cost areas
  - Provides Sypris with a substantial claim, which includes access to the proposed rights offering
- Financial Implications
  - Settlement provides the opportunity for significant increase in liquidity
  - If liquidated, proceeds will be used to fund planned restructuring and investments associated with the settlement
  - Balance of proceeds would be used to reduce debt, with cash remaining for other uses
  - Long-term financial implications expected to be neutral to positive to the P&L

Q3 2007 Guidance *(based on Settlement)*

($M, except EPS)







Revenue up $3

- Amortized net gain on non-core product line divestitures

PBT up $6.7; EPS up $0.25

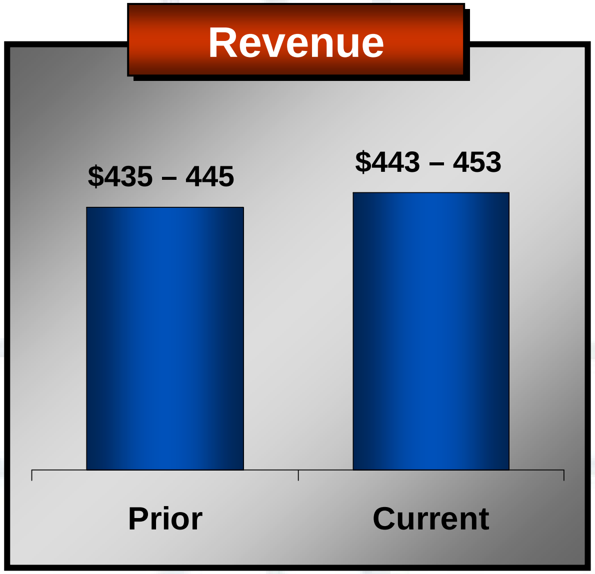
- Net gain on non-core divestitures $2.6
- Net gain on litigation items $5.0
- Miscellaneous expenses ($0.9)

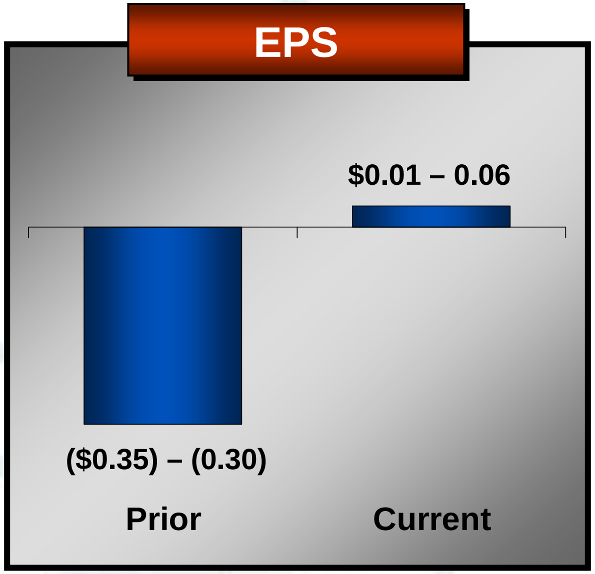
Cash Flow down $6

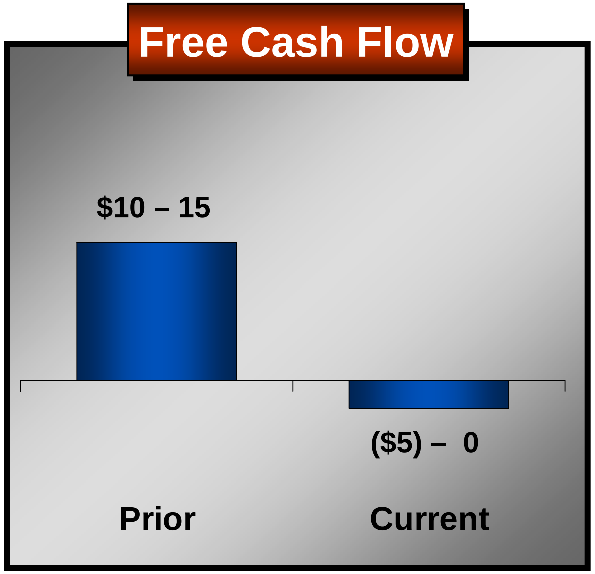
- Normalization of trade terms ($5)
- Advisor fees ($1)

TY 2007 Guidance *(based on Settlement)*

($M, except EPS)







Revenue up $8

- Amortized net gain on non-core product line divestitures

PBT up $10.1; EPS up $0.36

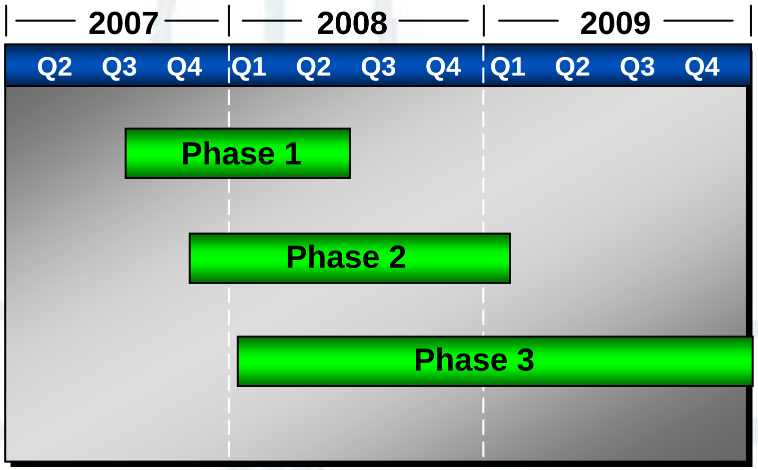
- Net gain on non-core divestitures $6.0
- Net gain on litigation items $5.1
- Miscellaneous expenses ($1.0)

Cash Flow decrease of $15

- Assumes no liquidation of claim
- Reflects '07 incremental cash requirements due to settlement:
  - Working capital terms ($5)
  - Taxes ($5)
  - Investment / misc. exp. ($5)
- '07 liquidation would result in $70 – $75 increase in FCF forecast above

Industrial Group – Restructuring Plan

Scope / Timeline



- 3 - phased approach covering 28 months (Q3'07 – Q4'09)
- Transition SIG to COE model
  - Rationalize manufacturing foot print
  - Standardize all critical processes
  - Reconfigures mfg. flow (LEAN); Rebuilds key equipment
  - New manufacturing technologies
  - Investing for quality
- Maximizes 50-60% LCC wage advantage; reduces logistics
- Aligns with customers' strategic intent
- Delivers significant benefits to Sypris & customers

Economics

Savings (@ completion)	$15M
Costs	$25M
Payback	3.0 yrs

Transformation

	'06 Actual	'09 YE*	Δ
% LCC Sales	21%	41%	20 pts.
Sales / Sq. Ft.	$205	$344	68%
GM%	5%	9%	4 pts.

* '09 YE run rate

Aligns with Settlement Requirements … $15M Annualized Savings by YE '09

SYPRIS SOLUTIONS

Summary

- Resolves all disputes and maintains exclusive relationship through 2014
- Provides opportunity for significant liquidity event: $70 to $75 million potential
  - If successful, proceeds used to fund investments and reduce debt, with cash remaining for other uses
- Long term financial implications expected to be neutral to positive to the P&L
- Current year EPS improved by $0.36 per diluted share
- Enables Company to proceed with planned SIG restructuring
  - $15 million of annualized savings by end of 2009
  - Realigns business strategically with customer base
- Resources now available to focus on market upturn and execution