2008 Earnings Conference

July 30, 2008

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President and CEO

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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: our ability to liquidate our equity interests in Dana Holding Corporation (NYSE:DAN) at satisfactory valuation levels[1]; potential impairments, non-recoverability or write-offs of goodwill, assets or deferred costs, including deferred tax assets in the U.S.; compliance with covenants in, or acceleration of, our loan and other debt agreements; costs 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; cyclical or other downturns; 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; 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*

1 As of June 29, 2008, we had received distributions of approximately 3.2 million shares of DAN common stock. Due to market conditions and certain other factors, we believe that the recent trading prices of DAN common stock do not reflect its longer-term value. However, if we sell these shares at current prices or such prices otherwise reflect a decline in value which is deemed to be "other than temporary," our business, results of operations, covenants in our loan and other debt agreements, cash flows and financial condition could be materially adversely impacted.

Agenda

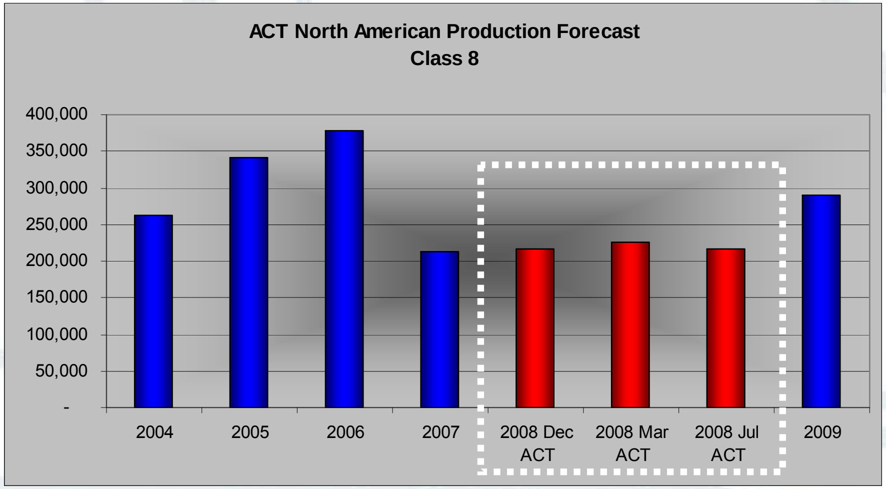
- Overview
- Market Outlook
- Strategic Direction
- Conclusion
- Financial Discussion
  - Q2 2008 Results
  - Q3 and FY 2008 Outlook
- Q&A Session

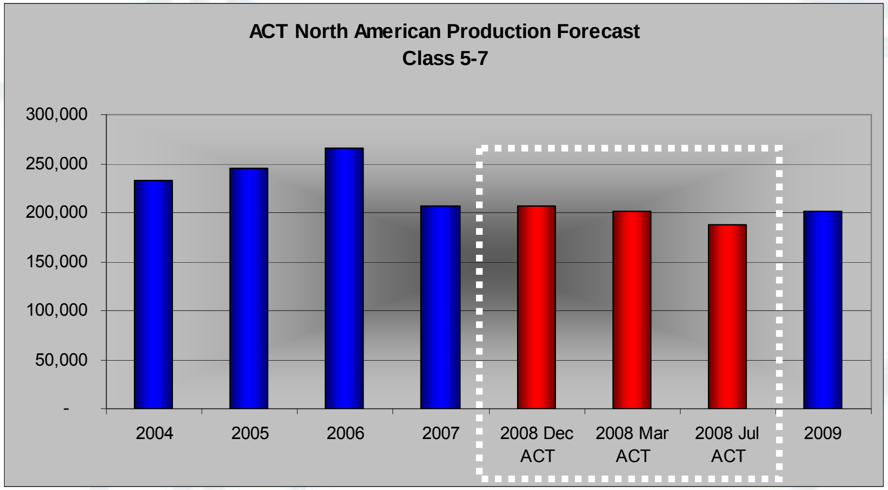
Overview

- Q2 2008
  - Key Results:
    - EPS within the lower end of guidance
    - Revenue $6 million below mid-point of guidance
      - Electronics Group revenue increased 13% sequentially
        - 15% increase in Aerospace & Defense
        - 9% increase in Test & Measurement
      - Industrial Group revenue remained steady at $69 million, $5 million below internal expectations
    - Test & Measurement gross profit increased 18% year over year
    - Electronics Group orders remained strong at $33 million, with high expectations for second half growth
    - Free cash flow reflected a usage of $13 million - $2 million better than guidance

EPS Outlook Achieved Despite Revenue Shortfall

Market Outlook





Heavy-Duty Vehicles

- July forecast for 2008 down 4% from March forecast
- Reflects impact of rising crude oil
- Current view shows modest 2% increase over 2007
- 2009 rebounds 34%; but down from the 45% increase expected in March

Medium-Duty Vehicles

- July forecast for 2008 down from March forecast by 7%
- Revised view 9% lower than 2007
- 2009 grows 7%; but still lower than 2007 levels

Latest Industry Projections Reflect Softening Demand

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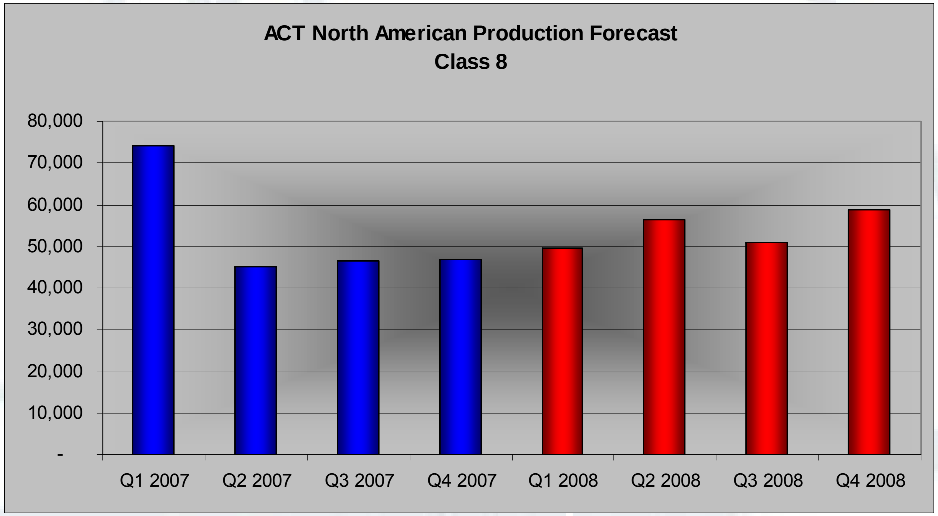
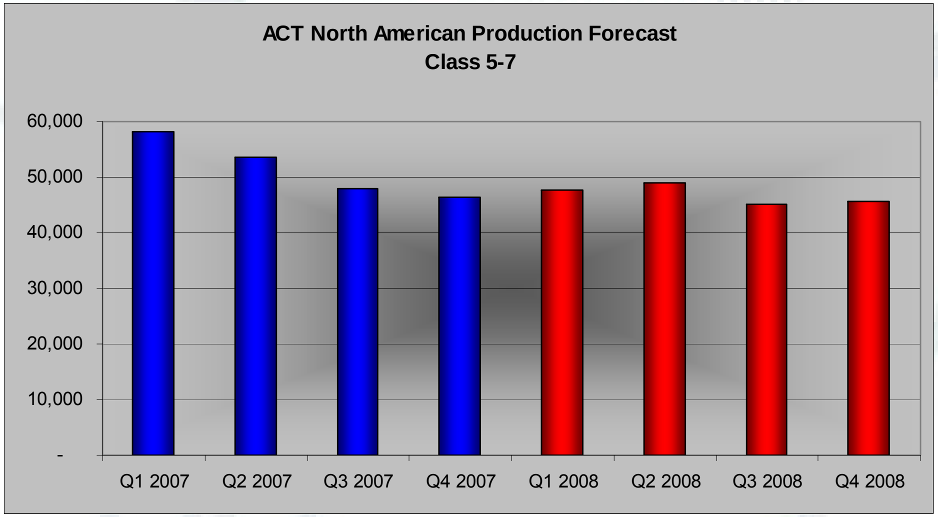
Market Outlook





Heavy-Duty Vehicles

- Q308 9% higher than Q307, but 9% lower than Q208
- Economy and fuel prices placing pressure on recovery forecast
- Q408 up 26% vs. prior year period and 15% sequentially

Medium-Duty Vehicles

- Outlook for medium duty is bearish
- Q308 6% lower than Q307 and 10% lower than Q208
- Recreational vehicle demand is forecasted to decline 34%
- School and urban buses forecasted to decline 14%

Recovery Outlook Mixed

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Market Outlook

- Industrial Group
  - The outlook for the production of trailers continues to weaken, with 2008 volume now expected to decline 30% from 2007 levels
  - The road to recovery in class 5-7 production has slowed considerably, driven largely by the economy
  - Light truck production has fallen significantly, resulting in a 25% reduction in outlook for this segment – representing just over 7% of consolidated revenue for 2008
- Electronics Group
  - Aerospace & Defense is expected to show continued top line growth through 2008
    - Secure communications products and new programs driving the change
  - Markets for intelligence and secure communications expected to remain positive for years – exception: funding issues appear to be impacting missile ranges
  - Test & Measurement outlook remains positive for the year
  - Expanded R&D budget expected to feed demand for additional new products in 2009
  - Orders for Q3 2008 are forecast to reach a multi-year high

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2008 Priorities

- Complete Phase 1 of SIG restructuring…prepare for market upturn
  - New business transfers are on track
  - Exiting non-core lines of business on schedule
  - New leadership team populated and driving commercial and operating improvements
  - Productivity results beginning to show from enterprise-wide efforts

  Decline in expected volume masking short-term impact – expect substantial leverage with upturn

- Achieve double digit Electronics growth
  - New President of Sypris Electronics is in place…strong technical, operational and industry background
  - Next generation of link encryption product certified and shipping
  - Next generation secured communications product under development and through preliminary design tollgate
  - New magnetic product offering under development offering entrance to new markets in 2009
  - Markets emerging for new receiver offerings

  Expect to represent 40% of portfolio revenue for 2008, up from 36% in 2007

- Improve business processes…continued focus on integration and automation
  - Factory scheduling…some progress…more to come
  - Bid/Order processing…enhancements being finalized for implementation
  - Enhanced working capital management…turns improved year-over-year

  Reduce inventory days by 47% by year end; double working capital turns; generate lasting free cash flow

On Track – More to Come

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Strategic Review

- NAFTA economic environment challenging
  - Housing and industrial production are down
  - Energy prices are on the front end of placing a real drag on the economy
  - Credit continues to tighten across all industry and market segments
  - Consumer confidence continues to be at risk
- Result is that the macroeconomic outlook for 2009 is less than certain at best
- As a result, we have initiated actions to review all operations with the intent to:
  - Eliminate unnecessary waste
  - Reduce fixed overhead
  - Accelerate, where possible, integration efficiencies during periods of reduced demand
  - Challenge the existence of any major program if it inhibits consolidation
- Objective is to generate significant improvement in operating earnings to offset potential economic risks
- Expect to report on outcome of the analysis in Q4

Savings to Exceed Risks

Conclusion

- The second quarter results met guidance for EPS despite a material shortfall in revenue from our Industrial Group
- The outlook for Electronics remains positive, while our Industrial Group continues to fight short-term reductions in demand – especially for light, medium and trailer components
- 2008 Priorities remain on track, with major progress being made in productivity, working capital turns and inventory days
- Increased efficiencies, growing electronics shipments and a recovery in commercial vehicle sales are expected to combine to drive a vast improvement in 2009 financial performance
- But the outlook for 2009 is not without substantial risk – commercial vehicle production is forecast to increase 15% to 20% (class 5-8), which would result in significant financial leverage for Sypris – but energy prices, credit availability and industrial production could impact this forecast
- As a result, we are conducting a strategic review with the intent of driving significant costs out of the business to buffer this risk – the analysis is expected to be completed during Q4

Improved 2008 Leading to Strong 2009

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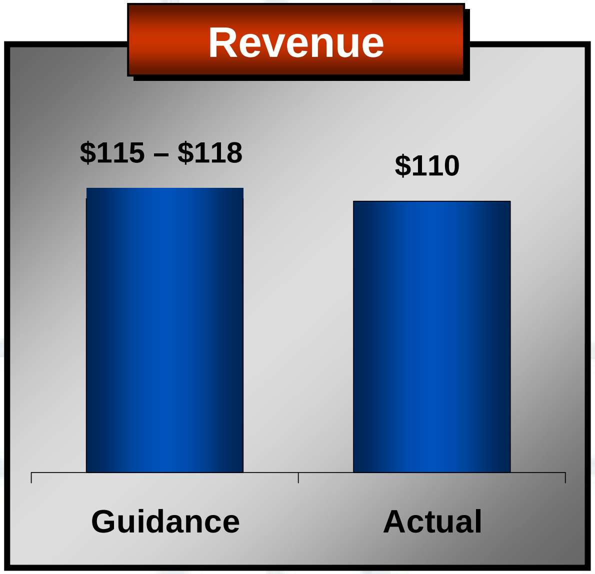
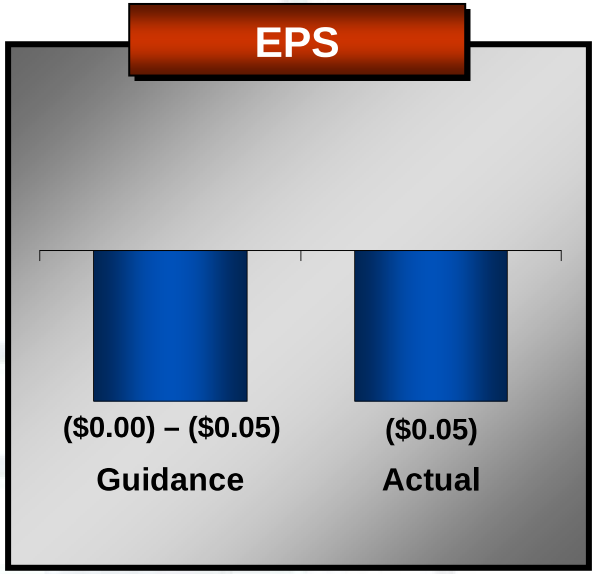
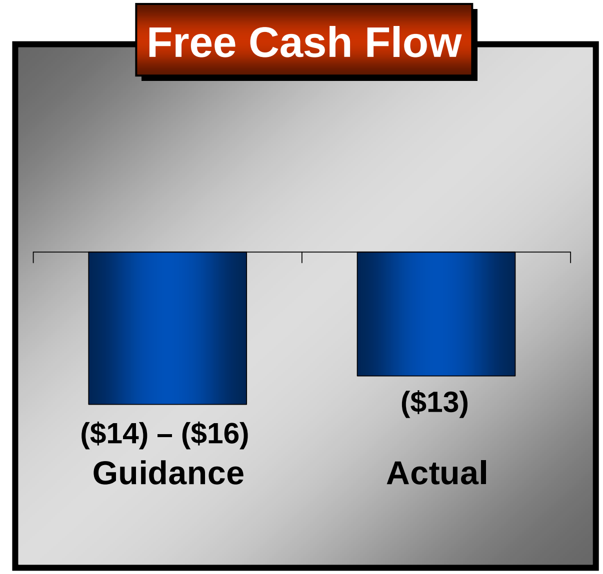
Q2 2008 / Outlook

Q2 2008 Results

($M, except EPS)







Revenue below guidance

- SIG volumes decline in light, medium and heavy truck; trailer volume softness continues
- SEG delays for certification testing and government funding shortfalls
- SEG orders were stronger than anticipated and 7% above the same period in 2007

PBT and EPS within guidance

- Industrial gross profit at $5.3 was just short of guidance as productivity nearly offset drop in volume
- SEG gross profit at $5.7 was below guidance driven by revenue miss
- SG&A expenses were better than forecast for the period and interest costs were lower on reduced borrowings

Cash flow above guidance

- 2007 income tax payments of $10 in Mexico was paid in Q2
- A/R collection ahead of guidance
- Material receipts delayed in response to market decline
- Capital expenditures deferred

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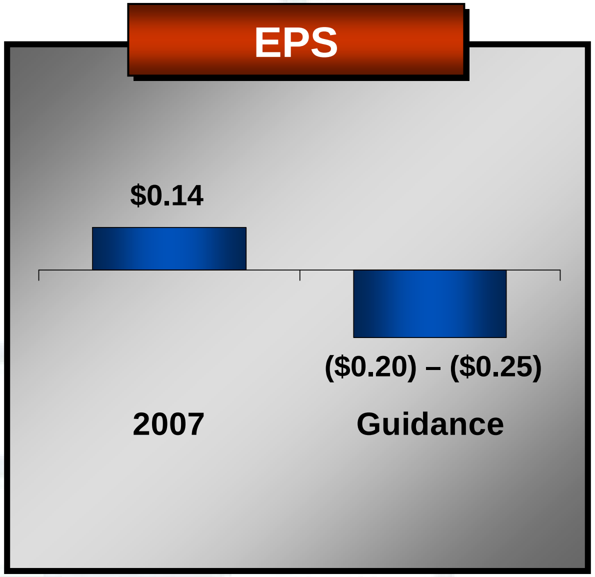
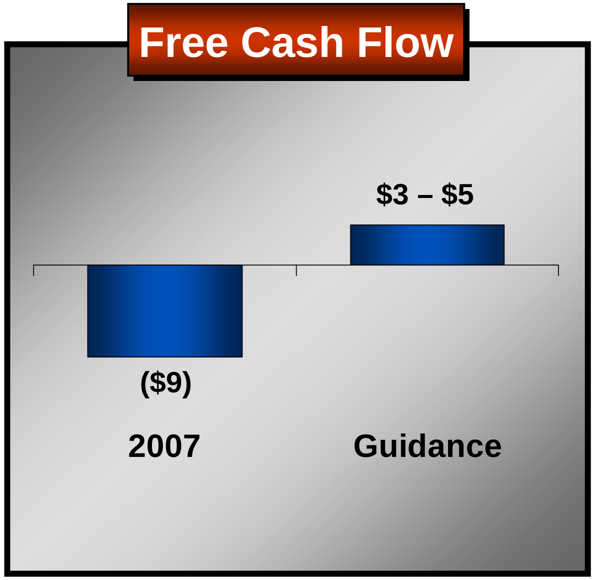
Q3 2008 Outlook

($M, except EPS)





Revenue flat with prior year

- SIG down 12% from PY
  - Significant reduction in light truck and declining medium & heavy truck production
- SEG up 20% YOY
  - Classified program sales improvements expected to outpace declines from legacy products
- SEG orders expected to be 20% higher than 2007

Market decline offsets productivity

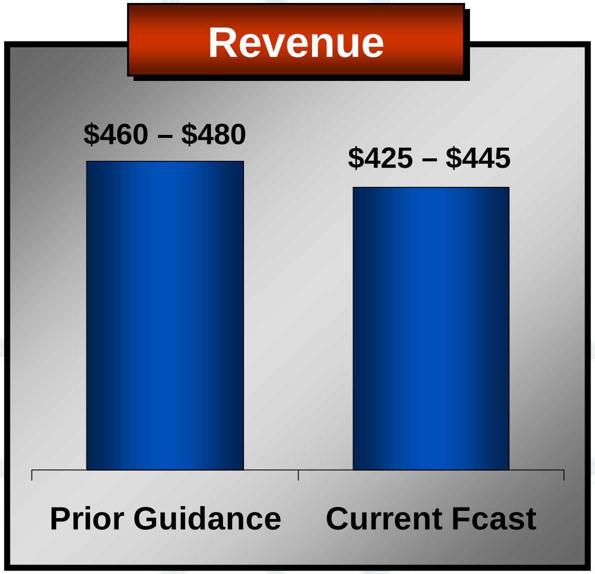
- SIG gross profit declines on anticipated loss of volume and impact of Dana settlement
- SEG gross profit up on higher sales and product mix
- SG&A up to support productivity initiatives
- R&D spend to meet SEG new product milestones
- Higher interest expense

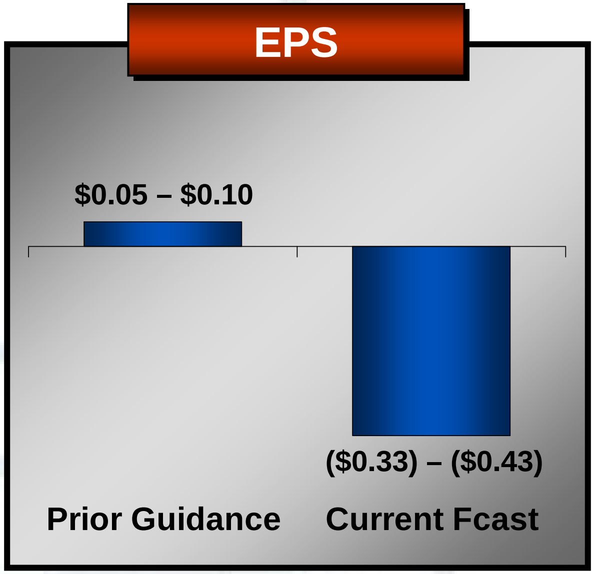
Cash flow improves by $12-$14

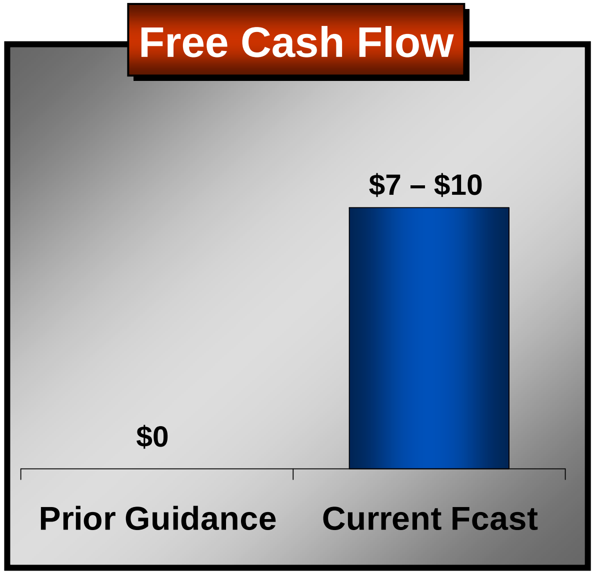
- Improve A/R collections
- Reduce inventory in response to depressed SIG market conditions
- Continuous improvement initiatives at SEG to drive inventory reductions
- Higher capex investment than 2007

Total Year 2008 Outlook

($M, except EPS)







Revenue down $25 in SIG markets

- SIG
  - Revenue grows sequentially from Q3 to Q4, but markets expected to remain weak
- SEG
  - Govt funding for data systems products lower than expected
  - Shift in A&D revenue mix within EMS & Products
  - STM continues steady growth
- Orders forecast to be up 3%

EPS decreased due to volume change

- SIG
  - Significant change in volume drops to gross profit
  - Productivity gains partially offset volume decline
  - Acceleration of realignment initiatives under review
- SEG
  - Lower SDS orders and change in mix driving lower gross profit
  - Increased G&A and R&D to transform operations and product offerings

Cash flow up on lower working capital and cap ex investments

- Working capital investment reduced to balance with market decline
- Capital investments to support volume are being deferred
- Management tasked with driving further improvements through continuous improvement initiatives.

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Wrap-Up

- Missed Q2 revenue but held within EPS range
- Updated Q3 and Q4 guidance to reflect deterioration in market forecasts
- Customer demand down in light truck, class 5-8, and trailer markets
- Operational improvements delivering expected results but overshadowed by revenue decline
- 2009 to benefit from productivity initiatives, Electronics growth and truck market recovery
- Respond to volatile markets with fresh look at the extent and timing of strategic initiatives

Significant Actions will be taken to Restore Profitability

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