2007 Earnings Conference

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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, and/or equity interests in, Dana at satisfactory valuation levels[1]; 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; impairments, non-recoverability or write-offs of goodwill, assets or deferred costs; 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, 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.*

[1] We have estimated and recorded our $89.9 million claim against Dana at approximately 85% of its face value or $76.4 million, which represents our right to receive certain distributions of cash and common stock in Dana Holding Corporation (NYSE:DAN), including initial distributions of approximately $6.3 million in cash and 3.1 million shares. 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 such prices or such prices otherwise reflect a decline in value which is deemed to be "other than temporary," our business, results of operations and financial condition could be materially adversely impacted.

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Agenda

- Overview
- Market Outlook
- Strategic Direction
- Conclusion
- Financial Discussion
  - Q4 2007 Results
  - FY 2007 Results
  - Q1 2008 Outlook
- Q&A Session

Overview

- Q4 2007
  - Key Results:
    - EPS in line with guidance
    - Revenue was slightly stronger than latest outlook
      - Electronics Group revenue increased 55% to $44.8 million
        - 73% increase in Aerospace & Defense
        - 24% increase in Test & Measurement
      - Industrial Group revenue declined 27% to $58.9 million
    - Electronics Group orders increased 29% over prior year, driven by strength in our Aerospace & Defense and Test & Measurement segments
    - Electronics Group increased to 43% of portfolio revenue, up from 26% for the prior year
    - Overall, the quarter was in line with expectations, with important progress made in our Electronics Group

Tough Quarter with Important Growth in Electronics

Overview

- Full Year 2007
  - Key Results:
    - Revenue, gross profit and net income were down year-over-year
      - Industrial Group revenue declined 23%, driven by a 44% reduction in commercial vehicle production
      - Electronics Group revenue increased 18% to $156.8 million
        - 19% increase in Aerospace & Defense
        - 15% increase in Test & Measurement
    - Electronics Group orders increased 25%, driven by a 31% increase in bookings from our Aerospace & Defense segment
    - Electronics Group increased to 36% of portfolio revenue, up from 27%
    - Calibration and screening businesses continued to grow
    - Dana settlement and its subsequent successful reorganization – key to future

Significant Progress Made - Groundwork for Recovery 2H08

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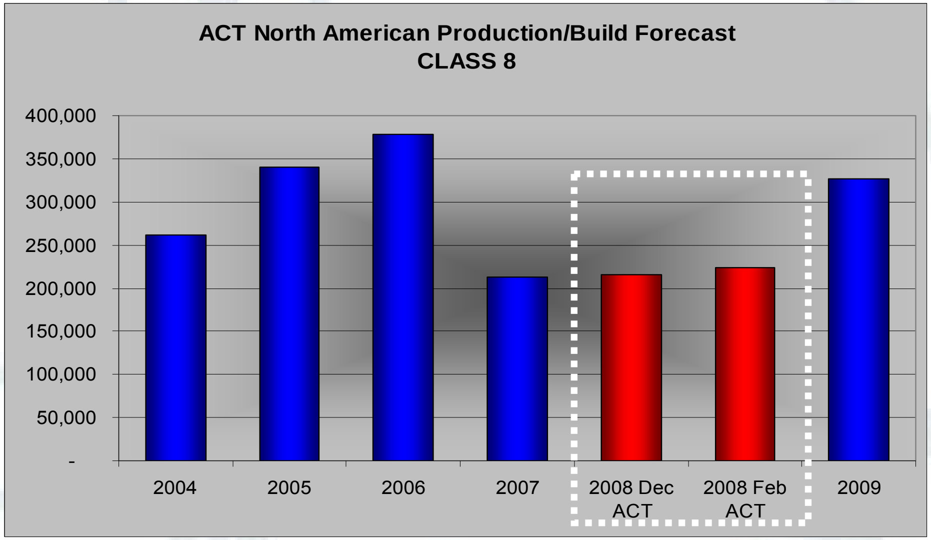
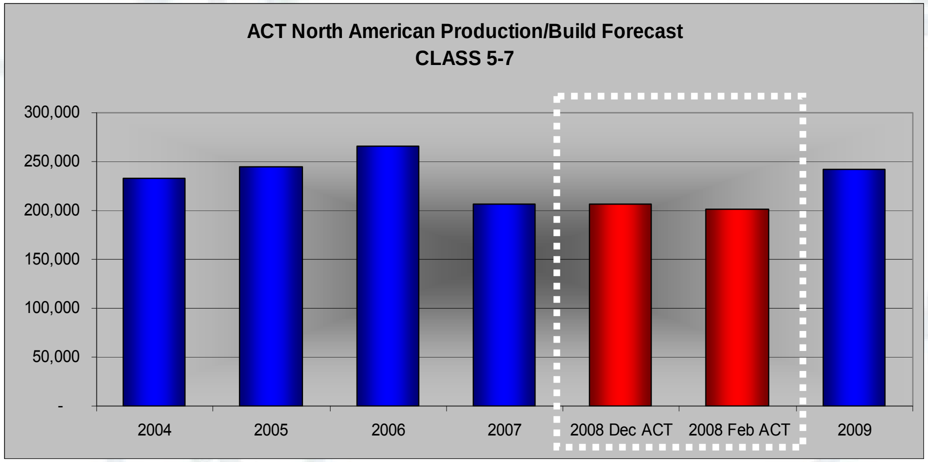
Market Outlook



Heavy-Duty Vehicles

- February forecast for 2008 up from December forecast by 4%
- Current view up 6% over 2007
- 2009 rebounds 46%



Medium-Duty Vehicles

- February forecast for 2008 down from December forecast by 2%
- Revised view 2% lower than 2007
- 2009 grows 20%

Latest Industry Projections Confirm 2008 Sypris Outlook

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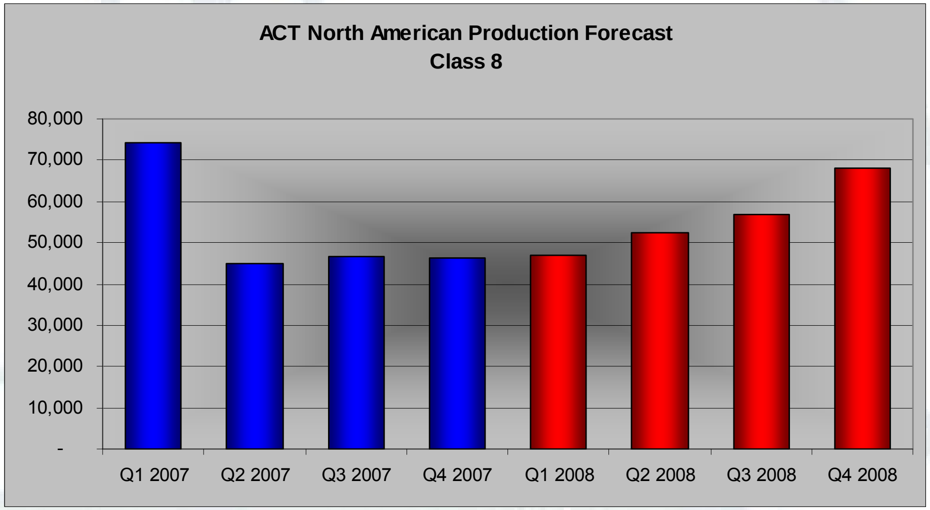
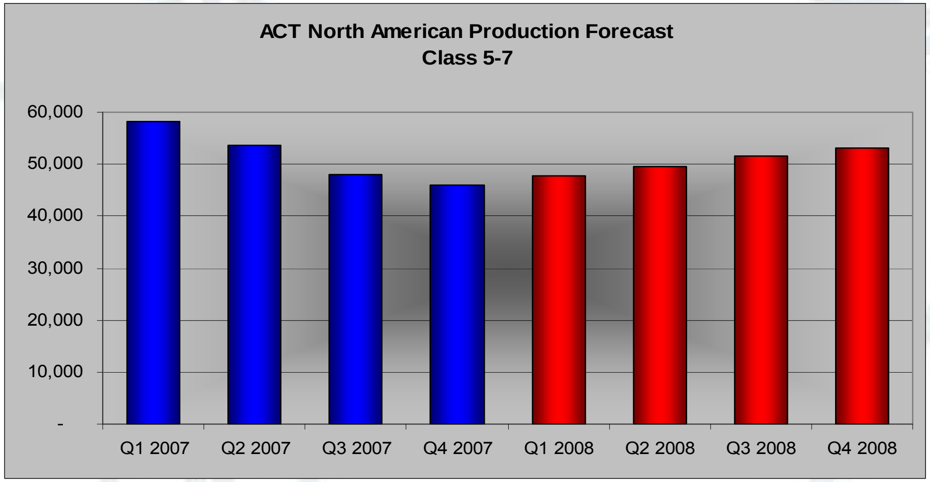
Market Outlook





Heavy-Duty Vehicles

- Q108 37% below that of prior year, but even with Q407
- Progressive sequential recovery forecast, subject to economy
- Q408 up 47% vs. prior year period and 20% sequentially

Medium-Duty Vehicles

- Q108 and Q208 below prior year period, but increasing sequentially throughout the year

Recovery Concentrated in Second Half of 2008

Market Outlook

- Industrial Group
  - The outlook for the production of trailers continues to weaken, with 2008 volume now expected to decline 16% from 2007 levels
  - Production of sport utility vehicles and light trucks is forecast to decline year over year, with recovery forecast for 2009
  - Despite headwinds in these two sectors, the gradual recovery in commercial vehicles, when combined with new program starts and higher material pass throughs, is expected to result in 9% top line growth compared to 2007
- Electronics Group
  - Aerospace & Defense expected to show continued strong double digit growth during 2008, driven by increased shipment of new secure communications programs
    - Key program certification received in January; deliveries commenced in February
  - Markets for intelligence, missile defense and secure communications expected to remain positive for years
  - Expanded R&D budget expected to feed demand for additional new products in 2009
  - Expect to maintain strong momentum in calibration services

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Strategic Direction

- Electronics Group to play an increasingly larger role in the overall portfolio
  - Target 50% or greater of consolidated results over long-term
    - Drive margin expansion
    - Balance customer and industry exposure
  - Emphasis on expanding product mix within Aerospace & Defense segment; calibration services within Test & Measurement
  - Drive volume through existing footprint, while expanding R&D to grow product suites
  - Focus on niche markets where unique certifications serve to differentiate
- Industrial Group to focus on realignment of manufacturing footprint, systems and process
  - Balance production among plants; increase LCC production
  - Expand presence into India, China and Eastern Europe
    - Partner with established players to balance risk and preserve capital
    - Diversify markets, customers and participate in local growth

Focus on Margin Expansion; Portfolio Balance

Conclusion

- The fourth quarter concluded a year that was expected to be difficult … and was
  - Dana contract resolution and double digit growth in Aerospace & Defense and Test & Measurement segments served as notable positives
- 2008 is expected to be a better year, with continued double digit growth in Electronics and the commencement of a recovery in Industrial
  - Volume, mix and productivity expected to drive results in second half
  - Economy will be the wild card
- Managerial focus during 2008 will continue with the realignment of our Industrial Group and laying the groundwork for additional growth in Electronics for 2009 and beyond, targeting:
  - Margin expansion
  - Portfolio balance
  - Diversification of customer, market and industry risk
- 2008 will serve as an important building block, paving the way for a strong 2009

Improved 2008 Leading to Strong 2009

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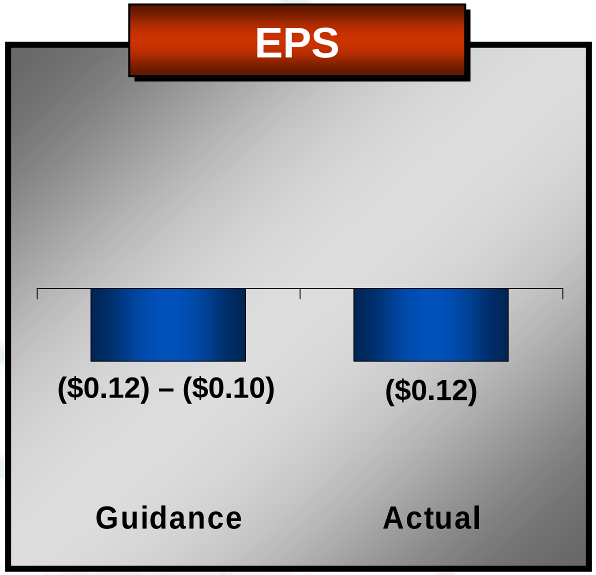
2007 Update / 2008 Forecast

Q4 2007 Results

($M, except EPS)

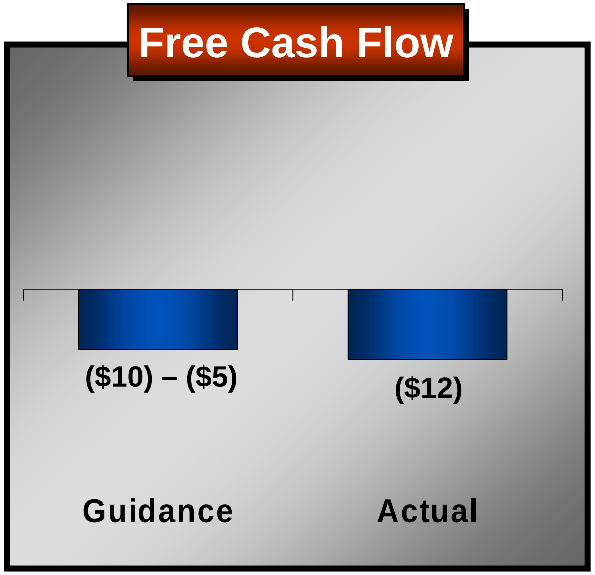
Revenue up $8 from guidance

- SIG volumes were better than anticipated (+$4)
- Product deliveries in SEG were stronger than forecasted (+$4)
- SEG Orders were slightly stronger than anticipated at 29% over same period in 2006



PBT and EPS within guidance

- Industrial gross profit at $3.8 was in line with expectation
- SEG gross profit at $5.8 was in line with expectation as stronger volumes offset the impact of higher program costs and negative sales mix
- SG&A/R&D expenses were also consistent with forecast

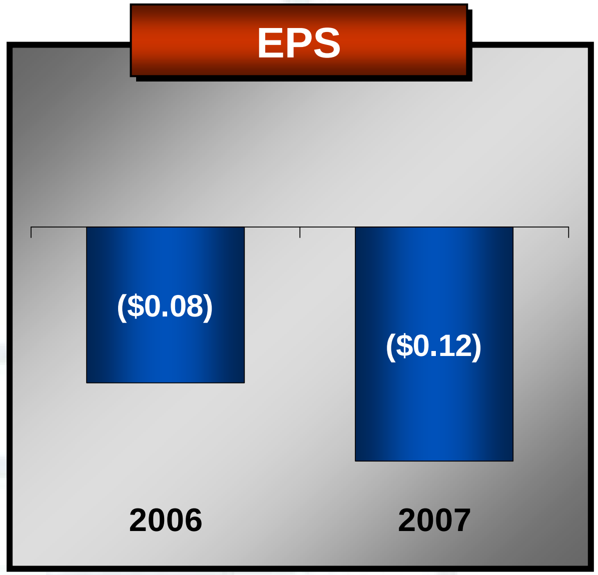


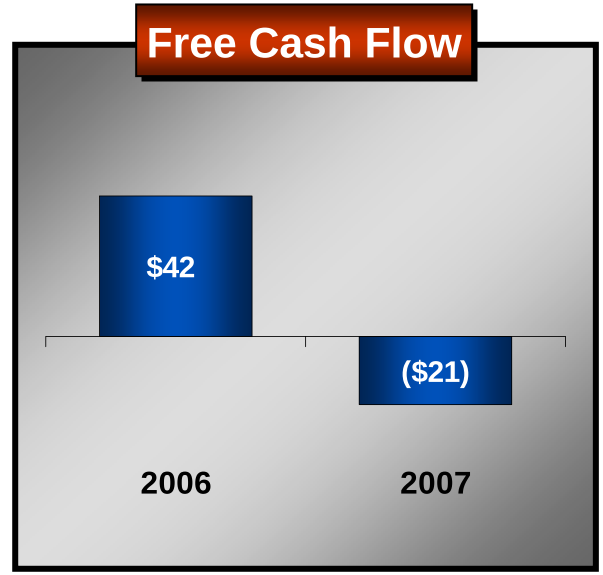
Cash flow down $4 from guidance

- SEG collection timing in Q4 will be largely recovered in Q1
- Increased inventory turns by 0.6 to achieve 5.2 turns

Total Year 2007 Results

($M, except EPS)





Revenue down (-$62) from Prior Year

- Industrial down (-$86)
  - Expected decline in heavy/med truck (-$84)
  - Housings/trailer decline (-$23)
  - Dana settlement/arbitration +$12
  - Price improvements +$9
- A&D up +$17
  - Products +$12
  - Mfg. services +$5
- STM up +$7
  - Calibration +$5
  - Test services +$2
- SEG Orders up 25%

PBT down (-$1.1); w/o settlement (-$13.1)

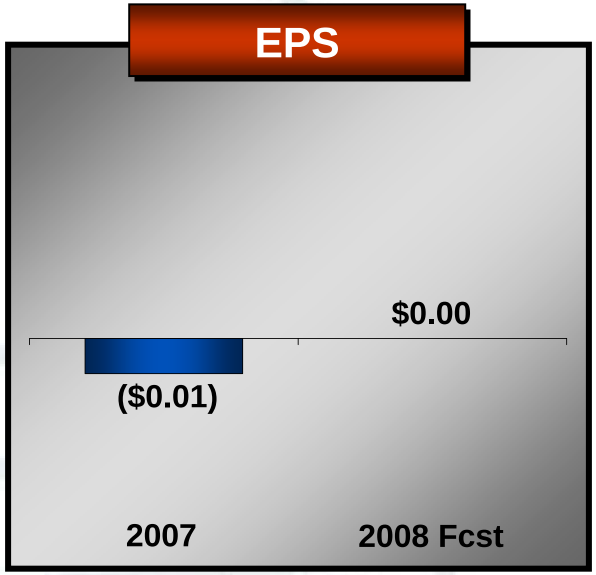
- Industrial gross profit is flat to prior year as price increases & settlement/arbitration impacts offset the effect of lower volumes & increased labor costs
- SEG gross profit is down slightly (-$1.2) as volume largely offset increased program support costs and negative sales mix
- SG&A/R&D/Non-recurring flat to prior year

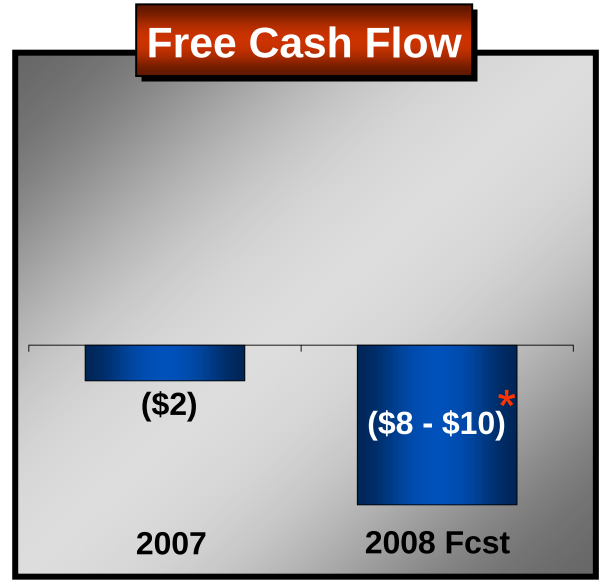
Cash down $63 from Prior Year

- 2006 non-recurring WC improvements (-$29)
- SEG inventory ramp for new programs (-$14)
- Settlement terms & legal fees (-$20)

Q1 2008 Outlook

($M, except EPS)





Revenue down 6% or $7

- SIG down 12% due to Q1'07 overhang from 2006 up market in heavy/med trucks
- SEG up 15% on the strength of A&D product sales

PBT up $0.4, EPS up 1 cent

- SIG gross profit +$1.0 driven by settlement amortization offsetting volume declines
- SEG gross profit +$0.8 on A&D volume
- SG&A/R&D up (-$0.8) with new A&D development efforts combined with inflation
- Interest expense up (-$0.6) on higher debt balances

Cash flow usage due to one-time pymt

- *Includes $10 tax pymt on Dana claim
- $8M of Cash from Operating Activities
- Capex of $7M driven by SIG
- Expected to improve inventory turns another 0.6 to achieve 5.8 turns

Looking Forward to 2008

- Complete Phase 1 of SIG restructuring…prepare for market upturn
  - New business transfers are on track
  - Exiting non-core lines of business on schedule
  - Relocation of certain operations to low cost locations largely on track
  - Emphasis on lean and standard operations, manage benefit costs
- Achieve double digit Electronics growth…both revenue and profits
  - Next generation of link encryption product certified and shipping
  - R&D development of next generation encryption product is on plan
  - Markets emerging for new INTEL recorder and receiver offerings
  - $3M of new calibration business targeted in 2008
- Improve business processes…continued focus on integration and automation
  - Factory scheduling
  - Bid/Order processing
  - Customer alignment/rationalization
  - Enhanced working capital management
  - Commodity management

Improved Operating Performance…More Balanced Portfolio

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