2008 Earnings Conference

November 5, 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 levels1; potential impairments, non-recoverability or write-offs of goodwill, assets or deferred costs, including deferred tax assets in the U.S.; fees, costs or other dilutive effects of refinancing, 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 (including the possibility that our common stock could cease to qualify for listing on the NASDAQ Stock Market due to a sustained decline in prices per share, or that any reverse stock split or other restructuring of our debt or equity financing could be accompanied by the deregistration of our common stock or other "going private" transactions); 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 and the risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.*

1 As of September 28, 2008, we had received distributions of approximately 3.4 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" or otherwise beyond our ability to hold these shares until their prices have recovered our business, results of operations, covenants in our loan and other debt agreements, cash flows and financial condition could be materially adversely impacted.

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Agenda

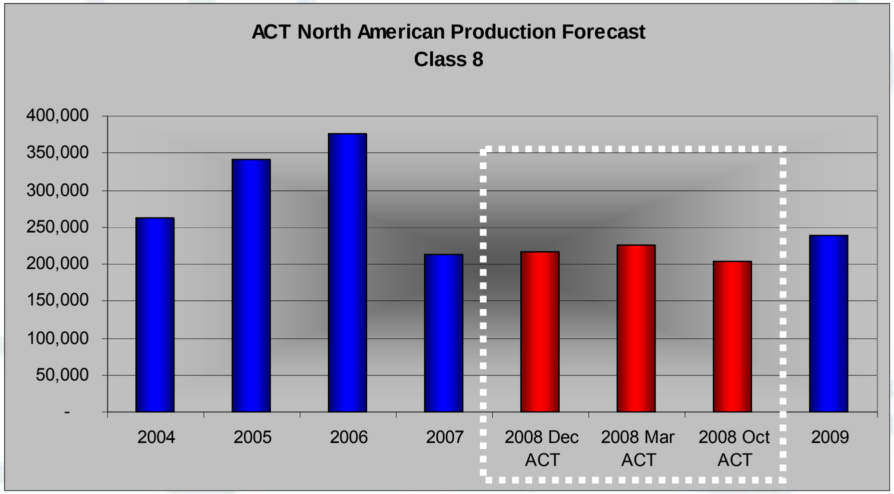
- Overview
- Market Outlook
- Strategic Review and Actions Taken
- Financial Discussion
  - Q3 2008 Results
- Conclusion
- Q&A Session

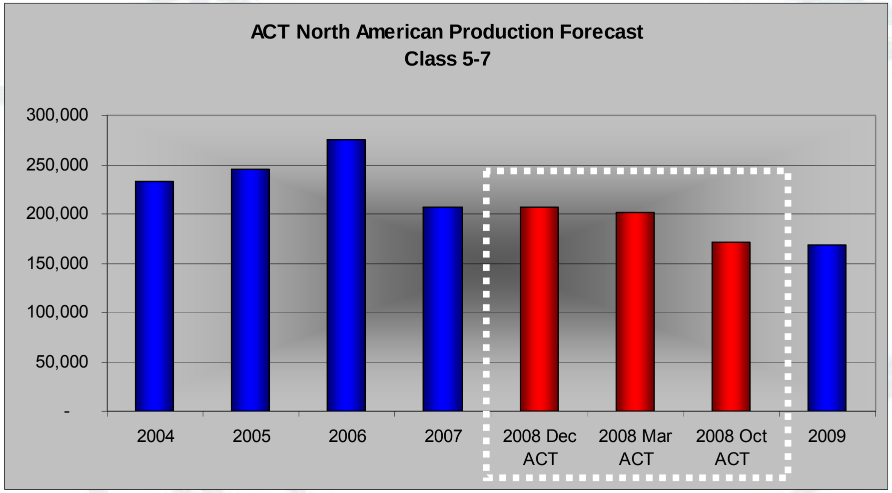
Overview

- Q3 2008
  - Key Results:
    - EPS lower than guidance
    - Revenue $5 million below mid-point of guidance
      - Electronics Group revenue increased 14% compared to prior year
        - 19% increase in Aerospace & Defense
        - 6% increase in Test & Measurement
      - Industrial Group revenue declined to $58 million, $10 million below internal expectations
    - Gross profit increased 15% and 7% for Aerospace & Defense and Test & Measurement, respectively, but declined 94% for Industrial
    - Electronics Group orders increased 33% sequentially to $45 million
    - Free cash flow reflected a usage of less than $2 million, but remained positive on a year-to-date basis

EPS Impacted by Industrial; Electronics Continues to Progress

Market Outlook





Heavy-Duty Vehicles

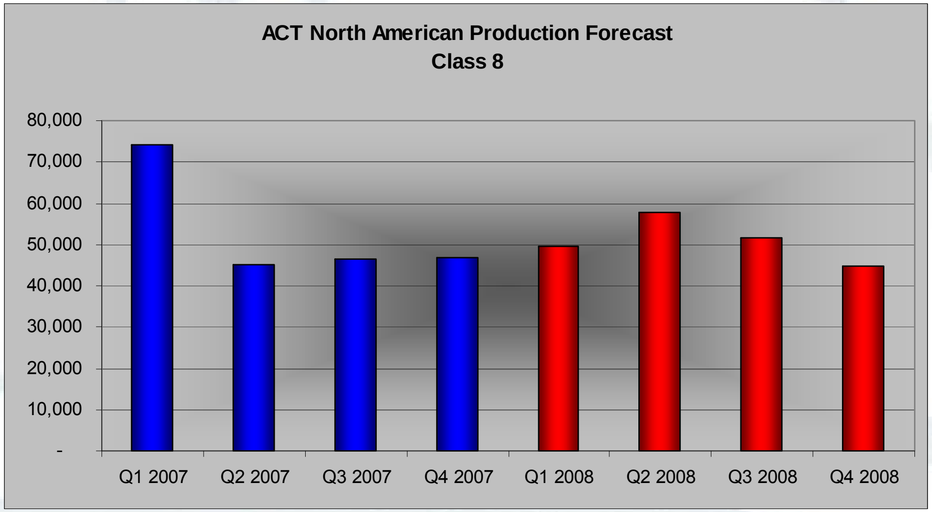
- October forecast for 2008 down 5% from July forecast
- Reflects continued impact of credit availability and weak economy
- Current view shows 9% decline from 2007
- 2009 rebounds 17%; but down from the 45% increase expected in March

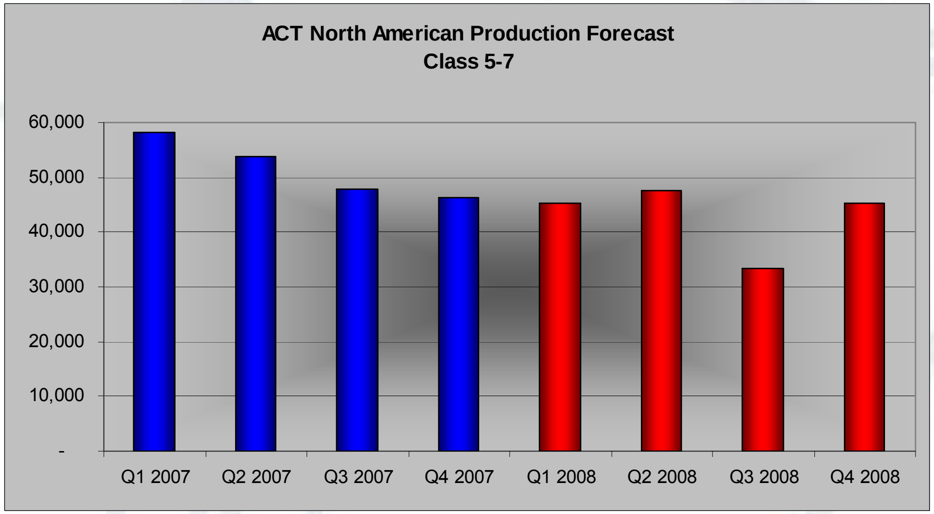
Medium-Duty Vehicles

- October forecast for 2008 down from July forecast by 9%
- Revised view 17% lower than 2007
- 2009 down 2% from 2008

Latest Industry Projections Reflect Further Declines

Market Outlook





Heavy-Duty Vehicles

- Q308 11% higher than Q307, but 11% lower than Q208
- Economy and fuel prices placing pressure on recovery forecast
- Q408 down 4% vs. prior year period and 13% sequentially

Medium-Duty Vehicles

- Q308 30% lower than Q307 and 30% lower than Q208
- Q408 35% above Q308
- Q408 recreational vehicle demand declines 41% from Q407
- Q408 school and urban buses increase 17% over Q407

Recovery Outlook Uncertain

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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 Q4 2008 are forecast to remain strong

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

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Strategic Review – Actions Taken

- Merging Sypris Data Systems with Sypris Electronics
  - Will eliminate redundant overhead and costly facility in Southern California
  - Becomes an integrated product line within Sypris Electronics
  - Expect annualized savings of $2.5 million once completed
- Closing Industrial plant in Kenton, Ohio
  - Will eliminate 550,000 square feet of manufacturing space
  - Expect to be completed by June 2009
  - Expect annualized savings of $5.0 million or more once completed
- Production efficiencies achieved at Sypris Electronics
  - Result of significant effort to improve operations
  - Reduction in force of 40 people completed in October
  - Monthly output continues to trend up
  - Expect annualized savings of $2.5 million
- Additional detail and actions, including costs and expected savings, to be discussed on 11/25

$10 Million Per Year of Expected Savings – More to Come

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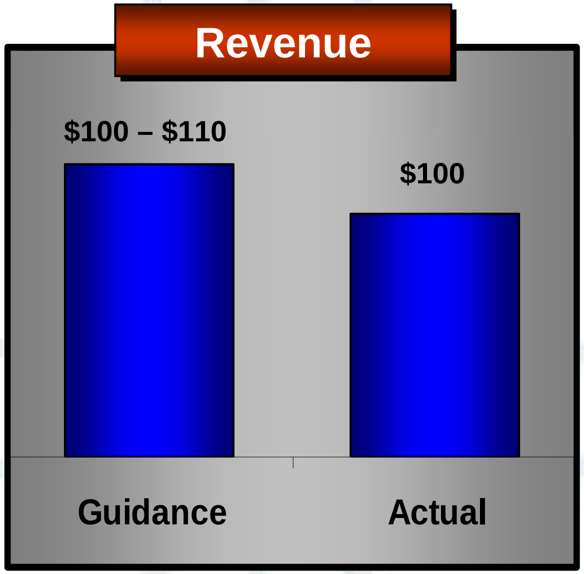
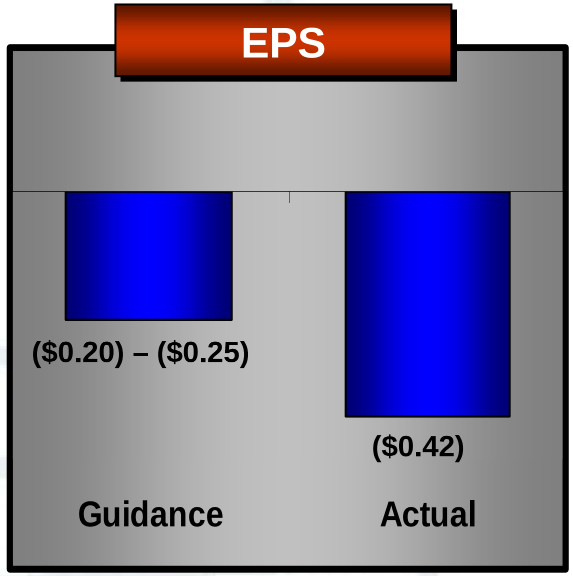
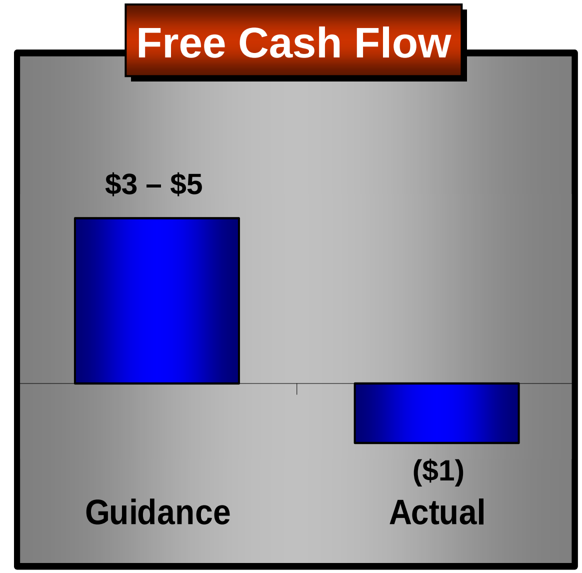
Q3 2008

Q3 2008 Results

($M, except EPS)







Revenue at low end of guidance

- SIG volumes decline in medium and heavy truck; trailer volume softness continues
- SEG revenues met expectations, 14% above same period in 2007

PBT and EPS below guidance

- SIG gross profit at $0.3 was short of guidance due to drop in volume, higher than expected labor costs and decreases in productivity
- SEG gross profit at $6.3 was slightly below guidance driven by product mix, however $0.6 above prior year
- $1.0 foreign currency exchange loss and $0.7 restructuring charges

Cash flow below guidance

- EBITDA below expectations by $3.0
- A/R Collections with key customers improving, however slightly behind forecast
- SEG inventory higher than forecasted
- Capital expenditures delayed

Conclusion

- The third quarter results fell below our EPS guidance as a result of a material shortfall in revenue from our Industrial Group, foreign exchange losses and absence of tax benefits
- Our Industrial Group is facing increasingly stiff headwinds in the short-term, driven by reduced freight volume and credit availability… actions underway as discussed, more under consideration
- The outlook for Electronics remains positive and is more resilient to the market turmoil currently being felt by our Industrial Group
- Major actions underway to reduce the cost structure and effectiveness of our business model, with $10 million of annualized savings expected as a result
- Additional action steps, including the costs and expected savings, to be reviewed on November 25 conference call
- Combined, these efforts are expected to position Sypris for success under a variety of economic outcomes

Major Changes Taking Place to Address Environment

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