2007 Q2 Earnings Conference

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Disclosures

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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

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Agenda

- Overview
- Market Outlook
- Dana Agreement
- Conclusion
- Financial Discussion
  - Q2 2007 Results
  - Q3 2007 Outlook
  - Total Year 2007 Outlook
  - Wrap Up
- Q&A Session

Overview

- Q2 2007 Key Results
  - Revenue of $116 million exceeded guidance by $14 million, or 14%
    - Industrial Group beat forecast by $7.4 million, driven by a smaller than anticipated drop in commercial vehicle demand
    - Electronics Group was up 27% over Q2'06 and beat forecast by $6.3 million, with the stronger ramp of a new classified program
  - EPS at a loss of $0.13 was within guidance range, but would have exceeded expectations were it not for the following:
    - Professional fees tied to Dana settlement exceeded $1.2 million for the quarter
    - The delay in the receipt of a follow-on order for a new classified program resulted in a delay in profit recognition of $1.5 million
    - Electronics margins were impacted by slower than expected cost improvements during the new program ramp
  - Free cash flow generation of $2.3 million beat guidance by $8 million
  - Net debt remained flat sequentially at 12% of capital, down from 17% in Q2'06
  - Electronics Group orders increased 8% in Q2 and 21% year-to-date over prior year

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Overview

- Q2 2007 Key Results
  - Sergio de Carvalho – new President of Sypris Technologies
    - Former Vice President and General Manager, Trailer and Ride Control division of ArvinMeritor
    - Proven executive; global experience; extensive knowledge of commercial vehicle business
  - Settlement agreement reached with Dana
    - Materially beneficial agreement for both parties
    - If approved, will have a positive impact on 2H'07
- Total Year 2007 Outlook
  - Guidance adjusted to reflect Q2 results, but excludes Dana settlement
    - Revenue range increased by $15 million: $435 – $445 million
    - EPS range remains unchanged: ($0.30) – ($0.35)
    - Free cash flow remains unchanged: $10 – $15 million
- Challenging year, but making progress

Market Outlook

- Industrial Group
  - ACT July Outlook largely unchanged for years 2007 and 2008
  - Heavy Duty Vehicles
    - 2007 forecast of 217,000 vehicles, down 43% from 2006
    - 2008 forecast of 261,000 vehicles, up 20% from 2007
    - 2009 forecast of 386,000 vehicles, up 48% from 2008 and 78% from 2007
  - Medium Duty Vehicles
    - 2007 forecast of 201,000 vehicles, down 24% from 2006
    - 2008 forecast of 238,000 vehicles, up 18% from 2007
    - 2009 forecast of 240,000 vehicles, even with 2008 and up 19% from 2007
  - Overall
    - The low point in the cycle is expected to run from Q2 to Q3 of 2007
    - Team is managing down cycle well, while preparing for growth in 2008

Market Outlook

- Electronics Group
  - Q2 orders grew 8%, resulting in 21% 1st half orders growth
  - Aerospace and Defense program launches showing mixed results
    - New classified military product is ramping up production
      - Q2 revenues exceeded Q2 forecast
      - However, manufacturing yield issues and delayed cost reductions are negatively impacting near-term margins
      - Expect additional IDIQ contract during Q3
    - Certification of new generation encryption product delayed in Q2
      - Certification now expected for Q3
      - Associated production delayed one quarter
  - Research & Development pipeline is robust with strong customer demand
  - Test & Measurement group continues to post solid gains
  - On track for consistent double digit growth in 2007 and beyond

Dana Settlement Outline

- Comprehensive Settlement
  - All litigation with regard to prior disputes is resolved
  - Master supply agreement replaces three existing contracts
  - Dana and Sypris to exchange production of certain non-core components
  - Sypris to rebalance production among its plants to reduce costs for both parties
  - Dana to be released from committed but undelivered volumes of certain business
  - Sypris to receive an $89.9 million claim
  - If approved, is expected to have a positive impact on the year
- 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 the next 9 to 12 months
  - Sypris to accrue for certain relocation expenses and asset impairments
  - Future pricing actions and other costs to be offset by the claim

Dana Settlement Outline

- 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 a substantial claim, including access to the proposed rights offering
- Key Dates
  - August 7: Scheduled court hearing to approve the motion
  - August 17: Period expires for possible appeal of the ruling
  - August 27: Sypris to hold conference call at 9:00 a.m. to update guidance
- Summary
  - Agreement is expected to strengthen and improve the competitiveness of both companies
  - If approved, is expected to have a positive impact on the financial outlook for Sypris

Conclusion

- Revenue and cash flow exceeded guidance for Q2
- Raised revenue outlook for the year, but left earnings and cash flow expectations unchanged pending approval of Dana settlement
- The market outlook for our business remains challenging in the short-term for Industrial and very positive for Electronics
  - Commercial vehicle volumes for 2007 will be 35% below 2006, as anticipated
  - Electronics Group order rates are up significantly from 2006 and are expected to continue
    - Orders reflect growth of 21% year-to-date; forecast to be up 27% for year
    - Calibration top line growth of 15% year-to-date
- Dana settlement very positive for both parties
  - Establishes platform for the resumption of profitable growth

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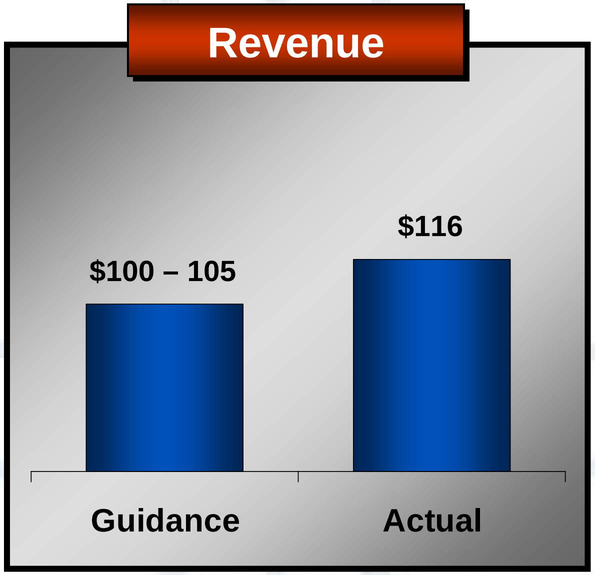
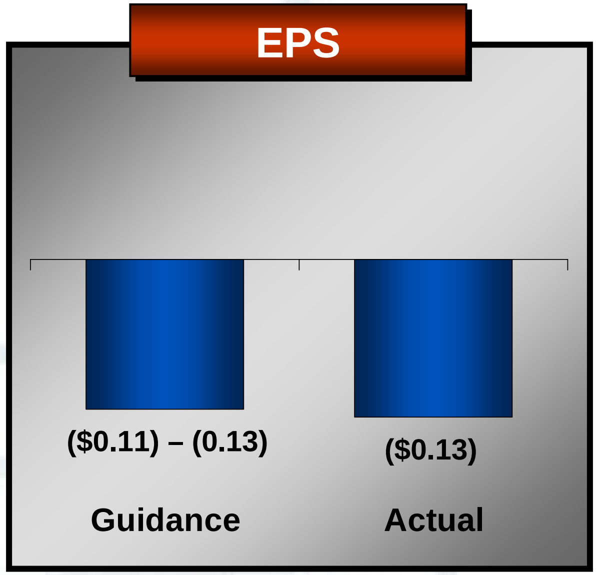
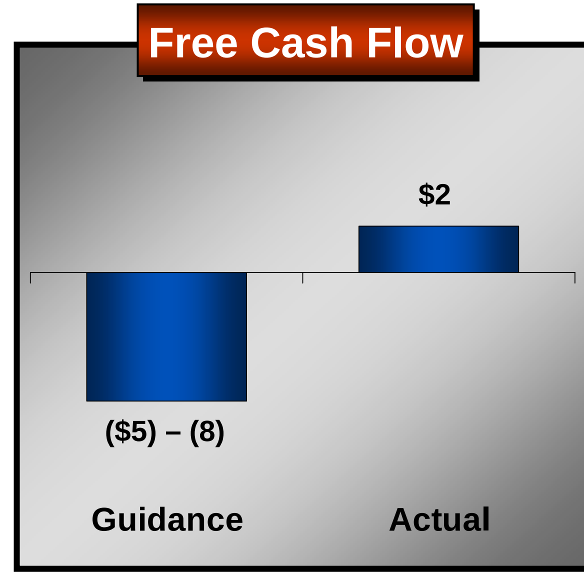
Q2 2007 Results

($M, except EPS)







Revenue exceeded guidance by $14

- Industrial up +$7.4, driven by heavy and light vehicle volumes
- Electronics up +$6.3, primarily from faster ramp-up of new classified product

PBT down $0.3, EPS within range

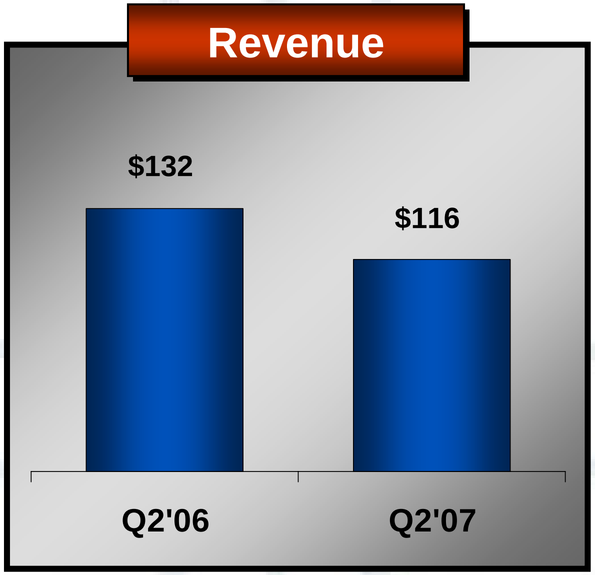
- Industrial Gross Profit up +$1.7 driven by higher volume, offset somewhat by increased benefit costs
- Electronics Gross Profit miss (-$3.5) from
  - Delay in follow-on order
  - Delay in cost reductions ahead of ramp of new classified product
- SG&A / R&D / non-recurring down +$1.2 despite legal headwind of $0.9 above forecast
- Interest down +$0.3 on better cash flow

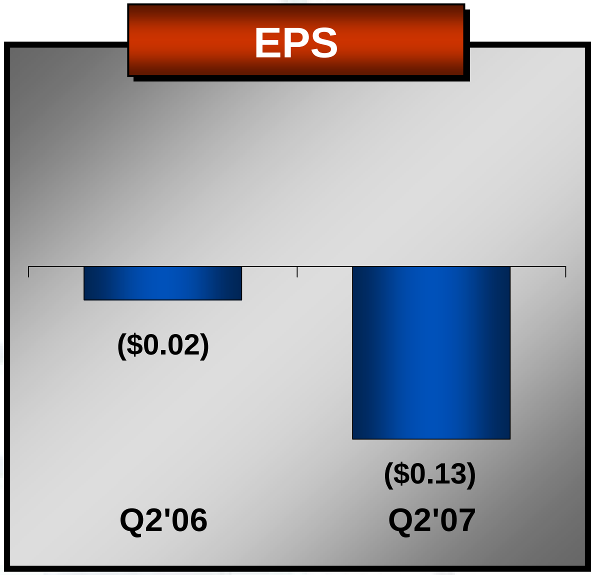
Cash Flow exceeded guidance by $8

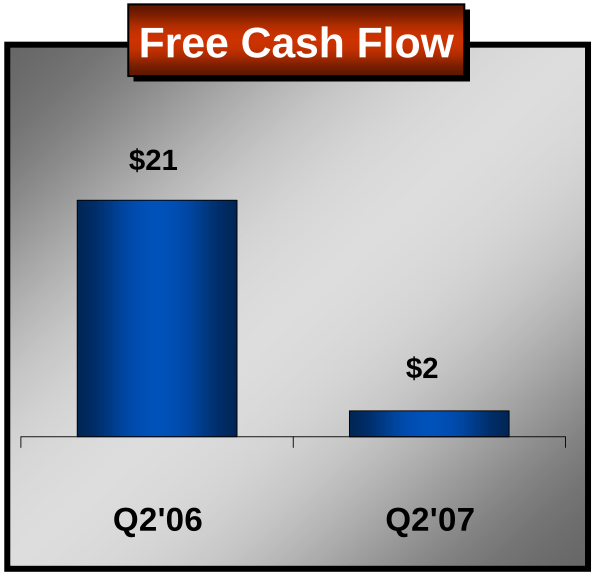
- Capex timing +$3
- Sequential generation from Working Capital better than forecast
  - W/C up $0.5 from Q1 to $80.4 in Q2
  - Turns @ 5.8

Q2 2007 vs. Prior Year

($M, except EPS)







Revenue down 12%

- Industrial down 25%
  - 41% Heavy truck decline
  - 22% Light duty increase
  - 24% increase in Energy market
- Electronics up 27%
  - New classified program ramp
  - Calibration markets
- Electronics Orders up 8% to $33
- Backlog up 9% at $99

PBT down $3.4; EPS down $0.11

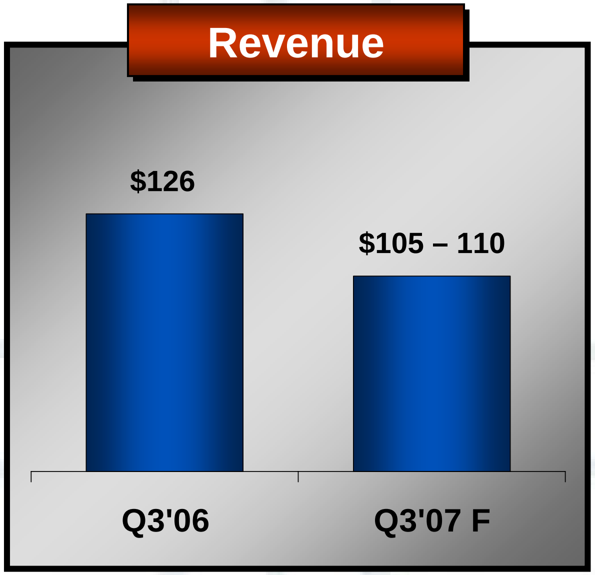
- Industrial Gross Profit down (-$0.7) from volume and increased benefit costs
- Electronics Gross Profit down (-$2.0)
  - New classified program: delay in cost improvements and follow-on order
  - Unfavorable mix in product shipments
- SG&A / R&D / non-recurring up (-$0.7) driven by legal fees

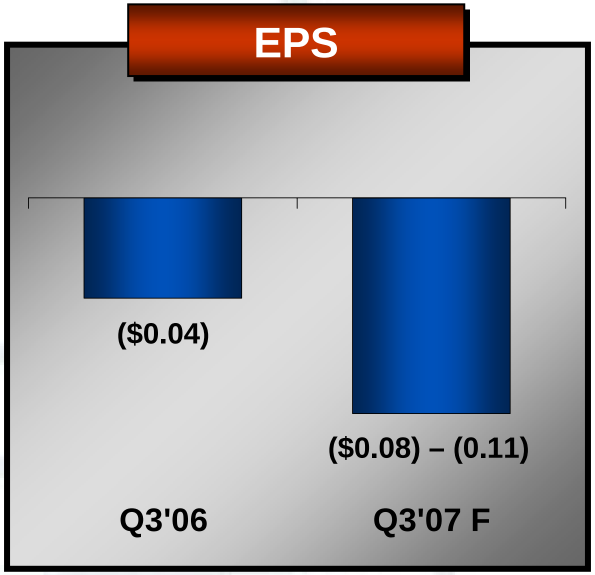
Cash Flow down $19

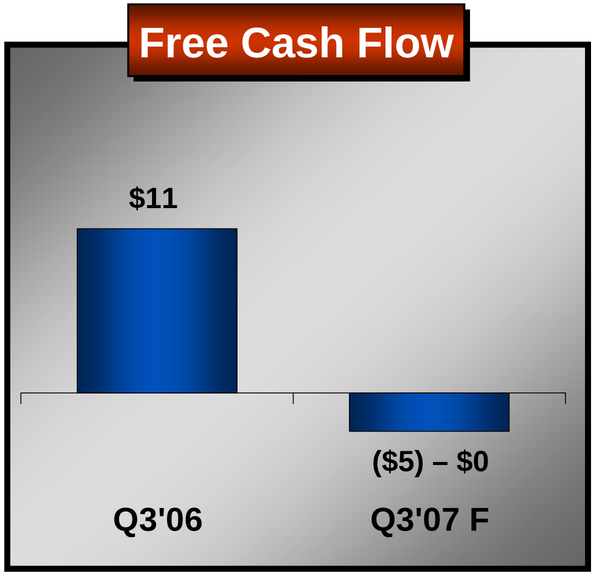
- Lower net income (-$2)
- Higher depreciation & non-cash +$2
- Higher capex (-$2)
- Less working capital reduction vs. prior year (-$17), driven by Q2'06 non-recurring items
  - Dana interim settlement (-$15)

Q3 2007 Outlook

($M, except EPS)







Revenue down 15%

- Industrial down 28% driven by heavy vehicle down cycle
- Electronics up 24%
  - A&D up 32% driven by shipment of new classified program replacing mature / legacy products
  - T&M up 10%, driven by Calibration
- Electronics Orders up 20+%

PBT down $1.6; EPS down $0.05

- Industrial Gross Profit down (-$2.8), driven by down truck market
- Electronics Gross Profit up +$1.8, driven by higher product sales volume
- SG&A / R&D up (-$0.4), driven by advisor fees and R&D
- Interest expense up (-$0.2) on higher interest rate from Q1 debt refinancing

Cash flow down $13

- Lower net income (-$1)
- Higher Capex (-$1)
- Less sequential cash generation from Working Capital (-$11)

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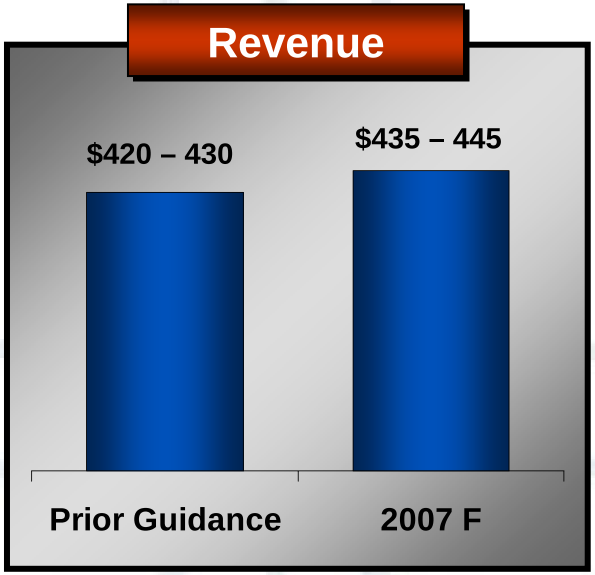
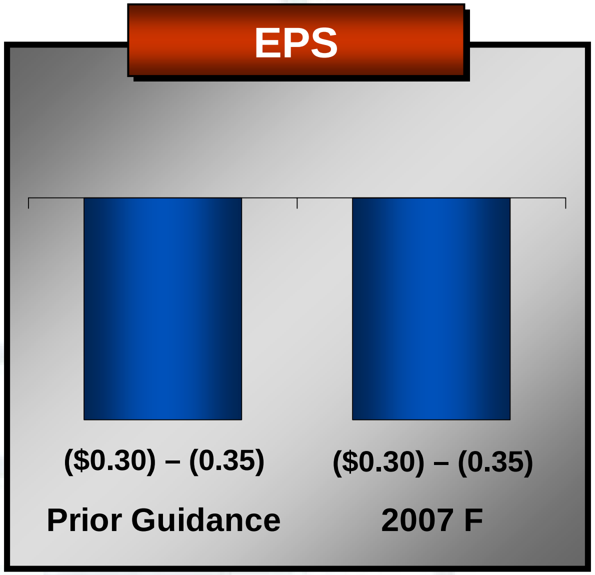
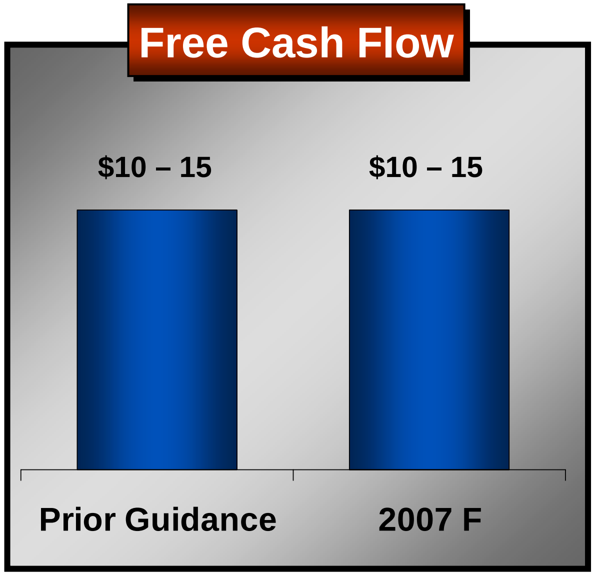
Total Year 2007 Outlook

($M, except EPS)







Revenue up $15 from Prior Forecast

- Industrial up +$7 driven by Q2 results
- Electronics up +$8 driven by Q2 results and higher Calibration volume in 2nd half

PBT and EPS equal to Prior Forecast

- Industrial Gross Profit up +$0.7, driven by Q2 volume and expected continuation of increased benefit costs
- Electronics Gross Profit down (-$2.7), driven by delays in cost reductions on new classified program, as well as lower margin mix on product sales in 2H
- SG&A / R&D / non-recurring down +$1.4 driven by Q2 results
- Interest Expense down +$0.6 on better 1st half cash performance

Cash equal to Prior Forecast

Wrap-Up

- Deliver on total year financial commitments
  - 1st half exceeded expectation; outlook for 2nd half largely unchanged
  - Total year outlook revised upward for 1st half performance
  - Net Debt at 12% of capital
- Restructuring efforts
  - Effectively managing down cycle in Industrial
  - Productive pricing discussions yielding benefits
  - Positive settlement with Dana … complete pending court approval
  - Restructuring efforts being reexamined based on Dana settlement agreement
  - Special analyst call scheduled for August 27th to review financial/restructuring implications of Dana settlement
- Achieve double digit Electronics growth
  - Orders +21% year-to-date; forecast to be +27% for year
  - $400M IDIQ on KIV-19M link encryption program in Q1; Other orders pending Q3
  - New product development efforts delayed from plan, but delivering growth
  - Calibration top line growth of 15% year-to-date

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