Third Quarter 2010
Earnings Conference Call

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Jeffrey T. Gill
President and CEO

Brian A. Lutes
Vice President & CFO

Anthony C. Allen
Vice President & Treasurer

Safe Harbor Disclosure

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 inability to successfully launch or sustain new or next generation programs; the effects of a continuing economic downturn which could reduce our revenues, negatively impact our customers or suppliers and materially, adversely affect our financial results; dependence on, recruitment or retention of key employees; union negotiations; pension valuation, health care or other benefit costs; labor relations; strikes; the costs and supply of debt, equity capital, or insurance; fees, costs or other dilutive effects of refinancing, compliance with covenants in, or acceleration of, our loan and other debt agreements; potential liabilities associated with discontinued operations, including post-closing claims related to business or asset dispositions; potential impairments, non-recoverability or write-offs of goodwill, assets or deferred costs, including deferred tax assets in the U.S. or Mexico; breakdowns, relocations or major repairs of machinery and equipment; 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; 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; risks of foreign operations; currency exchange rates; 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, lessor, landlord, creditor, stockholder, product liability 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.*

SYPRIS® SOLUTIONS

Table of Contents

Overview

- Key Highlights for Q3:
  - Revenue increased 16.3% sequentially to $73.4 million during the period driven by a 25.0% increase in A&D revenue and a 13.2% increase in Industrial sales.
  - Gross profit increased 55.3% sequentially to $7.7 million, up from $4.9 million in Q2, reflecting the impact of a 101.3% increase in A&D gross profit.
  - Gross margin increased to 10.4% of revenue, up from 7.8% sequentially and 8.3% for the third quarter of last year, reflecting the impact of A&D margin expansion to 25.8% during the period.
  - We were pleased to report three important nonfinancial developments:
    - The award of $3.1 million of funding by the Department of Energy for a project to protect U.S. power grids from Cyber attacks.
    - The formation of an international strategic alliance with Cassidian, formerly EADS Defence & Security.
    - Plans to create an International Cyber Range to host Cyber warfare testing.

The Company Continues to Make Important Progress

Industrial

- Key Highlights for Q3:
  - The demand for commercial vehicles continued to recover, driving a 41.9% increase in revenue, or $15.6 million, when compared to the prior year quarter.
  - Gross margin increased to 4.4% from 0.3%, highlighting the benefits of the higher volume and the impact of a dramatically lower cost base.
  - We initiated an important program launch for a new customer, the costs of which depressed short-term performance. The launch is expected to be completed during the current quarter, with positive results to follow in 2011.
  - We kicked off a comprehensive readiness plan to prepare our operations for the forecasted increases in the truck cycle in 2011 – which range from 25% to 55%, depending upon the source. The investments include:
    - Additional maintenance, repair and rebuilding of equipment.
    - Training programs for existing and new hires.
    - Lean initiatives to reduce cycle time, changeovers and direct costs.
    - Additional inventory buffers, spare parts and tooling.

Industrial

- Market Outlook
  - Medium Duty: Inventories appear to have bottomed out and are lean.
  - Heavy Duty: North American orders are trending higher; Freight growth expected to be above historical averages for next several years.
  - Trailers: Outlook remains positive – subject to the economy, as always.
  - Other: A revision to the hours of service rule (11 hours to 10) is under consideration, the impact of which could increase demand for trucks 10-15% above the current forecast and 10-20% above the current forecast for trailers.

	2009	2010	Change	2011	Change	2012	Change
Class 5-7	97.7	112.1	14.7%	127.4	13.7%	167.7	31.6%
Class 8	118.4	151.0	27.5%	234.2	55.1%	302.2	29.0%
Trailers	81.5	126.5	55.3%	183.6	45.1%	241.5	31.5%

ACT N.A. Commercial Vehicle OUTLOOK November 10, 2011

Recovery Linked to Economy and Expected Vehicle Replacements

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Aerospace & Defense

- Key Highlights for Q3:
  - Revenue increased 25.0% sequentially with the resumption of shipments that had previously been placed on hold by the government.
  - Gross margin increased to 25.8% from 16.0% in the second quarter, reflecting the positive impact of the increased volumes and the continuous improvement activities that we have discussed in the past.
  - Costs were incurred during the quarter to complete the consolidation of our Colorado facility into our main Florida operation, the result of which is expected to have a further positive impact on our cost profile going into 2011.
  - Bookings and backlog continued to strengthen, posting the third consecutive quarter of growth during the period, while quoting activity remained positive, providing important support for our plans for 2011 and beyond.
  - Several important announcements were made in the Key Management and Cyber Security areas – described more fully on the following slides.

Key Progress in Global Key Management and Cyber Security

Aerospace & Defense

- Department of Energy Award
  - Received notification regarding the awarding of the Department of Energy contract; Expected to be finalized in Q4:
    - Sypris is to receive $3.1 million of funding from the DOE to develop a centralized cryptographic key management system to protect the nation's electric power grid from Cyber attacks.
    - The project is intended to improve the security of Smart Grid meters at residences by utilizing electronic data keys to limit access while preventing intruders from launching a Cyber attack on the system.
    - Partnering with Purdue University, Oak Ridge National Laboratory and the Electric Power Research Institute on the three-year project.
    - One of eight cyber security projects being funded by the DOE to strengthen the U.S. electric grid against Cyber intrusion.
  - Should the results of the R&D project prove to be successful, the implementation phase could offer some very interesting opportunities.

Moves Made to Increase Cyber Security Solutions

Aerospace & Defense

- International Strategic Alliance
  - Entered into a Technology Information Exchange Agreement with Cassidian, formerly known as EADS Defence and Security, the second largest division within the EADS Group.
    - The agreement provides a means for both companies to share best-in-class technologies for several critical information assurance areas, including Key Management, Secure Communications and Cyber Security.
    - The objective is to expand the product portfolios for both companies.
    - Expected to increase the global market reach for existing information assurance hardware and software solutions by accessing new domestic and international sales channels.
    - Plan to pursue additional Key Management, Secure Communications and Cyber Security initiatives.
  - The opportunity to share resources, technology and products across markets not currently serviced is expected to have much potential.

Moves Made to Increase Cyber Security Solutions

Aerospace & Defense

- Development of International Cyber Range
  - Objective is to accelerate advances in Cyber Security and Cyber warfare initiatives.
    - The range is expected to be operational by the first quarter of 2011 and will provide governments with a secure environment in which to test network and system attack-and-defend strategies.
    - We expect to leverage the support of globally recognized universities and Cyber experts, as well as to use cutting edge tools and techniques, to provide a high-caliber, next generation test-bed service for the advancement of global Cyber Security research.
    - By the end of 2011, we expect to open the range for users in adjacent markets, such as large financial institutions that want to protect their critical infrastructure.
  - The range will enable us to test leading-edge solutions under a variety of sophisticated environments, which we hope will lead to additional hardware and software market opportunities.

Moves Made to Increase Cyber Security Solutions

Q3 Financial Results – Consolidated

($ in thousands)

	3Q09	3Q10	Fav/ (Unfav)	Highlights
Revenue	62,716	73,412	10,696	SIG improvement and return of A&D revenue
Gross Profit	5,222	7,658	2,436	Reduced fixed overhead; LEAN/CI; Mix
Gross Margin	8.3%	10.4%	2.1%	Margin expansion expected over long-term
EBITDA [(1)]	(159)	3,029	3,188	Restructuring, LEAN/CI driving benefits
EBITDAR [(1)]	1,369	3,655	2,286	

(1) EBITDA & EBITDAR – *Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

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Q3 Financial Results – Industrial

($ in thousands)

	3Q09	3Q10	Fav/ (Unfav)	Highlights
Revenue	37,164	52,738	15,574	Heavy truck, trailer volumes up over last year
Gross Profit	104	2,334	2,230	Volumes, productivity, lower fixed costs
Gross Margin	0.3%	4.4%	4.1%	Lowered breakeven, efficiencies drive conversion
EBITDA *(1)*	379	3,250	2,871	Actions taken in 2009 driving benefits
EBITDAR *(1)*	1,053	3,355	2,302	

(1) EBITDA & EBITDAR – *Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

Sequential Industrial Results

($ in thousands)

	1Q10	2Q10	3Q10	Highlights
Revenue	44,106	46,571	52,738	Stabilized; Expect 4-5 years of growth
Gross Profit	2,453	2,286	2,334	Revenue leveraging lower fixed cost basis
Gross Margin	5.6%	4.9%	4.4%	Margin expansion with volume increase, lower fixed cost, operating efficiencies; Q2 & Q3 margins reflect mix, upturn readiness spend and new program launch costs
EBITDA[(1)]	2,431	3,360	3,250	Restructuring, LEAN/CI and mix drives results
EBITDAR[(1)]	2,844	3,850	3,355	

***(1) EBITDA & EBITDAR –** Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

Q3 Financial Results – Aerospace & Defense

($ in thousands)

	3Q09	3Q10	Fav/ (Unfav)	Highlights
Revenue	25,552	20,674	(4,878)	Exit of low-margin legacy programs
Gross Profit	5,118	5,324	206	Impact of increased efficiency, lower costs
Gross Margin	20.0%	25.8%	5.8%	Potential for further expansion
EBITDA *(1)*	1,708	1,798	90	Continued positive trend; cost of facilities consolidation
EBITDAR *(1)*	2,562	2,319	(243)	

(1) EBITDA & EBITDAR – *Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

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Sequential Aerospace & Defense Results

($ in thousands)

	1Q10	2Q10	3Q10	Highlights
Revenue	18,797	16,535	20,674	Resumed shipments of government program that had been delayed
Gross Profit	3,560	2,645	5,324	Gross profit and margin improved due to the resumed shipments and LEAN/CI initiatives
Gross Margin	18.9%	16.0%	25.8%	
EBITDA[(1)]	1,624	(840)	1,798	Q1 to Q3 impacted by plant relocation (restructuring charges); Increased R&D spend
EBITDAR[(1)]	1,624	(28)	2,319	Revenue increases, LEAN/CI and mix drives results

(1) EBITDA & EBITDAR – *Please refer to the Company's website regarding the presentation of these non-GAAP measures.*

Q3 Summary

- Gross margin increased to 10.4%, up from 8.3% in the prior year and up from 7.8% sequentially:
  - Underscores the impact of the restructuring and continuous improvement actions undertaken to make meaningful, lasting changes to our cost structure.
  - Positions both business segments to capitalize on the improving economy.
- In our Industrial Group, investments in equipment, processes, training and inventory are underway to insure that we benefit from the growth in truck market demand:
  - Heavy vehicle demand forecasted to grow 25-55% in 2011.
- In our Electronics Group, we announced an important award with the Department of Energy for a project designed to protect the U.S. power grid from Cyber attacks; an international strategic alliance with Cassidian; and plans to develop an International Cyber Range to host Cyber warfare testing for the U.S. and its partners – each of which project holds interesting prospects for the future of the Company.
- In short, we continue to make important progress and are well-positioned for an increasingly profitable 2011.

Meaningful Progress Continues and Well-Positioned For 2011