2008 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 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.; 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 related covenants; 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 We have received an initial distribution of approximately 3.1 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 and financial condition could be materially adversely impacted.

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Agenda

- Overview
- Market Outlook
- Conclusion
- Financial Discussion
  - Q1 2008 Results
  - Q2 2008 Outlook
  - FY 2008 Outlook
  - Wrap Up
- Q&A Session

Overview

Q1 2008

- Key Results:
  - EPS better than guidance
  - Revenue at the top end of guidance range
    - Electronics Group revenue increased 13% year over year
      - 19% increase in Aerospace & Defense
      - 3% increase in Test & Measurement
      - Certification and launch of new generation link encryption product
    - Industrial Group revenue declined 12% year over year as expected, but increased to $69.8 million from $58.9 million in Q4'07
  - Electronics Group orders increased 7% over prior year led by Aerospace & Defense growth of 13%
  - Electronics Group backlog increased to $115 million…the highest since Q3 '05
  - Gross profit improved over prior year despite sales decline in our Industrial Group
  - Stronger than expected free cash flow of $15 million

1st Quarter Exceeded Expectations

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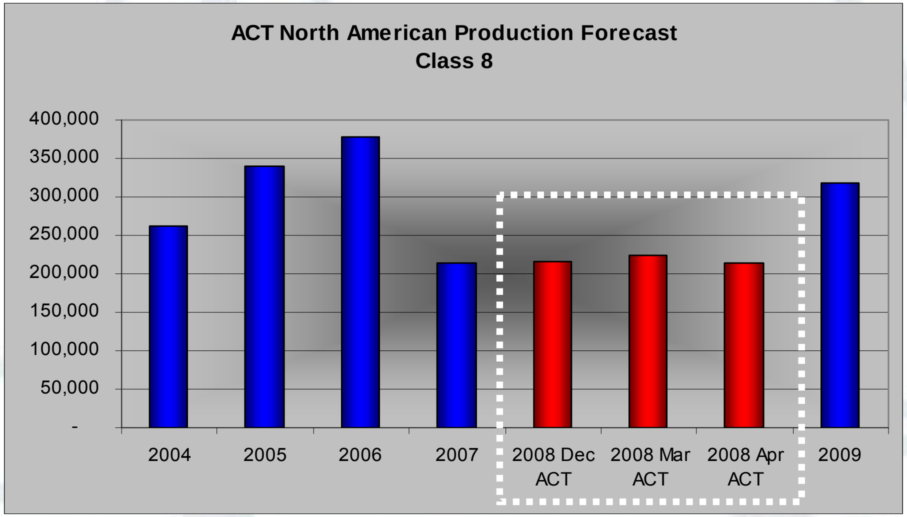
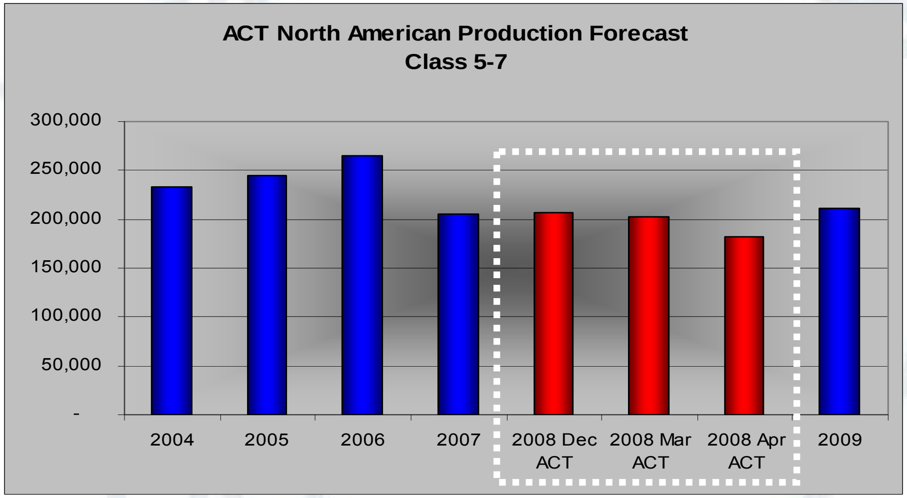
Market Outlook





Heavy-Duty Vehicles

- April forecast for 2008 down 5% from March forecast
- Reflects impact of rising fuel prices
- Current view flat with 2007
- 2009 rebounds 49%

Medium-Duty Vehicles

- April forecast for 2008 down from March forecast by 9%
- Revised view 11% lower than 2007
- 2009 grows 16%

Latest Industry Projections Reflect Softening Demand

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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 25% from 2007 levels
  - The market recovery in class 5-7 production has slowed
  - Despite these obstacles, new programs will fuel a gradual recovery throughout the year and forecast top line growth of 5% compared to 2007
- Electronics Group
  - Aerospace & Defense is expected to show continued strong double digit growth during 2008:
    - New product certification received in January; deliveries commenced in February
    - Important program wins in manufacturing services
  - 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
  - Orders for 2008 are expected to reach a new high

Conclusion

- Strong start to first quarter
  - Margin improvement in the Industrial Group and strong cash flow performance for the quarter served as notable positives
- The economy continues to be uncertain given threat of recession and soaring fuel prices
- Despite this, we expect 2008 to show improvements over 2007 for our key metrics
- 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
  - Investments for growth

Improved 2008 Leading to Strong 2009

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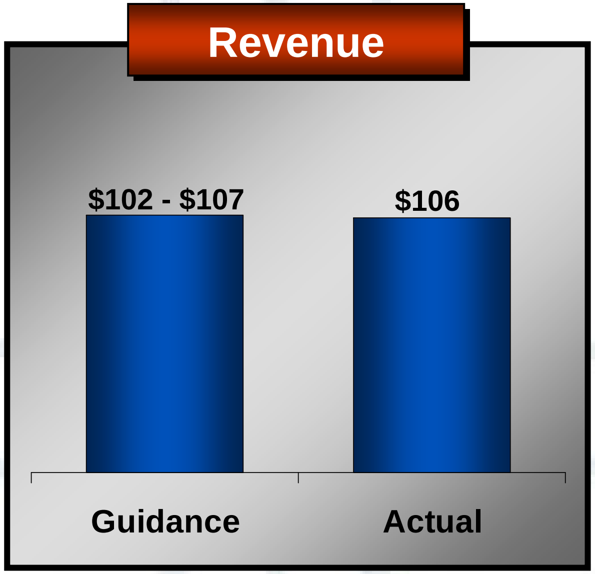
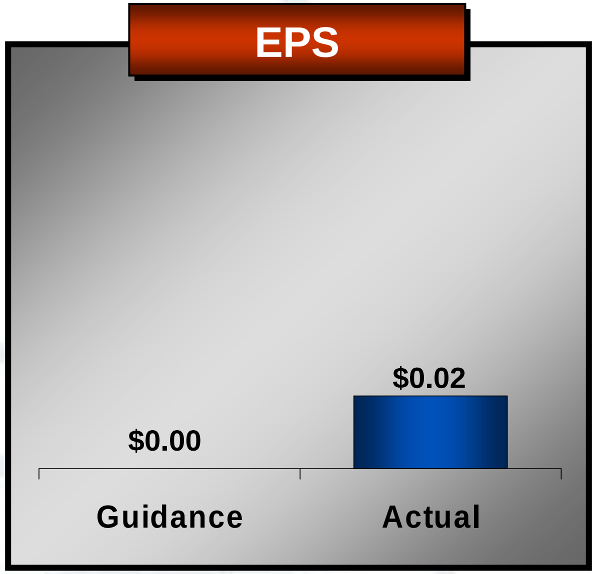
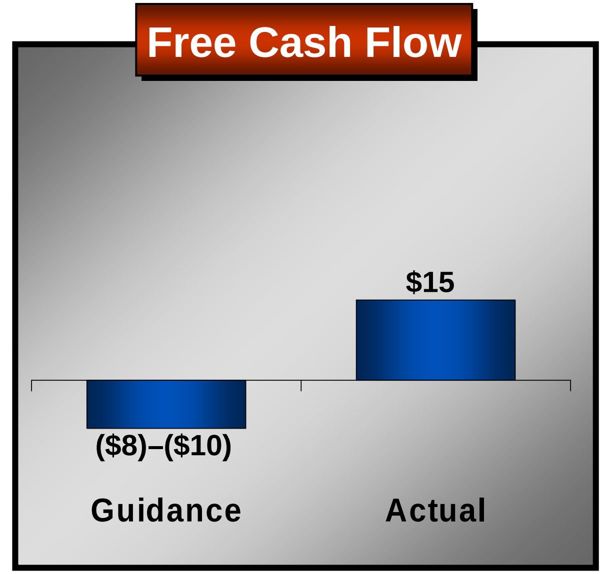
Q1 2008 / Outlook

Q1 2008 Results

($M, except EPS)







Revenue within guidance

- SIG better-than-expected heavy truck volumes offset weaker trailer volumes
- SEG shipments on new classified program began in Q1
- SEG orders were stronger than anticipated and 7% above the same period in 2007
- SEG backlog at $115…highest backlog since Q3 '05

PBT and EPS above guidance

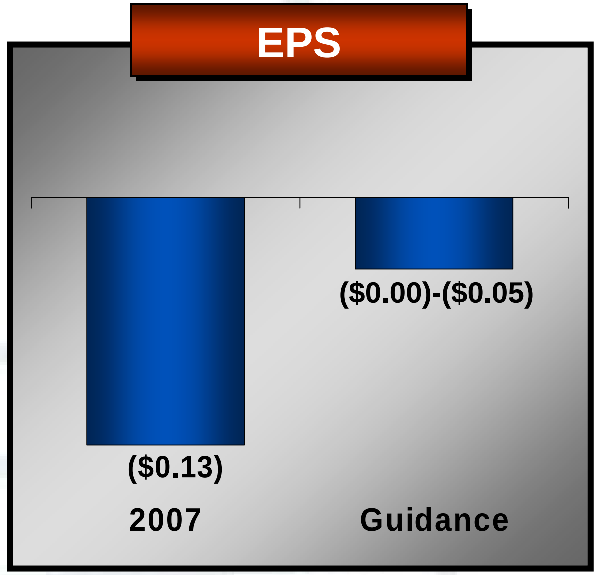
- Industrial gross profit at $6.8 was in line with expectation
- SEG gross profit at $5.9 was slightly short of expectation driven by higher program costs (e.g. new product launch) and unfavorable sales mix
- SG&A expenses were better than forecast for the period
- Interest costs were lower as rates improved

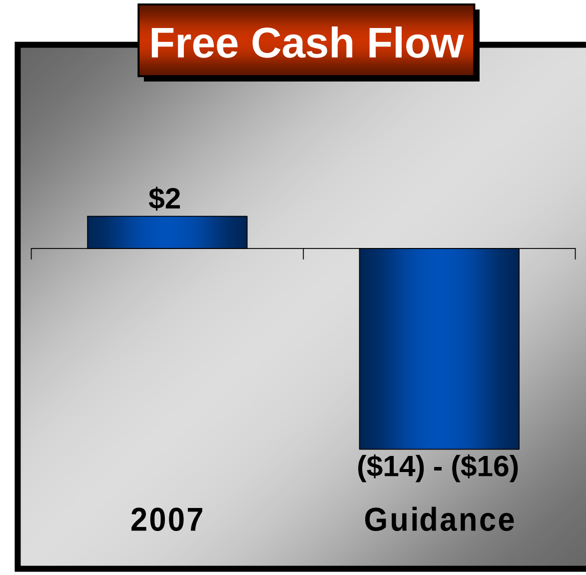
Cash flow $24 above guidance

Collection of Q4'07 amounts	$3
Mexico tax payment to be in Q2	$10
Disbursement timing	$7
Timing of capital expenditures	$4

Q2 2008 Outlook

($M, except EPS)





Revenue consistent with 2007

- SIG down 3%
  - Heavy truck volume, pricing, & mat'l revaluation expected to offset lower trailer & light duty volumes
- SEG 5% higher
  - New product sales outpacing decline from legacy products
- SEG orders expected to be 12% higher than 2007

EPS up $0.10 as PBT improves by $3.2

- SIG GP% up 4 pts. to 9% on improvements pricing, productivity and core/non-core product shifts
- SEG GP % up 5 pts. to 14% on higher sales and increased product mix as well as favorable comparison to '07 ramp-up of new product
- SG&A / R&D up partially offset by lower Dana settlement costs incurred in 2007
- Higher interest expense on debt balance

Cash flow lower by (-$17)

- Mexican tax payment (-$10)
- Disbursement timing from Q1 (-$7)

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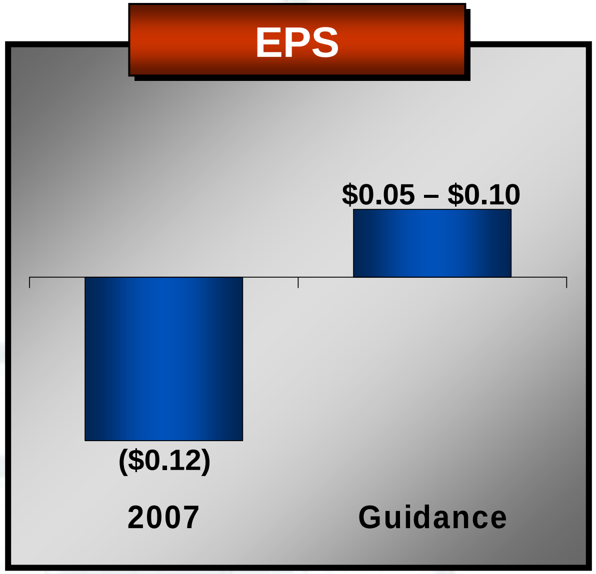
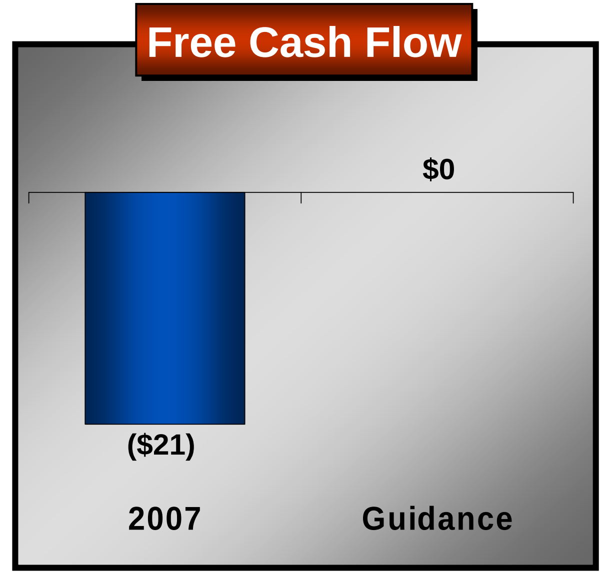
Total Year 2008 Outlook

($M, except EPS)





Revenue up 8%

- SIG up 5%
  - 2H comparisons expected to be favorable in truck market despite weak trailer & light duty volumes
- SEG up 13%
  - Strong backlog and new product ramp will provide source of double-digit performance
- Orders forecast to be up 5%

PBT up $5.0 to $6.0; EPS up 17-22 cents

- SIG
  - Significant productivity efforts (incl. restructuring); pricing efforts an improving volume picture in 2H
- SEG
  - Strong volume growth, combined with an enhanced product portfolio from new products

Significant free cash flow improvement

- Expecting $30 of cash from oper. activities prior to $10 tax pymt
- Continued working capital reductions (especially inventory)
- $20 of capex to support profit and growth

2008 Guidance Remains Unchanged

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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
- Achieve double digit Electronics growth…both revenue and profit
  - New President of Sypris Electronics is in place…strong technical, operational and industry background
  - Baseline and development of operational strategy in Q2
  - 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…first orders booked in Q1
- Improve business processes…continued focus on integration and automation
  - Factory scheduling…some progress…more to come
  - Bid/Order processing…enhancements being finalized for Q2 implementation
  - Customer alignment/rationalization…important progress was made in both groups during the quarter
  - Enhanced working capital management…turns improved year-over-year
  - Commodity management…2 recent hires within the quarter

Improved Operating Performance…More Balanced Portfolio

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Wrap-Up

- 1st Quarter performance exceeded expectations
- Re-affirming guidance for total year 2008
- 2H (in particular in Q4) should be stronger for both segments of the portfolio
- On track to deliver on priorities
  - Double-digit Electronics growth
  - Operational improvements in Industrial
- Resourcing to provide system-wide continuous improvement, lean focus
- Leadership team additions providing depth/experience and creating positive business impact

Creating Positive Momentum for 2H'08 and 2009

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