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AGY Targets 50 Percent Increase in S-2 Glass® Capacity in Next 18 Months
Company Expects to Ship At Least 25 Percent more Product This Year

AIKEN, S.C., March 28, 2006 – In response to continued growth in the use of high performance glass fibers in a variety of applications, AGY today said it plans to increase S-2 Glass® reinforcement capacity by 50 percent in the next 18 months. The expansion plans include new forming equipment for the popular high performance reinforcement.

In addition, AGY President and Chief Executive Officer Doug Mattscheck said a project already underway will make available more assembled roving, the reinforcement used in the HJ1 composite armor process for ballistic panels. The project currently in progress will increase the company's winding and related processing equipment for roving by 80 percent and be in operation during the second quarter. He also said the company has a 2006 goal of increasing manufacturing productivity for S-2 Glass reinforcements by 15 percent.

When the new processing equipment is combined with other capacity expansion projects completed in the past two years, the company expects to provide at least 25 percent more high performance glass reinforcements to the market this year compared to 2005.

“The new plans, projects and productivity improvements to increase S-2 Glass capacity are additional examples of our commitment to maintain a steady supply of the product to the market,” said Mattscheck. “We continue to invest financial and human capital to meet the current requirements of the market and to fuel the product development pipeline.”

In October 2004, AGY announced a multi-phase expansion of capacity for S-2 Glass products that included a series of projects to optimize efficiency and install new production equipment that year and in 2005. Those programs were designed to deliver approximately 25 percent additional production capacity.

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Before they were completed, however, AGY added to and accelerated the pace of those projects – they were all completed by July 2005 and increased overall capacity by 35 percent during an 18-month period. Some benefit was realized in 2005 and the full benefit will be available in 2006.

“With the new processing equipment in place,” added Mattscheck, “AGY will have additional flexibility in its product mix to respond to market changes. This will enable us to fully capitalize on the total forming capacity we now have in place and plan to add in the next 18 months.”

In addition to assembled roving, *S-2 Glass* reinforcements are available in yarns and forming cakes – all produced at the AGY facility in Huntingdon, Pa.

AGY is a leading global producer of fiberglass yarns and high strength fiberglass reinforcements used in a wide variety of composites applications. Headquartered in Aiken, S.C. (USA), AGY has a European office in Lyon, France, and manufacturing facilities in Aiken, S.C., and Huntingdon, Pa. Additional information may be found at the company’s website, www.agy.com, or by email at info@agy.com.

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