



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported):**

**March 12, 2009**

**AGY HOLDING CORP.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**333-150749**  
(Commission File Number)

**20-0420637**  
(I.R.S. Employer  
Identification No.)

**2556 Wagener Road**  
**Aiken, South Carolina 29801**  
(Address of Principal Executive Offices) (Zip Code)

**Registrant's telephone number, including area code: (888) 434-0945**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



**Item 1.01 Entry into a Material Definitive Agreement.**

On March 12, 2009, AGY (Cayman) (the “Company”), a company incorporated in the Cayman Islands and a wholly-owned subsidiary of AGY Holding Corp., entered into a Sale and Purchase Agreement (the “Purchase Agreement”) with Grace THW Holding Limited, a company incorporated in the Cayman Islands, and Grace Technology Investment Co., Ltd., a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Grace THW Holding Limited (“Grace”), pursuant to which the Company agrees to acquire 70% of the outstanding shares of Main Union Industrial Ltd., a company incorporated in Hong Kong and a wholly-owned subsidiary of Grace (“Main Union”), for a total purchase price of \$20 million USD, payable in cash. The closing of the acquisition is expected to occur in the second quarter of 2009.

The Purchase Agreement contains customary representations, warranties, covenants, and indemnity, and is subject to customary closing conditions, including the approval of the members and/or the board of directors of Main Union and Grace, written confirmation and bank approval with respect to the refinancing and expansion of the line of credit for the PRC Affiliate (as defined below), and the receipt of all consents required under AGY Holding Corp.’s existing U.S. credit agreement. In the event that the closing conditions have not been fulfilled or waived by September 12, 2009, the Purchase Agreement will expire and the parties will not be obligated to complete the transactions contemplated thereby.

In connection with the execution of the Purchase Agreement, on March 12, 2009, AGY Holding Corp. and the Company entered into a Framework Agreement (the “Framework Agreement”) with Grace THW Holding Limited, Grace, Main Union, and Shanghai Grace Technology Co., Ltd., a company incorporated in the People’s Republic of China and a wholly-owned subsidiary of Main Union (the “PRC Affiliate”), pursuant to which the parties agree to certain commercial and other arrangements. Material terms of such arrangements include (1) Grace, the Company, and Main Union will enter into an option agreement as of the closing of the acquisition, pursuant to which Grace will grant the Company a call option and the Company will grant Grace a put option, in respect of the 30% interest held by Grace in Main Union; (2) Grace and Shanghai Grace Fabric Co., Ltd., a company incorporated in the People’s Republic of China which is ultimately owned by Grace THW Holding Limited (as buyers) and AGY Holding Corp. and the PRC Affiliate (as sellers) will enter into a supply agreement, pursuant to which the buyers will purchase certain fiberglass yarn products from the sellers, which will have an initial term through December 31, 2013; and (3) AGY Holding Corp. guarantees the obligations of the Company under the Purchase Agreement and related agreements, and Grace THW Holding Limited guarantees the obligations of Grace and Shanghai Grace Fabric Co., Ltd. under the Purchase Agreement and related agreements.

The Company intends to finance the consideration paid pursuant to the Purchase Agreement through the sale of additional equity to its private equity sponsors as well as available liquidity.

A copy of the press release announcing the transaction is attached as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press Release of AGY Holding Corp. dated March 18, 2009.



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AGY HOLDING CORP.

Date: March 18, 2009

By: /s/ Wayne T. Byrne  
Name: Wayne T. Byrne  
Title: Chief Financial Officer



**AGY HOLDING CORP.**

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**FORM 8-K**

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Page 1 of 1

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Title</u>
99.1	Press Release of AGY Holding Corp. dated March 18, 2009.



**Exhibit 99.1**



### **AGY Announces Expansion Into Asia Pacific**

**AIKEN, SC, USA—(March 18, 2009)**—AGY, a leading global producer of fiberglass yarns and high-strength fiberglass reinforcements, announced that it has entered into a Sale and Purchase Agreement (SPA) with Grace THW Holding Limited to acquire a 70% controlling interest in Shanghai Grace Technology Company Limited, a producer of E-glass yarns, with the option and intent to purchase the remaining outstanding shares in the near future.

The acquisition, which is expected to be finalized in the second quarter of 2009, will expand AGY's geographic manufacturing footprint and enable it to service its growing Asia-Pacific customer base. The Asia-Pacific region represents a large market for AGY products and technology due to its diverse manufacturing base and continued economic growth. "We see significant opportunities in the Asia-Pacific region for market expansion in the high-end electronics markets that require fine yarn capabilities. Additionally, other key markets to AGY, such as aerospace, wind-energy and industrial applications, have experienced significant growth in Asia, and we are now in a position to service those requirements locally through the purchase of Shanghai Grace Technology," commented Doug Mattscheck, AGY Chief Executive Officer.

The AGY-managed facility is a world-class, state-of-the art operation with current annual production capacity in excess of 18,000 MT of glass fiber and expansion opportunities. "Our goal is to become the preeminent independent yarn manufacturer in Asia by offering E-class products with a strong base of local support and manufacturing," said Mattscheck. "We are currently building our sales, marketing and customer services teams to capitalize on the region's significant growth opportunities."

Shanghai Grace Technology is a separately incorporated, independent entity from Shanghai Grace Fabric Company Limited, another company owned by Grace THW Holding Limited. AGY acquired no weaving operations in the transaction.

Additional information may be found at the Company's website, [www.agy.com](http://www.agy.com) or by e-mail to [info@agy.com](mailto:info@agy.com).



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**About AGY**

AGY is a leading global producer of glass fiber yarns and high-strength glass fiber reinforcements used in a variety of composites applications. The company serves a diverse range of markets including aerospace and defense, electronics, construction and industrial. Headquartered in Aiken, South Carolina USA, AGY has a European office in Lyon, France and manufacturing facilities in the U.S. in Aiken, South Carolina and Huntingdon, Pennsylvania.

Certain statements contained in this release are forward-looking and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Among these risks and uncertainties are general economic and business conditions; the Company's substantial debt and ability to generate cash flows to service its debt; the Company's compliance with the financial covenants contained in its various debt agreements; changes in market conditions or product demand (including whether or not the Company is awarded certain new defense contracts that it has sought to obtain); the level of cost reduction achieved through restructuring and capital expenditure programs; changes in energy and raw material costs and availability; downward selling price movements; currency and interest rate fluctuations; increases in the Company's leverage; the Company's ability to effectively integrate acquisitions; changes in the Company's business strategy or development plans; the timing and cost of plant closures; the success of new technology; and increases in the cost of compliance with laws and regulations. Factors that could cause actual results to differ materially from these forward-looking statements include but are not limited to those risk factors listed from time to time in the reports that the Company furnishes to its indenture trustee and holders of its 11% senior third lien notes and the Company's filings with the US Securities and Exchange Commission. AGY does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**Contact:** Douglas Mattscheck  
AGY Holding Corp.  
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