May 10, 2007

AGY Holding Corp. Announces 2007 First Quarter Results and Bondholder and Investor Conference Call

AIKEN, S.C.--(BUSINESS WIRE)--AGY Holding Corp. ("AGY" or the "Company") reports 2007 first quarter results whose highlights are summarized below. Detailed financial disclosure will be available in the quarterly report that will be provided to bondholders and investors upon request to the Trustee.

Summary Financial Performance
($ in millions)

	Quarter Ending March 31,	
	2007	**2006**
Net sales	$ 37.8	$ 44.3
Adjusted EBITDA (1)	8.9	9.8
Adjusted EBITDA margin (2)	23.5%	22.1%

Net sales decreased $6.5 million, or 14.6%, in the first quarter of 2007 compared to the first quarter of 2006. Excluding the Porcher equity incentive, sales decreased $7.0 million, or 15.7%. This decrease reflects primarily a general slowdown in market conditions leading to lower demand in most markets compared to the same quarter last year, especially in the industrial market and in the construction segment that continues to experience volume softness both in the North American housing segment and in the commercial project driven portion of the business. First quarter 2007 defense sales were lower than the prior year period due to the anticipated reduction in the number of Humvee being re-armored as well as advanced purchases by customers in 2006 in anticipation of our January price increase.

However globally, demand picked up notably in March 2007 and the Company expects to regain some momentum in revenues in the second quarter of 2007, with higher sales primarily to specialty electronics and to new defense applications.

Adjusted EBITDA decreased by $0.9 million in the first quarter of 2007 compared to the same period last year but Adjusted EBITDA margin improved 140 basis points to 23.5% of net sales. The negative impact on profitability resulting from lower volumes sold, increased labor costs since the renegotiation of the union agreements effective November 1, 2006 and consulting costs to support lean manufacturing initiatives was mitigated by (i) improved manufacturing efficiencies year over year, (ii) lower energy and repair costs, (iii) lower variable compensation accrual based on actual 2007 financial performances, (iv) a favorable product mix shift and improved pricing conditions compared to the same period last year and (v) the build-up of inventories that minimized temporarily the under-absorption of manufacturing overhead costs.

The Company's cash balance as of March 31, 2007 exceeded $2.2 million and the net funded debt decreased by approximately $0.8 million since December 31, 2006.

Summary Financial Performance
($ in millions)

	Quarter Ending March 31,	
	2007	**2006**
Net Sales	$ 37.8	$ 44.3
Adjusted EBITDA [1]	8.9	9.8
Adjusted EBITDA margin [2]	23.5%	22.1%
Net income (loss)	(2.2)	1.7
Interest expense (income), net	5.1	2.0
Income tax expense (benefit) [3]	(1.4)	0.6
Depreciation and amortization	4.5	3.0
EBITDA	6.0	7.3
Adjustments to EBITDA:		
Alloy depletion charge, net	2.1	0.9
Non-cash Porcher Equity Incentive adjustment	-	0.6
Non-cash compensation charges	0.3	0.8
Variable natural gas price increase	-	0.2
Management fees	0.2	-
Union signing bonuses [4]	0.3	-
Adjusted EBITDA	$ 8.9	$ 9.8

(1) Adjusted EBITDA has been calculated in a manner consistent with what was prepared in the Company's final offering memorandum dated October 20, 2006 relating to its 11% Senior Second Lien Notes due 2014, copies of which are available from the Company upon request.
(2) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by net sales.
(3) Preliminary and subject to change.
(4) Includes non-recurring signing bonuses associated with renegotiated labor agreements with each of the Company's unions in the fourth quarter of 2006.

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