AGY Holding Corp. Announces 2008 First Quarter Results and Bondholder and Investor Conference Call

AIKEN, SOUTH CAROLINA - (May 9, 2008) – AGY Holding Corp. ("AGY" or the "Company") reports 2008 first quarter fiscal results whose highlights are summarized below. Detailed financial disclosure will be available in the Company's quarterly report following its delivery to the Trustee (and will be provided to bondholders and investors upon request to the Trustee after such date).

Summary Financial Performance
($ in millions)

	Quarter ending March 31,	
	2007	2008
Net sales	$ 37.8	$ 58.0
Adjusted EBITDA (1)	8.9	10.7
Adjusted EBITDA margin (2)	23.5%	18.4%

(1) Adjusted EBITDA has been calculated in a manner consistent with the Company's 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.

Net sales increased $20.2 million, or 53.4%, in the first quarter of 2008, when compared to the first quarter of 2007. The increase is primarily attributable to stronger demand across most of AGY's key end-markets and the impact of the Continuous Filament Mat ("CFM") acquisition completed in October 2007. Shipments to the defense market increased by over 188%, when compared to the comparable quarter of 2007, due to higher shipments of Advance Materials in support of several key programs including the Mine Resistant Ambushed Protected vehicles ("MRAP") and Explosively Formed Penetrator kits ("EFP"). Additionally, demand in the aerospace markets grew by over 16% as a result of OEM production build schedules and retrofit requirements, while the electronics and construction markets experienced 25% and 11% increases (excluding the impact of the CFM acquisition), respectively, when compared to the first quarter of 2007.

Adjusted EBITDA for the first quarter of 2008 was $10.7 million, or 18.4% of sales, compared to $8.9 million, or 23.5% of sales reported in the comparable quarter of 2007. A more profitable product mix and increased revenue associated with the CFM acquisition favorably impacted profitability during the first quarter of 2008. However, these gains were partially offset by costs associated with expanding manufacturing capacity in support of market demand, one-time furnace repair costs, higher alloy lease costs, and increased selling, general and administrative expense reflecting higher personnel costs associated with strategic growth initiatives. Items of a non-recurring nature impacted the 2008 first quarter results by approximately $2.6 million and included costs associated with increasing manufacturing capacity, developing in-house marble production capabilities and a one-time furnace disruption in Aiken. These charges impacted the Adjusted EBITDA margin by over four points for the quarter.

The Company's cash balance as of March 31, 2008 was $2.1 million. Cash provided by operating activities was $5.3 million during the quarter, while investing activities used $19.9 million during the first quarter of 2008. AGY purchased $17.3 million of alloy, which was necessary to support production increases associated with defense market requirements.

"The first quarter of 2008 highlights the success of our strategic initiatives, as we experienced a 53% increase in top-line growth and generated almost 20% more Adjusted EBITDA than in the first quarter of 2007," remarked Doug Mattscheck, President and Chief Executive Officer. "The investments we made during 2007 and in the first quarter of 2008 will allow AGY to significantly increase production capacity in order to serve the growth opportunities in the Advance Materials and Technical Yarn markets. I anticipate that the results for the remainder of 2008 will continue to reflect the achievements and investments we have made relative to our strategic initiatives. Additionally, I would like to thank the bondholders for our successful consent process that will provide added flexibility under our alloy lease agreement with Scotia and help facilitate continued growth."

AGY is a leading global producer of fiberglass yarns and high-strength fiberglass reinforcements used in a variety of composites applications. AGY serves a diverse range of markets including aerospace and defense, electronics, construction and industrial. Headquartered in Aiken, South Carolina, AGY has a European office in Lyon, France and manufacturing facilities in the U.S. in Aiken, South Carolina and Huntingdon, Pennsylvania. Additional information may be found at the Company's website, www.agy.com or by email at info@agy.com.

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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; our substantial debt and ability to generate cash flows to service our debt; our compliance with the financial covenants contained in our various debt agreements; our ability to obtain an amendment to the consignment agreement regarding the amount level of consignment reserves and the standby letter of credit collateral required thereunder; changes in market conditions or product demand (including whether or not we are awarded certain new defense contracts that we have sought to obtain); the level of cost reduction achieved through restructuring and capital expenditure programs; changes in raw material costs and availability; downward selling price movements; currency and interest rate fluctuations; increases in our leverage; our ability to effectively integrate acquisitions; changes in our 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 we furnish to our indenture trustee and holders of our 11% senior second lien notes. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Summary Financial Performance
($ in millions)

	Quarter Ended March 31, 2007	Quarter Ended March 31, 2008
Net Sales	$ 37.8	$ 58.0
Adjusted EBITDA [1]	8.9	10.7
Adjusted EBITDA margin [2]	23.5%	18.4%
Net income (loss)	(2.1)	(1.3)
Interest expense (income), net	5.1	6.6
Income tax expense (benefit)	(1.3)	(0.8)
Depreciation and amortization	4.3	3.2
EBITDA	6.0	7.7
Adjustments to EBITDA:		
Alloy depletion charge, net	2.1	2.5
Non-cash compensation charges	0.3	0.3
Management fees	0.2	0.2
Union signing bonuses	0.3	-
Adjusted EBITDA	$ 8.9	$ 10.7

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