August 13, 2007

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

AIKEN, S.C.--(BUSINESS WIRE)--AGY Holding Corp. ("AGY" or the "Company") reports 2007 second 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 June 30,		Six months Ended June 30,	
	2006	**2007**	**2006**	**2007**
Net sales	$ 43.5	$ 48.6	$ 87.8	$ 86.4
Adjusted EBITDA (1)	12.1	9.4	21.9	18.3
Adjusted EBITDA margin (2)	27.8%	19.3%	24.9%	21.2%

Net sales increased $5.1 million, or 11.7%, in the second quarter of 2007 compared to the second quarter of 2006. Excluding the impact of a certain pre-merger equity incentive on prior year revenues, sales increased $4.0 million, or 8.9%. The increase is primarily due to a favorable change in product mix. This mix change was the result of increased demand in our more profitable end-markets, including primarily electronics and defense, (revenue growth associated with the market introduction of the new Mine Resistant Ambush Protected –"MRAP"- vehicles program), partly offset by decreased demand in the industrial market and construction market, which continues to experience softness in both the North American housing and commercial project driven segments. Lower volumes due to the general slowdown in market conditions during the first quarter of 2007 have led to a $1.4 million decrease in net sales on a year-to-date basis. However, demand has improved during the second quarter of 2007 resulting in a $10.8 million, or 28.5% increase in net sales when compared to the first quarter of 2007.

Adjusted EBITDA decreased by $2.7 million in the second quarter of 2007 when compared to the same period in 2006. A favorable product mix shift, improved manufacturing efficiencies and lower energy and repairs costs year over year favorably impacted profitability. However, these gains were more than offset by several factors, including: (i) the decision to curtail production schedules in the second quarter to adjust for the first quarter build-up in inventories resulted in the under-absorption of manufacturing overhead costs but allowed for a $5.2 million decrease in finished good inventories since March 30, 2007 (ii) increased labor costs as a result of the new union labor agreements that became effective November 1, 2006, (iii) non-recurring consulting costs to support our lean manufacturing initiatives and (iv) increased selling, general and administrative expenses reflecting higher personnel costs necessary to support our strategic growth initiatives and increased variable compensation expenses. Compared to the first half of 2006, Adjusted EBITDA decreased $3.6 million to $18.3 million, or a 21.2% Adjusted EBITDA margin for the first half of 2007, primarily due to the reasons previously discussed.

The Company's cash balance as of June 30, 2007 exceeded $2.2 million and the net funded debt has decreased by approximately $1.1 million since December 31, 2006.

Wayne T. Byrne has assumed the position of Chief Financial Officer of AGY Holding Corp. ("AGY" or the "Company") and AGY's operating subsidiaries, AGY Aiken LLC and AGY Huntingdon LLC. Prior to joining AGY, Mr. Byrne, age 43, was employed by EnPro, a publicly-held corporation engaged in the design, manufacture and marketing of engineering industrial products, where he served as Vice President and Controller.

Catherine Cuisson, former Chief Financial Officer of AGY and its operating subsidiaries, AGY Aiken LLC and AGY Huntingdon LLC, has assumed the position of Vice President of Finance of the Company and its operating subsidiaries.

Summary Financial Performance
($ in millions)

	Quarter Ended June 30, 2006	Quarter Ended June 30, 2007	Combined Six Months Ended June 30, 2006	Combined Six Months Ended June 30, 2007
Net Sales	$ 43.5	$ 48.6	$ 87.8	$ 86.4
Adjusted EBITDA (1)	12.1	9.4	21.9	18.3
Adjusted EBITDA margin (2)	27.8%	19.3%	24.9%	21.2%
Net income (loss)	(15.5)	(0.1)	(13.7)	(2.3)
Interest expense (income), net	4.3	5.1	6.3	10.1
Income tax expense (benefit) (3)	(8.9)	(0.0)	(8.3)	(1.3)
Depreciation and amortization	4.3	2.7	7.2	7.2
EBITDA	(15.8)	7.7	(8.5)	13.7
Adjustments to EBITDA:				
Non cash purchase accounting inventory adjustment	3.2	-	3.2	-
Alloy depletion charge, net	1.5	1.4	2.4	3.5
Non-cash Porcher Equity Incentive adjustment	1.0	-	1.6	-
Non-cash compensation charges	17.6	0.3	18.4	0.6
Acquisition costs	4.4	-	4.4	-
Variable natural gas price increase	-	-	0.2	-
Management fees	0.2	0.2	0.2	0.4
Union signing bonuses (4)	-	-	-	0.3
Other		(0.2)		(0.2)
Adjusted EBITDA	$ 12.1	$ 9.4	$ 21.9	$ 18.3

(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.

(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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