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

AIKEN, SOUTH CAROLINA - (March 25, 2008) – AGY Holding Corp. ("AGY" or the "Company") reports final 2007 fourth quarter and 2007 fiscal year-end results whose highlights are summarized below. Detailed financial disclosure will be available in the Company's annual 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 December 31,		Twelve months ended December 31,	
	2006	2007	2006	2007
Net sales	$ 40.5	$ 49.6	$ 170.6	$ 184.4
Adjusted EBITDA [(1)]	10.7	10.2	45.7	41.6
Adjusted EBITDA margin [(2)]	26.4%	20.6%	26.8%	22.6%

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 $9.1 million, or 22.5%, in the fourth quarter of 2007, when compared to the fourth quarter of 2006. The increase is primarily attributable to sales related to the Continuous Filament Mat ("CFM") acquisition completed in October 2007, and stronger demand in several end-markets including defense and construction. On a full year basis, net sales increased by $13.8 million, or 8.1%, to $184.4 million, from $170.6 million in 2006. The increase in net sales is primarily a result of the CFM acquisition and continued strength in the defense, electronics and aerospace markets. Excluding the Porcher equity incentive that was recognized in 2006, sales for the full year 2007 increased $12.2 million, or 7.1% over 2006 results.

Adjusted EBITDA for the fourth quarter of 2007 was $10.2 million, or 20.6% of sales, compared to $10.7 million, or 26.4% of sales, in the comparable period of 2006. A favorable product mix, the impact of the CFM acquisition, and improved manufacturing efficiencies favorably impacted profitability. However, these gains were offset by increased labor costs as a result of the Company's new union agreements that became effective November 1, 2006, non-recurring expenses associated with expanding our manufacturing capacity in support of market demand, and increased selling, general and administrative expense reflecting higher personnel costs associated with our strategic growth initiatives. Items of a non-recurring nature impacted the 2007 fourth quarter results by approximately $2.0 million and included costs associated with increasing manufacturing capacity, fees associated with outside services and charges for product obsolescence reserves. These charges impacted the adjusted EBITDA margin by approximately four points for the quarter.

Compared to the year-ended December 31, 2006, adjusted EBITDA for the year ended December 31, 2007, decreased $4.1 million to $41.6 million. Improved manufacturing efficiencies, the CFM acquisition, lower energy and repair costs and a favorable product mix were offset by higher labor costs associated with the union agreements referred to above, non-recurring expenses associated with increasing manufacturing capacity and implementing our lean manufacturing initiatives, and higher personnel costs in support of our new product development activities and strategic growth initiatives. Non-recurring expenses in 2007 were approximately $4.6 million and included costs associated with the production scale-up, creation of an in-house R&D and product development center and outside consulting fees associated with several key initiatives. These items impacted the full-year 2007 adjusted EBITDA margin by almost three points.

The Company's cash balance as of December 31, 2007 was $5.2 million, even after funding the CFM acquisition from unrestricted cash and spending over $14 million in capital and alloy purchases. Additionally, the net funded debt position decreased by approximately $5.1 million since December 31, 2006.

"2007 was a pivotal year for AGY as we continued to make significant progress on strategic initiatives that have made us a world leader in high performance materials," remarked Doug Mattscheck, President and Chief Executive Officer. "We have aligned the organization to capitalize on continued top-line growth including the CFM acquisition made late in 2007 and an expanded global reach. Additionally, our organization has succeeded in the implementation of lean manufacturing and the capacity scale-up activities initiated in 2007 will allow us to support continued growth opportunities in the defense, aerospace and electronic markets. These programs, coupled with the Bondholder consent request recently issued, will allow AGY the flexibility necessary to continue forward with an aggressive growth strategy."

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.

###

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.

Contact: Wayne T. Byrne
AGY Holding Corp.
PH: 803-643-1257
wayne.byrne@agy.com

Summary Financial Performance
($ in millions)

	Quarter Ended December 31,		Combined Twelve Months Ended December 31,	
	2006	2007	2006	2007
Net Sales	$ 40.5	$ 49.6	$ 170.6	$ 184.4
Adjusted EBITDA [(1)]	10.7	10.2	45.7	41.6
Adjusted EBITDA margin [(2)]	26.4%	20.6%	26.8%	22.6%
Net income (loss)	(3.6)	(0.3)	(16.2)	(0.6)
Interest expense (income), net	5.2	4.9	15.8	20.1
Income tax expense (benefit)	(2.4)	(0.1)	(10.0)	(0.3)
Depreciation and amortization	4.5	3.1	16.3	12.6
EBITDA	3.7	7.6	5.9	31.8
Adjustments to EBITDA:				
Non cash purchase accounting inventory adjustment	-	0.6	3.2	0.6
Alloy depletion charge, net	1.4	1.5	5.6	7.1
Non-cash Porcher Equity Incentive adjustment	-	-	1.6	-
Non-cash compensation charges	0.3	0.3	19.0	1.3
Acquisition costs	-	-	4.4	-
Variable natural gas price increase	-	-	0.2	-
Management fees	0.2	0.2	0.6	0.7
Union signing bonuses	0.7	-	0.7	0.3
Loss on early extinguishment of debt	5.7	-	5.7	-
Disposition of assets	(1.2)	-	(1.2)	(0.2)
Other	(0.1)	-	-	-
Adjusted EBITDA	$ 10.7	$ 10.2	$ 45.7	$ 41.6

(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.