



Quanex Corporation Quarterly Update - Fiscal Third Quarter 2003

July 24, 2003

HOUSTON, July 24 /PRNewswire-FirstCall/ -- Quanex Corporation (NYSE: NX), an industry-leading manufacturer of engineered materials and components for the Vehicular Products and Building Products markets, today confirmed that it expects to report third quarter diluted earnings per share in the range of \$.68 to \$.76 when it announces results on August 27, 2003.

The Vehicular Products segment, which includes MACSTEEL, Piper Impact and Temroc Metals, is expected to report lower sales and operating income when compared to last year's third quarter. MACSTEEL, the largest operating entity of the segment, expects both sales and operating income to be slightly down from a year ago as vehicle builds for the quarter are expected to be off 5% to 10%. Piper Impact is expected to report a loss for the quarter versus break-even operating earnings a year ago, the result of ongoing declines in aluminum air bag component sales.

The Building Products segment, which includes Engineered Products and Nichols Aluminum, is expected to report flat sales and lower operating income versus last year's third quarter results. Engineered Products, the segment's door and window components division, expects sales and operating income to be up slightly compared to last year's excellent levels. Business activity for the division continues to improve markedly from a second quarter that was impacted by severe weather. Nichols Aluminum expects lower volumes and a flat spread, which will result in lower operating income versus last year. Previously disclosed operating difficulties at the division's Alabama finishing facility have been corrected and the division expects to report higher painted sales versus a year ago.

The primary drivers for the Company's products are North American light vehicle builds, housing starts and remodeling expenditures. Quanex expects the light vehicle build rate for 2003 to be between 15.5 and 16 million units, down from 16.6 million units in 2002. Both housing starts and remodeling expenditures look to remain basically the same to last year's healthy levels and the underlying fundamentals remain excellent.

Statements that use the words "expect," "should," "will," "might," or similar words reflecting future expectations or beliefs are forward-looking statements. The statements above are based on current expectations. Actual results or events may differ materially from this release. Factors that could impact future results may include, without limitation, the effect of both domestic and global economic conditions, the impact of competitive products and pricing, and the availability and cost of raw materials. For a more complete discussion of factors that may affect the Company's future performance, please refer to the Company's most recent 10-K filing of December 20, 2002 under the Securities Exchange Act of 1934, in particular the sections titled, "Private Securities Litigation Reform Act" contained therein.

Note: It is the Company's intention to make this release a routine event, once per quarter, approximately 35 days before it releases its quarterly earnings report.

Contacts: Jeff Galow, 713/877-5327

Valerie Calvert, 713/877-5305

SOURCE Quanex Corporation