

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) **January 28, 2004**

**QUANEX CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**1-5725**

(Commission  
file number)

**38-1872178**

(I.R.S. Employer Identification  
No.)

**1900 West Loop South, Suite 1500, Houston, Texas 77027**

(Address of principal executive offices)

Registrant's telephone number, including area code: **713-961-4600**

**Item 1. Changes in Control of Registrant**

Not applicable.

**Item 2. Acquisition or Disposition of Assets**

Not applicable.

**Item 3. Bankruptcy or Receivership**

Not applicable.

**Item 4. Changes in Registrant's Certifying Accountant**

Not applicable.

**Item 5. Other Events and Regulation FD Disclosure**

Not applicable.

**Item 6. Resignations of Registrant's Directors**

Not applicable.

**Item 7. Financial Statements and Exhibits**

(a) Financial Statements of Businesses Acquired

Not applicable.

(b) Pro Forma Financial Information

Not applicable.

(c) Exhibits

99.1 Press Release dated January 28, 2004, providing earnings guidance for the 1<sup>st</sup> quarter of fiscal year 2004.

**Item 8. Change in Fiscal Year**

Not applicable.

**Item 9. Regulation FD Disclosure**

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On January 28, 2004, Quanex Corporation issued a press release (the "Press Release") providing earnings guidance for the 1<sup>st</sup> quarter of fiscal year 2004. The foregoing is qualified by reference to the Press Release which is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated

herein by reference.

**Item 10. Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics**

Not applicable.

**Item 11. Temporary Suspension of Trading Under Registrant's Employee Benefit Plans**

Not applicable.

**Item 12. Results of Operations and Financial Condition**

Not applicable.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Quanex Corporation

Date: January 29, 2004

By: /s/ Terry M. Murphy  
Terry M. Murphy  
Vice President — Finance and Chief Financial Officer  
(Principal Financial Officer)

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**INDEX TO EXHIBITS**

<b>Exhibit Number</b>	<b>Description of Exhibits</b>
99.1*	Press Release dated January 28, 2004, providing earnings guidance for the 1 <sup>st</sup> quarter of fiscal year 2004.

\* Filed herewith

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NEWS RELEASE

Contacts: Jeff Galow, 713/877-5327  
Valerie Calvert, 713/877-5305

Quanex Corporation Quarterly Update — Fiscal First Quarter 2004

Houston, Texas, January 28, 2004 - **Quanex Corporation** (NYSE:NX), an industry-leading manufacturer of engineered materials and components for the Vehicular Products and Building Products markets, announced today that it expects to report first quarter diluted earnings per share in a range of \$0.35 to \$0.40 when it announces results on February 26, 2004. The range includes an estimate of one month's operating results from its acquisitions of North Star Steel Monroe and TruSeal Technologies. Quanex is experiencing strong demand and expects significantly higher volumes for the quarter compared to the year ago period at both Nichols Aluminum and MACSTEEL, excluding Monroe's results. However, because of the ongoing escalation of scrap prices, particularly steel scrap prices at MACSTEEL, margin compression will negatively impact earnings. MACSTEEL has scrap surcharges in place with customers, but recovery from the surcharge lags actual scrap costs by one quarter.

The **Vehicular Products** segment, which includes MACSTEEL, Piper Impact and Temroc Metals, expects higher shipments and lower operating income, excluding Monroe's results, when compared to last year's first quarter. MACSTEEL, the largest division within the segment, expects to report higher sales and volumes, excluding Monroe's results, even though North American light vehicle builds for the quarter versus a year ago are expected to be down slightly. Offsetting the lower light vehicle builds is improved business in MACSTEEL's secondary markets, including the heavy duty truck market, which continues to show improvement over last year. Operating income for MACSTEEL, excluding Monroe's results, will be down from a year ago, due to sharply higher scrap costs.

The **Building Products** segment, which includes Engineered Products and Nichols Aluminum, is expected to report higher sales and flat operating income, excluding TruSeal's results, versus last year's first quarter. Engineered Products, excluding TruSeal's results, expects to report similar sales and operating income compared to last year's excellent results. However, customer demand continues to be weather sensitive. Nichols Aluminum looks to report higher shipments for the quarter, while operating income is expected to be about equal to this period last year. Nichols continues to experience spread compression due to higher scrap costs, but encouragingly, pricing in the industry is now firming.

The primary drivers for the Company's products are North American light vehicle builds, heavy duty truck builds, housing starts and remodeling expenditures. Quanex expects the light vehicle build rate for fiscal 2004 to be some 16.2 million units, essentially the same compared to 2003. Both housing starts and remodeling expenditures are expected to be flat to down slightly from last year's robust levels and the Company believes that the underlying fundamentals remain excellent.

The integration of the Company's two recent acquisitions is proceeding well. Quanex remains confident in the earnings accretion that will result from its purchases. For the ten months it will

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have owned the acquisitions in fiscal 2004, Quanex expects to generate \$0.40 - \$0.50 of earnings on a diluted per share basis.

There is ongoing uncertainty surrounding the price escalation of both steel and aluminum scrap and the timing of the Company's eventual recovery of these costs. Therefore, while the Company is optimistic that it will report higher annual earnings in 2004 versus 2003, providing specific guidance this early in the year is problematic given the continued "spiking" in the cost of scrap.

*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 29, 2003 under the Securities Exchange Act of 1934, in particular the sections titled, "Private Securities Litigation Reform Act" contained therein. It is the Company's intention to make this release a routine event, once per quarter, approximately one month before it releases its quarterly earnings report.*

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