

MARKET DRIVEN
PROCESS BASED



VISION

Become North America's Leading Manufacturer of Engineered Components Sold to OEMs and Distributors of Building Products

FOCUS

Customers are the primary focus of Quanex Building Products. QBP nurtures close relationships by offering customers the engineering expertise and manufacturing experience to collaborate on new products, developing the processes to produce them, and then delivering on a just-in-time basis. QBP's contributions enhance the performance, aesthetics and distribution of the customers' products. QBP has successfully fostered and grown long term partnerships with some of the biggest names in the marketplace by utilizing this customer focused strategy and by being a low cost producer.

BUSINESS OVERVIEW

Quanex Building Products is comprised of two segments – Aluminum Sheet Building Products and Engineered Building Products – manufacturing quality residential building products that are sold to Original Equipment Manufacturers (OEMs) and distributors. With 18 production facilities in the United States and employing approximately 2,600 employees, consolidated sales for fiscal 2007 were \$964 million.

SEGMENTS

Aluminum Sheet Building Products features *Nichols Aluminum*, a producer of 360 million pounds annually of flat-rolled aluminum sheet that may be mill finished or coated. Nichols produces its sheet prod-

ucts in a wide range of gauge, width, alloy and temper as well as offering many value-added services such as leveling, slitting and coil-coating. Its customers are primarily in the North American building and construction market with secondary markets being capital goods and transportation markets. Nichols utilizes state-of-the-art, computerized scrap lending techniques that allow it to process low grades of aluminum scrap, and employs highly efficient Hazelett continuous casting technology that significantly reduces its energy consumption compared to competitors. These capabilities make Nichols one of the most profitable and lowest cost U.S. producers of aluminum sheet products for the North American building and construction market.

The **Engineered Building Products** segment produces rigid polyvinyl chloride (PVC) extruded window and door products, insulated glass sealant systems, window and door screens, door thresholds, divided light window products, and other fenestration components. Engineered Building Products designs and produces proprietary window and door systems, fabricated metal, wood and vinyl window and door components, spacer and sealant systems and other

Operating Results Data:

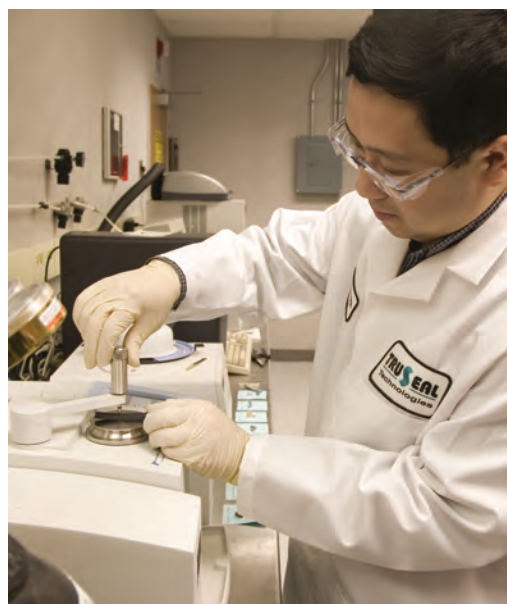
Net sales	
Operating income	

Income from continuing operations..	
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Unaudited pro forma diluted earnings from continuing operations per common share	
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products for OEMs that serve the North American new residential construction and remodeling markets. Engineered Building Products is distinguished by superior product development competencies and tight, long-standing customer relationships built on its expertise in product design and engineering support services and the quality products they deliver on a line sequenced or a just-in-time



basis. Many of these window and door customers consider Quanex Building Products' businesses an extension of their own enterprises.

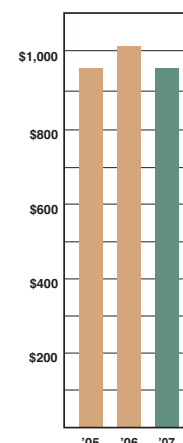
MARKET POSITIONS

Quanex Building Products targets niches of the North American window and door and construction markets where it can partner with customers to provide them with customized solutions through a full orchestration of industry-leading products and services. This approach provides differentiation and earns the Company a preferred and, in many cases, exclusive supply relationship with many of the best known brands in the industry. Customers turn to the experience and expertise of QBP to address their product design and manufacturing challenges when developing new and cutting-edge products.

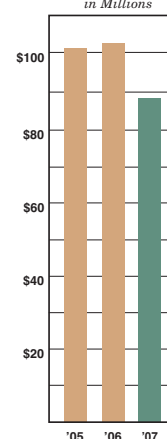
GROWTH STRATEGY

Quanex Building Products' strategy is to grow both organically and through strategic acquisitions. The Company continues to gain sales through partnerships with a growing number of both domestic and global customers, and the introduction of innovative new products. In addition, Quanex Building Products continues to seek acquisitions of businesses that produce products that serve similar or adjacent markets in North America, Europe and Asia.

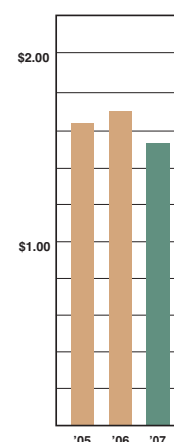
PRO FORMA
*NET SALES
in Millions



PRO FORMA
*OPERATING INCOME
in Millions



PRO FORMA
*DILUTED EARNINGS PER SHARE
FROM CONTINUING OPERATIONS
in Dollars





Fiscal year ended October 31,

2007 2006 2005

(in thousands except share data)

\$ 963,975	\$ 1,043,773	\$ 951,819
88,614	103,805	101,965
57,411	64,284	61,969
\$ 1.53	\$ 1.69	\$ 1.61

*Source: Quanex Building Products Form 10-12(b) filed January 11th, 2008

ALUMINUM SHEET BUILDING PRODUCTS		
	NICHOLS ALUMINUM	PVC EXTRUDED WINDOW AND DOOR PRODUCTS
DESCRIPTION	<ul style="list-style-type: none"> Scrap-based mini-mill manufacturer of coated and mill finish aluminum sheet products. 	<ul style="list-style-type: none"> Largest manufacturer of extruded PVC products and accessories for window and door OEMs in the U.S.
SIZE	<ul style="list-style-type: none"> 4 production facilities 	<ul style="list-style-type: none"> 4 production facilities
KEY PRODUCTS	 <ul style="list-style-type: none"> Mill finish aluminum sheet Coated aluminum sheet 	 <ul style="list-style-type: none"> Customer-specific PVC and composite profiles Impact resistant window and door components
MANUFACTURING CAPABILITIES	<ul style="list-style-type: none"> 360 million lbs annual finished capacity Cold rolling to gauge, annealing to temper, leveling, custom coating and slitting 	<ul style="list-style-type: none"> In-house window system design and testing Precision extrusion tooling design and manufacture In-house compound development and blending 163 extrusion lines
ESTIMATED* MARKET POSITION	<ul style="list-style-type: none"> 15% share of building and construction 10% share of truck-trailer 20% share of machinery and equipment 5% share of electrical 	<ul style="list-style-type: none"> 35% share of U.S. vinyl new construction 15% share of U.S. vinyl remodel/replacement 25% share of total U.S. vinyl market

ENGINEERED BUILDING PRODUCTS

WINDOW AND DOOR FENESTRATION COMPONENTS

- Manufactures screens, grilles, thresholds, astragals and roll formed products for window and door manufacturers. Also manufactures architectural wood moldings.

- 8 production facilities



- Window and door screens
- Wood window grilles
- Door thresholds and astragals
- Architectural moldings
- Cladding
- Window muntin and divided light grilles

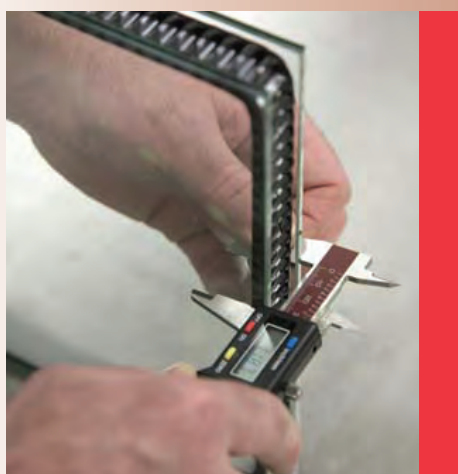
- Roll forming
- Slitting
- Laser welding
- Stamping
- Coating
- Rolltrusion™
- Wood molding
- Component assembly

- 45% of wood patio door screens
- 30% of wood window screens
- 25% of roll-formed spacers
- 10% of entry door thresholds

INSULATED GLASS SEALANT SYSTEMS

- Manufactures composite spacer products and sealants for fabricating windows and doors. Also manufactures insulating glass assembly equipment.

- 2 production facilities
- China startup (est. 12/08)



- Flexible Insulated Glass spacer systems
- Insulating glass, window and door accessories
- Besten fully automatic and manual insulating glass fabrication equipment

- 21 extrusion lines
- One continuous process mixing system
- 10 conventional bulk mixers
- State-of-the-art pilot plant facility
- Research and development facility

- Large, diversified base of 800 customers in North America and another 200 globally
- 20% share of North America window & door market (footage)
- 50% share of U.S. window new construction
- 10% share of U.S. window remodel/replacement

ALUMINUM SHEET BUILDING PRODUCTS

Nichols Aluminum

Davenport and General Office
1725 Rockingham Road
Davenport, Iowa 52802
(563) 324-2121

Nichols Aluminum Alabama

2001 Highway 20 West
Decatur, Alabama 35601
(256) 353-1550

Nichols Aluminum Casting

2101 J.M. Morris Blvd.
Davenport, Iowa 52802
(563) 322-0118

Nichols Aluminum Lincolnshire

200 Schelter Road
Lincolnshire, Illinois 60069
(847) 634-3150

ENGINEERED BUILDING PRODUCTS

Mikron

Mikron West (2)

1034 Sixth Avenue North
Kent, Washington 98032
(253) 854-8020

Mikron East

100 Mikron Way
Richmond, Kentucky 40475
(859) 623-2643

Mikron Midwest

501 North Elida Street
Winnebago, Illinois 61088
(815) 335-2372

Homeshield

HOMESHIELD West Coast

250 Steelhead Way
The Dalles, Oregon 97058
(541) 298-1200

HOMESHIELD Richmond

451 Industrial Parkway
Richmond, Indiana 47374
(765) 966-0322

HOMESHIELD Rice Lake

311 West Coleman Street
Rice Lake, Wisconsin 54868
(715) 234-9061

HOMESHIELD Chatsworth (2)

7942 North 3350 East Road
Chatsworth, Illinois 60921
(815) 635-3171

HOMESHIELD Mounds View

2270 Woodale Drive
Mounds View, Minnesota 55112
(763) 231-4000

HOMESHIELD Luck

501 Main Street
Luck, Wisconsin 54853
(715) 472-2223

HOMESHIELD Dubuque

1111 Purina Drive
Dubuque, Iowa 52001
(563) 582-1472

Truseal Technologies

Truseal Technologies

6680 Parkland Boulevard
Solon, Ohio 44139
(216) 910-1500

Truseal Technologies

403 Treuhaft Boulevard
Barbourville, Kentucky 40906
(606) 546-7300

Besten Equipment, Inc.

6680 Parkland Boulevard
Solon, Ohio 44139
(216) 581-1166

CORPORATE OFFICERS

RAYMOND A. JEAN

Chairman, President and Chief Executive Officer

JOHN J. MANNION

Vice President — Treasurer

THOMAS M. WALKER

Senior Vice President — Finance and Chief Financial Officer

PAUL A. HAMMONDS

Vice President — Corporate Development

KEVIN P. DELANEY

Senior Vice President — General Counsel and Secretary

BRENT L. KORB

Vice President — Corporate Controller



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