

Quanex Corporation Conversion Rights Triggered On Convertible Debentures

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HOUSTON, Feb. 1, 2008 (PRIME NEWSWIRE) -- Quanex Corporation (NYSE:NX), today announced that the Company's 2.50% Convertible Senior Debentures due May 15, 2034, are convertible by holders effective February 1, 2008.

The convertibility was triggered during the fiscal quarter ended January 31, 2008, in which the closing price of the Company's common stock exceeded the contingent conversion threshold price of approximately \$30.21 for at least 20 of the last 30 trading days of the quarter. As a result, holders may convert the principal amount of their Debentures during the fiscal quarter ending April 30, 2008, in accordance with the terms of the indenture. On January 26, 2005, the Company announced that it had irrevocably elected to settle the principal amount of its Debentures in cash when they become convertible and are surrendered by the holders thereof. The Company retains its option to satisfy any premium obligation (stock price in excess of conversion price) with shares, cash, or a combination of shares and cash.

Quanex Corporation, with fiscal 2007 sales of \$2 billion, is an industry-leading manufacturer of value-added, engineered materials and components serving the vehicular products and building products markets. For further information, visit the Company's website at www.quanex.com.

The Quanex Corporation logo is available at <http://www.primenewswire.com/newsroom/prs/?pkgid=1117>

Statements that use the words "expect," "should," "believe," "will," "might," or similar words reflecting future expectations or beliefs are forward-looking statements. The statements found 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 (December 14, 2007) under the Securities Exchange Act of 1934, in particular the section titled, "Private Securities Litigation Reform Act" contained therein.

This press release may be deemed to be soliciting material relating to the proposed merger transaction between Quanex Corporation and a wholly owned subsidiary of Gerdau S.A. In connection with the proposed merger, Quanex will file a proxy statement and other relevant documents concerning the proposed merger with the SEC. Investors and securities holders of Quanex are urged to read the proxy statement when it becomes available because that document will contain important information about the proposed merger. The definitive proxy statement will be mailed to Quanex stockholders. Investors and security holders may obtain a copy of such documents free of charge from the SEC's website at www.sec.gov. Copies of such documents may also be obtained free of charge from Quanex's website at www.quanex.com.

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