



Quanex Corporation Quarterly Update - First Quarter Fiscal 2001

January 19, 2001

These statements are based on current expectations. Statements that use the word "expect," "should," "will," "might" or similar words reflecting future expectations or beliefs are forward-looking statements, and actual results or events may differ materially from this release. For a more complete discussion of factors that may affect the Company's future performance, please refer to the Company's most recent filing (fiscal 2000 10-K filed January 5, 2001) under the Securities Exchange Act of 1934, in particular, the sections titled "Private Securities Litigation Reform Act" contained therein.

HOUSTON, Jan. 19 /PRNewswire/ -- Quanex Corporation (NYSE: NX), announced today that it continues to experience slower demand for its automotive, building and construction products during the first half of fiscal 2001 versus the first half of fiscal 2000. Quarterly results will also be impacted by inclement weather. However, even with a softening in demand, the Company expects to earn \$.20 - \$.25 per common share for the first quarter of fiscal 2001, compared to \$.29 a year ago. For fiscal 2001, the Company expects to exceed fiscal 2000 fully diluted earnings per share of \$2.44 (excluding unusual items), in part, due to recent acquisitions and reduced losses at Piper Impact.

MACSTEEL, the Company's engineered steel bar segment, is currently operating at reduced capacity. Quarterly net sales to the segment's primary markets, which include the passenger, light truck, heavy truck and capital goods markets, are down when compared to the first quarter of 2000. Operating income for the quarter is expected to be \$7 million to \$8 million, compared to first quarter 2000 operating income of \$11.8 million.

Nichols Aluminum, the Company's aluminum sheet products segment, is currently operating at reduced capacity. Quarterly volume to the segment's primary markets, which include the distributor, building and construction markets, are down when compared to the first quarter of 2000. Operating income for the quarter is expected to be between breakeven and \$0.5 million, compared to first quarter 2000 operating income of \$2.2 million.

Engineered Products, the Company's metal fabricating segment, is experiencing a moderate slowdown in its primary markets, which include the window and door markets, when compared to the first quarter of 2000. First quarter 2001 will include operating results from Imperial Fabricated Products (a door threshold business acquired Q2-2000) and Temroc Fabricated Products (an aluminum extrusion and metal products business acquired Q1-2001). Operating income for the quarter is expected to be flat when compared to first quarter 2000 operating income of \$1.8 million.

Piper Impact, the Company's impact extrusion segment, is experiencing improved business activity for the quarter. Quarterly sales are up modestly when compared to the first quarter of 2000. Operating income for the quarter is expected to be about \$1 million compared to a first quarter 2000 operating loss of \$3.5 million. Improvements in operating results are due, in part, to higher productivity, reduced scrap, lower depreciation costs and the disposition of Piper Impact - Europe.

NOTE: It is the Company's intention to make this quarterly release a routine event, once per quarter, approximately 30 days before Quanex releases its regular quarterly earnings report.

SOURCE Quanex Corporation

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