



Quanex Corporation Quarterly Update - Company Expects to Report Record Fiscal

October 22, 2002

Fourth Quarter & Fiscal Year Diluted Earnings Per Share

HOUSTON, Oct. 22 /PRNewswire-FirstCall/ -- 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 record fiscal fourth quarter and year diluted earnings per share when it announces results on December 5, 2002. Fourth quarter 2002 earnings are expected to be up some 20% from last year's comparable quarter. For the year, the Company expects earnings to be up some 40% from 2001. Operating results continue to benefit from strong end markets, productivity gains, the result of on-going lean manufacturing process improvements and a company-wide purchasing initiative launched last year.

Quanex's Vehicular Products segment, which includes MACSTEEL, Piper Impact and Temroc Metals, is expected to report better fourth quarter operating results compared to a year ago. MACSTEEL's operating income is expected to be up over 10% due to robust vehicle demand, strong operating leverage, market share gains and more value-added sales.

Quanex's Building Products segment, which includes Engineered Products and Nichols Aluminum, is expected to report fourth quarter operating income improvements some 40% over year ago results. The two divisions continue to benefit from strong order entry, improving spreads at Nichols, new programs at Engineered Products and the accretive impact of the Colonial Craft acquisition.

The primary drivers for the Company's products are the North American light vehicle build rate, housing starts and remodeling expenditures. Quanex now expects the vehicular build rate for calendar 2002 to exceed 16.5 million units, up significantly from last year. Housing starts and remodeling expenditures for the year remain at robust levels and are expected to be in-line with last year.

Statements above 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

(January 4, 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, before Quanex releases its regular quarterly earnings report.

For further information, visit the Company website at www.quanex.com.

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