



## CORRECTION -- Quanex Corporation Issues Correction to Fiscal 2006 Earnings Per Share

December 6, 2006

HOUSTON, Dec. 6, 2006 (PRIME NEWSWIRE) -- Quanex Corporation (NYSE:NX) today issued a correction to its fiscal 2006 basic and diluted earnings per share released earlier today. Basic earnings per share from continuing operations for fiscal 2006 are \$4.28, and diluted earnings per share from continuing operations are \$4.09.

The error was the result of using incorrect fiscal 2006 basic shares and diluted shares in the calculation of its earnings per share. The corrected basic and diluted share counts are 37,478,512 and 39,708,047, respectively.

The Company has attached a corrected fiscal 2006 Consolidated Statement of Income.

Quanex is listed on the New York Stock Exchange under the symbol NX. For further information, visit the Company's website at [www.quanex.com](http://www.quanex.com).

Statements that use the words "expect," "should," "may," "could," "will," "might," or similar words reflecting future expectations or beliefs are forward-looking statements. The statements above are based on Quanex's current expectations. Actual results or events may differ materially from this press 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 21, 2005, under the Securities Exchange Act of 1934, in particular, the sections titled "Private Securities Litigation Reform Act" contained therein.

### QUANEX CORPORATION

#### CONSOLIDATED STATEMENTS OF INCOME (CORRECTED)

(In thousands, except per share data)

(Unaudited)

| Three months ended<br>October 31,   |           |  | Twelve months ended<br>October 31, |             |
|-------------------------------------|-----------|--|------------------------------------|-------------|
| 2006                                | 2005      |  | 2006                               | 2005        |
| \$527,720                           | \$483,270 | Net sales  | \$2,032,572                        | \$1,969,007 |
| 425,985                             | 371,083   | Cost of sales  | 1,617,399                          | 1,512,980   |
| 23,929                              | 23,982    | Selling, general and<br>administrative expense               | 92,705                             | 97,851      |
| 18,508                              | 17,557    | Depreciation and<br>amortization                             | 71,074                             | 65,401      |
| 59,298                              | 70,648    | Operating income   | 251,394                            | 292,775     |
| (1,129)                             | (1,542)   | Interest expense   | (4,818)                            | (9,300)     |
| 1,477                               | 2,233     | Other, net   | 4,240                              | 151         |
| 59,646                              | 71,339    | Income from continuing<br>operations before taxes            | 250,816                            | 283,626     |
| (20,517)                            | (24,659)  | Income tax expense   | (90,503)                           | (106,393)   |
| 39,129                              | 46,680    | Income from continuing<br>operations                         | 160,313                            | 177,233     |
| 46                                  | (15,455)  | Gain (loss) from<br>discontinued operations,<br>net of taxes | (130)                              | (22,073)    |
| \$ 39,175                           | \$ 31,225 | Net income   | \$ 160,183                         | \$ 155,160  |
| Basic earnings per<br>common share: |           |  |                                    |             |
| Earnings from                       |           |  |                                    |             |
| \$ 1.06                             | \$ 1.23   | continuing operations  | \$ 4.28                            | \$ 4.69     |

|           |           |           |   |           |           |
|-----------|-----------|-----------|---|-----------|-----------|
| \$        | --        | \$ (0.41) | Gain (loss) from discontinued operations    | \$ (0.01) | \$ (0.58) |
| -----     | -----     | -----     |   | -----     | -----     |
| \$        | 1.06      | \$ 0.82   | Basic earnings per share                    | \$ 4.27   | \$ 4.11   |
| -----     | -----     | -----     |   | -----     | -----     |
|           |           |           | Diluted earnings per common share:          |           |           |
| \$        | 1.03      | \$ 1.17   | Earnings from continuing operations         | \$ 4.09   | \$ 4.50   |
|           |           |           | Gain (loss) from discontinued operations    | \$ (0.01) | \$ (0.55) |
| -----     | -----     | -----     |   | -----     | -----     |
| \$        | 1.03      | \$ 0.78   | Diluted earnings per share                  | \$ 4.08   | \$ 3.95   |
| -----     | -----     | -----     |   | -----     | -----     |
|           |           |           | Weighted average common shares outstanding: |           |           |
| 36,847    | 37,983    |           | Basic                                       | 37,479    | 37,772    |
| 38,494    | 40,446    |           | Diluted                                     | 39,708    | 39,809    |
|           |           |           | Cash dividends per share                    | \$ 0.4833 | \$ 0.3733 |
| \$ 0.1400 | \$ 0.1033 |           |   |           |           |

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