



Quanex Approves Capital Projects for MACSTEEL(R) and Fabricated Products

May 26, 2000

HOUSTON, May 26 /PRNewswire/ -- Quanex Corporation (NYSE: NX) today announced that its Board of Directors has approved approximately \$34 million in capital improvement projects. The bulk of this program, approximately \$30 million, will increase the value-added processing capabilities at MACSTEEL, Quanex's engineered steel bar business. The remainder will be used to expand the Fabricated Products Division's AMSCO facility in Rice Lake, Wisconsin.

The investment at MACSTEEL will boost capacity for MACPLUS(R) cold-finished steel bars at its plant in Jackson, Michigan, where a third bar turning and polishing line will be installed. The project, part of MACSTEEL's Phase VI expansion plan, includes construction of a new facility at the existing plant site for MACPLUS products, specialized heat treating processes, bar straightening lines, and testing equipment. This program is scheduled for completion in December 2001.

"MACPLUS is MACSTEEL's most value-added product, and it remains in high demand from original equipment manufacturers who demand a premium engineered steel bar with customized metallurgy, tighter size tolerances and concentricity, and superior surface qualities," explained Vernon E. Oechsle, chairman and chief executive officer of Quanex. "Our Phase IV expansion project, which doubled MACSTEEL's cold-finishing capacity when completed last year, is already sold out.

"The \$4-million capital project at AMSCO will provide an additional 40,000-square-feet of manufacturing space and equipment," Oechsle said. "In the past three years, the Fabricated Products Division has done a good job diversifying its product-design and roll-forming business from traditional fenestration markets into other consumer durable applications. This project supports the company's growth with new customers as well as new product programs with existing customers." AMSCO's plant expansion is scheduled for completion in November 2000.

Quanex is a technological leader in the production of value-added, engineered steel bars; aluminum flat-rolled products; and engineered, formed-metal products for customers in the transportation, capital equipment, homebuilding and remodeling, packaging, defense, and other commercial markets. For more information, visit the company's web site at www.quanex.com.

Contact: Patrick Cassidy of Quanex Corporation, 713-877-5389.

SOURCE Quanex Corporation

Web site: <http://www.quanex.com>

Photo: NewsCom: <http://www.newscom.com/cgi-bin/prnh/19990517/NXLOGO> PRN Photo Desk, 888-776-6555 or 201-369-3467

CONTACT: financial, Jeff Galow, 713-877-5327, or media, Patrick Cassidy, 713-877-5389, both of Quanex Corporation

CAPTION: NXLOGO QUANEX CORPORATION LOGO Quanex Corporation logo. (PRNewsFoto)[HD] HOUSTON, TX USA 05/17/1999