



Quanex Quarterly Update - Fiscal Fourth Quarter 2001; Company Expects to Report Its Best Operating Results for 2001 in The Fourth Quarter

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HOUSTON, Oct. 22 /PRNewswire/ -- Quanex Corporation (NYSE: NX), a supplier of value-added metal products to the vehicular and building products markets announced today that it expects to report its best quarterly operating results of the year when it reports fourth quarter and annual results on December 6, 2001.

The Company had previously announced that it expected fiscal 2001 fully diluted earnings per share between \$1.75 and \$2.00. However, given operating results year-to-date, the Company now expects to earn at the top end of that range.

MACSTEEL, the Company's engineered steel bar segment, continues to operate on six-day schedules. Its largest markets, light vehicles and heavy-duty trucks, remain soft compared to last year's activity; however, continued penetration into other markets, such as energy, defense and service centers, has allowed MACSTEEL to maintain full schedules. Operating income for the fourth quarter will exceed the previous three quarters but lag fourth quarter 2000.

Piper Impact, the Company's impact extrusion segment, expects to report positive operating income for the quarter versus an operating loss of \$.8 million a year ago, which excludes a \$56.3 million asset impairment charge. Piper Impact is expected to earn in excess of \$3 million in operating income for 2001 versus a loss of \$9 million (before losses related to Piper Impact Europe and impairment charges) for 2000. Fixed cost reductions and productivity improvements are credited for most of this improvement.

Nichols Aluminum, the Company's aluminum sheet products segment, continues to operate at full schedules. The segment's value-added painted business remains sold out. Competition for orders has been intense all year and Nichols continues to face pricing pressure. Management believes that operating income for the quarter will exceed the previous three quarters but will lag fourth quarter 2000.

Engineered Products, the Company's metal fabricating segment, continues to benefit from new products and new customers. The segment has experienced slower markets when compared to last year, but acquisitions in 2000 and new products have more than offset the effects of the current economic environment. Operating income continues to outperform last year's comparable quarterly results.

Statements 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 5, 2001) 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, approximately 30 days before Quanex releases its regular quarterly earnings report.

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

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