



## **Quanex Corporation Quarterly Update - Fiscal Second Quarter 2002; Company Expects Earnings Per Share to Double Year Ago Results**

April 16, 2002

HOUSTON, April 16 /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 its second quarter diluted earnings per share to double from the \$.32 reported a year ago when it announces results on May 30, 2002.

Quanex's Vehicular Products segment, which includes MACSTEEL, Piper Impact and Temroc Metals, is expected to report much better second quarter operating results when compared to a year ago. MACSTEEL's operating income is expected to be up more than 50% due to strong light vehicle demand, more value-added sales of the MAC+ product with the completion of Phase VI at the Jackson facility, share gains and increased operating leverage. The Company expects Piper Impact's operating income to be up more than 50%, the result of increasing volumes of higher margin products.

Quanex's Building Products segment, which includes Engineered Products and Nichols Aluminum, is expected to report operating income improvements greater than 70% versus year ago results. The two divisions continue to benefit from very strong order entry, the result of an early start to the building season, firmer pricing and improved operating leverage at Nichols Aluminum and new programs at Engineered Products. The acquisition of Colonial Craft early in the quarter will also benefit the segment's operating results.

The primary drivers for the Company's products are the North American vehicular build rate, housing starts and remodeling expenditures. Quanex now expects the vehicular build rate for calendar 2002 to be about 15.4 million units, down slightly from last year. Housing starts and remodeling expenditures for the year are expected to be in-line with last year. However, segment operating results are benefiting from new programs and productivity gains, the result of on-going lean manufacturing processes improvements and a company-wide purchasing initiative launched last year.

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 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](http://www.quanex.com).

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