



Quanex Corporation Quarterly Update - Fiscal Third Quarter 2002

July 22, 2002

HOUSTON, July 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 third quarter diluted earnings per share some 30% greater than the \$.67 reported a year ago when it announces results on August 29, 2002.

Quanex's Vehicular Products segment, which includes MACSTEEL, Piper Impact and Temroc Metals, is expected to report better third quarter operating results compared to a year ago. MACSTEEL's operating income is expected to be up about 15% 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 operating income improvements some 50% over year ago results. The two divisions continue to benefit from strong order entry, firmer pricing, new programs at Engineered Products and the additive impact of Colonial Craft.

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 exceed 15.5 million units, up slightly from last year. Housing starts and remodeling expenditures for the year are expected to be in-line with last year. Segment operating results continue to benefit from productivity gains, the result of on-going lean manufacturing process 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 .

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