



## 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 October 31,			Twelve months ended 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 administrative expense	92,705	97,851
18,508	17,557	Depreciation and 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 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 operations	160,313	177,233
46	(15,455)	Gain (loss) from discontinued operations, net of taxes	(130)	(22,073)
\$ 39,175	\$ 31,225	Net income	\$ 160,183	\$ 155,160
Basic earnings per common share:				
Earnings from				
\$ 1.06	\$ 1.23	continuing operations	\$ 4.28	\$ 4.69

		Gain (loss) from discontinued operations	\$ (0.01)	\$ (0.58)
\$ --	\$ (0.41)			
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\$ 1.06	\$ 0.82	Basic earnings per share	\$ 4.27	\$ 4.11
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		Diluted earnings per common share:		
		Earnings from continuing operations	\$ 4.09	\$ 4.50
\$ 1.03	\$ 1.17			
		Gain (loss) from discontinued operations	\$ (0.01)	\$ (0.55)
\$ --	\$ (0.39)			
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\$ 1.03	\$ 0.78	Diluted earnings per share	\$ 4.08	\$ 3.95
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		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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