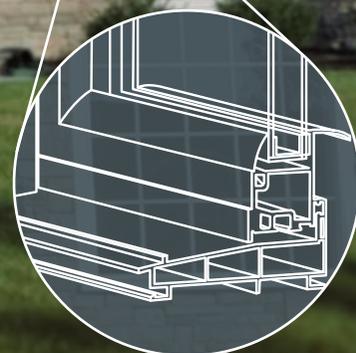
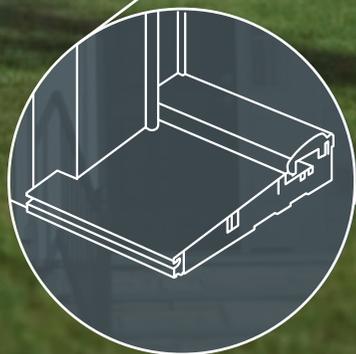
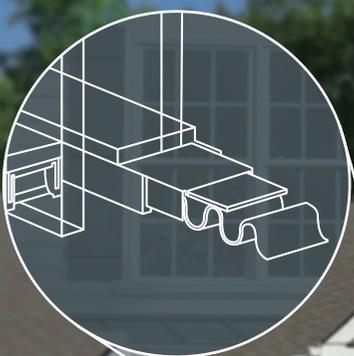


Sharpening Our Focus

2013 Annual Report Summary



Quanex
building products

SHARPENING OUR FOCUS

OUR HISTORY – Quanex is a relatively small company in size, but a very large player in the markets we serve. We are the only publicly traded company in the United States supplying a broad range of components, systems and services to window and door manufacturers. Some of the best names in the industry rely on Quanex to make their high quality, energy-efficient fenestration products.

We have a history that dates back to 1927. Ours is a story of growing and contracting, evolving and game-changing. The faces and products may have changed along the way, but our dedication to product quality, innovation and customer service are recurring themes.

While being proud of our history, we embrace the future and how we need to continue to evolve to best serve our customers, our shareholders and our employees. As in the past, our path is shaped by the opportunities that present themselves and our ability to respond to them. And opportunities are at hand. As the eighth President in the 85+ year history of the company, I proudly and enthusiastically take responsibility for setting our future course for success.

2013 IN REVIEW – Looking back on this past year, we were not at all satisfied with our performance, and I know we can do better. I believe that both the top and bottom line results should have been stronger, and we are sharpening our focus to return to profitability in 2014.

Consolidated net sales for 2013 were \$953 million compared to \$829 million last year. Net income improved 29% from a loss of \$16.5 million to a loss of \$11.7 million. While the revenue growth is impressive at 15%, if you look only at our core window components business and exclude the partial year acquisition of Aluminate, we improved just 6%. For comparison, window shipments as reported by Ducker Worldwide, a market intelligence firm, increased 11% for the 12 months ending September 2013. Clearly we underperformed the market.

Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$42.8 million for fiscal 2013, compared to \$12.6 for fiscal 2012. EBITDA is the measurement we use to track operational performance, as we believe it provides a consistent comparison of our profitability. So, in real terms, our operations improved \$30 million.

We ended the year with solid cash generation, resulting in \$50 million of cash on hand and no outstanding borrowings on our revolving credit facility.

SETTING THE STAGE – The economic recovery is in full swing and the housing markets are returning. Quanex manufactures products typically used in the higher end remodeling and custom home building segments and less so in the higher volume segments of multi-family and tract built new construction. Unfortunately, the latter market is growing at a much faster rate than the former, and is the main reason for our underperformance to the market. Consequently, we are exploring ways we can participate in lower priced products that target new construction, even though our higher end core market will recover over the next few years. I think it is also important for us to expand geographically, domestically as well as in Europe, where the market is significantly larger than in the U.S. and more emphasis is placed on energy-efficient fenestration products.

On December 31, we acquired the assets of Atrium Window and Door, Inc.'s Greenville, Texas facility. This acquisition allows us to expand our product portfolio serving the new construction market and increases our manufacturing presence in the southern U.S.

In the fourth quarter of 2013 we abandoned our project to implement a companywide ERP (enterprise resource planning) system. This resulted in a \$15.3 million non-cash charge, but will allow us to significantly reduce our corporate costs going forward.

We are seeing the benefits of our hard work at Nichols, where investments in the business have resulted in equipment uptime and productivity improvements. This has allowed us to significantly increase shipments and bring the operation to EBITDA profitability at net spread of only 41 cents, a near 20-year low for net spread levels.

The ERP project and the net spread environment at Nichols have overshadowed the good progress at our EPG business. While growth has been lower than we would like, it has nonetheless been steady in our vinyl profile, IG (insulating glass) spacer and screen businesses. The IG facility consolidation, and productivity improvements at all the businesses, has also contributed to a steady increase in margins.

OUTLOOK FOR 2014 – We expect to return to profitability in 2014. Our corporate costs should be reduced to approximately \$30 million in 2014, primarily as a result of the cessation of the ERP project.

At EPG, we expect to realize revenue growth of around 5% and maintain our EBITDA margins in the 13% to 14% range, despite continued pricing pressure in our vinyl business. At Nichols, we expect net sales growth in the mid to high single digit range, and even in a continued low spread environment, we expect a modest improvement in Nichol's EBITDA results in 2014.

Capital expenditures, primarily to support growth and productivity initiatives, are expected to be about \$40 million in 2014, with the biggest share at EPG.

We are committed to prudent cost controls, improving operating efficiencies, and growth through organic means, as well as through acquisitions. We will continue to provide our customers the best products and service in the marketplace. And, in keeping with tradition, we will sharpen our focus on the opportunities that bring the most value to our customers, employees and shareholders.

Thank you for your continued support of Quanex. I'm excited about our future and believe it will be a rewarding one for all of our stakeholders.



William Griffiths
Chairman, President and
Chief Executive Officer

EBITDA RECONCILIATION

EBITDA is a non-GAAP financial measure that Quanex management uses to measure its operational performance and assist with financial decision-making. We believe this non-GAAP measure provides a consistent basis for comparison between periods, and will assist investors in understanding our financial performance, including under market conditions outlined in our forward-looking guidance. The company does not intend for this information to be considered in isolation or as a substitute for other measures prepared in accordance with GAAP.

(UNAUDITED, \$ IN THOUSANDS)	FISCAL YEAR 2013				FISCAL YEAR 2012			
	ENGINEERED PRODUCTS	ALUMINUM SHEET PRODUCTS	CORPORATE & OTHER	QUANEX	ENGINEERED PRODUCTS	ALUMINUM SHEET PRODUCTS	CORPORATE & OTHER	QUANEX
Operating Income (loss)	45,324	(996)	(62,057)	(17,729)	28,490	(17,098)	(36,345)	(24,953)
Depreciation & Amortization	31,368	6,983	22,153	60,504	28,115	7,621	1,860	37,596
EBITDA	76,692	5,987	(39,904)	42,775	56,605	(9,477)	(34,485)	12,643

FINANCIAL HIGHLIGHTS

The following consolidated financial highlights, for the five years ended October 31, 2013, were derived from the Company's audited Financial Statements. Unless otherwise noted, all information in the table reflects only continuing operations. The data set forth should be read in conjunction with the Company's Consolidated Financial Statements and accompanying notes included in Item 8 of the Company's 2013 Annual Report on Form 10-K. The historical information is not necessarily indicative of the results to be expected in the future.

(IN THOUSANDS, EXCEPT FOR PER SHARE DATA AND EMPLOYEES)	FISCAL YEARS ENDED OCTOBER 31ST				
	2013 ⁽¹⁾	2012	2011 ⁽²⁾⁽³⁾	2010 ⁽²⁾	2009 ⁽²⁾
SELECTED OPERATING RESULTS DATA					
Net sales	\$ 952,642	\$ 828,976	\$ 848,294	\$ 798,314	\$ 585,010
COSTS AND EXPENSES					
Costs of sales	799,077	703,844	712,091	660,849	489,328
Selling, general and administrative	109,325	111,577	83,994	71,954	59,765
Depreciation and amortization	60,504	37,596	33,932	28,214	32,453
Asset impairment charges ⁽⁴⁾	1,465	912	1,799	—	182,562
Operating income (loss) ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	(17,729)	(24,953)	16,478	37,297	(179,098)
NON-OPERATING INCOME (EXPENSE):					
Interest expense	(640)	(454)	(449)	(440)	(452)
Other, net	168	222	(514)	2,645	405
Income (loss) from continuing operations before income taxes	(18,201)	(25,185)	15,515	39,502	(179,145)
Income tax benefit (expense)	6,498	8,651	(6,437)	(15,301)	43,066
Income (loss) from continuing operations	(11,703)	(16,534)	9,078	24,201	(136,079)
Income (loss) from discontinued operations, net of tax ⁽²⁾	—	—	(12)	(1,103)	(1,012)
Net income (loss) ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	\$ (11,703)	\$ (16,534)	\$ 9,066	\$ 23,098	\$ (137,091)
BASIC AND DILUTED EARNINGS PER SHARE					
Basic earnings (loss) from continuing operations	\$ (0.32)	\$ (0.45)	\$ 0.24	\$ 0.65	\$ (3.64)
Basic earnings (loss) from discontinued operations	—	—	—	(0.03)	(0.03)
Basic earnings (loss) per share	(0.32)	(0.45)	0.24	(0.62)	(3.67)
Diluted earnings (loss) from continuing operations	(0.32)	(0.45)	0.24	0.64	(3.64)
Diluted earnings (loss) from discontinued operations	—	—	—	(0.03)	(0.03)
Diluted earnings (loss) per share	(0.32)	(0.45)	0.24	0.61	(3.67)
Cash dividends declared per share	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.14	\$ 0.12
OTHER FINANCIAL AND OPERATING DATA					
Income (loss) from continuing operations, percent of net sales	(1.2)%	(2.0)%	1.1%	3.0%	(23.3)%
Cash provided by operating activities	\$ 43,521	\$ 26,478	\$ 52,944	\$ 89,132	\$ 60,491
Cash used for investing activities	59,687	41,704	135,367	15,785	14,810
Cash used for (provided by) financing activities	4,869	3,928	14,914	9,370	(10,508)
Acquisitions, net of cash acquired	22,096	—	110,845	1,590	—
Capital expenditures	\$ 37,931	\$ 42,871	\$ 25,312	\$ 14,720	\$ 15,696

CONSOLIDATED BALANCE SHEET DATA AT YEAR END

Cash and cash equivalents	\$ 49,736	\$ 71,255	\$ 89,619	\$ 187,178	\$ 123,499
Total assets ⁽⁸⁾	571,815	589,538	584,929	591,250	543,600
Long-term debt, excluding current portion	752	1,033	1,314	1,616	1,943
Total liabilities	\$ 155,621	\$ 167,711	\$ 147,703	\$ 149,818	\$ 121,074

STOCK PERFORMANCE - INDEXED RETURNS

COMPANY NAME / INDEX	YEARS ENDING					
	10.31.08 Base Period	10.31.09	10.31.10	10.31.11	10.31.12	10.31.13
Quanex Building Products Corporation	\$ 100	\$ 164.28	\$ 200.72	\$ 165.98	\$ 224.55	\$ 203.76
S&P 500 Index	100	109.80	127.94	138.29	159.32	202.61
Russell 2000 Index	100	106.46	134.75	143.79	160.06	218.13
Peer Group	\$ 100	\$ 118.43	\$ 126.40	\$ 125.30	\$ 208.32	\$ 282.63

Quanex Building Products Corporation was initially listed and began trading on the New York Stock Exchange on April 24, 2008. The Stock Performance table above assumes \$100 invested on April 23, 2008 in Quanex Building Products Corporation common stock, in the S&P 500, Russell 2000 Index and in the Industry Peer Group. The companies included in the Industry Peer Group are: American Woodmark Corp., Apogee Enterprises Inc., Builders Firstsource, Drew Industries Inc., Eagle Materials, Inc., Gibraltar Industries Inc., Griffon Corp., Louisiana Pacific Corp., Simpson Manufacturing Inc., Trex Co Inc., and Universal Forest Products Inc.

(1) In December 2012, we acquired substantially all the assets of Alumco, Inc. and its subsidiaries, a manufacturer of window screens, with multiple facilities within the United States.

(2) In 2010, we closed a start-up facility in China due to contraction of demand and a decision to serve the international thin film solar panel markets from our North American operations. Accordingly, the assets and liabilities of this start-up facility in China were reported as discontinued operations in the consolidated balance sheets for the applicable periods presented, and the related operating results are reported as discontinued operations in the consolidated statements of income presented, as applicable.

(3) On March 31, 2011, we acquired Edgetech, I.G. Inc. and its German subsidiary. Headquartered in Cambridge, Ohio, Edgetech has three manufacturing facilities, one each in United States, United Kingdom and Germany, that produce and market a full line of warm edge insulating glass spacer systems for window and door customers in North America and abroad. In March 2011, we also acquired a small vinyl extrusion business in Yakima, Washington. Accordingly, the estimated fair value of assets acquired in the acquisition and the results of operations were included in our consolidated financial statements as of the effective date of the acquisition.

(4) In fiscal 2009, we recorded an asset impairment charge totaling of \$182.6 million (\$141.4 million net of tax) related to goodwill and intangible assets.

(5) In November 2011, we announced a consolidation program for two of our insulating glass manufacturing facilities, whereby we closed a facility in Barbourville, Kentucky. This facility consolidation was completed ahead of schedule in August 2012. In fiscal 2012, we recorded expenses totaling of \$9.0 million (\$5.9 million net of tax) related to this consolidation.

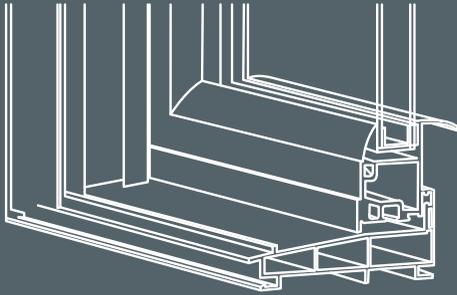
(6) During fiscal 2011, we recognized an expense of \$1.9 million (\$1.1 million net of tax) to increase our warranty reserve associated with a discontinued legacy product and claims.

(7) In fiscal 2012, we experienced a strike at two of our facilities in Davenport, Iowa, which had a negative impact on operating income of approximately \$11.1 million (\$7.3 million net of tax), including a reduction in sales volume and incremental direct costs.

(8) Total assets include assets of discontinued operations of \$0.5 million and \$1.8 million at October 31, 2010 and 2009, respectively.

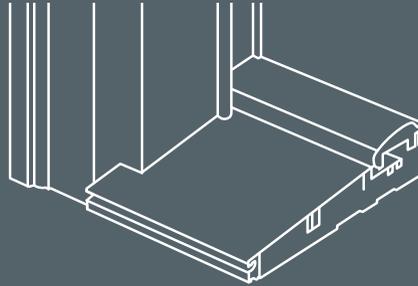
PRODUCTS

QUANEX BUILDING PRODUCTS IS COMMITTED TO OFFERING ITS CUSTOMERS THE VERY BEST QUALITY AND GREATEST VARIETY OF WINDOW AND DOOR COMPONENTS IN THE INDUSTRY AND SUPPORTING THEIR BUSINESS WITH VALUE-ADDED DESIGN, PRODUCTION AND MARKETING SERVICES.



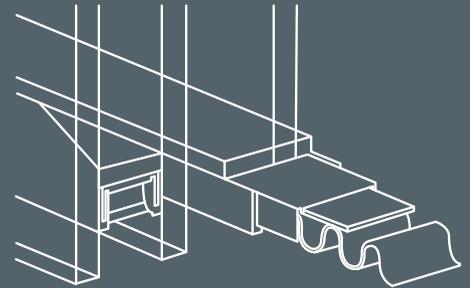
VINYL WINDOW PROFILES

We are a leading manufacturer of vinyl and composite residential and commercial-grade window profiles. Our products are vigorously weather-tested and known for their energy efficiency and durability.



DOOR SYSTEMS

As the door industry continues to demand increasingly energy-efficient, sustainable products, Quanex is on the leading edge of innovations in thermal quality, durability and aesthetics. We also offer services to our customers from product design and equipment recommendations to quality control and marketing support.



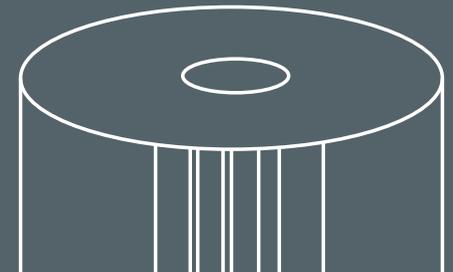
INSULATING GLASS SPACERS

Our IG spacers are designed for maximum reduction in heat loss and extended performance of window units. Products include spacer systems providing maximum condensation resistance, durability and energy performance.



SCREENS AND ENGINEERED COMPONENTS

We have one of the largest selections of screens for wood, vinyl and aluminum window systems. All of our screens are manufactured from high-quality components that are built to last and meet the tightest tolerances. We also produce window and door components, engineered to enhance aesthetics and reduce energy costs, such as thresholds, astragals, grilles and custom bay and bow window components.

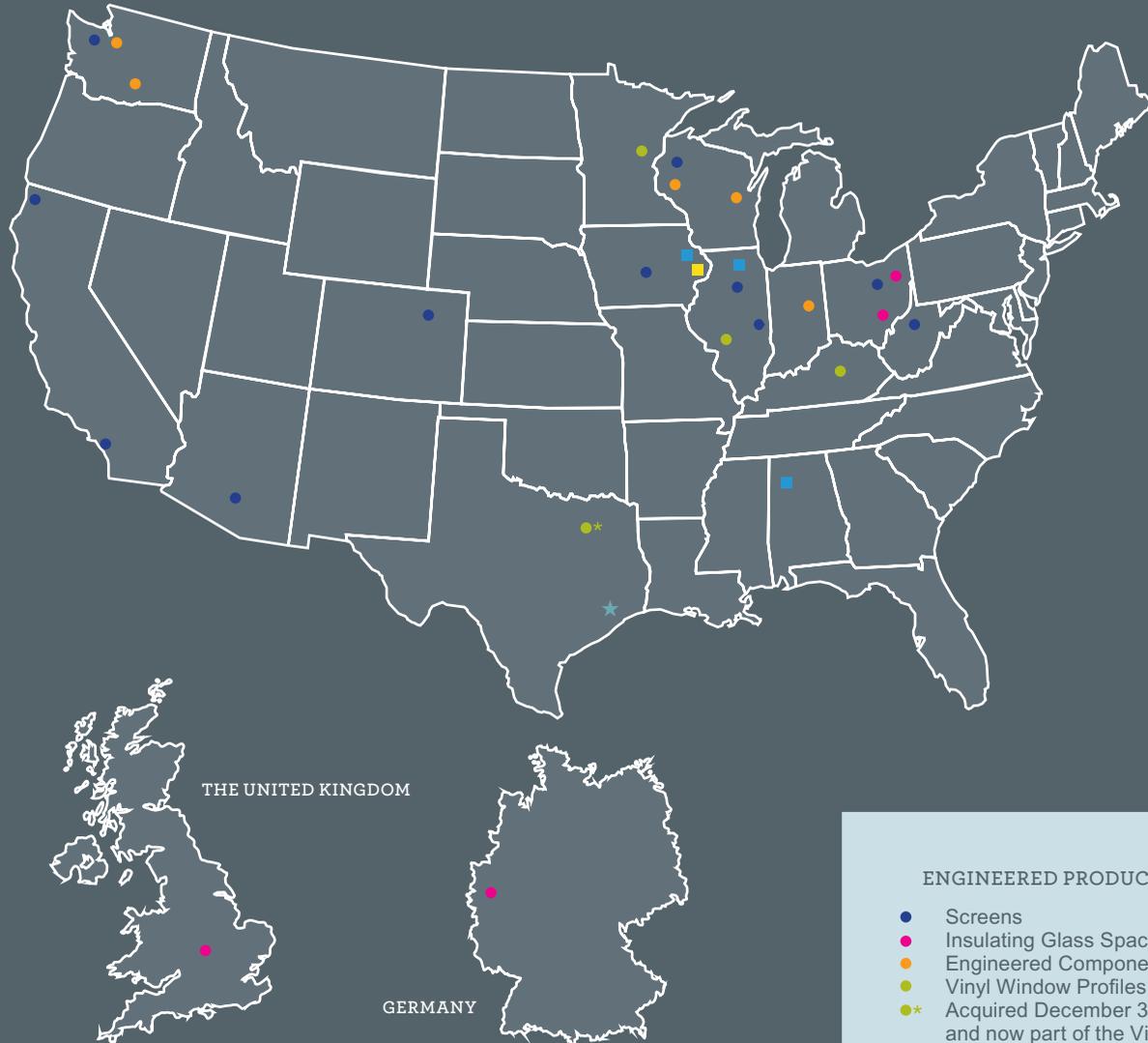


ALUMINUM SHEET IN COIL FORM

We operate one of the most efficient and environmentally-friendly aluminum sheet casting mills in North America, producing aluminum products from nearly 100 percent recycled materials. End uses for our aluminum sheet include exterior housing trim such as fascia, screen frames, muntin, roof edgings, soffits, downspouts and gutters, as well as other transportation, industrial and consumer applications.

LOCATIONS

Quanex Building Products Corporation (NYSE: NX) employs approximately 2,500 employees and consists of two operating segments, Engineered Products and Aluminum Sheet Products. We currently have 27 manufacturing facilities in the United States, one in the United Kingdom and one in Germany. We are more concentrated in the Midwest and West Coast so we see growth opportunities throughout the South. Less than 15% of our Engineered Products Group sales are international but we see growth opportunities in Europe.



ENGINEERED PRODUCTS

- Screens
- Insulating Glass Spacers
- Engineered Components
- Vinyl Window Profiles
- ★ Acquired December 31, 2013, and now part of the Vinyl Window Profiles

ALUMINUM SHEET PRODUCTS

- Casting
- Finishing

★ CORPORATE HEADQUARTERS

QUANEX BUILDING PRODUCTS CORPORATION

1800 West Loop South, Suite 1500
Houston, Texas, 77027
713.961.4600

ENGINEERED PRODUCTS

EPG makes vinyl window and door profiles, insulating glass spacers, screens and various other fenestration products. Its products are sold mainly to window and door producers serving the residential housing markets.

ALUMINUM SHEET PRODUCTS

Nichols has the capacity to produce 360 million pounds of aluminum sheet annually in addition to its three finishing facilities for value-added processing, such as painting, annealing and slitting.

CORPORATE INFORMATION

MANAGEMENT / OFFICERS

WILLIAM GRIFFITHS
Chairman, President &
Chief Executive Officer

BRENT KORB
Senior Vice President – Finance &
Chief Financial Officer

KEVIN DELANEY
Senior Vice President
– General Counsel & Secretary

MARTIN KETELAAR
Vice President
– Treasurer & Investor Relations

DEWAYNE WILLIAMS
Vice President – Controller

BOARD OF DIRECTORS

ROBERT BUCK^{2, 4}
Chairman of the Board
Beacon Roofing Supply, Inc.

SUSAN DAVIS^{3*, 4}
Executive Vice President,
Human Resources,
Johnson Controls, Inc.

WILLIAM GRIFFITHS^{1*}
Chairman, President &
Chief Executive Officer,
Quanex Building Products Corporation

LEROY NOSBAUM^{2, 3, 4}
Retired, President & Chief Executive Officer,
Itron, Inc.

JOSEPH RUPP^{1, 3, 4*, 5}
Chairman, President &
Chief Executive Officer, Olin Corporation

CURTIS STEVENS^{1, 2*, 4}
Chief Executive Officer,
Louisiana-Pacific Corporation

BOARD COMMITTEES

¹ Executive Committee

² Audit Committee

³ Compensation &
Management Development Committee

⁴ Nominating &
Corporate Governance Committee

⁵ Lead Director

* Denotes Committee Chair

STOCKHOLDER INFORMATION

QUANEX BUILDING PRODUCTS CORPORATION
1800 West Loop South
Suite 1500
Houston, Texas 77027
713.961.4600
800.231.8176
inquiry@quanex.com

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SHAREHOLDER RECORDS &
DIVIDEND DISBURSING AGENT**

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651.450.4064 outside the United States
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ANNUAL STOCKHOLDER MEETING

8:00 a.m. C.S.T.
Thursday, February 27, 2014
Quanex Corporate Offices

DOWNLOAD THE QUANEX FORM 10-K

The Quanex Form 10-K for the fiscal year ended October 31, 2013, can be viewed and downloaded from our website at www.Quanex.com/2013AR.



NYSE: NX



1800 West Loop South
Suite 1500
Houston, Texas 77027
www.quanex.com



Targeting opportunities

Quanex manufactures more components and systems for window and door companies than any other company in North America. We also offer the highest level of service and support to our customers. We are committed to maintaining our leadership status by focusing on growth opportunities that will help us better serve customers and contribute to our profitability.