

Quanex Announces the Filing of a Motion for a Temporary Restraining Order

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HOUSTON, Jan. 25, 2008 (PRIME NEWSWIRE) -- Quanex Corporation (NYSE:NX) today announced that a motion for temporary restraining order has been filed by the plaintiff in a putative stockholder derivative and class action lawsuit, Momentum Partners v. Raymond A. Jean, et al., Cause No. 2008-01592 (125th Judicial District of Harris County, Texas). The motion asks the court to enter a temporary restraining order and seeks to enjoin the proposed spin-off by Quanex of its building products division and the subsequent merger of Quanex into a subsidiary of Gerdau S.A. The original lawsuit named Quanex as a "nominal defendant," as is customary in putative derivative lawsuits, and did not claim money damages or seek to institute a restraining order or enjoin the transactions.

Quanex believes that the effort to enjoin the spin-off and the merger is without merit and intends to vigorously defend this action. No hearing or trial has yet been set. Quanex does not expect this to delay its previously announced anticipated closing of the transaction by the end of the first calendar quarter.

Statements that use the words "expect," "should," "believe," "will," "might," or similar words reflecting future expectations or beliefs are forward-looking statements. The statements found 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 (December 15, 2007) under the Securities Exchange Act of 1934, in particular the section titled "Private Securities Litigation Reform Act" contained therein.

This press release may be deemed to be soliciting material relating to the proposed merger transaction between Quanex Corporation and a wholly owned subsidiary of Gerdau S.A. In connection with the proposed merger, Quanex will file a proxy statement and other relevant documents concerning the proposed merger with the SEC. Investors and securities holders of Quanex are urged to read the proxy statement when it becomes available because that document will contain important information about the proposed merger. The definitive proxy statement will be mailed to Quanex stockholders. Investors and security holders may obtain a copy of such documents free of charge from the SEC's website at www.sec.gov. Copies of such documents may also be obtained free of charge from Quanex's website at www.quanex.com.

For additional information about Quanex, visit its website at www.quanex.com.

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