



2012 Annual Report Summary

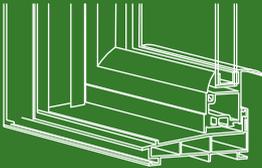
NYSE: NX

ONE QUANEX

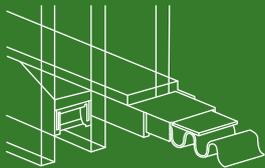
Our 2012 Annual Report cover features the company logo in celebration of the success of our rebranding project. Over the last two years we have worked to unify our businesses and increase our value proposition to customers. We restructured our sales and marketing efforts to better serve our customers with all the products, systems, and services we offer. We successfully transitioned our legacy business names and leveraged them under Quanex.

Quanex offers customers a wide-ranging portfolio of window and door components and systems, design and engineering, service and support.

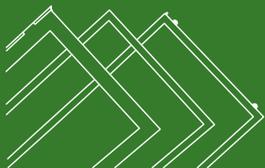
ENGINEERED PRODUCTS GROUP:



We are a leading manufacturer of vinyl and composite residential and commercial-grade window and door components and systems. Our products are known for weather-tested quality and energy efficiency. We offer both turnkey and custom designs.

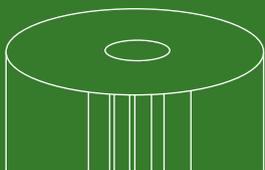


We produce products that help reduce heat loss and extend the performance of insulating glass units. Our products include spacer systems that provide maximum condensation resistance, durability and energy performance, as well as related components and sealing and filling equipment.



We produce high-quality window and door components engineered to enhance aesthetics in addition to reducing material costs and energy loss. These include assembled screens, grilles, thresholds, astragals, custom bay and bow window components, wood flooring and cabinet materials, and mouldings.

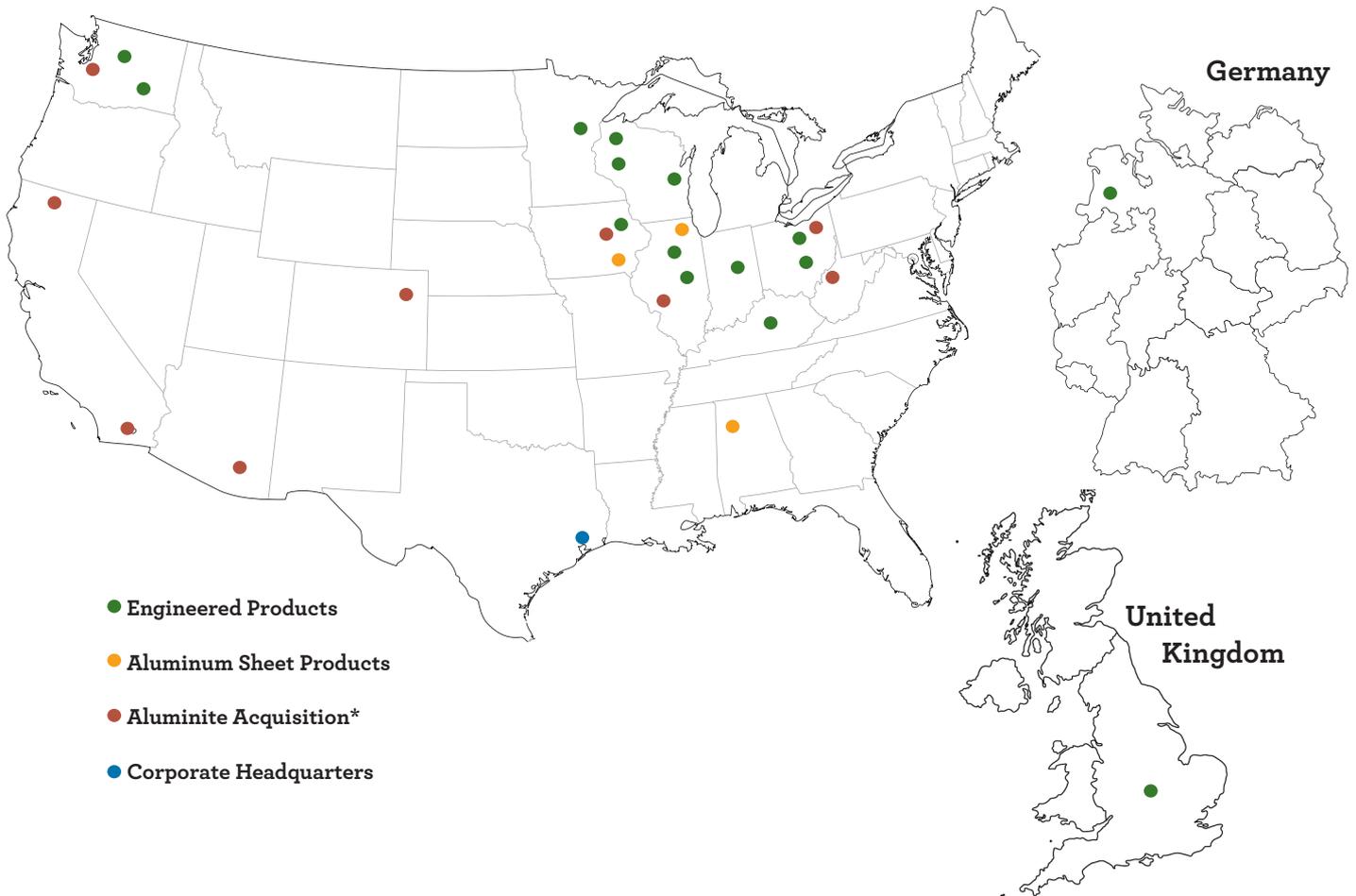
ALUMINUM SHEET PRODUCTS:



We operate one of the lowest cost aluminum sheet casting facilities in North America due to our ability to process a wide range of aluminum scrap. Nearly 100 percent of the production is derived from recycled materials, which is both a cost advantage as well as being beneficial to the environment. 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 industrial and consumer applications.

QUANEX AT A GLANCE

Quanex Building Products Corporation (NYSE: NX) is an industry-leading manufacturer of engineered materials and components for building products sold to original equipment manufacturers. Headquartered in Houston with locations around the globe, we manage our businesses under two segments: Engineered Products, including design and production of high-performance window and door products, systems and solutions; and Aluminum Sheet Products, including mini-mill casting and finishing of aluminum sheet products from recycled materials.



*Assets acquired December 31, 2012 and not included in the fiscal 2012 10K.

BUILDING MOMENTUM

To Our Stockholders

The 2012 fiscal year was challenging for Quanex on multiple fronts. However, even as we faced both internal and external difficulties, our teams kept in mind the long-term goals and objectives of our business, employees, and customers, as we continued building strength for the future of Quanex Building Products.

Among the various challenges were continued weak prime window demand, particularly in the remodel and repair market, a nine month labor dispute at our Nichols Aluminum business, and a weather-related roof collapse at our Barbourville, KY, insulating glass spacer facility. I'm proud of the way our employees faced these challenges, keeping our long-term focus and working hard to ensure our future success. We invested in our systems, equipment, and people throughout the year. We developed tools to listen more closely and be more attentive to our customers' needs. We transformed our various brands worldwide to better leverage Quanex. We grew our Engineered Products Group ("EPG") significantly, and they continued to outperform their end market (when compared to U.S. window shipments as reported by Ducker Worldwide).

Throughout the year, Quanex has been building strength in our Engineered Products Group. Engineered Products serves the global window and door industry with components that allow window fabricators to build high performance, energy efficient window and door systems. Our insulating glass spacer systems, PVC profiles and screen products are some of the best in the industry and used by the leading window fabricators. In the globally depressed construction markets, our Engineered Products Group grew revenues by 14%, 6% organically. Margins at Engineered Products were respectable, considering the heavy investment made in restructuring our IG spacer business, and we are positioned for improvement in 2013.

Over the last two years, we have been investing in enterprise resource planning (ERP) software systems to have a common platform and capability to drive the future of Quanex. The end goal is to have one system to service our internal and external customers. We delayed the launch of the first three locations by several months to ensure the quality and robustness of the system. We will go live during the first half of 2013, and work for deployment across all Quanex locations over the next three years. Investing in these ERP systems is critical to the long term efficiency and competitiveness of a business. Quanex has been running on multiple, outdated systems, some of which have been added over time through acquisition. Through a common software platform and standardization across the various businesses, we will have more efficient processes, more insightful information, and reduced waste.

Despite several successes, Quanex lost money in 2012. Our consolidated results were disappointing, as revenue growth and improved profitability in our Engineered Products Group could not overcome the \$11 million in direct strike-related losses incurred at Nichols Aluminum, and the significant investments we are making in Quanex. Even so, EPG generated \$56.6 million of EBITDA on sales of \$478.6 million, and all in, Quanex reported \$12.6 million of EBITDA for 2012 on consolidated sales of \$829 million.*

We began our 2012 fiscal year with the announcement of a \$16 million investment in our Insulating Glass (IG) Systems business to consolidate our North American operations. When we purchased Edgetech in April 2011, we envisioned improved earnings capability through international growth and consolidation of our domestic operations. In November 2011, we put plans in motion to close our 225,000 square foot Barbourville, KY, manufacturing plant. Our 12-month goal was to consolidate the Barbourville and Cambridge factories to create a North American manufacturing flagship. In April 2012, an intense thunderstorm accelerated that plan. Heavy rain, wind, and hail resulted in a roof collapse that affected 25% of the Barbourville plant, including manufacturing equipment. People were hurt, thankfully none seriously. Key equipment was severely damaged, resulting in a shutdown of the plant. Our team quickly accelerated the relocation initiative, shortening the plan by three months. Faced with adversity, the Quanex team reacted quickly and effectively, completing the facility consolidation in nine months, and keeping our customers supplied with our IG products. I am very proud of our team and their leadership for how they handled the unexpected. The IG facility consolidation is expected to deliver \$8 million of annual savings, and the overall payback for the cost of the project is slightly less than three years. The IG team also completed the start-up of our Heinsberg, Germany manufacturing site, which allowed our European IG spacer sales to increase by 33% in 2012. We ended the year with a global leadership position in warm edge IG spacers, production capabilities in three countries, and positioned to serve the growing world market in warm edge IG spacer products as building codes move toward higher energy efficiency standards.

In December 2011, the four year labor agreement with the Teamsters Union at our Nichols Aluminum facilities in Davenport, Iowa expired. The union elected to strike beginning January 20, 2012, and the strike lasted 12 weeks. Quanex's goal in negotiating with the union was to modernize the labor agreement so that Nichols could remain competitive in the aluminum industry, while offering a fair and competitive pay and benefits package to employees. During the strike, we kept Nichols running through the efforts of our management team and non-union replacement workers. This team of Quanex employees showed great fortitude and dedication to our customers, keeping them supplied with aluminum sheet. A labor agreement was reached on September 25, 2012. The strike hurt our business, our customers, our employees and our shareholders and for that, I apologize. No one wins in a labor dispute. The financial losses were punishing. Our future goals at Nichols are straightforward: dramatically improve the operating performance of the business, and improve quality, on-time delivery, customer service and satisfaction. Today we are working hard to move toward these goals. Leading the journey is Russ Brown, who was named President of Nichols Aluminum in July. We will also increase our investment in Nichols to improve their operating capability, reliability, service, and delivery. Nichols is now well-positioned to return to profitability in 2013. The labor agreement, capital and maintenance investments, and the advancements in Lean Six Sigma projects in the business will drive operational improvements, many of which I am

*Please see EBITDA Reconciliation on facing page.

already seeing. We believe that as the economy strengthens and the construction markets in North America recover, we will realize the benefits from our investments and improved service to customers, and we will enjoy higher revenue growth and profitability from our aluminum business.

Most recently, we acquired the assets of Alumco, a producer of window screens to the vinyl window market under the Aluminite brand.

Aluminite has nine facilities that increase our regional footprint and our ability to serve existing customers. In addition, because Aluminite is focused on providing screens to the manufacturers of vinyl windows, they are complementary to Quanex's focus on supplying screens to wood window makers in addition to vinyl profiles to vinyl window manufacturers. Lastly, they increase the options we offer on our online screen replacement program, "Screen It Again" (screenitagain.com).

Looking forward, 2013 will be the first year since Quanex Building Products was created that our end markets are forecasted to improve. We believe that new residential construction activity in the United States will increase substantially and that a multi-year recovery to

normal levels is underway. We remain cautious in the short term on the repair and replacement markets for windows, but know over the long term demand will eventually improve. As our end markets recover, we expect to see returns from the significant investments we have been making in our people, our infrastructure and our systems to provide market-leading, innovative products to our customers and drive superior customer service.

No doubt we are building strength in Quanex at all levels of the business, both organically and through acquisition, and the Quanex team proved their agility and dedication when dealing with a variety of business challenges. Thank you to our customers, our employees, our board of directors and our shareholders for helping us build for the future success of our business.

My very best,



EBITDA Reconciliation

In addition to using Net Sales and Operating Income to evaluate the Company's financial performance, we also utilize other financial metrics to evaluate performance, including the non-GAAP financial metric EBITDA (earnings before interest expense, taxes, depreciation and amortization). The Company believes this non-GAAP financial measure provides a consistent basis for comparison between periods and enhances the understanding of the performance of its operations. 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 2012				FISCAL YEAR 2011			
	ENGINEERED PRODUCTS	ALUMINUM SHEET PRODUCTS	CORPORATE & OTHER	QUANEX	ENGINEERED PRODUCTS	ALUMINUM SHEET PRODUCTS	CORPORATE & OTHER	QUANEX
Operating Income	28,490	(17,098)	(36,345)	(24,953)	30,293	17,115	(30,930)	16,478
Depreciation & Amortization	28,115	7,621	1,860	37,596	25,232	8,542	158	33,932
EBITDA	56,605	(9,477)	(34,485)	12,643	55,525	25,657	(30,772)	50,410

Stock Performance

INDEXED RETURNS

COMPANY NAME/ INDEX	04.23.08 Base Period	YEARS ENDING				
		10.31.08	10.31.09	10.31.10	10.31.11	10.31.12
Quanex	100	61.21	100.55	122.85	101.59	137.44
S&P 500 Index	100	71.01	77.97	90.85	98.20	113.13
Russell 2000 Index	100	76.49	81.43	103.07	109.99	122.43
Peer Group	100	68.95	81.66	87.15	86.40	143.64

Quanex Building Products Corporation was initially listed and began trading on the New York Stock Exchange on April 24, 2008. The Stock Performance chart 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 Prods Inc.

FINANCIAL HIGHLIGHTS

The following consolidated financial highlights, for the five years ended October 31, 2012, 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 2012 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 31 ST				
	2012 ⁽¹⁾	2011 ⁽¹⁾⁽²⁾	2010 ⁽¹⁾⁽³⁾	2009 ⁽¹⁾	2008 ⁽¹⁾
SELECTED OPERATING RESULTS DATA					
Net sales	\$ 828,976	\$ 848,294	\$ 798,314	\$ 585,010	\$ 868,933
Operating income (loss) ^{(4), (7), (8), (9)}	(24,953)	16,478	37,297	(179,098)	21,100
Income (loss) from continuing operations	(16,534)	9,078	24,201	(136,079)	15,993
Percent of net sales	(2.0%)	1.1%	3.0%	(23.3)%	1.8%
Income (loss) from discontinued operations, net of tax	—	(12)	(1,103)	(1,012)	5,586
Net income (loss) ^{(4), (7), (8), (9)}	\$ (16,534)	\$ 9,066	\$ 23,098	\$ (137,091)	\$ 21,579
DILUTED EARNINGS PER SHARE DATA					
Income (loss) from continuing operations	\$ (0.45)	\$ 0.24	\$ 0.64	\$ (3.64)	\$ 0.42
Net income (loss)	\$ (0.45)	\$ 0.24	\$ 0.61	\$ (3.67)	\$ 0.56
Cash dividends declared ⁽⁵⁾	\$ 0.16	\$ 0.16	\$ 0.14	\$ 0.12	\$ 0.34
FINANCIAL POSITION – YEAR END					
Total assets, including discontinued operations ⁽⁶⁾	\$ 589,538	\$ 584,929	\$ 591,250	\$ 543,600	\$ 680,847
Asset turnover (continuing)	1.4	1.4	1.4	1.0	1.4
Conversion capital	70,563	71,472	61,221	59,676	85,547
Working capital (continuing)	123,058	140,324	223,401	178,320	130,882
Current ratio (continuing)	2.0 to 1	2.3 to 1	2.9 to 1	2.8 to 1	2.1 to 1
Total debt	1,401	1,666	1,943	2,266	2,551
Stockholders' equity	421,827	437,226	441,432	422,526	547,828
Total capitalization	\$ 423,228	\$ 438,892	\$ 443,375	\$ 424,792	\$ 550,379
Depreciation and amortization	37,596	33,932	28,214	32,453	35,068
Capital expenditures, net	42,871	25,312	14,720	15,696	15,020
OTHER DATA					
Continuing return on investment – percent	(3.8%)	2.1%	5.6%	(27.8)%	2.3%
Continuing return on common stockholders' equity – percent	(3.8%)	2.1%	5.6%	(28.0)%	2.2%
Average number of employees	2,201	2,104	1,947	1,961	2,373
Net sales per average employee	\$ 377	\$ 403	\$ 410	\$ 298	\$ 366

(1) In 2010, management closed its start-up facility in China due to the contraction of demand and the Company's ability to serve the overseas thin film solar panel market from its North American operations. During the second quarter of 2008, the Company spun off Quanex Corporation's Building Products business immediately followed by the merger of Quanex Corporation (consisting primarily of the Vehicular Products business and all non-Building Products related corporate accounts) with a wholly-owned subsidiary of Gerdau. Accordingly, the operating results and the assets and liabilities of the start-up facility in China are reported as discontinued operations in the Consolidated Statements of Income and the Consolidated Balance Sheets from 2008 through 2011. In addition, the operating results of the Vehicular Products business and all non-Building Products related corporate accounts are reported as discontinued operations in the 2008 Consolidated Statement of Income. (2) On March 31, 2011, the Company acquired Edgetech, I.G. Inc. and its German subsidiary, Headquartered in Cambridge, Ohio, Edgetech has three manufacturing facilities (U.S., U.K. and Germany) that produce and market a full line of insulating glass spacer systems for window and door customers in North America and abroad. In March 2011, the Company also acquired JELD-WEN's vinyl extrusion assets in Yakima, Washington. Accordingly, the estimated fair value of assets acquired in the acquisition and the results of operations are included in the Company's Consolidated Financial Statements as of the effective date of the acquisition. (3) In February 2010, the Company completed a small acquisition which was effected through an asset purchase through a receivership proceeding and no liabilities were assumed. Accordingly, the estimated fair value of assets acquired in the acquisition and the results of operations are included in the Company's Consolidated Financial Statements as of the effective date of the acquisition. (4) Includes effects in fiscal 2009 of the Company's \$182.6 million (pretax) and \$141.4 million (after-tax) asset impairment charge in accordance with ASC Topic 350 and ASC Topic 360. (5) The quarterly common stock cash dividends prior to April 23, 2008 reflect dividends of Quanex Corporation prior to the Separation, while dividends after April 23, 2008 reflect dividends of Quanex Building Products, the accounting successor to Quanex Corporation. (6) Total assets include assets of discontinued operations of \$0.5 million, \$1.8 million, and \$1.4 million at October 31, 2010, 2009, and 2008 respectively. (7) In fiscal 2012, the Company experienced a strike at two of Nichols' Davenport, Iowa facilities which had a negative impact on operating income of approximately \$11.1 million (pretax) and \$7.3 million (after tax), including the reduction in sales volume as well as incremental direct costs. (8) In November 2011, the Company announced a consolidation program for its IG spacer manufacturing facility in Barbourville, Kentucky into its IG spacer manufacturing facility in Cambridge, Ohio. The facility consolidation was completed ahead of schedule in August 2012 and the Barbourville facility is permanently closed. The Company recorded expenses related to this plant closure in fiscal 2012 of \$9.0 million (pretax) and \$5.9 million (after tax). (9) During fiscal 2011, the Company recognized an expense of \$1.9 million (pretax) or \$1.1 million (after-tax) to increase the warranty reserve associated with a discontinued legacy product and claims.

CORPORATE INFORMATION

Leadership

David D. Petratis

President & Chief Executive Officer

Brent L. Korb

Senior Vice President – Finance
Chief Financial Officer

Kevin P. Delaney

Senior Vice President – General
Counsel and Secretary

Jairaj T. Chetnani

Vice President – Treasurer

Deborah M. Gadin

Vice President – Controller

August “Gus” Coppola

Senior Vice President – Corporate
Development

Michael B. Hovan

Senior Vice President – EPG Sales
& Marketing

Russ D. Brown

President – Nichols Aluminum

John G. “Jack” Conway

General Manager – Engineered Components

George L. Wilson

General Manager – Insulating
Glass Systems

Board of Directors

David D. Petratis^{1*}

Chairman, President & Chief Executive Officer,
Quanex Building Products Corporation

Susan F. Davis^{3*,4}

Executive Vice President, Human Resources,
Johnson Controls, Inc.

William C. Griffiths^{3,4*}

Managing Director,
Sealine (International) Ltd.

LeRoy D. Nosbaum^{2,3}

Former President & Chief Executive Officer,
Itron, Inc.

Joseph D. Rupp^{1,4,5}

Chairman, President & Chief Executive Officer,
Olin Corporation

Curtis M. Stevens^{1,2*}

Chief Executive Officer,
Louisiana-Pacific Corporation

Robert R. Buck²

Chairman of the Board,
Beacon Roofing Supply, Inc.

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

Corporate Office

Quanex Building Products Corporation

1900 West Loop South
Suite 1500
Houston, Texas 77027

After March 2013:**Quanex Building Products Corporation**

1800 West Loop South
Suite 1500
Houston, Texas 77027

713.961.4600

800.231.8176

inquiry@quanex.com

Transfer Agent, Shareholder Records & Dividend Disbursing Agent

Wells Fargo Bank N.A.

Shareowner Services
1110 Centre Point Curve
Mendota Heights, MN 55120-4100
P 800.468.9716
F 651.450.4033
651.450.4064 outside the United States
www.shareowneronline.com

Annual Stockholder Meeting

8:00 a.m. C.S.T.
Thursday, February 28, 2013
Quanex Corporate Offices

Download the Quanex Form 10-K

The Quanex Form 10-K for the fiscal year
ended October 31, 2012, can be viewed
and downloaded from our website at
www.Quanex.com/2012AR.



Use your QR reader
to view the Quanex
2012 Annual Report
and 10-K online.

