

POINT OF YOU.

2011 Annual Report Summary



NYSE: NX

Point of You. For Quanex Building Products, “Point of You” captures our emphasis on our customer-centric drive to build better collaboration, better solutions and better response to meet our customers’ needs. Our goal is to be the supplier of choice for the innovative and energy efficient products that will make our customers successful. We are making progress:

Achieving Deeper Customer Interaction

- Revamped our entire sales structure to better serve customers.
- Increased size of sales and marketing team while reducing comparable costs.
- Gave company representatives more training and tools to drive business.

Focusing on Innovation

- Continued to raise standards for energy efficiency, especially in insulating glass (IG) systems.
- Continued to invest in sustainable building solutions such as quality aluminum products with high recycled content and future recyclability.

Delivering Industry Knowledge & Expertise

- Widened our participation in the policy-making arena both in Washington and within industry groups.
- Actively communicated developments regarding federal building energy efficiency policies to customers through speaking events, industry articles and other channels.

Offering Collaborative & Global Capabilities

- Through the Edgetech acquisition, we expanded our global capabilities and leadership in cutting-edge insulating glass spacer systems.
- Focused more resources on collaborating with customers to develop new and innovative product designs.

OUR POINT OF VIEW

To Our Stockholders

2011, a a ea of ignifican p o g e a Q ane B ilding P o d c . D ing he longe and deepe ece ion in b ilding con c ion ma ke in he la fif ea , econ in e o make in e men in Q ane ha ill eng hen o pe fo mance fo c ome , ockholde and emplo ee . O Poin of Yo B heme i o comm nica e o die o po ide a highe le el of q ali and c ome a i fac ion o o in e nal and e nal c ome , con in e o g o , h o gh ma ke ha e gain and acq i i ion and inc ea e o le el of p o d c i i and e n o ockholde . O Poin of Yo B i a ong belief ha leade hip of o en e p i e m delie on al e p o p o i ion o o c ome , o emplo ee and ockholde . Thi i he inning ifeca fo Q ane B ilding P o d c and he ea on fo o Poin of Yo B mind e .

One ea ago, in m 2010 le e o ockholde , I belie ed he ho ing and e iden ial emodeling ma ke e ea he bo om. Fo 2011, I an i pa ed a lo do n in he eplacemen indo ma ke and a mode pick p in ne home con c ion. The eplacemen indo ma ke had been ac i ed e o o ea of indo a c edi fo m he go e n men . The fo eca of a lo do n in he eplacemen ma ke a co ec . Ne home con c ion fo inge and m l ifamil c e a fla a be d ing he ea and he mode eco e ha e an i pa ed ne e ma e ial i ed . A e look back on 2011, he ind hipped 38 million indo , he lo e ol me on eco d . O end ma ke e e he eak e of he ece ion. We e an e e nal anal i f om D cke Wo ld ide o nde and indo demand and benchma ko pe fo mance. D cke e ima e ha indo hipmen d opped fi e pe cen ea o e ea and e belie e i . O c ome ook o mo e indo fab i ca ion capaci in 2011, adj ing o he ho ing and epai and emodel ma ke ha e e pec o emain ell nde hi o ic le el fo he ne e e al ea .

Looking fo a d , e ee con in ing diffic l in he p ima die of o b ine . O end ma ke a e mi ed in an o e ppl of an e ima ed o million e i ing home , igh c edi and declining home al e . The e mac oeconomic i e ill ha e o be o ked h o gh fo p ima demand o e n o mo e hi o ic le el . Mode imp o emen in o end ma ke ill be elcomed a e con in e o g o o b ine , gain ma ke ha e and d i e p o d c i i . In 2011, e con in ed o o pe fo mo ma ke . We lo e ed o b eak-e en poin , enhanced o go o ma ke c e and b oadened o p o d c po folio . **Due to the strength of our balance sheet, our business and our people, we were able to strengthen the Quanex foundation in these historically weak economic times. We are confident in the long-term prospects of Quanex Building Products.**

T o impo an acq i i ion e e e ec ed in 2011. In Ap il , e anno nced he p cha e of Edge ech, a global ma ke leade in in la ing gla (IG) ealan em . Q ane a eng hened in m l i ple a f om he p cha e of Edge ech. The in la ing gla pace b ine , combined i h o T eal b ine , gi e a clea global leade hip

po i ion in in la ing gla pace echnolog . C ome look o a kno ledgeable and q ali ealan p o ide o ppl do ble and i ple pane gla em demanded b g o ing ene g con e a ion and a d a o nd he o ld .

Edge ech ha helped Q ane b ild a m ch onge ale and ma ke ing o gani a ion i h he abili o o ch he infl ence and e la ion hip impo an in he global fene a ion ind . A e in eg a ed Edge ech, e e de igned and eng hened o ale leade hip, inc ea ed fee on he ee, dedica ed ma ke ing e o ce o o fene a ion egmen and e abli hed eam o infl ence ene g code and anda d .

W i h he acq i i ion came he oppo ni o imp o e o co c e h o gh con olida ion effo . We anno nced in ea l No embe he con olida ion of o Ba bo ille, KY, i e i h he Edge ech facili in Camb idge, OH. The p ojec ill c ea e a global cen e of e cellence fo o in la ing gla ealan ol ion and d i e an e cellen pa back fo he b ine . The IG b ine no ha p o d c ion capabili e a Camb idge, OH; Co en , England and Hein be g, Ge man . Thi global each, ill e e he g o ing ma ke fo high-pe fo mance e iden ial and comme cial gla em .

Al o, in Ma ch 2011, e p cha ed he in le ion capabili of JELD-WEN, a global leade in he fab i ca ion of indo and doo . The b ine a in eg a ed in o o Mik on, indo and doo em b ine along i h a long-e m ag eemen o ppl JELD-WEN. Q ane belie e ha o echnical leade hip in in l indo em , along i h o No h Ame i can ma ke leade hip, d i e a al e p o p o i ion, ha i c i cal o high-pe fo mance, indo b ilde . We in end o b ild on hi po i ion h o gh high-q ali p o d c and e ice and bo l on acq i i ion .

O e he pa ea , e emained p o f i able and had olid ca h gene a ion, hile making hea in e men in he b ine o eng hen o f e . Sale fo 2011, e e \$848 million, \$420 million f om Enginee ed P o d c , G o p (EPG) and \$440 f om Nichol Al min m (NA). EPG ale incl de \$53 million fo e en mon h f om he Edge ech p cha e. W i h o Edge ech, EPG ale e e en iall fla compa ed o 2010, in a ma ke ha a do n fi e pe cen, acco ding o D cke . E en incl ding he b ine in e men , EPG gene a ed \$56 million* of EBITDA, eq al o 2010. Adding back he pecial i em e pen e , e had one of he heal hie ope a ing ma gin e e a EPG, in he eake ma ke in o hi o . O be da a e ahead of .

Nichol Al min m had a o gh ea . We ge e en e a Nichol d e o highe commodi p ice , b po nd hipped e e he econ d lo e on eco d . Demand fo al min m hee p o d c fo b ilding applica ion eakened h o gh o 2011 af e ong ma ke ha e gain and c ome e ocking in 2010. Nichol Al min m faced ong compe i ion in 2011 a he ind eco e ed f om a b al 2009 and 2010. On ale of \$440 million, Nichol gene a ed \$26 million* of EBITDA, e pec able p o f i on, eak demand and af e hea in e men in

*See EBITDA e concilia ion on ne a page.

the business. Quane believes that a building construction market recovery, the demand for aluminum products will exceed the industry's ability to supply. As a result, we will continue to invest in Nicholas' production capabilities and earnings. Nicholas' critical business and in the wake of market recovery, a strong average profit and high operating capabilities.

Quane Building Products ended fiscal 2011 with \$90 million in cash and equivalents, less than \$2 million in debt, and the financial strength of the business. Operating performance remained strong. The investment we have made, reduced cost of production, engineering and marketing, and improve operating performance and production leadership, will be a double-edged sword for the recovery. We believe that the investment we have made in our people, technology and innovation will pay off in the long term. Quane remains committed to our people, our customers and our industry and a belief in the long-term. Belief in the long term because the old population continues to grow and will demand high performance, quality and building products components. Belief because the demand for performance

components, on a global scale, will grow. Belief because people continue to have a need for products in their homes and a belief in efficiency and effectiveness. Belief because Quane Building Products is one of the longest and most unique companies in the building products arena: unique in our market position and growth and profitable in the most difficult market.

As we think about the future, Point of View is clear: we must continue to invest and invest in our customers, our employees, and our people, and we must provide the best products and services. Quane Building Products has been in a long position, achieving the objective.

Thank you to our employees for their commitment, contribution, and excellence, to our board of directors for their leadership and support, and to our stockholders for their confidence and commitment.

Mike



Dave Petratis

Chairman, President and Chief Executive Officer

EBITDA Reconciliation

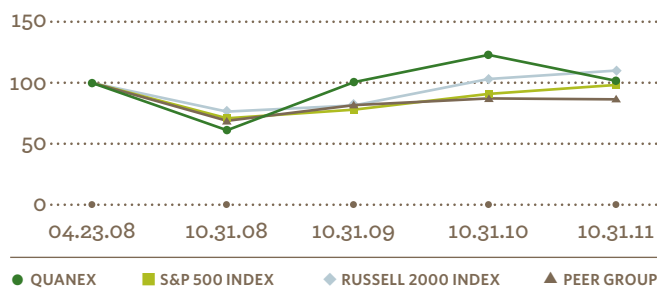
In addition to Net Sales and Operating Income, we also use the Company's financial performance, as well as the financial metrics, as a performance measure, including the non-GAAP financial metric EBITDA (earnings before interest expense, depreciation and amortization). The Company believes that this non-GAAP financial measure provides a consistent basis for comparison between periods and enhances the understanding of the performance of the operations. The Company does not intend for this information to be considered in isolation or as a substitute for the measure reported in accordance with GAAP.

(UNAUDITED, \$ IN THOUSANDS)	FISCAL YEAR 2011				FISCAL YEAR 2010			
	ENGINEERED PRODUCTS	ALUMINUM SHEET PRODUCTS	CORPORATE & OTHER	QUANEX	ENGINEERED PRODUCTS	ALUMINUM SHEET PRODUCTS	CORPORATE & OTHER	QUANEX
Operating Income	30,293	17,115	(30,930)	16,478	34,278	30,223	(27,204)	37,297
Depreciation & Amortization	25,232	8,542	158	33,932	19,760	8,334	120	28,214
EBITDA	55,525	25,657	(30,772)	50,410	54,038	38,557	(27,084)	65,511

Stock Performance

The following graph compares the performance of the Company's common stock to the performance of the Standard & Poor's 500 Index (S&P 500), the Russell 2000 Index and the Company's peer group.

COMPARISON OF CUMULATIVE TOTAL RETURN



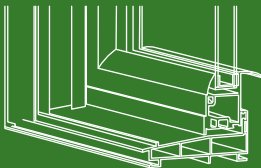
INDEXED RETURNS

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

Quane Building Products Company, initially listed and began trading on the New York Stock Exchange on April 24, 2008. The graph assumes \$100 invested on April 23, 2008 in Quane Building Products Company 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 Company, Apogee Enterprises Inc., Bilde Fibers, Inc., D'Almeida Inc., Eagle Materials Inc., Gibala Industries Inc., Giffon Company, Louisiana-Pacific Company, Simpson Manufacturing Inc., Teco Inc and Universal Foods Products Inc.

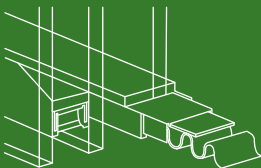
QUANEX AT A GLANCE

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 products from recycled materials.



WINDOW & DOOR SYSTEMS

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



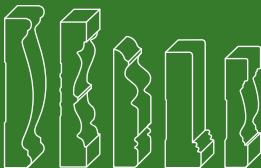
INSULATING GLASS SYSTEMS

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.



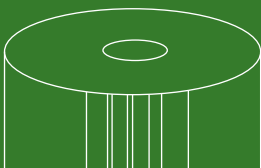
WINDOW & DOOR COMPONENTS

We produce high-quality window and door components engineered to reduce material costs and energy loss. These include assembled screens, grilles, thresholds, astragals, and custom bay and bow window components.



SPECIALTY BUILDING PRODUCTS

We produce superior-quality engineered wood flooring and wood cabinet materials and mouldings from a wide variety of wood species and grades, including FSC-certified wood products.



ALUMINUM SHEET PRODUCTS

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 industrial and consumer applications.

FINANCIAL HIGHLIGHTS

The following consolidated financial highlights, for the five years ended October 31, 2011, are derived from the Company's audited Financial Statements. Unless otherwise noted, all information in the table reflects only continuing operations. The data are forward-looking and should be read in conjunction with the Company's Consolidated Financial Statements and accompanying notes included in Item 8 of the Company's 2011 Annual Report on Form 10-K. The historical information is not necessarily indicative of the future to be expected in the future.

(IN THOUSANDS, EXCEPT FOR PER SHARE DATA AND EMPLOYEES)	FISCAL YEARS ENDED OCTOBER 31ST				
	2011 ⁽¹⁾⁽²⁾	2010 ⁽¹⁾⁽³⁾	2009 ⁽¹⁾	2008 ⁽¹⁾	2007 ⁽¹⁾
SELECTED OPERATING RESULTS DATA					
Net sales	\$ 848,294	\$ 798,314	\$ 585,010	\$ 868,933	\$ 963,974
Operating income (loss) ⁽⁴⁾	16,478	37,297	(179,098)	21,100	88,169
Income (loss) from continuing operations	9,078	24,201	(136,079)	15,993	57,131
Percentage of net sales	1.1%	3.0%	(23.3)%	1.8%	5.9%
Income (loss) from discontinued operations, net of tax ⁽⁴⁾	(12)	(1,103)	(1,012)	5,586	77,491
Net income (loss) ⁽⁴⁾	\$ 9,066	\$ 23,098	\$ (137,091)	\$ 21,579	\$ 134,622
DILUTED EARNINGS PER SHARE DATA					
Income (loss) from continuing operations	\$ 0.24	\$ 0.64	\$ (3.64)	\$ 0.42	\$ 1.45
Net income (loss)	\$ 0.24	\$ 0.61	\$ (3.67)	\$ 0.56	\$ 3.41
Cash dividend declared ⁽⁵⁾	\$ 0.16	\$ 0.14	\$ 0.12	\$ 0.34	\$ 0.56
FINANCIAL POSITION – YEAR END					
Total assets, including discontinued operations ⁽⁶⁾	\$ 584,929	\$ 591,250	\$ 543,600	\$ 680,847	\$ 1,334,822
Accounts receivable (concurrent)	1.4	1.4	1.0	1.4	1.6
Construction capital	71,472	61,221	59,676	85,547	65,484
Working capital (concurrent)	140,324	223,401	178,320	130,882	38,438
Current ratio (concurrent)	2.3:1	2.9:1	2.8:1	2.1:1	1.4:1
Total debt	\$ 1,666	\$ 1,943	\$ 2,266	\$ 2,551	\$ 4,015
Stockholders' equity	437,226	441,432	422,526	547,828	883,149
Total capitalization	\$ 438,892	\$ 443,375	\$ 424,792	\$ 550,379	\$ 887,164
Depreciation and amortization	33,932	28,214	32,453	35,068	37,991
Capital expenditures, net	25,312	14,720	15,696	15,020	15,904
OTHER DATA					
Continuing operations income percentage	2.1%	5.6%	(27.8)%	2.3%	7.0%
Continuing operations income common stockholders' equity percentage	2.1%	5.6%	(28.0)%	2.2%	7.0%
Age range of employees	2,104	1,947	1,961	2,373	2,744
Net sales per average employee	\$ 403	\$ 410	\$ 298	\$ 366	\$ 351

(1) In 2010, management closed its manufacturing facilities in China due to the combination of demand and the Company's ability to produce the home entertainment panel manufacturing. During the second quarter of 2008, the Company's non-offshore production of BILDING products in the immediate follow-up of the merger of Q and Co. production (concurrent) of the Vehicle Production and all non-BILDING products related to production, it has halted production of Ge data. Accordingly, the assets and liabilities of the manufacturing facilities in China, the Vehicle Production and all non-BILDING products related to production are reported as discontinued operations in the Consolidated Balance Sheet for all periods presented, and the operating loss is reported as discontinued operations in the Consolidated Statement of Income for all periods presented. (2) On March 31, 2011, the Company acquired Edgech, I.G. Inc. and its German subsidiary. Headquartered in Cambridge, Ohio, Edgech has a manufacturing facility (U.S., U.K. and Germany) has production and manufacturing of all lines of lighting glass products for indoor and outdoor use in North America and abroad. In March 2011, the Company also acquired JELD-WEN in Lexington, Ohio. (3) In February 2010, the Company completed a small acquisition, which, as expected, has a significant impact on the Company's Consolidated Financial Statement of the effective date of the acquisition. (4) In February 2010, the Company completed a small acquisition, which, as expected, has a significant impact on the Company's Consolidated Financial Statement of the effective date of the acquisition. (5) The quarterly common stock cash dividend paid to the Company's common stockholders for the quarter ended October 31, 2011, 2010, 2009, 2008 and 2007, is \$0.16, \$0.14, \$0.12, \$0.34 and \$0.56, respectively. (6) Total assets, including discontinued operations of \$0.5 million, \$1.8 million, \$1.4 million and \$742.3 million as of October 31, 2010, 2009, 2008 and 2007, respectively.

CORPORATE INFORMATION

Leadership

Management/Officers

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 Chetnani

Vice President - Treasurer

Deborah M. Gadin

Vice President - Controller

Business Leaders

August "Gus" Coppola

Senior Vice President - Corporate
Development

Michael B. Hovan

Senior Vice President - EPG Sales
& Marketing

Thomas A. Brackmann

President - Nichols Aluminum

John G. "Jack" Conway

General Manager - Homeshield

David R. Wemmer

President - Mikron

George L. Wilson

General Manager - Insulating
Glass Systems

Board of Directors

David D. Petratis^{1*}

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

Donald G. Barger, Jr.^{1,2}

Retired, Executive Vice President & Chief
Financial Officer, YRC Worldwide, Inc.

Susan F. Davis^{3*,4}

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

William C. Griffiths^{3,4*}

Former Chairman, President & Chief Executive
Officer, Champion Enterprises, Inc.

LeRoy D. Nosbaum³

President & Chief Executive Officer,
Itron, Inc.

Joseph D. Rupp^{1,2,4,5}

Chairman, President & Chief Executive Officer,
Olin Corporation

Curtis M. Stevens^{2*}

Executive Vice President, Administration
& Chief Operating 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

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713.961.4600

800.231.8176

inquiry@quanex.com

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South St. Paul, MN 55075-1139

P 800.468.9716

F 651.450.4085

651.450.4064 outside the United States

www.wellsfargo.com/shareownerservices

Annual Stockholder Meeting

8:00 a.m. C.S.T.

Thursday, February 23, 2012

Quanex Corporate Offices

Download the Quanex Form 10-K

The Quanex Form 10-K for the fiscal year
ended October 31, 2011, can be viewed
and downloaded from our website at
www.Quanex.com/2011AR.



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Houston, Texas 77027

www.quanex.com



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