QUANEX CORP Form 4 October 02, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 4 or Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1(b).

(Last)

1. Name and Address of Reporting Person * JEAN RAYMOND A

2. Issuer Name and Ticker or Trading

Issuer

Symbol

(Middle)

QUANEX CORP [NX]

3. Date of Earliest Transaction

(Month/Day/Year)

1900 WEST LOOP SOUTH, SUITE

(Street)

(First)

09/29/2006

X Director X_ Officer (give title below)

Other (specify

10% Owner

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

1500

4. If Amendment, Date Original

Filed(Month/Day/Year)

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

(Instr. 4)

5. Relationship of Reporting Person(s) to

(Check all applicable)

Chairman, CEO & President

Person

HOUSTON, TX 77027

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. Code

(Instr. 8)

4. Securities TransactionAcquired (A) or Disposed of (D)

(Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T)

(Instr. 4)

Following Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

(A)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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| (Instr. 3) | Price of Derivative Security | | (Month/Day/Year) | (Instr. 8) | Acquired (A Disposed of (Instr. 3, 4, 5) | f (D) | | | | |
|---------------------------------------|------------------------------------|------------|------------------|------------|--|-------|---------------------|--------------------|-----------------|----------------------------|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Phantom Stock Units (1) | \$ 0 (2) | 09/29/2006 | | A | 163.454 | | (3) | (3) | Common Stock | 163.45 |
| Stock Options (Right to buy) | \$ 14.2222 | | | | | | 12/05/2003 | 12/04/2012 | Common Stock | 123,75 |
| Stock Options (Right to buy) | \$ 17.6 | | | | | | 12/04/2004 | 12/03/2013 | Common Stock | 73,575 |
| Stock Options (Right to buy) | \$ 26.3111 | | | | | | 12/01/2005 | 12/01/2014 | Common Stock | 92,250 |
| Stock Options (Right to buy) | \$ 40.9467 | | | | | | 12/01/2006 | 12/01/2015 | Common Stock | 61,800 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|---|---------------|-----------|---------------------------|-------|--|--|--|
| Topolong of not it and it is a second | Director | 10% Owner | Officer | Other | | | |
| JEAN RAYMOND A 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027 | X | | Chairman, CEO & President | | | | |

Signatures

John J. Mannion, Power of
Attorney 10/02/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (2) Conversion price is 1-for-1.

(3)

Reporting Owners 2

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All units credited under the Deferred Compensation Plan are 100% vested at all times; provided, however, that if a participant receives a benefit from the Deferred Compensation Plan for any reason other than death, disability or retirement within three years after a deferral is credited to a participant's account, any matching awards made by the Company with respect to such deferral will be forfeited. Distributions under the Deferred Compensation Plan are made beginning on a specified date selected bythe participant or upon a participant's death, disability, or termination of employment.

(1) Units that are credited to the participant's account under the Quanex Corporation Deferred Compensation Plan as a result of Dividend Reinvestment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.