

MURPHY TERRY M  
Form 4  
February 21, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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. Name and Address of Reporting Person \*  
MURPHY TERRY M

(Last) (First) (Middle)

1900 WEST LOOP SOUTH, SUITE 1500

(Street)

HOUSTON, TX 77027

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
QUANEX CORP [NX]

3. Date of Earliest Transaction (Month/Day/Year)  
02/17/2006

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)

Senior VP-Finance and CFO

6. Individual or Joint/Group Filing (Check Applicable Line)

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (A) or Price (D)		
Common Stock	02/17/2006		M		5,000 A \$ 12.125	20,918.8675	D
Common Stock	02/17/2006		M		5,000 A \$ 17.3333	25,918.8675	D
Common Stock	02/17/2006		M		5,000 A \$ 21.3333	30,918.8675	D
Common Stock	02/17/2006		S		800 D \$ 61.55	30,118.8675	D
Common Stock	02/17/2006		S		100 D \$ 61.6	30,018.8675	D

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Common Stock	02/17/2006	S	200	D	\$ 61.65	29,818.8675	D
Common Stock	02/17/2006	S	200	D	\$ 61.71	29,618.8675	D
Common Stock	02/17/2006	S	400	D	\$ 61.72	29,218.8675	D
Common Stock	02/17/2006	S	500	D	\$ 61.75	28,718.8675	D
Common Stock	02/17/2006	S	200	D	\$ 61.77	28,518.8675	D
Common Stock	02/17/2006	S	500	D	\$ 61.8	28,018.8675	D
Common Stock	02/17/2006	S	2,200	D	\$ 61.81	25,818.8675	D
Common Stock	02/17/2006	S	400	D	\$ 61.82	25,418.8675	D
Common Stock	02/17/2006	S	700	D	\$ 61.83	24,718.8675	D
Common Stock	02/17/2006	S	800	D	\$ 61.84	23,918.8675	D
Common Stock	02/17/2006	S	600	D	\$ 61.85	23,318.8675	D
Common Stock	02/17/2006	S	200	D	\$ 61.87	23,118.8675	D
Common Stock	02/17/2006	S	100	D	\$ 61.88	23,018.8675	D
Common Stock	02/17/2006	S	7,100	D	\$ 61.9	15,918.8675	D

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D

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(Instr. 3, 4,  
and 5)

			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to buy)	\$ 12.125	02/17/2006	M	(1)			10/26/2001	10/26/2010	Common Stock	5,000
Stock Options (Right to buy)	\$ 17.3333	02/17/2006	M	(1)			10/23/2002	10/23/2011	Common Stock	5,000
Stock Options (Right to buy)	\$ 21.3333	02/17/2006	M	(1)			12/04/2003	12/04/2012	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MURPHY TERRY M 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027			Senior VP-Finance and CFO	

## Signatures

John J. Mannion, Power of Attorney 02/21/2006  
 \*\*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).

(1) Options exercised under the Quanex Corporation 1996 Employee Stock Option Plan.

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