

QUANEX CORP  
Form 4  
March 16, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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)  
**03/15/2006**

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 (D)	Price
Common Stock	03/15/2006		M		7,500	A	\$ 12.125
Common Stock	03/15/2006		M		7,500	A	\$ 17.3333
Common Stock	03/15/2006		M		12,500	A	\$ 21.3333
Common Stock	03/15/2006		S		300	D	\$ 64.13
Common Stock	03/15/2006		S		600	D	\$ 64.14

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Common Stock	03/15/2006	S	200	D	\$ 64.15	42,318.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.16	42,218.8675	D
Common Stock	03/15/2006	S	500	D	\$ 64.19	41,718.8675	D
Common Stock	03/15/2006	S	300	D	\$ 64.2	41,418.8675	D
Common Stock	03/15/2006	S	1,600	D	\$ 64.26	39,818.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.27	39,718.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.31	39,618.8675	D
Common Stock	03/15/2006	S	200	D	\$ 64.35	39,418.8675	D
Common Stock	03/15/2006	S	300	D	\$ 64.36	39,118.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.38	39,018.8675	D
Common Stock	03/15/2006	S	400	D	\$ 64.4	38,618.8675	D
Common Stock	03/15/2006	S	300	D	\$ 64.43	38,318.8675	D
Common Stock	03/15/2006	S	300	D	\$ 64.45	38,018.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.46	37,918.8675	D
Common Stock	03/15/2006	S	1,300	D	\$ 64.47	36,618.8675	D
Common Stock	03/15/2006	S	200	D	\$ 64.48	36,418.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.49	36,318.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.53	36,218.8675	D
Common Stock	03/15/2006	S	500	D	\$ 64.56	35,718.8675	D
Common Stock	03/15/2006	S	2,000	D	\$ 64.57	33,718.8675	D
	03/15/2006	S	900	D	\$ 64.6	32,818.8675	D

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Common Stock							
Common Stock	03/15/2006	S	200	D	\$ 64.61	32,618.8675	D
Common Stock	03/15/2006	S	100	D	\$ 64.64	32,518.8675	D
Common Stock	03/15/2006	S	200	D	\$ 64.66	32,318.8675	D
Common Stock	03/15/2006	S	3,000	D	\$ 64.71	29,318.8675	D

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 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) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Options (Right to buy)	\$ 12.125	03/15/2006		M	7,500	<u>(1)</u> 10/26/2010	Common Stock	7,500
Stock Options (Right to buy)	\$ 17.3333	03/15/2006		M	7,500	<u>(1)</u> 10/23/2011	Common Stock	7,500
Stock Options (Right to buy)	\$ 21.3333	03/15/2006		M	12,500	<u>(1)</u> 12/04/2012	Common Stock	12,500

## 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	03/16/2006
**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) The option becomes exercisable in one third increments annually beginning one year from date of grant.

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.