

MURPHY TERRY M
Form 4
December 12, 2005

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1900 WEST LOOP SOUTH, SUITE 1500
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/09/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Senior VP-Finance and CFO

HOUSTON, TX 77027

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 or Price | | |
| Common Stock | 12/09/2005 | | M | | 10,000 A \$ 12.125 | 25,904.8235 | D |
| Common Stock | 12/09/2005 | | M | | 10,000 A \$ 17.3333 | 35,904.8235 | D |
| Common Stock | 12/09/2005 | | M | | 5,000 A \$ 21.3333 | 40,904.8235 | D |
| Common Stock | 12/09/2005 | | M | | 6,750 A \$ 26.4 | 47,654.8235 | D |
| Common Stock | 12/09/2005 | | M | | 7,050 A \$ 39.4667 | 54,704.8235 | D |

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| | | | | | | | |
|--------------|------------|---|--------|---|----------|-------------|---|
| Common Stock | 12/09/2005 | S | 23,000 | D | \$ 53 | 31,704.8235 | D |
| Common Stock | 12/09/2005 | S | 500 | D | \$ 53.01 | 31,204.8235 | D |
| Common Stock | 12/09/2005 | S | 300 | D | \$ 53.04 | 30,904.8235 | D |
| Common Stock | 12/09/2005 | S | 3,900 | D | \$ 53.05 | 27,004.8235 | D |
| Common Stock | 12/09/2005 | S | 700 | D | \$ 53.06 | 26,304.8235 | D |
| Common Stock | 12/09/2005 | S | 1,500 | D | \$ 53.07 | 24,804.8235 | D |
| Common Stock | 12/09/2005 | S | 800 | D | \$ 53.08 | 24,004.8235 | D |
| Common Stock | 12/09/2005 | S | 400 | D | \$ 53.09 | 23,604.8235 | D |
| Common Stock | 12/09/2005 | S | 1,400 | D | \$ 53.1 | 22,204.8235 | D |
| Common Stock | 12/09/2005 | S | 200 | D | \$ 53.36 | 22,004.8235 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 53.39 | 21,904.8235 | D |
| Common Stock | 12/09/2005 | S | 200 | D | \$ 53.4 | 21,704.8235 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 53.49 | 21,604.8235 | D |
| Common Stock | 12/09/2005 | S | 200 | D | \$ 53.5 | 21,404.8235 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 53.51 | 21,304.8235 | D |
| Common Stock | 12/09/2005 | S | 100 | D | \$ 53.52 | 21,204.8235 | D |
| Common Stock | 12/09/2005 | S | 300 | D | \$ 53.53 | 20,904.8235 | D |
| Common Stock | 12/09/2005 | S | 300 | D | \$ 53.54 | 20,604.8235 | D |
| Common Stock | 12/09/2005 | S | 900 | D | \$ 53.55 | 19,704.8235 | D |
| Common Stock | 12/09/2005 | S | 600 | D | \$ 53.56 | 19,104.8235 | D |
| | 12/09/2005 | S | 100 | D | \$ 53.57 | 19,004.8235 | D |

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| | | | | | | | |
|--------------|------------|--|---|-------|---|----------|---------------|
| Common Stock | | | | | | | |
| Common Stock | 12/09/2005 | | S | 400 | D | \$ 53.58 | 18,604.8235 D |
| Common Stock | 12/09/2005 | | S | 1,300 | D | \$ 53.59 | 17,304.8235 D |
| Common Stock | 12/09/2005 | | S | 800 | D | \$ 53.6 | 16,504.8235 D |
| Common Stock | 12/09/2005 | | S | 600 | D | \$ 53.63 | 15,904.8235 D |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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) (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) | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|-----------------|--------------|----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Phantom Stock Units | \$ 0 | | | | | | | (1) | (1) | Common Stock | 26,422. |
| Stock Options (Right to buy) | \$ 12.125 | 12/09/2005 | | M ⁽²⁾ | | 10,000 | | 10/26/2001 | 10/26/2010 | Common Stock | 10,000 |
| Stock Options (Right to buy) | \$ 17.3333 | 12/09/2005 | | M ⁽²⁾ | | 10,000 | | 10/23/2002 | 10/23/2011 | Common Stock | 10,000 |
| Stock Options (Right to buy) | \$ 21.3333 | 12/09/2005 | | M ⁽²⁾ | | 5,000 | | 12/04/2003 | 12/04/2012 | Common Stock | 5,000 |
| | \$ 26.4 | 12/09/2005 | | M ⁽²⁾ | | 6,750 | | 12/03/2004 | 12/03/2013 | | 6,750 |

Stock
Options
(Right to
buy)

Common
Stock

Stock
Options
(Right to
buy)

\$ 39.4667

12/09/2005

M⁽²⁾

7,050

12/01/2005

12/01/2014

Common
Stock

7,050

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

Terry M
Murphy

12/12/2005

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).

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

(1) 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 by the participant or upon a participant's death, disability, or termination of employment.

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

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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