QUANEX CORP Form 4 October 02, 2006

#### FORM 4

#### OMB APPROVAL

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

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Check this box if no longer subject to Section 16.

gton, D.C. 20549

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January 31,
2005

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## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

response... 0.5

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Hammonds Paul A			2. Issuer Name <b>and</b> Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			QUANEX CORP [NX]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction			
1900 WEST LOOP SOUTH, SUITE 1500			(Month/Day/Year) 09/29/2006	Director 10% Owner X Officer (give title Other (specify below) Vice PresCorp. Development		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
HOUSTON, TX 77027			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(State)	(Zip)				

(City)	(State)	(Zip) Tab	le I - Non-	Derivative Secu	urities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securities A	Acquired (A)	5. Amount of	6.	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	omr Disposed of	f (D)	Securities	Ownership	Indirect
(Instr. 3)		any	Code	(Instr. 3, 4 and	15)	Beneficially	Form:	Beneficial
		(Month/Day/Year)	(Instr. 8)			Owned	Direct (D)	Ownership
						Following	or Indirect	(Instr. 4)
				(4)		Reported	(I)	
				(A)		Transaction(s)	(Instr. 4)	
			Code V	or Amount (D)	Price	(Instr. 3 and 4)		
Common Stock	09/29/2006	10/02/2006	J <u>(1)</u>	2.337 A	\$ 30.6736	2,140.6445	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)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	Execution Date, if any (Month/Day/Year)	4. Transactio Code (Instr. 8)	5. Number of orDerivative 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 (2)	\$ 0 (3)	09/29/2006		A	10.191	<u>(4)</u>	<u>(4)</u>	Common Stock	10.191
Stock Options (Right to buy)	\$ 13.3555					03/10/2004	03/10/2013	Common Stock	3,001.5
Stock Options (Right to buy)	\$ 17.6					12/03/2004	12/03/2013	Common Stock	4,500
Stock Options (Right to buy)	\$ 26.3111					12/01/2005	12/01/2014	Common Stock	11,250
Stock Options (Right to buy)	\$ 40.9467					12/01/2006	12/01/2015	Common Stock	3,750

## **Reporting Owners**

Reporting Owner Name / Address	Relationships						
reporting owner name, names	Director	10% Owner	Officer	Other			
Hammonds Paul A 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027			Vice PresCorp. Development				
Signatures							
John J. Mannion, Power of Attorney	10/0	2/2006					
**Signature of Reporting Person		Date					

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### **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).
- (3) Conversion price is 1-for-1.
- (1) Acquired through Quanex Dividend Reinvestment Plan.
  - 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
- (4) 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.
- (2) 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.