QUANEX CORP Form 4 October 02, 2006

FORM 4

OMB APPROVAL

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16. Form 4 or

Expires: January 31,

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Estimated average burden hours per response... 0.5

Section 16. 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 * DELANEY KEVIN P	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
(Lost) (Einst) (Middle)	QUANEX CORP [NX]	(Check all applicable)		
(Last) (First) (Middle) 1900 WEST LOOP SOUTH, SUITE 1500	3. Date of Earliest Transaction (Month/Day/Year) 09/29/2006	Director 10% Owner X Officer (give title Other (specification) below) Senior VP-Corporate Secretary		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
HOUSTON, TX 77027 (City) (State) (Zip)		Form filed by More than One Reporting Person		

(Ci	ty) (State)	(Zip) Tab	ole I - Non-	Derivative Securities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3	(Month/Day/Year)	e 2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or Amount (D) Price	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)
Comm Stock	on 09/29/2006	10/02/2006	J <u>(1)</u>	1.427 A \$ 30.6736	16,526.7485	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)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exerci Expiration Dat (Month/Day/Y	e	7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock Units (2)	\$ 0 (3)	09/29/2006		A	36.31	<u>(4)</u>	<u>(4)</u>	Common Stock	36.31
Stock Options (Right to buy)	\$ 13.4222					<u>(5)</u>	07/23/2013	Common Stock	9,000
Stock Options (Right to buy)	\$ 17.6					12/04/2004	12/03/2013	Common Stock	10,650
Stock Options (Right to buy)	\$ 26.3111					12/01/2005	12/01/2014	Common Stock	18,675
Stock Options (Right to buy)	\$ 40.9467					12/01/2006	12/01/2015	Common Stock	13,500

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
DELANEY KEVIN P 1900 WEST LOOP SOUTH SUITE 1500 HOUSTON, TX 77027			Senior VP-Corporate Secretary			
SUITE 1500			Senior VP-Corporate Secretary			

Signatures

John J. Mannion, Power of	
Attorney	10/02/200
**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.
- (5) 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.