QUANEX CORP Form 4

December 12, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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response...

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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 *

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

DAVIS SUSAN F

QUANEX CORP [NX]

(Check all applicable)

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

X_ Director Officer (give title

10% Owner Other (specify

1900 WEST LOOP SOUTH, SUITE

(Street)

1500

4. If Amendment, Date Original

below)

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

(Month/Day/Year)

12/08/2006

Applicable Line)

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

(Instr. 4)

HOUSTON, TX 77027

(City) (State) (Zip)

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

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership

(Instr. 4)

(A) or

Reported Transaction(s) (Instr. 3 and 4)

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

Code V Amount (D) Price

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed (D) (Instr. 3, 4, and 5)				
				Code V	(A) (I	D) Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock Units (1)	\$ 0 (2)	12/08/2006		A	34.616	<u>(3)</u>	(3)	Common Stock	34.616
Phantom Stock Units (4)	\$ 0 (2)	12/08/2006		A	6.923	<u>(3)</u>	(3)	Common Stock	6.923
Restricted Stock Units	<u>(5)</u>					<u>(6)</u>	<u>(6)</u>	Common Stock	746
Stock Options (Right to buy)	\$ 15.7955					10/31/2002	10/31/2012	Common Stock	4,500
Stock Options (Right to buy)	\$ 17.8					10/31/2003	10/31/2013	Common Stock	4,500
Stock Options (Right to buy)	\$ 22.5333					10/31/2004	10/31/2014	Common Stock	4,500
Stock Options (Right to buy)	\$ 33.51					10/31/2006	10/31/2016	Common Stock	3,388
Stock Options (Right to buy)	\$ 38.6067					10/31/2005	10/31/2015	Common Stock	3,042

Reporting Owners

Reporting Owner Name / Address	Relationships						
1 8	Director	10% Owner	Officer	Other			
DAVIS SUSAN F	X						
1900 WEST LOOP SOUTH							
SUITE 1500							

Reporting Owners 2

HOUSTON, TX 77027

Signatures

John J. Mannion, Power of Attorney

12/12/2006

**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).
- (2) Conversion price is 1-for-1.
 - 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
- (3) 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.
- (4) Represents units credited to a participant's account under the Deferred Compensation Plan as a result of the Company's 20% matching award of the participant's deferral of income or fees, as the case may be.
- (6) The restricted stock unit will vest immediately, but will not be payable until death, disability or cessation of service on the board or change of control.
- (5) Each restricted stock unit represents a contingent right to receive cash in an amount equivalent to the value of one share of NX common stock.
- (1) Units that are credited to the participants account under the Quanex Corporation Deferred Compensation Plan as a result of the participant's deferral of income or fees, as the case may be.

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.

Signatures 3