

QUANEX CORP  
Form 4  
February 24, 2006

**FORM 4**

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

OMB APPROVAL

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**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 \*  
FLAUM RUSSELL 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)  
02/23/2006

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)

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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V		
					Amount		
				(D)	Price		

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative 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)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code V				
Phantom Stock Units <u>(1)</u>	\$ 0 <u>(2)</u>	02/23/2006	A	18.117	<u>(3)</u>	<u>(3)</u>	Common Stock	18.117
Phantom Stock Units <u>(4)</u>	\$ 0 <u>(2)</u>	02/23/2006	A	90.586	<u>(3)</u>	<u>(3)</u>	Common Stock	90.586
Stock Options (Right to buy)	\$ 12.1667				12/02/1999	12/01/2008	Common Stock	3,000
Stock Options (Right to buy)	\$ 13.2083				10/31/2000	10/31/2010	Common Stock	3,000
Stock Options (Right to buy)	\$ 14.4583				05/01/2000	10/31/2009	Common Stock	3,000
Stock Options (Right to buy)	\$ 17.3333				10/31/2001	10/31/2011	Common Stock	3,000
Stock Options (Right to buy)	\$ 23.6933				10/31/2002	10/31/2012	Common Stock	3,000
Stock Options (Right to buy)	\$ 26.7				10/31/2003	10/31/2013	Common Stock	3,000
Stock Options (Right to buy)	\$ 33.8				10/31/2004	10/31/2014	Common Stock	3,000
Stock Options (Right to buy)	\$ 57.91				10/31/2005	10/31/2015	Common Stock	2,028

