

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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| 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] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 02/23/2006 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |

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 | (A) or (D) | Price | | | |

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 Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------------|---|--|--|---|--|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Phantom Stock Units ⁽¹⁾ | \$0 ⁽²⁾ | 02/23/2006 | | A | | 18.117 | | (3) | (3) | Common Stock | 18.117 | \$61.82 | 4,092.7543 | D | |
| Phantom Stock Units ⁽⁴⁾ | \$0 ⁽²⁾ | 02/23/2006 | | A | | 90.586 | | (3) | (3) | Common Stock | 90.586 | \$61.82 | 4,183.3403 | D | |
| Stock Options (Right to buy) | \$12.1667 | | | | | | | | 12/02/1999 12/01/2008 | Common Stock | 3,000 | | 3,000 | D | |
| Stock Options (Right to buy) | \$13.2083 | | | | | | | | 10/31/2000 10/31/2010 | Common Stock | 3,000 | | 3,000 | D | |
| Stock Options (Right to buy) | \$14.4583 | | | | | | | | 05/01/2000 10/31/2009 | Common Stock | 3,000 | | 3,000 | D | |
| Stock Options (Right to buy) | \$17.3333 | | | | | | | | 10/31/2001 10/31/2011 | Common Stock | 3,000 | | 3,000 | D | |
| Stock Options (Right to buy) | \$23.6933 | | | | | | | | 10/31/2002 10/31/2012 | Common Stock | 3,000 | | 3,000 | D | |
| Stock Options (Right to buy) | \$26.7 | | | | | | | | 10/31/2003 10/31/2013 | Common Stock | 3,000 | | 3,000 | D | |
| Stock Options (Right to buy) | \$33.8 | | | | | | | | 10/31/2004 10/31/2014 | Common Stock | 3,000 | | 3,000 | D | |
| Stock Options (Right to buy) | \$57.91 | | | | | | | | 10/31/2005 10/31/2015 | Common Stock | 2,028 | | 2,028 | D | |

Explanation of Responses:

- 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.
- 2. Conversion price is 1-for-1.

3. 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 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.

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.

John J. Mannion, Power of
Attorney.

02/24/2006

** Signature of Reporting Person

Date

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

* 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).

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

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 Number.