

QUANEX CORP
Form 4
July 06, 2005

FORM 4

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

OMB APPROVAL

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

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 *
BAYLES MICHAEL R

(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)
06/30/2005

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)
Senior VP-Building Prod. Group

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 Indirect Beneficial Ownership (Instr. 4)
				Code V Amount (D) Price			
Common Stock	06/30/2005	07/06/2005	J ⁽¹⁾	4.497 A \$ 52.8141	26,566.0597	D	

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

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SEC 1474 (9-02)

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

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).

- (1) Transaction involving a disposition to the Company of equity securities upon exercise of tax withholding rights in connection with the vesting of shares of Restricted Stock.
- (2) The option became fully exercisable as of March 31, 1999, following the achievement of the following criteria: the closing price of the Company's Common Stock on the New York Stock Exchange reached 125% of the grant price for at least 10 consecutive trading days.
- (3) The option became fully exercisable as of August 16, 2000, following the achievement of the following criteria: the closing price of the Company's Common Stock on the New York Stock Exchange reached 125% of the grant price for at least 10 consecutive trading days.
- (4) The option became fully exercisable as of April 11, 2000, following the achievement of the following criteria: the closing price of the Company's Common Stock on the New York Stock Exchange reached 125% of the grant price for at least 10 consecutive trading days.
The option becomes fully exercisable upon the earlier of: (i) February 21, 2008 (seven years from the February 21, 2001 grant date) and
- (5) (ii) the closing price of the Company's Common Stock on the New York Stock Exchange reaches 125% of the grant price for at least 10 consecutive trading days.
The option becomes fully exercisable upon the earlier of: (i) February 21, 2009 (seven years from the February 21, 2002 grant date) and
- (6) (ii) the closing price of the Company's Common Stock on the New York Stock Exchange reaches 125% of the grant price for at least 10 consecutive trading days.
One-third of the option became exercisable on February 18, 2005, an additional one-third of the option will become exercisable on
- (7) February 18, 2006 and the remaining one-third of the option will become exercisable on February 18, 2007, the third anniversary of the grant date.
The options will become exercisable upon the later of: (i) the date upon which the closing price of the underlying common stock on the
- (8) New York Stock Exchange equals or exceeds 125% of the option exercise price for a period of at least 10 consecutive trading days and (ii) three years from the grant date.

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

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