

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

[X] Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000

Commission File Number 1-5725

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
- Quanex Corporation Hourly Bargaining Unit Employees Saving Plan
- B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:
- Quanex Corporation  
1900 West Loop South, Suite 1500  
Houston, TX 77027

## INDEPENDENT AUDITORS' REPORT

The Benefits Committee  
Quanex Corporation  
Houston, Texas

Re: Quanex Corporation Hourly Bargaining Unit Employees Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Quanex Corporation Hourly Bargaining Unit Employees Savings Plan ("the Plan") as of December 31, 2000 and 1999, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2000 and 1999, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of investments as of December 31, 2000 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE, LLP  
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DELOITTE & TOUCHE, LLP

May 25, 2001

QUANEX CORPORATION  
 HOURLY BARGAINING UNIT EMPLOYEES SAVINGS PLAN  
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	DECEMBER 31,	
	2000	1999
Assets:		
Investments at fair value (see Note C)	\$ 13,828,011	\$ 6,933,180
Employee contributions receivable	103,096	54,514
Net assets available for benefits	\$ 13,931,107	\$ 6,987,694

See notes to financial statements.

QUANEX CORPORATION  
 HOURLY BARGAINING UNIT EMPLOYEES SAVINGS PLAN  
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE  
 FOR BENEFITS

	DECEMBER 31,	
	2000	1999
Investment income:		
Interest and dividends	\$ 812,878	\$ 529,000
Net appreciation (depreciation) in fair value of investments (see Note C)	(937,078)	498,626
	(124,200)	1,027,626
Employee contributions	1,423,908	658,705
Total additions	1,299,708	1,686,331
Benefit payments	491,247	399,163
Administrative fee (see Note D)	12	--
Total deductions	491,259	399,163
Transfers between plans (see Note G)	6,134,964	(7,703)
Increase in net assets available for benefits	6,943,413	1,279,465
Net assets available for benefits:		
Beginning of year	6,987,694	5,708,229
End of year	\$ 13,931,107	\$ 6,987,694

See notes to financial statements.

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR  
EIN: 38-1872178; PN 015

QUANEX CORPORATION  
HOURLY BARGAINING UNIT EMPLOYEES SAVINGS PLAN

SUPPLEMENTAL SCHEDULE OF INVESTMENTS  
December 31, 2000

	Shares/ Par Value	Cost	Current Value
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* Fidelity Puritan Fund	57,341	\$ 1,050,630	\$ 1,079,732
* Fidelity Magellan Fund	36,176	4,038,951	4,315,771
* Fidelity Contrafund	12,264	689,664	603,018
* Fidelity Growth & Income Fund	25,405	1,082,721	1,069,545
* Fidelity Independence Fund	62,121	1,709,501	1,367,275
* Fidelity Overseas Fund	8,826	324,089	303,366
* Fidelity Balanced Fund	14,648	226,599	222,504
* Fidelity Blue Chip Fund	9,625	530,174	495,981
* Fidelity Asset Manager Fund	239	4,364	4,024
* Fidelity Low-Priced Stock Fund	1,402	32,783	32,405
* Fidelity Government Money Market Fund	2,265,178	2,265,178	2,265,178
Templeton Foreign Fund	11,422	116,454	118,101
Neuberger & Berman Partners Trust Fund	851	15,289	14,383
		-----	-----
Total Mutual Fund Assets		12,086,397	11,891,283
* Quanex Corporation unitized common stock	191,488	1,829,313	1,842,114
* Fidelity Common/Commingled trust	94,614	94,614	94,614
		-----	-----
Total Investments		\$ 14,010,324	\$ 13,828,011
		=====	=====

\* Party-in-Interest

QUANEX CORPORATION  
HOURLY BARGAINING UNIT EMPLOYEES SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2000 AND 1999

A. DESCRIPTION OF THE PLAN

The following description of the Quanex Corporation Hourly Bargaining Unit Employees Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for more complete information.

- (1) General. The Plan became effective January 1, 1989 and is sponsored by Quanex Corporation (the "Company"). The Plan is a defined contribution plan, which is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is a voluntary savings plan in which union hourly employees of the MACSTEEL divisions of the Company are eligible to participate after completing three months of active service. Fidelity Management Trust Company ("Fidelity" or the "Trustee") holds the assets of the Plan in trust. The Benefits Committee (the "Committee"), appointed by the Company's Board of Directors, serves as the Plan administrator.
- (2) Contributions. Participants may elect to contribute up to 15 percent of their before-tax or after-tax compensation as defined by the Plan agreement.
- (3) Participant Accounts. Each participant's account is credited with the participant's contribution and an allocation of investment income, which is based on individual participant account balances as of the end of the period in which the income is earned.
- (4) Vesting. Participants are immediately vested in their contributions and the related earnings.
- (5) Payment of Benefits. Upon termination of service, the participant may elect to receive a lump sum distribution equal to the total amount of vested benefits in his or her account. Terminated participants with an account balance of less than \$5,000 will automatically receive a lump sum distribution.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Accounting Basis. The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.
- (2) Investment Valuation. The Plan recognizes net appreciation or depreciation in the fair value of its investments. Investments are reflected at fair value in the financial statements. Fair value of mutual fund assets is determined using a quoted net asset value. Fair value for Quanex Corporation unitized common stock, which is listed on the New York Stock Exchange, is determined using the last recorded sales price. The recorded value of the common/commingled trust is at face value, which is fair value.
- (3) Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.
- (4) Administrative Expenses. The Company pays all administrative expenses, except redemption fees imposed on certain Fidelity funds.
- (5) Payment of Benefits. Benefit payments are recorded when paid.

## C. INVESTMENTS

The following are investments that represent 5 percent or more of the Plan's net assets.

	December 31, 2000		December 31, 1999	
	Shares	Amount	Shares	Amount
	-----	-----	-----	-----
Fidelity Puritan Fund	57,341	\$ 1,079,732	34,775	\$ 661,779
Fidelity Magellan Fund	36,176	4,315,771	23,265	3,178,749
Fidelity Contrafund	12,264	603,018	8,083	485,173
Fidelity Growth & Income Fund	25,405	1,069,545	15,408	726,660
Fidelity Independence Fund	62,121	1,367,275	1,036	26,791
Fidelity Blue Chip Fund	9,625	495,981	7,572	455,135
Fidelity Government Money Market Fund	2,265,178	2,265,178	787,206	787,206
Quanex unitized common stock	191,488	1,842,114	12,909	159,039

During the years ended December 31, 2000 and 1999, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated / (depreciated) in value as follows:

	2000	1999
	-----	-----
Fidelity mutual funds	\$ (1,435,579)	\$ 482,367
Quanex unitized common stock	498,501	16,259
	-----	-----
	\$ (937,078)	\$ 498,626
	=====	=====

## D. RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. In addition, the Plan invests in shares of Quanex Corporation unitized common stock. Quanex Corporation is the Plan sponsor as defined by the Plan and, therefore, these transactions also qualify as party-in-interest transactions. As of December 31, 2000 and 1999, the value of Quanex Corporation common stock held by the Plan was \$1,842,114 and \$159,039, respectively.

## E. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan at any time subject to the provisions set forth in ERISA. In the event of Plan termination, the assets held by the Trustee under the Plan will be valued and fully vested, and each participant will be entitled to distributions respecting his or her account.

## F. FEDERAL INCOME TAX STATUS

The Plan is subject to specific rules and regulations related to employee benefit plans under the Department of Labor and the Internal Revenue Service. The Plan has received a favorable letter of tax determination dated April 25, 1997. As such, the Plan is a qualified trust under Sections 401(a) and 401(k) of the Internal Revenue Code (the "Code") and, as a result, is exempt from federal income tax under Section 501(a) of the Code. The Company believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. The Company believes the Plan was qualified and the related trust was tax-exempt as of the financial statement dates.

## G. TRANSFER OF ASSETS

Account balances of the employees at MACSTEEL's Fort Smith, Arkansas facility who were covered by a collective bargaining agreement, which totaled \$6,134,964, were transferred from the Quanex Corporation Employee Savings Plan on June 30, 2000.

On December 3, 1997, Michigan Seamless Tube Company, the Gulf States Tube and the Tube Group Office divisions of Qualex Corporation (the "Tube Group") were sold to Vision Metals, Inc. In plan year 1999, assets of the Plan attributable to the Tube Group employees in the amount of \$7,703 were transferred to the new qualified savings plan established by Vision Metals, Inc.



## SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Quanex Corporation Hourly Bargaining Unit Employees Savings Plan

Date: June 22, 2001

/s/ Viren M. Parikh

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Viren M. Parikh, Benefits Committee

## INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
23.1	Independents Auditor's Consent

## INDEPENDENT AUDITOR'S CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-46824 of Quanex Corporation on Form S-8 of our report dated May 25, 2001, appearing in the Annual Report of Form 11-K of the Quanex Corporation Hourly Bargaining Unit Employees Savings Plan for the year ended December 31, 2000.

/s/ DELOITTE & TOUCHE LLP

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DELOITTE & TOUCHE LLP

Houston, Texas  
June 22, 2001