

**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*<br><u>BAYLES MICHAEL R</u><br><br>(Last) (First) (Middle)<br>1900 WEST LOOP SOUTH<br>SUITE 1500<br><br>(Street)<br>HOUSTON TX 77027<br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>QUANEX CORP [ NX ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br>Director 10% Owner<br>X Officer (give title below) Other (specify below)<br><u>V Pres-Building Products Group</u> |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>12/03/2003</u>    |   |
|  | 4. If Amendment, Date of Original Filed (Month/Day/Year)                 | 6. Individual or Joint/Group Filing (Check Applicable Line)<br>X Form filed by One Reporting Person<br>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) | 3A. 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 |   |  |   |
| Common Stock                    | 12/03/2003                           |  | A                              |   | 5,000   | A          | \$0   | 14,238.1875   | D  |   |

**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) |
|--|--|--------------------------------------|--|--------------------------------|--|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  |                                |  | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| Stock Options (Right to buy)               | \$21.95  |                                      |  |                                |  | 05/23/2001   | 05/22/2011      | Common Stock  | 25,000                     |  | 25,000   | D   |  |
| Stock Options (Right to buy)               | \$26   |                                      |  |                                |  | 10/24/2002   | 10/23/2011      | Common Stock  | 25,000                     |  | 25,000   | D   |  |
| Stock Options (Right to buy)               | \$32   |                                      |  |                                |  | 12/05/2003   | 12/04/2012      | Common Stock  | 25,000                     |  | 25,000   | D   |  |
| Stock Options (Right to buy)               | \$39.6   | 12/03/2003                           |  | A                              | 13,800   | 12/04/2004 <sup>(1)</sup>                                | 12/03/2013      | Common Stock  | 13,800                     | \$0  | 13,800   | D   |  |
| Phantom Stock Units                        | \$0  |                                      |  |                                |  | 12/04/2003   | 08/08/1988      | Common Stock  | 6,126                      |  | 6,126  | D   |  |

**Explanation of Responses:**

1. The option becomes exercisable in one third increments annually beginning one year from date of grant.

Terry M. Murphy, Power of Attorney

12/16/2003

\*\* 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.