

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1994

OR

/  TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

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 Employee Savings Plan

B. Name of 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, Texas 77027  
Phone: (713) 961-4600

## INDEPENDENT AUDITORS' REPORT

The Benefits Committee  
Quanex Corporation  
Houston, Texas

Re: Quanex Corporation Employee Savings Plan

We have audited the accompanying statement of net assets available for benefits of the Quanex Corporation Employee Savings Plan (the "Plan") as of December 31, 1994 and 1993, 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 generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. 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, 1994 and 1993, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information by fund and supplemental schedules of (1) investments as of December 31, 1994 and (2) 5% reportable transactions for the year ended December 31, 1994 are presented for the purpose of additional analysis of the basic financial statements rather than to present information regarding the net assets available for benefits and changes in net assets available for benefits of the individual funds. This information and these schedules are not a required part of the basic financial statements. The schedules are supplementary information required by the Department of Labor's Rules and Regulation for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information and these schedules are the responsibility of the Plan's management. Such supplemental information and schedules have been subjected to the auditing procedures applied in our audit 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

May 17, 1995

## QUANEX CORPORATION EMPLOYEE SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE  
FOR BENEFITS

	December 31,	
	1994	1993
Assets:		
Investments, at fair value -		
Mutual fund assets	\$23,280,069	\$20,540,650
Quanex Corporation common stock	1,418,636	919,891
Common/commingled trust	471,972	-
	-----	-----
	25,170,677	21,460,541
	-----	-----
Deposits with insurance company, at contract value	896,472	1,631,963
	-----	-----
Total	26,067,149	23,092,504
	-----	-----
Employee contributions receivable	450,534	333,161
Employer contributions receivable	150,335	93,572
	-----	-----
Total	600,869	426,733
	-----	-----
Net assets available for benefits	\$26,668,018	\$23,519,237
	=====	=====

See notes to financial statements.

QUANEX CORPORATION EMPLOYEE SAVINGS PLAN  
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE  
FOR BENEFITS

	December 31,	
	1994	1993
	-----	-----
Investment income:		
Interest and dividends	\$ 1,203,950	\$ 1,494,799
Net appreciation (depreciation) in fair value of investments	(532,717)	872,527
Total	671,233	2,367,326
	-----	-----
Contributions:		
Employer	892,899	815,869
Less forfeitures	9,282	13,061
	883,617	802,808
Employee	3,231,908	2,873,550
Total	4,115,525	3,676,358
	-----	-----
Total additions	4,786,758	6,043,684
	-----	-----
Benefit payments	1,637,977	2,741,106
Transfer of Bellville assets	-	481,644
Total deductions	1,637,977	3,222,750
	-----	-----
Increase in net assets available for benefits	3,148,781	2,820,934
Net assets available for benefits:		
Beginning of year	23,519,237	20,698,303
End of year	\$26,668,018	\$23,519,237
	=====	=====

See notes to financial statements.

QUANEX CORPORATION  
EMPLOYEE SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1994 AND 1993

A. THE PLAN

The following brief description of the Quanex Corporation Employee Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

- (1) General. The Plan became effective April 1, 1986 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 employees of the Company and its subsidiaries, excluding its Nichols-Homeshield divisions, its Nitro Steel Division and those Quanex employees who are covered by a collective bargaining agreement, are eligible to participate after completing three months of active service. The assets of the Plan are held in trust by Fidelity Management Trust Company (the "Trustee"). The Benefits Committee (the "Committee"), appointed by the Board of Directors of the Company, serves as the Plan administrator.
- (2) Contributions. Participants may elect to contribute up to 15% of their pre-tax annual compensation or up to 15% of their after-tax annual compensation limited to 15% of considered compensation as defined by the Plan agreement. The Company matches 50% of the employee's contribution up to, but not in excess of, 2.5% of the employee's annual compensation.
- (3) Participants Accounts. Each participant's account is credited with the participant's contribution, the Company's matching contribution, and an allocation of investment income, which is based on the participant's account balance as of the end of the period in which the income is earned.
- (4) Investment Options. During 1993 and 1994, the Plan had the following investment funds, all managed by the Trustee, as follows:
  - Government Money Market Fund--composed of short-term government obligations.
  - Short-Intermediate Government Fund--invested and reinvested in securities issued by the U.S. government.
  - Puritan Fund--invested and reinvested in common and preferred stock and bonds.
  - Magellan Fund--invested and reinvested in equity and debt securities of foreign and domestic companies.
  - Growth and Income Fund--invested and reinvested in equity and debt securities of foreign and domestic companies.
  - Overseas Fund--invested and reinvested in foreign securities.
  - Quanex Corporation Common Stock--invested and reinvested exclusively in the common stock of Quanex Corporation.
  - Common/Commingled Trust--invested and reinvested in investment contracts issued by insurance companies, banks and other financial institutions.
  - Balanced Fund--invested and reinvested in common and preferred stocks and bonds.
  - Contrafund--invested and reinvested in equities of foreign and preferred stock.

Additionally, the Plan has investments in a series of guaranteed investment contracts. Refer to Note C for further discussion.

Effective July 1, 1994, the Short-Intermediate Government Fund was eliminated and the Common/Commingled Trust, the Balanced Fund and the Contrafund were added.

- (1) Vesting. Participants are immediately vested in their voluntary contributions and the related earnings. Vesting in employer's matching contributions for employees is 0% for less than one year of service graduating to 100% for five or more years. Upon death, retirement or total permanent disability, the participant or beneficiary becomes immediately 100% vested in the employer's contribution. In the event of termination, nonvested portions of employer's contributions are immediately forfeited by participants and utilized to reduce future employer matching contributions.
- (2) Payment of Benefits. Upon termination of service, the participant may elect to receive a lump-sum amount equal to the amount of vested benefits in his or her account. See further discussion of benefits payable in Note H.

#### 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 standards.
- (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 funds assets is determined using a quoted net asset value. Fair value for Quanex Corporation common stock, which is listed on the New York Stock Exchange, is determined using the last recorded sales price.
- (3) Administrative Expenses. The Company pays all administrative expenses.
- (4) Payment of Benefits. Benefits are recorded when paid.

#### C. DEPOSITS WITH INSURANCE COMPANY

On December 1, 1988, the Plan entered into a series of guaranteed investment contracts with Metropolitan Life Insurance Company ("Metropolitan"). The contracts provide a guaranteed rate of return on principal invested which is credited to the Plan for the length of the contracts. The contracts are reduced for Plan withdrawals. The contract is included in the financial statements at the December 31, 1994 and 1993 contract values as reported to the Plan by Metropolitan. A portion of these contracts matured on January 1, 1994. The remainder of these contracts matured on January 1, 1995. The contracts provided an interest rate of 8.3% per annum.

## D. TRANSFER OF BELLVILLE BALANCES

In April 1993, the Company sold its Bellville Tube Division. Effective November 15, 1993, Bellville Tube employees' plan balances were transferred from the Plan into the Bellville Tube Corporation's 401(k) Plan, which was implemented by the purchasing company. At the time of transfer, participants became fully vested in the employer's contributions.

## E. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, 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 ("IRS"). 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 taxation under Sections 501(a) of the Code. The Plan received a favorable determination letter from the IRS dated February 25, 1991. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, it believes the Plan was qualified and the related trust was tax-exempt as of the financial statement dates.

## G. RELATED PARTY TRANSACTIONS

During the years ended December 31, 1994 and 1993, the Plan purchased shares of Quanex Corporation common stock, as shown below:

1994		1993	
Shares	Cost	Shares	Cost
29,219	\$632,545	36,374	\$603,737

During the years ended December 31, 1994 and 1993, the Plan sold 20,146 and 15,299 shares of Quanex Corporation common stock for \$574,779 (cost \$470,005) and \$272,777 (cost \$262,551), respectively.

During the years ended December 31, 1994 and 1993, the Plan purchased shares of Fidelity, the Trustee, mutual fund assets, as shown below:

1994		1993	
Shares	Cost	Shares	Cost
5,226,865	\$12,369,613	2,689,355	\$10,701,768

During the years ended December 31, 1994 and 1993, the Plan sold 3,738,549 and 4,275,504 shares of Fidelity mutual fund assets for \$9,480,794 (cost \$9,567,946) and \$8,915,523 (cost \$8,726,676), respectively.

During the year ended December 31, 1994, the Plan purchased 471,972 shares (cost \$471,972) of Fidelity, the Trustee, Common/Commingled Trust. During the year ended December 31, 1994, the Plan sold -0- shares of Common/Commingled Trust.

H. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Benefits payable are not reported as a liability on the statement of net assets available for the benefits in the financial statements prepared in conformity with generally accepted accounting principles. Such amounts are reported as a liability on Form 5500. See reconciliation of the financial statements to Form 5500 below:

	December 31,	
	----- 1994 -----	1993 -----
Net assets available for benefits per financial statements	\$26,668,018	\$23,519,237
Less: Benefits payable	152,480	131,106
	-----	-----
Net assets available for benefits per Form 5500	\$26,515,538 =====	\$23,388,131 =====

For the years ended December 31, 1994 and 1993, benefit payments recorded in the financial statements totaled \$1,637,977 and \$2,741,106, respectively. Benefit payments recorded in Form 5500 for 1994 and 1993 totaled \$1,659,351 and \$2,632,396, respectively.



I. ALLOCATION OF NET ASSETS AVAILABLE FOR BENEFITS TO INVESTMENT PROGRAMS  
 The following tables provide supplemental information regarding the net assets available for benefits by investment fund.

December 31, 1994

	TOTAL	GOVT. MONEY MARKET FUND	COMMON\ COMMINGLED TRUST	PURITAN FUND	BALANCED FUND	GROWTH AND INCOME FUND	MAGELLAN FUND
<b>Assets</b>							
Investments, at fair value							
Mutual fund assets	\$23,280,069	\$8,981,007		\$4,833,853	\$111,318	\$1,135,850	\$6,361,895
Quanex common stock	1,418,636						
Common/commingled trust	471,972		\$471,972				
	25,170,677	8,981,007	471,972	4,833,853	111,318	1,135,850	6,361,895
Deposits with insurance company, at contract value	896,472						
<b>Total</b>	26,067,149	8,981,007	471,972	4,833,853	111,318	1,135,850	6,361,895
Contributions receivable							
Employer	150,335	49,284	1,669	31,642	782	7,071	42,009
Employee	450,534	140,921	4,975	95,547	3,059	23,019	127,824
	600,869	190,205	6,644	127,189	3,841	30,090	169,833
<b>Net assets available for benefits</b>	<b>\$26,668,018</b>	<b>\$9,171,212</b>	<b>\$478,616</b>	<b>\$4,961,042</b>	<b>\$115,159</b>	<b>\$1,165,940</b>	<b>\$6,531,728</b>

December 31, 1994

	OVERSEAS FUND	CONTRA- FUND	QUANEX COMMON STOCK	GUARANTEED INVESTMENT CONTRACT
<b>Assets</b>				
Investments, at fair value				
Mutual fund assets	\$1,573,029	\$283,117		
Quanex common stock			\$1,418,636	
Common/commingled trust				
	1,573,029	283,117	1,418,636	
Deposits with insurance company, at contract value				\$896,472
<b>Total</b>	1,573,029	283,117	1,418,636	896,472
Contributions receivable				
Employer	9,814	2,634	5,430	
Employee	29,916	9,087	16,186	
	39,730	11,721	21,616	
<b>Net assets available for benefits</b>	<b>\$1,612,759</b>	<b>\$294,838</b>	<b>\$1,440,252</b>	<b>\$896,472</b>

December 31, 1993

	TOTAL	GOVT. MONEY MARKET FUND	SHORT- INTER- MEDIATE GOVT. FUND	INTER- MEDIATE BOND FUND	PURITAN FUND	GROWTH AND INCOME FUND	MAGELLAN FUND
<b>Assets</b>							
Investments, at fair value							
Mutual fund assets	\$20,540,650	\$7,465,156	\$1,866,521	\$0	\$3,755,717	\$779,550	\$5,673,694
Quanex common stock	919,891						
	21,460,541	7,465,156	1,866,521	0	3,755,717	779,550	5,673,694
Deposits with insurance company, at contract value	1,631,963			0			
<b>Total</b>	23,092,504	7,465,156	1,866,521	0	3,755,717	779,550	5,673,694
Contributions receivable							
Employer	93,572	27,460	9,505	0	16,758	4,056	26,378

Employee	333,161	89,670	33,481	0	64,132	15,352	99,732
	-----	-----	-----	---	-----	-----	-----
	426,733	117,130	42,986	0	80,890	19,408	126,110
	-----	-----	-----	--	-----	-----	-----
Net assets available for benefits	\$23,519,237	\$7,582,286	\$1,909,507	\$0	\$3,836,607	\$798,958	\$5,799,804
	=====	=====	=====	==	=====	=====	=====

December 31, 1994

	OVERSEAS FUND	QUANEX COMMON STOCK	GUARANTEED INVESTMENT CONTRACT
	-----	-----	-----
Assets			
Investments, at fair value			
Mutual fund assets	\$1,000,012		
Quanex common stock		\$919,891	
	-----	-----	-----
	1,000,012	919,891	
	-----	-----	-----
Deposits with insurance company, at contract value			\$1,631,963
	-----	-----	-----
Total	1,000,012	919,891	1,631,963
Contributions receivable			
Employer	5,634	3,781	
Employee	19,211	11,583	
	-----	-----	-----
	24,845	15,364	
	-----	-----	-----
Net assets available for benefits	\$1,024,857	\$935,255	\$1,631,963
	=====	=====	=====

J. ALLOCATION OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS TO INVESTMENT PROGRAMS

The following tables provide supplemental information regarding the change in net assets available for benefits by investment funds.

December 31, 1994							
	TOTAL	GOVT. MONEY MARKET FUND	QUANEX COMMON STOCK	COMMON/ COMMINGLED TRUST	BALANCED FUND	GROWTH AND INCOME FUND	PURITAN FUND
Investment income:							
Interest and dividends	\$1,203,950	\$322,411	\$32,478	\$9,681	\$1,392	\$79,632	\$367,819
Net appreciation (depreciation) in fair value of investments	(532,717)	0	336,205	0	(4,503)	(64,531)	(314,702)
Total	671,233	322,411	368,683	9,681	(3,111)	15,101	53,117
Contributions:							
Employer	892,899	289,207	36,017	4,498	2,406	40,048	172,350
Less forfeitures	(9,282)	(2,291)	(1,304)	0	0	(292)	(1,373)
	883,617	286,916	34,713	4,498	2,406	39,756	170,977
Employee	3,231,908	933,609	122,880	17,621	9,944	165,518	618,173
	4,115,525	1,220,525	157,593	22,119	12,350	205,274	789,150
Total Additions	4,786,758	1,542,936	526,276	31,800	9,239	220,375	842,267
Benefit payments	1,637,977	844,938	107,585	0	0	12,479	106,709
Fund transfers	0	890,928	86,306	446,816	105,920	159,086	388,877
Increase in net assets available	3,148,781	1,588,926	504,997	478,616	115,159	366,982	1,124,435
Net assets available for benefits:							
Beginning of year	23,519,237	7,582,286	935,255	0	0	798,958	3,836,607
End of year	\$26,668,018	\$9,171,212	\$1,440,252	\$478,616	\$115,159	\$1,165,940	\$4,961,042

December 31, 1994					
	MAGELLAN FUND	OVERSEAS FUND	CONTRA- FUND	SHORT- INTER- MEDIATE GOVT. FUND	GUARAN- TEED INVEST- MENT CONTRACT
Investment income:					
Interest and dividends	\$244,743	\$27,339		\$47,663	\$70,792
Net appreciation (depreciation) in fair value of investments	(374,571)	(29,474)	\$1,910	(83,051)	0
Total	(129,828)	(2,135)	1,910	(35,388)	70,792
Contributions:					
Employer	249,308	60,741	6,245	32,079	0
Less forfeitures	(2,687)	(985)	0	(216)	(134)
	246,621	59,756	6,245	31,863	(134)
Employee	931,840	233,420	22,885	176,018	0
	1,178,461	293,176	29,130	207,881	(134)
Total Additions	1,048,633	291,041	31,040	172,493	70,658
Benefit payments	303,081	47,678	0	160,139	55,368
Fund transfers	(13,628)	344,539	263,798	(1,921,861)	(750,781)
Increase in net assets available	731,924	587,902	294,838	(1,909,507)	(735,491)
Net assets available for benefits:					
Beginning of year	5,799,804	1,024,857	0	1,909,507	1,631,963
End of year	\$6,531,728	\$1,612,759	\$294,838	\$0	\$896,472



J. ALLOCATION OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS TO INVESTMENT PROGRAMS  
(continued)

	December 31, 1993						
	TOTAL	GOVT. MONEY MARKET FUND	SHORT- INTER- MEDIATE GOVT. FUND	INTER- MEDIATE BOND FUND	PURITAN FUND	GROWTH AND INCOME FUND	MAGELLAN FUND
Investment income:							
Interest and dividends	\$1,494,799	\$242,415	\$113,264	\$11,105	\$420,771	\$34,861	\$498,626
Net appreciation (depreciation) in fair value of investments	872,527	0	(15,455)	24,539	153,277	38,296	482,545
Total	2,367,326	242,415	97,809	35,644	574,048	73,157	981,171
Contributions:							
Employer	815,869	277,867	100,865	0	137,965	22,842	208,675
Less forfeitures	13,061	5,234	1,655	308	1,947	0	2,691
Employee	2,873,550	895,669	409,868	0	495,052	103,595	751,804
Total Additions	6,043,684	1,410,717	606,887	35,336	1,205,118	199,594	1,938,959
Benefit payments	2,741,106	1,352,528	229,747	20,412	335,033	70,208	410,331
Transfer of Bellville assets	481,644	193,575	43,764	0	56,990	0	110,231
Fund transfers	0	(1,622,860)	1,576,009	(2,111,405)	721,080	668,619	700,438
Increase in net assets available for benefits	2,820,934	(1,758,246)	1,909,385	(2,096,481)	1,534,175	798,005	2,118,835
Net assets available of benefits:							
Beginning of year	20,698,303	9,340,532	122	2,096,481	2,302,432	953	3,680,969
End of year	\$23,519,237	\$7,582,286	\$1,909,507	\$0	\$3,836,607	\$798,958	\$5,799,804
		OVERSEAS FUND	QUANEX COMMON STOCK FUND	GUARAN- TEED INVEST- MENT CONTRACT			
Investment income:							
Interest and dividends	\$14,892	\$25,455	\$133,410				
Net appreciation (depreciation) in fair value of investments	209,881	(20,556)	0				
Total	224,773	4,899	133,410				
Contributions:							
Employer	40,308	27,332	15				
Less forfeitures	481	335	410				
Employee	134,342	83,156	64				
Total Additions	398,942	115,052	133,079				
Benefit payments	63,707	69,176	189,964				
Transfer of Bellville assets	18,530	31,258	27,296				
Fund transfers	192,020	303,427	(427,328)				
Increase in net assets available for benefits	508,725	318,045	(511,509)				
Net assets available of benefits:							
Beginning of year	516,132	617,210	2,143,472				
End of year	\$1,024,857	\$935,255	\$1,631,963				



Item 27a - Schedule of Assets Held for Investment Purposes  
 EIN: 38-1872178; PN 012

QUANEX CORPORATION  
 EMPLOYEE SAVINGS PLAN

SUPPLEMENTAL SCHEDULE OF INVESTMENTS  
 DECEMBER 31, 1994

	Shares/ Par Value -----	Cost -----	Current Value -----
Mutual fund assets - Fidelity Investments:			
-----			
Contrafund*	9,350	\$ 279,727	\$ 283,117
Government Money Market Fund*	8,981,007	8,981,007	8,981,007
Puritan Fund*	326,391	4,994,234	4,833,853
Growth and Income Fund*	53,857	1,166,378	1,135,850
Magellan*	95,238	6,465,121	6,361,895
Overseas Fund*	57,620	1,526,260	1,573,029
Balanced Fund*	9,058	114,605	111,318
		-----	-----
Total Mutual Fund Assets		23,527,332	23,280,069
		-----	-----
Quanex Corporation Common stock*	62,017	1,282,916	1,418,636
Common/Commingled Trust*	471,972	471,972	471,972
Deposits with insurance company:			
-----			
Metropolitan Life Guaranteed Investment Contract		896,472	896,472
		-----	-----
Total investments		\$ 26,178,692	\$ 26,067,149
		=====	=====

\* Party-in-Interest

QUANEX CORPORATION SAVINGS PLAN

SUPPLEMENTAL SCHEDULE OF 5% REPORTABLE TRANSACTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 1994

Series of Transactions

Description	Total Number of Purchases During Plan Year	Purchase Price	Total Number of Sales During Plan Year	Selling Price	Cost of Asset	Current Value on Transaction Date	Net Gain (Loss)
Metropolitan Life Short-term Fund			14	\$801,039	\$801,039	\$801,039	0
FMTC Government Reserve	33	\$808,655	47	813,903	813,903	813,903	0
Quanex Corporation Common Stock	48	632,545	29	574,779	470,005	574,779	\$104,774
Puritan Fund	105	1,915,582	53	528,727	522,774	528,727	5,953
Magellan Fund	126	2,223,009	67	1,150,981	1,160,237	1,150,981	(9,256)
Growth & Income Fund	80	701,703	29	276,311	280,873	276,311	(4,562)
Overseas Fund	102	886,928	34	306,295	284,436	306,295	21,859



QUANEX CORPORATION EMPLOYEE SAVINGS PLAN

SUPPLEMENTAL SCHEDULE OF 5% REPORTABLE TRANSACTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 1994

Series of Transactions  
 (continued)

Description	Total Number of Purchases During Plan Year	Purchase Price	Total Number of Sales During Plan Year	Selling Price	Cost of Asset	Current Value on Transaction Date	Net Gain (Loss)
Contrafund	21	\$335,425	34	\$52,740	\$54,219	\$52,740	\$(1,479)
Balanced Fund	21	143,799	1	26,764	27,979	26,764	(1,215)
Government Money Market Fund	141	4,956,048	135	3,440,552	3,440,552	3,440,552	0
Common/Commingled Trust	29	471,972	0	0	0	0	0
Short Intermediate Government Fund	58	398,464	47	2,083,482	2,181,934	2,083,482	(98,452)



EXHIBIT  
NUMBER

23.1 Independent Auditor's Consent

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-38702 of Quanex Corporation on Form S-8 of our report dated May 17, 1995, appearing in this Annual Report on Form 11-K of Quanex Corporation Employee Savings Plan for the year ended December 31, 1994.

/s/ Deloitte & Touche LLP

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DELOITTE & TOUCHE LLP

Houston, Texas  
June 29, 1994