

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Schedule 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 49)\*

NL INDUSTRIES, INC.  
(Name of Issuer)

Common Stock, \$.125 par value  
(Title of Class of Securities)

629156407  
(CUSIP Number)

WILLIAM C. TIMM  
THREE LINCOLN CENTRE  
SUITE 1700  
5430 LBJ FREEWAY  
DALLAS, TEXAS 75240  
(214) 233-1700

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

December 27, 1994  
(Date of Event which requires Filing  
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box.

Check the following box if a fee is being paid with the statement.

(A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Valhi, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7

SOLE VOTING POWER

NUMBER OF  
SHARES  
BENEFICIALLY

-0-

8

SHARED VOTING POWER

OWNED BY  
EACH

35,076,690

REPORTING  
PERSON

9

SOLE DISPOSITIVE POWER

WITH

-0-

10

SHARED DISPOSITIVE POWER

35,076,690

11

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

35,076,690

12

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

68.7%

14

TYPE OF REPORTING PERSON\*

CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1

NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Tremont Corporation

2

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

5 WC  
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY	8	-0-
OWNED BY EACH REPORTING PERSON	9	SHARED VOTING POWER 9,064,780
WITH	10	SOLE DISPOSITIVE POWER -0- SHARED DISPOSITIVE POWER 9,064,780

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
9,064,780

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
17.8%

14 TYPE OF REPORTING PERSON\*  
CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
Contran Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY		-0-
	8	SHARED VOTING POWER
OWNED BY EACH		35,076,690
REPORTING PERSON	9	SOLE DISPOSITIVE POWER
WITH		-0-
	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
68.7%

14 TYPE OF REPORTING PERSON\*  
CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Dixie Rice Agricultural Corporation, Inc.  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Louisiana

	7	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY		-0-
	8	SHARED VOTING POWER
OWNED BY EACH		35,076,690
REPORTING PERSON		
	9	SOLE DISPOSITIVE POWER
WITH		-0-
	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

68.7%

14 TYPE OF REPORTING PERSON\*

CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Dixie Holding Company

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY	8	-0-
OWNED BY EACH REPORTING PERSON	9	SHARED VOTING POWER 35,076,690
WITH	10	SOLE DISPOSITIVE POWER -0-
		SHARED DISPOSITIVE POWER 35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
68.7%

14 TYPE OF REPORTING PERSON\*  
CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Southwest Louisiana Land Company, Inc.  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Louisiana

	7	SOLE VOTING POWER
NUMBER OF SHARES BENEFICIALLY		-0-
	8	SHARED VOTING POWER
OWNED BY EACH		35,076,690
REPORTING PERSON	9	SOLE DISPOSITIVE POWER
WITH		-0-
	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

68.7%

14 TYPE OF REPORTING PERSON\*

CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

NOA, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

	7	SOLE VOTING POWER
NUMBER OF		
	8	SHARED VOTING POWER
SHARES		-0-
BENEFICIALLY		35,076,690
OWNED BY		
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		
PERSON		-0-
WITH	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

68.7%

14 TYPE OF REPORTING PERSON\*

CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

National City Lines, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7	SOLE VOTING POWER
NUMBER OF		
	8	SHARED VOTING POWER
SHARES		-0-
BENEFICIALLY		
OWNED BY		35,076,690
EACH		
	9	SOLE DISPOSITIVE POWER
REPORTING		
PERSON		-0-
WITH		
	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

68.7%

14 TYPE OF REPORTING PERSON\*

CO

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Valhi Group, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7	SOLE VOTING POWER
NUMBER OF		
	8	SHARED VOTING POWER
SHARES		-0-
BENEFICIALLY		
		35,076,690
OWNED BY		
EACH		
	9	SOLE DISPOSITIVE POWER
REPORTING		
PERSON		-0-
WITH		
	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

68.7%

14 TYPE OF REPORTING PERSON\*

CO

[FN]  
\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

The Combined Master Retirement Trust

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

	7	SOLE VOTING POWER
NUMBER OF		
	8	SHARED VOTING POWER
SHARES		-0-
BENEFICIALLY		
		35,076,690
OWNED BY		
EACH		
	9	SOLE DISPOSITIVE POWER
REPORTING		
PERSON		-0-
WITH		
	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

35,076,690

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

68.7%

14 TYPE OF REPORTING PERSON\*

EP

[FN]

\* See instructions before filling out.

CUSIP No. 629156407

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Harold C. Simmons

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED  
PURSUANT TO ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

	7	SOLE VOTING POWER
NUMBER OF		
	8	SHARED VOTING POWER
SHARES		-0-
BENEFICIALLY		35,076,690
OWNED BY		
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		
PERSON		-0-
WITH	10	SHARED DISPOSITIVE POWER
		35,076,690

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

-0-

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\* X

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

-0-

14 TYPE OF REPORTING PERSON\*

IN

[FN]

\* See instructions before filling out.

This amended statement on Schedule 13D (this "Statement") relates to the Common Stock, \$.125 par value per share (the "Shares") of NL Industries, Inc., a New Jersey corporation (the "Company" or "NL"). Items 3, 4, 5 and 7 of this Statement, previously filed (i) by Valhi, Inc. ("Valhi") and Tremont Corporation ("Tremont") as the direct beneficial owners of Shares, (ii) by virtue of their respective direct and indirect holdings of securities of Valhi and Tremont (as described previously on this Statement), by Contran Corporation ("Contran"); Valhi Group, Inc. ("VGI"); National City Lines, Inc. ("National"); NOA, Inc. ("NOA"); Dixie Rice Agricultural Corporation, Inc. ("Dixie Rice"); Dixie Holding Company ("Dixie Holding"); Southwest Louisiana Land Company, Inc. ("Southwest") and The Combined Master Retirement Trust ("Master Trust") and (iii) by virtue of his positions with Contran, the Master Trust and certain other entities, as described previously on this Statement, Harold C. Simmons (collectively, the "Reporting Persons"), are hereby amended as set forth below.

Item 3. Source and Amount of Funds or Other Consideration

No change except for the addition of the following:

The total amount of funds required by Valhi to acquire the Shares reported in Item 5(c) was \$5,642,620 (including commissions). Such funds were or will be provided by Valhi's cash on hand and no funds were borrowed for such purpose.

Item 4. Purpose of Transaction.

No change except for the addition of the following:

Valhi purchased the additional Shares reported in Item 5(c) of this Statement in order to increase its equity interest in the Company. Depending upon their evaluation of the Company's business and prospects, and upon future developments (including, but not limited to, performance of the Shares in the market, availability of funds, alternative uses of funds, and money, stock market and general economic conditions), any of the Reporting Persons, other than the Master Trust, or other entities that may be deemed to be affiliated with Contran may from time to time purchase Shares, and any of the Reporting Persons or other entities that may be deemed to be affiliated with Contran may from time to time dispose of all or a portion of the Shares held by such person, or cease buying or selling Shares. Any such additional purchases or sales of the Shares may be in open market or privately-negotiated transactions or otherwise.

On December 27, 1994, Valhi issued the press release attached hereto as Exhibit 3, which is incorporated herein by this reference. Such press release relates to, among other things, the acquisition by Valhi of additional Shares.

Item 5. Interest in Securities of the Issuer.

No change except for the addition of the following:

(a) Tremont is the direct beneficial owner of 9,064,780 Shares, or approximately 17.8% of the 51,042,443 Shares outstanding as of November 7, 1994 (the "Outstanding Shares"), according to information contained in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 (the "Quarterly Report"). By virtue of the relationships described under Item 2 of this Statement, each of the other Reporting Persons may be deemed to share indirect beneficial ownership of the Shares directly beneficially owned by Tremont. Harold C. Simmons disclaims all such beneficial ownership.

Valhi is the direct beneficial owner of 26,011,910 Shares, or approximately 50.9% of the Outstanding Shares according to the information contained in the Quarterly Report. By virtue of the relationships reported under Item 2 of this Statement, Valhi may be deemed to be the beneficial owner of 35,076,690 Shares, or approximately 68.7% of the outstanding Shares according to information contained in the Quarterly Report. By virtue of the

relationships described under Item 2 of this Statement, VGI, National, NOA, Southwest, Dixie Holding, Dixie Rice, Contran, the Master Trust and Harold C. Simmons may be deemed to share indirect beneficial ownership of the Shares directly owned by Valhi. Mr. Simmons disclaims all such beneficial ownership.

(c) The table below sets forth purchases of the Shares by the Reporting Persons during the last 60 days. All of such purchases were effected by Valhi on the New York Stock Exchange.

Date -----	Amount of Shares -----	Approximate Price Per Share (\$) (exclusive of commissions) -----
12/13/94	30,000	9.7500
12/13/94	21,000	9.8750
12/14/94	2,500	10.0000
12/16/94	191,800	11.0000
12/19/94	21,000	11.0625
12/20/94	4,600	11.0000
12/20/94	28,400	11.1250
12/20/94	13,000	11.2500
12/21/94	26,000	11.6250
12/22/94	28,900	11.8750
12/22/94	132,700	12.0000

Item 7. Material to be Filed as Exhibits.

No change except for the addition of the following:

Exhibit 3            Press release issued by Valhi on  
December 27, 1994

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: December 28, 1994

By: /s/ Harold C. Simmons  
Harold C. Simmons,  
Signing in the capacities  
listed on Schedule "A" attached  
hereto and incorporated herein  
by reference.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: December 28, 1994

By: /s/ J. Landis Martin  
J. Landis Martin,  
Signing in the capacities listed  
on Schedule "A" attached hereto  
and incorporated herein  
by reference.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: December 28, 1994

By: /s/ William C. Timm  
William C. Timm  
Signing in the capacities listed  
on Schedule "A" attached hereto  
and incorporated herein by  
reference.

SCHEDULE A

Harold C. Simmons, individually, and as Trustee of  
THE COMBINED MASTER RETIREMENT TRUST.

William C. Timm as Vice President - Finance of each of:

CONTRAN CORPORATION  
DIXIE RICE AGRICULTURAL CORPORATION, INC.  
DIXIE HOLDING COMPANY  
NOA, INC.  
NATIONAL CITY LINES, INC.  
SOUTHWEST LOUISIANA LAND COMPANY, INC.

VALHI GROUP, INC.  
VALHI, INC.

J. Landis Martin, as Chairman of the Board, Chief Executive Officer and  
President of:

TREMONT CORPORATION

Joseph S. Compofelice  
 Executive Vice President  
 (713) 423-3303  
 (214) 450-4259

PRESS RELEASE

VALHI DISTRIBUTES TREMONT INTEREST

Dallas, Texas . . . December 27, 1994 . . . Valhi, Inc. (NYSE:VHI) announced today that its Board of Directors has declared a special dividend on its common stock of all of its approximately 48.1% ownership of Tremont Corporation (NYSE:TRE), consisting of 3,537,166 shares of Tremont common stock. The dividend will be payable on February 3, 1995 to Valhi stockholders of record at the close of business on January 6, 1995. Based on current outstanding shares, Valhi stockholders will receive in a taxable distribution approximately .03 of a share of Tremont common stock for each share of Valhi common stock held as of the record date, with cash paid in lieu of fractional shares.

Tremont, headquartered in Denver, Colorado, is a leading U.S. integrated producer of titanium metal products and holds approximately 17.8% of NL Industries, Inc. (NYSE:NL). Tremont's common stock had a closing price on December 23, 1994 of \$11.75 per share.

Valhi previously announced its intention to acquire additional shares of the common stock of NL that, when combined with Valhi's existing holdings, would result in Valhi directly holding in excess of 50% of NL. As of December 23, 1994, Valhi held 50.9% of NL, which will allow Valhi to consolidate NL's financial results, rather than only reporting its equity in NL's net earnings and losses. Harold C. Simmons, Chairman of the Board and Chief Executive Officer of Valhi, stated that "We believe that NL is in the early stages of a cyclical recovery of its titanium dioxide pigments (TiO2) business as evidenced in 1994 by improvement in industry-wide capacity utilization, price increases realized in 1994 and recent price increase announcements effective in early 1995. NL management has stated that it expects NL to be profitable in 1995 and to use improvements in cash-flow to reduce its indebtedness. As NL's operating environment improves, the value of Valhi's investment in NL should be enhanced accordingly. The profitability of Valhi's wholly-owned refined sugar, forest products and other businesses has been overshadowed by losses at NL for the last few years."

Valhi believes that the distribution of Tremont, along with the consolidation of NL, will result in a more understandable presentation of Valhi's financial results and, after the distribution, will allow Valhi stockholders to independently make their own investment decisions with respect to their Valhi shares and the Tremont shares they receive as a result of the distribution. Contran and certain of its subsidiaries currently hold approximately 90% of Valhi and therefore will receive approximately 90% of the Tremont shares currently held by Valhi.

Selected pro forma financial information reflecting the effect of Valhi's consolidation of NL and its distribution of Tremont is summarized below.

Nine Months Ended 9/30/94

Before Distribution of Tremont and Consolidation of NL ----- (Historical)	After Distribution of Tremont and Consolidation of NL ----- (Pro forma)
---------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------

(In millions, except per share data)

Net sales	\$632.3	\$1,296.5
Operating income	73.3	132.9
Income from continuing operations	6.9	1.7

Income from continuing operations per share	\$ .06	\$ .01
---------------------------------------------	--------	--------

Balance Sheet  
(at September 30, 1994)

Total assets	\$785.6	\$2,356.6
Long-term debt	308.5	1,099.5
Stockholders' equity	215.9	199.2

Valhi, Inc., headquartered in Dallas, Texas, is engaged in the chemicals, refined sugar, forest products, fast food and hardware products industries.