SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

December 27, 1994

(Date of Report, date of earliest event reported)

VALHI, INC.
(Exact name of Registrant as specified in its charter)

Delaware	1-5467	87-0110150
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, TX	75240-2697
(Address of principal executive offices)	(Zip Code)

(214) 233-1700
(Registrant's telephone number, including area code)

Not applicable
(Former name or address, if changed since last report)

Item 2: Acquisition or Disposition of Assets.

- On December 27, 1994, the Board of Directors of Valhi, Inc. declared a special dividend on its common stock of all of its approximately 48.1% ownership of Tremont Corporation. The special dividend, consisting of 3,537,166 shares of Tremont common stock, is payable February 3, 1995 to Valhi stockholders of record at the close of business on January 6, 1995. Based upon current outstanding shares, Valhi stockholders will receive, in a taxable distribution, approximately .03 (three one-hundreds) 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.

The common stock of Tremont Corporation (Commission File No. 1-10126) is traded on the New York and Pacific Stock Exchanges under the symbol "TRE" and had a closing price on December 23, 1994 of $11.75 per share.

- During the fourth quarter of 1994 (through December 23, 1994), Valhi purchased an additional 1,038,900 shares of the common stock of NL Industries, Inc. (Commission File No. 1-640) in the open market for an aggregate of $12.4 million. The NL shares acquired increased Valhi's direct ownership of NL from approximately 48.9% at September 30, 1994 to approximately 50.9%. As a result of increasing its ownership of NL to more than 50% as of December 13, 1994, Valhi will cease to report its interest in NL by the equity method and will fully consolidate NL's financial position as of December 31, 1994 and will fully consolidate NL's results of operations and cash flows beginning in 1995.

  The source of funds to make the purchases was Valhi's cash on hand, and no funds were borrowed for this purpose.

Item 7: Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial statements of business acquired:

- Annual financial statements - Consolidated financial statements of NL, with independent auditors report thereon, pages F-1 through F-38 inclusive of NL's Annual Report on Form 10-K for the year ended December 31, 1993 (Commission File No. 1-640) are incorporated herein by reference to Exhibit 99.1 of Valhi's Annual Report on Form 10-K for the year ended December 31, 1993.

- Interim financial statements - Unaudited consolidated financial statements of NL are incorporated herein by reference to pages 3 through 13 inclusive of NL's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 (Commission File No. 1-640).

(b) Pro forma financial information:

Pro forma condensed consolidated financial statements of Valhi which present the pro forma effect of the transactions described in Item 2 above (distribution of Tremont stock and consolidation of NL), assuming such transactions had occurred as of the dates set forth in the accompanying notes, are included herein as Exhibit 99.2.

(c) Exhibits

Item No.	Exhibit Index
99.1	Press Release of the Registrant dated December 27, 1994.
99.2	Pro forma financial information of the Registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VALHI, INC.
(Registrant)

By: /s/ Steven L. Watson
Steven L. Watson
Vice President & Secretary

Date: December 27, 1994

EXHIBIT 99.1

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 (Ti02) 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)	

Results of Operations		
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.

Exhibit 99.2

VALHI, INC. AND SUBSIDIARIES

INDEX TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These pro forma condensed consolidated financial statements should be read in conjunction with the respective historical consolidated financial statements of Valhi, Inc. and NL Industries, Inc. The pro forma condensed consolidated financial statements are not necessarily indicative of Valhi's consolidated financial position or results of continuing operations as they may be in the future.

VALHI, INC. AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

September 30, 1994
(Unaudited)

(In millions)

ASSETS	Valhi Historical	Pro forma adjustment (I)	NL Historical	Pro forma adjustment (II)	Pro forma
Current assets:					
Cash and cash equivalents	$21.4	$ -	$194.1	($12.4)(a)	$203.1

Marketable securities	23.7	-	25.5	-	49.2
Accounts and notes receivable	97.0	-	160.5	-	257.5
Receivable from affiliates	10.3	-	-	-	10.3
Inventories	94.5	-	167.8	1.0 (c)	263.3
Other	5.6	-	13.2	-	18.8
	252.5	-	561.1	(11.4)	802.2
Other assets:					
Marketable securities	110.8	-	20.5	(3.9)(c)	127.4
Investment in joint ventures	-	-	188.4	-	188.4
Natural resource properties	53.1	-	-	9.2 (b)	
				20.3 (c)	82.6
Deferred income taxes	33.8	(6.0)	-	(27.8)(d)	-
Goodwill	5.4	-	-	242.7 (c)	248.1
Other assets	31.5	-	58.5	-	90.0
Investment in affiliates:					
NL Industries, Inc.	50.4	-	-	12.4 (a)	
				(62.8)(c)	-
Tremont Corporation	5.7	(5.7)	-	-	-
	290.7	(11.7)	267.4	190.1	736.5
Property and equipment, net	242.4	-	409.1	(9.2)(b)	
				175.6 (c)	817.9
	$785.6	($11.7)	$1,237.6	$345.1	$2,356.6

VALHI, INC. AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

September 30, 1994
(Unaudited)

(In millions)

LIABILITIES AND STOCKHOLDERS' EQUITY	Valhi Historical	Pro forma adjustment (I)	NL Historical	Pro forma adjustment (II)	Pro forma
Current liabilities:					
Notes payable & current long-term debt	$66.8	$ -	$43.3	$ -	$110.1
Accounts payable & accrued liabilities	160.3	-	192.5	-	352.8
Payable to affiliates	0.1	5.0	10.6	-	15.7
Income taxes	3.6		9.6	0.4 (c)	13.6
	230.8	5.0	256.0	0.4	492.2
Noncurrent liabilities:					
Long-term debt	308.5	-	791.0	-	1,099.5
Deferred income taxes	3.0	-	204.6	77.3 (c)	
				(27.8)(d)	257.1
Accrued pension cost	0.1	-	79.5	-	79.6
Accrued OPEB cost	18.3	-	65.9	-	84.2
Accrued environmental costs	-	-	83.4	-	83.4
Other	9.0	-	49.5	-	58.5
	338.9	-	1,273.9	49.5	1,662.3
Minority interest in NL subsidiaries	-	-	2.9	-	2.9
Stockholders' equity:					

Common stock and paid-in capital	34.5		767.6	(767.6)(c)	34.5
Retained earnings	222.9	(18.6)	(569.5)	569.5 (c)	204.3
Treasury stock	(71.2)	-	(366.6)	366.6 (c)	(71.2)
Adjustments:					
Currency translation	(11.6)	1.4	(122.7)	122.7 (c)	(10.2)
Marketable securities	42.8	0.1	(0.5)	0.5 (c)	42.9
Pension liabilities	(1.5)	0.4	(3.5)	3.5 (c)	(1.1)
	215.9	(16.7)	(295.2)	295.2	199.2
	$785.6	($11.7)	$1,237.6	$345.1	$2,356.6

See accompanying notes to pro forma condensed consolidated balance sheet.

VALHI, INC. AND SUBSIDIARIES

NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited)

Note 1 - Basis of presentation:

The Pro Forma Condensed Consolidated Balance Sheet assumes the following transactions (more fully described in Item 2 of this Current Report on Form 8-K) occurred on September 30, 1994:

I- Valhi distributed its holdings of Tremont common stock (3.5 million shares) pro rata to Valhi stockholders (the "Distribution"). Prior to the Distribution, Valhi accounted for Tremont by the equity method and, accordingly, the Distribution is accounted for as a "spin-off" (recorded at book value, net of tax). The Distribution is currently taxable to Valhi for federal income tax purposes based upon the aggregate fair market value of the Tremont stock distributed.

II- Valhi increased its interest in NL Industries from approximately 48.9% to approximately 50.9% through the purchase of an additional 1,038,900 shares of NL common stock (for approximately $12.4 million) and commenced accounting for NL as a consolidated subsidiary at that date (step acquisition accounted for by the purchase method).

Note 2 - Pro forma adjustments:

I - Reflect the Distribution of Tremont common stock as a "spin-off", net of tax.

	Amount (In millions)
Taxable value of Tremont stock distributed, based upon the September 30, 1994 market price of $10.50 per share	$37.1
Valhi's net carrying value of Tremont stock	5.7
	$31.4
Income tax on above at the U.S. federal statutory rate of 35%	$11.0
The charge to Valhi's equity to reflect the Distribution consists of:	
Net carrying value of Tremont stock	$5.7

Related income taxes:	
Currently payable	5.0
Deferred - reversal of amounts previously provided	6.0
	$16.7

II- (a) Cost of 1,038,900 shares of NL common stock purchased in market transactions at an average price of $11.93 per share, including fees and commissions.

(b) Reclassification of certain NL historical amounts to conform to Valhi's presentation.

(c) Consolidation entries.

	Amount (In millions)
Valhi's investment in NL:	
Actual at September 30, 1994	$50.4
Pro forma purchase of additional NL common shares	12.4
	62.8
NL's separately-reported stockholders' deficit	295.2
Valhi's net purchase accounting basis differences	358.0
Less previously allocated net basis differences existing at September 30, 1994. Such purchase accounting differences were allocated among NL's net assets (principally property and equipment) at the various dates of acquisition based upon relative fair values at such dates and include $79.4 million of goodwill	194.7
Additional purchase accounting basis differences created by the acquisition of additional NL shares and the consolidation of NL (step acquisition accounted for by the purchase method) - deemed to be goodwill to be amortized by the straight-line method over the remaining life (approximately 31 years) of the $79.4 million of previously-allocated goodwill attributable to NL	$163.3

No minority interest attributable to NL's separately-reported stockholders' deficit can be recognized in consolidation, which results in Valhi recording approximately $145 million of amortizable goodwill in excess of the $18 million directly attributable to Valhi's pro-rata increase in ownership of NL.

(d) Reclassification.

VALHI, INC. AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

Nine months ended September 30, 1994
(Unaudited)

(In millions, except per share data)

	Valhi Historical	Pro forma adjustment (I)	NL Historical	Pro forma adjustment (II)	Pro forma
Revenues and other income:					
Net sales	$632.3	$ -	$664.2	$ -	$1,296.5
Other, net	6.7	-	36.5	-	43.2
	639.0	-	700.7	-	1,339.7
Costs and expenses:					
Cost of goods sold	481.4	-	493.9	9.1 (a)	984.4
Selling, general and administrative	91.0	-	157.4	3.2 (a) 3.7 (b)	255.3
Interest	26.0	-	63.1	-	89.1
	598.4	-	714.4	16.0	1,328.8
Income of consolidated companies before income taxes	40.6	-	(13.7)	(16.0)	10.9
Equity in losses of affiliates	(30.5)	7.0	-	23.5 (a)	-
Income before income taxes and minority interest	10.1	7.0	(13.7)	7.5	10.9
Provision for income taxes	3.2	2.4	12.2	(3.9)(a) (5.3)(c)	8.6
Minority interest in NL subsidiaries	-	-	0.6	-	0.6
Income from continuing operations	$6.9	$4.6	($26.5)	$16.7	$1.7
Income from continuing operations per share	$0.06				$0.01
Weighted average common shares outstanding	114.3				114.3

See accompanying notes to pro forma condensed consolidated statements of operations.

VALHI, INC. AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

Year ended December 31, 1993
(Unaudited)

(In millions, except per share data)

	Valhi Historical	Pro forma adjustment (I)	NL Historical	Pro forma adjustment (II)	Pro forma
Revenues and other income:					
Net sales	$781.2	$ -	$805.3	$ -	$1,586.5
Other, net	12.8	-	22.1	-	34.9
	794.0	-	827.4	-	1,621.4
Costs and expenses:					
Cost of goods sold	593.0	-	612.4	12.2 (a)	1,217.6
Selling, general and administrative	113.1	-	185.7	4.9 (a) 4.9 (b)	308.6
Impairment charge	-	-	-	84.0 (d)	84.0
Interest	38.6	-	99.1	-	137.7
	744.7	-	897.2	106.0	1,747.9
Income of consolidated companies before income taxes	49.3	-	(69.8)	(106.0)	(126.5)
Equity in losses of affiliates:					
Equity in losses	(59.8)	7.4	-	52.4 (a)	-
Provision for market value impairment	(84.0)	-	-	84.0 (d)	-
	(143.8)	7.4	-	136.4	-
Loss before income taxes and minority interest	(94.5)	7.4	(69.8)	30.4	(126.5)
Provision for income taxes (benefit)	(30.4)	2.6	12.7	(12.4)(a) (14.1)(c)	(41.6)
Minority interest in NL subsidiaries	-	-	0.7	-	0.7
Loss from continuing operations	($64.1)	$4.8	($83.2)	$56.9	($85.6)
Loss from continuing operations per share	($0.56)				($0.75)
Weighted average common shares outstanding	114.1				114.1

See accompanying notes to pro forma condensed consolidated statements of operations.

VALHI, INC. AND SUBSIDIARIES

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

Note 1 - Basis of presentation:

The Pro Forma Condensed Consolidated Statements of Operations assume the Distribution of Tremont common stock and the consolidation of NL occurred at the beginning of the year ended December 31, 1993:

Note 2 - Pro forma adjustments:

I - Eliminate Valhi's equity in Tremont's titanium metals operations, net of related deferred income tax benefit. In future filings, such historical amounts will be reported by Valhi as discontinued operations.

II- (a) Consolidating entry to eliminate the historical equity in losses of NL and allocate the historical amortization of existing purchase accounting basis differences (principally depreciation of property and equipment, related deferred income taxes and amortization of goodwill) attributable to NL.

(b) Amortization of new goodwill, arising from the step-acquisition purchase of additional NL shares resulting in the consolidation of NL, by the straight-line method over 31 years as more fully described in Note 2 (II)(c) to the Pro Forma Condensed Consolidated Balance Sheet.

NL separately reported a stockholders' deficit in 1993 and 1994 and, accordingly, no minority interest attributable to NL's separately-reported losses can be recognized in consolidation.

(c) NL is not a member of Valhi's consolidated income tax group and, accordingly, incremental deferred income tax benefits attributable to increased equity in net losses of NL is provided at the U.S. federal statutory rate of 35%.

(d) Reclassification.