

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Valhi, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

87-0110150
(I.R.S. Employer
Identification Number)

Three Lincoln Centre
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240-2697
(972) 233-1700
(Address, including zip code, and
telephone number, including area code,
of principal executive offices)

Valhi, Inc. 2012 Director Stock Plan

(Full title of the plan)

A. Andrew R. Louis
Vice President, Secretary and Associate General Counsel
Valhi, Inc.

Three Lincoln Centre
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240-2697
(972) 233-1700
(972) 448-1445 (facsimile)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share (2)(3)	Proposed Maximum Aggregate Offering Price (2)(3)	Amount of Registration Fee (3)
Common stock, par value \$0.01 per share	200,000	\$15.262	\$3,052,400	\$349.81

- (1) Pursuant to Rule 416, additional shares of the registrant's common stock, par value \$0.01 per share, issuable pursuant to the terms of the plan in order to prevent dilution resulting from any future stock split, stock dividend or similar transaction are also being registered hereunder.
- (2) Estimated solely for the purpose of calculating the registration fee.
- (3) Calculated pursuant to Rule 457(c) and (h). Accordingly, the price per share of the common stock offered hereunder pursuant to the plan is based on 200,000 shares of common stock reserved for issuance under the plan at a price per share of \$15.262, which is the average of the highest and lowest selling price per share of common stock on the New York Stock Exchange on May 29, 2012. The result is rounded to the nearest penny.



PART I
INFORMATION REQUIRED IN SECTION 10(a) PROSPECTUS

The documents containing the information specified in Part I of this Registration Statement on Form S-8 will be sent or given to plan participants as specified in Rule 428(b)(1) promulgated by the U.S. Securities and Exchange under the Securities Act of 1933, as amended. Such documents are not required to be filed with the SEC but constitute (along with the documents incorporated by reference in this registration statement pursuant to Item 3 of Part II of this registration statement) a prospectus that meets the requirements of Section 10(a) of the Securities Act.

The following references in this registration statement shall have the following meanings:

“2012 Director Stock Plan” or “2012 plan” shall mean the Valhi, Inc. 2012 Director Stock Plan;

“Securities Exchange Act” or “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended;

“SEC” shall mean the U.S. Securities and Exchange Commission;

“Securities Act” shall mean the Securities Act of 1933, as amended; and

“us,” “our,” or “we,” shall mean the registrant, Valhi, Inc., a Delaware corporation.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The SEC allows us to “incorporate by reference” information into this registration statement, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this registration statement, and subsequent information that we file with the SEC will automatically update this registration statement. We incorporate by reference into this registration statement the documents listed below:

- (a) our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which contains our audited financial statements for the year ended December 31, 2011, that we filed with the SEC on March 7, 2012;
- (b) our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012;
- (c) our Definitive Proxy Statement on Schedule 14A that we with filed the SEC on April 10, 2012;
- (d) our Definitive Information Statement on Schedule 14C that we with filed the SEC on April 10, 2012;
- (e) our Current Reports on Form 8-K that we filed with the SEC on March 16, May 9, May 10 and May 31, 2012; and
- (f) the description of our capital stock contained in Item 4 of this current report, including any amendments or supplements to the description.

In addition, all documents filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act, subsequent to the date of this registration statement and prior to the filing of a post-effective amendment to this registration statement that indicates all securities offered have been granted or that deregisters all remaining securities that have not been granted, shall be deemed to be incorporated by reference into this registration statement and to be a part of this registration statement from the date of the filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this registration statement shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained in this registration statement (or in any other subsequently filed document that also is incorporated or deemed to be incorporated by reference into this registration statement), modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. Description of Securities.

Even though our common stock is already registered under Section 12 of the Securities Exchange Act, we are providing a current description of our capital stock.

Description of Common Stock

Common Stock Outstanding. As of May 31, 2012, there were 339,116,449 shares of our common stock issued and outstanding. The outstanding shares of our common stock are duly authorized, validly issued, fully paid and nonassessable. NL Industries, Inc., NL Environmental Management Services, Inc. and Kronos Worldwide, Inc. are subsidiaries of ours and directly hold 10,814,370, 3,558,600 and 1,724,916 shares of our common stock, respectively. Since NL Industries, Inc., NL Environmental Management Services, Inc. and Kronos Worldwide, Inc. are subsidiaries of ours and pursuant to Delaware law, we treat the shares of our common stock that each of them own as treasury stock for voting purposes. For the purposes of the disclosure in this registration statement, such shares are not deemed outstanding.

Voting Rights. Each holder of our common stock is entitled to one vote for each share of our common stock held of record on the applicable record date on all matters submitted to a vote of our stockholders.

Dividend Rights. Holders of our common stock are entitled to receive such dividends as may be declared from time to time by our board of directors out of funds legally available for dividends, subject to any preferential dividend rights granted to the holders of any outstanding shares of preferred stock.

Rights upon Liquidation. Holders of our common stock are entitled to share pro rata, upon our liquidation, dissolution or winding up, in all remaining assets available for distribution to stockholders after payment of or provision for our liabilities and the liquidation preference of any outstanding preferred stock of ours at that time.

No Preemptive Rights. Holders of our common stock have no preemptive rights to purchase, subscribe for or otherwise acquire any unissued or treasury shares of our common stock or any of our other securities.

Description of Preferred Stock

Preferred Stock Outstanding. As of May 31, 2012, we have designated and issued 5,000 shares of 6% Series A preferred stock, par value \$0.01 per share. Each share of Series A preferred stock:

- entitles its holder to:
 - upon our liquidation, dissolution or winding up of our affairs, to be paid a liquidation preference of \$133,466.75 per share of Series A preferred stock, which is referred to as the liquidation preference, plus an amount equal to any declared and unpaid dividends (and only to the extent declared and unpaid) for the full or partial dividend period in which the liquidation, dissolution or winding up occurs, before any distribution of assets is made to holders of our common stock;
 - receive, only when and as authorized and declared by our board of directors, cash dividends at the annual rate of 6% of the per share liquidation preference, which dividends are payable quarterly in arrears and do not accrue or accumulate under any circumstances;

 - does not entitle its holder to:
 - a preferential dividend right that is senior to our common stock;
 - except in limited circumstances, any voting rights; and
 - redemption or conversion rights or maturity date or protections provided by a sinking fund.
-

This description of our 6% Series A preferred stock is qualified in its entirety the actual terms of our amended and restated certificate of designations, rights and preferences of 6% Series A preferred stock, the terms of which are incorporated by reference to our Current Report on Form 8-K we filed with the SEC on March 30, 2007 (File No. 1-5467).

Blank Check Preferred Stock. Under our restated certificate of incorporation, our board of directors has the authority, without stockholder approval, to create one or more classes or series within a class of preferred stock, to issue shares of preferred stock in such class or series up to the maximum number of shares of the relevant class or series of preferred stock authorized, and to determine the preferences, rights, privileges and restrictions of any such class or series, including the dividend rights, voting rights, the rights and terms of redemption, the rights and terms of conversion, liquidation preferences, the number of shares constituting any such class or series and the designation of such class or series. Acting under this authority, our board of directors could create and issue a class or series of preferred stock with rights, privileges or restrictions, and adopt a stockholder rights plan, having the effect of discriminating against an existing or prospective holder of securities as a result of such stockholder beneficially owning or commencing a tender offer for a substantial amount of our common stock. One of the effects of authorized but unissued and unreserved shares of preferred stock may be to issue shares of preferred stock with rights superior to our common stock. Another of the effects of authorized but unissued and unreserved shares of capital stock may be to render more difficult or discourage an attempt by a potential acquirer to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management. The issuance of such shares of capital stock may have the effect of delaying, deferring or preventing a change in control of us without any further action by our stockholders. However, since we are a majority owned subsidiary of Valhi Holding Company, it would be difficult for an unrelated party to obtain control of us without the cooperation of our controlling stockholder. We have no present intention to adopt a stockholder rights plan, but could do so without stockholder approval at any future time.

Item 6. Indemnification of Directors and Officers.

Delaware General Corporation Law, our restated certificate of incorporation and amended and restated bylaws contain provisions relating to the limitation of liability and indemnification of our directors and officers.

Our certificate of incorporation provides that our directors are not personally liable to us or our stockholders for monetary damages for breach of their fiduciary duties as directors, except for such liability as is expressly not subject to limitation under Delaware corporate law, as the same exists or may be amended to further limit or eliminate such liability. Existing Delaware law permits the elimination or limitation of directors' personal liability to us or our stockholders for monetary damages for breach of their fiduciary duties as directors, except liability for:

- any breach of a director's duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law;
- any transaction from which a director derived improper personal benefit;
- the unlawful payment of dividends; and
- unlawful stock repurchases or redemptions.

Because of these exculpation provisions, stockholders may be unable to recover monetary damages against directors for actions taken by them that constitute negligence or that otherwise violate their fiduciary duties as directors, although it may be possible to obtain injunctive or other equitable relief with respect to such actions. If equitable remedies are not available to stockholders, stockholders may not have an effective remedy against a director in connection with the director's conduct.

Our restated certificate of incorporation provides as follows:

- we must, to the fullest extent permitted by law, indemnify any and all of our officers and directors;
 - we may, to the fullest extent permitted by law or to such lesser extent as is determined in the discretion of the board of directors, indemnify all other persons; and
 - we may advance expenses to all persons to whom we have the power to indemnify.
-

Our amended and restated bylaws provide as follows:

- we must indemnify our directors and officers to the fullest extent permitted under Delaware law;
- we must advance reasonable expenses (including attorneys' fees) of a director or officer for an indemnifiable claim upon receipt of a written undertaking by or on behalf of the director or officer to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by us as authorized in our bylaws;
- if we receive a claim for indemnification of expenses of an indemnifiable claim and do not pay the claim within 30 days of its receipt, the claimant may bring suit to recover the unpaid amount and, if successful in whole or in part, the claimant will also be entitled to be paid the expenses of prosecuting such claim; and
- we may grant rights of indemnification and advancement of expenses to any person who is not at the time our current director or officer.

Additionally, we have in effect director and officer liability insurance.

Item 8. Exhibits.

The following documents are filed as a part of this registration statement.

Exhibit	Description of Exhibit
4.1	Restated Certificate of Incorporation as of the registrant — incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on May 10, 2012 (File No. 1-5467).
4.2	Amended and Restated Certificate of Designations, Rights and Preferences of 6% Series A Preferred Stock of the registrant — incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed with the SEC on March 30, 2007 (File No. 1-5467).
4.3	Amended and Restated Bylaws of the registrant (amended and restated as of November 6, 2007) — incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed with the SEC on November 6, 2007 (File No.1-5467).
4.4*	Form of the registrant's stock certificate for common stock, par value \$0.01 per share.
4.5*	Valhi, Inc. 2012 Director Stock Plan
5.1*	Opinion of A. Andrew R. Louis, Esq.
23.1*	Consent of A. Andrew R. Louis, Esq. (included in his opinion filed as Exhibit 5.1).
23.2*	Consent of PricewaterhouseCoopers LLP
24.1*	Power of Attorney (see the initial signature page of this registration statement).

* Filed with this registration statement.

Item 9. Undertakings.

A. The undersigned registrant hereby undertakes:

- (1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement;
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in this registration statement.

(2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Dallas, state of Texas, on May 31, 2012:

Valhi, Inc.

By: /s/ A. Andrew R. Louis
A. Andrew R. Louis
Vice President and Secretary

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Gregory M. Swalwell, Robert D. Graham and A. Andrew R. Louis, and each of them, his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits, thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Harold C. Simmons Harold C. Simmons</u>	Chairman of the Board	May 31, 2012
<u>/s/ Glenn R. Simmons Glenn R. Simmons</u>	Vice Chairman of the Board	May 31, 2012
<u>/s/ Steven L. Watson Steven L. Watson</u>	President and Chief Executive Officer (Principal Executive Officer)	May 31, 2012

/s/ Bobby D. O'Brien Vice President and Chief Financial Officer
Bobby D. O'Brien (Principal Financial Officer) May 31, 2012

/s/ Gregory M. Swalwell Vice President and Controller
Gregory M. Swalwell (Principal Accounting Officer) May 31, 2012

/s/ Thomas E. Barry Director May 31, 2012
Thomas E. Barry

/s/ Norman S. Edelcup Director May 31, 2012
Norman S. Edelcup

/s/ W. Hayden McIlroy Director May 31, 2012
W. Hayden McIlroy

Exhibit Index

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* Filed with this registration statement.

INCORPORATED
UNDER THE LAWS
OF THE STATE OF
DELAWARE

COMMON
STOCK
PAR VALUE \$.01

Number

Shares

[Engraved Picture of Globe and People]

THIS CERTIFICATE
IS TRANSFERABLE
IN CANTON, MA
AND NEW YORK,
NY

CUSIP 918905 10
0
SEE REVERSE
FOR CERTAIN
DEFINITIONS

Valhi, Inc.

This Certifies that

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF
Valhi, Inc. (hereinafter called the Corporation), transferable on the books of the Corporation by the holder hereof in person or by
duly authorized attorney upon surrender of this certificate properly endorsed. This certificate is not valid unless countersigned
by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers

[Facsimile Signature]	Chairman of the Board	[Valhi, Inc. Corporate Seal Delaware]	Dated
			COUNTERSIGNED AND REGISTERED
			COMPUTERSHARE TRUST COMPANY,
			N.A.
			TRANSFER
			AGENT
			AND REGISTRAR
[Facsimile Signature]	Secretary		BY: [Facsimile Signature]
			AUTHORIZED SIGNATURE

Valhi, Inc.

The Corporation will furnish to any stockholder upon request and without charge, a full statement (a) of the designation, relative rights, preferences and limitations of the shares of common stock and the shares of preferred stock of each series authorized to be issued, so far as the same have been determined and (b) of the authority of the board of directors to divide the shares of preferred stock into series and to determine and change the relative rights, preferences and limitations of any class or series.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws and regulations:

TEN COM	—	as tenants in common	UNIF GIFT MIN ACT	—	Custodian
TEN ENT	—	as tenants by the entireties			(Cust) (Minor)
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common			under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfers unto

PLEASE INSERT SOCIAL SECURITY OR

OTHER IDENTIFYING NUMBER OF

ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

Shares of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

Attorney to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises

Dated,

Signature of Registered Holder(s):

X

X

NOTICE: The signature(s) to this assignment must correspond with the name(s) of the registered owner(s) as it appears upon the face of this certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed By:

Bank or Member Firm of Major Stock Exchange

VALHI, INC.

2012 DIRECTOR STOCK PLAN

SECTION 1. Purpose. The purpose of this Plan is to advance the interests of Valhi and its stockholders by providing incentives to its directors to contribute to the strategic and long-term performance objectives and growth of Valhi.

SECTION 2. Definitions. The following terms shall have the meanings indicated:

- (A) “*Board*” shall mean the board of directors of Valhi.
- (B) “*Code*” shall mean the Internal Revenue Code of 1986, as it now exists or may be amended from time to time, and the rules and regulations promulgated thereunder, as they may exist or may be amended from time to time.
- (C) “*Committee*” shall mean a committee of the Board, if any, designated by the Board to administer this Plan that is comprised of not fewer than two directors and shall initially mean the management, development and compensation committee of the Board. The membership of the Committee or any successor committee (i) shall consist of “nonemployee directors” (as defined in Rule 16b-3) and meet any other applicable requirements so as to comply at all times with the applicable requirements of Rule 16b-3, (ii) shall consist of “outside directors” (as defined in Treasury Regulation §1.162-27(e)(3)(i) or any successor regulation) and meet any other applicable requirements so as to comply at all times with the applicable requirements of Section 162(m) and (iii) shall meet any applicable requirements of any stock exchange or other market quotation system on which Common Shares are listed or traded. References to the Committee hereunder shall include the Board where appropriate.
- (D) “*Company*” shall mean Valhi and any parent or privately held subsidiary of Valhi.
- (E) “*Common Shares*” shall mean shares of common stock, par value \$0.01 per share, of Valhi and stock of any other class into which such shares may thereafter be changed.
- (F) “*Effective Date*” shall mean May 31, 2012.
- (G) “*Exchange Act*” shall mean the Securities Exchange Act of 1934, as it now exists or may be amended from time to time, and the rules promulgated thereunder, as they may exist or may be amended from time to time.
- (H) “*Director*” shall mean a member of the board of directors of Valhi at such time.
- (I) “*Grant*” shall mean a grant of Common Shares to a Director under this Plan.
- (J) “*Plan*” shall mean this Valhi, Inc. 2012 Director Stock Plan, as it may be amended from time to time.
- (K) “*Rule 16b-3*” shall mean Rule 16b-3 promulgated by the U.S. Securities and Exchange Commission under the Exchange Act and any successor rule.
- (L) “*Section 162(m)*” shall mean §162(m) of the Code, any rules or regulations promulgated thereunder, as they may exist or may be amended from time to time, or any successor to such section.
- (M) “*Treasury Regulation*” shall mean a final, proposed or temporary regulation of the U.S. Department of Treasury under the Code and any successor regulation.

(N) “*Valhi*” shall mean Valhi, Inc., a Delaware corporation, and any of its privately held subsidiaries.

SECTION 3. Administration. Unless the Board shall designate itself, this Plan shall be administered by the Committee.

The Committee has all the powers vested in it by the terms of this Plan. Such powers shall include the exclusive authority to select the Directors to receive Grants under this Plan, and to determine the number of Common Shares granted, the time of the Grants to be made to each Director selected and the terms and conditions (if any) associated with the Grants. The Committee is authorized to interpret this Plan and to make any other determinations that it deems necessary or desirable for the administration of this Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Grant in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. Any decision of the Committee in the interpretation and administration of this Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. The Committee may act only by a majority of its members, *except* that the members thereof may authorize any one or more of their members or any officer of Valhi to execute and deliver documents or to take any other ministerial action on behalf of the Committee with respect to Grants.

No member of the Committee and no officer of the Company shall be liable for anything done or omitted to be done by him or her, by any other member of the Committee or by any officer of the Company in connection with the performance of duties under this Plan, *except* for his or her own willful misconduct or as expressly provided by statute. In addition to all other rights of indemnification and reimbursement to which a member of the Committee and an officer of the Company may be entitled, the Company shall indemnify and hold harmless each such member or officer who was or is a party or is threatened to be made a party to any threatened, pending or completed proceeding or suit in connection with the performance of duties under this Plan against expenses (including reasonable attorneys’ fees), judgments, fines, liabilities, losses and amounts paid in settlement actually and reasonably incurred by him or her in connection with such proceeding or suit, *except* for his or her own willful misconduct or as expressly provided otherwise by statute. Expenses (including reasonable attorneys’ fees) incurred by such a member or officer in defending any such proceeding or suit shall be paid by the Company in advance of the final disposition of such proceeding or suit upon receipt of a written affirmation by such member or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification and a written undertaking by or on behalf of such member or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Company as authorized in this Section.

SECTION 4. Grants of Common Shares under this Plan.

(A) *Maximum Number of Shares that May be Issued.* There may be issued under this Plan an aggregate of not more than 200,000 Common Shares, subject to adjustment as provided in **SECTION 5**. Common Shares issued pursuant to this Plan may be either authorized but unissued shares, treasury shares or any combination thereof. The number of Common Shares that may be issued to a Director under this Plan may not exceed 10,000 shares in any calendar year.

(B) *Conditions for Receipt of Grant.* Entitlement to a Grant shall be conditioned upon achieving specified Company performance goals for a given performance period based on the closing price per share on the New York Stock Exchange (or any other stock exchange or market quotation system on which Common Shares are listed or traded) for the period specified by the Committee. The Committee shall, from time to time, designate the performance goals, which shall be documented in writing, and, for any performance period, must be established no later than ninety (90) days after the commencement of such performance period.

(C) *Rights with Respect to Common Shares and Other Securities.* Except as provided in **SECTION 5**, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities, other property or other forms of consideration, or any combination thereof) for which the record date is prior to the date such stock certificate or other instrument of ownership, if any, is issued. In all events, a Director who receives a Grant shall have no rights as a stockholder with respect to such Common Shares represented by such Grant until the issuance to him or her of a stock certificate representing such shares.

SECTION 5. *Dilution and Other Adjustments.* In the event of any change in the outstanding Common Shares by reason of any stock split, stock dividend or other extraordinary or unusual event, if the Committee shall determine, in its discretion, that such change equitably requires an adjustment to the maximum number of Common Shares available for issuance (i) under this Plan or (ii) to any one Director under this Plan in any one calendar year, such adjustments may be made by the Committee and shall be final, conclusive and binding for all purposes of this Plan.

SECTION 6. *Miscellaneous Provisions.*

(A) No fractional shares may be delivered under a Grant, but in lieu thereof a cash or other adjustment shall be made as determined by the Committee in its discretion.

(B) Determinations made by the Committee under this Plan need not be uniform and may be made selectively among Directors, whether or not such Directors are similarly situated. Such determinations shall include the right to exercise discretion to reduce prior to its grant date the amount of a Grant made to any Director; *provided, however*, the exercise of discretion shall not have the effect of increasing any Grant that is payable to any Director.

(C) No Director or other person shall have any claim or right with respect to this Plan, the Common Shares reserved for issuance under this Plan or in any Grant, contingent or otherwise, until the Common Shares represented by such Grant shall have been delivered to the recipient and all the terms, conditions and provisions of this Plan and the Grant applicable to such recipient (and each person claiming under or through him or her) have been met.

(D) No Common Shares shall be issued hereunder with respect to any Grant unless counsel for Valhi shall be satisfied that such issuance will be in compliance with applicable law and any applicable rules of any stock exchange or other market quotation system on which Common Shares are listed or traded.

(E) It is the intent of Valhi that this Plan comply in all respects with Rule 16b-3 and Section 162(m) with respect to Grants, that any ambiguities or inconsistencies in construction of this Plan be interpreted to give effect to such intention and that if any provision of this Plan is found not to be in compliance with Rule 16b-3 or Section 162(m), such provision shall be deemed null and void with respect to Grants granted to executive officers of Valhi to the extent required to permit such Grants to comply with Rule 16b-3 and Section 162(m).

(F) The expenses of this Plan shall be borne by Valhi; *provided, however*, Valhi may recover from a Director or his or her heirs or assigns any and all damages, fees, expenses and costs incurred by Valhi arising out of any actions taken by a Director in breach of this Plan.

(G) By accepting any Grant or other benefit under this Plan, each Director and each person claiming under or through him or her shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, any action taken under this Plan by Valhi, the Board or the Committee.

(H) The appropriate officers of Valhi shall cause to be filed any reports, returns or other information regarding Grants hereunder of any Common Shares issued pursuant hereto as may be required by applicable law and any applicable rules of any stock exchange or other market quotation system on which Common Shares are listed or traded.

(i) The validity, construction, interpretation, administration and effect of this Plan, and of its rules and regulations, and rights relating to this Plan and to Grants under this Plan, shall be governed by the substantive laws, but not the choice of law rules, of the state of Delaware.

(j) Records of Valhi shall be conclusive for all purposes under this Plan or any Grant, unless determined by the Committee to be incorrect.

(k) If any provision of this Plan or any specific Grant is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Plan, the specific Grant or any other Grant, but such provision shall be fully severable, and this Plan, such specific Grant and any other Grant, as applicable, shall be construed and enforced as if the illegal or invalid provision had never been included in this Plan, the specific Grant or any other Grant, as applicable.

(l) The terms of this Plan shall govern all Grants under this Plan and in no event shall the Committee have the power to authorize a Grant under this Plan that is contrary to any of the provisions of this Plan.

SECTION 7. *Plan Amendment or Suspension.* This Plan may be amended or suspended in whole or in part at any time from time to time by the Board. No amendment of this Plan shall adversely affect in a material manner any right of any person with respect to any Grant previously granted without such person's written consent.

SECTION 8. *Plan Termination.* This Plan shall terminate upon the earlier of the following dates or events to occur:

- (A) upon the adoption of a resolution of the Board terminating this Plan; or
- (B) when no more Common Shares are authorized to be issued under this Plan.

No termination of this Plan shall materially alter or impair any of the rights or obligations of any person, without his or her consent, under any Grant previously granted under this Plan.

SECTION 9. *Effective Date.* This Plan shall be effective, and Grants awarded under this Plan, on or after the Effective Date.

ADOPTED BY THE BOARD:

FEBRUARY 23, 2012

APPROVED BY THE STOCKHOLDERS:

MAY 31, 2012

EFFECTIVE DATE:

MAY 31, 2012

EXECUTED to evidence this Valhi, Inc. 2012 Director Stock Plan adopted by the Board on February 23, 2012 and the stockholders of Valhi on May 31, 2012.

VALHI, INC.

By: /s/ A. Andrew R. Louis
A. Andrew R. Louis, Vice President and Secretary



Telephone: 972.233.1700

Valhi, Inc.
*Three Lincoln Centre
5430 LBJ Freeway
Suite 1700
Dallas, Texas 75240-2697*

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A. Andrew R. Louis, Esq.
*Vice President, Secretary and
Associate General Counsel
(972) 450-4243*

May 31, 2012

The Board of Directors of Valhi, Inc.
Three Lincoln Centre
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240-2697

Re: *Registration Statement on Form S-8 Relating to 200,000 Shares of Common Stock of Valhi, Inc. Available for Issuance under the Valhi, Inc. 2012 Director Stock Plan*

Ladies and Gentlemen:

I have acted as associate general counsel for Valhi, Inc., a Delaware corporation (the “*Company*”), in connection with the preparation of the Company’s Registration Statement on Form S-8 (the “*Registration Statement*”) to be filed with the U.S. Securities and Exchange Commission on May 31, 2012 under the Securities Act of 1933, as amended (the “*Securities Act*”), relating to the Company’s 200,000 shares (the “*Shares*”) of common stock, par value \$0.01 per share (the “*Common Stock*”), available for issuance under the Valhi, Inc. 2012 Director Stock Plan (the “*Plan*”).

A. Basis of Opinions

As the basis for the opinions expressed in this letter, I have examined and considered originals, or copies certified or otherwise identified to my satisfaction, of such documents, corporate records, and instruments as I have deemed necessary or appropriate for the expression of such opinions, including, without limitation, the following:

- (1) the Company’s restated certificate of incorporation (restated as of March 10, 1987) and amended and restated bylaws (amended and restated as of November 6, 2007), both as amended to date;
- (2) the minutes and records of the corporate proceedings of the Company with respect to the establishment of the Plan and related matters; and
- (3) the Plan.

B. Opinions

Based upon the foregoing, having regard for such legal considerations as I have deemed relevant, and subject to the comments, assumptions, limitations, qualifications and exceptions set forth in Section C, I hold the opinions set forth below:



- (1) The issuance of the Shares has been duly authorized; and
- (2) The Shares, when issued, will be validly issued, fully paid and nonassessable.

C. Comments, Assumptions, Limitations, Qualifications and Exceptions

The opinions expressed in Section B above are based upon and subject to the further comments, assumptions, limitations, qualifications and exceptions as set forth below.

- (1) Other than documents that I personally prepared or executed, I have assumed, without investigation, the genuineness of all signatures and the authenticity of all documents submitted to me as originals, the conformity to authentic originals of all documents submitted to me as copies and the veracity of all such documents.
 - (2) I have assumed that (a) grants of shares of Common Stock under the Plan (“*Grants*”), which Grants are yet to be granted, will be duly granted in accordance with the terms of the Plan; (b) the Shares will be duly issued in accordance with the terms of the Plan; (c) the Company maintains an adequate number of authorized but unissued shares and/or treasury shares of Common Stock available for issuance to those directors of the Company who receive Grants; and (d) the consideration actually received by the Company (or the increase in the Company’s capital on the books of the Company, if applicable) for each issued Share is equal to or exceeds the par value thereof.
 - (3) The law covered by the opinions expressed in this letter is limited to the federal law of the United States, the Delaware General Corporation Law, as amended, and the law of the state of Texas.
 - (4) I am the vice president, secretary and associate general counsel of the Company and I am an employee of Contran Corporation, a Delaware corporation and an indirect parent corporation of the Company.
 - (5) Except as set forth in subsection C.6 below, the opinions set forth herein are expressed solely for your benefit, and no other party shall be entitled to rely on my opinions without my prior express written consent. Except as set forth in subsection C.6 below or without my prior express written consent, this opinion letter may not be quoted in whole or in part or otherwise referred to in any document or report and may not be furnished to any person or entity.
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- (6) I consent to the filing of this letter as an exhibit to the Registration Statement and to reference to my opinions included in or made a part of the Registration Statement. In giving this consent, I do not admit that I m an “expert” within the meaning of Section 11 of the Securities Act or within the category of persons whose consent is required by Section 7 of the Securities Act or the rules and regulations promulgated thereunder.

Sincerely,

/s/ A. Andrew R. Louis
A. Andrew R. Louis

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 7, 2012 relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting which appears in Valhi, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011.

PricewaterhouseCoopers LLP

Dallas, Texas
May 31, 2012