

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 10, 2003

NL INDUSTRIES, INC.  
(Exact name of registrant as specified in charter)

New Jersey  
(State or other  
jurisdiction of  
incorporation)

1-640  
(Commission File No.)

13-5267260  
(Employer ID No.)

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

Registrant's telephone number, including area code  
(972) 233-1700

(Former name or former address, if changed since last report)

Item 9. Regulation FD Disclosure.

Item 12. Results of Operations and Financial Condition.

The registrant hereby furnishes the information set forth in the press release issued on November 10, 2003, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information, including the exhibit, the registrant furnishes in this report is not deemed "filed" for purposes of section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Registration statements or other documents filed with the Securities and Exchange Commission shall not incorporate this information by reference, except as otherwise expressly stated in such filing.

SIGNATURE

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 thereunto duly authorized.

NL INDUSTRIES, INC.  
(Registrant)

By: /s/ Gregory M. Swalwell  
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Gregory M. Swalwell  
Vice President, Finance



NL Industries, Inc.  
Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, TX 75240-2697

Contact: Gregory M. Swalwell  
Vice President, Finance  
(972) 233-1700

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News Release  
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FOR IMMEDIATE RELEASE  
NL REPORTS THIRD QUARTER RESULTS

DALLAS, TEXAS -November 10, 2003 -- NL Industries, Inc. (NYSE:NL) today reported net income for the third quarter of 2003 of \$16.6 million, or \$.35 per diluted share, compared with income of \$8.8 million, or \$.18 per diluted share, in the third quarter of 2002. For the first nine months of 2003, NL reported net income of \$54.9 million, or \$1.15 per diluted share, compared with net income of \$29.2 million, or \$.60 per diluted share, in the first nine months of 2002.

The Company's titanium dioxide pigments ("TiO2") segment profit (formerly referred to as "operating income") in the third quarter of 2003 was \$35.4 million compared with \$29.6 million in the third quarter of 2002. The 20% increase in segment profit was primarily due to higher average selling prices, partially offset by lower sales volumes. Segment profit in the first nine months of 2003 increased 38% to \$105.2 million compared with \$76.4 million in the first nine months of 2002 primarily due to higher average selling prices and higher production volumes, partially offset by higher operating costs, particularly energy costs.

The Company's average selling prices in billing currencies (which excludes the effects of fluctuations in the value of the U.S. dollar relative to other currencies) during the third quarter of 2003 were 2% higher than the third quarter of 2002, with the greatest improvement being realized in the European and export markets, and were 5% higher in the first nine months of 2003 compared to the same period in 2002. Expressed in U.S. dollars computed using actual foreign currency exchange rates prevailing during the respective periods, the Company's average selling prices in the third quarter of 2003 were 10% higher than the third quarter of 2002, and were 15% higher in the first nine months of 2003 compared with the first nine months of 2002.

The Company's third quarter 2003 sales volumes decreased 6% from the third quarter of 2002, with substantially all of the decrease in the export markets. Volumes were 1% lower in the first nine months of 2003 compared to the first nine months of 2002. The Company's third quarter 2003 production volumes were 1% higher than the third quarter of 2002, and were 6% higher in the first nine months of 2003 compared to the same period in 2002, with operating rates at near full capacity in all periods presented. Inventories at September 30, 2003 are below two months average sales.

Securities gains (losses), net in the first nine months of 2003 included the previously-reported first quarter \$2.3 million noncash securities transaction gain (\$1.5 million, or \$.03 per diluted share, net of income taxes) related to the exchange of the Company's holdings of Tremont Corporation common stock for shares of Valhi, Inc. common stock as a result of a series of merger transactions completed in February 2003. Interest income in 2003 was lower than the same periods of 2002 due to lower average levels of funds available for investment.

The gain on disposal of fixed assets in 2003 related primarily to the disposal of certain real property not associated with the Company's TiO2 operations, and aggregated \$5.5 million, or \$.12 per diluted share, net of income taxes in the year-to-date period (\$4.8 million, or \$.10 per diluted share, for the third quarter of 2003). The legal settlement gains in both 2002 and 2003 relate to legal settlements with certain of the Company's former insurance carriers, which aggregated \$1.5 million, or \$.03 per diluted share, net of income taxes in the 2002 year-to-date period. The previously-reported \$6.3 million foreign currency transaction gain in 2002, which aggregated \$.13 per diluted share, related to the second quarter extinguishment of certain intercompany indebtedness. Due to the utilization of certain income tax attributes not previously recognized, no income taxes were recognized on this foreign currency transaction gain in 2002. The noncompete agreement income related to a covenant not to compete involving a formerly owned business unit which became fully amortized in January 2003.

Corporate expense for the first nine months of 2003 increased compared to the comparable 2002 period primarily due to higher environmental remediation expense accruals (principally related to one formerly owned site for which the remediation process is expected to occur over the next several years) and higher legal expenses.

Interest expense in the third quarter and first nine months of 2003 increased \$.7 million and \$2.5 million, respectively, from the comparable 2002 periods primarily due to higher levels of outstanding debt and associated currency effects, partially offset by lower interest rates. As previously reported, interest expense in the first nine months of 2002 includes a second quarter \$2.0 million charge (\$1.3 million, or \$.03 per diluted share, net of income tax benefit) related to the early extinguishment of the Company's 11.75% Senior

The Company's income tax benefit in the first nine months of 2003 includes the previously-reported \$24.6 million cash income tax benefit (\$.51 per diluted share) related to the favorable German court ruling concerning the Company's claim for refund suit. The Company currently expects to receive approximately \$15 million of additional German income tax refunds over the next four to nine months, a portion of which may result in the recognition of additional income tax benefits.

In an effort to provide investors with additional information regarding the Company's results as determined by accounting principles generally accepted in the United States of America ("GAAP"), the Company has disclosed certain non-GAAP information which the Company believes provides useful information to investors:

- o The Company discloses percentage changes in its average TiO2 selling prices in billing currencies, which excludes the effects of foreign currency translation. The Company believes disclosure of such percentage changes allows investors to analyze such changes without the impact of changes in foreign currency exchange rates, thereby facilitating period-to-period comparisons of relative changes in average selling prices in the actual various billing currencies. Generally, when the U.S. dollar either strengthens or weakens against other currencies, the percentage change in average selling prices in billing currencies will be higher or lower, respectively, than such percentage changes would be using actual exchange rates prevailing during the respective periods.
- o The Company discloses segment profit (formerly referred to as "operating income"). Segment profit is used by the Company's management to assess the performance of the Company's TiO2 operations. The Company believes disclosure of segment profit provides useful information to investors because it allows investors to analyze the performance of the Company's TiO2 operations in the same way that the Company's management assesses performance. The Company defines segment profit as income before income taxes, minority interest, interest expense and certain general corporate items. Corporate items excluded from the determination of segment profit include corporate expense, interest income not attributable to the Company's TiO2 operations, litigation settlement gains, securities gains (losses), gains on the disposal of long-lived assets outside the ordinary course of business or long-lived assets not associated with the Company's TiO2 operations and noncompete agreement income

NL Industries, Inc. is a major international producer of titanium dioxide pigments.

The statements in this release relating to matters that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. Forward-looking statements can be identified by the use of words such as "believes," "intends," "may," "will," "should," "could," "anticipates," "expects," or comparable terminology or by discussions of strategy or trends. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurances that these expectations will prove to be correct. Such statements by their nature involve risks and uncertainties, including, but not limited to, the cyclical nature of the titanium dioxide industry, global economic and political conditions, changes in global productive capacity, changes in customer inventory levels, changes in product pricing, changes in product costing, changes in foreign currency exchange rates, competitive technology positions, operating interruptions (including, but not limited to, labor disputes, leaks, fires, explosions, unscheduled downtime, transportation interruptions, war and terrorist activities), the ultimate resolution of pending or possible future lead pigment litigation and legislative developments related to the lead pigment litigation, the outcome of other litigation and tax controversies, and other risks and uncertainties detailed in the Company's Securities and Exchange Commission filings. Should one or more of these risks materialize (or the consequences of such a development worsen), or should the underlying assumptions prove incorrect, actual results could differ materially from those forecasted or expected. The Company disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

NL INDUSTRIES, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (In millions, except per share and metric ton data)  
 (Unaudited)

Three months ended September 30,		Nine months ended September 30,	
2003	2002	2003	2002

Net sales	\$	242.9	\$	234.1	\$	762.5	\$	663.3
Cost of sales		177.4		177.5		563.5		510.0
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Gross margin		65.5		56.6		199.0		153.3
Selling, general and administrative expense		29.8		28.5		90.1		78.2
Other operating income (expense):								
Currency transaction gains (losses), net		(.4)		.7		(4.3)		(.8)
Disposition of property and equipment		7.2		(.2)		8.3		.5
Noncompete agreement income		-		1.0		.3		3.0
Legal settlement gains		-		-		.7		2.3
Other income		.1		.3		.4		.5
Corporate expense		(9.7)		(10.6)		(48.2)		(28.2)
Other expense		-		-		(.1)		(.1)
-----								
Income from operations		32.9		19.3		66.0		52.3
Other income (expense):								
Securities gains (losses), net		(.1)		-		2.4		(.1)
Trade interest income		.2		.7		.6		1.3
Other interest income		.8		1.8		2.6		4.4
Foreign currency transaction gain		-		-		-		6.3
Interest expense		(8.3)		(7.6)		(24.7)		(22.2)
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Income before income taxes and minority interest		25.5		14.2		46.9		42.0
Income tax expense (benefit)		8.9		4.7		(8.2)		11.7
Minority interest		-		.7		.2		1.1
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Net income	\$	16.6	\$	8.8	\$	54.9	\$	29.2
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Basic and diluted net income per share	\$	.35	\$	.18	\$	1.15	\$	.60
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Weighted average shares used in the calculation of earnings per share:								
Basic shares		47.7		48.6		47.7		48.8
Dilutive impact of stock options		.1		.1		.1		.1
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Diluted shares		47.8		48.7		47.8		48.9
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Other Data - metric tons in thousands:								
Sales volume		110.9		117.4		350.3		352.4
Production volume		117.5		116.0		354.2		334.9

NL INDUSTRIES, INC.

RECONCILIATION OF SEGMENT PROFIT TO  
INCOME FROM OPERATIONS  
(In millions)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,					
	2003	2002	2003	2002				
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Segment profit	\$	35.4	\$	29.6	\$	105.2	\$	76.4
Adjustments:								
Trade interest income		(.2)		(.7)		(.6)		(1.3)
Gain on disposal of fixed assets		7.4		-		8.5		-
Legal settlement gains		-		-		.7		2.3
Noncompete agreement income		-		1.0		.3		3.0
Other income		-		-		.1		.1
Corporate expense		(9.7)		(10.6)		(48.2)		(28.2)
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Income from operations	\$	32.9	\$	19.3	\$	66.0	\$	52.3
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RECONCILIATION OF PERCENT CHANGE IN  
 AVERAGE SELLING PRICES  
 (Unaudited)

	Percent change- Three months ended September 30, 2003 vs. 2002	Percent change- Nine months ended September 30, 2003 vs. 2002
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Percent change in average selling prices:		
Using actual foreign currency exchange rates	+10%	+15%
Impact of changes in foreign currency exchange rates	- 8%	- 10%
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In billing currencies	+ 2%	+ 5%
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