

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K / A-1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 - For the fiscal year ended December 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number 1-640

NL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

New Jersey

13-5267260

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

16825 Northchase Drive, Suite 1200, Houston, Texas

77060-2544

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(281) 423-3300

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|--|--|
| ----- Common stock (\$.125 par value) | ----- New York Stock Exchange Pacific Exchange |

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of the registrant at March 16, 2000 approximated \$167 million.

There were 50,629,740 shares of common stock outstanding at March 16, 2000.

Documents incorporated by reference:

The information required by Part III is incorporated by reference from the Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

The undersigned Registrant hereby amends the following items, financial statements, exhibits or other portions of its Annual Report on Form 10-K for the year ended December 31, 1999 as set forth below and in the pages attached hereto:

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES,
AND REPORTS ON FORM 8-K.

Exhibit No. 99.1, Annual Report of NL Industries, Inc.
Retirement Savings Plan on Form 11-K for the year ended December
31, 1999 (filed as an amendment to the Registrant's Annual
Report on Form 10-K for the year ended December 31, 1999).

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

NL INDUSTRIES, INC.

(Registrant)

Dated: June 27, 2000

By: /s/ Robert D. Hardy

Robert D. Hardy
Vice President and Controller

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

|X| Annual report pursuant to Section 15(d) of the Securities Exchange
Act of 1934 - for the year ended December 31, 1999

or

|_| Transition report pursuant to Section 15(d) of the Securities
Exchange Act of 1934 - for the transition period from to

Commission file number 1-640

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

NL INDUSTRIES, INC.
16825 Northchase Drive, Suite 1200
Houston, Texas 77060-2544

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

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| Signature Page | 2 |
| Financial Statements and Supplemental Schedules with Report of Independent Accountants | F-1 to F-15 |
| Exhibit I - Consent of Independent Accountants | |

Pursuant to the requirements of the Securities Act of 1934, the Administrator has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

By: NL INDUSTRIES, INC.
PENSION AND EMPLOYEE
BENEFITS COMMITTEE,
Administrator of
NL Industries, Inc.
Retirement Savings Plan

By: /s/ Robert D. Hardy
Robert D. Hardy
Chairman, Pension and
Employee Benefits Committee

June 27, 2000

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NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS, FUND INFORMATION AND SUPPLEMENTAL SCHEDULES
WITH REPORT OF INDEPENDENT ACCOUNTANTS

December 31, 1999

NL INDUSTRIES INC.
RETIREMENT SAVINGS PLAN

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at End of Year - December 31, 1999

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Schedule of Reportable Transactions -
Year ended December 31, 1999

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All other schedules are omitted because they are not applicable or not required.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Pension and Employee Benefits Committee of
NL Industries, Inc.:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the NL Industries, Inc. Retirement Savings Plan (the "Plan") at December 31, 1998 and 1999, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed on the accompanying index, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for benefits of each fund. These supplemental schedules and fund information are the responsibility of the Plan's management. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Houston, Texas
June 8, 2000

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NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 1998 and 1999

| | 1998 | 1999 |
|---|--------------|--------------|
| | ----- | ----- |
| ASSETS | | |
| Investments at fair value: | | |
| Common stock | \$ 2,347,862 | \$ 2,429,229 |
| Other securities | 23,406,941 | 23,331,334 |
| Employer contributions receivable | 598,532 | 307,458 |
| Cash | -- | 36,427 |
| | ----- | ----- |
| Net assets available for benefits | \$26,353,335 | \$26,104,448 |
| | ===== | ===== |

See accompanying notes to financial statements.

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NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION

Year ended December 31, 1998

| | Fund Information | | | |
|---|-----------------------------|-------------------------|-------------------------------------|-------------------|
| | MFS Emerging Growth Fund | Templeton World Fund | AIM International Equity Fund | AIM Value Fund |
| | ----- | ----- | ----- | ----- |
| Additions: | | | | |
| Investment income: | | | | |
| Net appreciation (depreciation) in the fair value of investments | \$ 354,126 | \$ (85,801) | \$ 46,443 | \$ 420,196 |
| Dividend income: | | | | |
| NL Industries, Inc. | -- | -- | -- | -- |
| Halliburton Company | -- | -- | -- | -- |
| Dresser Industries | -- | -- | -- | -- |
| Tremont Corporation | -- | -- | -- | -- |
| Other | 11,692 | 132,397 | 5,780 | 62,572 |
| Interest income | -- | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Total investment income | 365,818 | 46,596 | 52,223 | 482,768 |
| | ----- | ----- | ----- | ----- |
| Contributions: | | | | |
| Participants | 65,968 | 29,445 | 40,487 | 78,531 |
| Employer | 45,032 | 24,465 | 19,677 | 59,013 |
| | ----- | ----- | ----- | ----- |
| Total contributions | 111,000 | 53,910 | 60,164 | 137,544 |
| | ----- | ----- | ----- | ----- |
| Total additions | 476,818 | 100,506 | 112,387 | 620,312 |
| Deductions - distributions | 46,915 | 8,701 | 29,944 | 129,760 |
| Net interfund transfers | (59,634) | (957,929) | (34,577) | (1,125,860) |
| | ----- | ----- | ----- | ----- |
| Net increase (decrease) | 370,269 | (866,124) | 47,866 | (635,308) |
| Assets transferred to another plan | (923,408) | (278,015) | (183,021) | (727,621) |
| Net assets available for benefits: | | | | |
| Beginning of year | 1,876,572 | 1,783,781 | 422,276 | 2,449,561 |
| | ----- | ----- | ----- | ----- |
| End of year | \$ 1,323,433 | \$ 639,642 | \$ 287,121 | \$ 1,086,632 |
| | ===== | ===== | ===== | ===== |

Fund Information

| | MFS Government Securities Fund | ML Equity Index Trust | ML Global Allocation Fund, Inc. |
|--|-----------------------------------|--------------------------|---------------------------------------|
| Additions: | | | |
| Investment income: | | | |
| Net appreciation (depreciation) in the fair value of investments | \$ 7,294 | \$ 333,231 | \$ (11,565) |
| Dividend income: | | | |
| NL Industries, Inc. | -- | -- | -- |
| Halliburton Company | -- | -- | -- |
| Dresser Industries | -- | -- | -- |
| Tremont Corporation | -- | -- | -- |
| Other | 21,304 | -- | 28,954 |
| Interest income | -- | -- | -- |
| Total investment income | 28,598 | 333,231 | 17,389 |
| Contributions: | | | |
| Participants | 13,359 | 38,208 | 22,453 |
| Employer | 12,398 | 36,780 | 18,762 |
| Total contributions | 25,757 | 74,988 | 41,215 |
| Total additions | 54,355 | 408,219 | 58,604 |
| Deductions - distributions | 3,206 | 46,079 | 21,963 |
| Net interfund transfers | (64,127) | (142,787) | (173,518) |
| Net increase (decrease) | (12,978) | 219,353 | (136,877) |
| Assets transferred to another plan | (138,924) | (1,291,724) | (225,360) |
| Net assets available for benefits: | | | |
| Beginning of year | 435,437 | 1,571,231 | 630,476 |
| End of year | \$ 283,535 | \$ 498,860 | \$ 268,239 |

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NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1998 (Continued)

Fund Information (Continued)

| | ML Federal Securities Trust | ML Capital Fund, Inc. | ML Basic Value Fund | ML Retirement Preservation Trust | Mercury Global Holdings, Inc. |
|--|-----------------------------------|-----------------------------|---------------------------|--|-------------------------------------|
| Additions: | | | | | |
| Investment income: | | | | | |
| Net appreciation (depreciation) in the fair value of investments ... | \$ 1,923 | \$ 188,576 | \$ 316,966 | \$ -- | \$ 45,144 |
| Dividend income: | | | | | |
| NL Industries, Inc. | -- | -- | -- | -- | -- |
| Halliburton Company | -- | -- | -- | -- | -- |
| Dresser Industries | -- | -- | -- | -- | -- |
| Tremont Corporation | -- | -- | -- | -- | -- |

| | | | | | |
|--|------------|--------------|--------------|---------------|------------|
| Other | 29,733 | 176,522 | 229,209 | -- | 41,011 |
| Interest income | -- | -- | -- | 1,002,946 | -- |
| Total investment income | 31,656 | 365,098 | 546,175 | 1,002,946 | 86,155 |
| Contributions: | | | | | |
| Participants | 25,955 | 87,075 | 133,404 | 100,027 | -- |
| Employer | 29,422 | 71,739 | 136,427 | 99,794 | -- |
| Total contributions | 55,377 | 158,814 | 269,831 | 199,821 | -- |
| Total additions | 87,033 | 523,912 | 816,006 | 1,202,767 | 86,155 |
| Deductions - distributions | 7,325 | 343,832 | 234,611 | 3,836,816 | 46,539 |
| Net interfund transfers | (47,098) | (401,387) | 341,380 | 4,321,992 | (148,928) |
| Net increase (decrease) | 32,610 | (221,307) | 922,775 | 1,687,943 | (109,312) |
| Assets transferred to another plan ... | (167,043) | (2,295,582) | (2,519,905) | (8,251,803) | (173,185) |
| Net assets available for benefits: | | | | | |
| Beginning of year | 604,321 | 5,507,309 | 4,787,468 | 19,196,152 | 572,551 |
| End of year | \$ 469,888 | \$ 2,990,420 | \$ 3,190,338 | \$ 12,632,292 | \$ 290,054 |

Fund Information (Continued)

Common Stock Funds

| | NL | Halliburton/ Tremont | Cash Fund | Total |
|---|--------------|-------------------------|--------------|---------------|
| Investment income: | | | | |
| Net appreciation (depreciation) in the fair value of investments ... | \$ 672,669 | \$ (146,054) | \$ -- | \$ 2,143,148 |
| Dividend income: | | | | |
| NL Industries, Inc. | 13,803 | -- | -- | 13,803 |
| Halliburton Company | -- | 1,239 | -- | 1,239 |
| Dresser Industries | -- | 6,057 | -- | 6,057 |
| Tremont Corporation | -- | 453 | -- | 453 |
| Other | -- | -- | -- | 739,174 |
| Interest income | -- | -- | (8,895) | 994,051 |
| Total investment income | 686,472 | (138,305) | (8,895) | 3,897,925 |
| Contributions: | | | | |
| Participants | 74,125 | -- | (44,594) | 664,443 |
| Employer | 45,020 | -- | 1,370 | 599,899 |
| Total contributions | 119,145 | -- | (43,224) | 1,264,342 |
| Total additions | 805,617 | (138,305) | (52,119) | 5,162,267 |
| Deductions - distributions | 35,384 | 5,434 | 15,554 | 4,812,063 |
| Net interfund transfers | (1,373,683) | (133,844) | -- | -- |
| Net increase (decrease) | (603,450) | (277,583) | (67,673) | 350,204 |
| Assets transferred to another plan ... | (409,376) | -- | -- | (17,584,967) |
| Net assets available for benefits: | | | | |
| Beginning of year | 3,041,977 | 641,313 | 67,673 | 43,588,098 |
| End of year | \$ 2,029,151 | \$ 363,730 | \$ -- | \$ 26,353,335 |

NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR
BENEFITS WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1999

| | Fund Information | | | |
|---|-----------------------------|-------------------------|-------------------------------------|-------------------|
| | MFS Emerging Growth Fund | Templeton World Fund | AIM International Equity Fund | AIM Value Fund |
| Additions: | | | | |
| Investment income: | | | | |
| Net appreciation (depreciation) in the fair value of investments ... | \$ 518,333 | \$ 118,136 | \$ 142,437 | \$ 288,492 |
| Dividend income: | | | | |
| NL Industries, Inc. | -- | -- | -- | -- |
| Halliburton Company | -- | -- | -- | -- |
| Tremont Corporation | -- | -- | -- | -- |
| Other | 7,352 | 56,641 | 14,768 | 124,316 |
| Interest income | -- | -- | -- | -- |
| Total investment income | 525,685 | 174,777 | 157,205 | 412,808 |
| Contributions: | | | | |
| Participants | 74,441 | 28,241 | 20,758 | 85,351 |
| Employer | 37,774 | 20,306 | 17,214 | 40,660 |
| Total contributions | 112,215 | 48,547 | 37,972 | 126,011 |
| Total additions | 637,900 | 223,324 | 195,177 | 538,819 |
| Deductions - distributions | 81,362 | 50,707 | 23,543 | 98,892 |
| Net interfund transfers | (267,567) | (3,145) | 20,048 | 470,320 |
| Net increase (decrease) | 288,971 | 169,472 | 191,682 | 910,247 |
| Net assets available for benefits: | | | | |
| Beginning of year | 1,323,433 | 639,642 | 287,121 | 1,086,632 |
| End of year | \$ 1,612,404 | \$ 809,114 | \$ 478,803 | \$ 1,996,879 |

| | MFS Government Securities Fund | ML Equity Index Trust | ML Global Allocation Fund, Inc. |
|---|-----------------------------------|--------------------------|---------------------------------------|
| Additions: | | | |
| Investment income: | | | |
| Net appreciation (depreciation) in the fair value of investments ... | \$ (24,919) | \$ 114,469 | \$ 24,805 |
| Dividend income: | | | |
| NL Industries, Inc. | -- | -- | -- |
| Halliburton Company | -- | -- | -- |
| Tremont Corporation | -- | -- | -- |
| Other | 16,991 | -- | 40,600 |
| Interest income | -- | -- | -- |

| | | | |
|------------------------------------|------------|------------|------------|
| Total investment income | (7,928) | 114,469 | 65,405 |
| Contributions: | | | |
| Participants | 8,304 | 60,162 | 15,788 |
| Employer | 3,455 | 33,690 | 5,181 |
| Total contributions | 11,759 | 93,852 | 20,969 |
| Total additions | 3,831 | 208,321 | 86,374 |
| Deductions - distributions | 29,000 | 85,815 | 72,139 |
| Net interfund transfers | (19,420) | 79,097 | 9,574 |
| Net increase (decrease) | (44,589) | 201,603 | 23,809 |
| Net assets available for benefits: | | | |
| Beginning of year | 283,535 | 498,860 | 268,239 |
| End of year | \$ 238,946 | \$ 700,463 | \$ 292,048 |

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NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1999 (Continued)

| | Fund Information (Continued) | | | | |
|---|-----------------------------------|-----------------------------|---------------------------|--|--|
| | ML Federal Securities Trust | ML Capital Fund, Inc. | ML Basic Value Fund | ML Retirement Preservation Trust | Mercury Global Holdings, Inc. |
| Additions: | | | | | |
| Investment income: | | | | | |
| Net appreciation (depreciation) in the fair value of investments ... | \$ (20,367) | \$ (183,315) | \$ 12,462 | \$ -- | \$ 31,467 |
| Dividend income: | | | | | |
| NL Industries, Inc. | -- | -- | -- | -- | -- |
| Halliburton Company | -- | -- | -- | -- | -- |
| Tremont Corporation | -- | -- | -- | -- | -- |
| Other | 21,110 | 309,531 | 328,016 | -- | 99,114 |
| Interest income | -- | -- | -- | 699,089 | -- |
| Total investment income | 743 | 126,216 | 340,478 | 699,089 | 130,581 |
| Contributions: | | | | | |
| Participants | 26,749 | 59,046 | 135,093 | 78,060 | -- |
| Employer | 10,816 | 20,089 | 61,242 | 42,939 | -- |
| Total contributions | 37,565 | 79,135 | 196,335 | 120,999 | -- |
| Total additions | 38,308 | 205,351 | 536,813 | 820,088 | 130,581 |
| Deductions - distributions | 216,318 | 228,954 | 190,792 | 3,024,555 | 11,475 |
| Net interfund transfers | (57,983) | (264,869) | (388,612) | 579,246 | (3,777) |
| Net increase (decrease) | (235,993) | (288,472) | (42,591) | (1,625,221) | 115,329 |

| | | | | | |
|------------------------------------|------------|--------------|--------------|---------------|------------|
| Net assets available for benefits: | | | | | |
| Beginning of year | 469,888 | 2,990,420 | 3,190,338 | 12,632,292 | 290,054 |
| | ----- | ----- | ----- | ----- | ----- |
| End of year | \$ 233,895 | \$ 2,701,948 | \$ 3,147,747 | \$ 11,007,071 | \$ 405,383 |
| | ===== | ===== | ===== | ===== | ===== |

Fund Information (Continued)

| | Common Stock Funds | | | |
|---|--------------------|-------------------------|--------------|---------------|
| | NL | Halliburton/ Tremont | Cash Fund | Total |
| | ----- | ----- | ----- | ----- |
| Additions: | | | | |
| Investment income: | | | | |
| Net appreciation (depreciation) in the fair value of investments ... | \$ 132,645 | \$ 75,437 | \$ -- | \$ 1,230,082 |
| Dividend income: | | | | |
| NL Industries, Inc. | 20,054 | -- | -- | 20,054 |
| Halliburton Company | -- | 4,027 | -- | 4,027 |
| Tremont Corporation | -- | 594 | -- | 594 |
| Other | -- | -- | -- | 1,018,439 |
| Interest income | -- | -- | -- | 699,089 |
| | ----- | ----- | ----- | ----- |
| Total investment income | 152,699 | 80,058 | -- | 2,972,285 |
| | ----- | ----- | ----- | ----- |
| Contributions: | | | | |
| Participants | 50,052 | -- | 35,374 | 677,419 |
| Employer | 14,092 | -- | -- | 307,458 |
| | ----- | ----- | ----- | ----- |
| Total contributions | 64,144 | -- | 35,374 | 984,877 |
| | ----- | ----- | ----- | ----- |
| Total additions | 216,843 | 80,058 | 35,374 | 3,957,162 |
| Deductions - distributions | 90,570 | 2,980 | (1,053) | 4,206,049 |
| Net interfund transfers | (38,612) | (114,300) | -- | -- |
| | ----- | ----- | ----- | ----- |
| Net increase (decrease) | 87,661 | (37,222) | 36,427 | (248,887) |
| Net assets available for benefits: | | | | |
| Beginning of year | 2,029,151 | 363,730 | -- | 26,353,335 |
| | ----- | ----- | ----- | ----- |
| End of year | \$ 2,116,812 | \$ 326,508 | \$ 36,427 | \$ 26,104,448 |
| | ===== | ===== | ===== | ===== |

See accompanying notes to financial statements.

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NL INDUSTRIES, INC.
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies:

The financial statements of the NL Industries, Inc. Retirement Savings Plan (the "Plan") have been prepared in accordance with accounting

principles generally accepted in the United States. The following is a summary of the significant accounting policies followed by the Plan.

Investments

Investments are recorded at fair value based upon the quoted market price reported on the last trading day of the period for those securities listed on a national securities exchange. Listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and ask prices. Short-term investments are stated at fair value.

Purchases and sales of investments are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. The Plan presents in the statements of changes in net assets available for plan benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Contributions

Contributions from employees are recorded in the period the employer makes payroll deductions from Plan participants. Employer contributions, if any, are accrued at the end of each year and are received in the subsequent year.

Investment income

Income from investments is recorded as earned on an accrual basis. Dividend income is recorded at the ex-dividend date.

Termination of Plan

Although it has not expressed any intent to do so, NL Industries, Inc. has the right under the Plan to discontinue contributions and to terminate the Plan at any time subject to penalties set forth in the Employee Retirement Income Security Act of 1974 ("ERISA"). In the event of such a discontinuance or termination of the Plan, the net assets of the Plan would be allocated to the Plan participants as prescribed by the Plan document, ERISA, and the Internal Revenue Code.

Management's Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements, the changes in net assets available for benefits during the reporting period and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Note 2 - Plan description:

The Plan's principal objective is to provide eligible employees of NL Industries, Inc. and its U.S. subsidiaries (the "Company") with a convenient way to save on a regular and long-term basis. The majority of the Company's U.S. employees are eligible to voluntarily participate in the Plan after six months of employment. At December 31, 1999, there were 74 active participants (participants currently employed by the Company) and 504 total participants. Active participants may make basic contributions of between 0% and 8% of their eligible compensation. Basic contributions may consist of a combination of

pre-tax and after-tax earnings. Generally, pre-tax contributions are excluded from the employee's taxable income until they are distributed. Eligible employees that have elected to make the maximum basic contribution of 8% may also make a supplemental pre-tax or after-tax contribution of between 1% and 4% of their eligible compensation.

In accordance with the Tax Reform Act of 1986, participants are limited in the amount of salary reduction contributions which they may make to the Plan under Section 402(g) of the Internal Revenue Code (\$10,000 annual maximum for 1999). Highly compensated participants may be required to adjust the amount of their contributions in order to permit the Plan to satisfy the

nondiscrimination requirements of Sections 401(k) and 401(m) of the Internal Revenue Code.

Employer contributions include funds that (i) match a portion of participants' contributions and (ii) represent an annual contribution of 3% of employees eligible earnings. The Company's level of matching contributions is determined annually and is based upon the attainment of certain operating income target levels approved by the Management, Development and Compensation Committee of the Board of Directors of the Company (the "MD&C Committee"). The Company match applies only to participants' basic contributions. The level of match approved by the MD&C Committee for 1998 and 1999 was 75% and 50%, respectively. Employees who are eligible to participate in the Plan receive an annual contribution to their investment account of 3% of their eligible compensation, subject to IRS limitations on eligible compensation, which for 1999 was \$160,000. The Company makes this annual contribution for each eligible employee regardless of whether the employee elects to otherwise participate in the Plan. Beginning in 2000, the Company intends to increase the employer contribution from 3% to 4%.

A participant with less than three years of service is 0% vested in employer contributions, 50% vested following three years of service, 75% vested following four years of service and fully vested in all employer contributions following five years of service. Employer contributions are fully vested upon death, retirement, or disability, as provided in the Plan.

Forfeitures of employer contributions may occur if a participant terminates employment prior to the full vesting period or if a participant or beneficiary, to whom a distribution is payable, cannot be located within five years of the date on which such distribution became payable. Forfeitures were \$18,015 in 1998 and \$20,067 in 1999. Amounts forfeited are used in the following order: (i) to restore the accounts of reemployed participants, (ii) to restore the accounts of participants or beneficiaries who apply for forfeited benefits, and (iii) to reduce employer contributions. The balance in the forfeiture account at December 31, 1999 was \$236,139. Substantially all of this balance is expected to be used to reduce future employer contributions.

The Plan was amended effective January 1, 2000 to provide participants with the opportunity to borrow cash from their vested savings balance. Participants will be able to borrow from their fund accounts a minimum of \$1,000 up to a maximum that is generally equal to the lesser of \$50,000 or 50 percent of their account balance, whichever is less. The loans will be collateralized by the balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates. Principal and interest will be repaid ratably through monthly payroll deductions.

The specialty chemical business of Rheox, Inc., a wholly owned subsidiary of the Company, was sold to Elementis plc in January 1998 and \$18 million of the Plan's assets were distributed to Elementis America Inc. Rheox Inc. Retirement Savings Plan, a retirement plan administered by Elementis plc.

Merrill Lynch Trust Company ("Merrill Lynch" or "ML") serves as trustee for the Plan.

Employees may elect to have their own contributions invested in one or more funds, whose investment objectives are as follows:

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| | Number of participants at December 31, | |
|--|--|------|
| | 1998 | 1999 |
| MFS Emerging Growth Fund - Class A Shares - managed with the objective of providing long-term growth of capital by investing primarily in common stocks of companies that are early in their life cycles or are major enterprises whose rates of earnings growth are expected to accelerate. | 62 | 65 |

| | | |
|---|-----|-----|
| Templeton World Fund - Class A Shares - managed with the objective of seeking long-term capital growth by investing in securities of companies or governments located throughout the world. The fund's portfolio is invested in securities of both U.S. and foreign issuers. | 44 | 47 |
| AIM International Equity Fund - Class A Shares - managed with the objective of seeking long-term return of capital by investing in a diversified portfolio of international equity securities. | 37 | 40 |
| AIM Value Fund - Class A Shares - managed with the objective of achieving long-term growth of capital by investing primarily in equity securities of large companies with strong earnings prospects that are undervalued relative to the equity market as a whole. | 58 | 72 |
| MFS Government Securities Fund - Class A Shares - managed with the objective of providing current income and preservation of principal by investing in Government Securities and by investing in obligations that are fully collateralized or otherwise fully secured by Government Securities. | 27 | 21 |
| Merrill Lynch Equity Index Trust - managed with the objective of approximating the total return of the Standard & Poor's 500 Composite Stock Index. This index is a means to measure the performance of a broad base of large U.S. corporations. | 46 | 55 |
| Merrill Lynch Global Allocation Fund, Inc. - Class A Shares - managed with the objective of seeking a high total investment return, consistent with the prudent risk, through a fully managed investment policy utilizing United States and foreign equity, debt and money market securities the combination of which will be varied from time to time both with respect to types of securities and markets in response to changing market and economic trends. | 38 | 35 |
| Merrill Lynch Federal Securities Trust - Class A Shares - managed with the objective of seeking a high current return through investments in U.S. government and government agency securities. | 72 | 40 |
| Merrill Lynch Capital Fund, Inc. - Class A Shares - managed with the objective of seeking the highest total investment return through a fully managed investment policy utilizing equity, debt (including money market) and convertible securities. | 98 | 94 |
| Merrill Lynch Basic Value Fund, Inc. - Class A Shares - managed with the objective of seeking capital appreciation and, secondarily, income by investing in securities, primarily equities, that fund management believes to be undervalued. | 94 | 92 |
| Merrill Lynch Retirement Preservation Trust - managed with the objective of providing preservation of capital, liquidity and current income at levels typically higher than those provided by money market funds. The trust invests primarily in a broadly diversified portfolio of Guaranteed Investment Contracts and in high-quality money market securities. | 300 | 174 |
| NL Stock Fund - invested in NL common stock. | 377 | 354 |

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In addition to the funds listed above, the Halliburton/Tremont Stock Fund holds investments in Halliburton for 44 participants and Tremont Corporation common stock for 32 participants. Investments in the Mercury Global Holdings Fund (formerly the Merrill Lynch Global Holdings Fund), with 17 participants, were frozen in 1996. Contributions or transfers into the Halliburton/Tremont Stock Fund and the Mercury Global Holdings Fund are no longer allowed.

Prior to the investment in securities of a type consistent with the objectives of any fund, cash may be temporarily invested in securities with maturities of less than one year issued or guaranteed by the U.S. government or any agency or instrumentality thereof or deposited in a bank savings account.

Interfund transfers may be made daily, except that only one transfer per participant per quarter may affect amounts in the NL Stock Fund. Only one transfer is permitted out of the Halliburton/Tremont Stock Fund which must be a transfer of the total value of the participant's account in that fund.

Distributions to employees may occur during active service or upon termination and under prescribed circumstances. Distributions may be in the form of lump sums, installments, annuities, or combinations thereof, or distributions of employer securities.

The Company bears the responsibility of all administrative expenses of the Plan.

Note 3 - Related party transactions:

The NL Stock Fund and the Halliburton/Tremont Stock Fund invest in the common stock of NL and Tremont, both of which entities are considered related parties. The activity of these securities for the years ended December 31, 1998 and 1999 was as follows:

| | Purchases ----- | Sales and distributions, at cost ----- | Realized gain (loss) ----- |
|-------------------------------|--------------------|---|----------------------------------|
| Year ended December 31, 1998: | | | |
| NL common stock | \$ 302,532 | \$1,155,944 | \$ 758,178 |
| Tremont common stock | 453 | 3,085 | 18,782 |
| Year ended December 31, 1999: | | | |
| NL common stock | \$ 158,787 | \$ 289,856 | \$ (117,013) |
| Tremont common stock | 594 | 541 | 544 |

Note 4 - Tax status:

The Plan, as amended, is designed to constitute a qualified trust under Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"); as such the Plan is exempt from federal income tax, and amounts contributed by the Company will not be taxed to the participant until the participant receives a distribution from the Plan.

The Plan has received a favorable determination as of March 1998, indicating it is a "Qualified Plan" under the requirements of Sections 401(a) and 401(k) of the Code and is qualified for favorable tax treatment. The Company intends to file an application with the Internal Revenue Service for a determination of the qualified status of the Plan under Section 401(a) of the code for all amendments made to the Plan since the last determination letter.

Note 5 - Investments:

The historical cost and fair value of each of the investments and the employer contributions receivable balances at December 31, 1998 and 1999 were as follows:

| Fund description ----- | December 31, | | | | | |
|---------------------------------|-----------------------------|---------------------|--|-----------------------------|---------------------|--|
| | 1998 | | | 1999 | | |
| | Historical cost ----- | Fair value ----- | Employer contributions receivable ----- | Historical cost ----- | Fair value ----- | Employer contributions receivable ----- |
| NL Stock Fund | \$ 1,915,419 | \$ 1,984,132 | \$ 45,019 | \$ 1,784,350 | \$ 2,102,721 | \$ 14,091 |
| Halliburton/Tremont Stock Fund: | | | | | | |

| | | | | | | |
|--|--------------|--------------|------------|--------------|--------------|------------|
| Halliburton common stock | 111,251 | 292,779 | -- | 83,352 | 294,938 | -- |
| Tremont common stock | 18,061 | 70,951 | -- | 18,113 | 31,570 | -- |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total common stock | 2,044,731 | 2,347,862 | 45,019 | 1,885,815 | 2,429,229 | 14,091 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| MFS Emerging Growth Fund - Class A Shares | 970,670 | 1,278,402 | 45,031 | 839,743 | 1,574,630 | 37,774 |
| Templeton World Fund - Class A Shares | 651,335 | 615,177 | 24,465 | 710,937 | 788,808 | 20,306 |
| AIM International Equity Fund - Class A Shares | 238,380 | 267,444 | 19,677 | 295,501 | 461,589 | 17,214 |
| AIM Value Fund - Class A Shares | 856,310 | 1,027,619 | 59,013 | 1,530,196 | 1,956,219 | 40,660 |
| MFS Government Securities Fund - Class A Shares | 259,186 | 271,136 | 12,399 | 243,810 | 235,490 | 3,456 |
| Merrill Lynch Equity Index Trust | 321,945 | 462,080 | 36,780 | 439,237 | 666,773 | 33,690 |
| Merrill Lynch Global Allocation Fund, Inc. - Class A Shares | 287,551 | 249,476 | 18,763 | 294,057 | 286,867 | 5,181 |
| Merrill Lynch Federal Securities Trust - Class A Shares | 435,316 | 440,463 | 29,425 | 230,397 | 223,078 | 10,817 |
| Merrill Lynch Capital Fund, Inc. - Class A Shares | 2,490,537 | 2,918,680 | 71,740 | 2,511,013 | 2,681,860 | 20,088 |
| Merrill Lynch Basic Value Fund, Inc. - Class A Shares | 2,396,955 | 3,053,911 | 136,427 | 2,605,534 | 3,086,505 | 61,242 |
| Merrill Lynch Retirement Preservation Trust | 12,532,499 | 12,532,499 | 99,793 | 10,964,132 | 10,964,132 | 42,939 |
| Mercury Global Holdings, Inc. - Class I Shares | 274,766 | 290,054 | -- | 360,422 | 405,383 | -- |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total other securities | 21,715,450 | 23,406,941 | 553,513 | 21,024,979 | 23,331,334 | 293,367 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | \$23,760,181 | \$25,754,803 | \$ 598,532 | \$22,910,794 | \$25,760,563 | \$ 307,458 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

Investments whose fair value exceeds five percent of net assets available for benefits were the NL Stock Fund, Merrill Lynch Capital Fund, Merrill Lynch Basic Value Fund, and Merrill Lynch Retirement Preservation Trust Fund at December 31, 1998 and 1999 and the MFS Emerging Growth Fund and the AIM Value Fund at December 31, 1999.

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Cash at December 31, 1999 of \$36,427 represents rollover contributions from participants which have not yet been allocated to individual funds. At June 8, 2000, the market value of the shares of NL, Halliburton and Tremont stock held at December 31, 1999 was \$2,399,450, \$341,659 and \$37,094, respectively.

The Plan's assets are invested principally in common stock of NL, Halliburton and Tremont, and with investment funds managed by (i) Merrill Lynch, ii) Massachusetts Financial Services ("MFS"), iii) AIM Advisors, Inc., and iv) Templeton Global Advisors Limited. At December 31, 1999, 71% of the Plan's investments were managed by Merrill Lynch.

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SUPPLEMENTAL SCHEDULES

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

December 31, 1999

Employer Identification No. 13-5267260

Plan No. 003

| | Cost | Fair value |
|--|--------------|--------------|
| | ----- | ----- |
| MFS Emerging Growth Fund - Class A shares | \$ 839,743 | \$ 1,574,630 |
| Templeton World Fund - Class A shares | 710,937 | 788,808 |
| AIM International Equity Fund - Class A shares | 295,501 | 461,589 |
| AIM Value Fund - Class A shares | 1,530,196 | 1,956,219 |
| MFS Government Securities Fund - Class A shares | 243,810 | 235,490 |
| * Merrill Lynch Equity Index Trust | 439,237 | 666,773 |
| * Merrill Lynch Global Allocation Fund, Inc.- Class A shares | 294,057 | 286,867 |
| * Merrill Lynch Federal Securities Trust - Class A shares | 230,397 | 223,078 |
| * Merrill Lynch Capital Fund, Inc. - Class A shares | 2,511,013 | 2,681,860 |
| * Merrill Lynch Basic Value Fund, Inc. - Class A shares | 2,605,534 | 3,086,505 |
| * Merrill Lynch Retirement Preservation Trust | 10,964,132 | 10,964,132 |
| * Mercury Global Holdings, Inc. - Class I shares (formerly Merrill Lynch Global Holdings) | 360,422 | 405,383 |
| * NL Stock Fund - common stock | 1,784,350 | 2,102,721 |
| Halliburton/Tremont Stock Fund - common stock: | | |
| Halliburton Company | 83,352 | 294,938 |
| * Tremont Corporation | 18,113 | 31,570 |
| | ----- | ----- |
| | \$22,910,794 | \$25,760,563 |
| | ===== | ===== |

Note: Cost is determined based on historical cost. Gains and losses on sales of investments are calculated based on average cost.

* Investment in a "Party-in-interest" entity, as defined by ERISA.

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NL INDUSTRIES, INC.
 RETIREMENT SAVINGS PLAN
 SCHEDULE OF REPORTABLE TRANSACTIONS
 Year ended December 31, 1999
 Employer Identification No. 13-5267260
 Plan No. 003

| Description of Asset | Number of Transactions | Purchase price | Selling price | Cost of asset | Fair value of asset on transaction date | Net gain |
|---|------------------------|----------------|---------------|---------------|---|----------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Merrill Lynch Retirement Preservation Trust: Purchases | 97 | \$2,030,303 | \$ -- | \$2,030,303 | \$2,030,303 | \$ -- |

| | | | | | | |
|---|----|---------|-----------|-----------|-----------|---------|
| Sales | 58 | -- | 3,598,571 | 3,598,571 | 3,598,571 | -- |
| Merrill Lynch Basic Value Fund Class A: | | | | | | |
| Purchases | 44 | 828,671 | -- | 828,671 | 828,671 | -- |
| Sales | 33 | -- | 789,896 | 601,449 | 789,896 | 188,447 |

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EXHIBIT I

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the:

- (i) Registration Statement No. 33-29287 on Form S-8 and related Prospectus with respect to the 1989 Long Term Performance Incentive Plan of NL Industries, Inc.; and
- (ii) Registration Statement No. 33-25913 on Form S-8 and related Prospectus with respect to the NL Industries, Inc. Retirement Savings Plan; and
- (iii) Registration Statement No. 33-48145 on Form S-8 and related Prospectus with respect to the NL Industries, Inc. 1992 Non-Employee Directors Stock Option Plan; and
- (iv) Registration Statement No. 333-65817 on Form S-8 and related Prospectus with respect to the NL Industries, Inc. 1998 Long-Term Incentive Plan.

of our report dated June 8, 2000 relating to the financial statements of the NL Industries, Inc. Retirement Savings Plan which appears in this Form 11-K.

PricewaterhouseCoopers LLP

Houston, Texas
June 27, 2000