

NL INDUSTRIES INC
Form 10-Q
August 06, 2007

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarter ended June 30, 2007
Commission file number 1-640**

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

New Jersey
**(State or other jurisdiction of
incorporation or organization)**

13-5267260
(IRS Employer Identification No.)

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

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

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 whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Number of shares of the Registrant's common stock outstanding on July 27, 2007: 48,592,034.

NL INDUSTRIES, INC. AND SUBSIDIARIES

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Items 2, 3 and 5 of Part II are omitted because there is no information to report

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	December 31, 2006	June 30, 2007 (unaudited)
Current assets:		
Cash and cash equivalents	\$ 52,742	\$ 40,582
Restricted cash and cash equivalents	7,356	5,430
Marketable securities	9,989	6,351
Accounts and other receivables, net	22,376	23,105
Inventories, net	21,733	25,526
Prepaid expenses and other	1,326	811
Deferred income taxes	5,543	5,269
Total current assets	121,065	107,074
Other assets:		
Marketable equity securities	122,344	148,506
Investment in Kronos Worldwide, Inc.	160,527	161,702
Pension asset	12,807	14,311
Goodwill	32,969	32,812
Intangibles and other, net	8,977	8,008
Total other assets	337,624	365,339
Property and equipment:		
Land	9,475	9,569
Buildings	30,751	31,537
Equipment	119,233	123,677
Construction in progress	2,559	8,302
	162,018	173,085
Less accumulated depreciation and amortization	91,363	99,705
Net property and equipment	70,655	73,380
Total assets	\$ 529,344	\$ 545,793

NL INDUSTRIES, INC. AND SUBSIDIARIES**CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)****(In thousands)**

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 2006	June 30, 2007 (unaudited)
Current liabilities:		
Accounts payable	\$ 8,944	\$ 9,314
Accrued liabilities	27,078	35,231
Accrued environmental costs	9,778	9,716
Income taxes	795	1,165
Total current liabilities	46,595	55,426
Noncurrent liabilities:		
Accrued environmental costs	40,935	38,309
Accrued postretirement benefit (OPEB) costs	11,672	11,166
Accrued pension costs	2,780	2,553