



VALHI, INC.
THREE LINCOLN CENTRE
5430 LBJ FREEWAY, SUITE 1700
DALLAS, TEXAS 75240-2697

December 31, 2010

Dear Stockholder:

During 2010, Valhi, Inc. (NYSE: VHI; CUSIP: 918905 10 0) declared and paid quarterly dividends on its common stock of \$0.10 per share in cash on each of March 31, June 30, September 30 and December 31, 2010.

Based on a 2010 forecast and preliminary calculation, Valhi has made a determination that for federal income tax purposes all of these 2010 quarterly cash dividends should be treated as *qualified dividends*.

This preliminary determination as to the treatment of the 2010 cash dividends is based on best estimates currently available but is subject to change when actual 2010 financial results are available. You should receive a Form 1099 reporting the appropriate tax treatment for these dividends.

YOU ARE URGED TO CONSULT WITH YOUR TAX ADVISOR AS TO YOUR SPECIFIC TAX TREATMENT OF THE DIVIDENDS.

Sincerely

VALHI, INC.