

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Valhi, Inc.		2 Issuer's employer identification number (EIN) 87-0110150	
3 Name of contact for additional information A. Andrew R. Louis	4 Telephone No. of contact 972-450-4243	5 Email address of contact alouis@valhi.net	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 5430 LBJ Freeway, Suite 1700		7 City, town, or post office, state, and Zip code of contact Dallas, TX 75240	
8 Date of action May 10, 2012		9 Classification and description 3-for-1 Stock Split	
10 CUSIP number 918905100	11 Serial number(s)	12 Ticker symbol VHI	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **On March 15, 2012, Valhi, Inc. announced that its board of directors approved a 3-for-1 split of its common stock to be effected in the form of a stock dividend. Holders of record of Valhi's common stock received, at the close of business on May 10, 2012, two additional shares for each share held as of the close of business on May 2, 2012.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **Stockholders who received additional shares of Valhi, Inc. common stock as a result of the 3-for-1 split will be required by Section 307 of the Internal Revenue Code to ratably allocate the tax basis of each pre-split share between such pre-split share and the two new shares received in the distribution on the pre-split share. Pursuant to Section 1223(4) of the Internal Revenue Code, the holding period of the new shares received as a result of the 3-for-1 split begins on the date when the stockholder acquired the original share which resulted in the receipt of the new shares pursuant to the 3-for-1 split.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **Please see the response to line 15 for a description of the calculation of the change in basis.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Sections 307 and 1223(4).

18 Can any resulting loss be recognized? ► Not applicable.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► Not applicable.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Kelly D. Luttmer

Date ►

5/15/12

Print your name ► **Kelly D. Luttmer**

Title ► **V.P. & Global Tax Director**

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054