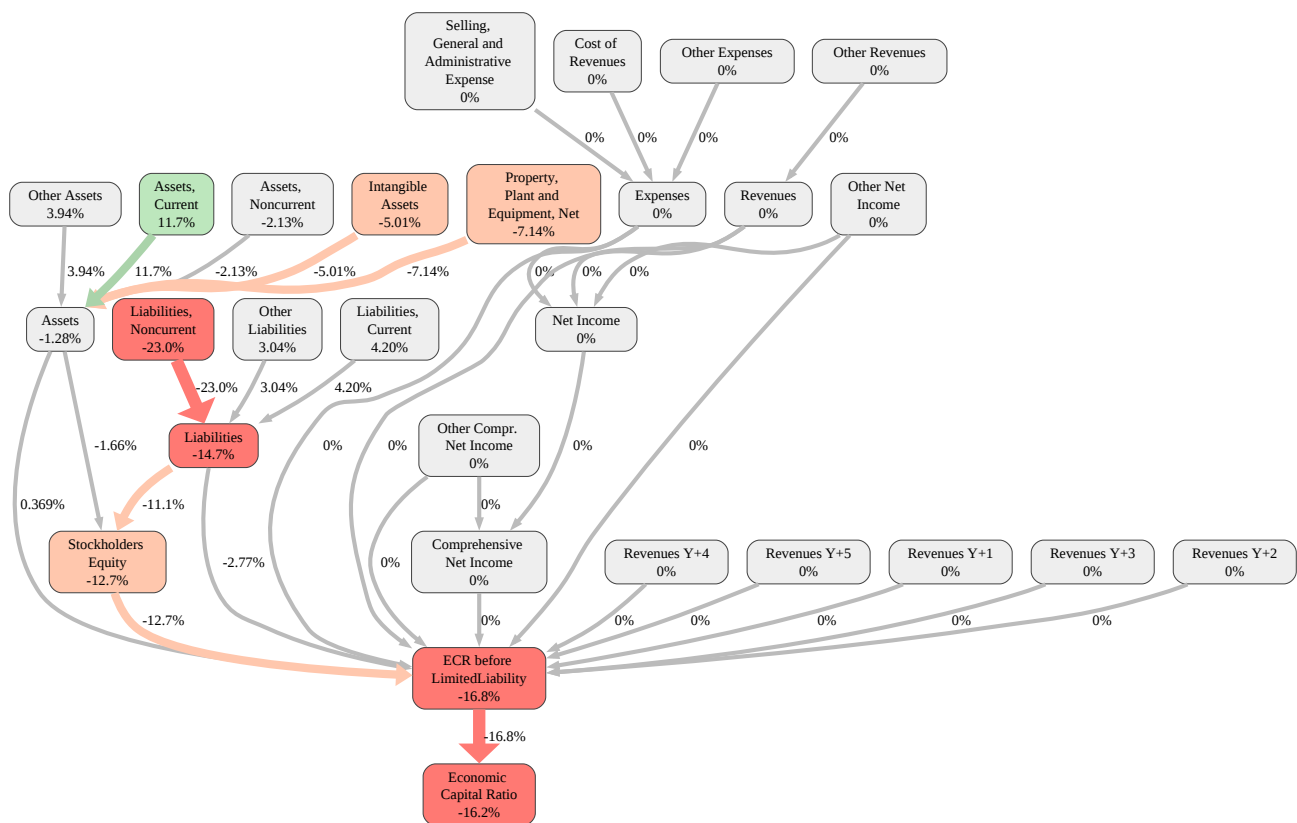




The relative strengths and weaknesses of Valhi INC DE are analyzed with respect to the market average, including all of its competitors. We analyzed all variables having an effect on the Economic Capital Ratio.

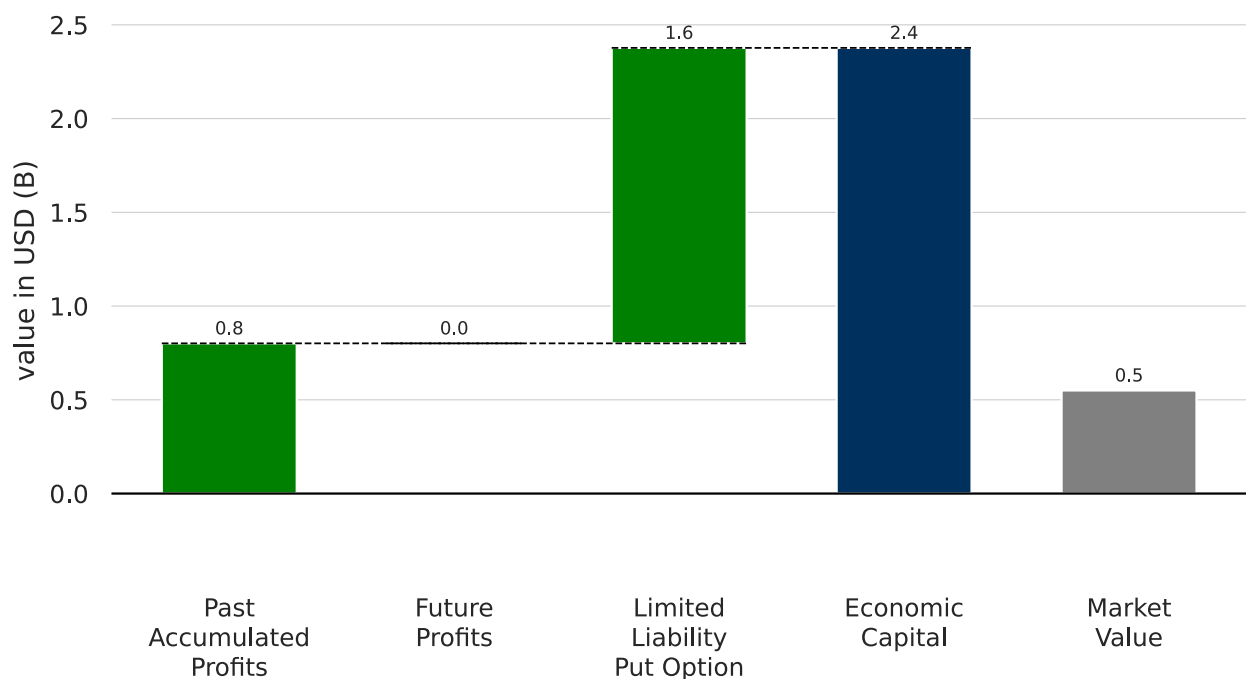
The greatest strength of Valhi INC DE compared to the market average is the variable Assets, Current, increasing the Economic Capital Ratio by 12% points. The greatest weakness of Valhi INC DE is the variable Liabilities, Noncurrent, reducing the Economic Capital Ratio by 23% points.

The company's Economic Capital Ratio, given in the ranking table, is 107%, being 16% points below the market average of 123%.

Input Variable	Value in 1000 USD
Assets, Current	1,408,800
Assets, Noncurrent	167,800
Cost of Revenues	1,210,900
Intangible Assets	379,700
Liabilities, Current	351,000
Liabilities, Noncurrent	1,369,600
Other Assets	189,800
Other Compr. Net Income	-66,100
Other Expenses	101,500
Other Liabilities	0
Other Net Income	34,100
Other Revenues	1,889,300
Property, Plant and Equipment, Net	563,500
Revenues Y+1	0
Revenues Y+2	0
Revenues Y+3	0
Revenues Y+4	0
Revenues Y+5	0
Selling, General and Administrative Expense	310,000

Output Variable	Value in 1000 USD
Liabilities	1,720,600
Assets	2,709,600
Expenses	1,622,400
Revenues	1,889,300
Stockholders Equity	989,000
Net Income	301,000
Comprehensive Net Income	234,900
BaseVar	66,029,588
ECR before Limited Liability	36%
Economic Capital Ratio	107%

Company Valuation: Valhi INC DE



The RealRate Economic Capital of a company is its Past Accumulated Profits plus its Future Profits plus its Valuation Correction plus its Limited Liability Put Option. Past Accumulated Profits and Future Profits can be negative. The Limited Liability Put Option accounts for the limited liability of the shareholders, so the Economic Capital never falls below zero. Where the company is listed, its market value is shown next to it.