



**NL INDUSTRIES, INC.**

*THREE LINCOLN CENTRE  
5430 LBJ FREEWAY  
SUITE 1700  
DALLAS, TEXAS 75240-2697*

December 31, 2008

Dear Shareholder:

In 2008, NL Industries, Inc. (NYSE: NL; CUSIP: 629156 40 7) declared and paid quarterly dividends on its common stock of \$0.125 per share in cash on each of March 27, June 26, September 26 and December 30, 2008.

***Based on a 2008 forecast and preliminary calculation***, NL has made a determination that for federal income tax purposes **all four** of these 2008 quarterly cash dividends should be taxable as a *qualified dividend*. ***This preliminary determination as to the treatment of the 2008 cash dividends may be subject to change.*** You should receive a Form 1099 reporting the appropriate tax treatment for these dividends.

***PLEASE CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE DISTRIBUTION.***

Sincerely

**NL INDUSTRIES, INC.**