

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

July 21, 1999
(Date of Report, date of earliest event reported)

COMPX INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

| | | |
|-----------------|--------------|----------------|
| Delaware | 1-13905 | 57-0981653 |
| (State or other | (Commission | (IRS Employer |
| jurisdiction of | File Number) | Identification |
| incorporation) | | No.) |

16825 Northchase Drive, Suite 1200, Houston, Texas 77060
(Address of principal executive offices) (Zip Code)

(281) 423-3377
(Registrant's telephone number, including area code)

(Former name or address, if changed since last report)

Item 5: Other Events

On July 21, 1999, the registrant, CompX International Inc., issued the press release attached hereto as Exhibit 99.1, which is incorporated herein by reference.

Item 7: Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibit

| Item No. | Exhibit Index |
|----------|--|
| 99.1 | Press release dated July 21, 1999 issued by CompX International Inc. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COMPX INTERNATIONAL INC.
(Registrant)

By: /s/ Andrew Louis

Andrew Louis,
Secretary

Date: July 21, 1999

PRESS RELEASE

FOR IMMEDIATE RELEASE:

CONTACT:

CompX International Inc.
16825 Northchase Drive
Houston, Texas 77060

John A. Miller
Chief Financial Officer
Tel. 281-423-3391

COMPX REPORTS INCREASED SALES AND OPERATING INCOME

HOUSTON, TEXAS . . . July 21, 1999 . . . CompX International Inc. (NYSE: CIX) announced its second quarter 1999 operating results and reported a 39% increase in sales and a 10% increase in operating income from the same quarter a year ago. Net sales increased to \$55.0 million in the second quarter of 1999 compared to \$39.7 million in the second quarter of 1998. Operating income increased to \$9.7 million in the second quarter of 1999 compared to \$8.8 million in the second quarter of 1998. For the first six months of 1999, net sales increased 53% to \$110.2 million and operating income increased 21% to \$19.3 million. The percentage increase in operating income has been adjusted to exclude a \$3.3 million non-recurring charge for stock awarded in connection with the Company's initial public offering in March 1998. Net income in the second quarter of 1999 and in the second quarter of 1998 was \$6.1 million, or \$.38 per diluted share. Earnings per share in the second quarter of 1999 include \$.01 per share of foreign currency transaction losses compared to \$.01 per share of foreign currency transaction gains for the same quarter of 1998.

The inclusion of the results for the second quarter of 1999 of Timberline Lock and Thomas Regout (acquired in November of 1998 and January 1999, respectively) and continued strong sales of the Company's security products more than offset the effect of weak demand in the office furniture industry on the Company's slide and ergonomics business. Excluding the effect of the Thomas Regout acquisition, slide and ergonomics net sales declined 3% in the second quarter of 1999 versus a year ago. Excluding the effect of the Timberline acquisition, security products net sales increased 6% in the second quarter of 1999 versus a year ago.

"We estimate that product demand in the office furniture industry, which represents two-thirds of our business, declined between 3% and 5% in the U.S. and Europe. Given the soft market conditions, we maintained our strong margins in each business unit by reducing costs accordingly. As the office furniture market recovers, we currently expect our cost reductions to contribute to improved operating performance at CompX," said Joseph S. Compofelice, Chairman and Chief Executive Officer.

CompX is a leading manufacturer of ergonomic computer support systems, precision ball bearing slides and locking systems.

Statements in this release relating to matters that are not historical facts are forward-looking statements based on management's belief and assumptions using currently available information. Although the Company believes the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurances that these expectations will prove to be correct. Such statements, by their nature, involve a number of risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those described in such forward-looking statements. Among the factors that could cause actual future results to differ materially include, but are not limited to, general economic and political conditions, demand for office furniture, service industry employment levels, competitive products and prices, potential difficulties in integrating completed acquisitions, possible disruptions of normal business activity from

Year 2000 issues and other risks and uncertainties detailed in the Company's Security and Exchange Commission filings. Should one or more of these risks materialize (or the consequences of such a development worsen), or should the underlying assumptions prove incorrect, actual results could differ materially from those forecast or expected. The Company disclaims any duty to publicly update such statements whether as a result of new information, future events or otherwise.

* * * * *

COMPX INTERNATIONAL INC.
SUMMARY OF CONSOLIDATED OPERATIONS
(In millions, except per share amounts)
(Unaudited)

| | THREE MONTHS ENDED | | SIX MONTHS ENDED | |
|--|--------------------|---------|------------------|----------|
| | JUNE 30, | | JUNE 30, | |
| | 1998 | 1999 | 1998 | 1999 |
| Total net sales | \$ 39.7 | \$ 55.0 | \$ 71.8 | \$ 110.2 |
| Cost of sales | 26.6 | 39.1 | 48.0 | 78.2 |
| Gross profit | 13.1 | 15.9 | 23.8 | 32.0 |
| Selling, general and administrative | 4.3 | 6.2 | (A) 11.2 | 12.7 |
| Operating income | 8.8 | 9.7 | 12.6 | 19.3 |
| Interest expense | .1 | .4 | .8 | .8 |
| Other income, net | .9 | .1 | 1.4 | .1 |
| Income before income taxes | 9.6 | 9.4 | 13.2 | 18.6 |
| Income tax expense | 3.6 | 3.3 | 5.0 | 6.7 |
| | 6.0 | 6.1 | 8.2 | 11.9 |
| Minority interest | .1 | - | .1 | .1 |
| Net income | \$ 6.1 | \$ 6.1 | \$ 8.3 | \$ 12.0 |
| Net income per diluted common share | \$ 0.38 | \$ 0.38 | \$ 0.59 | \$ 0.74 |
| Weighted average diluted common shares outstanding | 16.2 | 16.1 | 14.0 | 16.1 |

(A) Selling, general and administrative expense for the six months ended June 30, 1998 includes a \$3.3 million (\$2.3 million after-tax) non-recurring charge for stock awarded to key individuals in connection with the Company's initial public offering. Adjusted to give effect to the Company's initial public offering as if it had occurred on January 1, 1998 and to exclude the non-recurring stock award charge discussed above, net income was \$10.7 million and net income per diluted common share was \$.66 on 16.2 million

shares outstanding for the six months ended June 30, 1998.