SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended September 30, 1999   Commission file number 1-13905

COMPX INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

Delaware	57-0981653
(State or other jurisdiction of or organization)	(IRS Employer incorporation Identification No.)

16825 Northchase Drive, Suite 1200, Houston, Texas 77060

(Address of principal executive offices)   (Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Number of shares of Class A common stock outstanding on November 5, 1999: 6,147,380.

COMPX INTERNATIONAL INC.

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COMPX INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	December 31, 1998	September 30, 1999
Current assets:		
Cash and cash equivalents	$ 47,363	$ 18,506
Accounts receivable	18,976	28,354
Receivable from affiliate	573	382
Refundable income taxes	524	1,679
Inventories	16,952	25,082
Prepaid expenses	1,381	1,492
Deferred income taxes	688	956
Total current assets	86,457	76,451
Other assets:		
Goodwill	22,317	35,248
Other intangible assets	2,938	2,783
Deferred income taxes	--	2,619
Other	400	2,709
Total other assets	25,655	43,359
Property and equipment:		
Land	1,219	3,626
Buildings	13,678	26,570
Equipment	39,216	58,891
Construction in progress	3,533	9,271
	57,646	98,358
Less accumulated depreciation	17,376	23,428
Net property and equipment	40,270	74,930
	$152,382	$194,740

COMPX INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 1998	September 30, 1999
Current liabilities:		
Current maturities of long-term debt	$ 609	$ 726
Accounts payable and accrued liabilities	17,243	23,755
Income taxes	2,415	202
Total current liabilities	20,267	24,683
Noncurrent liabilities:		
Long-term debt	1,082	21,072
Deferred income taxes	983	2,086
Accrued pension cost	--	1,335
Other	--	484
Total noncurrent liabilities	2,065	24,977
Minority interest	4	98
Stockholders' equity:		
Preferred stock	--	--
Class A common stock	61	61
Class B common stock	100	100
Additional paid-in capital	118,027	118,067
Retained earnings	14,270	32,365
Accumulated other comprehensive income -currency translation	(2,412)	(5,611)
Total stockholders' equity	130,046	144,982
	$152,382	$194,740

Commitments and contingencies (Note 1)

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands)

	Three months ended September 30, 1998	Three months ended September 30, 1999	Nine months ended September 30, 1998	Nine months ended September 30, 1999
Net sales	$ 38,698	$ 55,941	$ 110,513	$ 166,114
Costs and expenses:				
Cost of sales	26,048	40,412	73,996	118,558
Selling, general and administrative	4,226	6,121	15,500	18,821
Other income, net	(888)	(471)	(2,307)	(626)
Interest expense	135	400	956	1,236

	29,521	46,462	88,145	137,989
Income before income taxes and minority interest	9,177	9,479	22,368	28,125
Provision for income taxes	3,259	3,413	8,278	10,124
Income before minority interest	5,918	6,066	14,090	18,001
Minority interest	(54)	(28)	(132)	(94)
Net income	$ 5,972	$ 6,094	$ 14,222	$ 18,095
Basic and diluted earnings per common share	$ .37	$ .38	$ .97	$ 1.12
Shares used in the calculation of earnings per common share:				
Basic earnings per common share	16,145	16,147	14,688	16,146
Dilutive impact of outstanding stock options	7	1	32	--
Diluted earnings per common share	16,152	16,148	14,720	16,146

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Nine months ended September 30, 1998 and 1999

(In thousands)

	1998	1999
Net income	$ 14,222	$ 18,095
Other comprehensive income - currency translation adjustment, net of tax	(1,062)	(3,199)
Comprehensive income	$ 13,160	$ 14,896

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Nine months ended September 30, 1999

(In thousands)

Common Stock Class A	Common Stock Class B	Additional paid-in capital	Retained Earnings	Accumulated other comprehensive income - currency translation	Total stockholders' equity

Balance at December 31, 1998	$61	$100	$118,027	$14,270	$(2,412)	$ 130,046
Issuance of common stock	--	--	40	--	--	40
Net income	--	--	--	18,095	--	18,095
Other comprehensive income ..	--	--	--	--	(3,199)	(3,199)
Balance at September 30, 1999	$61	$100	$118,067	$32,365	$(5,611)	$ 144,982

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months ended September 30, 1998 and 1999

(In thousands)

	1998	1999
Cash flows from operating activities:		
Net income	$ 14,222	$ 18,095
Depreciation, depletion and amortization	3,618	6,899
Deferred income taxes	(408)	(170)
Noncash stock award of Management Shares	3,298	--
Other, net	(142)	(188)
	20,588	24,636
Change in assets and liabilities:		
Accounts receivable	(2,598)	(3,201)
Inventories	(516)	310
Accounts payable and accrued liabilities ...	409	(4,624)
Accounts with affiliates	(996)	440
Income taxes	(1,807)	(1,963)
Other, net	(1,023)	1,001
Net cash provided by operating activities	14,057	16,599
Cash flows from investing activities:		
Capital expenditures	(7,611)	(12,653)
Purchase of business units	(33,372)	(53,121)
Other, net	297	(2,404)
Net cash used by investing activities	(40,686)	(68,178)
Cash flows from financing activities:		
Indebtedness:		
Additions	395	20,000
Principal payments	--	(886)
Deferred financing costs paid	(220)	--
Repayment of demand note to Valcor	(50,000)	--
Dividends	(1,800)	--
Issuance of common stock	110,378	-
Net cash provided by financing activities	58,753	19,114

Net increase (decrease) in cash and cash equivalents	$ 32,124	$(32,465)

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Nine months ended September 30, 1998 and 1999

(In thousands)

	1998	1999
Cash and cash equivalents:		
Net change from operating, investing and financing activities	$ 32,124	$(32,465)
Business unit acquired	--	4,157
Currency translation	(803)	(549)
	31,321	(28,857)
Balance at beginning of period	19,187	47,363
Balance at end of period	$ 50,508	$ 18,506
Supplemental disclosures:		
Cash paid for:		
Interest	$ 1,096	$ 817
Income taxes	11,337	12,954
Business units acquired - net assets consolidated:		
Cash and cash equivalents	$ --	$ 4,157
Goodwill and other intangibles	23,399	15,837
Other non-cash assets	17,782	52,799
Liabilities	(7,809)	(19,672)
Cash paid	$ 33,372	$ 53,121

COMPX INTERNATIONAL INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Basis of presentation:

The consolidated balance sheet at December 31, 1998 has been condensed from the Company's audited consolidated financial statements at that date. The consolidated balance sheet at September 30, 1999 and the consolidated statements of income, comprehensive income, cash flows and stockholders' equity for the interim periods ended September 30, 1998 and 1999 have been prepared by the Company without audit. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the consolidated financial position, results of operations and cash flows have been made. The results of operations for the interim periods are not necessarily indicative of the operating results for a full year or of future operations.

Certain information normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. The accompanying consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "1998 Annual Report"). Commitments and contingencies are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the 1998 Annual Report.

Note 2 - Business segment information:

The Company operates in one business segment - the manufacture and sale of component products (ergonomic computer support systems, precision ball bearing slides and security products) for furniture and other markets. The Company is a 64%-owned subsidiary of Valhi, Inc.(NYSE: VHI) and Valhi's wholly-owned subsidiary Valcor, Inc.

	Three months ended September 30,		Nine months ended September 30	
	1998	1999	1998	1999
	(In thousands)			
Net sales	$ 38,698	$ 55,941	$ 110,513	$ 166,114
Operating income	$ 8,424	$ 9,408	$ 21,017	$ 28,735
Other income, net	888	471	2,307	626
Interest expense	(135)	(400)	(956)	(1,236)
Income before income taxes ...	$ 9,177	$ 9,479	$ 22,368	$ 28,125

In 1999, the Company changed its definition of segment operating income, which was previously defined as income before income taxes and interest expense, exclusive of certain non-recurring items (such as gains or losses on disposition of business units) and certain general corporate income and expense items (including interest and dividend income) which are not attributable to the operations of the reportable segment. The revised definition of operating income now also excludes all interest income and foreign currency transaction gains and losses. The effect of this change in definition on previously reported operating income in the third quarter and the first nine months of 1998 is a decrease of $.3 million and $1.1 million, respectively. Operating income for the third quarter of 1998 and the nine months ended September 30, 1998, as presented above, has been restated based on the Company's new definition.

Note 3 - Inventories:

	December 31, 1998	September 30, 1999
	(In thousands)	
Raw materials	$ 6,520	$ 8,851
Work in process	5,748	7,907
Finished products	4,634	8,270
Supplies	50	54
	$ 16,952	$ 25,082

Note 4 - Accounts payable and accrued liabilities:

	December 31, 1998	September 30, 1999
	(In thousands)	
Accounts payable	$ 8,589	$ 9,522
Accrued liabilities:		
Employee benefits	4,498	8,052
Insurance	842	791
Royalties	504	413
Other	2,810	4,977
	$ 17,243	$ 23,755

Note 5 - Indebtedness:

	December 31, 1998	September 30, 1999
	(In thousands)	
Unsecured revolving senior credit facility	$ --	$ 20,000
Other	1,691	1,798
	1,691	21,798
Less current maturities	609	726
	$ 1,082	$ 21,072

Note 6 - Accrued pension cost:

Accrued pension cost of $1.3 million at September 30, 1999 relates to a defined benefit pension plan covering substantially all full time employees of Thomas Regout. See Note 9.

Note 7 - Other income:

	Three months ended December 31, 1998	Three months ended December 31, 1999	Nine months ended September 30, 1998	Nine months ended September 30, 1999
	(In thousands)		(In thousands)	
Interest income	$ 689	$ 196	$ 1,672	$ 616
Foreign currency transactions, net	198	180	382	(231)
Other, net	1	95	253	241
	$ 888	$ 471	$ 2,307	$ 626

Note 8 - Provision for income taxes:

	Nine months ended September 30, 1998	1999
	(In thousands)	
Expected tax expense	$ 7,829	$ 9,844
Foreign rates and incremental tax on non-U.S. earnings	222	274
No tax benefit for amortization of goodwill	194	425
State income taxes and other, net	33	(419)
	$ 8,278	$ 10,124

Note 9 - Acquisitions:

In January 1999, the Company acquired Thomas Regout Holding N.V. ("Thomas Regout"), a producer of precision ball bearing slides based in The Netherlands. The aggregate cash consideration of $53.1 million, including acquisition costs, was funded using cash on hand and borrowings of $20 million under the Company's revolving credit facility. See Note 5. The Company has accounted for the Thomas Regout acquisition under the purchase method of accounting, and, accordingly, Thomas Regout's results of operations and cash flows are included in the Company's consolidated financial statements beginning January 1, 1999. The purchase price of Thomas Regout has been allocated to the individual assets acquired and liabilities assumed based upon preliminary estimated fair values. The actual allocation may be different from the preliminary allocation due to refinements in the estimates of the fair values of the net assets acquired. As previously reported, in March and November 1998 the Company acquired two locking systems producers - Fort Lock Corporation and related assets and Timberline Lock, Ltd. and related assets.

Assuming the Fort Lock and Thomas Regout acquisitions had occurred as of January 1, 1998, the Company's unaudited pro forma net sales, operating income and net income for the nine months ended September 30, 1998 would have been $156.5 million, $23.9 million, and $15.0 million, respectively, and diluted earnings per common share would have been $1.02 per share. The pro forma effect of the Timberline acquisition is not material. The unaudited pro forma financial information is not necessarily indicative of the actual results had the transactions occurred at the beginning of the period, nor do they purport to represent the results of future operations of the combined companies.

In September 1999, the Company signed a definitive agreement to acquire the business of Yinjoy Corporation and certain of its affiliates ("Yinjoy"). Yinjoy produces the Dynaslide(R) line of precision ball bearing drawer slides in two manufacturing plants in Taipei, Taiwan. Yinjoy's unaudited net sales for its latest fiscal year were $10.4 million. The purchase price of $11.5 million includes all the assets and operations that produce the Dynaslide(R) products and is expected to be financed with existing cash. Effective upon its completion, the acquisition will be accounted for by the purchase method, and Yinjoy's results of operations and cash flows will be included in the Company's subsequent consolidated financial statements. The completion of the Yinjoy acquisition is expected to occur in November 1999. In September 1999, as part of the definitive agreement, the Company loaned the shareholders of Yinjoy Corporation $2.5 million. The loan will be applied to the purchase price upon completion of the acquisition, and, pursuant to a related security agreement, the proceeds of the loan are held in a separate bank account pending completion of the acquisition. The loan is included in other noncurrent assets - other in the Company's September 30, 1999 consolidated balance sheet.

Note 10 - Foreign currency forward contracts:

Certain of the Company's sales generated by its Canadian operations are denominated in U.S. dollars. In the past, the Company has periodically entered into currency forward contracts to manage a very nominal portion of foreign exchange rate market risk associated with receivables denominated in a currency other than the holder's functional currency. In July 1999, to hedge its exposure to losses associated with holding foreign currency denominated receivables, the Company entered into a series of short-term forward exchange contracts maturing through November 1999 to exchange an aggregate of U.S. $7.0 million for an equivalent amount of Canadian dollars at rates between Cdn $1.4881 and Cdn $1.50 per U.S. dollar. At September 30, 1999, $5.0 million of these contracts remained outstanding. In October 1999, the Company entered into an additional series of short-term forward exchange contracts maturing through March 2000 to exchange an aggregate of U.S. $9.5 million for an equivalent amount of Canadian dollars at rates between Cdn $1.4886 and Cdn $1.4856 per U.S. dollar.

Note 11 - New accounting principles not yet adopted:

The Company will adopt Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended, no later than the first quarter of 2001. Under SFAS No. 133, all derivatives will be recognized as either assets or liabilities and measured at fair value. The accounting for changes in fair value of derivatives will depend upon the intended use of the derivative. The Company is currently studying this new accounting rule. The impact of adopting SFAS No. 133, if any, has not yet been determined, but will be dependent upon the extent to which the Company is a party to derivative contracts or hedging activities covered by SFAS No. 133 at the time of adoption.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

In January 1999, the Company acquired Thomas Regout, a precision ball bearing slide producer, for a purchase price of $53.1 million using available cash on hand and $20 million of borrowings under the Company's $100 million revolving bank credit facility. As previously reported, in March and November of 1998 the Company acquired Fort Lock Corporation and related assets and Timberline Lock, Ltd., and related assets, respectively.

The Company reported net income of $6.1 million in the third quarter of 1999 and $6.0 million in the third quarter of 1998. The Company reported net income of $18.1 million in the first nine months of 1999 compared to net income of $14.2 million for the first nine months of 1998. Operating results for the first nine months of 1998 include a first quarter nonrecurring charge of $3.3 million ($2.3 million after tax) related to shares of the Company's Class A common stock awarded to key individuals in connection with the Company's March 1998 initial public offering. Exclusive of the charge associated with the stock award, net income in the first nine months of 1999 increased 10% compared to the first nine months of 1998. Operating income in the third quarter of 1999 was $9.4 million, an increase of 12% over operating income of $8.4 million in the third quarter of 1998. For the first nine months of 1999, operating income increased $7.7 million, or 37%, to $28.7 million from $21.0 million for the first nine months of 1998. Excluding the effect of the charge associated with the stock award, operating income in the first nine months of 1999 increased 18% over the first nine months of 1998. The increased operating income in the 1999 periods is due primarily to the Thomas Regout, Fort Lock and Timberline acquisitions.

Approximately 43% of the Company's 1999 net sales are generated by its Canadian operations. About 60% of these Canadian-produced sales are denominated in U.S. dollars while substantially all of the related costs are incurred in Canadian dollars. Consequently, fluctuations in exchange rates between the U.S. dollar and the Canadian dollar affect the Company's operating results. Such exchange rate fluctuations resulted in reduced income before income taxes and minority interest by $.3 million in the third quarter of 1999 compared to the third quarter of 1998. In the first nine months of 1999 fluctuations in exchange rates resulted in reduced income before income taxes and minority interest by $.5 million compared to the first nine months of 1998.

Assuming the Thomas Regout and Fort Lock acquisitions occurred on

January 1, 1998, the Company's unaudited pro forma net sales would have been $51.4 million for the third quarter of 1998, and unaudited pro forma operating income would have been $8.8 million. For the first nine months of 1998, unaudited pro forma net sales would have been $156.5 million and unaudited pro forma operating income would have been $23.9 million. Excluding the nonrecurring stock award charge discussed above, unaudited pro forma operating income in the first nine months of 1998 would have been $27.2 million. The pro forma effect of the Timberline acquisition is not material. The unaudited pro forma financial information reflects the change in the Company's definition of operating income. See Note 2 to the Consolidated Financial Statements. The unaudited pro forma financial information is not necessarily indicative of actual results had the transactions occurred at the beginning of the periods, nor does it purport to represent results of future operations of the merged companies.

Results of Operations

	Nine months ended September 30,		%	Nine months ended September 30,		%
	1998	1999	Change	1998	1999	Change
	(In thousands)			(In thousands)		
Net sales	$38,698	$55,941	+44%	$110,513	$166,114	+50%
Operating income	8,424	9,408	+12%	21,017	28,735	+37%

Net sales. Net sales increased $17.2 million, or 44%, to $55.9 million for the third quarter of 1999 from $38.7 million in the third quarter of 1998. The increase is due primarily to the inclusion of the results of operations for the full quarter of 1999 of Timberline Lock and Thomas Regout (acquired in November 1998 and January 1999, respectively). Excluding the effect of these acquisitions, net sales increased 9% compared to the third quarter of 1998. The 9% increase in net sales reflects an increase in the Company's product sales to the office furniture industry (primarily slides and ergonomic products) which increased 13% from the third quarter of 1998 and an increase in sales of security products of 3%. Net sales in the first nine months of 1999 increased $55.6 million, or 50%. The increase is due primarily to the Thomas Regout, Fort Lock and Timberline acquisitions. Excluding the effect of these acquisitions, net sales in the first nine months of 1999 increased 6%. This increase reflects a 3% improvement in sales of slide and ergonomic products and a 10% improvement in sales of security products. The increase in sales of slide and ergonomic products reflects the third quarter recovery from the first and second quarter slowdown in the Company's product sales to the office furniture industry.

Operating income. Operating income in the third quarter of 1999 was $9.4 million compared to $8.4 million for the third quarter of 1998. The increase of $1.0 million, or 12%, is due primarily to the two business units acquired. Excluding these acquisitions, operating income increased 3% compared to the third quarter of 1998. The higher operating income resulted from the increase in the Company's product sales to the office furniture industry (primarily slides and ergonomic products) and from increased sales of the Company's security products. Operating income in the first nine months of 1999 increased 37% due to the Thomas Regout, Fort Lock and Timberline Lock acquisitions. Excluding the effect of these acquisitions and the stock award charge discussed above, operating income decreased 2%. The 2% decrease reflects the slowdown in the Company's product sales to the office furniture industry in the first six months of 1999 offset by an increase in product sales to the office furniture industry in the third quarter of 1999 and increased sales of security products.

Year 2000 Issue

As a result of certain computer programs being written using two digits rather than four to define the applicable year, certain of the Company's computer programs that have date sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculation causing disruption of operations, including, among other things, a temporary inability to process transactions, send invoices or engage in normal business activities.

The Company has installed information systems upgrades for both its U.S. and Canadian facilities which contain, among many other features, software compatibility with the Year 2000 Issue. The Company does not currently anticipate spending significant additional funds to address software compatibility with the Year 2000 Issue with respect to its own internal systems.

As part of its Year 2000 compliance plan, the Company is seeking confirmation from its major software and hardware vendors, primary suppliers and major customers that they are developing and implementing plans to become, or that they have become, Year 2000 compliant. Confirmations received by the Company to-date indicate that such vendors, suppliers and customers generally are in the process of becoming Year 2000 compliant by December 31, 1999. The major software vendors used by the Company have already delivered Year 2000 compliant software. Notwithstanding these efforts, the Company's ability to affect the Year 2000 preparedness of such vendors, suppliers and customers is limited.

The Company is developing a contingency plan to deal with potential Year 2000 Issues related to business interruption that may occur on January 1, 2000 or thereafter. The Company's plan is expected to be completed in the fourth quarter of 1999.

Although the Company expects its systems to be Year 2000 compliant before December 31, 1999, it cannot predict the outcome or success of the Year 2000 compliance programs of its vendors, suppliers and customers. The Company also cannot predict whether its major software vendors, who continue to test for Year 2000 compliance, will find additional problems that might result in unplanned upgrades of their applications after December 31, 1999. As a result of these uncertainties, the Company cannot predict the impact on its consolidated financial condition or results of operations resulting from noncompliant Year 2000 systems that the Company directly or indirectly relies upon. Should the Company's Year 2000 compliance plan not be successful or be delayed beyond January 2000, or should one or more suppliers, vendors or customers fail to adequately address their Year 2000 Issues, the consequences to the Company could be far reaching and material, including an inability to produce products at its manufacturing facilities, which could lead to an indeterminate amount of lost revenue. Although not anticipated, the most reasonably likely worst-case scenario of failure by the Company or its key suppliers or customers to become Year 2000 compliant would be a short-term slowdown or cessation of manufacturing operations at one or more of the Company's facilities, delays in delivery of product to customers and a short-term inability on the part of the Company to process orders and billings in a timely manner.

Euro Conversion

Beginning January 1, 1999, eleven of the fifteen members of the European Union ("EU"), including The Netherlands and France, adopted a new European currency unit (the "euro") as their common legal currency. Following the introduction of the euro, the participating countries' national currencies remain legal tender as denominations of the euro from January 1, 1999 through January 1, 2002, and the exchange rates between the euro and such national currencies are fixed.

The functional currencies of the Company's French lock operations and the recently acquired Thomas Regout operations in Maastricht, The Netherlands, will convert to the euro from their respective national currencies over a two-year period beginning in 1999. The euro conversion may impact the Company's operations including, among other things, changes in product pricing decisions necessitated by cross-border price transparencies. Such changes in product pricing decisions could impact both selling prices and purchasing costs and, consequently, favorably or unfavorably impact results of operations.

In 1998 the Company assessed and evaluated the impact of the euro conversion on its business and made the necessary systems conversions. Modifications of information systems to handle euro-denominated transactions have been implemented and were not extensive.

Because of the inherent uncertainty of the ultimate effect of the euro conversion, the Company cannot accurately predict the impact of the euro conversion on its results of operations, financial condition or liquidity

Liquidity and Capital Resources

Consolidated cash flows

Operating activities. Trends in cash flows from operating activities, excluding changes in assets and liabilities and non-cash stock award charges, are generally similar to the trends in the Company's earnings. Such cash flows totaled $20.6 million and $24.6 million in the first nine months of 1998 and 1999, respectively, compared to net income of $14.2 million and $18.1 million, respectively.

Changes in assets and liabilities result primarily from the timing of production, sales and purchases. Such changes in assets and liabilities generally tend to even out over time and result in trends in cash flows from operating activities generally reflecting earnings trends.

Investing activities. Net cash used by investing activities totaled $40.7 million and $68.2 million in the first nine months of 1998 and 1999, respectively. Included in cash used by investing activities in the first nine months of 1999 is the $53.1 million purchase price for the acquisition of Thomas Regout. The increase in capital expenditures in 1999 relates primarily to capacity expansion and tooling costs at the Company's Kitchener facility, equipment additions designed to improve manufacturing efficiencies at the Company's security products facilities and the development of electronic commerce capabilities. Other cash flows from investing activities include a loan of $2.5 million made to the shareholders of Yinjoy Corporation as part of the definitive agreement for the acquisition of Yinjoy Corporation and certain of its affiliates. The loan will be applied to the purchase price of $11.5 million upon completion of the acquisition. The Yinjoy acquisition will be financed with existing cash and is expected to be completed in November 1999.

Capital expenditures in 1999 are estimated at approximately $17 million, the majority of which relate to projects that emphasize improved production efficiency and increased production capacity and the development of electronic commerce capabilities. Firm purchase commitments for capital projects not commenced at September 30, 1999 were not material.

Financing activities. Net cash provided by financing activities totaled $58.8 million and $19.1 million in the first nine months of 1998 and 1999, respectively. Net cash provided by financing activities in 1998 includes $110.4 million of net proceeds from the Company's March 1998 initial public offering and the repayment of a $50 million demand note to Valcor. The Company paid dividends to its parent company aggregating $1.8 million in 1998 prior to completion of the Company's initial public offering. No dividends were paid during the first nine months of 1999. Cash flows from financing activities in the first nine months of 1999 includes $20.0 million of borrowings used to finance a portion of the acquisition of Thomas Regout.

Management believes that cash generated from operations and borrowing availability under the unsecured revolving senior credit facility ($80 million available for borrowing at September 30, 1999), together with cash on hand, will be sufficient to meet the Company's liquidity needs for working capital, capital expenditures and debt service.

The Company periodically evaluates its liquidity requirements, alternative uses of capital, capital needs and available resources in view of, among other things, its capital expenditure requirements in light of its capital resources and estimated future operating cash flows. As a result of this process, the Company may in the future seek to raise additional capital, refinance or restructure indebtedness, issue additional securities, modify its dividend policy or take a combination of such steps to manage its liquidity and capital resources. In the normal course of business, the Company may review opportunities for acquisitions, joint ventures or other business combinations in the component products industry. In the event of any such transaction, the Company may consider using available cash, issuing additional equity securities or increasing the indebtedness of the Company or its subsidiaries.

The statements in this Quarterly Report on Form 10-Q relating to matters that are not historical facts are forward-looking statements based on management's beliefs and assumptions using currently available information. Although the Company believes the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurance 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, the introduction of tariff or non-tariff barriers, potential difficulties in integrating completed acquisitions, environmental matters, government regulations and possible changes therein possible disruptions of normal business activity from Year 2000 issues and other risks and uncertainties as discussed in this Quarterly Report and the Company's other filings with the Securities and Exchange Commission. Should one or more of these risks materialize (or the consequences of such a development worsen), or should the underlying consequences prove incorrect, actual results could differ materially from those forecasted or expected. The Company disclaims any intention or obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise.

Part II. OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

27.1 Financial Data Selected for the nine-month period ended September 30, 1999.

(b) Reports on Form 8-K

Reports on Form 8-K for the quarter ended September 30, 1999.

July 20, 1999 -	Reported Items 5 and 7
July 21, 1999 -	Reported Items 5 and 7
September 20, 1999 -	Reported Items 5 and 7
October 15, 1999 -	Reported Items 5 and 7
October 18, 1999 -	Reported Items 5 and 7

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 thereunto duly authorized.

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 thereunto duly authorized.

COMPX INTERNATIONAL INC.
(Registrant)

Date November 12, 1999

By /s/ John A. Miller

John A. Miller
Vice President and
Chief Financial Officer

(Principal Financial Officer)

Date November 12, 1999 By /s/ Todd W. Strange

Todd W. Strange
Vice President and Controller
(Principal Accounting Officer)

<ARTICLE> 5
<LEGEND>
THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM COMPX INTERNATIONAL INC.'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS.
</LEGEND>
<CIK> 0001049606
<NAME> COMPX INTERNATIONAL INC.
<MULTIPLIER> 1,000

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<FISCAL-YEAR-END> DEC-31-1999
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<INTEREST-EXPENSE> 1,236
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<EPS-DILUTED> 1.12