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, 2004 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 organization)	(IRS Employer Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240-2697

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (972) 448-1400

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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No X

Number of shares of common stock outstanding on October 22, 2004:
Class A: 5,169,880
Class B: 10,000,000

COMPX INTERNATIONAL INC.

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COMPX INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	December 31, 2003	September 30, 2004
Current assets:		
Cash and cash equivalents	$ 21,726	$ 16,071
Accounts receivable, net	25,737	28,181
Income taxes receivable from affiliates	306	65
Refundable income taxes	2,376	-
Inventories	26,317	26,594
Prepaid expenses and other	1,840	1,657
Deferred income taxes	1,920	1,598
Total current assets	80,222	74,166
Other assets:		
Goodwill	43,325	43,022
Other intangible assets	1,945	1,762
Deferred income taxes	351	540
Other	422	368
Total other assets	46,043	45,692
Property and equipment:		
Land	4,746	4,563
Buildings	28,605	26,359
Equipment	121,142	121,462
Construction in progress	636	1,559
	155,129	153,943
Less accumulated depreciation	71,940	80,499
Net property and equipment	83,189	73,444
	$209,454	$193,302

COMPX INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 2003	September 30, 2004
Current liabilities:		
Accounts payable and accrued liabilities	$ 24,019	$ 23,668
Current portion of long-term debt	-	38
Deferred income taxes	505	758
Income taxes	-	2,151
Total current liabilities	24,524	26,615
Noncurrent liabilities:		
Long-term debt	26,000	91
Deferred income taxes	4,550	3,393
Other non-current liabilities	21	21
Total noncurrent liabilities	30,571	3,505
Stockholders' equity:		
Preferred stock	-	-
Class A common stock	62	52
Class B common stock	100	100
Additional paid-in capital	119,437	108,709
Retained earnings	43,433	52,160
Accumulated other comprehensive income - currency translation	2,642	2,161
Treasury stock	(11,315)	-
Total stockholders' equity	154,359	163,182
	$209,454	$193,302

Commitments and contingencies (Note 1)

See accompanying notes to consolidated financial statements.

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2003	2004	2003	2004
Net sales	$52,534	$55,987	$153,260	$165,858
Cost of goods sold	42,871	43,490	126,868	130,022

Gross margin	9,663	12,497	26,392	35,836
Selling, general and administrative expense	6,452	6,505	20,483	21,511
Restructuring expense	3,528	-	3,528	-
Operating income (loss)	(317)	5,992	2,381	14,325
Other general corporate (income) expense, net	84	175	572	(335)
Interest expense	300	86	963	442
Income (loss) before income taxes	(701)	5,731	846	14,218
Provision for income taxes (benefit)	(308)	1,842	373	5,491
Net income (loss)	$ (393)	$ 3,889	$ 473	$ 8,727
Basic and diluted earnings (loss) per common Share	$ (.03)	$ .26	$ .03	$ .58
Cash dividends per share	$ -	$ -	$ .125	$ -
Shares used in the calculation of per share amounts:				
Basic earnings per common share	15,125	15,163	15,120	15,141
Dilutive impact of outstanding stock options	-	24	-	15
Diluted common shares	15,125	15,187	15,120	15,156

See accompanying notes to consolidated financial statements.

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2003	2004	2003	2004
Net income (loss)	$(393)	$3,889	$ 473	$8,727
Other comprehensive income (loss) - currency translation adjustment, net of tax	618	1,436	9,125	(481)
Comprehensive income	$ 225	$5,325	$9,598	$8,246

See accompanying notes to consolidated financial statements.

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months ended September 30, 2003 and 2004

(In thousands)

	2003	2004
Cash flows from operating activities:		
Net income	$ 473	$ 8,727
Depreciation and amortization	10,577	10,621
Deferred income taxes	(2,319)	(1,053)
Other, net	668	343
Change in assets and liabilities:		
Accounts receivable	(1,467)	(2,486)
Inventories	2,052	(249)
Accounts payable and accrued liabilities	1,289	(192)
Accounts with affiliates	582	241
Income taxes	1,206	4,690
Other, net	1,016	165
Net cash provided by operating activities	14,077	20,807
Cash flows from investing activities:		
Capital expenditures	(7,914)	(2,742)
Proceeds from sale of fixed assets	-	2,134
Other, net	695	-
Net cash used by investing activities	(7,219)	(608)
Cash flows from financing activities:		
Indebtedness:		
Additions	1,000	2,253
Principal payments	(2,006)	(28,087)
Deferred financing costs paid	(416)	(28)
Proceeds from issuance of common stock	-	499
Dividends	(1,889)	-
Net cash used by financing activities	(3,311)	(25,363)
Cash and cash equivalents - net change from:		
Operating, investing and financing activities	3,547	(5,164)
Currency translation	1,804	(491)
Cash and cash equivalents at beginning of period	12,407	21,726
Cash and cash equivalents at end of period	$17,758	$ 16,071
Supplemental disclosures - cash paid for:		
Interest	$ 1,083	$ 459
Income taxes	1,903	1,501

See accompanying notes to consolidated financial statements.

COMPX INTERNATIONAL INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Nine months ended September 30, 2004

(In thousands)

	Common Stock Class A	Common Stock Class B	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)- currency translation	Treasury stock	Total stockholders' equity
Balance at December 31, 2003	$ 62	$100	$119,437	$43,433	$ 2,642	$(11,315)	$154,359
Net income	-	-	-	8,727	-	-	8,727

Other comprehensive income, net	-	-	-	-	(481)	-	(481)
Issuance of common stock	1	-	576	-	-	-	577
Retirement of treasury stock	(11)	-	(11,304)	-	-	11,315	-
Balance at September 30, 2004	$ 52	$100	$108,709	$52,160	$ 2,161	$ -	$163,182

COMPX INTERNATIONAL INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Basis of presentation:

The consolidated balance sheet of CompX International Inc. and Subsidiaries (collectively, the "Company") at December 31, 2003 has been condensed from the Company's audited consolidated financial statements at that date. The consolidated balance sheet at September 30, 2004 and the consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the interim periods ended September 30, 2003 and 2004 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 accounting principles generally accepted in the United States of America ("GAAP") 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, 2003 (the "2003 Annual Report"). Certain reclassifications have been made to prior year balances to conform to the current year presentation.

Basic earnings per share of common stock is based upon the weighted average number of common shares actually outstanding during each period. Diluted earnings per share of common stock includes the impact of outstanding dilutive stock options. During the third quarter of 2004, the Company retired all of its shares of Class A common stock held by the Company as treasury shares.

Commitments and contingencies are discussed in the 2003 Annual Report.

At September 30, 2004, NL Industries, Inc. (NYSE: NL) owned an aggregate of 68% of the Company's outstanding common stock, and Titanium Metals Corporation ("TIMET") owned an additional 15% of the Company's outstanding common stock. Prior to September 2004, the shares of the Company's common stock held by NL were owned by Valhi, Inc. (NYSE: VHI) and a wholly-owned subsidiary of Valhi. Effective September 24, 2004, NL completed the acquisition of the shares of CompX common stock previously held by Valhi and its wholly-owned subsidiary. At September 30, 2004, (i) Contran Corporation holds, directly or through subsidiaries, approximately 91% of Valhi's outstanding common stock, (ii) Valhi holds, directly or through a subsidiary, approximately 84% of NL's outstanding common stock and (iii) Valhi holds, directly or through subsidiaries, approximately 41% of TIMET's outstanding common stock. Substantially all of Contran's outstanding voting stock is held by trusts established for the benefit of certain children and grandchildren of Harold C. Simmons, of which Mr. Simmons is sole trustee, or is held by Mr. Simmons or persons or other entities related to Mr. Simmons. Mr. Simmons, the Chairman of the Board of each of Contran, Valhi and NL and Vice Chairman of the Board of TIMET, may be deemed to control each of such companies and the Company.

Stock options. As disclosed in the 2003 Annual Report, the Company accounts for stock-based employee compensation related to stock options using the intrinsic value method in accordance with Accounting Principles Board Opinion ("APBO") No. 25, Accounting for Stock Issued to Employees, and its various interpretations. Under APBO No. 25, no compensation cost is generally recognized for fixed stock options in which the exercise price is greater than or equal to the market price on the grant date. Compensation cost recognized by the Company related to stock options in accordance with APBO No. 25 was not significant during the interim periods of 2003 or 2004.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation to stock-based employee compensation related to stock options for all options granted on or after January 1, 1995.

	Three months ended September 30,		Nine months ended September 30,	
	2003	2004	2003	2004
	(In thousands, except per share amounts)			
Net income (loss), as reported	$ (393)	$3,889	$ 473	$8,727
Deduct: Total stock-based employee compensation expense related to stock options determined under fair value based method for all awards, net of related tax effects	(219)	(135)	(656)	(407)
Pro forma net income	$ (612)	$3,754	$ (183)	$8,320
Earnings per share - basic and diluted:				
As reported	$ (.03)	$ .26	$ .03	$ .58
Pro forma	$ (.04)	$ .25	$ (.01)	$ .55

Note 2 - Business segment information:

	Three months ended September 30,		Nine months ended September 30,	
	2003	2004	2003	2004
	(In thousands)			
Net sales:				
CompX Waterloo	$25,303	$27,115	$ 72,001	$ 78,331
CompX Security Products	18,790	19,105	56,054	57,554
Thomas Regout	8,943	9,908	26,256	30,505
Intersegment sales	(502)	(141)	(1,051)	(532)
Total net sales	$52,534	$55,987	$153,260	$165,858
Operating income (loss):				
CompX Waterloo	$ 337	$ 2,467	$ 211	$ 5,211
CompX Security Products	2,859	2,540	7,550	7,657
Thomas Regout	(3,513)	985	(5,380)	1,457
Total operating income	(317)	5,992	2,381	14,325
Interest expense	(300)	(86)	(963)	(442)
Other general corporate income (expense), net	(84)	(175)	(572)	335
Income before income taxes	$ (701)	$ 5,731	$ 846	$ 14,218

Note 3 - Inventories:

	December 31, 2003	September 30, 2004
	(In thousands)	
Raw materials	$ 6,170	$ 7,180
Work in process	10,852	10,757
Finished products	9,166	8,578
Supplies	129	79
	$26,317	$26,594

Note 4 - Accounts payable and accrued liabilities:

	December 31, 2003	September 30, 2004
	(In thousands)	
Accounts payable	$ 8,597	$ 9,827
Accrued liabilities:		
Employee benefits	7,831	9,350
Insurance	374	325
Royalties	243	88
Restructuring	3,223	-
Sales rebates	805	939
Deferred gain on sale/leaseback	485	-
Other	2,461	3,139
	$24,019	$23,668

In 2003, the Company recorded a $3.3 million charge related to restructuring its Thomas Regout operations. The charge represents severance to be paid to approximately 100 terminated employees. As of September 30, 2004, all severance benefits had been paid by the Company.

Note 5 - Indebtedness:

	December 31, 2003	September 30, 2004
	(In thousands)	
Revolving bank credit facility	$26,000	$ -
Capital lease obligations	-	129
	26,000	129
Less current portion	-	38
	$26,000	$ 91

Note 6 - Other general corporate income (expense), net:

	Three months ended September 30, 2003	Three months ended September 30, 2004	Nine months ended September 30, 2003	Nine months ended September 30, 2004
	(In thousands)			
Interest income	$ 40	$ 15	$ 126	$ 83
Currency transactions, net	(67)	(118)	(691)	198
Other, net	(57)	(72)	(7)	54
	$(84)	$(175)	$(572)	$335

Note 7 - Provision for income taxes:

	Three months ended September 30, 2003	Three months ended September 30, 2004	Nine months ended September 30, 2003	Nine months ended September 30, 2004
	(In thousands)			
Expected tax expense	$(245)	$2,006	$ 296	$4,976

Non-U.S. tax rates	(18)	(133)	(85)	(256)
Incremental U.S. tax on earnings of foreign subsidiaries	(46)	332	290	936
State income taxes	(85)	-	24	286
Other, net	86	(363)	(152)	(451)
	$(308)	$1,842	$ 373	$5,491

Note 8 -Currency forward exchange contracts:

Certain of the Company's sales generated by its non-U.S. operations are denominated in U.S. dollars. The Company periodically uses currency forward contracts to manage a portion of currency exchange rate market risk associated with receivables, or similar exchange rate risk associated with future sales, denominated in a currency other than the holder's functional currency. At each balance sheet date, any such outstanding currency forward contract is marked-to-market with any resulting gain or loss recognized in income currently. These contracts are not accounted for as hedging instruments under GAAP. At December 31, 2003, the Company held a series of contracts to manage such exchange rate risk to exchange an aggregate of U.S. $4.2 million for Canadian dollars at exchange rates of Cdn. $1.30 to Cdn. $1.33 per U.S. dollar. Such contracts matured through February 2004. The exchange rate was Cdn. $1.31 per U.S. dollar at December 31, 2003. At September 30, 2004, the Company held a series of contracts to manage such exchange rate risk to exchange an aggregate of U.S. $3.1 million for Canadian dollars at exchange rates of Cdn. $1.29 to Cdn. $1.31 per U.S. dollar. Such contracts mature through November 2004. The exchange rate was Cdn. $1.28 per U.S. dollar at September 30, 2004. The financial impact of the outstanding currency forward contracts was not significant at September 30, 2004 and December 31, 2003.

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

Overview

The Company reported net income of $3.9 million in the third quarter of 2004 compared to a net loss of $393,000 for the third quarter of 2003. The Company reported net income of $8.7 million in the first nine months of 2004 compared to net income of $473,000 for the first nine months of 2003. The improvement in net income primarily resulted from the combination of improved precision slide product sales and the favorable effect of cost reduction initiatives undertaken in 2002 and 2003. In addition, the Company recognized a $3.5 million restructuring charge related to Thomas Regout in the third quarter of 2003.

Results of Operations

	Three months ended September 30,			Nine months ended September 30,		
	2003	2004	% Change	2003	2004	% Change
	(In thousands, except percentages)					
Net sales:						
CompX Waterloo	$25,303	$27,115	7%	$ 72,001	$ 78,331	9%
CompX Security Products	18,790	19,105	2%	56,054	57,554	3%
Thomas Regout	8,943	9,908	11%	26,256	30,505	16%
Intersegment sales	(502)	(141)	n.m.	(1,051)	(532)	n.m.
Total net sales	$52,534	$55,987	7%	$153,260	$165,858	8%
Operating income (loss):						
CompX Waterloo	$ 337	$ 2,467	n.m.	$ 211	$ 5,211	n.m.
CompX Security Products	2,859	2,540	-11%	7,550	7,657	1%

Thomas Regout	(3,513)	985	n.m.	(5,380)	1,457	n.m.
Total operating income	$ (317)	$ 5,992	n.m.	$ 2,381	$ 14,325	n.m.

n.m. = not meaningful

Sales for the respective product lines for the interim periods of 2003 and 2004 are as follows:

	Three months ended September 30,		%	Nine months ended September 30,		%
	2003	2004	Change	2003	2004	Change
	(In thousands, except percentages)					
Precision ball-bearing slides	$24,282	$26,885	11%	$ 68,791	$ 78,936	15%
Security products	18,790	19,105	2%	56,054	57,554	3%
Ergonomic computer support systems	6,667	7,204	8%	20,556	20,522	*
Other products	2,795	2,793	*	7,859	8,846	13%
	$52,534	$55,987	7%	$153,260	$165,858	8%

* within +1%

Currency. CompX has substantial operations and assets located outside the United States (in Canada, the Netherlands and Taiwan). A portion of CompX's

sales generated from its non-U.S. operations are denominated in currencies other than the U.S. dollar, principally the Canadian dollar, the euro and the New Taiwan dollar. In addition, a portion of CompX's sales generated from its non-U.S. operations (principally in Canada) are denominated in the U.S. dollar. Most raw materials, labor and other production costs for such non-U.S. operations are denominated primarily in local currencies. Consequently, the translated U.S. dollar values of CompX's foreign sales and operating results are subject to currency exchange rate fluctuations which may favorably or unfavorably impact reported earnings and may affect comparability of period-to-period operating results. The effects of fluctuations in currency exchange rates affect the CompX Waterloo and Thomas Regout segments, and do not materially affect the CompX Security Products segment. Net sales were positively impacted while operating income was negatively impacted by currency exchange rates in the following amounts by segment as compared to the currency exchange rates in effect during the corresponding period in the prior year:

	Three months ended September 30, 2003 vs. 2004	Nine months ended September 30, 2003 vs. 2004
	(In thousands)	
Impact on net sales:		
CompX Waterloo	$ 352	$ 1,798
CompX Security Products	-	-
Thomas Regout	729	2,714
Total impact on net sales	$1,081	$ 4,512
Impact on operating income:		
CompX Waterloo	$ (219)	$(1,024)
CompX Security Products	-	-
Thomas Regout	65	175
Total impact on operating income	$ (154)	$ (849)

Net sales. Net sales increased $3.5 million, or 7%, to $56.0 million in the third quarter of 2004 from $52.5 million in the third quarter of 2003. Net sales increased $12.6 million, or 8%, to $165.9 million for the first nine months of 2004 from $153.3 million in the first nine months of 2003. These increases are due primarily to the net effect of fluctuations in currency exchange rates (as discussed above), increased sales volumes of slide and security products, and the effect of price increases for certain products at CompX Waterloo and Thomas Regout.

Cost of goods sold. The Company's cost of goods sold increased 1% in the third quarter of 2004 compared to 2003 while net sales increased 7% during the same period. Cost of goods sold increased 2% in the first nine months of 2004 compared to 2003, while net sales increased 8%. The Company's gross margin percentage increased from 18% in the third quarter of the 2003 period to 22% in the 2004 period and increased from 17% to 22% in the first nine months of 2004 as compared to the first nine months of 2003. This improvement resulted from the favorable impact of the cost reduction efforts undertaken in 2002 and 2003, including retooling of the Company's Byron Center, Michigan facility, consolidation of two Canadian facilities into one facility and restructuring of the Thomas Regout operations. Gross margin comparisons were also favorably impacted by price increases on certain products at CompX Waterloo, relative changes in product mix at CompX Security Products, and expenses of approximately $900,000 during the first nine months of 2003 associated with the consolidation of the two Canadian facilities (approximately $100,000 in the third quarter of 2003). The Company has experienced an increase in the cost of raw materials, principally steel, which primarily impacted its precision slide products, during the first nine-months of 2004. However, the impact on gross margin has been substantially mitigated through surcharges and price increases that have been passed on to customers.

Selling, general, and administrative expense. As a percentage of net sales, selling, general, and administrative expense was 12% of net sales in the third quarter of 2003 and 2004. For the first nine months of each year, selling, general, and administrative expense was 13% of net sales.

Other general corporate income (expense), net. The components of other general corporate income (expense), net are summarized in Note 6 to the Consolidated Financial Statements, and primarily include interest income, currency exchange transaction gains and losses, and gains and losses on disposals of other assets. Net currency exchange transaction gains (losses) improved approximately $889,000 from the first nine months of 2003 to the first nine months of 2004 primarily as a result of less volatility in currency exchange rates in 2004.

Interest expense. Interest expense declined in the interim periods of 2004 compared to 2003 due primarily to lower average levels of outstanding debt. The Company expects interest expense will continue to be lower during the fourth quarter of 2004 as compared to the fourth quarter of 2003 due to lower average levels of outstanding debt.

Provision for income taxes. The principal reasons for the difference between CompX's effective income tax rates and the U.S. federal statutory income tax rates are explained in Note 7 to the Consolidated Financial Statements. Income tax rates vary by jurisdiction (county and/or state), and relative changes in the geographic mix of CompX's pre-tax earnings can result in fluctuations in the effective income tax rate.

Outlook. While demand has improved across most product segments, certain customers are seeking lower cost Asian sources as alternatives to the Company's products. Although CompX believes the impact of this will be mitigated through ongoing initiatives to expand both new products and new market opportunities, the recent increase in order rates may be moderated to a certain extent in the near term. Asian sourced competitive pricing pressures are expected to continue to be a challenge as Asian manufacturers, particularly those located in China, gain market share. The Company's strategy in responding to the competitive pricing pressure has included reducing production cost through product reengineering, improvement in manufacturing processes or moving production to lower-cost facilities including our own Asian based manufacturing facilities. The Company also has emphasized and focused on opportunities where it can provide value-added customer support services that foreign manufacturers are generally unable to provide. The combination of the Company's cost control initiatives together with its value-added approach to development and marketing of products are believed to help mitigate the impact of competitive pricing pressures.

Additionally, the Company's cost for steel continues to rise dramatically due to the continued high demand and shortages worldwide. While the Company has thus far been able to pass a majority of its higher raw material costs on to its customers through price increases and surcharges, there is no assurance that the Company would be able to continue to pass along any additional higher costs to its customers. The price increases and surcharges may accelerate the efforts of some of the Company's customers to find less expensive products from foreign manufacturers. The Company will continue to focus on cost improvement initiatives, utilizing lean manufacturing techniques and prudent balance sheet management in order to minimize the impact of lower sales particularly to the office furniture industry and to develop value-added customer relationships with an additional focus on sales of the Company's higher-margin ergonomic computer support systems to improve operating results. Although the Thomas Regout

operating results have improved and are expected to continue to improve, the Company is evaluating the strategic role of the Thomas Regout operations, including the possible sale of some or all of such operations, and additional actions could be taken in the future that could result in significant charges for asset impairment, including goodwill, and other costs in future periods. These actions, along with other activities to eliminate excess capacity, are designed to position the Company to expand more effectively on both new product and new market opportunities to improve Company profitability.

Liquidity and Capital Resources

Summary.

The Company's primary source of liquidity on an ongoing basis is its cash flow from operating activities, which is generally used to (i) fund capital expenditures (ii) repay short-term or long-term indebtedness incurred primarily for working capital or capital expenditure purposes and (iii) provide for the payment of dividends (if declared). From time-to-time, the Company will incur indebtedness, primarily for short-term working capital needs or to fund capital expenditures. From time-to-time, the Company may also sell assets outside the ordinary course of business, the proceeds of which are generally used to repay indebtedness (including indebtedness which may have been collateralized by the assets sold) or to fund capital expenditures or business acquisitions.

Consolidated cash flows.

Operating activities. Trends in cash flows from operating activities, excluding changes in assets and liabilities have generally been similar to the trends in the Company's earnings. 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. However, period-to-period relative changes in assets and liabilities can significantly affect the comparability of cash flows from operating activities. Such changes in assets and liabilities provided cash of approximately $2.2 million in the first nine months of 2004 compared to $4.7 million in the first nine months of 2003.

Investing activities. The capital expenditures for 2004 relate primarily to equipment additions designed to utilize new technologies thereby increasing automation and improving manufacturing efficiencies at the Company's facilities. Capital expenditures for 2004 are estimated at approximately $7 million, the majority of which relate to projects that emphasize improved production efficiency and the shifting of production capacity to lower cost facilities. Firm purchase commitments for capital projects not commenced at September 30, 2004 approximated $3.5 million.

In June 2004, the Company received approximately $2.1 million from the sale of its surplus Trillium facility in Ontario, Canada, which approximated the net carrying value of such facility.

Financing activities. The Company paid a quarterly dividend of $1.9 million, or $.125 per share, in the first quarter of 2003, but the Company suspended its regular quarterly dividend in the second quarter of 2003. During the first nine months of 2004, the Company repaid a net $26.0 million under its revolving bank credit facility. The Company has resumed the quarterly dividend of $1.9 million, or $.125 per share for the fourth quarter of 2004.

Provisions contained in the Company's revolving bank credit facility could result in the acceleration of such indebtedness prior to its stated maturity for reasons other than defaults from failing to comply with typical financial covenants. For example, the credit agreement allows the lender to accelerate the maturity of the indebtedness upon a change of control (as defined) of the borrower. The terms of the credit agreement could result in the acceleration of all or a portion of the indebtedness following a sale of assets outside of the ordinary course of business. Other than certain operating leases discussed in the 2003 Annual Report, neither CompX nor any of its subsidiaries or affiliates are parties to any off-balance sheet financing arrangements.

Management believes that cash generated from operations and borrowing availability under the Company's credit facility, together with cash on hand, will be sufficient to meet the Company's liquidity needs for working capital, capital expenditures, debt service and dividends (if declared). To the extent that the Company's actual operating results or other developments differ from the Company's expectations, CompX's liquidity could be adversely affected.

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, dividend policy and estimated future operating cash flows. As a result of this process, the Company has in the past and may in the future seek to raise additional capital, refinance or restructure indebtedness, issue additional securities, modify its dividend policy, repurchase shares of its common stock 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, divestitures, 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.

Forward Looking Information

As provided by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions that the statements in this Quarterly Report on Form 10-Q relating to matters that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. Forward-looking statements can be identified by the use of words such as "believes," "intends," "may," "should," "anticipates," "expects" or comparable terminology, or by discussions of strategies or trends. Although the Company believes that 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 substantial 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 are the risks and uncertainties discussed in this Quarterly Report and those described from time to time in the Company's other filings with the Securities and Exchange Commission. While it is not possible to identify all factors, the Company continues to face many risks and uncertainties including, but not limited to the following:

- Future supply and demand for the Company's products,
- Changes in costs of raw materials and other operating costs (such as energy and steel costs),
- General global economic and political conditions,
- Demand for office furniture,
- Service industry employment levels,
- The possibility of labor disruptions,
- The ability to implement headcount reductions in a cost effective manner within the constraints of non-U.S. governmental regulations, and the timing and amount of any cost savings,
- Competitive products and prices, including increased competition from low-cost manufacturing sources (such as China),
- Substitute products,
- Customer and competitor strategies,

- The implementation of the requirements adopted by the Securities and Exchange Commission in response to the Sarbanes-Oxley Act of 2002 relating to the evaluation of the Company's internal control structure could result in required improvements to our internal control structure that could be costly to implement, divert attention of management and finance staff and may cause operating expenses to increase,

- The introduction of trade barriers,
- The impact of pricing and production decisions,
- Fluctuations in the value of the U.S. dollar relative to other currencies (such as the euro, Canadian dollar and New Taiwan dollar),
- Potential difficulties in integrating completed or future acquisitions,
- Decisions to sell operating assets other than in the ordinary course of business,
- Uncertainties associated with new product development,
- Environmental matters (such as those requiring emission and discharge standards for existing and new facilities),
- The ability of the Company to renew or refinance its revolving bank credit facility,
- The ultimate outcome of income tax audits,
- The impact of current or future government regulations,
- Possible future litigation and
- Other risks and uncertainties.

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 forecasted or expected. The Company disclaims any intention or obligation to update publicly or revise such statements whether as a result of new information, future events or otherwise.

ITEM 4. Controls and Procedures.

The Company maintains a system of disclosure controls and procedures. The term "disclosure controls and procedures," as defined by regulations of the Securities and Exchange Commission (the "SEC"), means controls and other procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits to the SEC under the Securities Exchange Act of 1934, as amended (the "Act"), is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits to the SEC under the Act is accumulated and communicated to the Company's management, including its principal executive officer and its principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions to be made regarding required disclosure. Each of David A. Bowers, the Company's Vice Chairman of the Board, President and Chief Executive Officer, and Darryl R. Halbert, the Company's Vice President, Chief Financial Officer and Controller, have evaluated the Company's disclosure controls and procedures as of September 30, 2004. Based upon their evaluation, these executive officers have concluded that the Company's disclosure controls and procedures are effective as of the date of such evaluation.

The Company also maintains a system of internal controls over financial reporting. The term "internal control over financial reporting," as defined by regulations of the SEC, means a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP"), and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial

statements.

There has been no change to the Company's system of internal controls over financial reporting during the quarter ended September 30, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's system of internal controls over financial reporting.

Part II. OTHER INFORMATION

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

(a) Exhibits

31.1 Certification

31.2 Certification

32.1 Certification

32.2 Certification

The Company has retained a signed original of any of the above exhibits that contains signatures, and the Company will provide such exhibit to the Commission or its staff upon request. CompX will also furnish, without charge, a copy of its Code of Business Conduct and Ethics, Corporate Governance Guidelines and Audit Committee Charter, each as approved by the Board of Directors, upon request. These documents are also available on CompX's website at www.compxnet.com. Requests for any of the above documents should be directed to the attention of CompX's Corporate Secretary at CompX's corporate offices located at 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240.

(b) Reports on Form 8-K

Reports on Form 8-K for the quarter ended September 30, 2004.

July 28, 2004 - Reported items 9 and 12.

September 16, 2004 - Reported 7.01 and 9.01.

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 October 26, 2004 By /s/ Darryl R. Halbert

Darryl R. Halbert

Vice President, Chief Financial Officer
and Controller

Exhibit 31.1

CERTIFICATION

I, David A. Bowers, the Vice Chairman of the Board, President and Chief Executive Officer of CompX International Inc., certify that:

1) I have reviewed this quarterly report on Form 10-Q of CompX International Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d - 15(e)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2004

/s/David A. Bowers

David A. Bowers
Vice Chairman of the Board, President
and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Darryl R. Halbert, the Vice President, Chief Financial Officer and Controller of CompX International Inc., certify that:

1) I have reviewed this quarterly report on Form 10-Q of CompX International Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to could adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2004

/s/Darryl R. Halbert

Darryl R. Halbert
Vice President, Chief Financial Officer
and Controller

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CompX International Inc. (the Company) on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David A. Bowers, Vice Chairman of the Board, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/David A. Bowers

David A. Bowers
Vice Chairman of the Board, President
and Chief Executive Officer
October 26, 2004

Note: The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CompX International Inc. (the Company) on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Darryl R. Halbert, Vice President, Chief Financial Officer and Controller of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Darryl R. Halbert

Darryl R. Halbert
Vice President, Chief Financial Officer
and Controller
October 26, 2004

Note: The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.