

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of the earliest event reported)
August 4, 2009

KRONOS WORLDWIDE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-31763
(Commission
File Number)

76-0294959
(IRS Employer
Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, Texas
(Address of principal executive offices)

75240-2697
(Zip Code)

Registrant's telephone number, including area code
(972) 233-1700

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

Item 7.01 Regulation FD Disclosure.

The registrant hereby furnishes the information set forth in its press release issued on August 4, 2009, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information, including the exhibit, the registrant furnishes in this report 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 U.S. Securities and Exchange Commission shall not incorporate this information by reference, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Item No.</u>	<u>Exhibit Index</u>
99.1	Press release dated August 4, 2009 issued by the registrant.

SIGNATURE

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.

VALHI, INC.
(Registrant)

By: /s/ Gregory M. Swalwell
Gregory M. Swalwell, Vice President and Controller

Date: August 4, 2009

INDEX TO EXHIBITS

Item No.

Exhibit Index

99.1

Press release dated August 4, 2009 issued by the registrant.

News Release

FOR IMMEDIATE RELEASE

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KRONOS WORLDWIDE REPORTS SECOND QUARTER RESULTS

DALLAS, TEXAS...August 4, 2009... Kronos Worldwide, Inc. (NYSE:KRO) today reported a net loss for the second quarter of 2009 of \$21.8 million, or \$.45 per diluted share, compared with net income of \$5.8 million, or \$.12 per diluted share, in the second quarter of 2008. For the first six months of 2009, Kronos reported a net loss of \$48.4 million, or \$.99 per diluted share, compared with net income of \$5.4 million, or \$.11 per diluted share. Comparability of the Company's results was impacted by lower income from operations in the first six months of 2009 resulting principally from lower sales volumes and higher manufacturing costs as a result of temporary plant curtailments during the first half of the year.

Net sales of \$282.0 million in the second quarter of 2009 were \$109.9 million, or 28%, lower than the second quarter of 2008. Net sales of \$530.1 million for the first six months of 2009 were \$194.3 million, or 27%, lower than the first six months of 2008. Net sales decreased in both the second quarter and the first six months of 2009 due primarily to a decrease in sales volumes, which were 19% lower in the quarter and 22% lower in the year-to-date period. Additionally, the unfavorable effect of fluctuations in foreign currency exchange rates decreased the Company's sales by approximately \$26 million for the quarter and \$38 million in the year-to-date period. The Company's average selling prices were 1% higher in the second quarter of 2009, and 3% higher for the year to date period, as compared to the respective 2008 periods. The table at the end of this release shows how each of these items impacted the overall decrease in sales.

The Company's TiO₂ segment loss (see description of non-GAAP information below) for the second quarter of 2009 was \$19.5 million compared with segment profit of \$11.5 million in the second quarter of 2008. For the year-to-date period the company's segment loss was \$44.4 million compared with a segment profit of \$23.2 million for the first six months of 2008. Segment profit in both periods declined due to the negative effects of production curtailments, which resulted in significantly higher manufacturing costs per ton of pigment production. This was partially offset by the positive effects of higher TiO₂ selling prices and the favorable effects of fluctuations in foreign currency exchange rates, which increased segment profit by approximately \$20 million and \$48 million in the second quarter and the year-to-date period, respectively. The Company's TiO₂ production volumes were 34% and 43% lower in the second quarter and first six months of 2009, respectively, as compared to the same periods in 2008, and finished goods inventories at June 30, 2009, which represented less than 2 months of average sales, were lower compared to both March 31, 2009 and December 31, 2008.

Steven L. Watson, Vice Chairman and Chief Executive Officer, said, "We lowered our production rates in the first half of the year to reduce our finished goods inventories to an appropriate level necessary to meet current business requirements in each of our markets. The lower production volumes significantly impacted cost of sales for unabsorbed fixed production costs. We started to increase our production rates in the later half of the second quarter, and we expect our production rates will be significantly higher in the second half of 2009 as compared to the first half of the year due to higher customer demand, including recent increases across our key market segments. We anticipate the higher capacity utilization in the second half will significantly decrease our per unit fixed cost of production. While the economic downturn has negatively affected all TiO₂ producers, we believe recent improvement in demand and the implementation of recent price increases we and our competitors have announced, if successful, will result in improved operating and financial performance."

The Company's effective income tax rate varies significantly from the U.S. statutory federal income tax rate in both periods of 2008 and 2009. The Company's income tax benefit in 2008 includes a \$7.2 million (\$.15 per diluted share) non-cash deferred income tax benefit in the second quarter related to a European Court ruling that resulted in the favorable resolution of certain income tax issues related to our German operations and an increase in the amount of our German corporate and trade tax net operating loss carryforwards.

The statements in this release relating to matters that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. 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. While it is not possible to identify all factors, the Company continues to face many risks and uncertainties. The factors that could cause actual future results to differ materially include, but are not limited to, the following:

- Future supply and demand for our products
- The extent of the dependence of certain of our businesses on certain market sectors
- The cyclicity of our businesses
- Customer inventory levels (such as the extent to which our customers may, from time to time, accelerate purchases of TiO₂ in advance of anticipated price increases or defer purchases of TiO₂ in advance of anticipated price decreases)
- Changes in raw material and other operating costs (such as energy costs)
- General global economic and political conditions (such as changes in the level of gross domestic product in various regions of the world and the impact of such changes on demand for TiO₂)
- Competitive products and substitute products
- Customer and competitor strategies
- Potential consolidation or solvency of our competitors
- The impact of pricing and production decisions

- Competitive technology positions
- Possible disruption of our business or increases in the cost of doing business resulting from terrorist activities or global conflicts
- The introduction of trade barriers
- Fluctuations in currency exchange rates (such as changes in the exchange rate between the U.S. dollar and each of the euro, the Norwegian krone and the Canadian dollar)
- Operating interruptions (including, but not limited to, labor disputes, leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime and transportation interruptions)
- The timing and amounts of insurance recoveries
- Our ability to renew or refinance credit facilities
- Our ability to maintain sufficient liquidity
- The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters
- The ultimate ability to utilize income tax attributes, the benefits of which have been recognized under the more-likely-than-not recognition criteria
- Environmental matters (such as those requiring compliance with emission and discharge standards for existing and new facilities)
- Government laws and regulations and possible changes therein
- The ultimate resolution of pending litigation
- Possible future litigation

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 or revise any forward-looking statement whether as a result of changes in information, future events or otherwise.

In an effort to provide investors with additional information regarding the Company's results of operations as determined by accounting principles generally accepted in the United States of America ("GAAP"), the Company has disclosed certain non-GAAP information, which the Company believes provides useful information to investors:

- The Company discloses segment profit (loss), which is used by the Company's management to assess the performance of the Company's TiO₂ operations. The Company believes disclosure of segment profit (loss) provides useful information to investors because it allows investors to analyze the performance of the Company's TiO₂ operations in the same way that the Company's management assesses performance. The Company defines segment profit (loss) as income (loss) before income taxes, interest expense and certain general corporate items. Corporate items excluded from the determination of segment profit (loss) include corporate expense and interest income not attributable to the Company's TiO₂ operations.

Kronos Worldwide, Inc. is a major international producer of titanium dioxide pigments.

KRONOS WORLDWIDE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share and metric ton data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2008	2009	2008	2009
Net sales	\$ 391.9	\$ 282.0	\$ 724.4	\$ 530.1
Cost of sales	<u>332.7</u>	<u>267.9</u>	<u>608.1</u>	<u>511.8</u>
Gross margin	59.2	14.1	116.3	18.3
Selling, general and administrative expense	47.0	34.7	90.3	69.0
Other operating income (expense):				
Currency transactions, net	(.5)	1.2	(2.9)	6.5
Disposition of property & equipment	(.4)	(.2)	(.5)	(.3)
Corporate expense	<u>(1.6)</u>	<u>(2.3)</u>	<u>(3.2)</u>	<u>(3.7)</u>
Income (loss) from operations	9.7	(21.9)	19.4	(48.2)
Other income (expense):				
Trade interest income	.2	.1	.6	.1
Interest expense	<u>(11.1)</u>	<u>(10.3)</u>	<u>(21.7)</u>	<u>(20.0)</u>
Loss before income taxes	(1.2)	(32.1)	(1.7)	(68.1)
Income tax benefit	<u>(7.0)</u>	<u>(10.3)</u>	<u>(7.1)</u>	<u>(19.7)</u>
Net income (loss)	<u>\$ 5.8</u>	<u>\$ (21.8)</u>	<u>\$ 5.4</u>	<u>\$ (48.4)</u>
Basic and diluted net income (loss) per share	<u>\$.12</u>	<u>\$ (.45)</u>	<u>\$.11</u>	<u>\$ (.99)</u>
Basic and diluted weighted-average shares used in the calculation of net income per share	49.0	49.0	49.0	49.0
TiO ₂ data – metric tons in thousands:				
Sales volumes	141	114	269	211
Production volumes	133	87	265	151

KRONOS WORLDWIDE, INC.
RECONCILIATION OF SEGMENT PROFIT TO
INCOME FROM OPERATIONS

(In millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2008	2009	2008	2009
Segment profit (loss)	\$ 11.5	\$ (19.5)	\$ 23.2	\$ (44.4)
Adjustments:				
Trade interest income	(.2)	(.1)	(.6)	(.1)
Corporate expense	(1.6)	(2.3)	(3.2)	(3.7)
Income (loss) from operations	<u>\$ 9.7</u>	<u>\$ (21.9)</u>	<u>\$ 19.4</u>	<u>\$ (48.2)</u>

IMPACT OF PERCENTAGE CHANGE IN SALES
(Unaudited)

	Three months ended June 30, 2009 vs. 2008	Six months ended June 30, 2009 vs. 2008
	Percent change in sales:	
TiO ₂ product pricing	1%	3%
TiO ₂ sales volume	(19)%	(22)%
TiO ₂ product mix	(3)%	(3)%
Changes in foreign currency exchange rates	(7)%	(5)%
Total	<u>(28)%</u>	<u>(27)%</u>