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 March 31, 2004 Commission file number 1-31763

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

Delaware	76-0294959
(State or other jurisdiction of incorporation or 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) 233-1700

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 Securities Exchange Act of 1934). Yes___ No_X_

Number of shares of the Registrant's common stock outstanding on April 30, 2004: 48,943,049.

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

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KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	December 31, 2003	March 31, 2004
Current assets:		
Cash and cash equivalents	$ 55,876	$ 90,360
Restricted cash and cash equivalents	1,313	845
Accounts and other receivables	156,212	183,583
Refundable income taxes	35,336	14,428
Receivable from affiliates	1,209	601
Inventories	266,020	227,530
Prepaid expenses	4,456	4,520
Deferred income taxes	2,755	3,118
Total current assets	523,177	524,985
Other assets:		
Investment in TiO2 manufacturing joint venture	129,011	127,211
Other	28,040	27,182
Total other assets	157,051	154,393
Property and equipment:		
Land	32,339	31,461
Buildings	179,472	175,143
Equipment	765,231	750,086
Mining properties	63,701	61,160
Construction in progress	9,666	9,108
	1,050,409	1,026,958
Less accumulated depreciation and amortization	615,442	609,637
Net property and equipment	434,967	417,321
	$1,115,195	$1,096,699

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 2003	March 31, 2004
Current liabilities:		

Current maturities of long-term debt	$ 288	$ 279
Accounts payable	97,446	61,908
Accrued liabilities	69,218	75,784
Payable to affiliates	8,919	8,250
Income taxes	12,354	12,681
Deferred income taxes	3,436	1,407
Total current liabilities	191,661	160,309
Noncurrent liabilities:		
Long-term debt	356,451	377,531
Note payable to affiliate	200,000	200,000
Accrued pension costs	68,161	67,846
Accrued postretirement benefits costs	11,176	10,895
Deferred income taxes	113,143	108,796
Other	14,727	14,318
Total noncurrent liabilities	763,658	779,386
Minority interest	525	518
Stockholders' equity:		
Common stock	489	489
Additional paid-in capital	1,060,157	1,060,157
Retained deficit	(729,260)	(731,688)
Accumulated other comprehensive loss:		
Currency translation	(133,009)	(133,446)
Pension liabilities	(39,026)	(39,026)
Total stockholders' equity	159,351	156,486
	$1,115,195	$1,096,699

Commitments and contingencies (Notes 8 and 10)

See accompanying notes to consolidated financial statements.

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Three months ended March 31, 2003 and 2004

(In thousands, except per share data)

	2003	2004
Net sales	$ 252,973	$ 263,267
Cost of sales	188,417	202,231
Gross margin	64,556	61,036
Selling, general and administrative expense	29,379	35,244
Other operating income (expense):		
Currency transaction gains (losses), net	(1,098)	254
Disposition of property and equipment	(61)	(23)
Other income	103	14
Corporate expense	(771)	(438)
Income from operations	33,350	25,599
Other income (expense):		
Trade interest income	163	206
Interest income from affiliates	358	-
Other interest income	36	151
Interest expense to affiliates	(384)	(4,475)
Interest expense	(7,983)	(9,215)

Income before income taxes and minority interest	25,540	12,266
Provision for income taxes	8,851	2,450
Minority interest in after-tax earnings	24	8
Net income	$ 16,665	$ 9,808
Basic and diluted net income per share	$ .34	$ .20
Basic and diluted weighted-average shares used in the calculation of net income per share	48,943	48,943

See accompanying notes to consolidated financial statements.

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three months ended March 31, 2003 and 2004

(In thousands)

	2003	2004
Net income	$ 16,665	$ 9,808
Other comprehensive income (loss), net of tax - currency translation adjustment	3,699	(437)
Comprehensive income	$ 20,364	$ 9,371

See accompanying notes to consolidated financial statements.

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Three months ended March 31, 2004

(In thousands)

				Accumulated other comprehensive loss		
	Common stock	Additional paid-in capital	Retained deficit	Currency translation	Pension liabilities	Total stockholders' equity
Balance at December 31, 2003	$ 489	$1,060,157	$(729,260)	$(133,009)	$(39,026)	$159,351
Net income	-	-	9,808	-	-	9,808
Dividends	-	-	(12,236)	-	-	(12,236)
Other comprehensive loss	-	-	-	(437)	-	(437)
Balance at March 31, 2004	$ 489	$1,060,157	$(731,688)	$(133,446)	$(39,026)	$156,486

See accompanying notes to consolidated financial statements.

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, 2003 and 2004

(In thousands)

	2003	2004
Cash flows from operating activities:		
Net income	$ 16,665	$ 9,808
Depreciation and amortization	9,520	11,038
Noncash interest expense	528	619
Deferred income taxes	4,246	(1,357)
Minority interest	24	8
Net loss from disposition of property and equipment	61	23
Pension cost, net	(1,051)	1,027
Distributions from (contributions to) TiO_2 manufacturing joint venture, net	(1,250)	1,800
Other postretirement benefits, net	(314)	(258)
Other, net	-	700
Change in assets and liabilities:		
Accounts and other receivables	(28,457)	(31,008)
Inventories	18,702	33,494
Prepaid expenses	1,581	(66)
Accounts payable and accrued liabilities	(29,577)	(27,339)
Income taxes	405	21,286
Accounts with affiliates	2,077	279
Other, net	801	(940)
Net cash provided by (used in) operating activities	(6,039)	19,114
Cash flows from investing activities:		
Capital expenditures	(6,503)	(4,501)
Change in restricted cash equivalents	(1,009)	556
Other, net	42	30
Net cash used in investing activities	(7,470)	(3,915)
Cash flows from financing activities:		
Indebtedness:		
Borrowings	16,106	99,968
Principal payments	(342)	(67,468)
Repayment of loans from affiliates	8,000	-
Dividends paid	-	(12,236)
Other capital transactions with affiliates, net	(11,400)	-
Net cash provided by financing activities	12,364	20,264

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Three months ended March 31, 2003 and 2004

(In thousands)

	2003	2004
Cash and cash equivalents - net change from:		

Operating, investing and financing activities	$ (1,145)	$ 35,463
Currency translation	421	(979)
Cash and cash equivalents at beginning of period	40,685	55,876
Cash and cash equivalents at end of period	$ 39,961	$ 90,360
Supplemental disclosures - cash paid (received) for:		
Interest, net of amounts capitalized	$ 1,056	$ 5,559
Income taxes, net	3,041	(18,165)

See accompanying notes to consolidated financial statements.

KRONOS WORLDWIDE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Organization and basis of presentation:

Kronos Worldwide, Inc. ("Kronos") (NYSE: KRO) is a 50.5% owned subsidiary of NL Industries, Inc. (NYSE: NL) at March 31, 2004. NL conducts its titanium dioxide pigments ("TiO2") operations through Kronos. At March 31, 2004, Valhi, Inc. and a wholly-owned subsidiary of Valhi, held approximately 83% of NL's outstanding common stock, and Contran Corporation and its subsidiaries held approximately 90% of Valhi's outstanding common stock. At March 31, 2004, Valhi and a wholly-owned subsidiary of Valhi held an additional 43.3% of Kronos' 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 Valhi, Contran and the Company, may be deemed to control each of such companies.

The consolidated balance sheet of Kronos at December 31, 2003 has been condensed from the Company's audited consolidated financial statements at that date. The consolidated balance sheet at March 31, 2004, and the consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the interim periods ended March 31, 2003 and 2004, have been prepared by the Company, without audit, in accordance with accounting principles generally accepted in the United States of America ("GAAP"). 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 GAAP has been condensed or omitted, and certain prior year amounts have been reclassified to conform to the current year presentation. 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").

The Company has not issued any stock options to purchase Kronos common stock. However, certain employees of the Company have been granted options by NL to purchase NL common stock. As disclosed in the 2003 Annual Report, the Company accounts for stock-based employee compensation 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. Prior to 2003, the Company commenced accounting for its stock options using the variable accounting method of APBO No. 25, which requires the intrinsic value of all unexercised stock options (including stock options with an exercise price at least equal to the market price on the date of grant) to be accrued as an expense, with subsequent increases (decreases) in the Company's market price resulting in recognition of additional compensation expense (income). Aggregate compensation expense related to NL stock options held by employees of the Company was $200,000 in the first quarter of 2003 and approximately $700,000 in the first quarter of 2004.

The following table presents what the Company's consolidated net income, and related per share amounts, would have been in the first quarter of 2003 and 2004 if the Company and its subsidiaries and affiliates had each elected to account for their respective stock-based employee compensation related to stock options in accordance with the fair value-based recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," for all awards granted subsequent to January 1, 1995.

	Three months ended March 31,	
	2003	2004
	(In millions, except per share amounts)	
Net income as reported	$16.6	$ 9.8
Adjustments, net of applicable income tax effects and minority interest:		
Stock-based employee compensation expense determined under APBO No. 25	.2	.5
Stock-based employee compensation expense determined under SFAS No. 123	(.1)	-
Pro forma net income	$16.7	$10.3
Basic and diluted earnings per share:		
As reported	$ .34	$ .20
Pro forma	.34	.21

The Company has complied with the consolidation requirements of FASB Interpretation ("FIN") No. 46R, "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51," as amended, as of March 31, 2004. See Note 11.

Note 2 - Accounts and other receivables:

	December 31, 2003	March 31, 2004
	(In thousands)	
Trade receivables	$147,029	$176,130
Recoverable VAT and other receivables	12,103	10,348
Allowance for doubtful accounts	(2,920)	(2,895)
	$156,212	$183,583

Note 3 - Inventories:

	December 31, 2003	March 31, 2004
	(In thousands)	
Raw materials	$ 61,959	$ 31,591
Work in process	19,855	18,135
Finished products	147,270	142,175
Supplies	36,936	35,629
	$266,020	$227,530

Note 4 - Other noncurrent assets:

	December 31, 2003	March 31, 2004
	(In thousands)	
Deferred financing costs, net	$ 10,417	$ 9,695
Restricted marketable debt securities	2,586	2,458
Unrecognized net pension obligations	13,747	13,747
Other	1,290	1,282
	$ 28,040	$ 27,182

Note 5 - Accrued liabilities:

	December 31, 2003	March 31, 2004
	(In thousands)	
Employee benefits	$ 31,732	$ 28,800
Interest	207	8,043
Other	37,279	38,941
	$ 69,218	$ 75,784

Note 6 - Long-term debt:

	December 31, 2003	March 31, 2004
	(In thousands)	
Kronos International, Inc. and subsidiaries:		
Senior Secured Notes	$356,136	$345,848
Revolving credit facility	-	31,551
Other	603	411
	356,739	377,810
Less current maturities	288	279
	$356,451	$377,531

During the first quarter of 2004, certain of Kronos' operating subsidiaries in Europe borrowed a net Euro 26 million ($32 million when borrowed) under the European revolving credit facility at an interest rate of 3.8%.

Note 7 - Other noncurrent liabilities:

	December 31, 2003	March 31, 2004
	(In thousands)	
Employee benefits	$ 4,849	$ 4,663
Insurance	1,673	1,957
Other	8,205	7,698
	$ 14,727	$ 14,318

Note 8 - Provision for income taxes:

	Three months ended March 31, 2003	2004
	(In millions)	
Expected tax expense	$ 8.9	$ 4.3
Incremental U.S. tax and rate differences on equity in earnings of non-tax group companies	.9	(.1)
Non-U.S. tax rates	.1	.1
Change in deferred income tax valuation allowance, net	(.7)	(3.0)
Other, net	(.4)	1.2

$ 8.8	$ 2.5
=====	=====

In the first quarter of 2003, Kronos International, Inc. ("KII"), which conducts Kronos' TiO2 operations in Europe, was notified by the German Federal Fiscal Court (the "Court") that the Court had ruled in KII's favor concerning a claim for refund suit in which KII sought refunds of prior taxes paid during the periods 1990 through 1997. KII and the Company's German operating subsidiary were required to file amended tax returns with the German tax authorities to receive refunds for such years, and all of such amended returns were filed during 2003. Such amended returns reflected an aggregate refund of taxes and related interest to the Company's German operating subsidiary of euro 103.2 million ($123.0 million), and an aggregate additional liability of taxes and related interest to KII of Euro 91.9 million ($109.6 million). Assessments and refunds will be processed by year as the respective returns are reviewed by the tax authorities. Certain interest components may also be refunded separately. The German tax authorities have reviewed and accepted the amended return with respect to the 1990 tax year. Through April 2004, KII's German operating subsidiary received net refunds of Euro 16.3 million ($20.3 million when received). KII believes it will receive the net refunds for the remaining years during 2004. In addition to the refunds for the 1990 to 1997 periods, the court ruling also resulted in a refund of 1999 income taxes and interest for which the Company received euro 21.5 million ($24.6 million) in 2003. KII recognized the aggregate euro 32.8 million ($38 million) benefit of such net refunds in its 2003 results of operations.

Certain of the Company's U.S. and non-U.S. tax returns are being examined and tax authorities have or may propose tax deficiencies, including penalties and interest. For example:

o Kronos has received a preliminary tax assessment related to 1993 from the Belgian tax authorities proposing tax deficiencies, including related interest, of approximately Euro 6 million ($8 million at March 31, 2004). Kronos has filed a protest to this assessment and believes that a significant portion of the assessment is without merit. The Belgian tax authorities have filed a lien on the fixed assets of Kronos' Belgian TiO2 operations in connection with this assessment. In April 2003, Kronos received a notification from the Belgian tax authorities of their intent to assess a tax deficiency related to 1999 that, including interest, is expected to be approximately Euro 13 million ($16 million). Kronos believes the proposed assessment is substantially without merit, and Kronos has filed a written response.

o The Norwegian tax authorities have notified Kronos of their intent to assess tax deficiencies of approximately kroner 12 million ($2 million at March 31, 2004) relating to the years 1998 to 2000. Kronos has filed a written protest to this proposed assessment.

No assurance can be given that these tax matters will be resolved in the Company's favor in view of the inherent uncertainties involved in settlement initiatives, court and tax proceedings. The Company believes that it has provided adequate accruals for additional taxes and related interest expense which may ultimately result from all such examinations and believes that the ultimate disposition of such examinations should not have a material adverse effect on its consolidated financial position, results of operations or liquidity.

Note 9 - Employee benefit plans:

The components of net periodic defined benefit pension cost are presented in the table below.

	Three months ended March 31, 2003	2004
	(In thousands	
Service cost benefits	$ 1,239	$ 1,611
Interest cost on projected benefit obligations	3,692	4,328
Expected return on plan assets	(4,142)	(3,832)
Amortization of prior service cost	87	141
Amortization of net transition obligations	187	160
Recognized actuarial losses	307	742
	$ 1,370	$ 3,150

The components of net periodic postretirement benefits other than pensions ("OPEB") cost are presented in the table below.

Three months ended

	March 31,	
	2003	2004
	(In thousands	
Service cost	$ 35	$ 57
Interest cost	166	181
Amortization of prior service credit	(264)	(183)
Recognized actuarial losses	20	39
	$ (43)	$ 94

Note 10 - Commitments and contingencies:

In May 2004, the court ruled and, among other things, imposed a fine of euro 200,000 against the Company and fines ranging from euro 1,000 to euro 25,000 against various employees of the Company, the liability of which has been undertaken by the Company, in the previously-reported matter concerning fatalities at the Company's Belgian facility. The Company plans to appeal the ruling.

In addition to the litigation described above, the Company is from time to time also involved in various other environmental, contractual, product liability, patent (or intellectual property), employment and other claims and disputes incidental to its present and former businesses. In certain cases, the Company has insurance coverage for such items. The Company currently believes the disposition of all claims and disputes individually or in the aggregate, should not have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

Note 11 - Accounting principle newly adopted in 2004:

The Company complied with the consolidation requirements of FIN No. 46R, "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51," as amended, as of March 31, 2004. The Company does not have any involvement with any variable interest entity (as that term is defined in FIN No. 46R) covered by the scope of FIN No. 46R, and therefore the impact to the Company of adopting the consolidation requirements of FIN No. 46R was not material.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS:

Executive summary

Relative changes in the Company's TiO_2 sales and income from operations during the first three months of 2003 and 2004 are primarily due to (i) relative changes in TiO_2 average selling prices and (ii) relative changes in foreign currency exchange rates. Selling prices were generally increasing during the first quarter of 2003, were generally flat during the second quarter of 2003 and were generally decreasing during the third and fourth quarters of 2003 and the first quarter of 2004.

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," "could," "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. While it is not possible to identify all factors, the Company continues to face many risks and uncertainties. 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 ("SEC") including, but not limited to, the following:

- Future supply and demand for the Company's products,
- The cyclicality of the Company's businesses,
- Customer inventory levels (such as the extent to which the Company's

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),
- The possibility of labor disruptions,
- 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,
- The impact of pricing and production decisions,
- Competitive technology positions,
- Fluctuations in currency exchange rates (such as changes in the exchange rate between the U.S. dollar and each of the euro, the Norwegian kroner and the Canadian dollar),
- Operating interruptions (including, but not limited to, labor disputes, leaks, fires, explosions, unscheduled or unplanned downtime and transportation interruptions),
- The ability of the Company to renew or refinance credit facilities,
- The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters,
- Environmental matters (such as those requiring emission and discharge standards for existing and new facilities),
- Government laws and regulations and possible changes therein,
- The ultimate resolution of pending litigation and
- 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 new information, future events or otherwise.

	Three months ended March 31, 2003	Three months ended March 31, 2004	% Change
	(In millions, except percentage and volumes)		
Net sales	$253.0	$263.3	+4%
Cost of sales	188.4	202.3	+7%
Gross margin	64.6	61.0	-6%
Selling, general and administrative expense	(29.4)	(35.2)	
Currency transaction gains (losses), net	(1.1)	.2	
Other income	.1	-	
Corporate expense	(.8)	(.4)	
Income from operations	$ 33.4	$ 25.6	-23%
TiO2 data:			
Percent change in average selling prices:			
Using actual foreign currency exchange rates			+4%
Impact of changes in foreign currency exchange rates			-8%
In billing currencies			-4%
Sales volumes*	118	118	
Production volumes*	117	117	

* Thousands of metric tons

Kronos' sales increased $10.3 million (4%) in the first quarter of 2004 compared to the first quarter of 2003, as the favorable effect of fluctuations in foreign currency exchange rates, which increased sales by approximately $21 million (as more fully discussed below), more than offset the impact of lower average TiO2 selling prices. Excluding the effect of fluctuations in the value of the U.S. dollar relative to other currencies, the Company's average TiO2 selling prices in billing currencies in the first quarter of 2004 were 4% lower than the first quarter of 2003. When translated from billing currencies into U.S. dollars using actual foreign currency exchange rates prevailing during the respective periods, Kronos' average TiO2 selling prices in the first quarter of

2004 were 4% higher compared to the first quarter of 2003. Kronos' TiO2 sales volumes in the first quarter of 2004 approximated Kronos' TiO2 sales volumes in the first quarter of 2003.

The Company's sales are denominated in various currencies, including the U.S. dollar, the euro, other major European currencies and the Canadian dollar. The disclosure of the percentage change in the Company's average TiO2 selling prices in billing currencies (which excludes the effects of fluctuations in the value of the U.S. dollar relative to other currencies) is considered a "non-GAAP" financial measure under regulations of the SEC. The disclosure of the percentage change in the Company's average TiO2 selling prices using actual foreign currency exchange rates prevailing during the respective periods is considered the most directly comparable financial measure presented in accordance with accounting principles generally accepted in the United States ("GAAP measure"). The Company discloses percentage changes in its average TiO2 prices in billing currencies because the Company believes such disclosure provides useful information to investors to allow them to analyze such changes without the impact of changes in foreign currency exchange rates, thereby facilitating period-to-period comparisons of the relative changes in average selling prices in the actual various billing currencies. Generally, when the U.S. dollar either strengthens or weakens against other currencies, the percentage change in average selling prices in billing currencies will be higher or lower, respectively, than such percentage changes would be using actual exchange rates prevailing during the respective periods. The difference between the 4% increase in the Company's average TiO2 selling prices during the first quarter 2004 as compared to the same period in 2003 using actual foreign currency exchange rates prevailing during the respective periods (the GAAP measure) and the 4% decrease in the Company's average TiO2 selling price in billing currencies (the non-GAAP measure) during such periods is due to the effect of changes in foreign currency exchange rates. The above table presents in a tabular format (i) the percentage change in the Company's average TiO2 selling prices using actual foreign currency exchange rates prevailing during the respective periods (the GAAP measure), (ii) the percentage change in the Company's average TiO2 selling prices in billing currencies (the non-GAAP measure) and (iii) the percentage change due to changes in foreign currency exchange rates (or the reconciling item between the non-GAAP measure and the GAAP measure).

The Company's cost of sales increased $13.9 million (7%) in the first quarter of 2004 compared to the first quarter of 2003 largely due to the effects of translating foreign currencies (primarily the euro) into U.S. dollars. As a result of the lower average TiO2 selling prices in billing currencies, the Company's cost of sales, as a percentage of net sales, increased from 74% in the first quarter of 2003 to 77% in the first quarter of 2004. Kronos' TiO2 production volumes in the first quarter of 2004 approximated Kronos' TiO2 production volumes in the first quarter of 2003, with operating rates near full capacity in both periods.

The Company's gross margins for the first quarter of 2004 decreased $3.6 million (6%) from the first quarter of 2003 as the unfavorable effect of lower average TiO2 selling prices more than offset the favorable effect on gross margin resulting from relative changes in foreign currency exchange rates.

Selling, general and administrative expenses increased $5.9 million (20%) in the first quarter of 2004 as compared to the corresponding period in 2003. This increase is largely attributable to the impact of translating foreign currencies (primarily the euro) into U.S. dollars as well as increased compensation costs associated with options to purchase NL common stock held by employees of the Company.

The Company has substantial operations and assets located outside the United States (particularly in Germany, Belgium, Norway and Canada). A significant amount of the Company's sales generated from its non-U.S. operations are denominated in currencies other than the U.S. dollar, primarily the euro, other major European currencies and the Canadian dollar. In addition, a portion of the Company's sales generated from its non-U.S. operations are denominated in the U.S. dollar. Certain raw materials, primarily titanium-containing feedstocks, are purchased in U.S. dollars, while labor and other production costs are denominated primarily in local currencies. Consequently, the translated U.S. dollar value of the Company's foreign sales and operating results are subject to currency exchange rate fluctuations which may favorably or adversely impact reported earnings and may affect the comparability of period-to-period operating results. Overall, fluctuations in the value of the U.S. dollar relative to other currencies, primarily the euro, increased TiO2 sales in the first quarter of 2004 approximately $21 million compared to the same period in 2003. Fluctuations in the value of the U.S. dollar relative to other currencies similarly impacted the Company's foreign currency-denominated operating expenses. The Company's operating costs that are not denominated in the U.S. dollar, when translated into U.S. dollars, were higher in the first quarter of 2004 compared to the first quarter of 2003. Overall, the net impact of currency exchange rate fluctuations on the Company's operating income comparisons was not significant in the first quarter of 2004 as compared to the same period in 2003.

Outlook

The Company expects its TiO2 sales and production volumes to be higher for the full year 2004 as compared to 2003. The Company's average Ti02 selling price, which declined during the second half of 2003 and the first quarter of

2004, is expected to cease to decline sometime during the second quarter of 2004 and should rise thereafter. Nevertheless, the Company expects its average TiO2 selling prices, in billing currencies, to be lower in 2004 as compared to 2003. Overall, the Company expects its gross margin in 2004 to be lower than 2003. The Company's expectations as to the future prospects of the Company and the TiO2 industry are based upon a number of factors beyond its control, including worldwide growth of gross domestic product, competition in the marketplace, unexpected or earlier-than-expected capacity additions and technological advances. If actual developments differ from the Company's expectations, the Company's results of operations could be unfavorably affected.

Other income (expense)

	Three months ended March 31, 2003	Three months ended March 31, 2004	Difference
	(In millions)		
Trade interest income	$ .2	$ .2	$ -
Interest income from affiliates	.4	-	(.4)
Other interest income	-	.2	.2
Interest expense to affiliates	(.4)	(4.5)	(4.1)
Other interest expense	(8.0)	(9.2)	(1.2)
	$ (7.8)	$(13.3)	$ (5.5)

Interest expense to affiliates increased $4.1 million from the first quarter of 2003 to $4.5 million in the first quarter of 2004 due to the $200 million long-term note payable to NL, which was distributed to NL in December 2003. Because of such December 2003 distribution, interest expense to affiliates is expected to continue to be higher during the remainder of 2004 as compared to the same periods in 2003.

Kronos has a significant amount of outstanding indebtedness denominated in the euro, including KII's Euro 285 million Senior Secured Notes. Accordingly, the reported amount of interest expense will vary depending on relative changes in foreign currency exchange rates. Other interest expense in the first quarter of 2004 was $9.2 million, an increase of $1.2 million from the first quarter of 2003. The increase was due primarily to relative changes in foreign currency exchange rates, which increased the U.S. dollar equivalent of interest expense on the KII Senior Secured Notes by approximately $1.1 million in the first quarter of 2004 as compared to the first quarter of 2003. Assuming no significant change in interest rates or foreign currency exchange rates, other interest expense for the full-year 2004 is expected to be slightly higher than amounts for the same periods in 2003.

Provision for income taxes

The principal reasons for the difference between the Company's effective income tax rates and the U.S. federal statutory income tax rates are explained in Note 8 to the Consolidated Financial Statements.

During the first quarter of 2004, the Company reduced its deferred income tax asset valuation allowance by approximately $3 million primarily as a result of utilization of certain income tax attributes for which the benefit had not previously been recognized.

At March 31, 2004, Kronos had the equivalent of $606 million of German income tax loss carryforwards with no expiration date. However, Kronos has provided a deferred income tax asset valuation allowance against substantially all of this loss carryforward because Kronos does not currently believe it meets the "more-likely-than-not" recognition criteria. Kronos periodically evaluates the "more-likely-than-not" recognition criteria with respect to such tax loss carryforwards, and it is possible that in the future Kronos may conclude such carryforwards do meet the recognition criteria, at which time Kronos would reverse all or a portion of such deferred tax asset valuation allowance.

In January 2004, the German federal government enacted new tax law amendments that limit the annual utilization of income tax loss carryforwards effective January 1, 2004. While the new law did not significantly affect the Company's income tax expense and cash tax payments in the first quarter of 2004, it could have a significant effect in the future depending on the level of income earned in Germany.

Recently adopted accounting principle

See Note 11 to the Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES:

Consolidated cash flows

The Company's consolidated cash flows from operating, investing and financing activities for the three months ended March 31, 2003 and 2004 are presented below:

	Three months ended March 31, 2003	2004
	(In millions)	
Net cash provided (used) by:		
Operating activities	$ (6.0)	$ 19.1
Investing activities	(7.5)	(3.9)
Financing activities	12.4	20.3
Net cash provided (used) by operating, investing and financing activities	$ (1.1)	$ 35.5

Operating activities

The TiO2 industry is cyclical and changes in economic conditions within the industry significantly impact the earnings and operating cash flows of the Company. Cash flow from operations is considered the primary source of liquidity for the Company. Changes in TiO2 pricing, production volume and customer demand, among other things, could significantly affect the liquidity of the Company.

Relative changes in assets and liabilities generally result from the timing of production, sales, purchases and income tax payments. Such relative changes can significantly impact the comparability of cash flow from operations from period to period, as the income statement impact of such items may occur in a different period from when the underlying cash transaction occurs. For example, raw materials may be purchased in one period, but the payment for such raw materials may occur in a subsequent period. Similarly, inventory may be sold in one period, but the cash collection of the receivable may occur in a subsequent period.

Cash flows for operating activities increased from $6.0 million used in the first quarter of 2003 to $19.1 million of cash provided by operating activities in the first quarter of 2004. This $25.1 million increase was due primarily to the net effects of (i) lower net income of $6.9 million, (ii) higher depreciation expense of $1.5 million, (iii) lower deferred income taxes of $5.6 million, (iv) higher net distributions from the TiO2 manufacturing joint venture of $1.8 million in the first quarter of 2004 compared to $1.3 million in contributions in the first quarter of 2003, (v) a lower amount of net cash used in relative changes in the Company's inventories, receivables, payables and accruals and accounts with affiliates of $12.7 million in the first quarter of 2004 as compared to the first quarter of 2003 and (vi) lower cash paid for income taxes of $21.2 million. Relative changes in accounts receivable are affected by, among other things, the timing of sales and the collection of the resulting receivables. Relative changes in inventories and accounts payable and accrued liabilities are affected by, among other things, the timing of raw material purchases and the payment for such purchases and the relative difference between production volume and sales volume.

Investing and financing activities

The Company's capital expenditures were $6.5 million and $4.5 million in the first three months of 2003 and 2004, respectively.

In the first quarter of 2004 KII's operating subsidiaries in Germany, Belgium and Norway borrowed a net Euro 26 million ($32 million when borrowed) under the European revolving credit facility at an interest rate of 3.8%.

In the first quarter of 2004, the Company paid a regular quarterly dividend to stockholders of $.25 per share, aggregating $12.2 million.

Cash, cash equivalents, restricted cash and restricted marketable debt securities and borrowing availability

At March 31, 2004, the Company and its subsidiaries had (i) current cash and cash equivalents aggregating $90.4 million ($40.4 million held by non-U.S. subsidiaries), (ii) current restricted cash equivalents of $800,000 and (iii) noncurrent restricted marketable debt securities of $2.5 million. At March 31, 2004, certain of the Company's subsidiaries had approximately $121 million available for borrowing with approximately $76 million available under non-U.S. credit facilities (including approximately $63 million under the European Credit Facility and $9.7 million under Kronos' Canadian bank credit facility) and approximately $45 million available under the U.S. Credit Facility. At March 31, 2004, KII had approximately $12 million available for payment of dividends and other restricted payments as defined in the Senior Secured Notes indenture.

Litigation matters

See Note 10 to the Consolidated Financial Statements and Part II, Item 1, "Legal Proceedings."

Income tax contingencies

See Note 8 to the Consolidated Financial Statements for certain income tax examinations currently underway with respect to certain of the Company's income tax returns in various U.S. and non-U.S. jurisdictions.

Other matters

The Company periodically evaluates its liquidity requirements, alternative uses of capital, its dividend policy, capital needs and availability of resources in view of, among other things, its dividend policy, debt service and capital expenditure requirements 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 reduce, refinance, repurchase or restructure indebtedness, raise additional capital, issue additional securities, repurchase shares of its common stock, modify its dividend policy, restructure ownership interests, sell interests in subsidiaries or other assets, or take a combination of such steps or other steps to manage its liquidity and capital resources. In the normal course of its business, the Company may review opportunities for the acquisition, divestiture, joint venture or other business combinations in the chemicals industry or other industries, as well as the acquisition of interests in related entities. In the event of any such transaction, the Company may consider using its available cash, issuing its equity securities or increasing its indebtedness to the extent permitted by the agreements governing the Company's existing debt.

Non-GAAP financial measures

In an effort to provide investors with additional information regarding the Company's results of operations as determined by GAAP, the Company has disclosed certain non-GAAP information which the Company believes provides useful information to investors.

- The Company discloses percentage changes in its average TiO_2 selling prices in billing currencies, which excludes the effects of foreign currency translation. The Company believes disclosure of such percentage changes allows investors to analyze such changes without the impact of changes in foreign currency exchange rates, thereby facilitating period-to-period comparisons of the relative changes in average selling prices in the actual various billing currencies. Generally, when the U.S. dollar either strengthens or weakens against other currencies, the percentage change in average selling prices in billing currencies will be higher or lower, respectively, than such percentage changes would be using actual exchange rates prevailing during the respective periods.

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 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, as appropriate to allow timely decisions to be made regarding required disclosure. Each of Harold C. Simmons, the Company's Chief Executive Officer, and Gregory M. Swalwell, the Company's Vice President, Finance, have evaluated the Company's disclosure controls and procedures as of March 31, 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 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

- o 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 March 31, 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 1. Legal Proceedings

Reference is made to Note 10 of the Consolidated Financial Statements and to the 2003 Annual Report for descriptions of certain legal proceedings.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The Company has retained a signed original of any exhibit listed below that contains signatures, and the Company will provide any such exhibit to the SEC or its staff upon request.

10.1 - Intercorporate Services Agreement by and between Contran Corporation and the Registrant effective as of January 1, 2004

10.2 - Summary of Consulting Arrangement beginning August 1, 2003, as amended, between Lawrence A. Wigdor and Kronos Worldwide, Inc. (management contract, compensatory plan or arrangement)

31.1 - Certification

31.2 - Certification

32.1 - Certification

(b) Reports on Form 8-K

Reports on Form 8-K for the quarter ended March 31, 2004.

February 20, 2004 - Reported Item 9.
February 24, 2004 - Reported Item 9.

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.

Kronos Worldwide, Inc.
(Registrant)

Date May 5, 2004

By /s/ Gregory M. Swalwell
Gregory M. Swalwell
Vice President, Finance
(Principal Financial Officer)

Date May 5, 2004

By /s/ James W. Brown
James W. Brown
Vice President and Controller
(Principal Accounting Officer)

Exhibit 31.2

CERTIFICATION

I, Gregory M. Swalwell, the Chief Financial Officer of Kronos Worldwide, Inc., certify that:

1) I have reviewed this quarterly report on Form 10-Q of Kronos Worldwide, 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 and material weaknesses 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: May 5, 2004

/s/ Gregory M. Swalwell
- ---------------------------------------
Gregory M. Swalwell
Chief Financial Officer

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 Kronos Worldwide, Inc. (the Company) on Form 10-Q for the period ended March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Harold C. Simmons, Chief Executive Officer of the Company, and I, Gregory M. Swalwell, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 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 results of operations of the Company.

/s/ Harold C. Simmons
- ----------------------
Harold C. Simmons
Chief Executive Officer

/s/ Gregory M. Swalwell
- ------------------------
Gregory M. Swalwell
Chief Financial Officer

May 5, 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 10.2

[Summary of Informal Consulting Arrangement]

Set forth below is a summary of the material terms of the informal consulting arrangement between Kronos Worldwide, Inc. ("Kronos") and Dr. Larry A. Wigdor

Dr. Wigdor will provide ongoing management involvement in Kronos' TiO2 operations.

The consultancy will begin on August 1, 2003 and may be terminated by either party at any time.

Beginning on August 1, 2003 Dr. Wigdor will receive a monthly payment of $84,000.

Dr. Widgor received a payment of $461,000 on August 1, 2003.

Dr. Widgor received a payment of $461,000 on February 1, 2004 following Kronos' achievement of 2003 segment profit of $130 million (as Kronos defines that term internally).

Beginning in 2004, Dr. Wigdor will receive annual payments that are no less than the average bonus paid to the three executives of NL and Kronos combined receiving the highest paid bonuses for 2004 and 2005, respectively, excluding the Chief Executive Officer of NL.

If Kronos terminates the consultancy arrangement prior to December 31, 2006, Dr. Wigdor will receive twelve months compensation, and medical and dental coverage through December 31, 2006. In addition, if the arrangement is terminated in 2004 or thereafter, Dr. Wigdor will receive a pro-rata portion of the annual payment for the year in which the termination occurs.

The arrangement provides Dr. Wigdor various other benefits, such as an office, secretarial support, certain indemnities and health care and related welfare benefits.

Intercorporate Services Agreement

between

Contran Corporation

and

Kronos Worldwide, Inc.

Dated as of January 1, 2004

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INTERCORPORATE SERVICES AGREEMENT

This Intercorporate Services Agreement ("Agreement") is entered into effective as of January 1, 2004 (the "Effective Date"), between Contran Corporation, a Delaware corporation ("Contran"), and Kronos Worldwide, Inc., a Delaware corporation ("Kronos Worldwide")

Recitals

A........Kronos Worldwide is an indirectly held subsidiary of Contran.

B........Kronos Worldwide has and will have the need for executive, management, financial, audit, accounting, tax, legal, insurance, risk management, treasury, aviation, human resources, technical, consulting, administrative and other services as required from time to time in the ordinary course of Kronos Worldwide's business (collectively, the "Services"), but has determined that it is not cost effective to obtain and separately maintain the infrastructure associated with the Services, particularly the costs associated with attracting and maintaining on its payroll on a full time basis a full complement of skilled employees.

C........Contran is able and willing to provide the Services to Kronos Worldwide, and Kronos Worldwide desires to engage Contran as an independent contractor to provide the Services in accordance with the terms set forth in this Agreement.

Agreement

For and in consideration of the mutual promises, representations and covenants contained in this Agreement, the parties agree as follows.

ARTICLE I.
AMENDS AND SUPERSEDES PRIOR AGREEMENT

This Agreement amends and supersedes in its entirety that certain Intercorporate Services Agreement effective as of November 6, 2003 by and between Contran and Kronos Worldwide.

ARTICLE II.
RETENTION OF CONTRAN

Section 2.1. Performance of Services.

(a) Kronos Worldwide hereby engages and retains Contran to perform the Services and Contran hereby accepts and agrees to provide such Services to Kronos Worldwide upon the terms and conditions set forth in this Agreement. All Services to be provided by Contran hereunder shall be performed at the request and under the direction of Kronos Worldwide, and Contran shall not have any power to act independently on behalf of Kronos Worldwide other than as specifically authorized under this Agreement or from time to time by Kronos Worldwide. Contran shall provide Services in connection with routine functions related to the ongoing ordinary course of Kronos Worldwide's business. The Services rendered in connection with the conduct of Kronos Worldwide's business will be on a scale compared to that existing on the effective date of this Agreement, adjusted for internal corporate growth or contraction, but not for major corporate acquisitions or divestitures, and that adjustments may be required to the terms of this Agreement in the event of such major corporate acquisitions, divestitures or special projects.

(b) Contran shall determine the corporate facilities to be used in rendering the Services and the individuals who will render such Services.

(c) Contran will use reasonable efforts to make the Services available with substantially the same degree of care as it employs in making similar services available for its own operations.

(d) Those employees or agents of Contran who perform similar services for Contran or for other affiliates of Contran, or both, will perform the Services.

(e) Nothing herein shall be deemed to restrict either party or its directors, officers, employees or agents from engaging in any business, or from contracting with other parties, including, without limitation, other affiliates of Contran, for similar or different services.

Section 2.2. Director Services Not Included. The Services do not include any services that employees of Contran may provide to Kronos Worldwide in their roles as members of Kronos Worldwide's board of directors or any other activity related to such board of directors.

Section 2.3. Outside Services. Kronos Worldwide will continue to bear all other costs required for outside services including, but not limited to, the outside services of attorneys, auditors, trustees, consultants, transfer agents and registrars, and it is expressly understood that Contran assumes no liability for any expenses or services other than those stated in this Article.

Section 2.4. Disclaimer, Limited Liability; Indemnification.

(a) Except as expressly provided elsewhere in this Agreement, Contran makes no express or implied representations, warranties or guarantees relating to the Services or the quality or results of the Services to be performed under this Agreement.

(b) Contran, its directors, officers, employees, stockholders or agents shall not be liable to Kronos Worldwide or any third party, including any governmental agency, for any claims, demands, losses, liabilities, damages, costs or expenses, including attorneys' and expert witness fees, arising from or in connection with the Services, other than those arising from or in connection with the gross negligence or willful misconduct of Contran or its directors, officers, employees, stockholders or agents (collectively, "No Liability Claims").

(c) Kronos Worldwide assumes all liability for, and agrees to defend, indemnify and hold Contran harmless from and against all No Liability Claims. Kronos Worldwide assumes all liability for, and agrees to defend, indemnify and hold Contran's directors, officers, employees, stockholders or agents harmless from, No Liability Claims to the same extent that Contran could assume such liability for, or defend, indemnify and hold harmless, such entity or person. Kronos Worldwide shall promptly advance expenses as incurred by Contran its directors, officers, employees, stockholders or agents in connection with Kronos Worldwide's obligations under this Section.

ARTICLE III.
COMPENSATION

Section 3.1. Compensation for Services.

(a) Contran and Kronos Worldwide shall agree on the aggregate annual amount that Kronos Worldwide shall pay Contran for the Services for a particular year.

(b) Kronos Worldwide shall pay to Contran one fourth of the annual amount in advance quarterly around the first business day of each quarter.

(c) From time to time upon a change to the annual amount for a particular year, Contran or Kronos Worldwide, as applicable, shall promptly make appropriate payments to the other party to reflect such change.

(d) All charges from Contran to Kronos Worldwide are intended to be equal to the actual cost of such expenses without premium or mark-up to Contran.

Section 3.2. Out-of-Pocket Costs. In addition to the fee paid to Contran by Kronos Worldwide for the Services, Kronos Worldwide will promptly pay to Contran the amount of out-of-pocket costs incurred by Contran in rendering such Services.

ARTICLE IV.
CONFIDENTIALITY

Section 4.1. Confidentiality. Each party shall hold and shall cause its directors, officers, employees, agents, consultants and advisors ("Representatives") to hold in strict confidence all information concerning the other party unless (i) such party is compelled to disclose such information by judicial or administrative process or, in the opinion of its counsel, by other requirements of law or (ii) such information can be shown to have been (A) in the public domain through no fault of such party or (B) lawfully acquired on a non-confidential basis from other sources. Notwithstanding the foregoing, such party may disclose such information to its Representatives so long as such persons are informed by such party of the confidential nature of such information and are directed by such party to treat such information confidentially. If such party or any of its Representatives becomes legally compelled to disclose any documents or information subject to this Section, such party will promptly notify the other party so that the other party may seek a protective order or other remedy or waive such party's compliance with this Section. If no such protective order or other remedy is obtained or waiver granted, such party will furnish only that portion of the information that it is advised by counsel is legally required and will exercise its reasonable efforts to obtain adequate assurance that confidential treatment will be accorded such information. Such party agrees to be responsible for any breach of this Section by it and its Representatives.

ARTICLE V.
MISCELLANEOUS

Section 5.1. Maintenance and Inspection of Records. Contran shall keep accurate books, accounts and records regarding the Services as may be reasonably necessary for purposes of this Agreement. Kronos Worldwide shall be permitted to inspect such books, accounts and records at any reasonable time.

Section 5.2. Notices. All notices and other communications hereunder shall be in writing, and shall be delivered by hand or mailed by registered or certified mail (return receipt requested) or transmitted by facsimile to the parties at the following addresses (or at such other addresses for a party as shall be specified by like notice) and shall be deemed given on the date on which such notice is received:

If to Contran:	Contran Corporation. Three Lincoln Centre 5430 LBJ Freeway, Suite 1700 Dallas, Texas 75240-2697 Attention: General Counsel Phone: 972.450.4251 Fax: 972.448.1445
If to Kronos Worldwide:	Kronos Worldwide, Inc. Three Lincoln Centre 5430 LBJ Freeway, Suite 1700 Dallas, Texas 75240-2697 Attention: General Counsel Phone: 972.450.4251

Fax: 972.448.1445

Section 5.3. Term; Renewal. The initial term of this Agreement shall commence as of the Effective Date and end on December 31, 2004, but shall be automatically renewed on a quarter-to-quarter basis after the expiration of the initial term. Either party may terminate this Agreement by giving written notice of termination to the other party not less than thirty (30) days in advance of the first day of each successive quarter. In addition, in the event of a material default hereunder by a party, the non-defaulting party may terminate this Agreement upon thirty (30) days prior written notice if such default remains uncured and is continuing for twenty (20) days after receipt by the defaulting party of such written notice of intent to terminate. A final accounting and payment by one party to the other of all amounts payable hereunder shall be made pursuant to the terms hereof within thirty (30) days following such termination.

Section 5.4. Independent Contractor. Contran shall be an independent contractor and not an employee of, or partner or joint venturer with, Kronos Worldwide.

Section 5.5. Force Majeure. No party shall be in default of this Agreement or liable to the other party for any delay or default in performance where occasioned by any cause of any kind or extent beyond its control, including but not limited to, armed conflict or economic dislocation resulting therefrom; embargoes; shortages of labor, raw materials, production facilities or transportation; labor difficulties; civil disorders of any kind; action of any civil or military authorities (including, priorities and allocations); fires; floods and accidents. The dates on which the obligations of the party are to be fulfilled shall be extended for a period equal to the time lost by reason of any delay arising, directly or indirectly from:

(a) Any of the foregoing causes, or

(b) Inability of a party, as a result of causes beyond its reasonable control, to obtain instruction or information from the other party in time to perform its obligations by such dates.

Section 5.6. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and all prior agreements or understandings shall be deemed merged herein. No representations, warranties and if certifications, express or implied, shall exist as between the parties except as stated herein.

Section 5.7. Amendments. No amendments, waivers or modifications hereof shall be made or deemed to have been made unless in writing, executed by the party to be bound thereby.

Section 5.8. Severability. If any provision in this Agreement or the application of such provision to any person or circumstance shall be invalid, illegal or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid, illegal or unenforceable shall not be affected thereby.

Section 5.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

Section 5.10. Successors and Assigns. This Agreement shall not be assignable, in whole or in part, directly or indirectly, by any party hereto without the prior written consent of the other party hereto, and any attempt to assign any rights or obligations arising, under this Agreement without such consent shall be void. This Agreement shall be binding, upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 5.11. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the state of Texas, without giving effect to any choice of law or conflict of law provision or rule (whether of the state of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the state of Texas.

Section 5.12. Submission to Jurisdiction; Service; Waivers. WITH RESPECT TO ANY CLAIM ARISING OUT OF THIS AGREEMENT, EACH PARTY (A) IRREVOCABLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE JURISDICTION OF THE FEDERAL OR STATE COURTS LOCATED IN DALLAS COUNTY, TEXAS (B) AGREES THAT THE VENUE FOR ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE EXCLUSIVE TO SUCH COURTS, AND (C) IRREVOCABLY WAIVES ANY OBJECTION IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT IN ANY SUCH COURT, IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER IRREVOCABLY WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH CLAIM,

SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER IT. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY OF THE AFORESAID COURTS BY THE MAILING OF COPIES OF SUCH PROCESS TO THE PARTY, BY CERTIFIED OR REGISTERED MAIL AT THE ADDRESS SPECIFIED IN SECTION 5.2.

Section 5.13. No Third-Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 5.14. Titles and Headings. Titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Executed as of the Effective Date.

Contran Corporation

By:
Bobby D. O'Brien, Vice President

Kronos Worldwide, Inc.

By:
Robert D. Graham, Vice President

Exhibit 31.1

CERTIFICATION

I, Harold C. Simmons, the Chief Executive Officer of Kronos Worldwide, Inc., certify that:

1) I have reviewed this quarterly report on Form 10-Q of Kronos Worldwide, 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 and material weaknesses 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: May 5, 2004

/s/ Harold C. Simmons
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Harold C. Simmons
Chief Executive Officer