

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)  
March 12, 2007

**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**

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(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))
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**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 March 12, 2007, 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 March 12, 2007 issued by the registrant.

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**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.

**KRONOS WORLDWIDE, INC.**  
(Registrant)

Date: March 14, 2007

By:           /s/ A. Andrew R. Louis  
*A. Andrew R. Louis, Secretary*

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## INDEX TO EXHIBITS

**Item No.**

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**Exhibit Index**

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99.1

Press release dated March 12, 2007 issued by the registrant.

**Kronos Worldwide, Inc.**  
Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, TX 75240-2697

Contact: Gregory M. Swalwell  
Vice President, Finance  
(972) 233-1700

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**News Release**

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FOR IMMEDIATE RELEASE

***KRONOS WORLDWIDE REPORTS FOURTH QUARTER RESULTS***

DALLAS, TEXAS...March 12, 2007...Kronos Worldwide, Inc. (NYSE:KRO) today reported net income for the fourth quarter of 2006 of \$41.2 million, or \$.84 per diluted share, compared with net income of \$8.5 million, or \$.17 per diluted share, in the fourth quarter of 2005. For the full year of 2006, Kronos reported net income of \$82.0 million, or \$1.67 per diluted share, compared with net income of \$71.5 million, or \$1.46 per diluted share, for the full year of 2005.

Net sales of \$298.4 million in the fourth quarter of 2006 were \$2.6 million, or 1%, lower than the fourth quarter of 2005. Net sales of \$1.3 billion for the full year of 2006 were \$82.7 million, or 7%, higher than the full year of 2005. Net sales decreased in the fourth quarter of 2006 primarily due to lower TiO<sub>2</sub> sales volumes, partially offset by the favorable effect of fluctuations in foreign currency exchange rates, which increased sales by approximately \$12 million. For the full year, net sales increased due to higher TiO<sub>2</sub> sales volumes and the favorable effect of fluctuations in foreign currency exchange rates, which increased sales by approximately \$2 million. The Company's average TiO<sub>2</sub> selling prices for both the fourth quarter and full year of 2006 were comparable to those for the respective periods of 2005. The table at the end of this release shows how each of these items impacted the overall increase in sales.

The Company's TiO<sub>2</sub> segment profit (see description of non-GAAP information below) for the fourth quarter of 2006 was \$39.6 million compared with \$34.4 million in the fourth quarter of 2005, and was \$151.3 million for the full year of 2006 compared with \$182.2 million for the full year of 2005. Segment profit increased in the fourth quarter of 2006 as the favorable effect of higher production volumes was partially offset by lower TiO<sub>2</sub> sales volumes, higher manufacturing costs, particularly raw materials and energy costs, and the unfavorable effects of fluctuations in foreign currency exchange rates, which decreased segment profit by approximately \$2 million. In addition, segment profit in the fourth quarter of 2006 includes income of \$1.8 million for proceeds of the Company's business interruption insurance claim related to Hurricane Rita. Full year segment profit decreased as the favorable effects of higher sales and production volumes were more than offset by the unfavorable effect of higher raw materials and energy costs and the effect of fluctuations in foreign currency exchange rates, which decreased segment profit by approximately \$20 million.

The Company's fourth quarter 2006 TiO<sub>2</sub> sales volumes decreased 5% from the fourth quarter of 2005, as higher volumes in Europe were more than offset by the effect of lower volumes in all other markets. TiO<sub>2</sub> sales volumes for the full year 2006 were a new record for Kronos and increased 7% compared to the full year 2005, with higher sales volumes in the US, Europe and export markets offsetting the effects of lower sales volumes in Canada. The Company's TiO<sub>2</sub> production volumes were 10% and 5% higher in the fourth quarter and full year of 2006, respectively, as compared to the same periods in 2005, with operating rates at near full capacity in all periods. The Company's TiO<sub>2</sub> production volumes in 2006 were a new record for Kronos for the fifth consecutive year. The Company's finished goods inventories at December 31, 2006 represented approximately 2 months of average sales.

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The Company's results for the full year of 2005 include a second quarter securities transaction gain of \$5.4 million (\$3.5 million, or \$.07 per diluted share, net of income taxes) related to a gain on the sale of the Company's passive interest in a Norwegian smelting operation.

As previously reported, in April 2006 the Company's wholly-owned subsidiary, Kronos International, Inc. ("KII") issued an aggregate of euro 400 million principal amount of new 6.5% Senior Secured Notes due April 2013. KII used the proceeds from the issuance of the 6.5% Senior Secured Notes to redeem all of its 8.875% Senior Secured Notes in May 2006 at 104.437% of the aggregate principal amount of euro 375 million. The Company recognized a \$22.3 million pre-tax charge (\$14.8 million, or \$.30 per diluted share, net of income tax benefit) in the second quarter of 2006 related to the early extinguishment of the 8.875% Senior Secured Notes. Other interest income increased for the full year of 2006 due primarily to the interest earned in the second quarter from the net proceeds of the new 6.5% Senior Secured Notes which were held in escrow for approximately one month until the 8.875% Senior Secured Notes were redeemed.

The Company's effective income tax rate varies significantly from the U.S. statutory federal income tax rate in 2006 due primarily to an aggregate net income tax benefit of \$34.9 million, or \$.71 per diluted share (\$25.7 million, or \$.52 per diluted share, in the fourth quarter), related to the net effect of the withdrawal of certain income tax assessments previously made by the Belgian and Norwegian tax authorities, the favorable resolution of certain income tax audit issues related to the Company's German and Belgian operations, the unfavorable resolution of certain other income tax issues related to the German operations, an increase in the Company's income tax contingency reserve principally related to ongoing income tax audits in Germany and the enactment of a reduction in the Canadian federal income tax rate. The Company's provision for income taxes in 2005 includes an aggregate non-cash income tax expense of \$6.0 million, or \$.13 per diluted share, related to the effect of developments in certain of the Company's non-U.S. income tax audits.

Effective December 31, 2006 the Company adopted a new accounting standard related to planned major maintenance expense. Under the new standard, the Company no longer accrues the cost of planned major maintenance expense in advance but instead recognizes the cost of planned major maintenance when incurred. The new standard is adopted retroactively, and accordingly the Company's net income in 2005 is approximately \$.4 million, or \$.01 per diluted share, higher than previously reported.

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 the Company's products,
- The extent of the dependence of certain of the Company's businesses on certain market sectors,
- The cyclical nature 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 TiO<sub>2</sub> in advance of anticipated price increases or defer purchases of TiO<sub>2</sub> 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 TiO<sub>2</sub>),
- Competitive products and substitute products,
- Customer and competitor strategies,
- Potential consolidation of our competitors
- The impact of pricing and production decisions,
- Competitive technology positions,
- 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 kroner 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,
- 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,
- The ultimate ability to utilize income tax attributes, the benefit of which has been recognized under the "more-likely-than-not" recognition criteria,
- 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 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, which is used by the Company's management to assess the performance of the Company's TiO<sub>2</sub> operations. The Company believes disclosure of segment profit provides useful information to investors because it allows investors to analyze the performance of the Company's TiO<sub>2</sub> operations in the same way that the Company's management assesses performance. The Company defines segment profit as income before income taxes, interest expense and certain general corporate items. Corporate items excluded from the determination of segment profit include corporate expense and interest income not attributable to the Company's TiO<sub>2</sub> operations.

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

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

	Three months ended December 31,		Year ended December 31,	
	2005	2006	2005	2006
	(Unaudited)			
Net sales	\$ 301.0	\$ 298.4	\$1,196.7	\$ 1,279.4
Cost of sales	229.3	221.0	869.2	968.9
Gross margin	71.7	77.4	327.5	310.5
Selling, general and administrative expense	38.8	39.6	150.7	158.1
Other operating income (expense):				
Currency transaction gains (losses), net	1.8	(.7)	5.2	(3.6)
Disposition of property & equipment	(1.0)	(.2)	(1.5)	(1.9)
Other income	-	1.8	.5	2.1
Corporate expense	(1.1)	(1.8)	(5.0)	(5.8)
Income from operations	32.6	36.9	176.0	143.2
Other income (expense):				
Trade interest income	.7	.9	1.2	2.3
Other interest income	.1	.1	.9	1.3
Securities transaction gain	-	-	5.4	-
Loss on prepayment of debt	-	-	-	(22.3)
Interest expense	(10.7)	(9.8)	(44.6)	(43.2)
Income before income taxes	22.7	28.1	138.9	81.3
Provision (benefit) for income taxes	14.2	(13.1)	67.4	(.7)
<b>Net income</b>	<b>\$ 8.5</b>	<b>\$ 41.2</b>	<b>\$ 71.5</b>	<b>\$ 82.0</b>
Basic and diluted net income per share	<b>\$ .17</b>	<b>\$ .84</b>	<b>\$ 1.46</b>	<b>\$ 1.67</b>
Basic and diluted weighted-average shares used in the calculation of net income per share	48.9	49.0	48.9	49.0
TiO <sub>2</sub> data - metric tons in thousands:				
Sales volumes	122	116	478	511
Production volumes	121	133	492	516

KRONOS WORLDWIDE, INC.

RECONCILIATION OF SEGMENT PROFIT TO  
INCOME FROM OPERATIONS

(In millions)  
(Unaudited)

	Three months ended December 31,		Year ended December 31,	
	2005	2006	2005	2006
Segment profit	\$ 34.4	\$ 39.6	\$ 182.2	\$ 151.3
Adjustments:				
Trade interest income	(.7)	(.9)	(1.2)	(2.3)
Corporate expense	(1.1)	(1.8)	(5.0)	(5.8)
Income from operations	\$ 32.6	\$ 36.9	\$ 176.0	\$ 143.2

IMPACT OF PERCENTAGE CHANGE IN SALES  
(Unaudited)

	Three months ended December 31, 2006 vs. 2005	Year ended December 31, 2006 vs. 2005
	Percent change in sales:	
TiO <sub>2</sub> product pricing	-%	-%
TiO <sub>2</sub> sales volume	-5%	+7%
TiO <sub>2</sub> product mix	-%	-%
Changes in foreign currency exchange rates	+4%	-%
Total	- 1%	+7%