Minerals Technologies Reports Diluted Earnings Per Share of $0.68 for the Third Quarter; Net Sales Increased 5 Percent to $174.9 Million

October 18, 2001

NEW YORK, Oct 18, 2001 (BUSINESS WIRE) -- Minerals Technologies Inc. (NYSE:MTX) today reported third quarter net income of $13.6 million, a 10-percent decline from the $15.1 million reported in the third quarter of 2000.

Diluted earnings per common share declined 6 percent to $0.68 from $0.72 in the same period last year.

Worldwide sales in the quarter were up 5 percent to $174.9 million from $167.3 million in the previous year, primarily due to the acquisition of the Martin Marietta Magnesia Specialties refractories business. Foreign exchange had an unfavorable impact on sales of approximately $4.0 million for the quarter, or 2 percentage points of growth. Income from operations decreased 9 percent to $22.1 million from $24.2 million in the third quarter of 2000.

"Minerals Technologies experienced another difficult quarter because of the continued weakness in the worldwide economy, especially in the main industrial sectors we serve -- paper, steel and construction," said Paul R. Saueracker, president and chief executive officer. "We are encouraged, however, that in this current business environment our third quarter operating profits and margins improved sequentially over the first two quarters of the year. We are more fully realizing the cost savings from the restructuring we announced in June and the synergies we anticipated with the May acquisition of Martin Marietta's refractories business."

For the first nine months of 2001, net income decreased to $35.6 million from $47.3 million in the same period last year. Diluted earnings per common share declined 20 percent to $1.78 from $2.23 for the first nine months of 2000.

Worldwide sales for the nine months of 2001 were $509.6 million, a 2-percent increase over the $500.4 million in the comparable period last year. Foreign exchange had an unfavorable impact on sales of $13.1 million, or approximately 3 percentage points of growth. Excluding the restructuring charge recorded in the second quarter, operating income for the first nine months was $62.1 million compared with $74.2 million in 2000, a 16-percent decline.

Worldwide third quarter sales in the company's Specialty Minerals business segment, which consists of PCC and Processed Minerals, increased slightly to $121.2 million from $120.9 in the same period last year. For the nine months, Specialty Minerals sales were up 1 percent to $362.4 million compared with $360.0 million for the same period in 2000. Specialty Minerals recorded income from operations of $15.4 million, a 9-percent decline from the $16.9 million in the third quarter of 2000. Excluding the restructuring charge, operating income for the nine months was $44.1 million, a 16-percent decrease from the $52.2 million in the same period in 2000.

Worldwide sales of PCC, which is used primarily in the manufacturing processes of the paper industry, were $98.7 million, a slight decline from the $99.0 million reported in the third quarter of 2000. Foreign exchange had an unfavorable impact on PCC sales of approximately $2.4 million, or 2.4 percentage points of sales growth. PCC sales for the nine months increased 1 percent to $296.0 million from $294.0 million during the same period in 2000, despite a negative foreign currency impact of $7.4 million, or 2.5 percentage points of growth.

Paper PCC volume from satellites increased 2 percent despite continued plant shutdowns and inventory adjustments in the paper industry. Excluding the shutdowns of the two paper mills where the company operated satellite PCC plants, volume would have increased by 4 percent.

During the quarter, the company began operation of one new satellite PCC plant at Great Northern Paper, Inc. in Millinocket, Maine. The satellite plant, which provides Minerals Technologies' AT(TM) PCC for filling groundwood specialty paper produced by Great Northern, will be equivalent to two units. A unit represents between 25,000 and 35,000 tons of PCC produced annually. AT(TM) PCC is Minerals Technologies' patented acid-tolerant technology that permits the use of PCC, an alkaline material, in an acid papermaking environment.

Specialty PCC, which is used primarily for non-paper applications, had a difficult third quarter with sales declining 9 percent from the prior year. Adverse market conditions and less-than-expected volume from the company's manufacturing facility at Brookhaven, Mississippi, affected sales and operating profits. For the nine months, Specialty PCC sales declined 10 percent from the prior year.

In Processed Minerals products, third-quarter sales increased 3 percent to $22.5 million from $21.9 million in the same quarter of last year. For the nine months, Processed Minerals sales increased 1 percent to $66.4 from $66.0 million in the same period last year. Processed Minerals products, which include ground calcium carbonate, lime and talc, are used in the building materials, steel, polymers, ceramics, paints and coatings, glass and other manufacturing industries.

In the company's Refractories segment, sales for the third quarter were $53.7 million, a 16-percent increase over the $46.4 million for the third quarter of 2000. Sales for the nine months of 2001 in the Refractories segment were $147.2 million, a 5-percent increase over the $140.4 million from the previous year. Operating income for the third quarter for Refractories was $6.7 million, a 10-percent decrease from the prior year. For the nine months, Refractories operating income, excluding the restructuring charge, was $18.0 million, an 18-percent decrease from the $22.0 million for the nine months in 2000.

"In the Refractories segment, increased sales were the result of the addition of the Martin Marietta Magnesia Specialties refractories business we acquired in May," said Anton Dulski, executive vice president and chief operating officer. "The lower operating margins are a result of the downturn in the worldwide steel industry, as most recently evidenced by the Bethlehem Steel bankruptcy, and also reflect weakness in the metallurgical wire business. On September 24, 2001, we purchased all of the outstanding shares of Rijnstaal B.V., a Netherlands-based producer of cored metal wires used mainly in the steel and foundry industries. Rijnstaal had approximately $17 million in sales in 2000. This acquisition will broaden our product offering and market coverage, both in Europe and the United States."

"Given these uncertain times, it is difficult to forecast the state of the worldwide economy and the effect it will have on those industrial sectors we serve," said Mr. Saueracker. "But, at this time, we are reasonably confident that our diluted earnings per share in 2001 will be approximately $2.60, excluding the restructuring charge."

Minerals Technologies will sponsor a conference call tomorrow, October 19, at 11 a.m. The conference call will be broadcast live on the company web site, which can be found at www.mineralstech.com.

This press release contains some forward-looking statements. Actual results may differ materially from these expectations. The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this document should be evaluated together with the many uncertainties that affect our businesses, particularly those mentioned in the cautionary statements in our 2000 Form 10-K and in our other reports filed with the Securities and Exchange Commission.

For further information about Minerals Technologies Inc., call 888/MTX-NEWS (689-6397); or, look on the Internet at http://www.mineralstech.com/.

CONSOLIDATED STATEMENT OF INCOME
MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
(thousands of dollars, except per share data)
(unaudited)

	Third Quarter		%	Nine Months		%
	2001	2000	Change	2001	2000	Change
Net sales	$174,911	$167,296	5	$509,624	$500,441	2
Operating costs and expenses:						
Cost of goods sold	128,820	119,152	8	374,551	352,754	6
Marketing and administrative expenses	18,376	17,296	6	55,302	54,380	2
Restructuring charge	0	0	--	3,403	0	--
Research and development expenses	5,658	6,605	(14)	17,641	19,069	(7)
Income from operations	22,057	24,243	(9)	58,727	74,238	(21)
Non-operating deductions - net	2,199	1,604	37	6,259	3,376	85
Income before provision for taxes on income and minority interests	19,858	22,639	(12)	52,468	70,862	(26)
Provision for taxes on income	5,694	7,097	(20)	15,478	22,214	(30)
Minority interests	573	408	40	1,400	1,336	5
Net income	$13,591	$15,134	(10)	$35,590	$47,312	(25)
Weighted average number of common shares outstanding:						
Basic	19,587	20,408		19,645	20,591	
Diluted	20,096	21,125		20,043	21,207	
Basic earnings per share	$0.69	$0.74	(7)	$1.81	$2.30	(21)
Diluted earnings per share	$0.68	$0.72	(6)	$1.78	$2.23	(20)
Cash dividends declared per common share	$0.025	$0.025		$0.075	$0.075	

1) For the periods ended September 30, 2001 and September 24, 2000.

2) Sales increased approximately 4% in the United States in the third quarter and declined 1% for the first nine months of 2001. Foreign sales increased approximately 6% in the third quarter and 7% for the first nine months of 2001.

3) Shipping and handling fees were reclassified to net sales and cost of goods sold in the third quarter and first nine months of 2000 in order to conform to the current year's presentation.

4) The results of operations for the interim periods ended September 30, 2001 are not necessarily indicative of the results that ultimately might be achieved for the current year.

MINERALS TECHNOLOGIES INC AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEET
ASSETS
(In Thousands of Dollars)

	September 30, 2001(a)	December 31, 2000(b)
Current assets:		
Cash & cash equivalents	10,150	6,692
Accounts receivable, net	136,620	116,192
Inventories	70,139	71,883
Other current assets	25,360	20,590
Total current assets	242,269	215,357
Property, plant and equipment	1,046,748	1,014,743
Less accumulated depreciation	503,869	466,534
Net property, plant & equipment	542,879	548,209
Other assets and deferred charges	62,619	36,266
Total assets	847,767	799,832
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	80,613	48,870
Accounts payable	39,317	36,153
Other current liabilities	50,002	48,504
Total current liabilities	169,932	133,527
Long-term debt	88,916	89,857
Other non-current liabilities	94,829	92,809
Total liabilities	353,677	316,193
Total shareholders' equity	494,090	483,639
Total liabilities and shareholders' equity	847,767	799,832

(a) Unaudited.
(b) Condensed from audited financial statements.

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