**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**
**FORM 10-Q**

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 26, 2000**

**OR**

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**COMMISSION FILE NUMBER 1-3295**

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**MINERALS TECHNOLOGIES INC.**
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **DELAWARE** | **25-1190717** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**405 Lexington Avenue, New York, New York 10174-1901**
**(Address of principal executive offices, including zip code)**

**(212) 878-1800**
**(Registrant's telephone number, including area code)**

**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 (or for such shorter period that registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.**

**YES __X__ NO _______**

**Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.**

| CLASS | OUTSTANDING AT April 21, 2000 |
|---|---|
| **Common Stock, $0.10 par value** | **20,614,703** |

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. Financial Statements**

**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

**(Unaudited)**

**MINERALS TECHNOLOGIES INC.**

**INDEX TO FORM 10-Q**

See accompanying Notes to Condensed Consolidated Financial Statements.



**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED BALANCE SHEET**

**ASSETS**

| **(in thousands, except per share data)** | **Three Months Ended** | |
|---|---|---|
| | **March 26, 2000** | **March 28, 1999** |
| Net sales | $ 154,655 | $ 148,576 |
| Operating costs and expenses: | | |
| Cost of goods sold | 106,874 | 103,227 |
| Marketing, distribution and administrative expenses | 18,356 | 18,359 |
| Research and development expenses | 5,890 | 5,952 |
| Income from operations | 23,535 | 21,038 |
| Non-operating deductions, net | 953 | 1,277 |
| Income before provision for taxes on income and minority interests | 22,582 | 19,761 |
| Provision for taxes on income | 7,081 | 6,228 |
| Minority interests | 476 | (198) |
| Net income | $ 15,025 | $ 13,731 |
| Earnings per share: | | |
| Basic | $ 0.72 | $ 0.63 |
| Diluted | $ 0.71 | $ 0.62 |
| Cash dividends declared per common share | $ 0.025 | $ 0.025 |
| Shares used in the computation of earnings per share: | | |
| Basic | 20,792 | 21,697 |
| Diluted | 21,280 | 22,304 |

* Unaudited

** Condensed from audited financial statements.

See accompanying Notes to Condensed Consolidated Financial Statements.



**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**(Unaudited)**

| **(thousands of dollars)** | **March 26, 2000*** | **December 31, 1999**** |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 13,254 | $ 20,378 |
| Accounts receivable, net | 123,394 | 118,327 |
| Inventories | 59,161 | 67,427 |
| Other current assets | 16,432 | 13,815 |
| Total current assets | 212,241 | 219,947 |
| Property, plant and equipment, less accumulated depreciation and depletion March 26, 2000 - $444,223; December 31, 1999 - $433,047 | 525,896 | 521,996 |
| Other assets and deferred charges | 25,104 | 27,188 |
| Total assets | $763,241 | $769,131 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Short-term debt | $ 13,424 | $ 13,439 |
| Accounts payable | 36,069 | 46,703 |
| Other current liabilities | 57,955 | 57,400 |
| Total current liabilities | 107,448 | 117,542 |
| Long-term debt | 75,643 | 75,238 |
| Other non-current liabilities | 94,223 | 91,315 |
| | 277,314 | 284,095 |

| | | |
|---|---|---|
| Total liabilities | | |
| Shareholders' equity: | | |
| Common stock | 2,572 | 2,571 |
| Additional paid-in capital | 150,804 | 150,315 |
| Retained earnings | 541,527 | 527,022 |
| Accumulated other comprehensive loss | (32,809) | (28,865) |
| | 662,094 | 651,043 |
| Less treasury stock | 176,167 | 166,007 |
| Total shareholders' equity | 485,927 | 485,036 |
| Total liabilities and shareholders' equity | $763,241 | $769,131 |

See accompanying Notes to Condensed Consolidated Financial Statements.



**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 -- Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared by management in accordance with the rules and regulations of the United States Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Therefore, these financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. In the opinion of management, all adjustments, consisting solely of normal recurring adjustments necessary for a fair presentation of the financial information for the periods indicated, have been included. The results for the three-month period ended March 26, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000.

**Note 2 -- Inventories**

The following is a summary of inventories by major category:

| | Three Months Ended | |
|---|---|---|
| | March 26, | March 28, |
| **(thousands of dollars)** | **2000** | **1999** |
| **Operating Activities** | | |
| Net income | $ 15,025 | $ 13,731 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, depletion and amortization | 15,047 | 14,050 |
| Other non-cash items | 2,788 | 1,991 |
| Net changes in operating assets and liabilities | (8,581) | (3,004) |
| Net cash provided by operating activities | 24,279 | 26,768 |
| **Investing Activities** | | |
| Purchases of property, plant and equipment | (22,403) | (17,284) |
| Other investing activities, net | 312 | (788) |
| Net cash used in investing activities | (22,091) | (18,072) |
| **Financing Activities** | | |
| Proceeds from issuance of long-term debt | 379 | 4,600 |
| Repayment of debt | -- | (4,600) |
| Purchase of common shares for treasury | (10,160) | (12,250) |
| Other financing activities, net | 1,553 | 227 |
| Net cash used in financing activities | (8,228) | (12,023) |
| Effect of exchange rate changes on cash and cash equivalents | (1,084) | (1,147) |
| Net decrease in cash and cash equivalents | (7,124) | (4,474) |
| Cash and cash equivalents at beginning of period | 20,378 | 20,697 |
| Cash and cash equivalents at end of period | $ 13,254 | $ 16,223 |
| Interest paid | $ 2,248 | $ 2,202 |
| Income taxes paid | $ 1,794 | $ 763 |

**Note 3 -- Long-Term Debt**

The following is a summary of long-term debt:

| (thousands of dollars) | March 26, 2000 | December 31, 1999 |
|---|---|---|
| Raw materials.................................... | $19,252 | $25,049 |
| Work in process................................ | 5,995 | 5,171 |
| Finished goods.................................. | 16,858 | 19,913 |
| Packaging and supplies...................... | 17,056 | 17,294 |
| Total inventories................................ | $59,161 | $67,427 |



**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 4 -- Earnings Per Share (EPS)**

Basic earnings per share are based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share are based upon the weighted average number of common shares outstanding during the period assuming the issuance of common shares for all dilutive potential common shares outstanding. The following table sets forth the computation of basic and diluted earnings per share:

| (thousands of dollars) | March 26, 2000 | December 31, 1999 |
|---|---|---|
| Variable/Fixed Rate Industrial Development Revenue Bonds Due 2009........................................................ | $ 4,000 | $ 4,000 |
| Economic Development Authority Refunding Revenue Bonds Series 1999 Due 2010......................................................... | 4,600 | 4,600 |
| Variable/Fixed Rate Industrial Development Revenue Bonds Due August 1, 2012.......... | 8,000 | 8,000 |
| Variable/Fixed Rate Industrial Development Revenue Bonds Series 1999 Due November 1, 2014.................................. | 8,200 | 8,200 |
| 6.04% of Guarantied Senior Notes Due June 11, 2000.......................................... | 13,000 | 13,000 |
| 7.49% Guaranteed Senior Notes Due July 24, 2006.................................................. | 50,000 | 50,000 |
| Other borrowings..................................... | 1,267 | 877 |
| | 89,067 | 88,677 |
| Less: Current maturities............................. | 13,424 | 13,439 |
| Long-term debt......................................... | $ 75,643 | $ 75,238 |

**Note 5 -- Comprehensive Income (Loss)**

The following are the components of comprehensive income (loss):

| **Basic EPS** | Three Months Ended | |
|---|---|---|
| **(in thousands, except per share data)** | March 26, 2000 | March 28, 1999 |
| Net income............................................................ | $ 15,025 | $ 13,731 |
| Weighted average shares outstanding....................... | 20,792 | 21,697 |
| Basic earnings per share......................................... | $ 0.72 | $ 0.63 |
| **Diluted EPS** | | |
| Net income............................................................ | $ 15,025 | $ 13,731 |
| Weighted average shares outstanding....................... | 20,792 | 21,697 |
| Dilutive effect of stock options................................ | 488 | 607 |
| Weighted average shares outstanding, adjusted................................................................. | 21,280 | 22,304 |
| Diluted earnings per share....................................... | $ 0.71 | $ 0.62 |

The components of accumulated other comprehensive loss, net of related tax, are as follows:

| (thousands of dollars) | Three Months Ended March 26, 2000 | Three Months Ended March 28, 1999 |
|---|---|---|
| Net income.................................... | $ 15,025 | $ 13,731 |
| Other comprehensive income, net of tax: | | |
| Foreign currency translation adjustments | (3,944) | (21,769) |
| Unrealized holding loss, net of reclassification adjustments............. | -- | (86) |
| Comprehensive income (loss).......... | $ 11,081 | $ (8,124) |



**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 6 -- Segment and Related Information**

Segment information for the three months ended March 26, 2000 and March 28, 1999 was as follows:

| | March 26, 2000 | December 31, 1999 |
|---|---|---|
| Foreign currency translation adjustments...... | $ (31,808) | $ (27,864) |
| Minimum pension liability adjustment........... | (1,001) | (1,001) |
| Accumulated other comprehensive loss........ | $ (32,809) | $ (28,865) |

| (thousands of dollars) | NET SALES Three Months Ended March 26, 2000 | NET SALES Three Months Ended March 28, 1999 |
|---|---|---|
| Specialty Minerals..................................... | $111,021 | $107,789 |
| Refractories............................................... | 43,634 | 40,787 |
| Total................................................. | $154,655 | $148,576 |

A reconciliation of the totals reported for the operating segments to the applicable line items in the consolidated financial statements is as follows:

| (thousands of dollars) | INCOME FROM OPERATIONS Three Months Ended March 26, 2000 | INCOME FROM OPERATIONS Three Months Ended March 28, 1999 |
|---|---|---|
| Specialty Minerals.................................... | $16,784 | $15,561 |
| Refractories.............................................. | 6,751 | 5,477 |
| Total................................................ | $23,535 | $21,038 |



**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders

Minerals Technologies Inc.:

We have reviewed the condensed consolidated balance sheet of Minerals Technologies Inc. and subsidiary companies as of March 26, 2000 and the related condensed consolidated statements of income and cash flows for the three-month periods ended March 26, 2000 and March 28, 1999. These financial statements are the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Minerals Technologies Inc. and subsidiary companies as of December 31, 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated January 19, 2000, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1999 is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

**(thousands of dollars)**

| **Income before provision for taxes on income and minority interests** | **Three Months Ended March 26, 2000** | **Three Months Ended March 28, 1999** |
|---|---|---|
| Income from operations for reportable segments................................................................. | $ 23,535 | $ 21,038 |
| Non-operating deductions, net................................. | 953 | 1,277 |
| Income before provision for taxes on income and minority interests...................................................... | $ 22,582 | $ 19,761 |

New York, New York

April 13, 2000



**ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

KPMG LLP

**Results of Operations**

*Three Months Ended March 26, 2000 as Compared with Three Months Ended March 28, 1999*

Net sales in the first quarter of 2000 increased 4.1% to $154.7 million from $148.6 million in the first quarter of 1999. Foreign exchange had a negative effect on sales of approximately $1.7 million, or 1 percentage point. Net sales in the Specialty Minerals segment, which includes the Precipitated Calcium Carbonate ("PCC") and Processed Minerals product lines, grew 3.0% in the first quarter of 2000 to $111.0 million from $107.8 million in the first quarter of 1999. Net sales in the Refractories segment increased 7.1% in the first quarter of 2000 to $43.7 million from $40.8 million in the prior year.

Worldwide net sales of PCC grew 3.6% to $92.8 million from $89.6 million in the first quarter of 1999. Foreign exchange had a negative effect of approximately $1.4 million. This was primarily due to the stronger U.S. dollar as compared to the European currencies. Sales of PCC used for filling and coating paper had a solid quarter, registering a percentage increase in tonnage volume in the mid-teens. Approximately half of this growth was generated by the start-up of two new large satellite facilities, both of which became fully operational after the first quarter of 1999. Growth in sales revenue of PCC for paper was approximately half of the increase in volume, as the average selling price per ton was approximately 6% lower in the first quarter of 2000 than in the first quarter of 1999. Over half of this decline in average selling price was attributable to the significant volume increases at the two new satellite facilities mentioned above, and to ramp-ups of volume at several other satellite facilities. Another 25% of the decline was related to foreign exchange movements, and the remainder was due to other factors, such as price adjustments associated with contract extensions and changes in product mix. The Company expects satellite PCC sales revenue growth and volume growth to be more closely aligned in the second quarter and for the remainder of the year than in the first quarter of 2000.

The Specialty PCC product line, used in non-paper applications, experienced a sales decline. This decline was attributable primarily to inventory adjustments by several large customers early in the first quarter. The Company expects this product line to resume growth by the second half of the year.

On March 30, 2000, the Company announced that it had signed an agreement to construct a satellite plant to supply PCC to a paper mill owned by Bahia Sul Celulose S.A. in Brazil. This satellite facility, which is scheduled to begin operating in the third quarter of 2000, is expected to be the equivalent of two satellite units. A satellite unit produces between 25,000 and 35,000 tons of PCC per year.

Net sales of Processed Minerals products were flat at $18.2 million for the quarter. The lack of growth was primarily due to inventory adjustments at several major customers, and softness in the construction sector as compared with a strong first quarter in the prior year.

Net sales in the Refractories segment increased 7.1% to $43.7 million as compared with $40.8 million in the prior year. This growth was primarily attributable to a recovery in the worldwide steel industry from depressed levels in the prior year.

On April 3, 2000, the Company announced the acquisition of Ferrotron Elektronik GmbH (Ferrotron), a German company that makes sensors, advanced laser scanning devices, and other instrumentation specifically designed for the steel industry. Ferrotron's technology combined with the Company's technologically advanced refractory systems will offer steel industry



customers
an integrated system of measurement, application and control. As a result of the Company's worldwide presence, Ferrotron is expected to generate for the Company between $8 to $12 million of additional sales on an annualized basis.

Net sales in the United States in the first quarter of 2000 increased approximately 3% as compared with the first quarter of 1999. Foreign sales increased approximately 7% in the first quarter of 2000. This increase was due to the international expansion of the Company's PCC product line.

Income from operations increased 11.9% to $23.5 million, as compared with $21.0
million for the same period last year. Operating income in the Specialty Minerals segment increased 7.9% to $16.8 million, which represented 15.1% of sales. The Refractories segment's operating income increased 23.3% to $6.8 million and was 15.5% of sales.

Non-operating deductions decreased due to lower net interest expense and lower foreign exchange losses.

The provision for minority interests in the first quarter of 2000 increased by approximately $0.7 million. In 2000, the provision for minority interests reflected the minority partners' share of income incurred in the consolidated joint ventures. In 1999, such joint ventures incurred losses.

Net income increased 9.5% to $15.0 million from $13.7 million in the prior year. Diluted earnings per share were $0.71 in the first quarter of 2000 as compared with $0.62 in the prior year.

**Liquidity and Capital Resources**

The Company's financial position remained strong in the first quarter of 2000. Cash flows in the first quarter of 2000 were provided from operations and were applied principally to fund capital expenditures and the repurchase of common shares for treasury. Cash provided from operating activities amounted to $24.3 million in the first quarter of 2000 as compared to $26.8 million in the prior year.

On February 26, 1998, the Company's Board of Directors authorized a $150 million program to repurchase Company stock on the open market from time to time. As of the end of the first quarter, the Company had repurchased approximately 2.2 million shares under this program at an average price of approximately $46 per share.

The Company has available approximately $75 million in uncommitted, short-term bank credit lines, none of which were in use at March 26, 2000. The Company anticipates that capital expenditures for all of 2000 will range between $70-$90 million, principally related to the construction of satellite PCC plants, expansion projects at existing satellite PCC plants, a merchant manufacturing facility in Brookhaven, Mississippi for the production of specialty PCC, and other opportunities that meet the strategic growth objectives of the Company. The Company acquired Ferrotron Electronik GmbH subsequent to the first quarter of 2000. The Company expects to meet its financing requirements from internally generated funds, the aforementioned uncommitted bank credit lines and, where appropriate, project financing of certain satellite plants.

**Prospective Information and Factors That May Affect Future Results**

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand the companies' future prospects and make informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on management's plans and assumptions. Words such as "expects," "plans," "anticipated," "will," and words and terms of similar substance used in connection with any discussion of future operating or financial performance identify these forward-looking statements.

The Company cannot guarantee that any forward-looking statement will be realized, although it believes it has been prudent in its plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements and should refer to the discussion of certain risks, uncertainties and assumptions under the heading "Cautionary Factors That May Affect Future Results" in Exhibit 99 to this Quarterly Report.

**Recently Issued Accounting Standards**

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." The statement establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. The Company will adopt SFAS 133 by January 1, 2001. Adoption of SFAS 133 is not expected to have a material effect on the Company's financial position and results of operations.

In March 2000, the FASB issued Interpretation No. 44 which provides guidance for applying APB Opinion No. 25, "Accounting for Stock Issued to Employees." It applies prospectively to new awards, exchanges of awards in a business combination, modifications to outstanding awards, and changes in grantee status on or after July 1, 2000, except for provisions related to repricings and the definition of an employee, which apply to awards issued after December 15, 1998. Adoption of this Interpretation on July 1, 2000 is not expected to have a material effect on the Company's financial position and results of operations.

**Year 2000**

The "year 2000 issue" arose because many computer programs and electronically controlled devices denote years using only the last two digits. Like other companies, the Company uses operating systems, applications and electronically controlled devices that were produced by many different vendors at different times, and many of which were not originally designed to be year 2000 compatible. The Company did not experience any material adverse effects of the transition to the year 2000, and while it is possible that such effects may arise in the future, particularly with respect to computerized interfaces with third parties, the Company does not expect this to be the case.

**Adoption of a Common European Currency**

On January 1, 1999, eleven European countries adopted the euro as their common currency. From that date until January 1, 2002, debtors and creditors may choose to pay or be paid in euros or in the former national currencies. On and after January 1, 2002, the former national currencies will cease to be legal tender.

The Company's information technology systems are now able to convert among the former national currencies and the euro, and to process transactions and balances in euros, as required. The financial institutions with which the Company does business are capable of receiving deposits and making payments both in euros and in the national currencies. The Company does not expect that adapting its information technology systems to the euro will have a material impact on its financial condition or results of operations. The Company is also reviewing contracts with customers and vendors calling for payments in currencies that are to be replaced by the euro, and intends to complete in a timely way any required changes to those contracts.

Adoption of the euro is likely to have competitive effects in Europe, as prices that had been stated in different national currencies become directly comparable to one another. In addition, the adoption of a common monetary policy by the countries adopting the euro can be expected to have an effect on the economy of the region. These competitive and economic effects had no material effect on the Company's financial condition or results of operation during the first quarter of 2000, and the Company does not expect any such effect to occur. There can be no assurance, however, that the transition to the euro will not have a material effect on the Company's business in Europe in the future.

**ITEM 3. Quantitative and Qualitative Disclosures about Market Risk**

*Market Risk*

The Company is exposed to various market risks, including the potential loss arising from adverse changes in foreign currency exchange rates. The Company does not enter into derivatives or other financial instruments for trading or speculative purposes. When appropriate, the Company enters into derivative financial instruments, such as forward exchange contracts, to mitigate the impact of foreign exchange rate movements on the Company’s operating results. The counterparties are major financial institutions. Such forward exchange contracts would not subject the Company to additional risk from exchange rate movements because gains and losses on these contracts would offset losses and gains on the assets, liabilities and transactions being hedged. There were no open forward exchange contracts outstanding at March 26, 2000 or March 28, 1999.



**PART II. OTHER INFORMATION**

**ITEM 1. Legal Proceedings**

On or about October 5, 1999, the Company was notified by the U.S. Department of Justice that it had received an enforcement referral from the U.S. Environmental Protection Agency regarding alleged violations by the Company's subsidiary Barretts Minerals Inc. ("BMI") of a state-issued permit regulating pit dewatering and storm water discharge at BMI's talc mine in Barretts, Montana. The threatened federal enforcement action would duplicate in part a state enforcement action that was resolved in May 1999 through settlement and payment of a civil penalty of $14,000. BMI has entered into prefiling negotiations with the Department of Justice, and as of May 3, 2000, no complaint had been filed. We anticipate that any settlement of this matter would include a monetary penalty as well as other relief, such as a supplemental environmental project at the Barretts site. There can be no assurance that the amount of monetary penalty or the cost of other relief sought by the Department of Justice in any such complaint, if filed, would not be substantially in excess of the amount for which the previous state enforcement action was settled.

The Company and its subsidiaries are not party to any other material pending legal proceedings, other than ordinary routine litigation incidental to their businesses.

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

a) Exhibits:

15- Accountants' Acknowledgment.

27.1- Financial Data Schedule for the three months ended March 26, 2000.

99- Statement of Cautionary Factors That May Affect Future Results.

b) No reports on Form 8-K were filed during the first quarter of 2000.



**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, thereunto duly authorized.

**INCOME AND EXPENSE ITEMS AS A PERCENTAGE OF NET SALES**

| | Three Months Ended | |
|---|---|---|
| | March 26, 2000 | March 28, 1999 |
| Net sales | 100.0% | 100.0% |
| Cost of goods sold | 69.1 | 69.5 |
| Marketing, distribution and administrative expenses | 11.9 | 12.3 |
| Research and development expenses | 3.8 | 4.0 |
| Income from operations | 15.2 | 14.2 |
| Net income | 9.7% | 9.2% |

May 4, 2000

EXHIBIT 15

**ACCOUNTANTS' ACKNOWLEDGMENT**

The Board of Directors

Minerals Technologies Inc.:

Re: Registration Statement Nos. 33-59080, 33-65268, 33-96558 and 333-62739

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated April 13, 2000, related to our review of interim financial information.

Pursuant to Rule 436(c) under the Securities Act of 1933, such report is not considered a part of a registration statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of sections 7 and 11 of the Act.

Minerals Technologies Inc.

By: **/s/ Neil M. Bardach**
Vice President - Finance and
Chief Financial Officer;
Treasurer, (principal finance
officer)

New York, New York

May 4, 2000

EXHIBIT 99

**CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS**

The disclosure and analysis set forth in this report contains certain forward-looking statements, particularly statements relating to future actions, performance or results of current and anticipated products, sales efforts, expenditures, and financial results. From time to time, the Company also provides forward-looking statements in other publicly-released materials, both written and oral. Forward-looking statements provide current expectations and forecasts of future events such as new products, revenues and financial performance, and are not limited to describing historical or current facts. They can be identified by the use of words such as "expects," "plans," "anticipated," "will" and other words and phrases of similar meaning.

Forward-looking statements are necessarily based on assumptions, estimates and limited information available at the time they are made. A broad variety of risks and uncertainties, both known and unknown, as well as the inaccuracy of assumptions and estimates, can affect the realization of the expectations or forecasts in these statements. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially.

The Company undertakes no obligation to update any forward-looking statements. Investors should refer to the Company's subsequent filings under the Securities Exchange Act of 1934 for further disclosures.

As permitted by the Private Securities Litigation Reform Act of 1995, the Company is providing the following cautionary statements which identify factors that could cause the Company's actual results to differ materially from historical and expected results. It is not possible to foresee or identify all such factors. You should not consider this list an exhaustive statement of all potential risks, uncertainties and inaccurate assumptions.

- ***Historical Growth Rate***

  Continuance of the historical growth rate of the Company depends upon a number of uncertain events, including the outcome of the Company's strategies of increasing its penetration into geographical markets such as Asia, Latin America and Europe; increasing its penetration into product markets such as the market for paper coating pigments and the market for groundwood paper pigments; increasing sales to existing PCC customers by increasing the amount of PCC used per ton of paper produced; and developing, introducing and selling new products. Difficulties, delays or failures of any of these strategies could cause the future growth rate of the Company to differ materially from its historical growth rate.

- ***Contract Renewals***

  The Company's sales of PCC are predominantly pursuant to long-term agreements, generally ten years in length, with paper mills at which the Company operates satellite PCC plants. The terms of many of these agreements have been extended, often in connection with an expansion of the satellite PCC plant. The Company continues to operate every PCC plant that it has built. There is no assurance, however, that this will continue to be the case. Failure of a number of the Company's customers to renew existing agreements on terms as favorable to the Company as those currently in effect could cause the future growth rate of the Company to differ materially from its historical growth rate, and could have a substantial adverse effect on the Company's results of operations.

- ***Litigation; Environmental Exposures***

  The Company's operations are subject to international, federal, state and local environmental, tax and other laws and regulations, and potentially to claims for various legal, environmental and tax matters. The Company is currently a party to various litigation matters. While the Company carries liability insurance which it believes to be appropriate to its businesses, and has provided reserves for such matters which it believes to be adequate, an unanticipated liability arising out of such a litigation matter or a tax or environmental proceeding could have a material adverse effect on the Company's financial condition or results of operations.

- ***New Products***

  The Company is engaged in a continuous effort to develop new products and processes in all of its product lines. Difficulties, delays or failures in the development, testing, production, marketing or sale of such new products could cause actual results of operations to differ materially from expected results.

- ***Competition; Protection of Intellectual Property***

  Particularly in its PCC and Refractory product lines, the Company's ability to compete is based in part upon proprietary knowledge, both patented and unpatented. The Company's ability to achieve anticipated results depends in part on its ability to defend its intellectual property against inappropriate disclosure as well as against infringement. In addition, development by the Company's competitors of new products or technologies that are more effective or less expensive than those the Company offers could have a material adverse effect on the Company's financial condition or results of operations.

- ***Risks of Doing Business Abroad***

  As the Company expands its operations overseas, it faces the increased risks of doing business abroad, including inflation, fluctuations in interest rates and currency exchange rates, changes in applicable laws and regulatory requirements, export and import restrictions, tariffs, nationalization, expropriation, limits on repatriation of funds, unstable governments and legal systems, and other factors. Adverse developments in any of these areas could cause actual results to differ materially from historical and expected results.

- ***Availability of Raw Materials***

The Company's ability to achieve anticipated results depends in part on having an adequate supply of raw materials for its manufacturing operations, particularly lime and carbon dioxide for PCC operations and magnesia for refractory operations, and on having adequate access to the ore reserves at its mining operations. Unanticipated changes in the costs or availability of such raw materials, or in the Company's ability to have access to its ore reserves, could adversely affect the Company's results of operations.

- ***Cyclical Nature of Customers' Businesses***

The bulk of the Company's sales are to customers in two industries, paper manufacturing and steel manufacturing, which have historically been cyclical. The Company's exposure to variations in its customers' businesses has been reduced in recent years by the growth in the number of plants it operates; by the diversification of its portfolio of products and services; and by its geographic expansion. Also, the Company has structured some of its long-term satellite PCC contracts to provide a degree of protection against declines in the quantity of product purchased, since the price per ton of PCC rises as the number of tons purchased declines. In addition, many of the Company's product lines lower its customers' costs of production or increase their productivity, which should encourage them to use its products. However, a sustained economic downturn in one or more of the industries or geographic regions that the Company serves, or in the worldwide economy, could cause actual results of operations to differ materially from historical and expected results.

- ***Adoption of a Common European Currency***

On January 1, 1999, eleven European countries adopted the euro as their common currency. Adoption of a single currency and a common monetary policy by the countries adopting the euro can be expected to have effects on competition in Europe and on the overall economy of the region, which could adversely affect the Company's financial position or results of operations.

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This schedule contains summary financial information extracted from the condensed consolidated financial statements of Minerals Technologies Inc., and is qualified in its entirety by reference to such condensed consolidated financial statements.

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3-MOS
DEC-31-2000
MAR-26-2000
13,254
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0
22,582
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0
0
0
15,025
0.72
0.71

Very truly yours,

KPMG LLP