

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

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

For the quarterly period ended September 24, 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
(State or other jurisdiction
incorporation or organization)

25-1190717
(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 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 October 20, 2000
Common Stock, \$0.10 par value	20,272,646

MINERALS TECHNOLOGIES INC.

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PART I. FINANCIAL INFORMATION

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PART I. FINANCIAL INFORMATION**ITEM 1. Financial Statements**

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(thousands of dollars, except per share data)	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24,</u> <u>2000</u>	<u>Sept. 26,</u> <u>1999</u>	<u>Sept. 24,</u> <u>2000</u>	<u>Sept. 26,</u> <u>1999</u>
Net sales	\$160,938	\$159,807	\$480,824	\$467,220
Operating costs and expenses:				
Cost of goods sold	112,502	110,248	331,233	322,581
Marketing, distribution and administrative expenses	17,588	18,347	56,284	55,961
Research and development expenses	<u>6,605</u>	<u>6,001</u>	<u>19,069</u>	<u>18,176</u>
Income from operations	24,243	25,211	74,238	70,502
Non-operating deductions, net	<u>1,604</u>	<u>1,892</u>	<u>3,376</u>	<u>3,679</u>
Income before provision for taxes on income and minority interests	22,639	23,319	70,862	66,823
Provision for taxes on income	7,097	7,311	22,214	20,956
Minority interests	<u>408</u>	<u>100</u>	<u>1,336</u>	<u>506</u>
Net income	\$ 15,134 =====	\$ 15,908 =====	\$ 47,312 =====	\$ 45,361 =====
Earnings per share:				
Basic	\$ 0.74	\$ 0.75	\$ 2.30	\$ 2.11
Diluted	\$ 0.72	\$ 0.71	\$ 2.23	\$ 2.03
Cash dividends declared per common share	\$ 0.025	\$ 0.025	\$ 0.075	\$ 0.075
Shares used in the computation of earnings per share:				
Basic	20,408	21,349	20,591	21,518
Diluted	21,125	22,281	21,207	22,351

See accompanying Notes to Condensed Consolidated Financial Statements.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEET

(thousands of dollars)	Sept. 24, <u>2000*</u>	Dec. 31, <u>1999**</u>
Current assets:		
Cash and cash equivalents	\$ 9,962	\$ 20,378
Accounts receivable, net	122,171	118,327
Inventories	66,660	67,427
Other current assets	<u>15,501</u>	<u>13,815</u>
Total current assets	214,294	219,947
Property, plant and equipment, less accumulated depreciation and depletion September 24, 2000 - \$466,836; December 31, 1999 - \$433,047		
	541,976	521,996
Other assets and deferred charges	<u>36,464</u>	<u>27,188</u>
Total assets	\$792,734 =====	\$769,131 =====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 34,287	\$ 13,439
Accounts payable	38,722	46,703
Other current liabilities	<u>45,251</u>	<u>57,400</u>
Total current liabilities	118,260	117,542
Long-term debt		
	91,237	75,238
Other non-current liabilities	<u>95,947</u>	<u>91,315</u>
Total liabilities	<u>305,444</u>	<u>284,095</u>
Shareholders' equity:		
Common stock	2,585	2,571
Additional paid-in capital	154,955	150,315
Retained earnings	572,790	527,022
Accumulated other comprehensive loss	<u>(47,637)</u>	<u>(28,865)</u>
	682,693	651,043
Less treasury stock	<u>195,403</u>	<u>166,007</u>
Total shareholders' equity	<u>487,290</u>	<u>485,036</u>
Total liabilities and shareholders' equity	\$792,734 =====	\$769,131 =====

* 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)	<u>Nine Months Ended</u>	
	Sept. 24, <u>2000</u>	Sept. 26, <u>1999</u>
Operating Activities		
Net income	\$ 47,312	\$ 45,361
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	45,901	42,926
Other non-cash items	3,901	3,897
Net changes in operating assets and liabilities	<u>(22,210)</u>	<u>947</u>
Net cash provided by operating activities	<u>74,904</u>	<u>93,131</u>
Investing Activities		
Purchases of property, plant and equipment	(81,883)	(52,023)
Other investing activities, net	<u>(12,665)</u>	<u>(854)</u>
Net cash used in investing activities	<u>(94,548)</u>	<u>(52,877)</u>
Financing Activities		
Proceeds from issuance of short-term and long-term debt	93,903	28,898

Repayment of debt	(56,389)	(42,253)
Purchase of common shares for treasury	(29,396)	(37,291)
Other financing activities, net	<u>3,109</u>	<u>5,221</u>
Net cash used in financing activities	<u>11,227</u>	<u>(45,425)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,999)</u>	<u>915</u>
Net decrease in cash and cash equivalents	(10,416)	(4,256)
Cash and cash equivalents at beginning of period	<u>20,378</u>	<u>20,697</u>
Cash and cash equivalents at end of period	\$ 9,962	\$ 16,441
	=====	=====
Interest paid	\$ 5,767	\$ 5,030
	=====	=====
Income taxes paid	\$ 20,063	\$ 9,499
	=====	=====

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 and nine-month periods ended September 24, 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:

(thousands of dollars)	September 24, <u>2000</u>	December 31, <u>1999</u>
Raw materials	\$ 26,603	\$ 25,049
Work-in-process	6,106	5,171
Finished goods	16,020	19,913
Packaging and supplies	<u>17,931</u>	<u>17,294</u>
Total inventories	\$ 66,660	\$ 67,427
	=====	=====

Note 3 -- Long-Term Debt and Commitments

The following is a summary of long-term debt:

(thousands of dollars)	September 24, <u>2000</u>	December 31, <u>1999</u>
6.04% Guaranteed Senior Notes		
Due June 11, 2000	\$ --	\$ 13,000
7.49% Guaranteed Senior Notes		
Due July 24, 2006	50,000	50,000
Yen-denominated Guaranteed Credit Agreement Due March 31, 2007	10,685	--
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
Variable/Fixed Rate Industrial Development Revenue Bonds Due March 31, 2020	5,000	--
Other borrowings	<u>939</u>	<u>877</u>
	01 121	88 677

Less: Current maturities	<u>187</u>	<u>13,439</u>
Long-term debt	\$ 91,237	\$ 75,238
	=====	=====

On May 17, 2000, the Company's majority owned subsidiary, Specialty Minerals FMT K.K., entered into a Yen-denominated Guaranteed Credit Agreement with the Bank of New York due March 31, 2007. The proceeds were used to finance the construction of a PCC satellite facility in Japan. Principal payments begin on June 30, 2002. Interest is payable quarterly at a rate of 2.05% per annum.

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**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

On June 9, 2000, the Company entered into a twenty-year, taxable, Variable/Fixed Rate Industrial Development Revenue Bond agreement to finance a portion of the construction of a merchant manufacturing facility for the production of specialty PCC in Mississippi. The Company selected the variable rate option for this borrowing and the average interest rate was approximately 7% for the nine months ended September 24, 2000.

On June 11, 2000, the Company remitted its final principal payment under the 6.04% Guaranteed Senior Notes.

The Company had available approximately \$85 million in uncommitted, short-term bank credit lines, of which \$34.1 million were in use at September 24, 2000. The interest rate on these borrowings was approximately 7% for the nine months ended September 24, 2000.

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:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24,</u> <u>2000</u>	<u>Sept. 26,</u> <u>1999</u>	<u>Sept. 24,</u> <u>2000</u>	<u>Sept. 26,</u> <u>1999</u>
Basic EPS (in thousands, except per share data)				
Net income	\$ <u>15,134</u>	\$ <u>15,908</u>	\$ <u>47,312</u>	\$ <u>45,361</u>
Weighted average shares outstanding	<u>20,408</u>	<u>21,349</u>	<u>20,591</u>	<u>21,518</u>
Basic earnings per share	\$ 0.74 =====	\$ 0.75 =====	\$ 2.30 =====	\$ 2.11 =====
Diluted EPS				
Net income	\$ <u>15,134</u>	\$ <u>15,908</u>	\$ <u>47,312</u>	\$ <u>45,361</u>
Weighted average shares outstanding	20,408	21,349	20,591	21,518
Dilutive effect of stock options	<u>717</u>	<u>932</u>	<u>616</u>	<u>833</u>
Weighted average shares outstanding, adjusted	<u>21,125</u>	<u>22,281</u>	<u>21,207</u>	<u>22,351</u>
Diluted earnings per share	\$ 0.72 =====	\$ 0.71 =====	\$ 2.23 =====	\$ 2.03 =====

Note 5 -- Comprehensive Income (Loss)

The following are the components of comprehensive income:

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24,</u> <u>2000</u>	<u>Sept. 26,</u> <u>1999</u>	<u>Sept. 24,</u> <u>2000</u>	<u>Sept. 26,</u> <u>1999</u>
(thousands of dollars)				
Net income	\$ 15,134	\$15,908	\$47,312	\$ 45,361
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(10,566)	5,450	(18,772)	(16,883)
Unrealized holding gains (losses), net of reclassification adjustments	<u> --</u>	<u> --</u>	<u> --</u>	<u> (86)</u>
Comprehensive income	\$ 4,568 =====	\$21,358 =====	\$28,540 =====	\$28,392 =====

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

	<u>Sept. 24, 2000</u>	<u>Dec. 31, 1999</u>
Foreign currency translation adjustments	\$(46,636)	\$(27,864)
Minimum pension liability adjustments	<u>(1,001)</u>	<u>(1,001)</u>
Accumulated other comprehensive loss	\$(47,637)	\$(28,865)
	=====	=====

Note 6 -- Segment and Related Information

Segment information for the three-month and nine-month periods ended September 24, 2000 and September 26, 1999 was as follows:

(thousands of dollars)	<u>Net Sales</u>			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24, 2000</u>	<u>Sept. 26, 1999</u>	<u>Sept. 24, 2000</u>	<u>Sept. 26, 1999</u>
Specialty Minerals Segment	\$116,305	\$115,380	\$345,637	\$339,466
Refractories Segment	<u>44,633</u>	<u>44,427</u>	<u>135,187</u>	<u>127,754</u>
Total	\$160,938	\$159,807	\$480,824	\$467,220
	=====	=====	=====	=====

(thousands of dollars)	<u>Income from Operations</u>			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24, 2000</u>	<u>Sept. 26, 1999</u>	<u>Sept. 24, 2000</u>	<u>Sept. 26, 1999</u>
Specialty Minerals Segment	\$16,884	\$18,388	\$52,259	\$51,372
Refractories Segment	<u>7,359</u>	<u>6,823</u>	<u>21,979</u>	<u>19,130</u>
Total	\$24,243	\$25,211	\$74,238	\$70,502
	=====	=====	=====	=====

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)	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24, 2000</u>	<u>Sept. 26, 1999</u>	<u>Sept. 24, 2000</u>	<u>Sept. 26, 1999</u>
	Income from operations for reportable segments	\$24,243	\$25,211	\$74,238
Non-operating deductions, net	<u>1,604</u>	<u>1,892</u>	<u>3,376</u>	<u>3,679</u>
Income before provision for taxes on income and minority interests	\$22,639	\$23,319	\$70,862	\$66,823
	=====	=====	=====	=====

**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Note 7 -- Subsequent Event

MTI's largest customer, International Paper Company ("IP"), announced on October 18, 2000 that it plans to reduce production capacity by closing its mills at Mobile, Alabama, Lock Haven, Pennsylvania and Camden, Arkansas, and by reducing production at its mill in Courtland, Alabama. The Company currently owns and operates PCC satellite plants at Mobile, Lock Haven and Courtland. As a result, MTI expects to take a one-time, pre-tax write-off of assets in the fourth quarter of 2000 of between \$2.5 million and \$3.0 million.

We have reviewed the condensed consolidated balance sheet of Minerals Technologies Inc. and subsidiary companies as of September 24, 2000 and the related condensed consolidated statements of income for each of the three-month and nine-month periods ended September 24, 2000 and September 26, 1999, and cash flows for the nine-month periods then ended. 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.

KPMG LLP

New York, New York
October 19, 2000

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

	Income and Expense Items			
	As a Percentage of Net Sales			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24,</u>	<u>Sept. 26,</u>	<u>Sept. 24,</u>	<u>Sept. 26,</u>
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	69.9	69.0	68.9	69.0
Marketing, distribution and administrative expenses	10.9	11.5	11.7	12.0
Research and development expenses	<u>4.1</u>	<u>3.7</u>	<u>4.0</u>	<u>3.9</u>
Income from operations	15.1	15.8	15.4	15.1
Net income	9.4%	10.0%	9.8%	9.7%
	===	===	===	===

Results of Operations

Three Months Ended September 24, 2000 as Compared with Three Months Ended September 26, 1999

Net sales in the third quarter of 2000 increased 0.7% to \$160.9 million from \$159.8 million in the third quarter of 1999. Foreign exchange had a negative effect on sales of approximately \$2.4 million, or 1.5 percentage points of growth.

Net sales in the Specialty Minerals segment, which includes the Precipitated Calcium Carbonate ("PCC") and Processed Minerals product lines, grew 0.8% in the third quarter of 2000 to \$116.3 million as compared with \$115.4 million in the prior year.

Worldwide net sales of PCC grew 1.0% to \$96.8 million from \$95.8 million in the third quarter of 1999. Foreign exchange had a negative effect of approximately \$1.5 million. This was primarily due to the stronger U.S. dollar as compared to the European currencies. Growth in sales of PCC products was also adversely affected by unplanned paper mill shutdowns and slowdowns to reduce inventories and a continued decline in sales of PCC for non-paper applications. Excluding the unfavorable impact of foreign exchange, sales of PCC from satellite facilities increased 6% in the third quarter while volumes also increased 6%. Volume growth for PCC satellite facilities in operation for more than a year was approximately 4% in the third quarter despite the aforementioned paper mill shutdowns and slowdowns. The Company began operation of two new satellite PCC plants at paper mills in Brazil and Japan, as well as at a major satellite expansion in Portugal. Combined, these new satellite PCC plants and expansion are equivalent to approximately seven satellite units. A satellite unit produces between 25,000 and 35,000 tons of PCC per year.

Sales of PCC for non-paper applications declined approximately 14% in the third quarter. This product line was affected by difficult market conditions, primarily in the healthcare sector, and some loss of market share in calcium supplement products. In addition, export sales of specialty PCC from the Company's merchant PCC facility in the United Kingdom to Europe were negatively affected by the stronger British pound against the euro.

Net sales of Processed Minerals products decreased 0.5% in the third quarter to \$19.5 million from \$19.6 million in 1999. A slight softening in demand for the Company's ground calcium carbonate products and talc in the construction-related industries affected the sales growth.

Net sales in the Refractories segment were \$44.6 million for the third quarter of 2000, a 0.5% increase compared with the same period last year. Sales of metallurgical wire products in the Refractories segment declined and were affected by a slowdown in steel production in the United States in the third quarter of 2000.

Net sales in the United States in the third quarter of 2000 decreased approximately 2% from the comparable period in 1999. Foreign sales increased approximately 7% in the third quarter of 2000 from the comparable 1999 period.

Income from operations decreased 4.0% to \$24.2 million in the third quarter of 2000. Lower sales volume, higher fuel costs, reduced output as a result of mandated "brownouts" to save energy at the Company's facility in California, and costs associated with the later than expected start-up of the new manufacturing facility in Brookhaven, Mississippi were the primary reasons for the operating income decline. Operating income in the

Specialty Minerals segment decreased 8.2% in the third quarter to \$16.9 million, which represented 14.5% of its net sales. This decrease was due to significant declines in PCC for non-paper applications and in the Processed Minerals product line. Income from operations in the Refractories segment increased 7.9% in the third quarter to \$7.3 million and was 16.5% of its net sales.

Net income decreased 5.0% to \$15.1 million from \$15.9 million in the prior year. Diluted earnings per common share increased 1% to \$0.72 in the third quarter of 2000, compared with \$0.71 in the prior year.

Nine Months Ended September 24, 2000 as Compared with Nine Months Ended September 26, 1999

Net sales for the first nine months of 2000 increased 2.9% to \$480.8 million from \$467.2 million in 1999. Foreign exchange had an unfavorable impact on sales of approximately \$6.4 million or 1.4 percentage points of growth.

Net sales in the Specialty Minerals segment increased 1.8% in the first nine months of 2000 to \$345.6 million. Worldwide net sales in the PCC product line grew 2.1% to \$287.2 million in the first nine months of 2000. Sales of PCC for non-paper applications declined 11%. Net sales in the Processed Minerals product line increased slightly in the first nine months of 2000.

Net sales in the Refractories segment increased 5.8% to \$135.2 million.

Income from operations rose 5.3% to \$74.2 million in the first nine months of 2000 from \$70.5 million in the prior year. Income from operations in the Specialty Minerals segment increased 1.8% in the first nine months of 2000 to \$52.2 million. Income from operations in the Refractories segment increased 15.2% for the first nine months of 2000 to \$22.0 million.

Net income increased 4.2% to \$47.3 million from \$45.4 million in 1999. Diluted earnings per common share increased 10% to \$2.23 as compared with \$2.03 for the first nine months of 1999.

Liquidity and Capital Resources

The Company's financial position remained strong as of September 24, 2000. Cash flows of \$74.9 million were provided from operations and from short-term and long-term financing, and were applied principally to fund capital expenditures, to repurchase common shares for treasury and to remit the required final principal payment of \$13 million under the Company's Guaranteed Senior Notes due June 11, 2000.

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. The Company has repurchased approximately 2.6 million shares under this program at an average price of approximately \$46 per share.

On May 17, 2000, the Company's majority owned subsidiary, Specialty Minerals FMT K.K. entered into a Yen-denominated Guaranteed Credit Agreement with the Bank of New York, due March 31, 2007. The proceeds were used to finance the construction of a PCC satellite facility in Japan. Principal payments begin on June 30, 2002. Interest is payable quarterly at a rate of 2.05% per annum.

On June 9, 2000, the Company entered into a twenty-year, taxable, Variable/Fixed Rate Industrial Development Revenue Bond agreement to finance a portion of the construction of a merchant manufacturing facility for the production of specialty PCC in Mississippi. The Company has selected the variable rate option in this borrowing and the average interest rate was approximately 7% for the nine months ended September 24, 2000.

The Company has available approximately \$85 million in uncommitted, short-term bank credit lines, of which \$34.1 million were in use at September 24, 2000. The interest rate on these borrowings was approximately 7% for the nine months ended September 24, 2000. The Company anticipates that capital expenditures for 2000 will be between \$90-\$110 million. The capital expenditures will principally be related to construction of satellite PCC plants, expansion projects at existing satellite PCC plants, the specialty PCC merchant manufacturing facility in Brookhaven, Mississippi, and other opportunities that meet the strategic growth objectives of the Company. The Company expects to meet such 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 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," "anticipate," "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 the outcomes suggested in 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.

Several acquisitions in the paper industry have taken place in recent months. Such acquisitions could result in partial or total closure of some paper mills at which Minerals Technologies Inc. ("MTI") operates PCC satellites. Such closures would reduce MTI's sales of PCC, except to the extent that they resulted in paper production and associated purchases of PCC shifting to another location served by MTI. There can be no assurance, however, that this will occur. In addition, such acquisitions concentrate purchasing power in the hands of a smaller number of papermakers, enabling them to increase competitive pressure on their suppliers, such as MTI. Such increased pressure could have an adverse effect on MTI's results of operations in the future.

MTI's largest customer, International Paper Company ("IP"), announced on October 18, 2000 that it plans to reduce production capacity by closing its mills at Mobile, Alabama, Lock Haven, Pennsylvania and Camden, Arkansas, and by reducing production at its mill in Courtland, Alabama. The Company currently owns and operates PCC satellite plants at Mobile, Lock Haven and Courtland. As a result, MTI expects to take a one-time, pre-tax write-off of assets in the fourth quarter of 2000 of between \$2.5 million and \$3.0 million. Excluding this write-off, and assuming that none of the sales of the affected IP paper mills will be recovered elsewhere, either by IP or by other makers of uncoated paper that purchase PCC from the Company, the estimated impact of these capacity reductions on the results of operations in the fourth quarter will be small due to the timing of the plant IP closures. The estimated impact on the Company's results in the year 2001 would be about 5 to 6 cents per share. It is possible, however, that some production of uncoated paper will shift to other facilities served by MTI and cause more PCC to be used at those locations, thereby mitigating the overall impact of these shutdowns and partial shutdowns.

The Courtland facility currently has production capacity of six units, and the Company expects that the decision by IP will result in the continued normal operation of the PCC satellite plant. The satellite facilities at Mobile and Lock Haven currently have production capacity of three and two units, respectively. A satellite unit produces between 25,000 and 35,000 tons of PCC per year. These satellites have been running short of full capacity. In addition, as IP has previously disclosed, it had already reduced its production of uncoated paper in the third quarter in order to reduce inventory, which had a negative impact on the Company's results for the third quarter. The Company does not know by how much, if at all, IP's total production of uncoated paper will be further reduced as a result of the reductions in capacity.

On November 2, 2000, Plainwell Inc. announced that it would close its paper mill at Plainwell, Michigan effective November 6, 2000. MTI operates a PCC satellite at that location with a capacity of one satellite unit. This plant has run at substantially less than its full capacity, and over half of its sales have been to third parties. MTI is currently operating this PCC plant to serve third-party customers and intends to continue to do so as long as economically feasible. If the PCC plant were to be shut down, then the Company would serve third-party customers from other MTI locations and the impact would be a one-time, pre-tax write-off of approximately \$1 million.

Excluding the plants to be closed, there are six satellite locations, serving four customers, at which our contracts with the customers have recently expired or are due to expire by the end of 2001. The Company continues to supply PCC at all of these locations and expects to negotiate long-term contract extensions at all of them. There is no assurance, however, that these negotiations will be successful.

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, as amended, 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 consolidated financial statements.

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 operations during the second 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 September 24, 2000 or September 26, 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 pre-filing negotiations with the Department of Justice, and as of October 30, 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.

On or about July 14, 2000, MTI, Specialty Minerals Inc. and Minteq International Inc. received from the Connecticut Department of Environmental Protection ("DEP") a proposed administrative consent order relating to the Canaan, Connecticut site at which both Minteq and Specialty Minerals have operations. The proposed order would settle claims relating to an accidental discharge of machine oil alleged to have contained polychlorinated biphenyls at or above regulated levels. The Company's employees immediately took steps to contain and clean up the discharge and notified the Connecticut DEP as required by law. The proposed order also alleges certain violations of other environmental requirements, including violations of the Canaan site's existing permit for discharge of stormwater, and of regulations governing the management of underground storage tanks. The proposed order would require payment of a civil penalty of \$515,750, remediation of certain conditions at the site, and other injunctive relief. MTI and the other respondents dispute many of the factual allegations forming the basis of the proposed order, and plan to contest them vigorously. There can be no assurance, however, that the Company will be successful in doing so.

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:
- 3 - Restated By-Laws of the Company.
 - 15 - Accountants' Acknowledgment.
 - 27 - Financial Data Schedule for the nine months ended September 24, 2000.
 - 99 - Statement of Cautionary Factors That May Affect Future Results.
- b) No reports on Form 8-K were filed during the third 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.

Minerals Technologies Inc.

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

November 6, 2000

As Amended October 26, 2000

ARTICLE I

STOCKHOLDERS' MEETING

1. **PLACE OF MEETING.** Meetings of the stockholders shall be held at the registered office of the Corporation in Delaware, or at such other place within or without the State of Delaware as may be designated by the Board of Directors or the stockholders.
2. **ANNUAL MEETING.** The annual meeting of the stockholders shall be held on such date and at such time and place as the Board of Directors may designate. The date, place and time of the annual meeting shall be stated in the notice of such meeting delivered to or mailed to stockholders. At such annual meeting the stockholders shall elect directors, in accordance with the requirements of the Certificate of Incorporation, by a plurality vote, and transact such other business as may properly be brought before the meeting.
3. **QUORUM.** The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or by proxy, shall be requisite for and shall constitute a quorum of all meetings of the stockholders, except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws. If a quorum shall not be present at any meeting of the stockholders, the stockholders present in person or by proxy and entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present; provided, however, if the adjournment is for more than thirty days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Except as provided in paragraph 2 of Article I of these By-laws and the Certificate of Incorporation and except as otherwise provided by law, at all meetings of the stockholders all questions shall be determined by a majority of the votes cast on such questions.
4. **VOTING; PROXIES.** At each meeting of the stockholders of the Corporation, every stockholder having the right to vote shall be entitled to vote in person or by proxy. Any stockholder may authorize another person to act for him by proxy. A proxy must be in writing and executed by the stockholder or his or her duly authorized attorney. In lieu thereof, to the extent permitted by law, a proxy may be transmitted in a telegram, cablegram or other means of electronic transmission provided that the telegram, cablegram or electronic transmission either sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder. A copy, facsimile transmission or other reliable reproduction of a written or electronically transmitted proxy authorized by this Section 4 may be substituted for or used in lieu of the original writing or transmission. No proxy authorized by this Section 4 shall be voted or acted upon more than three years from its date, unless the proxy provides for a longer period. No ballot, proxies or votes, nor any revocations thereof or changes thereto shall be accepted after the time set for the closing of the polls pursuant to Section 10 of Article I of these By-laws. Each proxy shall be delivered to the inspectors of election prior to or at the meeting. The vote for directors shall be by ballot.
5. **NOTICE.** Written notice of an annual or special meeting shall be given to each stockholder entitled to vote thereat, not less than ten nor more than sixty days prior to the meeting. If mailed, such notice shall be deemed to be given when deposited in the mail, postage pre-paid, directed to the stockholder at his or her address as it appears on the records of the Corporation.
6. **INSPECTORS OF ELECTION.** The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.
7. **STOCK LIST.** At least ten days before every meeting of the stockholders a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, with the post office address of each, and the number of shares held by each, shall be prepared by the Secretary. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, during ordinary business hours at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held for said ten days, and shall be produced and kept at the time and place of meeting during the whole time thereof and subject to the inspection of any stockholder who may be present. The original or duplicate stock ledger shall be provided at the time and place of each meeting and shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders or to vote in person or by proxy at such meeting.
8. **SPECIAL MEETINGS.** Special meetings of the stockholders for any purpose or purposes may be called by the Chief Executive Officer, and shall be called by the Chief Executive Officer or the Secretary at the request in writing of a majority of the Board of Directors. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice of special meeting and matters germane thereto.
9. **ORGANIZATION.** Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in his or her absence by the Vice Chairperson of the Board, if any, or in his or her absence by the Chief Executive Officer, or in their absences by the President, or in the absence of the foregoing persons by a member of the Board designated by the Board of Directors. The Secretary shall act as secretary of the meeting, but in his or her absence the Chairperson of the meeting may appoint any person to act as secretary of the meeting.
10. **CONDUCT OF MEETINGS.** The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at such meeting by the person presiding over the meeting. The Board of Directors of the Corporation may adopt by resolution such rules or regulations for the conduct of meetings of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairperson of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairperson of the meeting, may include, without limitation, the following: (1) the establishment of an agenda or order of business for the meeting; (2) rules and procedures for maintaining order at the meeting and the safety of those present; (3) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such

other persons as the chairperson shall permit; (4) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (5) limitations on the time allotted to questions or comments by participants. Unless, and to the extent determined by the Board of Directors or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

11. **FIXING DATE FOR DETERMINATION OF STOCKHOLDERS OF RECORD.** In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting; and (2) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the date next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

12. **NOTICE OF STOCKHOLDER PROPOSAL.** At a meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. Business, other than nominations of persons as directors of the Corporation, may be properly brought before such meeting only (i) pursuant to the Corporation's notice of meeting; (ii) by or at the direction of the chairperson of the meeting (but only in the case of an annual meeting); or (iii) by any stockholder of record of the Corporation who has complied with the notice procedures of this paragraph and who was a stockholder of record at the time such notice was delivered. Any stockholder who intends to bring any matter other than the election of directors before a meeting of stockholders and is entitled to vote on such matter shall deliver a timely written notice of such stockholder's intent to bring such matter before the meeting of stockholders, either by personal delivery or by United States mail, postage pre-paid, to the Secretary of the Corporation. To be timely, such notice must be received by the Secretary: (1) with respect to an annual meeting of stockholders, not less than 70 days nor more than 90 days in advance of the first anniversary of the previous year's annual meeting; and (2) with respect to any other meeting of stockholders, not later than the close of business on the tenth day following the date of public announcement by the Corporation of the date of such meeting. In no event shall the public announcement of an adjournment of such meeting commence a new time period for the giving of a stockholder's notice as described above. Such written notice shall set forth (i) a brief description of the business desired to be brought before the meeting; (ii) the reason for conducting such business at the meeting; (iii) any material interest in such business of the stockholder giving notice and of the beneficial owner, if not the stockholder giving notice, on whose behalf the proposal is made; (iv) in the event that such business includes a proposal to amend the By-laws of the Corporation, the language of the proposed amendment; (v) the name and address of the stockholder giving notice and of any such beneficial owner; (vi) the class and number of shares of the Corporation owned of record or beneficially by such stockholder giving notice and by any such beneficial owner on whose behalf the proposal is made; (vii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business; and (viii) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (a) deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding Common Stock required to approve or adopt the proposal and/or (b) otherwise solicit proxies from stockholders in support of such proposal. For purposes of this Section 12, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press, or comparable national news service, or in a document filed by the Corporation with the Securities Exchange Commission pursuant to Section 13,14, or 15(d) of the Securities Exchange Act of 1934. The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) promulgated under the Securities Exchange Act of 1934 and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

13. **COMPLIANCE WITH PROCEDURES.** Only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-law. Except as otherwise provided by law, the Certificate of Incorporation, or these By-laws, the chairperson of the meeting shall have the power and duty to (i) determine whether any business proposed to be brought before the meeting was proposed in accordance with the procedures set forth in these By-laws and (ii) if any proposed business is not in compliance with this By-law, or if the stockholder solicits or is part of a group which solicits proxies in support of such stockholder's proposal without such stockholder having made the representation required by clause (vii) of paragraph 12 of this By-law to declare that such defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this By-law, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder with respect to the matters set forth in this By-law. Nothing in this By-law shall be deemed (i) to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 of the Securities Exchange Act of 1934 or (ii) to limit any class voting rights provided to holders of Preferred Stock upon the occurrence of dividend arrearages.

ARTICLE II-- DIRECTORS

1. **NUMBER; ELECTION; TERM.** The number of directors which shall constitute the whole Board shall not be less than three, nor more than twelve, the exact number within said limits to be fixed from time to time solely by resolution of the Board, acting the vote of not less than a majority of the directors then in office. A majority of the directors shall consist of persons who are not employees of the Corporation or of any subsidiary of the Corporation. Should the death, resignation or other removal of any non-employee director result in the failure of the requirement set forth in the preceding sentence to be met, such requirement shall not apply during the time of the vacancy caused by the death, resignation or removal of any such non-employee director. The remaining directors of the Corporation shall cause any such vacancy to be filled in accordance with these By-laws within a reasonable period of time. At the annual meeting directors shall be elected in accordance with the requirements of these By-laws and the Certificate of Incorporation.

2. **PLACE OF MEETINGS.** The directors may hold their meetings and keep the books of the Corporation outside of the State of Delaware at such places as they may from time to time determine.

3. **VACANCIES.** If the office of any director becomes vacant for any reason or any new directorship is created by any increase in the authorized number of directors, a majority of the directors then in office, although less than a quorum, may choose a successor or successors or fill the newly created directorship and the directors so chosen shall hold office until the next annual election of the class for which such directors shall have been chosen.

4. **ORGANIZATIONAL MEETING.** The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, after each annual election of directors on the day and at the place of the next regular meeting of the board. Notice of such meeting need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all of the directors. At such meeting, the Board shall elect one of its members to be Chairperson of the Board of Directors. The Chairperson of the Board may but not need be an officer of or employed in an executive or other capacity by the Corporation. The Board shall fill any vacancy in the position of Chairperson of the Board at such time and in any manner as the Board shall determine. The Board may also elect one of its members, who need not be an officer of or employed in an executive or other capacity by the Corporation, as Vice Chairperson of the Board of Directors who shall have such duties and responsibilities as are provided by these By-laws or may be directed by the Board.

5. **CHAIRPERSON OF THE BOARD OF DIRECTORS.** The Chairperson of the Board of Directors shall preside at meetings of the Board and lead the Board in fulfilling its responsibilities, in particular its responsibilities to oversee the performance of the Corporation and of the executive management of the Corporation. In the absence of the Chairperson of the Board, a member of the Board selected by its members present shall preside at meetings of the Board. The Secretary of the Corporation shall act as secretary of the meetings of the Board, but, in his or her absence, the presiding officer may appoint a secretary for the meeting.

6. **REGULAR MEETINGS.** Regular meetings of the Board may be held without notice at such time and place either within or without the State of Delaware as shall from time to time be determined by the Board.

7. **SPECIAL MEETINGS.** Special meetings of the Board may be called by the Chairperson of the Board, a Vice Chairperson of the Board or the Chief Executive Officer by the mailing of notice to each director at least 48 hours before the meeting or by notifying each director of the meeting at least 24 hours prior thereto either personally, by telephone or by electronic transmission; special meetings shall be called on like notice by the Chairperson of the Board, a Vice Chairperson of the Board, the Chief Executive Officer or, on the written request of any two directors, by the Secretary.

8. **QUORUM.** At all meetings of the Board the presence of one-third of the total number of directors determined by resolution pursuant to Section 1 of this Article II to constitute the Board of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law, by the Certificate of Incorporation or by these By-laws.

9. **EXECUTIVE COMMITTEE.** There shall be an Executive Committee consisting of three or more directors elected by a majority of the whole Board. The Committee shall be composed of the Chair of the Board of Directors, the Chief Executive Officer, and such other directors as the Board shall elect. The Board, by resolution, may designate one or more directors as alternate members of the Committee, who may replace any absent or disqualified member at any meeting of the Committee. In the absence or disqualification of a member of the Committee, the member or members present at any meeting of the Committee and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. A quorum shall be a majority of the members of the Committee. Regular meetings of the Committee shall be held without notice at such time and place as shall from time to time be determined by the Committee; special meetings of the Committee may be called pursuant to the rules determined by the Committee. The Committee shall generally perform such duties and exercise such powers as may be directed or delegated by the Board of Directors from time to time. Except as otherwise provided by law, the Committee shall have authority to exercise all the powers of the Board while the Board is not in session. The act of a majority of the Committee members present at any meeting at which there is a quorum shall be the act of the Committee except as may be otherwise specifically provided by law, by the Certificate of Incorporation or by these By-laws. The Committee shall keep regular minutes of its proceedings and report the same to the Board at its next regular meeting.

10. **AUDIT COMMITTEE.** There shall be an Audit Committee consisting of three or more directors elected by a majority of the whole Board. The Board, by resolution, may designate the chair of the Committee and designate one or more directors as alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee. Each member of the Committee shall meet the independence and financial literacy requirements of the New York Stock Exchange, and at least one member shall have accounting or related financial management expertise. Regular meetings of the Committee shall be held at such time and place as shall from time to time be determined by the Committee; special meetings of the Committee may be called pursuant to the rules determined by the Committee. A quorum shall be a majority of the members of the Committee. The Committee shall generally perform such duties and exercise such powers as may be directed or delegated by the Board of Directors from time to time. The act of a majority of the Committee members present at any meeting at which there is a quorum shall be the act of the Committee, except as may be otherwise specifically provided by law, by the Certificate of Incorporation, or by these By-laws. The Committee shall keep regular minutes of its proceedings and report the same to the Board at its next regular meeting.

11. **COMPENSATION AND NOMINATING COMMITTEE.** There shall be a Compensation and Nominating Committee consisting of two or more directors elected by a majority of the Board. The Board, by resolution, may designate a chair and may designate one or more alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee. Each member of the Committee shall be a Non-Employee Director as defined in Rule 16b-3(b)(3)(i) under the Securities Exchange Act of 1934. Regular meetings of the Committee shall be held at such time and place as shall from time to time be determined by the Committee; special meetings of the Committee may be called pursuant to rules determined by the Committee. A quorum shall be a majority of the members of the Committee. The Committee shall have the power to recommend changes in the compensation of senior management of the Corporation, the power to recommend nominees for election as directors of the Corporation, and such other powers as may be directed or delegated by a resolution passed by a majority of the whole Board of Directors from time to time. The act of a majority of the Committee members present at any meeting at which there is a quorum shall be the act of the Committee, except as may be otherwise specifically provided by law, by the Certificate of Incorporation, or by these By-laws. The Committee shall keep regular minutes of its proceedings and report the same to the Board at its next regular meeting.

12. **ADDITIONAL COMMITTEES.** The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more additional committees, each committee to consist of one or more of the directors of the Corporation. Any such committee shall have such powers as are granted to it by a resolution passed by a majority of the whole Board or by subsequent resolutions passed by a majority of the whole Board. Nothing herein shall limit the authority of the Board of Directors to appoint other committees of the Corporation consisting in whole or in part of persons who are not directors of the Corporation to carry out such advisory functions as the Board may designate.

13. **PRESENCE AT MEETING.** Members of the Board of Directors or any committee designated by such Board may participate in the meeting of said Board or committee by means of conference telephone or similar communications equipment by means of which all persons in the meeting can hear each other and participate. The ability to participate in a meeting in the above manner shall constitute presence at said meeting for purposes of a quorum and any action thereat.

14. **ACTION WITHOUT MEETINGS.** Any action required or permitted to be taken at any meeting of the Board of Directors or any committee designated by such Board may be taken without a meeting, if all members of the Board or committee consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of the Board or committee.

15. **ELIGIBILITY TO MAKE NOMINATIONS.** Nominations of candidates for election as directors at any meeting of stockholders called for election of directors (an "Election Meeting") may be made by the Board of Directors or by any stockholder entitled to vote at such Election Meeting.

16. **PROCEDURE FOR NOMINATIONS BY STOCKHOLDERS.** Any stockholder entitled to vote for the election of a director at a meeting may nominate one or more persons for such election only if (i) written notice of such stockholder's intent to make such nomination is timely given, either by personal delivery or by United States mail postage pre-paid, to the Secretary of the Corporation and (ii) such stockholder was a stockholder of record at the time such notice was delivered. To be timely, such notice must be received by the Secretary: (1) with respect to an annual meeting of stockholders, not less than 70 days nor more than 90 days in advance of the first anniversary of the previous year's annual meeting; and (2) with respect to any other meeting of stockholders, not later than the close of business on the tenth day following the date of public disclosure by the Corporation of the date of such meeting. In no event shall the public announcement of an adjournment of such meeting commence a new time period for the giving of a stockholder's notice as described above. The written notice shall set forth (i) the name, age, business address and residence address of each nominee proposed in such notice; (ii) the principal occupation or employment of

each such nominee; (iii) the number of shares of capital stock of the Corporation which are beneficially owned by each such nominee; and (iv) such other information concerning each such nominee as would be required, pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended, in a proxy statement soliciting proxies for the election of such nominee as a director. Such notice shall include a signed consent of each such nominee to serve as a director of the Corporation, if elected. The notice shall also contain (i) the name and address of the stockholder giving notice, as they appear in the Corporation's books (and of the beneficial owner, if other than the stockholder, on whose behalf the proposal is made); (ii) the class and number of shares of the Corporation owned of record or beneficially by such stockholder giving notice (and by the beneficial owner, if other than the stockholder, on whose behalf the proposal is made); (iii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose the nomination; and (iv) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (a) deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding Common Stock required to elect the nominee and/or (b) otherwise solicit proxies from stockholders in support of such nomination.

17. **COMPLIANCE WITH PROCEDURES.** Only such persons who are nominated in accordance with the procedures set forth in this By-law shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors. Except as otherwise provided by law, the Certificate of Incorporation, or these By-laws, the chairperson of the meeting shall have the power and duty to (i) determine whether a nomination proposed to be brought before the meeting was made in accordance with the procedure set forth in this By-law and (ii) if any proposed nomination is not in compliance with this By-law, to declare that such defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this By-law, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder with respect to the matters set forth in this By-law. Nothing in this By-law shall be deemed to limit any class voting rights provided to holders of Preferred Stock upon the occurrence of dividend arrearages.

ARTICLE III -- OFFICERS

1. **ELECTION; TERM OF OFFICE; APPOINTMENTS.** The Board of Directors, at its first meeting after each annual meeting of stockholders, shall elect at least the following officers: a Chief Executive Officer, one or more Vice Presidents, a Controller, a Treasurer and a Secretary. The Board may also elect, appoint, or provide for the appointment of such other officers and agents as may from time to time appear necessary or advisable in the conduct of the affairs of the Corporation. Officers of the Corporation shall hold office until their successors are chosen and qualify in their stead or until their earlier death, resignation or removal, and shall perform such duties as from time to time shall be prescribed by these By-laws and by the Board and, to the extent not so provided, as generally pertain to their respective offices. The Board of Directors may fill any vacancy occurring in any office of the Corporation at any regular or special meeting. Two or more offices may be held by the same person.

2. **REMOVAL AND RESIGNATION.** Any officer elected or appointed by the Board of Directors or the Executive Committee may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer elected or appointed by the Board becomes vacant for any reason, the vacancy may be filled by the Board. Any officer may resign at any time upon written notice to the Corporation.

3. **CHIEF EXECUTIVE OFFICER.** The Chief Executive Officer shall have the general executive responsibility for the conduct of the business and affairs of the Corporation. He or she shall exercise such other powers, authority, and responsibilities as the whole Board may from time to time determine. In the absence of or during the physical disability of the Chief Executive Officer, the whole Board shall designate an officer who shall have and exercise the powers, authority and responsibilities of the Chief Executive Officer.

4. **PRESIDENT.** The President, if any, shall have and exercise such powers, authority and responsibility as the Board of Directors may determine.

5. **VICE PRESIDENTS.** Vice Presidents shall perform such duties as from time to time shall be prescribed by these By-laws, by the Chief Executive Officer or by the Board of Directors, and except as otherwise prescribed by the Board of Directors, they shall have such powers and duties as generally pertain to the office of Vice President.

6. **SECRETARY.** The Secretary or person appointed as Secretary at all meetings of the Board and of the stockholders shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and he or she shall perform like duties for the Executive Committee when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders, and of the Board of Directors if required. He or she shall perform such other duties as may be prescribed by these By-laws or as may be assigned to him by the Chief Executive Officer or the Board of Directors, and, except as otherwise prescribed by the Board of Directors, he or she shall have such powers and duties as generally pertain to the office of Secretary.

7. **TREASURER.** The Treasurer shall have custody of the Corporation's funds and securities. He or she shall perform such other duties as may be prescribed by these By-laws or as may be assigned to him or her by the Chief Executive Officer or the Board of Directors, and, except as otherwise prescribed by the Board of Directors, he or she shall have such powers and duties as generally pertain to the office of Treasurer.

8. **CONTROLLER.** The Controller shall have charge of the Corporation's books of account, and shall be responsible for the maintenance of adequate records of all assets, liabilities and financial transactions of the Corporation. The Controller shall prepare and render such balance sheets, profit and loss statements and other financial reports as the Board of Directors or the Chief Executive Officer may require. He or she shall perform such other duties as may be prescribed by these By-laws or as may be assigned to him or her by the Chief Executive Officer or the Board of Directors, and, except as otherwise prescribed by the Board of Directors, he or she shall have such powers and duties as generally pertain to the office of Controller.

ARTICLE IV-- STOCK

1. **CERTIFICATES OF STOCK.** The certificates of stock of the Corporation shall be in the form or forms from time to time approved by the Board of Directors. Such certificates shall be numbered and registered, shall exhibit the holder's name and the number of shares, and shall be signed by or in the name of the Corporation by the Chairperson or a Vice Chairperson, if any, of the Board of Directors, if such Chairperson or Vice Chairperson is an officer of the Corporation, or the President, if any, or a Vice President of the Corporation; and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation. If any certificate is manually signed (1) by a transfer agent other than the Corporation or its employee, or (2) by a registrar other than the Corporation or its employee, any other signature on the certificate, including those of the aforesaid officers of the Corporation, may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

2. **LOST CERTIFICATES.** The Board of Directors or any officer of the Corporation to whom the Board of Directors has delegated authority may authorize any transfer agent of the Corporation to issue, and any registrar of the Corporation to register, at any time and from time to time unless otherwise directed, a new certificate or certificates of stock in the place of a certificate or certificates theretofore issued by the Corporation, alleged to have been lost or destroyed, upon receipt by the transfer agent of evidence of such loss or destruction, which may be the affidavit of the applicant; a bond indemnifying the Corporation and any transfer agent and registrar of the class of stock involved against claims that may be made against it or them on account of the lost or destroyed certificate or the issuance of a new certificate, of such kind and in such amount as the Board of Directors shall have authorized the transfer agent to accept generally or as the Board of Directors or an authorized officer shall approve in particular cases; and any other documents or instruments that the Board of Directors or an authorized

officer may require from time to time to protect adequately the interest of the Corporation. A new certificate may be issued without requiring any bond when, in the judgment of the directors, it is proper to do so.

3. **TRANSFERS OF STOCK.** Transfers of stock shall be made upon the books of the Corporation upon presentation of the certificates by the registered holder in person or by duly authorized attorney, or upon presentation of proper evidence of succession, assignment or authority to transfer and upon surrender of the certificate therefor.

4. **HOLDER OF RECORD.** The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

ARTICLE V -- INDEMNIFICATION AND SEVERANCE

1. **RIGHT TO INDEMNIFICATION.** The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person. The Corporation shall be required to indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors of the Corporation.

2. **PREPAYMENT OF EXPENSES.** The Corporation shall pay the expenses (including attorneys' fees) incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it shall ultimately be determined that the director or officer is not entitled to be indemnified. Payment of such expenses incurred by other employees and agents of the Corporation may be made by the Board of Directors in its discretion upon such terms and conditions, if any, as it deems appropriate.

3. **CLAIMS.** If a claim for indemnification or payment of expenses (including attorneys' fees) under this Article is not paid in full within sixty days after a written claim therefor has been received by the Corporation the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

4. **NONEXCLUSIVITY OF RIGHTS.** The right conferred on any person by this Article V shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

5. **OTHER INDEMNIFICATION.** The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or non-profit entity.

6. **AMENDMENT OR REPEAL.** Any repeal or modification of the foregoing provisions of this Article V shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

7. **SEVERANCE.** Any written agreement or any amendment of an existing written agreement that provides for payments to a director, officer or other employee of the Corporation or any subsidiary of the Corporation upon (i) a "change in control" of the Corporation or (ii) the termination or constructive termination of the employment of such director, officer, or other employee following a "change in control" of the Corporation, must be approved by (a) the unanimous vote of the members of the committee of the Board of Directors which has the power to recommend changes in the compensation of the senior management of the Corporation, if any, and (b) a majority of the Directors who are not employees of the Corporation or any subsidiary of the Corporation. For the purposes hereof, a "change in control" of the Corporation shall mean through (i) the accumulation by a person or group of related persons of 20% or more of the Company's outstanding capital stock and/or (ii) a change in the composition of a majority of the Corporation's Board of Directors without the approval of the incumbent Board.

ARTICLE VI -- MISCELLANEOUS

1. **DELAWARE OFFICE.** The address of the registered office of the Corporation in the State of Delaware shall be at Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801 and the name of its registered agent at such address is Corporation Trust Company.

2. **OTHER OFFICES.** The Corporation may also have an office in the City and State of New York, and such other offices at such places as the Board of Directors from time to time may appoint or the business of the Corporation may require.

3. **SEAL.** The corporate seal shall be in the form adopted by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The seal may be affixed by any officer of the Corporation to any instrument executed by authority of the Corporation, and the seal when so affixed may be attested by the signature of any officer of the Corporation.

4. **NOTICE.** Whenever notice is required to be given by law, the Certificate of Incorporation or these By-laws, a written waiver signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5. **AMENDMENTS.** The Board of Directors shall have the power to adopt, amend or repeal the By-laws of the Corporation by the affirmative action of a majority of its members. The By-laws may be adopted, amended or repealed by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote at any regular meeting of the stockholders or at any special meeting of the stockholders if notice of such proposed adoption, amendment or repeal be contained in the notice of such special meeting.

6. **FORM OF RECORDS.** Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minutes books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

7. CHECKS. All checks, drafts, notes and other orders for the payment of money shall be signed by such officer or officers or agents as from time to time may be designated by the Board of Directors or by such officers of the Corporation as may be designated by the Board to make such designation.

FISCAL YEAR. The fiscal year shall begin the first day of January in each year.

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 October 19, 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.

Very truly yours,

KPMG LLP

New York, New York
November 6, 2000

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," "anticipate," "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. 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.

• ***Consolidation in Paper Industry***

Several acquisitions in the paper industry have taken place in recent months. Such acquisitions could result in partial or total closure of some paper mills at which MTI operates PCC satellites. Such closures would reduce MTI's sales of PCC, except to the extent that they resulted in shifting paper production and associated purchases of PCC to another location served by MTI. There can be no assurance, however, that this will occur. In addition, such acquisitions concentrate purchasing power in the hands of a smaller number of papermakers, enabling them to increase competitive pressure on their suppliers, such as MTI. Such increased pressure could have an adverse effect on MTI's results of operations in the future.

• ***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.

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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