UNITED STATES
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 27, 2015

or

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

Commission File Number 1-11430

MINERALS TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

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

622 Third Avenue, New York, NY 10017-6707
(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 the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ **NO** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES ☒ **NO** ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ **Accelerated Filer** ☐ **Non- accelerated Filer** ☐ **Smaller Reporting Company** ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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 13, 2015
Common Stock, $0.10 par value	**34,749,294**

MINERALS TECHNOLOGIES INC.

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PART 1. FINANCIAL INFORMATION

ITEM 1. Financial Statements

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

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(in millions, except per share data)			
Product sales	$ 410.1	$ 458.1	$ 1,218.8	$ 1,075.0
Service revenue	40.9	85.4	148.8	134.0
Total net sales	451.0	543.5	1,367.6	1,209.0
Cost of goods sold	302.4	337.8	895.8	812.0
Cost of service revenue	29.7	60.7	110.2	94.0
Total cost of sales	332.1	398.5	1,006.0	906.0
Production margin	118.9	145.0	361.6	303.0
Marketing and administrative expenses	47.9	59.7	139.6	127.4
Research and development expenses	6.2	6.6	17.8	18.0
Amortization expense of intangible assets acquired	2.0	1.9	5.8	2.9
Acquisition related transaction and integration costs	2.4	4.2	8.5	16.7
Restructuring and other charges	10.5	5.8	27.3	11.8
Income from operations	49.9	66.8	162.6	126.2
Interest expense, net	(14.5)	(16.0)	(45.5)	(25.2)
Extinguishment of debt costs and fees	-	-	(4.5)	(5.8)
Other non-operating income (deductions), net	2.8	0.9	5.7	0.5
Total non-operating deductions, net	(11.7)	(15.1)	(44.3)	(30.5)
Income from continuing operations before provision for taxes and equity in earnings	38.2	51.7	118.3	95.7
Provision for taxes on income	8.4	14.4	25.8	24.8
Equity in earnings of affiliates, net of tax	0.5	0.3	1.4	0.6
Income from continuing operations, net of tax	30.3	37.6	93.9	71.5
Income from discontinued operations, net of tax	-	0.2	-	2.0
Consolidated net income	30.3	37.8	93.9	73.5
Less:				
Net income attributable to non-controlling interests	1.1	0.8	2.9	2.4
Net income attributable to Minerals Technologies Inc. (MTI)	$ 29.2	$ 37.0	$ 91.0	$ 71.1
Earnings per share:				
Basic:				
Income from continuing operations attributable to MTI	$ 0.84	$ 1.07	$ 2.62	$ 2.00
Income from discontinued operations attributable to MTI	-	-	-	0.06
Basic earnings per share attributable to MTI	$ 0.84	$ 1.07	$ 2.62	$ 2.06
Diluted:				
Income from continuing operations attributable to MTI	$ 0.83	$ 1.06	$ 2.60	$ 1.99
Income from discontinued operations attributable to MTI	-	-	-	0.06
Diluted earnings per share attributable to MTI	$ 0.83	$ 1.06	$ 2.60	$ 2.05
Cash dividends declared per common share	$ 0.05	$ 0.05	$ 0.15	$ 0.15
Shares used in computation of earnings per share:				
Basic	34.7	34.5	34.7	34.5
Diluted	35.0	34.8	35.0	34.8

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)			
Consolidated net income	$ 30.3	$ 37.8	$ 93.9	$ 73.5
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(35.8)	(27.7)	(66.1)	(22.0)
Pension and postretirement plan adjustments	1.6	0.8	4.6	2.5
Total other comprehensive income, net of tax	(34.2)	(26.9)	(61.5)	(19.5)
Total comprehensive income including non-controlling interests	(3.9)	10.9	32.4	54.0
Comprehensive income attributable to non-controlling interest	(0.2)	(0.7)	(1.9)	(1.9)
Comprehensive income attributable to MTI	$ (4.1)	$ 10.2	$ 30.5	$ 52.1

See accompanying Notes to Condensed Consolidated Financial Statements.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(millions of dollars)	Sept. 27, 2015 *	December 31, 2014**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 224.9	$ 249.6
Short-term investments, at cost which approximates market	2.9	0.8
Accounts receivable, net	385.7	412.6
Inventories	203.6	211.8
Prepaid expenses and other current assets	60.9	49.8
Total current assets	878.0	924.6
Property, plant and equipment, less accumulated depreciation and depletion – Sept. 27, 2015 - $1,015.6; December 31, 2014 - $992.1	1,125.7	1,182.1
Goodwill	789.2	770.9
Intangible assets	214.7	212.1
Other assets and deferred charges	140.9	137.0
Total assets	$ 3,148.5	$ 3,226.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 6.2	$ 5.6
Current maturities of long-term debt	2.2	0.3
Accounts payable	176.3	170.4
Other current liabilities	181.7	176.6
Total current liabilities	366.4	352.9
Long-term debt, net of unamortized discount	1,325.6	1,455.5
Deferred income taxes	310.4	314.5
Other non-current liabilities	221.4	214.9
Total liabilities	2,223.8	2,337.8
Shareholders' equity:		
Common stock	4.8	4.8
Additional paid-in capital	382.7	373.0
Retained earnings	1,277.4	1,191.8
Accumulated other comprehensive loss	(173.3)	(112.9)
Less common stock held in treasury	(593.7)	(593.7)
Total MTI shareholders' equity	897.9	863.0
Non-controlling interest	26.8	25.9
Total shareholders' equity	924.7	888.9
Total liabilities and shareholders' equity	$ 3,148.5	$ 3,226.7

* Unaudited
** Condensed from audited financial statements

See accompanying Notes to Condensed Consolidated Financial Statements.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)	
Operating Activities:		
Consolidated net income	$ 93.9	$ 73.5
Income from discontinued operations	-	2.0
Income from continuing operations	93.9	71.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	77.3	59.8
Impairment of assets	21.1	-
Other non-cash items	8.2	12.5
Net changes in operating assets and liabilities	(5.8)	50.5
Net cash provided by continuing operations	194.7	194.3
Net cash used in discontinued operations	-	(3.5)
Net cash provided by operating activities	194.7	190.8
Investing Activities:		
Purchases of property, plant and equipment	(70.5)	(62.4)
Acquisition of business, net of cash acquired	-	(1,802.3)
Proceeds from sale of assets	4.9	8.7
Proceeds from sale of short-term investments	0.6	-
Purchases of short-term investments	(4.7)	(1.8)
Net cash used in investing activities	(69.7)	(1,857.8)
Financing Activities:		
Proceeds from issuance of long-term debt	10.2	1,545.3
Debt issuance and settlement costs	-	(38.2)
Repayment of long-term debt	(140.4)	(113.2)
Net issuance (repayment) of short-term debt	1.0	(0.8)
Proceeds from issuance of stock under option plan	1.3	2.8
Excess tax benefits related to stock incentive programs	0.3	0.5
Purchase of non-controlling interest share	-	(2.1)
Dividends paid to non-controlling interest	(0.9)	(3.3)
Cash dividends paid	(5.2)	(5.2)
Net cash provided by (used in) financing activities	(133.7)	1,385.8
Effect of exchange rate changes on cash and cash equivalents	(16.0)	(6.4)
Net decrease in cash and cash equivalents	(24.7)	(287.6)
Cash and cash equivalents at beginning of period	249.6	490.3
Cash and cash equivalents at end of period	$ 224.9	$ 202.7
Supplemental disclosure of cash flow information:		
Interest paid	$ 45.9	$ 18.6
Income taxes paid	$ 29.9	$ 17.0

See accompanying Notes to Condensed Consolidated Financial Statements.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements have been prepared by management of Minerals Technologies Inc. (the "Company", "MTI", "we" or "us") 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 U.S. 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, 2014. 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 27, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

Company Operations

The Company is a resource- and technology-based company that develops, produces and markets worldwide a broad range of specialty mineral, mineral-based and synthetic mineral products and supporting systems and services. On May 9, 2014, the Company acquired AMCOL International Corporation ("AMCOL"). See Note 2 to the Condensed Consolidated Financial Statements. The prior year condensed consolidated statements of income include operational results of the acquired AMCOL business from May 9, 2014 through September 28, 2014.

The Company has 5 reportable segments: Specialty Minerals, Refractories, Performance Materials, Construction Technologies, and Energy Services.

- The Specialty Minerals segment produces and sells the synthetic mineral product precipitated calcium carbonate ("PCC") and processed mineral product quicklime ("lime"), and mines mineral ores then processes and sells natural mineral products, primarily limestone and talc.

-The Refractories segment produces and markets monolithic and shaped refractory materials and specialty products, services and application and measurement equipment, and calcium metal and metallurgical wire products.

-The Performance Materials segment is a leading supplier of bentonite and bentonite-related products. This segment also supplies chromite and leonardite and operates more than 25 mining or production facilities worldwide.

-The Construction Technologies segment provides products for non-residential construction, environmental and infrastructure projects worldwide. It serves customers engaged in a broad range of construction projects, including site remediation, concrete waterproofing for underground structures, liquid containment on projects ranging from landfills to flood control, and drilling applications including foundation, slurry wall, tunneling, water well, and horizontal drilling.

-The Energy Services segment provides services to improve the production, costs, compliance, and environmental impact of activities performed in oil and gas industry. This segment offers a range of patented and unpatented technologies, products and services for all phases of oil and gas production, refining, and storage throughout the world.

Use of Estimates

The Company employs accounting policies that are in accordance with U.S. generally accepted accounting principles and require management to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Significant estimates include those related to revenue recognition, valuation of accounts receivable, valuation of inventories, valuation of long-lived assets, goodwill and other intangible assets, pension plan assumptions, valuation of product liability and asset retirement obligation, income tax, income tax valuation allowances, and litigation and environmental liabilities. Actual results could differ from those estimates.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 2. Business Combination

On May 9, 2014, pursuant to the Merger Agreement dated March 10, 2014, the Company acquired AMCOL, based in Hoffman Estates, Illinois, a leading international producer of specialty materials and related products and services for industrial and consumer markets. The Company and AMCOL are both world-renowned innovators in mineralogy, fine particle technology and polymer chemistry. This transaction brings together the global leaders in precipitated calcium carbonate and bentonite, creating an even more robust US-based international minerals supplier. The Company's management believes that the acquisition of AMCOL will provide substantial synergies through enhanced operational cost efficiencies.

The Company acquired AMCOL by completing a tender offer to purchase AMCOL's outstanding shares of common stock and the subsequent merger of AMCOL with and into a wholly-owned subsidiary of MTI. At the expiration of the Company's tender offer, each tendered share of AMCOL common stock was purchased for consideration equal to $45.75 in cash, and at the effective time of the back-end merger, each share of AMCOL common stock not tendered (other than shares owned by the Company or held by AMCOL in treasury) was converted into the right to receive consideration equal to $45.75 in cash. Upon completion of the merger, AMCOL became a wholly owned direct subsidiary of MTI. Through the tender offer and the merger, the Company paid $1,519.4 million in cash to acquire all of the outstanding shares of AMCOL.

In connection with the acquisition of AMCOL, the Company entered into a $1,560.0 million senior secured term loan facility (the "Term Facility"), the net proceeds of which, together with the Company's cash on hand, were used as cash consideration for the acquisition of AMCOL and to refinance certain existing indebtedness of the Company and AMCOL and to pay fees and expenses in connection with the foregoing. See Note 9 to the Condensed Consolidated Financial Statements.

The fair value of the total consideration transferred, net of cash acquired, was $1,802.3 million and comprised of the following:

	(millions of dollars)
Cash consideration transferred to AMCOL shareholders	$ 1,519.4
AMCOL notes repaid at close	325.6
Total consideration transferred to debt and equity holders	1,845.0
Cash acquired	42.7
Total consideration transferred to debt and equity holders, net of cash acquired	$ 1,802.3

The acquisition of AMCOL has been accounted for using the acquisition method of accounting, which requires, among other things, the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. As of May 9, 2015, the Company has completed its assessment of property, certain reserves (including environmental, legal, and tax matters), obligations and deferred taxes, as well as our review of AMCOL's existing accounting policies. The purchase price allocation has been finalized.

The following table summarizes the final amounts recognized for assets acquired and liabilities assumed as of the acquisition date, as well as adjustments made in 2015 to the amounts initially recorded in 2014 (measurement period adjustments). The measurement period adjustments did not have a significant impact on our consolidated statements of income, balance sheets or cash flows in any period and therefore, we have not retrospectively adjusted our financial statements.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

	Preliminary Allocation Previously Reported on Form 10-K as of December 2014	Increase/ Decrease	Final Allocation
	(millions of dollars)	(millions of dollars)	(millions of dollars)
Accounts receivable	$ 235.7	$ -	$ 235.7
Inventories	157.3	-	157.3
Other current assets	65.0	-	65.0
Mineral rights	535.5	-	535.5
Plant, property and equipment	371.2	-	371.2
Goodwill	708.1	12.8	720.9
Intangible assets	214.3	8.8	223.1
Other non-current assets	51.4	9.2	60.6
Total assets acquired	$ 2,338.5	$ 30.8	$ 2,369.3
Accounts payable	66.4	-	66.4
Accrued expenses	61.6	-	61.6
Non-current deferred tax liability	322.3	1.5	323.8
Other non-current liabilities	85.9	29.3	115.2
Total liabilities assumed	$ 536.2	$ 30.8	$ 567.0
Net assets acquired	$ 1,802.3	$ -	$ 1,802.3

The Company used the income, market, or cost approach (or a combination thereof) for the valuation, and used valuation inputs and analyses that were based on market participant assumptions. Market participants are considered to be buyers and sellers unrelated to the Company in the principal or most advantageous market for the asset or liability. For certain items, the carrying value was determined to be a reasonable approximation of fair value based on the information available. The Company's estimates related to this valuation are considered to be critical accounting estimates because they are susceptible to change from period to period based on our judgments about a variety of factors and due to the uncontrollable variability of market factors underlying them. For example, in performing assessments of the fair value of these assets, the Company makes judgments about the future performance business of the acquired business, economic, regulatory, and political conditions affecting the net assets acquired, appropriate risk-related rates for discounting estimated future cash flows, reasonable estimates of disposal values, and market royalty rate.

Goodwill was calculated as the excess of the consideration transferred over the assets acquired and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The goodwill is primarily attributable to fair value of expected synergies from combining the MTI and AMCOL businesses and will be allocated to the Performance Materials and Construction Technologies segments. Goodwill recognized as a result of this acquisition is not deductible for tax purposes.

In connection with the acquisition, the Company recorded an additional deferred tax liability of $323.8 million with a corresponding increase to goodwill. The increase in deferred tax liability represents the tax effect of the difference between the estimated assigned fair value of the tangible and intangible assets and the tax basis of such assets.

Mineral rights were valued using discounted cash flow method, a Level 3 fair value input. Plant, property and equipment were valued using the cost method adjusted for age and deterioration, also a Level 3 fair value input.

Intangible assets acquired mainly included technology and trade names. Technology was valued using relief-from royalty method, a Level 3 fair value input, with a weighted average amortization period of 12 years. Trade names were valued using multi-period excess earnings, also a Level 3 fair value input, with a weighted average amortization period of 34 years.

The Company incurred $2.4 million and $8.5 million of acquisition and integration related costs during the three and nine months ended September 27, 2015, respectively, and incurred $4.2 million and $16.7 million of acquisition-related costs during the three and nine months ended September 28, 2014, respectively. These costs are reflected within the Acquisition related transaction and integration costs line of the Condensed Consolidated Statements of Income.

The accompanying Condensed Consolidated Statements of Income include the results of operations of the acquired AMCOL businesses for the nine months ended September 28, 2014 commencing as of May 9, 2014. The nine months ended September 28, 2014 include net sales of $451.7 million and operating income of $48.1 million generated by the acquired AMCOL businesses during the 143 days post-acquisition period.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table presents the unaudited summary of the Company's Condensed Consolidated Statements of Income for the nine months ended September 27, 2015 and the unaudited pro forma summary of the Company's Condensed Consolidated Statements of Income for the nine months ended September 28, 2014, which includes AMCOL's Statement of Operations for the respective periods, as if the acquisition and related financing occurred on January 1, 2014. The following unaudited pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transaction occurred on the assumed date, nor is it necessarily an indication of trends in future results for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the pro forma information, potential synergies, and cost savings from operating efficiencies.

	Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014 Pro Forma
	(millions of dollars)	
Net sales	$ 1,367.6	$ 1,582.6
Income from continuing operations before provision for taxes and equity in earnings	118.3	125.9
Income from continuing operations, net of tax	93.9	85.6

The income from continuing operations before provision for taxes and equity in earnings for the nine months ended September 27, 2015, in the table above, includes restructuring and impairment charges of $27.3 million, extinguishment of debt costs of $4.5 million and acquisition related transaction and integration costs of $8.5 million. For the pro forma prior year period, restructuring and impairment, acquisition related transaction and integrations costs and debt extinguishment costs were excluded from income from continuing operations before provision for taxes and equity in earnings.

The income from continuing operations, net of tax, in the table above, is calculated using a tax rate of 28% for all pro forma periods. The unaudited pro forma financial information presented in the table include certain adjustments that are factually supportable, directly related to business combination, and expected to have a continuing impact. These adjustments include, but are not limited to, depreciation, depletion, and amortization expense based upon the preliminary fair value step-up of depreciable fixed assets and amortizable intangibles assets, interest expense on acquisition related debt, acquisition-related transaction and integration costs, and restructuring charges.

Note 3. 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 potentially dilutive common shares outstanding.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(in millions, except per share data)			
Basic EPS				
Amounts attributable to MTI				
Income from continuing operations	$ 29.2	$ 36.8	$ 91.0	$ 69.1
Income from discontinued operations	-	0.2	-	2.0
Net income	$ 29.2	$ 37.0	$ 91.0	$ 71.1
Weighted average shares outstanding	34.7	34.5	34.7	34.5
Earnings per share attributable to MTI				
Continuing operations	$ 0.84	$ 1.07	$ 2.62	$ 2.00
Discontinued operations	-	-	-	0.06
Net income	$ 0.84	$ 1.07	$ 2.62	$ 2.06
Diluted EPS				
Amounts attributable to MTI				
Income from continuing operations	$ 29.2	$ 36.8	$ 91.0	$ 69.1
Income from discontinued operations	-	0.2	-	2.0
Net income	$ 29.2	$ 37.0	$ 91.0	$ 71.1
Weighted average shares outstanding	34.7	34.5	34.7	34.5
Dilutive effect of stock options and stock units	0.3	0.3	0.3	0.3
Weighted average shares outstanding, adjusted	35.0	34.8	35.0	34.8
Earnings per share attributable to MTI				
Continuing operations	$ 0.83	$ 1.06	$ 2.60	$ 1.99
Discontinued operations	-	-	-	0.06
Net income	$ 0.83	$ 1.06	$ 2.60	$ 2.05

Options to purchase 395,545 shares and 173,068 shares of common stock for the three-month and nine-month periods ended September 27, 2015 and September 28, 2014, respectively, were not included in the computation of diluted earnings per share because they were anti-dilutive, as the exercise prices of the options were greater than the average market price of the common shares.

Note 4. Restructuring Charges

During 2014, the Company announced a restructuring program that will result in a 10% permanent reduction of its workforce. The reductions include elimination of duplicate corporate functions, deployment of our shared service model, and consolidation and alignment of various corporate functions and regional locations across the Company.

At September 27, 2015, we had $7.0 million included within accrued liabilities within our Condensed Consolidated Balance Sheets for cash expenditures needed to satisfy remaining obligations under these workforce reduction initiatives. The Company expects to pay these amounts by the end of March 2016.

The following table is a reconciliation of our restructuring liability balance as of September 27, 2015:

	(millions of dollars)
Restructuring liability, December 31, 2014	$ 14.6
Additional provisions	6.2
Cash payments	(10.9)
Other adjustments	(2.9)
Restructuring liability, Sept. 27, 2015	$ 7.0

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table outlines the amount of restructuring charges recorded within the Consolidated Statements of Income.

	Three Months Ended		Nine Months Ended	
(millions of dollars)	**Sept. 27, 2015**	**Sept. 28, 2014**	**Sept. 27, 2015**	**Sept. 28, 2014**
Restructuring Charges	$ 5.2	$ 5.8	$ 6.2	$ 11.8
Impairment of Assets	5.3	-	21.1	-
Total restructuring and other charges	$ 10.5	$ 5.8	$ 27.3	$ 11.8

During the third quarter and first nine months of 2015, the Company incurred impairment charges of $5.3 million and $21.1 million, respectively, for underutilized equipment which was abandoned by the Company for its Coiled Tubing business, within the Energy Services segment. During the third quarter and first nine months of 2015, the Company recorded restructuring charges of $5.2 million and $6.2 million, respectively, for lease termination costs, reduction in force, and inventory write-offs associated with exiting the Coiled Tubing service line and restructuring other on-shore service lines within the Energy Services segment.

Note 5. Discontinued Operations

During the second quarter of 2013, the Company ceased its operations at its Paper PCC merchant plant in Walsum, Germany and reclassified such operations as discontinued. These operations were part of the Company's Specialty Minerals segment.

During the nine months ended September 28, 2014, the Company reversed a facility closure accrual of $1.8 million, net of $0.6 million tax expense, resulting from the settlement of a contractual obligation.

Note 6. Income Taxes

As of September 27, 2015, the Company had approximately $6.2 million of total unrecognized income tax benefits. Included in this amount were a total of $3.7 million of unrecognized income tax benefits that, if recognized, would affect the Company’s effective tax rate. While it is expected that the amount of unrecognized tax benefits will change in the next 12 months, the Company does not expect the change to have a significant impact on the results of operations or the financial position of the Company.

The Company’s accounting policy is to recognize interest and penalties accrued relating to unrecognized income tax benefits as part of its provision for income taxes. The Company had a net increase of approximately $0.1 million and $0.4 million during the three and nine months ended September 27, 2015, respectively, and had an accrued balance of $1.7 million of interest and penalties as of September 27, 2015.

The Company operates in multiple taxing jurisdictions, both within and outside the U.S. In certain situations, a taxing authority may challenge positions that the Company has adopted in its income tax filings. The Company, with a few exceptions (none of which are material), is no longer subject to income tax examinations by tax authorities for years prior to 2007.

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Note 7. Inventories

The following is a summary of inventories by major category:

	Sept. 27, 2015	December 31, 2014
	(millions of dollars)	
Raw materials	$ 79.3	$ 85.9
Work-in-process	5.7	6.7
Finished goods	88.3	88.7
Packaging and supplies	30.3	30.5
Total inventories	$ 203.6	$ 211.8

Note 8. Goodwill and Other Intangible Assets

Goodwill and other intangible assets with indefinite lives are not amortized, but instead are assessed for impairment, at least annually. The carrying amount of goodwill was $789.2 million, and $770.9 million as of September 27, 2015 and December 31, 2014, respectively. The net change in goodwill since December 31, 2014 was attributable to the finalization of the accounting related to the acquisition of AMCOL and to the effects of foreign exchange.

Acquired intangible assets subject to amortization as of September 27, 2015 and December 31, 2014 were as follows:

		September 27, 2015		December 31, 2014	
	Weighted Average Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
		(millions of dollars)			
Tradenames	34	$ 199.8	$ 8.0	$ 191.2	$ 3.7
Technology	12	18.8	2.2	18.7	1.0
Patents and trademarks	17	6.4	4.3	6.4	4.0
Customer relationships	30	4.5	0.5	4.4	0.1
Customer lists	15	2.9	2.8	2.9	2.7
	28	$ 232.4	$ 17.8	$ 223.6	$ 11.5

During the nine month period ended September 27, 2015, intangible assets increased approximately $8.8 million relating to the finalization of the AMCOL opening balance sheet. The weighted average amortization period for acquired intangible assets subject to amortization is approximately 28 years. Estimated amortization expense is $8.2 million for 2015–2016, $8.0 million for 2017, $7.8 million for 2018-2020 and $184.6 million thereafter.

Note 9. Long-Term Debt and Commitments

The following is a summary of long-term debt:

	Sept. 27, 2015	December 31, 2014
	(millions of dollars)	
Term Loan Facility, net of unamortized discount of $12.2 million due May 9, 2021	$ 1,315.8	$ 1,454.0
China Loan Facilities	12.0	1.8
Total	$ 1,327.8	$ 1,455.8
Less: Current maturities	2.2	0.3
Long-term debt	$ 1,325.6	$ 1,455.5

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On May 9, 2014, in connection with the acquisition of AMCOL, the Company entered into a credit agreement providing for the $1,560 million Term Facility and a $200 million senior secured revolving credit facility (the “Revolving Facility” and, together with the Term Facility, the “Facilities”).

On June 23, 2015, the Company entered into an amendment to the credit agreement to reprice the $1.378 billion then outstanding on the Term Facility. As amended, the Term Facility has a $1,078 million floating rate tranche and a $300 million fixed rate tranche. The maturity date for loans under the Term Facility was not changed by the amendment. The loans outstanding under the Term Facility will mature on May 9, 2021 and the loans outstanding (if any) and commitments under the Revolving Facility will mature and terminate, as the case may be, on May 9, 2019. After the amendment, loans under the variable rate tranche of the Term Facility bear interest at a rate equal to an adjusted LIBOR rate (subject to a floor of 0.75%) plus an applicable margin equal to 3.00% per annum. Loans under the fixed rate tranche of the Term Facility bear interest at a rate of 4.75%. Loans under the Revolving Facility will bear interest at a rate equal to an adjusted LIBOR rate plus an applicable margin equal to 1.75% per annum. Such rates are subject to decrease by up to 25 basis points in the event that, and for so long as, the Company’s net leverage ratio (as defined in the credit agreement) is less than certain thresholds. The variable rate tranche of the Term Facility was issued at par and has a 1% required amortization per year. The fixed rate tranche of the Term Facility was issued at a 0.25% discount. The Company will pay certain fees under the credit agreement, including customary annual administration fees. The loans under the fixed rate tranche of the Term Facility are subject to prepayment premiums in the event of certain prepayments prior to the third anniversary of the effective date of the amendment. The obligations of the Company under the Facilities are unconditionally guaranteed jointly and severally by, subject to certain exceptions, all material domestic subsidiaries of the Company (the “Guarantors”) and secured, subject to certain exceptions, by a security interest in substantially all of the assets of the Company and the Guarantors.

The credit agreement contains certain customary affirmative and negative covenants that limit or restrict the ability of the Company and its restricted subsidiaries to enter into certain transactions or take certain actions. In addition, the credit agreement contains a financial covenant that requires the Company, if on the last day of any fiscal quarter loans or letters of credit were outstanding under the Revolving Facility (excluding up to $15 million of letters of credit), to maintain a maximum net leverage ratio (as defined in the credit agreement) of, initially, 5.25 to 1.00 for the four fiscal quarter period preceding such day. Such maximum net leverage ratio requirement is subject to decrease during the duration of the facility to a minimum level (when applicable) of 3.50 to 1.00. As of September 27, 2015, there were no loans and $9.3 million in letters of credit outstanding under the Revolving Facility. The Company is in compliance with all the covenants associated with this Revolving Facility as of the end of the period covered by this report.

During 2014, the Company entered into three committed loan facilities for the funding of new manufacturing facilities in China. The loan facilities were for a combined 73.8 million RMB and $1.8 million. During the third quarter of 2015, the Company entered into an additional committed loan facility for the funding of these facilities. The loan facility is for 27.8 million RMB. As of September 27, 2015, the Company has borrowed, on a combined basis, $13.3 million on these facilities, of which $12.1 is outstanding. Principal will be repaid in accordance with the payment schedules beginning in 2015 and ending in 2019.

During the first nine months of 2015, the Company repaid $140.2 million on its Term Loan facility.

As of September 27, 2015, the Company had $35.4 million in uncommitted short-term bank credit lines, of which approximately $6.2 million was in use.

Note 10. Benefit Plans

The Company and its subsidiaries have pension plans covering the majority of eligible employees on a contributory or non-contributory basis. The Company also provides postretirement health care and life insurance benefits for the majority of its U.S. retired employees. Disclosures for the U.S. plans have been combined with those outside of the U.S. as the international plans do not have significantly different assumptions, and together represent less than 25% of our total benefit obligation.

In May 2014, as a part of its acquisition of AMCOL businesses, the Company assumed AMCOL’s qualified defined benefit pension plan and supplementary pension plan (SERP). The defined benefit pension plan covered substantially all of AMCOL’s domestic employees hired before January 1, 2004. The SERP plan provides benefit in excess of qualified plan limitation for certain employees. For more information on the AMCOL acquisition, see Note 2 to the Condensed Consolidated Financial Statements.

Components of Net Periodic Benefit Cost

	Pension Benefits			
	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)			
Service cost	$ 2.8	$ 2.1	$ 8.1	$ 6.5
Interest cost	3.7	4.0	11.6	10.8
Expected return on plan assets	(4.9)	(5.0)	(14.9)	(14.2)
Amortization:				
Prior service cost	0.1	0.3	0.6	0.9
Recognized net actuarial loss	3.2	1.9	8.9	5.4
Net periodic benefit cost	$ 4.9	$ 3.3	$ 14.3	$ 9.4

	Other Benefits			
	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)			
Service cost	$ 0.1	$ -	$ 0.3	$ 0.3
Interest cost	0.1	0.1	0.3	0.3
Amortization:				
Prior service cost	(0.7)	(0.8)	(2.3)	(2.3)
Recognized net actuarial (gain)/loss	(0.1)	(0.1)	(0.1)	(0.2)
Net periodic benefit cost	$ (0.6)	$ (0.8)	$ (1.8)	$ (1.9)

Amortization amounts of prior service costs and recognized net actuarial losses are recorded, net of tax, as increases to accumulated other comprehensive income.

Employer Contributions

The Company expects to contribute approximately $9.0 million to its pension plans and $1.0 million to its other postretirement benefit plans in 2015. As of September 27, 2015, $7.2 million has been contributed to the pension plans and approximately $0.3 million has been contributed to the other postretirement benefit plans.

Note 11. Comprehensive Income

The following table summarizes the amounts reclassified out of accumulated other comprehensive income (loss) attributable to the Company:

Amounts Reclassified Out of Accumulated Other Comprehensive Income (Loss)	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)			
Amortization of pension items:				
Pre-tax amount	$ 2.5	$ 1.3	$ 7.1	$ 3.8
Tax	(0.9)	(0.5)	(2.5)	(1.3)
Net of tax	$ 1.6	$ 0.8	$ 4.6	$ 2.5

The pre-tax amounts in the table above are included within the components of net periodic pension benefit cost (see Note 10) and the tax amounts are included within provision for taxes on income line within Condensed Consolidated Statements of Income.

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The major components of accumulated other comprehensive income, net of related tax, attributable to MTI are as follows:

	Foreign Currency Translation Adjustment	Unrecognized Pension Costs	Net Gain on Cash Flow Hedges	Total
	(millions of dollars)			
Balance as of December 31, 2014	$ (33.4)	$ (82.1)	$ 2.6	$ (112.9)
Other comprehensive income (loss) before reclassifications	(65.0)	-	-	(65.0)
Amounts reclassified from AOCI	-	4.6	-	4.6
Net current period other comprehensive income(loss)	(65.0)	4.6	-	(60.4)
Balance as of September 27, 2015	$ (98.4)	$ (77.5)	$ 2.6	$ (173.3)

Note 12. Accounting for Asset Retirement Obligations

The Company records asset retirement obligations for situations in which the Company will be required to incur costs to retire tangible long-lived assets. The fair value of the liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made.

The Company also records liabilities related to land reclamation as a part of asset retirement obligations. The Company mines various minerals using a surface mining process that requires the removal of overburden. In certain areas and under various governmental regulations, the Company is obligated to restore the land comprising each mining site to its original condition at the completion of the mining activity. The obligation is adjusted to reflect the passage of time, mining activities, and changes in estimated future cash outflows.

The following is a reconciliation of asset retirement obligations as of September 27, 2015:

	(millions of dollars)
Asset retirement liability, December 31, 2014	$ 23.0
Accretion expense	2.5
Reversals	(0.5)
Payments	(1.5)
Foreign currency translation	(1.3)
Asset retirement liability, September 27, 2015	$ 22.2

The asset retirement costs are capitalized as part of the carrying amount of the associated asset. The current portion of the liability of approximately $1.8 million is included in other current liabilities and the long-term portion of the liability of approximately $20.3 million is included in other non-current liabilities in the Condensed Consolidated Balance Sheet as of September 27, 2015.

Note 13. Contingencies

We are party to a number of lawsuits arising in the normal course of our business.

On May 8, 2013, Armada (Singapore) PTE Limited, an ocean shipping company now in bankruptcy ("Armada") filed a case in federal court in the Northern District of Illinois against AMCOL and certain of its subsidiaries (*Armada (Singapore) PTE Limited v. AMCOL International Corp., et al., United States District Court for the Northern District of Illinois*, Case No. 13 CV 3455). We acquired AMCOL and its subsidiaries on May 9, 2014. A co-defendant is Ashapura Minechem Limited, a company located in Mumbai, India ("AML"). During the relevant time period, 2008-2010, AMCOL owned slightly over 20% of the outstanding AML stock through December 2009, after which it owned approximately 19%. In 2008, AML entered into two contracts of affreightment ("COA") with Armada for over 60 ship loads of bauxite from India to China. After one shipment, AML made no further shipments, which led Armada to file arbitrations in London against AML, one for each COA. AML did not appear in the London arbitrations and default awards of approximately $70 million were entered. The litigation filed by Armada against AMCOL and AML relates to these awards, which AML has not paid. The substance of the allegations by Armada is that AML and AMCOL engaged in illegal conduct to thwart Armada's efforts to collect the arbitration award. The counts in the complaint include both violations of the Illinois Fraudulent Transfer laws as well as federal RICO violations. The lawsuit seeks money damages as well injunctive relief. The litigation is in the discovery phase. Fact discovery is currently scheduled to last through January 2016 and expert discovery is currently scheduled to last through mid-2016. We have accrued an estimate of potential damages for the Armada lawsuit, the amount of which was not material to our financial position, results of operations or cash flows.

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Certain of the Company's subsidiaries are among numerous defendants in a number of cases seeking damages for exposure to silica or to asbestos containing materials. The Company currently has 31 pending silica cases and 12 pending asbestos cases. To date, 1,464 silica cases and 46 asbestos cases have been dismissed, not including any lawsuits against AMCOL or American Colloid Company dismissed prior to our acquisition of AMCOL. One new asbestos case and no new silica cases were filed in the third quarter of 2015. Two asbestos cases and 43 silica cases were dismissed during the third quarter of 2015.

Most of these claims do not provide adequate information to assess their merits, the likelihood that the Company will be found liable, or the magnitude of such liability, if any. Additional claims of this nature may be made against the Company or its subsidiaries. At this time management anticipates that the amount of the Company's liability, if any, and the cost of defending such claims, will not have a material effect on its financial position or results of operations.

The Company has settled only one silica lawsuit, for a nominal amount, and no asbestos lawsuits to date (not including any that may have been settled by AMCOL prior to completion of the acquisition). We are unable to state an amount or range of amounts claimed in any of the lawsuits because state court pleading practices do not require identifying the amount of the claimed damage. The aggregate cost to the Company for the legal defense of these cases since inception continues to be insignificant. The majority of the costs of defense for these cases, excluding cases against AMCOL or American Colloid, are reimbursed by Pfizer Inc. pursuant to the terms of certain agreements entered into in connection with the Company's initial public offering in 1992. Of the 13 pending asbestos cases all except one allege liability based on products sold largely or entirely prior to the initial public offering, and for which the Company is therefore entitled to indemnification pursuant to such agreements. The one exception pertains to a newly filed asbestos case against American Colloid Company. Our experience has been that the Company is not liable to plaintiffs in any of these lawsuits and the Company does not expect to pay any settlements or jury verdicts in these lawsuits.

On February 20, 2015, a collective action lawsuit alleging a failure to comply with the Fair Labor Standards Act ("FLSA") was filed titled David Vidrine vs. CETCO Energy Services Company LLC in the U.S. District Court for the Southern District of Texas, Corpus Christie Division (“Vidrine”). We have accrued an estimate of potential damages for the Vidrine lawsuit, the amount of which was not material to our financial position, results of operations or cash flows.

Environmental Matters

On April 9, 2003, the Connecticut Department of Environmental Protection issued an administrative consent order relating to our Canaan, Connecticut, plant where both our Refractories segment and Specialty Minerals segment have operations. We agreed to the order, which includes provisions requiring investigation and remediation of contamination associated with historic use of polychlorinated biphenyls ("PCBs") and mercury at a portion of the site. We have completed the required investigations and submitted several reports characterizing the contamination and assessing site-specific risks. We are awaiting regulators’ approval of the risk assessment report, which will form the basis for a proposal by the Company concerning eventual remediation.

We believe that the most likely form of overall site remediation will be to leave the existing contamination in place (with some limited soil removal), encapsulate it, and monitor the effectiveness of the encapsulation. We anticipate that a substantial portion of the remediation cost will be borne by the United States based on its involvement at the site from 1942 – 1964, as historic documentation indicates that PCBs and mercury were first used at the facility at a time of U.S. government ownership for production of materials needed by the military. Pursuant to a Consent Decree entered on October 24, 2014, the United States paid the Company $2.3 million in the 4th quarter of 2014 to resolve the Company’s claim for response costs for investigation and initial remediation activities at this facility through October 24, 2014. Contribution by the United States to any future costs of investigation or additional remediation has, by agreement, been left unresolved. Though the cost of the likely remediation remains uncertain pending completion of the phased remediation decision process, we have estimated that the Company’s share of the cost of the encapsulation and limited soil removal described above would approximate $0.4 million, which has been accrued as of September 27, 2015.

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The Company is evaluating options for upgrading the wastewater treatment facilities at its Adams, Massachusetts plant. This work has been undertaken pursuant to an administrative Consent Order originally issued by the Massachusetts Department of Environmental Protection ("DEP") on June 18, 2002. This order was amended on June 1, 2009 and on June 2, 2010. The amended Order includes the investigation by January 1, 2022 of options for ensuring that the facility's wastewater treatment ponds will not result in unpermitted discharge to groundwater. Additional requirements of the amendment include the submittal by July 1, 2022 of a plan for closure of a historic lime solids disposal area. Preliminary engineering reviews completed in 2005 indicate that the estimated cost of wastewater treatment upgrades to operate this facility beyond 2024 may be between $6 million and $8 million. The Company estimates that the remaining remediation costs would approximate $0.4 million, which has been accrued as of September 27, 2015.

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

Note 14. Non-controlling interests

The following is a reconciliation of beginning and ending total equity, equity attributable to MTI, and equity attributable to non-controlling interests:

	Equity Attributable to MTI						
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interests	Total
	(millions of dollars)						
Balance as of December 31, 2014	$ 4.8	$ 373.0	$ 1,191.8	$ (112.9)	$ (593.7)	$ $ 25.9	$ 888.9
Net income	-	-	91.0	-	-	2.9	93.9
Other comprehensive income (loss)	-	-	-	(60.4)	-	(1.1)	(61.5)
Dividends declared	-	-	(5.4)	-	-	-	(5.4)
Dividends to non-controlling interest	-	-	-	-	-	(0.9)	(0.9)
Issuance of shares pursuant to employee stock compensation plans	-	1.3	-	-	-	-	1.3
Income tax benefit arising from employee stock compensation plans	-	0.8	-	-	-	-	0.8
Stock based compensation	-	7.6	-	-	-	-	7.6
Balance as of September 27, 2015	$ 4.8	$ 382.7	$ 1,277.4	$ (173.3)	$ (593.7)	$ 26.8	$ 924.7

The income attributable to non-controlling interests for the nine-month periods ended September 27, 2015 and September 28, 2014 was from continuing operations. The remainder of income was attributable to MTI.

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Note 15. Segment and Related Information

The Company has 5 reportable segments: Specialty Minerals, Refractories, Performance Materials, Construction Technologies, and Energy Services. See Note 1 to the Condensed Consolidated Financial Statements. Segment information for the three and nine-month periods ended September 27, 2015 and September 28, 2014 were as follows:

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)			
Net Sales				
Specialty Minerals	$ 156.5	$ 163.0	$ 466.9	$ 490.5
Refractories	77.4	90.4	227.7	266.8
Performance Materials	126.5	135.6	383.5	211.4
Construction Technologies	49.7	69.1	140.7	106.3
Energy Services	40.9	85.4	148.8	134.0
Total	$ 451.0	$ 543.5	$ 1,367.6	$ 1,209.0
Income from Operations				
Specialty Minerals	$ 25.0	$ 26.0	$ 75.2	$ 71.4
Refractories	7.9	9.7	24.5	29.0
Performance Materials	22.7	18.7	72.0	23.0
Construction Technologies	6.1	8.3	18.5	9.0
Energy Services	(7.9)	10.2	(14.2)	16.1
Total	$ 53.8	$ 72.9	$ 176.0	$ 148.5

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

	Income from operations before provision for taxes on income			
	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)			
Income from operations for reportable segments	$ 53.8	$ 72.9	$ 176.0	$ 148.5
Acquisition Related Transaction and Integration Costs	(2.4)	(4.2)	(8.5)	(16.7)
Unallocated corporate expenses	(1.5)	(1.9)	(4.9)	(5.6)
Consolidated income from operations	49.9	66.8	162.6	126.2
Non-operating deductions, net	(11.7)	(15.1)	(44.3)	(30.5)
Income from continuing operations before provision for taxes on income	$ 38.2	$ 51.7	$ 118.3	$ 95.7

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The Company's sales by product category are as follows:

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2015	Sept. 28, 2014	Sept. 27, 2015	Sept. 28, 2014
	(millions of dollars)			
Paper PCC	$ 106.1	$ 113.4	$ 315.9	$ 341.3
Specialty PCC	15.8	16.5	48.5	50.7
Talc	13.9	13.8	41.9	41.7
Ground Calcium Carbonate	20.7	19.3	60.6	56.8
Refractory Products	60.5	69.7	178.3	201.4
Metallurgical Products	16.9	20.7	49.4	65.4
Metalcasting	63.4	70.0	200.3	109.4
Household, Personal Care and Specialty Products	43.0	42.8	126.6	66.2
Basic Minerals and Other Products	20.1	22.8	56.6	35.8
Environmental Products	21.7	34.5	55.2	51.8
Building Materials and Other Products	28.0	34.6	85.5	54.5
Energy Services	40.9	85.4	148.8	134.0
Total	$ 451.0	$ 543.5	$ 1,367.6	$ 1,209.0

REVIEW REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Minerals Technologies Inc.:

We have reviewed the accompanying condensed consolidated balance sheet of Minerals Technologies Inc. and subsidiaries as of September 27, 2015, the related condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended September 27, 2015 and September 28, 2014, and the related condensed consolidated statements of cash flows for the nine-month periods ended September 27, 2015 and September 28, 2014. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), 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 U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Minerals Technologies Inc. and subsidiaries as of December 31, 2014, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 18, 2015, 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, 2014 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP

New York, New York
October 23, 2015

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

Executive Summary

On May 9, 2014, pursuant to the Merger Agreement dated March 10, 2014, the Company acquired AMCOL International Corporation ("AMCOL").The Company acquired AMCOL by completing a tender offer to purchase AMCOL's outstanding shares of common stock and the subsequent merger of AMCOL with and into a wholly-owned subsidiary of MTI. Upon completion of the merger, AMCOL became a wholly owned direct subsidiary of MTI. Through the tender offer and the merger, the Company paid $1,519.4 million in cash to acquire all of the outstanding shares of AMCOL. The fair value of total consideration transferred, net of cash acquired was $1,802.3 million.

With the acquisition of AMCOL, the Company has strengthened its position as a leading international producer of specialty materials and related products and services for industrial and consumer markets. The Company and AMCOL have both been world-renowned innovators in mineralogy, fine particle technology and polymer chemistry. This transaction brings together the global leaders in precipitated calcium carbonate and bentonite, creating an even more robust US-based international minerals supplier.

The 2014 acquisition of AMCOL continues to be highly accretive. All of our business segments, other than Energy Services, recorded double-digit operating margins. Consolidated sales for the third quarter of 2015 were $451.0 million, down 17% from the $543.5 million in the prior year. Foreign exchange had a negative impact on sales of $27.6 million, or 5 percent. The Company's exit from the Coiled Tubing service line of the Energy Services segment in early August 2015 reduced consolidated sales for the third quarter by an additional $17.4 million or 3 percent as compared with the prior year. Income from operations was $49.9 million as compared with $66.8 million in the prior year, a decline of 25%. The combined unfavorable impact on operating income of foreign exchange and the exit from the Coiled Tubing service line was $6.7 million. Net income was $29.2 million as compared to $37.0 million in the prior year. Diluted earnings from continuing operations in the third quarter ended September 27, 2015 were $0.83 per share.

During the third quarter of 2015, the Company exited its Coiled Tubing service line and restructured its other on-shore service lines within the Energy Services segment due to continued losses indications that there will not be any significant improvement in the market in the near to medium term. Included in pre-tax income and earnings per share were $2.4 million acquisition integration costs and $10.5 million in restructuring and impairment charges related to lease termination costs, inventory write-offs and impairment of assets from the exit from the Coiled Tubing and other on-shore service lines, which reduced earnings by $0.23 per share.

The Company continued to execute on its growth strategies of geographic expansion and new product innovation and development. We are currently commissioning two new satellite PCC plants in China and have three additional satellites under construction. The total capacity being installed with these three new satellite plants is approximately 215,000 tons. The Company continued to see progress in its major growth strategy of developing and commercializing new products in advancing the FulFill® platform of technologies of higher filler loading. In 2015, we signed 5 commercial agreements for FulFill® with two North American paper companies, a European paper company, and two companies in Asia. We presently have twenty three commercial contracts for FulFill®. Our three-year term refractory maintenance agreement with United Steel Company B.S.C. (SULB), in Bahrain is due to expire in the fourth quarter. We recorded sales to SULB of $2.1 million in the third quarter and $6.3 million during the nine months ended September 27, 2015. Our Refractories segment entered into two multi-year agreements in 2014 to provide cost-per-ton (CPT) steel refractory maintenance in Europe and in India. We recorded sales of approximately $0.6 million in third quarter and $1.8 million during the nine months ended September 27, 2015. These agreements are due to expire in 2016.

Long term debt as of September 27, 2015 was $1,325.6 million. During the third quarter and first nine months of 2015, we repaid $50 million and $140.2 million of our term loan debt, respectively. Since the acquisition of AMCOL, we have repaid over $240 million of our long-term debt. Cash, cash equivalents and short-term investments were $228 million as of September 27, 2015. Our intention continues to be to use excess cash flow to repay debt and to de-lever as quickly as possible.

Outlook

In addition to the integration of AMCOL and realization of the potential synergies from the acquired businesses, the Company will also continue to focus on innovation and new product development and other opportunities for sales growth in 2015 from its existing businesses, as follows:

- Develop multiple high-filler technologies, such as filler-fiber, under the FulFill® platform of products, to increase the fill rate in freesheet paper and continue to progress with commercial discussions and full-scale paper machine trials.
- Develop products and processes for waste management and recycling, opportunities to reduce the environmental impact of the paper mill, reduce energy consumption and improve the sustainability of the papermaking process.
- Further penetration into the packaging segment of the paper industry.
- Increase our sales of PCC for paper by further penetration of the markets for paper filling at both freesheet and groundwood mills, particularly in emerging markets.
- Expand the Company's PCC coating product line using the satellite model.
- Increase our presence and gain penetration of our bentonite based foundry customers for the Metalcasting industry in emerging markets, such as China and India.
- Increase our presence and market share in global pet care products, particularly in emerging markets.
- Deploy new products in pet care such as lightweight litter.
- Promote the Company's expertise in crystal engineering, especially in helping papermakers customize PCC morphologies for specific paper applications.
- Expand PCC produced for paper filling applications by working with industry partners to develop new methods to increase the ratio of PCC for fiber substitutions.
- Develop unique calcium carbonate and talc products used in the manufacture of novel biopolymers, a new market opportunity.
- Deploy new talc and GCC products in paint, coating and packaging applications.
- Deploy value-added formulations of refractory materials that not only reduce costs but improve performance.
- Expand our solid core wire product line into BRIC, Middle Eastern and other Asian countries.
- Deploy our laser measurement technologies into new applications.
- Expand our refractory maintenance model to other steel makers globally.
- Increase our presence and market share in Asia and in the global powdered detergent market.
- Continue the development of our proprietary Enersol® products for agricultural applications worldwide.
- Pursue opportunities for our products in environmental and building and construction markets in the Middle East, Asia Pacific and South America regions.
- Increase our presence and market share for geosynthetic clay liners within the Environmental Products product line.
- Increase our presence and market penetration in filtration and well testing within the Energy Services segment.
- Increase global market share in the floating production systems and offloading (FPSO) in filtration.
- Deploy operational excellence principles into all aspects of the organization, including system infrastructure and lean principles.
- Continue to explore selective small bolt-on type acquisitions to fit our core competencies in minerals and fine particle technology.

However, there can be no assurance that we will achieve success in implementing any one or more of these opportunities.

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Results of Operations

Three months ended September 27, 2015 as compared with three months ended September 28, 2014

Consolidated Income Statement Review

	Three Months Ended		Growth
	Sept. 27, 2015	Sept. 28, 2014	%
	(Dollars in millions)		
Net sales	$ 451.0	$ 543.5	-17%
Cost of sales	332.1	398.5	-17%
Production margin	118.9	145.0	-18%
Production margin %	*26.4%*	*26.7%*	
Marketing and administrative expenses	47.9	59.7	-20%
Research and development expenses	6.2	6.6	-6%
Amortization expense of intangible assets acquired	2.0	1.9	5%
Acquisition related transaction and integration costs	2.4	4.2	-43%
Restructuring and other charges	10.5	5.8	81%
Income from operations	49.9	66.8	-25%
Operating margin %	*11.1%*	*12.3%*	
Interest expense, net	(14.5)	(16.0)	*
Extinguishment of debt cost and fees	-	-	*
Other non-operating income (deductions), net	2.8	0.9	211%
Total non-operating deductions, net	(11.7)	(15.1)	*
Income from continuing operations before provision for taxes and equity in earnings	38.2	51.7	-26%
Provision for taxes on income	8.4	14.4	*
Effective tax rate	*22.0%*	*27.9%*	
Equity in earnings of affiliates, net of tax	0.5	0.3	*
Income from continuing operations, net of tax	30.3	37.6	-19%
Income (loss) from discontinued operations, net of tax	-	0.2	-100%
Net income attributable to non-controlling interests	1.1	0.8	38%
Net income attributable to Minerals Technologies Inc. (MTI)	29.2	37.0	-21%

* Not meaningful

Net Sales

	Three Months Ended September 27, 2015		% Growth	Three Months Ended September 28, 2014	
	Net Sales	% of Total Sales		Net Sales	% of Total Sales
			(Dollars in millions)		
U.S.	$ 264.9	58.7%	-19%	$ 326.3	60%
International	186.1	41.3%	-14%	217.2	40%
Total sales	$ 451.0	100.0%	-17%	$ 543.5	100%
Specialty Minerals Segment	$ 156.5	34.7%	-4%	$ 163.0	30%
Refractories Segment	77.4	17.2%	-14%	90.4	17%
Performance Materials Segment	126.5	28.0%	-7%	135.6	25%
Construction Technologies Segment	49.7	11.0%	-28%	69.1	13%
Energy Services Segment	40.9	9.1%	-52%	85.4	16%
Total sales	$ 451.0	100.0%	-17%	$ 543.5	100%

Total sales decreased $92.5 million or 17% from the previous year to $451.0 million. Foreign exchange had an unfavorable impact on sales of $27.6 million or 5 percent. The exit from the Coiled Tubing service line in early August reduced consolidated sales by an additional $17.4 million or 3 percent.

Operating Costs and Expenses

Cost of sales was $332.1 million and 73.6% of sales as compared with $398.5 million and 73.3% of sales in the prior year. Improved productivity and cost improvements in the Performance Materials and Specialty Minerals segments offset the weak market conditions in the Energy Services and Refractories Segments.

Marketing and administrative costs were down 20% to $47.9 million and were 10.6% of sales as compared to $59.7 million and 11.0% of sales in prior year primarily due to cost improvements relating to realization of acquisition synergies.

Research and development expenses were $6.2 million and represented 1.4 percent of sales compared with $6.6 million and 1.2 percent of sales in the prior year.

The Company recorded $2.0 million relating to the amortization of intangible assets acquired and $2.4 million for transaction and integration costs during the three months ended September 27, 2015.

During the third quarter of 2015, the Company incurred lease termination costs, inventory write-offs, and other restructuring charges of $10.5 million relating to the exit from its Coiled Tubing product line and restructuring other domestic on-shore service lines, within the Energy Service segment. This product line has continued to experience deteriorating financial performance as a result of the significant reduction in oil prices and overcapacity in the on-shore oil services market.

Income from Operations

The Company recorded income from operations of $49.9 million as compared to $66.8 million in the prior year. The combined unfavorable impact on operating income of foreign exchange and the exit from Coiled Tubing was $6.7 million. Operating income during the three months ended September 27, 2015, includes acquisition related transaction and integration costs of $2.4 million, and restructuring and other charges of approximately $10.5 million. Operating income during the three months ended September 28, 2014, includes acquisition related transaction and integration costs of $4.2 million, and restructuring charges of $5.8 million.

Non-Operating Income (Deductions)

Net other deductions were declined 23% to $11.7 million for the three months ended September 27, 2015 as compared with $15.1 million in the prior year. This decline relates to lower interest expense in the current quarter due to debt repayment and higher foreign exchange gains as compared with the prior year.

Provision for Taxes on Income

Provision for taxes on income was $8.4 million as compared to $14.4 million in the prior year. The effective tax rate was 22.1% as compared to 27.9% in prior year. The lower effective tax rate was primarily due to a change in the mix of earnings and non-deductible acquisition costs in the prior year.

Income from Continuing Operations, Net of Tax

Income from continuing operations, net of tax, was $30.3 million during the three months ended September 27, 2015 compared with $37.6 million in the prior year.

Segment Review

The following discussions highlight the operating results for each of our five segments.

Specialty Minerals Segment

Specialty Minerals Segment	Three Months Ended Sept. 27, 2015	Three Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Paper PCC	$ 106.1	$ 113.4	-6%
Specialty PCC	15.8	16.5	-4%
PCC Products	$ 121.9	$ 129.9	-6%
Talc	$ 13.9	$ 13.8	1%
Ground Calcium Carbonate	20.7	19.3	7%
Processed Minerals Products	$ 34.6	$ 33.1	5%
Total net sales	$ 156.5	$ 163.0	-4%
Income from operations	$ 25.0	$ 26.0	-4%
% of net sales	16.0%	16.0%	

Worldwide sales in the Specialty Minerals segment were $156.5 million as compared with $163.0 million in the prior year, a decrease of $6.5 million or 4%. Foreign exchange had an unfavorable impact of $9.6 million, or 6 percent.

Worldwide net sales of PCC, which is primarily used in the manufacturing process of the paper industry, decreased 6% to $121.9 million from $129.9 million in the prior year. Paper PCC sales decreased 6% to $106.1 million from $113.4 million, primarily due to the effects of foreign exchange which had an unfavorable impact on sales of $8.9 million, or 8 percent. Paper PCC volumes grew 3 percent from prior year, primarily due to the start-up of three new facilities in China. Sales of Specialty PCC decreased 4% to $15.8 million from $16.5 million in the prior year due to the unfavorable effects of foreign exchange.

Net sales of Processed Minerals products increased 5% to $34.6 million. Talc sales increased approximately 1 % and Ground Calcium Carbonate sales increased 7% primarily due to increased volumes.

Income from operations for Specialty Minerals was $25.0 million compared with $26.0 million in the prior year and remained flat at 16.0% of sales. Operating income was negatively affected by foreign exchange.

Refractories Segment

Refractories Segment	Three Months Ended Sept. 27, 2015	Three Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Refractory Products	$ 60.5	$ 69.7	-13%
Metallurgical Products	16.9	20.7	-18%
Total net sales	$ 77.4	$ 90.4	-14%
Income from operations	$ 7.9	$ 9.7	-19%
% of net sales	10.2%	10.7%	

Net sales in the Refractories segment decreased 14% to $77.4 million from $90.4 million in the prior year. Foreign exchange had an unfavorable impact on sales of $6.9 million or 8 percent. The remaining sales decrease was primarily due to lower volumes stemming from continued weak global steel demand.

Income from operations decreased 19% to $7.9 million from $9.7 million in the prior year due to lower sales and the negative impact of foreign exchange.

Performance Materials Segment

Performance Materials Segment	Three Months Ended Sept. 27, 2015	Three Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Metalcasting	$ 63.4	$ 70.0	-9%
Household, Personal Care and Specialty Products	43.0	42.8	0%
Basic Minerals and Other products	20.1	22.8	-12%
Total net sales	$ 126.5	$ 135.6	-7%
Income from operations	$ 22.7	$ 18.7	21%
% of net sales	17.9%	13.8%	

The Performance Materials segment has three product lines. The Metalcasting product line produces custom-blended mineral and non-mineral products using sodium and calcium bentonite or chromite to strengthen sand molds for casting auto parts, farm and construction equipment, oil and gas production equipment, power generation turbine casting and rail car components. The Household, Personal Care and Specialty products line contains our pet litter, fabric care, health and beauty and agricultural specialty products. Basic Minerals and Other products contains sales of bentonite, chromite and leonardite to a variety of end markets and industrial applications. This product line also includes sales from our internal transportation and logistics group.

Net sales in the Performance Materials segment decreased 7% to $126.5 million in the third quarter of 2015 as compared with $135.6 million in the prior year. Foreign exchange had a negative impact on sales of $4.4 million or 3 percentage points. Sales in the Metalcasting product line decreased 9% to $63.4 million from $70.0 million in the prior year. The sales decrease in this product line was primarily due to weakness in the agricultural sector, particularly in the U.S., and extended foundry outages in China due to the recent slowdown in the automotive industry. Sales in Household, Personal Care and Specialty Products were $43.0 million, approximately the same as the prior year. However, Pet Care product sales increased 15%, Personal Care products increased 32% and Fabric Care sales in Asia increased significantly. This sales growth was primarily offset by lower Fabric Care sales in Europe. Sales in the Basic Minerals and Other Products product line declined 12% to $20.1 million from $22.8 million in the prior year, primarily attributable to lower drilling fluids sales due to lower oil prices and continued weak oil and gas drilling activities.

Income from operations was $22.7 million and 17.9% of sales as compared with $18.7 million and 13.8% in the prior year. The strong margin improvement was attributable to improved productivity and cost controls.

Construction Technologies Segment

Construction Technologies Segment	Three Months Ended Sept. 27, 2015	Three Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Environmental Products	$ 21.7	$ 34.5	-37%
Building Materials and Other Products	28.0	34.6	-19%
Total net sales	$ 49.7	$ 69.1	-28%
Income from operations	$ 6.1	$ 8.3	-27%
% of net sales	12.3%	12.0%	

The Construction Technologies segment has two product lines. The Environmental product line includes bentonite based lining technologies and liquid containment products for environmental projects such as land fill and mine waste disposal sites as well as other environmental remediation applications. The Building Materials and Other Products product line includes various active and passive products for waterproofing of underground structures, commercial building envelopes and tunnels. It also includes drilling products for commercial building and construction foundations and for horizontal directional drilling applications.

Net sales for the Construction Technologies segment declined 28% to $49.7 million as compared with $69.1 million in the prior year. Foreign exchange had an unfavorable impact on sales of $3.8 million, or 6%. Sales in the Environmental products product line declined 37% to $21.7 million from $34.5 million in the prior year. Sales for the Building Materials and Other Products product line declined 19% to $28.0 million from $34.6 million in the prior year. Income from operations was $6.1 million and 12.3% of sales as compared with $8.3 million and 12.0% of sales in the prior year. Sales and operating income in this business segment were affected by fewer large projects as compared to last year.

Energy Services Segment

Energy Services Segment	Three Months Ended Sept. 27, 2015	Three Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales	$ 40.9	$ 85.4	-52%
Income from operations	$ (7.9)	$ 10.2	*
% of net sales	*	11.9%	

* Not meaningful

The Energy Services segment provides products and services to the Oil and Gas Industry including a range of on and off shore Water Filtration, Well Testing, Pipeline, and Nitrogen Services primarily in the Gulf of Mexico and the surrounding on-shore areas. During the third quarter, the Company determined to exit the Coiled Tubing service line due to continued losses in this service line and indications that there will not be any significant improvement in the market in the near to medium term.

Net sales for Energy Services declined 52 % to $40.9 million in the current year as compared with $85.4 million in the prior year. The exit from the Coiled Tubing service line in early August reduced sales by $17.4 million or 20 percent, as compared to the prior year. In addition, foreign exchange had a negative impact on sales of $2.8 million or 3 percent. This segment continues to experience pressure due to weak market conditions in the oil and gas sector.

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Loss from operations was $7.9 million and included severance costs, lease termination costs, inventory write-offs and asset impairment charges aggregating $10.5 million.

Nine months ended September 27, 2015 as compared with nine months ended September 28, 2014

Consolidated Income Statement Review

	Nine Months Ended		Growth
	Sept. 27, 2015	Sept. 28, 2014	%
	(Dollars in millions)		
Net sales	$ 1,367.6	$ 1,209.0	13%
Cost of sales	1,006.0	906.0	11%
Production margin	361.6	303.0	19%
Production margin %	*26.4%*	*25.1%*	
Marketing and administrative expenses	139.6	127.4	10%
Research and development expenses	17.8	18.0	-1%
Amortization expense of intangible assets acquired	5.8	2.9	100%
Acquisition related transaction and integration costs	8.5	16.7	-49%
Restructuring and other charges	27.3	11.8	*
Income from operations	162.6	126.2	29%
Operating margin %	*11.9%*	*10.4%*	
Interest expense, net	(45.5)	(25.2)	81%
Extinguishment of debt cost and fees	(4.5)	(5.8)	-22%
Other non-operating income (deductions), net	5.7	0.5	*
Total non-operating deductions, net	(44.3)	(30.5)	*
Income from continuing operations before provision for taxes and equity in earnings	118.3	95.7	24%
Provision for taxes on income	25.8	24.8	4%
Effective tax rate	*21.8%*	*25.9%*	
Equity in earnings of affiliates, net of tax	1.4	0.6	*
Income from continuing operations, net of tax	93.9	71.5	31%
Income (loss) from discontinued operations, net of tax	-	2.0	-100%
Net income attributable to non-controlling interests	2.9	2.4	21%
Net income attributable to Minerals Technologies Inc. (MTI)	91.0	71.1	28%

* Not meaningful

Net Sales

	Nine Months Ended September 27, 2015		% Growth	Nine Months Ended September 28, 2014	
	Net Sales	% of Total Sales		Net Sales	% of Total Sales
			(Dollars in millions)		
U.S.	$ 806.3	59.0%	14%	$ 704.6	58%
International	561.3	41.0%	11%	504.4	42%
Total sales	$ 1,367.6	100.0%	13%	$ 1,209.0	100%
Specialty Minerals Segment	$ 466.9	34.1%	-5%	$ 490.5	41%
Refractories Segment	227.7	16.6%	-15%	266.8	22%
Performance Materials Segment	383.5	28.0%	81%	211.4	17%
Construction Technologies Segment	140.7	10.3%	32%	106.3	9%
Energy Services Segment	148.8	10.9%	11%	134.0	11%
Total sales	$ 1,367.6	100.0%	13%	$ 1,209.0	100%

As a result of the acquisition of AMCOL on May 9, 2014, the financial results of the acquired businesses (consisting of Performance Materials, Construction Technologies and Energy Services segments) reflect 143 days in the nine months of 2014. The results of such businesses reflect 270 days in the nine months ended September 27, 2015.

Total sales increased $158.6 million or 13 % from the previous year to $1,367.6 million. Foreign exchange had an unfavorable impact on sales of $65.5 million or 5 percent.

Operating Costs and Expenses

Production margin for the nine months ended September 27, 2015 was $361.6 million and represented 26.4% of sales as compared with $303.0 million and 25.1% of sales in the prior year. Production margins improved due to achievement of acquisition synergies and the Company's ongoing Operational Excellence initiatives and productivity improvements.

Marketing and administrative costs were $139.6 million and 10.2% of sales compared to $127.4 million and 10.5% of sales in prior year. All of the increases related to the acquired businesses, partially offset by acquisition synergies achieved.

Research and development expenses were $17.8 million and represented 1.3 percent of sales for the nine months ended September 27, 2015. Research and development expenses in the prior year were $18.0 million and represented 1.5 percent of sales. All of the increases related to the acquired businesses.

The Company recorded $5.8 million relating to the amortization of intangible assets acquired and recorded a $8.5 million for integration costs resulting from the acquisition during the nine months ended September 27, 2015. The Company also recorded restructuring and impairment charges of $27.3 million relating primarily to the exit from our Coiled Tubing product line and restructuring of other on-shore service lines within the Energy Services segment.

During the nine months ended September 28, 2014, the Company recorded $11.8 million in severance-related and other restructuring charges and $16.7 million for acquisition transaction and integration costs.

Income from Operations

The Company recorded income from operations of $162.6 million as compared to $126.2 million in the prior year. Operating income for the nine months ended September 27, 2015 includes acquisition integration costs of $5.8 million and restructuring and other charges of $27.3 million. Operating income in the prior year includes a one-time non-cash inventory step-up charge of $5.6 million, acquisition related transaction and integration costs of $16.7 million, and restructuring and other charges of approximately $11.8 million.

Non-Operating Income (Deductions)

In May 2014, the Company entered into a $1.56 billion Term Facility to fund the acquisition of AMCOL business (see Note 9 to the Condensed Consolidated Financial Statements). The increase in debt level from resulted in the $20.3 million increase in interest expense compared to prior year.

In the second quarter of 2015, the Company repriced the outstanding balance of its Term Facility and recorded $4.5 million in non-cash debt modification costs and other debt modification fees. In the second quarter of 2014, the Company recorded $5.8 million for premiums on debt extinguishment relating to the purchase of AMCOL.

Other non-operating income increased by $5.2 million as compared to prior year and relates to higher foreign exchange gains in the current year.

Provision for Taxes on Income

Provision for taxes for the nine months ended September 27, 2015 was $25.8 million as compared to $24.8 million in the prior year. The effective tax rate was 21.8% as compared to 25.9% in prior year. The lower effective tax rate was primarily due to a change in the mix of earnings, higher depletion deductions and non-deductible acquisition costs in the prior year.

Income from Continuing Operations, Net of Tax

Income from continuing operations, net of tax, was $93.9 million during the nine months ended September 27, 2015 as compared with $71.5 million in the prior year.

Segment Review

The following discussions highlight the operating results for each of our five segments.

Specialty Minerals Segment

Specialty Minerals Segment	Nine Months Ended Sept. 27, 2015	Nine Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Paper PCC	$ 315.9	$ 341.3	-7%
Specialty PCC	48.5	50.7	-4%
PCC Products	$ 364.4	$ 392.0	-7%
Talc	$ 41.9	$ 41.7	0%
Ground Calcium Carbonate	60.6	56.8	7%
Processed Minerals Products	$ 102.5	$ 98.5	4%
Total net sales	$ 466.9	$ 490.5	-5%
Income from operations	$ 75.2	$ 71.4	5%
% of net sales	16.1%	14.6%	

Worldwide sales in the Specialty Minerals segment were $466.9 million as compared with $490.5 million in the prior year, a decrease of 5%. Foreign exchange had an unfavorable impact on sales of $25.5 million or 5%.

Worldwide net sales of PCC, which is primarily used in the manufacturing process of the paper industry, decreased 7% to $364.4 million from $392.0 million in the prior year. Paper PCC sales decreased 7% to $315.9 million and sales of Specialty PCC decreased 4% to $48.5 million from $50.7 million in the prior year. The decrease in sales was due to the unfavorable impact of foreign exchange.

Net sales of Processed Minerals products increased 4 % to $102.5 million from $98.5 million in the prior year. Talc sales increased slightly and Ground Calcium Carbonate sales increased 7% due to higher volumes.

Income from operations was $75.2 million and 16.1% of net sales compared to $71.4 million and 14.6% of sales in prior year due to improved profitability in the Processed Minerals product line and cost and expense control.

Refractories Segment

Refractories Segment	Nine Months Ended Sept. 27, 2015	Nine Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Refractory Products	$ 178.3	$ 201.4	-11%
Metallurgical Products	49.4	65.4	-24%
Total net sales	$ 227.7	$ 266.8	-15%
Income from operations	$ 24.5	$ 29.0	-16%
% of net sales	10.8%	10.9%	

Net sales in the Refractories segment decreased 15% to $227.7 million from $266.8 million in the prior year. Foreign exchange had a negative impact on sales of $19.3 million or 7%. The remaining sales decrease was primarily due to lower volumes stemming from continued global weak steel demand.

Income from operations was $24.5 million and 10.8% of sales as compared with $29.0 million and 10.9% of sales. The decrease in income from operations was due to lower volumes and the unfavorable impact of foreign exchange, both partially offset by cost control.

Performance Materials Segment

Performance Materials Segment	Nine Months Ended Sept. 27, 2015	Nine Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Metalcasting	$ 200.3	$ 109.4	83%
Household, Personal Care and Specialty Products	$ 126.6	66.2	91%
Basic Minerals and Other products	56.6	35.8	58%
Total net sales	$ 383.5	$ 211.4	81%
Income from operations	$ 72.0	$ 23.0	213%
% of net sales	18.8%	10.9%	

Construction Technologies Segment

Construction Technologies Segment	Nine Months Ended Sept. 27, 2015	Nine Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales			
Environmental Products	$ 55.2	$ 51.8	7%
Building Materials and Other Products	85.5	54.5	57%
Total net sales	$ 140.7	$ 106.3	32%
Income from operations	$ 18.5	$ 9.0	106%
% of net sales	13.1%	8.5%	

Energy Services Segments

Energy Services Segment	Nine Months Ended Sept. 27, 2015	Nine Months Ended Sept. 28, 2014	Growth
	(millions of dollars)		
Net Sales	$ 148.8	$ 134.0	11%
Income from operations	$ (14.2)	$ 16.1	*
% of net sales	-9.5%	12.0%	

Liquidity and Capital Resources

Cash provided from operating activities in the first nine months of 2015 was $194.7 million. Cash flows provided from operations in the first nine months of 2015 were principally used to repay debt, fund capital expenditures and pay the Company's dividend to common shareholders.

On May 9, 2014, in connection with the acquisition of AMCOL, the Company entered into a credit agreement providing for the $1,560 million Term Facility and a $200 million senior secured revolving credit facility (the "Revolving Facility" and, together with the Term Facility, the "Facilities"). The net proceeds of the Term Facility, together with the Company's cash on hand, were used as cash consideration for the acquisition of AMCOL and to refinance certain existing indebtedness of the Company (including the Company's 3.46% Series A Senior Notes due October 7, 2020 and 4.13% Series B Senior Notes due October 7, 2023) and AMCOL and to pay fees and expenses in connection with the foregoing. Loans under the Revolving Facility will be used for working capital and other general corporate purposes of the Company and its subsidiaries. As of September 27, 2015, the Revolving Facility remained unused. Our intention is to use excess cash flow to repay debt and to de-lever as quickly as possible. During the third quarter and first nine months of 2015, the Company repaid $50 million and $140.2 million in principal amount of its term loan debt, respectively.

On June 23, 2015, the Company entered into an amendment to the credit agreement to reprice the $1.378 billion then outstanding on the Term Facility. As amended, the Term Facility has a $1,078 million floating rate tranche and a $300 million fixed rate tranche. The maturity date for loans under the Term Facility was not changed by the amendment. The loans outstanding under the Term Facility will mature on May 9, 2021 and the loans outstanding (if any) and commitments under the Revolving Facility will mature and terminate, as the case may be, on May 9, 2019. After the amendment, loans under the variable rate tranche of the Term Facility bear interest at a rate equal to an adjusted LIBOR rate (subject to a floor of 0.75%) plus an applicable margin equal to 3.00% per annum. Loans under the fixed rate tranche of the Term Facility bear interest at a rate of 4.75%. Loans under the Revolving Facility will bear interest at a rate equal to an adjusted LIBOR rate plus an applicable margin equal to 1.75% per annum. Such rates are subject to decrease by up to 25 basis points in the event that, and for so long as, the Company's net leverage ratio (as defined in the credit agreement) is less than certain thresholds. The variable rate tranche of the Term Facility was issued at par and has a 1% required amortization per year. The fixed rate tranche of the Term Facility was issued at a 0.25% discount. The Company will pay certain fees under the credit agreement, including customary annual administration fees. The loans under the fixed rate tranche of the Term Facility are subject to prepayment premiums in the event of certain prepayments prior to the third anniversary of the effective date of the amendment. The obligations of the Company under the Facilities are unconditionally guaranteed jointly and severally by, subject to certain exceptions, all material domestic subsidiaries of the Company (the "Guarantors") and secured, subject to certain exceptions, by a security interest in substantially all of the assets of the Company and the Guarantors.

The credit agreement contains certain customary affirmative and negative covenants that limit or restrict the ability of the Company and its restricted subsidiaries to enter into certain transactions or take certain actions. In addition, the credit agreement contains a financial covenant that requires the Company, if on the last day of any fiscal quarter loans or letters of credit were outstanding under the Revolving Facility (excluding up to $15 million of letters of credit), to maintain a maximum net leverage ratio (as defined in the credit agreement) of, initially, 5.25 to 1.00 for the four fiscal quarter period preceding such day. Such maximum net leverage ratio requirement is subject to decrease during the duration of the facility to a minimum level (when applicable) of 3.50 to 1.00. As of September 27, 2015, there were no loans and $9.3 million in letters of credit outstanding under the Revolving Facility. The Company is in compliance with all the covenants associated with this Revolving Facility as of the end of the period covered by this report.

During 2014, the Company entered into three committed loan facilities for the funding of new manufacturing facilities in China. The loan facilities were for a combined 73.8 million RMB and $1.8 million. During the third quarter of 2015, the Company entered into an additional committed loan facility for the funding of these facilities. The loan facility is for 27.8 million RMB. As of September 27, 2015, the Company has borrowed, on a combined basis, $13.3 million on these facilities, of which $12.1 is outstanding. Principal will be repaid in accordance with the payment schedules beginning in 2015 and ending in 2019.

The Company had $35.4 million in uncommitted short-term bank credit lines, of which $6.2 million were in use at September 27, 2015. The credit lines are primarily outside the U.S. and are generally one year in term at competitive market rates at large well- established institutions. The Company typically uses its available credit lines to fund working capital requirements or local capital spending needs. We anticipate that capital expenditures for 2015 should be between $85.0 million and $100.0 million, principally related to the construction of PCC plants and other opportunities that meet our strategic growth objectives. We expect to meet our other long-term financing requirements from internally generated funds, committed and uncommitted bank credit lines and, where appropriate, project financing of certain satellite plants. The aggregate maturities of long-term debt are as follows: remainder of 2015 - $0.2 million; 2016 - $2.2 million; 2017 - $4.5 million; 2018 - $4.3 million; 2019 - $0.9 million; thereafter - $1,328.0 million.

On September 19, 2013, the Company's Board of Directors authorized the Company’s management to repurchase, at its discretion, up to $150 million of the Company’s shares over a two-year period commencing October 2, 2013. As of September 27, 2015, 139,900 shares have been repurchased under this program for $7.5 million, or an average price of approximately $53.33 per share.

On September 16, 2015, the Company's Board of Directors authorized the Company’s management to repurchase, at its discretion, up to $150 million of the Company’s shares over a two-year period commencing upon the expiration of the prior two-year program in October 2015.

The Company is required to make future payments under various contracts, including debt agreements and lease agreements. The Company also has commitments to fund its pension plans and provide payments for other postretirement benefit plans. During the nine months ended September 27, 2015, there were no material changes in the Company’s contractual obligations. For an in-depth discussion of the Company’s contractual obligations, see “Liquidity and Capital Resources” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

Cautionary Statement for "Safe Harbor" Purposes under the Private Securities Litigation Reform Act of 1995

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. This report contains statements that the Company believes may be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, particularly statements relating to the Company's objectives, plans or goals, future actions, future 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 "believes," "expects," "plans," "intends," "anticipates," 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. Many of these risks and uncertainties are difficult to predict or are beyond the Company's control. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially. Significant factors affecting the expectations and forecasts are set forth under "Item 1A — Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and in Exhibit 99 to this Quarterly Report on Form 10-Q.

The Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances that arise after the date hereof. Investors should refer to the Company's subsequent filings under the Securities Exchange Act of 1934 for further disclosures.

Recently Issued Accounting Standards

Changes to accounting principles generally accepted in the United States of America (U.S. GAAP) are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Company considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial position and results of operations.

Reporting discontinued operations and disclosures of disposals of components of an entity

In April 2014, the FASB ASU No. 2014-08, "Presentation of Financial Statements and Property, Plant and Equipment: Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. This ASU changes the requirements for reporting discontinued operations. It requires only the disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity's operations and financial results to be reported as discontinued operations. This ASU also requires additional disclosures for discontinued operations and adds new disclosure requirements for individually significant dispositions that do not qualify as discontinued operations. The adoption of this ASU on January 1, 2015 did not have any impact on the Company's consolidated financial statements as the Company has not initiated any disposals since the adoption date.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" which will supersede nearly all existing revenue recognition guidance under U.S. GAAP. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The guidance is effective for the interim and annual periods beginning on or after December 15, 2017. The guidance permits the use of either a retrospective or cumulative effect transition method. The Company has not yet selected a transition method and is currently evaluating the impact of this ASU on the Company's consolidated financial statements and related disclosures.

Interest – Imputation of Interest

In April 2015, the FASB issued ASU No. 2015-03, "Interest- Imputation of Interest" to simplify the presentation of debt issuance costs. The provisions of this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU does not change the recognition and measurement guidance for debt issuance costs. This ASU is effective for fiscal years beginning after December 15, 2015. The Company will reclassify approximately $24 million from other long term assets to long term debt on its balance sheet at December 31, 2015.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates and assumptions, including those related to revenue recognition, valuation of receivables, valuation of inventories, valuation of long-lived assets, pension plan assumptions, stock-based compensation assumptions, valuation of product liability and asset retirement obligation, income taxes, income tax valuation allowances and litigation and environmental liabilities. We base our estimates on historical experience and on other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that cannot readily be determined from other sources. There can be no assurance that actual results will not differ from those estimates.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact our financial position, results of operations or cash flows due to adverse changes in market prices and foreign currency and interest rates. We are exposed to market risk because of changes in foreign currency exchange rates as measured against the U.S. dollar. We do not anticipate that near-term changes in exchange rates will have a material impact on our future earnings or cash flows. However, there can be no assurance that a sudden and significant decline in the value of foreign currencies would not have a material adverse effect on our financial condition and results of operations. All of our bank debt bears interest at variable rates; therefore our results of operations would be affected by interest rate changes to the extent of such outstanding bank debt. An immediate 10 percent change in interest rates would not have a material effect on our results of operations over the next fiscal year. A one-percent change in interest rates would cost $4.6 million in incremental interest charges on an annual basis.

We do not enter into derivatives or other financial instruments for trading or speculative purposes. When appropriate, we enter into derivative financial instruments, such as forward exchange contracts, hedges and interest rate swaps, to mitigate the impact of foreign exchange rate movements and interest rate movements on our operating results. The counterparties are major financial institutions. Such forward exchange contracts, hedges and interest rate swaps would not subject us to additional risk from exchange rate or interest rate movements because gains and losses on these contracts would offset losses and gains on the assets, liabilities, and transactions being hedged.

The Company had no significant derivative financial instruments outstanding at September 27, 2015.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, and under the supervision and with participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures, pursuant to Exchange Act Rule 13a-15(b). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of the end of the period covered by this report the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

Except as described above, there were no changes in the Company's internal control over financial reporting during the quarter ended September 27, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The Company and its subsidiaries are the subject of various pending legal actions in the ordinary course of their businesses. Except as described below, none of such legal proceedings are material.

Armada Litigation

On May 8, 2013, Armada (Singapore) PTE Limited, an ocean shipping company now in bankruptcy ("Armada") filed a case in federal court in the Northern District of Illinois against AMCOL International Corporation and certain of its subsidiaries (*Armada (Singapore) PTE Limited v. AMCOL International Corp., et al., United States District Court for the Northern District of Illinois*, Case No. 13 CV 3455). We acquired AMCOL and its subsidiaries on May 9, 2014. A co-defendant is Ashapura Minechem Limited, a company located in Mumbai, India ("AML"). During the relevant time period, 2008-2010, AMCOL owned slightly over 20% of the outstanding AML stock through December 2009, after which it owned approximately 19%. In 2008, AML entered into two contracts of affreightment ("COA") with Armada for over 60 ship loads of bauxite from India to China. After one shipment, AML made no further shipments, which led Armada to file arbitrations in London against AML, one for each COA. AML did not appear in the London arbitrations and default awards of approximately $70 million were entered. The litigation filed by Armada against AMCOL and AML relates to these awards, which AML has not paid. The substance of the allegations by Armada is that AML and AMCOL engaged in illegal conduct to thwart Armada's efforts to collect the arbitration award. The counts in the complaint include both violations of the Illinois Fraudulent Transfer laws as well as federal RICO violations. The lawsuit seeks money damages as well injunctive relief. The litigation is in the discovery phase. Fact discovery is currently scheduled to last through January 2016 and expert discovery is currently scheduled to last through mid-2016. We have accrued an estimate of potential damages for the Armada lawsuit, the amount of which was not material to our financial position, results of operations or cash flows.

Other

On February 20, 2015, a collective action lawsuit alleging a failure to comply with the Fair Labor Standards Act ("FLSA") was filed titled David Vidrine vs. CETCO Energy Services Company LLC in the U.S. District Court for the Southern District of Texas, Corpus Christie Division ("Vidrine"). We have accrued an estimate of potential damages for the Vidrine lawsuit, the amount of which was not material to our financial position, results of operations or cash flows.

Silica and Asbestos Litigation

Certain of the Company's subsidiaries are among numerous defendants in a number of cases seeking damages for exposure to silica or to asbestos containing materials. The Company currently has 31 pending silica cases and 12 pending asbestos cases. To date, 1,464 silica cases and 46 asbestos cases have been dismissed, not including any lawsuits against AMCOL or American Colloid Company dismissed prior to our acquisition of AMCOL. One new asbestos case and no new silica cases were filed in the third quarter of 2015. Two asbestos cases and 43 silica cases were dismissed during the third quarter of 2015.

Most of these claims do not provide adequate information to assess their merits, the likelihood that the Company will be found liable, or the magnitude of such liability, if any. Additional claims of this nature may be made against the Company or its subsidiaries. At this time management anticipates that the amount of the Company's liability, if any, and the cost of defending such claims, will not have a material effect on its financial position or results of operations.

The Company has settled only one silica lawsuit, for a nominal amount, and no asbestos lawsuits to date (not including any that may have been settled by AMCOL prior to completion of the acquisition). We are unable to state an amount or range of amounts claimed in any of the lawsuits because state court pleading practices do not require identifying the amount of the claimed damage. The aggregate cost to the Company for the legal defense of these cases since inception continues to be insignificant. The majority of the costs of defense for these cases, excluding cases against AMCOL or American Colloid, are reimbursed by Pfizer Inc. pursuant to the terms of certain agreements entered into in connection with the Company's initial public offering in 1992. Of the 13 pending asbestos cases all except one allege liability based on products sold largely or entirely prior to the initial public offering, and for which the Company is therefore entitled to indemnification pursuant to such agreements. The one exception pertains to a newly filed asbestos case against American Colloid Company. Our experience has been that the Company is not liable to plaintiffs in any of these lawsuits and the Company does not expect to pay any settlements or jury verdicts in these lawsuits.

Environmental Matters

On April 9, 2003, the Connecticut Department of Environmental Protection issued an administrative consent order relating to our Canaan, Connecticut, plant where both our Refractories segment and Specialty Minerals segment have operations. We agreed to the order, which includes provisions requiring investigation and remediation of contamination associated with historic use of polychlorinated biphenyls ("PCBs") and mercury at a portion of the site. We have completed the required investigations and submitted several reports characterizing the contamination and assessing site-specific risks. We are awaiting regulators' approval of the risk assessment report, which will form the basis for a proposal by the Company concerning eventual remediation.

We believe that the most likely form of overall site remediation will be to leave the existing contamination in place (with some limited soil removal), encapsulate it, and monitor the effectiveness of the encapsulation. We anticipate that a substantial portion of the remediation cost will be borne by the United States based on its involvement at the site from 1942 – 1964, as historic documentation indicates that PCBs and mercury were first used at the facility at a time of U.S. government ownership for production of materials needed by the military. Pursuant to a Consent Decree entered on October 24, 2014, the United States paid the Company $2.3 million in the 4th quarter of 2014 to resolve the Company's claim for response costs for investigation and initial remediation activities at this facility through October 24, 2014. Contribution by the United States to any future costs of investigation or additional remediation has, by agreement, been left unresolved. Though the cost of the likely remediation remains uncertain pending completion of the phased remediation decision process, we have estimated that the Company's share of the cost of the encapsulation and limited soil removal described above would approximate $0.4 million, which has been accrued as of September 27, 2015.

The Company is evaluating options for upgrading the wastewater treatment facilities at its Adams, Massachusetts plant. This work has been undertaken pursuant to an administrative Consent Order originally issued by the Massachusetts Department of Environmental Protection ("DEP") on June 18, 2002. This order was amended on June 1, 2009 and on June 2, 2010. The amended Order includes the investigation by January 1, 2022 of options for ensuring that the facility's wastewater treatment ponds will not result in unpermitted discharge to groundwater. Additional requirements of the amendment include the submittal by July 1, 2022 of a plan for closure of a historic lime solids disposal area. Preliminary engineering reviews completed in 2005 indicate that the estimated cost of wastewater treatment upgrades to operate this facility beyond 2024 may be between $6 million and $8 million. The Company estimates that the remaining remediation costs would approximate $0.4 million, which has been accrued as of September 27, 2015.

ITEM 1A. Risk Factors

For a description of Risk Factors, see Exhibit 99 attached to this report. There have been no material changes to our risk factors from those disclosed in our 2014 Annual Report on Form 10-K.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

On September 19, 2013, the Company's Board of Directors authorized the Company's management to repurchase, at its discretion, up to $150 million of the Company's shares over a two-year period commencing on October 2, 2013. As of September 27, 2015, 139,900 shares were repurchased under this program for $7.5 million, or an average price of approximately $53.33 per share. The Company did not repurchase any shares during the three and nine month periods ended September 27, 2015.

On September 16, 2015, the Company's Board of Directors authorized the Company's management to repurchase, at its discretion, up to $150 million of the Company's shares over a two-year period commencing upon the expiration of the prior two-year program in October 2015.

ITEM 3. Default Upon Senior Securities

Not applicable.

ITEM 4. Mine Safety Disclosures

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Quarterly Report on Form 10-Q.

ITEM 5. Other Information

None

ITEM 6. Exhibits

Exhibit No.	Exhibit Title
10.1	Third Amendment to the AMCOL International Corporation Nonqualified Deferred Compensation Plan, as amended, dated August 21, 2015
10.2	Second Amendment to Amended and Restated Supplementary Pension Plan for Employees of AMCOL International Corporation, dated August 21, 2015
15	Letter Regarding Unaudited Interim Financial Information.
31.1	Rule 13a-14(a)/15d-14(a) Certification executed by the Company's principal executive officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification executed by the Company's principal financial officer.
32	Section 1350 Certifications.
95	Information concerning Mine Safety Violations
99	Risk Factors
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Minerals Technologies Inc.

By: **/s/Douglas T. Dietrich**

Douglas T. Dietrich
Senior Vice President, Finance and Treasury,
Chief Financial Officer

October 23, 2015

Exhibit 10.1

**THIRD AMENDMENT TO THE
AMCOL INTERNATIONAL CORPORATION
NONQUALIFIED DEFERRED COMPENSATION PLAN**
(as amended and restated effective as of January 1, 2008)

WHEREAS, pursuant to Section 12.2 of the AMCOL International Corporation Nonqualified Deferred Compensation Plan, as amended and restated effective as of January 1, 2008 (the "Plan"), AMCOL International Corporation (the "Company") reserves the right to amend the Plan; and

WHEREAS, the Company, on behalf of itself and all other adopting employers of the Plan, desires to amend the Plan by changing its name, the committee overseeing Plan administration, and Plan amendment procedures.

NOW, THEREFORE, the Plan is hereby amended, effective as follows:

1. Effective January 1, 2015, the name of the Plan shall be changed to the "Minerals Technologies Inc. Deferred Compensation Plan – PC&E," and conforming changes shall be made throughout the Plan.

2. Effective July 1, 2015, Plan Section 12.2 is deleted in its entirety and is replaced with the following:

   "12.2 **Amendment**. The Company or Minerals Technologies Inc., by action of its respective Board of Directors, may amend the Plan at any time with respect to all Employers. Any Employer may, at any time, amend or modify the Plan in whole or in Part with respect to that Employer. In addition, the Minerals Technologies Inc. General Counsel may amend the Plan for provisions that (i) are required by the Code, ERISA, or other applicable law, (ii) do not materially increase costs of the Plan to the Company or materially change Participants' benefits under the Plan, or (iii) clarify ambiguous or unclear Plan provisions. Notwithstanding the foregoing, no amendment or modification shall be effective to decrease the value of a Participant's vested Account Balance in existence at the time the amendment or modification is made."

3. Effective January 1, 2015, the first sentence of Plan section 13.1 is deleted in its entirety and is replaced with the following:

   "Except as otherwise provided in this Article 13, the Plan shall be administered by a committee consisting of the members of the Savings and Investment Plan Committee of the Minerals Technologies Inc. Savings and Investment Plan (the 'Committee')."

IN WITNESS WHEREOF, the undersigned hereby execute this amendment on behalf of the Company and all other adopting employers of the Plan, and this amendment is executed on this 21st day of August, 2015.

AMCOL INTERNATIONAL CORPORATION

By: /s/ Thomas J. Meek
Thomas J. Meek

By: /s/ Douglas T. Dietrich
Douglas T. Dietrich

By: /s/ Jonathan J. Hastings
Jonathan J. Hastings

Exhibit 10.2

SECOND AMENDMENT TO THE AMENDED AND RESTATED SUPPLEMENTARY PENSION PLAN FOR EMPLOYEES OF AMCOL INTERNATIONAL CORPORATION

WHEREAS, pursuant to section 5 of the Amended and Restated Supplementary Pension Plan for Employees of AMCOL International Corporation (the "Plan"), AMCOL International Corporation (the "Company") reserves the right to amend the Plan;

WHEREAS, the Company, on behalf of itself and all other adopting employers of the Plan, desires to amend the Plan; and

WHEREAS, the undersigned have authority to amend the Plan on behalf of the Company.

NOW, THEREFORE, the Plan is hereby amended, effective as follows:

1. Effective January 1, 2015, the name of the Supplementary Pension Plan for Employees of AMCOL shall be changed to the "Minerals Technologies Inc. Supplemental Pension Plan – PC&E," and conforming changes shall be made throughout the Plan.

2. Effective January 1, 2015, the defined term used to refer to the Plan shall be changed from the "Supplementary Plan" to the "Supplemental Plan," and conforming changes shall be made throughout the Plan.

3. Effective January 1, 2015, the phrase "AMCOL International Corporation Pension Plan" shall be deleted from the first sentence of Plan section 1.1 and replaced with "Minerals Technologies Inc. Retirement Plan - PC&E."

4. Effective January 1, 2015, the following sentence shall be added to the end of Plan section 1.1:

   "When used herein, the term 'Company' includes AMCOL International Corporation and any successor thereto."

5. Effective January 1, 2015, the first sentence of Plan section 1.3 shall be deleted and replaced with the following:

   "The authority to control and manage the operation and administration of the Supplemental Plan shall be vested in a retirement committee that shall consist of the members of the Plan Assets Committee of the Minerals Technologies Inc. Retirement Plan."

6. Effective July 1, 2015, the first sentence of Plan section 5 shall be deleted and replaced with the following:

   "Either the Company or Minerals Technologies Inc. may at any time, by resolution of its Board of Directors, amend or terminate the Supplemental Plan. In addition, the Minerals Technologies Inc. General Counsel may amend the Supplemental Plan for provisions that (i) are required by the Code, ERISA, or other applicable law, (ii) do not materially increase costs of the Plan to the Company or materially change Participants' benefits under the Plan, or (iii) clarify ambiguous or unclear Plan provisions."

IN WITNESS WHEREOF, the undersigned hereby execute this amendment on behalf of the Company and all other adopting employers of the Plan, and this amendment is executed on this 21st day of August, 2015.

AMCOL INTERNATIONAL CORPORATION

By: /s/ Thomas J. Meek
Thomas J. Meek

By: /s/ Douglas T. Dietrich
Douglas T. Dietrich

By: /s/ Jonathan J. Hastings
Jonathan J. Hastings

EXHIBIT 15

ACCOUNTANTS' ACKNOWLEDGEMENT

Board of Directors
Minerals Technologies Inc.:

Re: Registration Statement Nos. 333-160002, 33-59080, 333-62739, 333-138245 and 333-206244

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated October 23, 2015, related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933, such report is not considered a part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP

New York, New York
October 23, 2015

EXHIBIT 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Joseph C. Muscari, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Minerals Technologies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2015

By: **/s/Joseph C. Muscari**

Joseph C. Muscari
Chairman of the Board
and Chief Executive Officer

EXHIBIT 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Douglas T. Dietrich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Minerals Technologies Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2015

By: **/s/Douglas T. Dietrich**

Douglas T. Dietrich
Senior Vice President, Finance and Treasury,
Chief Financial Officer

EXHIBIT 32

SECTION 1350 CERTIFICATIONS

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18, United States Code), each of the undersigned officers of Minerals Technologies Inc., a Delaware corporation (the "Company"), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended September 27, 2015 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 23, 2015

By: **/s/Joseph C. Muscari**
Joseph C. Muscari
Chairman of the Board
and Chief Executive Officer

Date: October 23, 2015

By: **/s/Douglas T. Dietrich**
Douglas T. Dietrich
Senior Vice President, Finance and Treasury,
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Exchange Act Rule 13a-14(b); is not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section; and is not deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act of 1934.

Exhibit 95

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K contain certain reporting requirements regarding coal or other mine safety. The Company, through its subsidiaries Specialty Minerals Inc., Barretts Minerals Inc., and American Colloid Company, operates fourteen mines in the United States. The operation of our mines is subject to regulation by the federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). MSHA inspects our mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act.

The following table sets forth the required information with respect to each mine for which we are the operator for the period June 28, 2015 to September 27, 2015:

Mine	Section 104(a) S&S	Section 104(b)	Section 104(d)	Section 110(b)(2)	Section 107(a)	Proposed Assessments	Fatalities
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Lucerne Valley, CA	0	0	0	0	0	$1,303	0
Canaan, CT	2	0	0	0	0	$9,509	0
Adams, MA	0	0	0	0	0	$88,846	0
Barretts Mill, Dillon, MT	0	0	0	0	0	$650	0
Regal Mine, Dillon, MT	0	0	0	0	0	$0	0
Treasure Mine, Dillon, MT	0	0	0	0	0	$0	0
Belle/Colony Mine, WY	0	0	0	0	0	*	0
Belle Fourche Mill, SD	0	0	0	0	0	$200	0
Colony East, WY	3	0	0	0	1	$4,969	0
Colony West, WY	0	0	0	0	0	$6,327	0
Gascoyne, ND	0	0	0	0	0	*	0
Lovell, WY	0	0	0	0	0	$227	0
Sandy Ridge, AL	0	0	0	0	0	$100	0
Yellowtail, WY	0	0	0	0	0	$0	0

* As of the date of this report, we have not received proposed assessments for certain violations for this location.

(A) The total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under section 104 of the Mine Act for which we received a citation from MSHA.

(B) The total number of orders issued under section 104(b) of the Mine Act.

(C) The total number of citations and orders for unwarrantable failure of the Company to comply with mandatory health or safety standards under section 104(d) of the Mine Act.

(D) The total number of flagrant violations under section 110(b)(2) of the Mine Act.

(E) The total number of imminent danger orders issued under section 107(a) of the Mine Act.

(F) The total dollar value of proposed assessments from MSHA under the Mine Act.

(G) The total number of mining-related fatalities, other than fatalities determined by MSHA to be unrelated to mining activity.

During the period June 28, 2015 to September 27, 2015, we did not receive any written notice from MSHA, with respect to any mine for which we are the operator, of (A) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health and safety hazards under section 104(e) of the Mine Act or (B) the potential to have such a pattern.

The following table sets forth the required information with respect to legal actions before the Federal Mine Safety and Health Review Commission involving each mine for which we are the operator for the period June 28, 2015 to September 27, 2015:

Mine	Legal Actions Pending As Of Last Day Of Period[1]	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Lucerne Valley, CA	0	0	0
Canaan, CT	0	0	0
Adams, MA	9[2]	4	2
Barretts Mill, Dillon, MT	0	0	0
Regal Mine, Dillon, MT	0	0	0
Treasure Mine, Dillon, MT	0	0	0
Belle/Colony Mine, WY	0	0	0
Belle Fourche Mill, SD	0	0	0
Colony East, WY	3[3]	1	0
Colony West, WY	0	0	0
Gascoyne, ND	0	0	0
Lovell, WY	0	0	0
Sandy Ridge, AL	0	0	0
Yellowtail, WY	0	0	0

[1] Commencing with this report, we are reporting the number of actions by reference to the number of MSHA docket numbers rather than the number of contested citations.
[2] Of the total nine legal actions pending as of the last day of the period, two actions are contests of citations and orders, as referenced in Subpart B of 29 CFR Part 2700; seven actions are contests of proposed penalties, as referenced in Subpart C of 29 CFR Part 2700.
[3] Of the total three legal actions pending as of the last day of the period, one action is a contest of citations and orders, as referenced in Subpart B of 29 CFR Part 2700; two actions are contests of proposed penalties, as referenced in Subpart C of 29 CFR Part 2700.

EXHIBIT 99

RISK FACTORS

Our business faces significant risks. Set forth below are all risks that we believe are material at this time. Our business, financial condition and results of operations could be materially adversely affected by any of these risks. These risks should be read in conjunction with the other information in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and this Quarterly Report on Form 10-Q.

- ***Worldwide general economic, business, and industry conditions have had, and may continue to have, an adverse effect on the Company's results.***

The global economic instability of the past few years has caused, among other things, declining consumer and business confidence, volatile raw material prices, instability in credit markets, high unemployment, fluctuating interest and exchange rates, and other challenges. The Company's business and operating results have been and may continue to be adversely affected by these global economic conditions. The Company's customers and potential customers may experience deterioration of their businesses, cash flow shortages, and difficulty obtaining financing. As discussed below, the industries we serve have in the past been adversely affected by the uncertain global economic climate due to the cyclical nature of their businesses. As a result, existing or potential customers may reduce or delay their growth and investments and their plans to purchase products, and may not be able to fulfill their obligations in a timely fashion. Further, suppliers could experience similar conditions, which could affect their ability to fulfill their obligations to the Company. Adversity within capital markets may also impact the Company's results of operations by negatively affecting the amount of expense the Company records for its pension and other postretirement benefit plans. Actuarial valuations used to calculate income or expense for the plans reflect assumptions about financial market and other economic conditions – the most significant of which are the discount rate and the expected long-term rate of return on plan assets. Such actuarial valuations may change based on changes in key economic indicators. Global economic markets remain uncertain, and there can be no assurance that market conditions will improve in the near future. Future weakness in the global economy could materially and adversely affect our business and operating results.

- ***Our customers' businesses are cyclical or have changing regional demands. Our operations are subject to these trends and we may not be able to mitigate these risks.***

  - Our Performance Materials segment's sales are predominantly derived from the metalcasting market. The metalcasting market is dependent upon the demand for castings for automobile components, farm and construction equipment, oil and gas production equipment, power generation turbine castings, and rail car components. Many of these types of equipment are sensitive to fluctuations in demand during periods of recession or tough economies, which ultimately may affect the demand for our construction technologies and performance materials segments' products and services.

  - In the paper industry, which is served by our Paper PCC product line, production levels for uncoated freesheet within North America and Europe, our two largest markets are projected to continue to decrease. The reduced demand for premium writing paper products has also caused the paper industry to experience a number of recent bankruptcies and paper mill closures, including among our customers.

  - Our Refractories segment primarily serves the steel industry. North American and European steel production continues to be affected by global volatility and overcapacity in the market.

  - Our customers' demand for our Energy Services segment's products and services are affected by oil and natural gas production activities, which are heavily influenced by the benchmark price of these commodities. Oil and natural gas prices decreased significantly in 2014, which we expect will cause exploration companies to reduce their capital expenditures and production and exploration activities. This has the effect of decreasing the demand and increasing competition for the services we provide. In addition, oil and natural gas exploration and production activities depend heavily on the location of these natural resources within the earth's geology and geographic location as well as technologies available to profitably extract them. Thus, the performance of our Energy Services segment is affected by changes in technologies, locations of customers' targeted reserves, and competition in various geographic markets.

  - Our Construction Technologies segment's sales are predominantly derived from the commercial construction and infrastructure markets. In addition, our Processed Minerals and Specialty PCC product lines are affected by the domestic building and construction markets as well as the automotive market.

Demand for our products is subject to trends in these markets. During periods of economic slowdown, our customers often reduce their capital expenditures and defer or cancel pending projects. Such developments occur even amongst customers that are not experiencing financial difficulties. In addition, these trends could cause our customers to face liquidity issues or bankruptcy, which could deteriorate the aging of our accounts receivable, increase our bad debt exposure and possibly trigger impairment of assets or realignment of our businesses. The Company has taken steps to reduce its exposure to variations in its customers' businesses, including by diversifying its portfolio of products and services; through geographic expansion, and by structuring most 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 generally 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, there can be no assurance that these efforts will mitigate the risks of our dependence on these industries. Continued weakness in the industries we serve has had, and may in the future have, an adverse effect on sales of our products and our results of operations. A continued or renewed 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.

- ***The Company's results could be adversely affected if it is unable to effectively achieve and implement its growth initiatives.***

Sales and income growth of the Company depends upon a number of uncertain events, including the outcome of the Company's strategies of increasing its penetration into geographic markets such as the BRIC (Brazil, Russia, India, China) countries and other Asian and Eastern European countries; increasing its penetration into product markets such as the market for papercoating 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; developing, introducing and selling new products such as the FulFill® family of products for the paper industry. Difficulties, delays or failure of any of these strategies could affect the future growth rate of the Company. Our strategy also anticipates growth through future acquisitions. However, our ability to identify and consummate any future acquisitions on terms that are favorable to us may be limited by the number of attractive acquisition targets, internal demands on our resources and our ability to obtain financing. Our success in integrating newly acquired businesses will depend upon our ability to retain key personnel, avoid diversion of management's attention from operational matters, and integrate general and administrative services. In addition, future acquisitions could result in the incurrence of additional debt, costs and contingent liabilities. Integration of acquired operations may take longer, or be more costly or disruptive to our business, than originally anticipated, and it is also possible that expected synergies from future acquisitions may not materialize. We also may incur costs and divert management attention with regard to potential acquisitions that are never consummated.

- ***The acquisition of AMCOL International Corporation exposes the Company to a number of risks and uncertainties, the occurrence of any of which could materially adversely affect the Company or the future results of the combined company.***

On May 9, 2014, the Company acquired AMCOL International Corporation ("AMCOL"). The success of this acquisition will depend, in part, on our ability to realize anticipated benefits from combining the businesses of the Company and AMCOL. If we are not able to successfully integrate the businesses of the Company and AMCOL, the anticipated benefits of the proposed acquisition may not be realized fully or at all or may take longer to realize than expected. The risks and uncertainties relating to realizing the anticipated benefits of the transaction include:

- that we have incurred and may continue to incur a number of non-recurring costs associated with combining the operations of the Company and AMCOL;

- that the combined company has undergone, and is expected to continue to undergo, certain internal restructurings and reorganizations in order to realize certain potential synergies, which may affect our ability to maintain our relationships with customers and suppliers, retain key personnel, avoid diversion of management's attention from operational matters, and efficiently integrate general and administrative services; and

- that the combined company may not be able to achieve the synergies expected from the transaction, or that there may be delays in achieving any such synergies.

Any of these risks and uncertainties could have a material adverse effect on us or the future results of the combined company.

- ***Servicing the Company's debt will require a significant amount of cash. This could reduce the Company's flexibility to respond to changing business and economic conditions or fund capital expenditures or working capital needs. Our ability to generate cash depends on many factors beyond our control.***

At September 27, 2015, the Company had outstanding borrowings of $1.3 billion pursuant to our senior secured credit facility, largely to finance the acquisition of AMCOL. This financing will require a significant amount of cash to make interest payments. Further, the majority of our borrowings under our senior secured credit facility are based on LIBOR interest rates, which could result in higher interest expense in the event of an increase in interest rates. Our ability to pay interest on our debt and to satisfy our other debt obligations will depend in part upon our future financial and operating performance and upon our ability to renew or refinance borrowings. Prevailing economic conditions and financial, business, competitive, regulatory and other factors, many of which are beyond our control, will affect our ability to make these payments. We cannot guarantee that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to fund our liquidity needs. If we are unable to generate sufficient cash flow to meet our debt service obligations, we will have to pursue one or more alternatives, such as reducing or delaying capital or other expenditures, refinancing debt, selling assets, or raising equity capital. Further, the requirement to make significant interest payments may reduce the Company's flexibility to respond to changing business and economic conditions or fund capital expenditure or working capital needs and may increase the Company's vulnerability to adverse economic conditions.

- ***Our senior secured credit facility contains various covenants that limit our ability to take certain actions and our revolving credit facility, if used, also requires us to meet financial maintenance tests, failure to comply with which could have a material adverse effect on us.***

The agreement governing our senior secured credit facility contains a number of significant covenants that, among other things, limit our ability to: incur additional debt or liens, consolidate or merge with any other person, alter the business we conduct, make investments, use the proceeds of asset sales or sale/leaseback transactions, enter into hedging arrangements, pay dividends or make certain other restricted payments, create dividend or other payment restrictions with respect to subsidiaries, and enter into transactions with affiliates. In addition, our revolving credit facility, if used, requires us to comply with specific financial ratios, including a maximum net leverage ratio, under which we are required to achieve specific financial results. Our ability to comply with these provisions may be affected by events beyond our control. A breach of any of these covenants would result in a default under the agreements. In the event of any default, our lenders could elect to declare all amounts borrowed under the agreements, together with accrued interest thereon, to be due and payable. In such an event, we cannot assure you that we would have sufficient assets to pay debt then outstanding under the agreements governing our debt. Any future refinancing of the senior secured credit facility is likely to contain similar restrictive covenants.

- ***The Company's sales of PCC could be adversely affected by our failure to renew or extend long term sales contracts for our satellite operations.***

The Company's sales of PCC to paper customers are typically pursuant to long-term evergreen agreements, initially ten years in length, with paper mills where the Company operates satellite PCC plants. Sales pursuant to these contracts represent a significant portion of our worldwide Paper PCC sales, which were $454.5 million in 2014, or approximately 26% of the Company's net sales. The terms of many of these agreements have been extended or renewed in the past, often in connection with an expansion of the satellite plant. However, failure of a number of the Company's customers to renew or extend existing agreements on terms as favorable to the Company as those currently in effect, or at all, could have a substantial adverse effect on the Company's results of operations, and could also result in impairment of the assets associated with the PCC plant.

- ***The Company's sales could be adversely affected by consolidation in customer industries, principally paper, foundry and steel.***

Several consolidations in the paper industry have taken place in recent years and such consolidation could continue in the future. These consolidations could result in partial or total closure of some paper mills where the Company operates PCC satellites. Such closures would reduce the Company'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 the Company. Similarly, consolidations have occurred in the foundry and steel industries. Such consolidations in the major industries we serve concentrate purchasing power in the hands of a smaller number of manufacturers, enabling them to increase pressure on suppliers, such as the Company. This increased pressure could have an adverse effect on the Company's results of operations in the future.

- ***The Company is subject to stringent regulation in the areas of environmental, health and safety, and tax, and may incur unanticipated costs or liabilities arising out of claims for various legal, environmental and tax matters or product stewardship issues.***

The Company's operations are subject to international, federal, state and local governmental environmental, health and safety, tax and other laws and regulations. We have expended, and may be required to expend in the future, substantial funds for compliance with such laws and regulations. In addition, future events, such as changes to or modifications of interpretations of existing laws and regulations, or enforcement polices, or further investigation or evaluation of the potential environmental impacts of operations or health hazards of certain products, may affect our mining rights or give rise to additional compliance and other costs that could have a material adverse effect on the Company. Further, certain of our customers are subject to various federal and international laws and regulations relating to environmental and health and safety matters, especially our Energy Services customers who are subject to drilling permits, waste water disposal and other regulations. To the extent that these laws and regulations affecting our customers change, demand for our products and services could also change and thereby affect our financial results. State, national, and international governments and agencies have been evaluating climate-related legislation and regulation that would restrict emissions of greenhouse gases in areas in which we conduct business, and some such legislation and regulation have already been enacted or adopted. Enactment of climate-related legislation or adoption of regulation that restrict emissions of greenhouse gases in areas in which we conduct business could have an adverse effect on our operations or demand for our products. Our manufacturing processes, particularly the manufacturing process for PCC, use a significant amount of energy and, should energy prices increase as a result of such legislation or regulation, we may not be able to pass these increased costs on to purchasers of our products. We cannot predict if or when currently proposed or additional laws and regulations regarding climate change or other environmental or health and safety concerns will be enacted or adopted. Moreover, changes in tax regulation and international tax treaties could reduce the financial performance of our foreign operations.

The Company is currently a party in various litigation matters and tax and environmental proceedings and faces risks arising from various unasserted litigation matters, including, but not limited to, product liability, patent infringement, antitrust claims, and claims for third party property damage or personal injury stemming from alleged environmental torts. Failure to appropriately manage safety, human health, product liability and environmental risks associated with the Company's products and production processes could adversely impact the Company's employees and other stakeholders, the Company's reputation and its results of operations. Public perception of the risks associated with the Company's products and production processes could impact product acceptance and influence the regulatory environment in which the Company operates. While the Company has procedures and controls to manage these risks, carries liability insurance, which it believes to be appropriate to its businesses, and has provided reserves for current matters, which it believes to be adequate, an unanticipated liability, arising out of a current matter or proceeding or from the other risks described above, could have a material adverse effect on the Company's financial condition or results of operations.

- ***Delays or failures in new product development could adversely affect the Company's operations.***

The Company's future business success will depend in part upon its ability to maintain and enhance its technological capabilities, to respond to changing customer needs, and to successfully anticipate or respond to technological changes on a cost-effective and timely basis. 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 our expected results.

- ***The Company's ability to compete is dependent upon its ability to defend its intellectual property against inappropriate disclosure and infringement.***

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.

- ***The Company's operations could be impacted by the increased risks of doing business abroad.***

The Company does business in many areas internationally. Approximately 42% of our sales in 2014 were derived from outside the United States and we have significant production facilities which are located outside of the United States. We have in recent years expanded our operations in emerging markets, and we plan to continue to do so in the future, particularly in China, India, Brazil, and Eastern Europe. Some of our operations are located in areas that have experienced political or economic instability, including Indonesia, Malaysia, Nigeria, Egypt, Saudi Arabia, Brazil, Thailand, China and South Africa. As the Company expands its operations overseas, it faces increased risks of doing business abroad, including inflation, fluctuation in interest rates, changes in applicable laws and regulatory requirements, export and import restrictions, tariffs, nationalization, expropriation, limits on repatriation of funds, civil unrest, terrorism, unstable governments and legal systems, and other factors. Many of these risks are beyond our control and can lead to sudden, and potentially prolonged, changes in demand for our products, difficulty in enforcing agreements, and losses in the realizability of our assets. Adverse developments in any of the areas in which we do business could cause actual results to differ materially from historical and expected results. In addition, a significant portion of our raw material purchases and sales outside the United States are denominated in foreign currencies, and liabilities for non-U.S. operating expenses and income taxes are denominated in local currencies. Accordingly, reported sales, net earnings, cash flows and fair values have been and, in the future, will be affected by changes in foreign currency exchange rates. Our overall success as a global business depends, in part, upon our ability to succeed in differing legal, regulatory, economic, social and political conditions. We cannot assure you that we will implement policies and strategies that will be effective in each location where we do business.

- ***The Company's operations are dependent on the availability of raw materials and access to ore reserves at its mining operations. Increases in costs of raw materials, energy, or shipping could adversely affect our financial results.***

The Company depends in part on having an adequate supply of raw materials for its manufacturing operations, particularly lime and carbon dioxide for the PCC product line, and magnesia and alumina for its Refractory operations. Purchase prices and availability of these critical raw materials are subject to volatility. At any given time, we may be unable to obtain an adequate supply of these critical raw materials on a timely basis, on price and other terms, or at all. While most such raw materials are readily available, the Company purchases approximately 45% of its magnesia requirements from sources in China. The majority of magnesia requirements were purchased from other countries. The price and availability of magnesia have fluctuated in the past and they may fluctuate in the future. Price increases for certain other of our raw materials, including petrochemical products, as well as increases in energy prices, have also affected our business. Our production processes consume a significant amount of energy, primarily electricity, diesel fuel, natural gas and coal. We use diesel fuel to operate our mining and processing equipment and our freight costs are heavily dependent upon fuel prices and surcharges. Energy costs also affect the cost of raw materials. On a combined basis, these factors represent a large exposure to petrochemical and energy products which may be subject to significant price fluctuations. The contracts pursuant to which we construct and operate our satellite PCC plants generally adjust pricing to reflect the pass-through of increases in costs resulting from inflation, including energy. However, there is a time lag before such price adjustments can be implemented. The Company and its customers will typically negotiate reasonable price adjustments in order to recover these escalating costs, but there can be no assurance that we will be able to recover increasing costs through such negotiations.

The Company also depends on having adequate access to ore reserves of appropriate quality at its mining operations. There are numerous uncertainties inherent in estimating ore reserves including subjective judgments and determinations that are based on available geological, technical, contract and economic information.

The Company relies on shipping bulk cargos of bentonite from the United States, Turkey and China to customers, as well as our own subsidiaries, and we are sensitive to our ability to recover these shipping costs. In the last few years, bulk cargo shipping rates have been very volatile, and, to a lesser extent, the availability of bulk cargo containers has been suspect. If we cannot secure our container requirements or offset additional shipping costs with price increases to customers, our profitability could be impacted. We are also subject to other shipping risks. In particular, rail service interruptions have affected our ability to ship, and the availability of rail service, and our ability to recover increased rail costs, may be beyond our control.

- ***The Company operates in very competitive industries, which could adversely affect our profitability.***

The Company has many competitors. Some of our principal competitors have greater financial and other resources than we have. Accordingly, these competitors may be better able to withstand economic downturns and changes in conditions within the industries in which we operate and may have significantly greater operating and financial flexibility than we do. We also face competition for some of our products from alternative products, and some of the competition we face comes from competitors in lower-cost production countries like China and India. As a result of the competitive environment in the markets in which we operate, we currently face and will continue to face pressure on the sales prices of our products from competitors, which could reduce profit margins.

- ***Production facilities are subject to operating risks and capacity limitations that may adversely affect the Company's financial condition or results of operations.***

The Company is dependent on the continued operation of its production facilities. Production facilities are subject to hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including pipeline leaks and ruptures, explosions, fires, inclement weather and natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, and environmental risks. We maintain property, business interruption and casualty insurance but such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies. Further, from time to time, we may experience capacity limitations in our manufacturing operations. In addition, if we are unable to effectively forecast our customers' demand, it could affect our ability to successfully manage operating capacity limitations. These hazards, limitations, disruptions in supply and capacity constraints could adversely affect financial results.

- ***Operating Results for some of our segments are seasonal.***

Our Energy Services and Construction Technologies segments are affected by seasonal weather patterns. A majority of our Energy Services revenues are derived from the Gulf of Mexico and surrounding states, which are susceptible to hurricanes that typically occur June 1st through November 30th. In addition, it is affected by customers' demands for natural gas. Natural gas is affected by weather patterns as colder winters increase the demand for natural gas to heat homes and warmer summers increase the demand for natural gas to fuel generators providing electricity to run air conditioners. Actual or threatened hurricanes or changes in the demand for natural gas can result in volatile demand for services provided by our Energy Services segment. Our Construction Technologies segment is affected by weather patterns which determine the feasibility of construction activities. Typically, less construction activity occurs in winter months and thus this segment's revenues tend to be greatest in the second and third quarters when weather patterns in our geographic markets are more conducive to construction activities. Our Processed Minerals product line is subject to similar seasonal patterns.