

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant To Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 23, 2008**

**MINERALS TECHNOLOGIES INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**1-3295**

**25-1190717**

(State or other jurisdiction  
of incorporation)

(Commission File  
Number)

(IRS Employer  
Identification No.)

**405 Lexington Avenue, New York, NY**

**10174-0002**

(Address of principal executive offices)

(Zip Code)

**(212) 878-1800**

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On October 23, 2008 Minerals Technologies Inc. issued a press release regarding its financial performance for the third quarter of 2008 and the declaration of a regular quarterly dividend of \$0.05 per share on its common stock. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

The information in this Item 2.02 and Exhibit 99.1 shall not be deemed filed for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

99.1 Press Release dated October 23, 2008

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

**MINERALS TECHNOLOGIES INC.**  
(Registrant)

By: /s/ Kirk G. Forrest

Name: Kirk G. Forrest

Title: Vice President, General Counsel and  
Secretary

Date: October 23, 2008

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**MINERALS TECHNOLOGIES INC.**

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Subject Matter</b>
99.1	Press Release dated October 23, 2008

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# News

For Immediate Release  
October 23, 2008

Contact:  
Rick Honey  
(212) 878-1831

**MINERALS TECHNOLOGIES REPORTS THIRD QUARTER EARNINGS  
PER SHARE FROM CONTINUING OPERATIONS OF \$0.85, INCLUDING  
RESTRUCTURING CHARGES OF \$0.17 PER SHARE**

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*Board Declares Regular Quarterly Dividend of \$0.05 per Share*  
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Highlights:

- Earnings per Share were \$1.00 on Sales of \$295 million.
- Annualized rate of Return on Capital for the third quarter was 9.4 percent.
- Income from operations, excluding special items, decreased 6 percent from second quarter, but grew 17 percent over prior year.
- Sequentially, excluding special items, net income for the third quarter increased 3 percent over the second quarter.

NEW YORK, October 23 - Minerals Technologies Inc. (NYSE: MTX) today reported third quarter diluted earnings per common share of \$1.00 compared with a loss of \$5.47 in the third quarter of 2007 when the company announced a major restructuring program. Earnings per share from continuing operations were \$0.85 in the third quarter and include restructuring charges of \$0.17 per share. Earnings per share from discontinued operations were \$0.15 for the quarter primarily due to a gain on the sale of an idle facility. Excluding special items, earnings were \$1.06 per share in the third quarter as compared with \$0.69 per share in the prior year. Net income for the quarter, excluding special items, increased 50 percent to \$20.1 million compared with \$13.4 million in the third quarter of 2007.

Sequentially, excluding special items, net income for the third quarter increased 3 percent from \$19.5 million in the second quarter.

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"The company delivered a solid performance in a difficult market environment. In particular, we achieved a 9.4 percent annualized rate of Return on Capital for the third quarter," said Joseph C. Muscari, chairman and chief executive officer. "Looking at our end markets, we saw continued contraction in the worldwide paper industry and increased weakness in the construction and automotive industries. Our Refractory segment, however, held up well during the quarter and was in line with steel production, which, however, has since declined."

The company's worldwide sales in the third quarter increased 11 percent to \$294.9 million compared to \$266.5 million in the previous year. This sales growth was primarily due to increased pricing necessitated by higher raw material costs and to foreign exchange. Income from operations, excluding special items, increased 17 percent in the third quarter to \$28.0 million compared with \$24.0 million in the prior year.

Sequentially, income from operations, excluding special items, decreased 6 percent from the second quarter of 2008.

The Specialty Minerals segment's worldwide sales in the third quarter increased 4 percent to \$186.7 million from \$179.5 million in the prior year. Income from operations, excluding special items, in the third quarter of 2008 decreased 9 percent to \$16.8 million compared with \$18.5 million in the prior year. This decline occurred in both the PCC and Processed Minerals product lines.

Sequentially, income from operations, excluding special items, decreased 17 percent from the second quarter of 2008.

Worldwide sales of PCC, which is used primarily in the manufacturing processes of the paper industry, were \$157.2 million, a 5-percent gain over the \$150.3 million reported in the third quarter of 2007. This growth was attributable to foreign currency and to increased selling prices from the pass-through to customers of raw material cost increases. Worldwide unit volumes of Paper PCC were down approximately 3 percent from the third quarter of last year.

Sequentially, Paper PCC volumes were down 2 percent from the second quarter of 2008.

There has been a slowdown in demand for printing and writing papers in North America and Europe, which has resulted in paper mill and paper machine shutdowns.

In the Processed Minerals product line, third quarter sales increased 1 percent to \$29.5

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million from \$29.2 million in the same quarter of last year, due primarily to price increases. This product line continues to be affected by the weakness in the residential and commercial construction markets as well as the automotive market. As a result, volumes have declined 10% from the prior year. Sequentially, volumes were down 5 percent from the second quarter of 2008.

In the company's Refractories segment, sales for the third quarter were \$108.2 million, a 24-percent increase from \$87.0 million recorded in the third quarter of 2007. Income from operations, excluding special items, in the third quarter of 2008 was \$11.6 million compared with \$5.5 million during the same period last year.

Sequentially, income from operations, excluding special items, increased 20 percent from the second quarter of 2008.

Sales of refractory products and systems for the steel market and other industrial uses increased 25 percent in the third quarter to \$86.7 million from \$69.5 million in the same period last year. This increase was attributable to increased selling prices necessitated by significant raw materials cost increases and to the favorable effects of currency. Sales in the metallurgical product line increased 23 percent to \$21.5 million from \$17.5 million in the third quarter of 2007. This increase was primarily the result of strong steel demand in North America.

#### Nine Months Results

The company's net income for the first nine months was a record \$59.6 million compared with a net loss of \$80.3 million for the same period in the prior year. Diluted earnings per share for the nine months were \$3.12 compared to a loss of \$4.19 per share for the first nine months in 2007. Earnings per share from continuing operations were \$2.71 compared with a loss of \$2.24 per share in the prior year. Earnings from discontinued operations were \$0.41 for the first nine months of 2008 and include gains on the sale of three idle facilities of approximately \$0.35 per share. This compares to a loss of \$1.95 for the same period in 2007. Excluding special items, earnings were \$3.03 per share in 2008 as compared with \$1.99 per share in the prior year.

Minerals Technologies' worldwide sales for the first nine months of 2008 increased 9 percent to \$872.2 million from \$803.5 million in the same period last year. The sales growth was primarily attributable to increased pricing and to foreign exchange. Operating income, excluding special items, for the nine months increased 17 percent to \$86.2 million compared with \$73.6

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million in the prior year.

The Specialty Minerals segment's worldwide sales for the first nine months of 2008 were up 4 percent to \$556.6 million from \$536.3 million for the same period in 2007. Specialty Minerals income from operations, excluding special items, was \$56.5 million for the first nine months of 2008 compared with \$52.9 million in the prior year.

The Refractories segment's sales for the first nine months of 2008 were \$315.6 million compared to \$267.2 million in the previous year, an 18-percent increase. For the nine months, Refractories segment's operating income, excluding special items, was \$30.4 million compared with \$20.7 million in the prior year.

"Our performance for the first three-quarters of 2008 is the direct result of the fundamental changes we announced a year ago. We eliminated certain product lines, reduced expenses and placed tighter controls on capital," said Mr. Muscari. "Those changes have better positioned us to face the significant challenges we are now confronting as we move through the fourth quarter and into 2009. Market and economic conditions going forward have become much more uncertain; but we now have a stronger platform and continue to have a solid balance sheet from which to operate."

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The company also declared a regular quarterly dividend of \$0.05 per share on its common stock. The dividend is payable on December 12, 2008 to stockholders of record on November 5, 2008.

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*Minerals Technologies has scheduled an analyst conference call for Friday, October 24, 2008 at 11:00 a.m. to discuss operating results for the third quarter. The conference call will be broadcast over the company's website, www.mineralstech.com.*

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This press release may contain forward-looking statements, which describe or are based on current expectations; in particular, statements of anticipated changes in the business environment in which the company operates and in the company's future operating results.

Actual results may differ materially from these expectations. In addition, any statements that are not historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "estimates," and similar expressions) should also be considered to be forward-looking statements. The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this document should be evaluated together with the many uncertainties that affect our businesses, particularly those mentioned in the risk factors and other cautionary statements in our 2007 Annual Report on Form 10-K and in our other reports filed with the Securities and Exchange Commission.

CONSOLIDATED STATEMENTS OF INCOME  
MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES  
(in thousands, except per share data)

(unaudited)

	Quarter Ended			% Growth		Nine Months Ended		% Growth
	Sept 28,	June 29,	Sept 30,	Prior Year	Prior Qtr.	Sept 28,	Sept 30,	Prior Year
	2008	2008	2007			2008	2007	
Net sales	\$ 294,917	\$ 299,794	\$ 266,548	11%	-2%	\$ 872,231	\$ 803,463	9%
Cost of goods sold	<u>235,482</u>	<u>237,512</u>	<u>210,203</u>	<u>12%</u>	<u>-1%</u>	<u>689,779</u>	<u>630,484</u>	<u>9%</u>
Production margin	59,435	62,282	56,345	5%	(5)%	182,452	172,979	5%
Marketing and administrative expenses	26,009	26,590	25,630	1%	(2)%	78,639	79,099	(1)%
Research and development expenses	5,433	6,014	6,689	(19)%	(10)%	17,567	20,217	(13)%
Restructuring and other charges	5,013	899	12,150	*	458%	7,344	12,150	
Impairment of assets	<u>0</u>	<u>0</u>	<u>94,070</u>	<u>±</u>	<u>±</u>	<u>0</u>	<u>94,070</u>	<u>±</u>
Income (loss) from operations	22,980	28,779	(82,194)	*	(20)%	78,902	(32,557)	*
Non-operating income (deductions) - net	<u>285</u>	<u>(724)</u>	<u>(1,309)</u>	<u>±</u>	<u>±</u>	<u>(1,953)</u>	<u>(5,737)</u>	<u>(66)%</u>
Income (loss) before provision for taxes on income, minority interests and discontinued operations	23,265	28,055	(83,503)	*	(17)%	76,949	(38,294)	*
Provision (benefit) for taxes on income	6,329	8,653	(12,250)	*	(27)%	22,927	2,558	796%
Minority interests	<u>879</u>	<u>713</u>	<u>490</u>	<u>79%</u>	<u>23%</u>	<u>2,445</u>	<u>2,161</u>	<u>13%</u>
Income (loss) from continuing operations	16,057	18,689	(71,743)	*	(14)%	51,577	(43,013)	*
Income (loss) from discontinued operations, net of tax	<u>2,951</u>	<u>4,646</u>	<u>(33,728)</u>	<u>±</u>	<u>±</u>	<u>7,973</u>	<u>(37,263)</u>	<u>±</u>
Net income (loss)	\$ <u>19,008</u>	\$ <u>23,335</u>	\$ <u>(105,471)</u>	<u>±</u>	<u>(19)%</u>	\$ <u>59,550</u>	\$ <u>(80,276)</u>	<u>±</u>
* Percentage not meaningful								
Weighted average number of common shares outstanding:								
Basic	18,859	18,937	19,273			18,957	19,172	
Diluted	18,962	19,065	19,273			19,064	19,172	
Earnings per share:								
Basic:								
Income from continuing operations	\$ 0.85	\$ 0.99	\$ (3.72)	*	(14)%	\$ 2.72	\$ (2.24)	*
Income (loss) from discontinued operations	<u>0.16</u>	<u>0.24</u>	<u>(1.75)</u>	<u>±</u>	<u>±</u>	<u>0.42</u>	<u>(1.95)</u>	<u>±</u>
Basic earnings per share	\$ <u>1.01</u>	\$ <u>1.23</u>	\$ <u>(5.47)</u>	<u>±</u>	<u>(18)%</u>	\$ <u>3.14</u>	\$ <u>(4.19)</u>	<u>±</u>
Diluted:								
Income from continuing operations	\$ 0.85	\$ 0.98	\$ (3.72)	*	(13)%	\$ 2.71	\$ (2.24)	*
Income (Loss) from discontinued operations	<u>0.15</u>	<u>0.24</u>	<u>(1.75)</u>	<u>±</u>	<u>±</u>	<u>0.41</u>	<u>(1.95)</u>	<u>±</u>
Diluted earnings per share	\$ <u>1.00</u>	\$ <u>1.22</u>	\$ <u>(5.47)</u>	<u>±</u>	<u>(16)%</u>	\$ <u>3.12</u>	\$ <u>(4.19)</u>	<u>±</u>

Cash dividends declared per common share \$ 0.05 \$ 0.05 \$ 0.05 \$ 0.15 \$ 0.15

**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**

**NOTES TO CONSOLIDATED STATEMENTS OF INCOME**

- 1) For the periods ended September 28, 2008 and September 30, 2007.
- 2) Sales increased in the United States 6% in the third quarter and 5% for the first nine months of 2008 as compared with the comparable periods of the prior year. International sales increased 16% in the third quarter and 13% for the first nine months as compared with the comparable periods of the prior year.
- 3) In the third quarter of 2007, the Company initiated a plan to realign its operations as a result of an in-depth strategic review of all of its operations. This realignment resulted in impairment of assets charges and restructuring charges in the third quarter of 2007 as follows:

Impairment of assets charges	
Paper PCC	\$ 65.3
Specialty PCC	<u>12.7</u>
Total PCC	78.0
Processed Minerals	<u>1.3</u>
Specialty Minerals Segment	79.3
Refractories Segment	<u>14.8</u>
Consolidated	\$ <u>94.1</u>

Restructuring and other costs	
Severance and other employee benefits	\$ 9.2
Contract termination costs	2.3
Other exit costs	<u>0.6</u>
	\$ <u>12.1</u>

Additional restructuring charges recorded in the third quarter and first nine months of 2008 associated with this realignment were as follows (millions of dollars):

	Third Quarter	Second Quarter	First Nine Months 2008
Restructuring and other costs	\$ 0.3	\$ 0.9	\$ 2.1
Severance and other employee benefits	4.7	0.0	4.7
Pension settlement loss	0.0	0.0	0.5
Other exit costs	\$ 5.0	\$ 0.9	\$ 7.3

As a result of the workforce reduction associated with the restructuring program and the related distribution of pension benefits, the Company recognized a pension settlement loss of \$4.7 million in the third quarter of 2008 related to its defined benefit plan in the U.S. in accordance with SFAS 88.

- 4) To supplement the Company's consolidated financial statements presented in accordance with GAAP, the following is a presentation of the Company's non-GAAP income (loss), excluding special items, for the three month and nine month periods ended September 28, 2008 and September 30, 2007, respectively and for the three-month period ended June 29, 2008. The Company's management believe these non-GAAP measures provide meaningful supplemental information regarding its performance as inclusion of such special items are not indicative of the ongoing operating results and thereby affect the comparability of results between periods. The Company feels inclusion of these non-GAAP measures also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends.

	Three Months Ended			Nine Months Ended	
	Sept 28, 2008	June 29, 2008	Sept 30, 2007	Sept 28, 2008	Sept 30, 2007
Net Income (loss), as reported	\$ 19.0	\$ 23.3	\$ (105.5)	\$ 59.6	\$ (80.3)
Special items:					
Inventory writedowns included in cost of goods sold	0	0	1.4	0	1.4
Impairment of long-lived assets	0	0	140.9	0	140.9
Restructuring and other costs	5.4	0.7	14.3	7.4	14.3
Gain on sale of assets	(3.7)	(6.5)	0.0	(10.2)	0.0
Related tax effects on special items	(0.6)	2.0	(37.5)	1.0	(37.5)
Reverse minority interest portion of impairment charge	0	0	(0.2)	0	(0.2)
Net income, excluding special items	\$ 20.1	\$ 19.5	\$ 13.4	\$ 57.8	\$ 38.6
Basic earnings per share, excluding special items	\$ 1.07	\$ 1.03	\$ 0.70	\$ 3.05	\$ 2.01
Diluted earnings per share, excluding special items	\$ 1.06	\$ 1.02	\$ 0.69	\$ 3.03	\$ 1.99

- 5) During the fourth quarter of 2007, the Company exited its Synsil® Products product line and reclassified such operations as discontinued. In addition, the Company reclassified to discontinued operations its two Midwest plants located in Mt. Vernon, Indiana and Wellsville, Ohio. All assets held are classified as held for disposal as of September 28, 2008 and December 31, 2007. The following table details selected financial information for the businesses included within discontinued operations in the Consolidated Statements of Income (millions of dollars):

	Three Months Ended			Nine Months Ended	
	Sept 28, 2008	June 29, 2008	Sept 30, 2007	Sept 28, 2008	Sept 30, 2007
Net sales	\$ 6.0	\$ 6.4	\$ 7.7	\$ 18.7	\$ 23.8

Production margin	1.5	0.7	(2.2)	3.0	(5.3)
Total expenses	0.2	0.2	1.0	0.6	3.3
Restructuring charges (reversals)	0.4	(0.2)	2.1	0.1	2.1
Impairment of assets	<u>0.0</u>	<u>0.0</u>	<u>46.9</u>	<u>0.0</u>	<u>46.9</u>
Income (loss) from operations	0.9	0.7	(52.2)	2.3	(57.6)
Provision for taxes on income	<u>0.3</u>	<u>0.3</u>	<u>(18.5)</u>	<u>0.9</u>	<u>(20.3)</u>
Income (loss) from operations, net of tax	0.6	0.4	(33.7)	1.4	(37.3)
Pre-tax gains on sales of discontinued business	3.7	6.5	0.0	10.2	0.0
Provision for taxes on gains	<u>1.3</u>	<u>2.3</u>	<u>0.0</u>	<u>3.6</u>	<u>0.0</u>
Income (loss) from discontinued operations, net of tax	\$ <u>3.0</u>	\$ <u>4.6</u>	\$ <u>(33.7)</u>	\$ <u>8.0</u>	\$ <u>(37.3)</u>

6) The following table reflects the components of non-operating income and deductions (thousands of dollars):

	Three Months Ended		Nine Months Ended		
	Sept 28,	June 29,	Sept 30,	Sept 28,	Sept 30,
	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Interest income	\$ 1.5	1.0	\$ 0.7	\$ 3.6	\$ 1.8
Interest expense	(1.2)	(1.1)	(2.0)	(3.8)	(7.2)
Foreign exchange gains (losses)	0.3	(0.3)	0.0	(0.8)	(0.1)
Other deductions	<u>(0.3)</u>	<u>(0.3)</u>	<u>0.0</u>	<u>(0.9)</u>	<u>(0.2)</u>
Non-operating income (deductions), net	\$ <u>0.3</u>	<u>(0.2)</u>	\$ <u>(1.3)</u>	\$ <u>(1.9)</u>	\$ <u>(5.2)</u>

7) The results of operations for the interim period ended September 28, 2008 are not necessarily indicative of the results that ultimately might be achieved for the current year.

8) The analyst conference call to discuss operating results for the third quarter is scheduled for Friday, October 24, 2008 at 11:00 a.m. and will be broadcast over the Company's website (www.mineralstech.com). The broadcast will remain on the Company's website for no less than one year.

**SUPPLEMENTARY DATA**  
**MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES**  
(millions of dollars)  
(unaudited)

SALES DATA	Quarter Ended			% Growth		Nine Months Ended		% Growth
	Sept 28, 2008	June 29, 2008	Sept 30, 2007	Prior Year	Prior Qtr.	Sept 28, 2008	Sept 30, 2007	Prior Year
United States	\$ 154.2	\$ 158.3	\$ 144.8	6%	(3)%	\$ 461.0	\$ 438.4	5%
International	<u>140.7</u>	<u>141.5</u>	<u>121.7</u>	<u>16%</u>	<u>(1)%</u>	<u>411.2</u>	<u>365.1</u>	13%
Net Sales	\$ <u>294.9</u>	\$ <u>299.8</u>	\$ <u>266.5</u>	<u>11%</u>	<u>(2)%</u>	\$ <u>872.2</u>	\$ <u>803.5</u>	9%
Paper PCC	\$ 141.7	\$ 142.2	\$ 134.9	5%	(0)%	\$ 421.7	\$ 402.4	5%
Specialty PCC	<u>15.5</u>	<u>15.8</u>	<u>15.4</u>	<u>1%</u>	<u>(2)%</u>	<u>46.6</u>	<u>46.0</u>	1%
PCC Products	\$ <u>157.2</u>	\$ <u>158.0</u>	\$ <u>150.3</u>	<u>5%</u>	<u>(1)%</u>	\$ <u>468.3</u>	\$ <u>448.4</u>	4%
Talc	\$ 9.8	\$ 9.5	\$ 9.3	5%	3%	\$ 28.5	\$ 28.4	0%
Ground Calcium Carbonate	<u>19.7</u>	<u>21.6</u>	<u>19.9</u>	<u>(1)%</u>	<u>(9)%</u>	<u>59.8</u>	<u>59.5</u>	1%
Processed Minerals Products	\$ <u>29.5</u>	\$ <u>31.1</u>	\$ <u>29.2</u>	<u>1%</u>	<u>(5)%</u>	\$ <u>88.3</u>	\$ <u>87.9</u>	0%
Specialty Minerals Segment	\$ <u>186.7</u>	\$ <u>189.1</u>	\$ <u>179.5</u>	<u>4%</u>	<u>(1)%</u>	\$ <u>556.6</u>	\$ <u>536.3</u>	4%
Refractory products	\$ 86.7	\$ 89.8	\$ 69.5	25%	(3)%	\$ 255.6	\$ 214.3	19%
Metallurgical Products	<u>21.5</u>	<u>20.9</u>	<u>17.5</u>	<u>23%</u>	<u>3%</u>	<u>60.0</u>	<u>52.9</u>	13%
Refractories Segment	\$ <u>108.2</u>	\$ <u>110.7</u>	\$ <u>87.0</u>	<u>24%</u>	<u>(2)%</u>	\$ <u>315.6</u>	\$ <u>267.2</u>	18%
Net Sales	\$ <u>294.9</u>	\$ <u>299.8</u>	\$ <u>266.5</u>	<u>11%</u>	<u>(2)%</u>	\$ <u>872.2</u>	\$ <u>803.5</u>	9%

**SEGMENT OPERATING INCOME DATA**

Specialty Minerals Segment	\$ <u>13.5</u>	\$ <u>20.1</u>	\$ <u>(70.7)</u>	*	(33)%	\$ <u>51.9</u>	\$ <u>(36.3)</u>	
Refractories Segment	\$ <u>9.9</u>	\$ <u>8.9</u>	\$ <u>(11.5)</u>	*	11%	\$ <u>27.7</u>	\$ <u>3.7</u>	
Unallocated Corporate Expenses	\$ <u>(0.4)</u>	\$ <u>(0.2)</u>	\$ <u>0.0</u>	*	100%	\$ <u>(0.7)</u>	\$ <u>0.0</u>	
Consolidated	\$ <u>23.0</u>	\$ <u>28.8</u>	\$ <u>(82.2)</u>	*	(20)%	\$ <u>78.9</u>	\$ <u>(32.6)</u>	

**SEGMENT RESTRUCTURING and  
IMPAIRMENT COSTS**

Specialty Minerals Segment	\$ <u>3.3</u>	\$ <u>0.1</u>	\$ <u>89.2</u>	*	*	\$ <u>4.6</u>	\$ <u>89.2</u>	
Refractories Segment	\$ <u>1.7</u>	\$ <u>0.8</u>	\$ <u>17.0</u>	*	*	\$ <u>2.7</u>	\$ <u>17.0</u>	
Consolidated	\$ <u>5.0</u>	\$ <u>0.9</u>	\$ <u>106.2</u>	*	*	\$ <u>7.3</u>	\$ <u>106.2</u>	

To supplement the Company's consolidated financial statements presented in accordance with GAAP, the following is a presentation of the Company's non-GAAP operating income, excluding special items, for the three month and nine month periods ended September 28, 2008 and September 30, 2007, respectively, and for the three-month period ended June 29, 2008. The Company's management believe these non-GAAP measures provide meaningful supplemental information regarding its performance as inclusion Company of such special items are not indicative of the ongoing operating results and thereby affect the comparability of results between periods. The Company feels inclusion of these non-GAAP measures also provides consistency in its financial reporting and facilitates investors' understanding of historic operating trends.

SEGMENT OPERATING INCOME, EXCLUDING SPECIAL ITEMS	Quarter Ended			% Growth		Nine Months Ended		% Growth
	Sept 28, 2008	June 29, 2008	Sept 30, 2007	Prior Year	Prior Qtr.	Sept 28, 2008	Sept 30, 2007	Prior Year
Specialty Minerals Segment	\$ <u>16.8</u>	\$ <u>20.2</u>	\$ <u>18.5</u>	(9)%	(17)%	\$ <u>56.5</u>	\$ <u>52.9</u>	7%
Refractories Segment	\$ <u>11.6</u>	\$ <u>9.7</u>	\$ <u>5.5</u>	111%	20%	\$ <u>30.4</u>	\$ <u>20.7</u>	47%
Consolidated	\$ <u>28.0</u>	\$ <u>29.7</u>	\$ <u>24.0</u>	17%	(6)%	\$ <u>86.2</u>	\$ <u>73.6</u>	17%

## ASSETS

(In Thousands of Dollars)

	Sept 28, <u>2008*</u>	December 31, <u>2007**</u>
Current assets:		
Cash & cash equivalents	\$ 151,115	\$ 128,985
Short-term investments	14,758	9,697
Accounts receivable, net	209,234	180,868
Inventories	136,631	103,373
Prepaid expenses and other current assets	22,960	22,773
Assets held for disposal	<u>19,571</u>	<u>27,614</u>
Total current assets	554,269	473,310
Property, plant and equipment	1,362,118	1,351,843
Less accumulated depreciation	<u>906,265</u>	<u>862,457</u>
Net property, plant & equipment	455,853	489,386
Goodwill	70,643	71,964
Prepaid pension costs	39,947	53,667
Other assets and deferred charges	<u>34,150</u>	<u>40,566</u>
Total assets	\$ <u>1,154,862</u>	\$ <u>1,128,893</u>

## LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Short-term debt	\$ 14,522	\$ 9,518
Current maturities of long-term debt	371	7,210
Accounts payable	72,370	66,084
Restructuring liabilities	3,867	14,479
Other current liabilities	66,998	65,057
Liabilities of assets held for disposal-current	<u>1,382</u>	<u>4,801</u>
Total current liabilities	159,510	167,149
Long-term debt	101,221	111,006
Other non-current liabilities	<u>116,424</u>	<u>99,565</u>
Total liabilities	377,155	377,720
Total shareholders' equity	<u>777,707</u>	<u>751,173</u>
Total liabilities and shareholders' equity	\$ <u>1,154,862</u>	\$ <u>1,128,893</u>



\* Unaudited.

\*\* Condensed from audited financial statements.