

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 April 1, 2012

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
(State or other jurisdiction of
incorporation or organization)

25-1190717
(I.R.S. Employer
Identification No.)

622 Third Avenue, New York, New York 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 April 13, 2012
Common Stock, \$0.10 par value	17,748,531



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)

(thousands, except per share data)	Three Months Ended	
	April 1, 2012	April 3, 2011
Net sales	\$ 257,138	\$ 262,520
Cost of goods sold	202,201	209,578
Production margin	54,937	52,942
Marketing and administrative expenses	22,898	23,129
Research and development expenses	5,047	4,869
Restructuring and other costs	0	230
Income from operations	26,992	24,714
Non-operating deductions, net	(598)	(837)
Income from continuing operations before provision for taxes	26,394	23,877
Provision for taxes on income	7,786	7,187
Consolidated net income	18,608	16,690
Less: Net income attributable to non-controlling interests	576	909
Net income attributable to Minerals Technologies Inc. (MTI)	\$ 18,032	\$ 15,781
Earnings per share:		
Basic	\$ 1.02	\$ 0.86
Diluted	\$ 1.01	\$ 0.86
Cash dividends declared per common share	\$ 0.05	\$ 0.05
Shares used in computation of earnings per share:		
Basic	17,718	18,276
Diluted	17,800	18,415

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(thousands of dollars)	Three Months Ended	
	April 1, 2012	April 3, 2011
Consolidated net income	\$ 18,608	\$ 16,690
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	9,099	16,992
Pension and postretirement plan adjustments	1,821	1,059
Cash flow hedges:		
Net derivative losses arising during the period	(534)	(942)
Comprehensive income	28,994	33,799
Comprehensive income attributable to		
non-controlling interest	(943)	(1,803)
Comprehensive income attributable to MTI	\$ 28,051	\$ 31,996

See accompanying Notes to Condensed Consolidated Financial Statements.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(thousands of dollars)	ASSETS	April 1, 2012*	December 31, 2011**
Current assets:			
Cash and cash equivalents		\$ 415,005	\$ 395,152
Short-term investments, at cost which approximates market		20,302	18,494
Accounts receivable, net		198,131	194,317
Inventories		89,556	90,760
Prepaid expenses and other current assets		20,531	21,566
Total current assets		<u>743,525</u>	<u>720,289</u>
Property, plant and equipment, less accumulated depreciation and depletion – April 1, 2012- \$948,112; December 31, 2011 - \$930,515		316,644	318,134
Goodwill		65,788	64,671
Other assets and deferred charges		60,794	61,861
Total assets		<u>\$ 1,186,751</u>	<u>\$ 1,164,955</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt		\$ 5,494	\$ 5,846
Current maturities of long-term debt		8,555	8,552
Accounts payable		106,979	103,354
Restructuring liabilities		801	1,411
Other current liabilities		52,650	61,739
Total current liabilities		<u>174,479</u>	<u>180,902</u>
Long-term debt		85,455	85,449
Accrued Pension and Post-Retirement Benefits		98,598	97,318
Other non-current liabilities		30,389	33,266
Total liabilities		<u>388,921</u>	<u>396,935</u>
Shareholders' equity:			
Common stock		2,923	2,913
Additional paid-in capital		337,013	335,134
Retained earnings		980,275	963,130
Accumulated other comprehensive loss		(35,312)	(45,331)
Less common stock held in treasury		(514,234)	(514,234)
Total MTI shareholders' equity		<u>770,665</u>	<u>741,612</u>
Non-controlling interest		27,165	26,408
Total shareholders' equity		<u>797,830</u>	<u>768,020</u>
Total liabilities and shareholders' equity		<u>\$ 1,186,751</u>	<u>\$ 1,164,955</u>

* 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)

(thousands of dollars)	Three Months Ended	
	April 1, 2012	April 3, 2011
Operating Activities:		
Consolidated net income	\$ 18,608	\$ 16,690
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	13,026	14,688
Payments relating to restructuring activities	(620)	(833)
Other non-cash items	1,874	1,653
Net changes in operating assets and liabilities	(8,168)	(13,136)
Net cash provided by operating activities	24,720	19,062
Investing Activities:		
Purchases of property, plant and equipment	(9,354)	(8,205)
Proceeds from sale of short-term investments	1,484	2,764
Purchases of short-term investments	(2,583)	(4,336)
Net cash used in investing activities	(10,453)	(9,777)
Financing Activities:		
Proceeds from issuance of long-term debt	--	1,596
Net issuance (repayment) of short-term debt	(593)	80
Purchase of common shares for treasury	--	(9,793)
Proceeds from issuance of stock under option plan	2,084	3,902
Cash dividends paid	(887)	(914)
Net cash provided by (used in) financing activities	604	(5,129)
Effect of exchange rate changes on cash and cash equivalents	4,982	8,821
Net increase in cash and cash equivalents	19,853	12,977
Cash and cash equivalents at beginning of period	395,152	367,827
Cash and cash equivalents at end of period	\$ 415,005	\$ 380,804
Supplemental disclosure of cash flow information:		
Interest paid	\$ 158	\$ 51
Income taxes paid	\$ 10,583	\$ 8,752

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

The accompanying unaudited condensed consolidated financial statements have been prepared by management in accordance with the rules and regulations of the United States Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with 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, 2011. In the opinion of management, all adjustments, consisting solely of normal recurring adjustments necessary for a fair presentation of the financial information for the periods indicated, have been included. The results for the three-month period ended April 1, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012.

Note 2. Summary of Significant Accounting Policies*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, allowance for doubtful accounts, valuation of inventories, valuation of long-lived assets, goodwill and other intangible assets, pension plan assumptions, income tax, income tax valuation allowances, and litigation and environmental liabilities. Actual results could differ from those estimates.

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 dilutive potential common shares outstanding.

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

	Three Months Ended	
	April 1, 2012	April 3, 2011
Basic EPS (in millions, except per share data)		
Net income attributable to MTI	\$ <u>18.0</u>	\$ <u>15.8</u>
Weighted average shares outstanding	<u>17.7</u>	<u>18.3</u>
Basic earnings per share attributable to MTI	\$ <u>1.02</u>	\$ <u>0.86</u>
Diluted EPS (in millions, except per share data)		
Net income attributable to MTI	\$ <u>18.0</u>	\$ <u>15.8</u>
Weighted average shares outstanding	17.7	18.3
Dilutive effect of stock options and stock units	<u>0.1</u>	<u>0.1</u>
Weighted average shares outstanding, adjusted	\$ <u>17.8</u>	\$ <u>18.4</u>
Diluted earnings per share attributable to MTI	\$ <u>1.01</u>	\$ <u>0.86</u>

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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The weighted average diluted common shares outstanding for the three-months periods ended April 1, 2012 and April 3, 2011 excludes the dilutive effect of 128,943 and 124,863 options, respectively, as such options had an exercise price in excess of the average market value of the Company's common stock during such period.

Note 4. Income Taxes

As of April 1, 2012, the Company had approximately \$4.1 million of total unrecognized income tax benefits. Included in this amount were a total of \$2.5 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, we do 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 during the first three months of 2012, and had an accrued balance of \$0.7 million of interest and penalties as of April 1, 2012.

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 U.S. federal, state, local, and international income tax examinations by tax authorities for years prior to 2006.

Note 5. Inventories

The following is a summary of inventories by major category:

(millions of dollars)	April 1, 2012	December 31, 2011
Raw materials	\$ 36.6	\$ 38.5
Work-in-process	5.9	6.0
Finished goods	26.7	26.1
Packaging and supplies	20.4	20.2
Total inventories	\$ 89.6	\$ 90.8

Note 6. Goodwill and Other Intangible Assets

Goodwill and other intangible assets with indefinite lives are not amortized, but instead are tested for impairment, at least annually. The carrying amount of goodwill was \$65.8 million and \$64.7 million as of April 1, 2012 and December 31, 2011, respectively. The net change in goodwill since December 31, 2011 was attributable to the effect of foreign exchange.

Acquired intangible assets subject to amortization as of April 1, 2012 and December 31, 2011 were as follows:

(millions of dollars)	April 1, 2012		December 31, 2011	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Patents and trademarks	\$ 6.2	3.9	6.2	4.0
Customer lists	2.7	1.4	2.7	1.5
	\$ 8.9	5.3	8.9	5.5

The weighted average amortization period for acquired intangible assets subject to amortization is approximately 15 years. Estimated amortization expense is \$0.6 million for each of the next five years through 2016.

Also included in other assets and deferred charges is an intangible asset of approximately \$0.6 million which represents the non-current unamortized amount paid to a customer in connection with contract extensions at seven

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
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PCC satellite facilities. The current portion of \$0.5 million is included in prepaid expenses and other current assets. Such amounts will be amortized as a reduction of sales over the remaining lives of the customer contracts. Approximately \$0.2 million was amortized in the first quarter of 2012. Estimated amortization as a reduction of sales is as follows: remainder of 2012 - \$0.2 million; 2013 - \$0.4 million; 2014 - \$0.4 million; 2015 - \$0.1 million.

Note 7. Restructuring Costs

2007 Restructuring Program

In the third quarter of 2007, as a result of a change in management and deteriorating financial performance, the Company conducted an in-depth review of all its operations and developed a new strategic focus. The Company initiated a plan to realign its business operations to improve profitability and increase shareholder value by exiting certain businesses and consolidating some product lines. The restructuring resulted in a total workforce reduction of approximately 250, which has been completed.

A reconciliation of the restructuring liability for this program, as of April 1, 2012, is as follows:

(millions of dollars)	Balance as of December 31, 2011	Additional Provisions	Cash Expenditures	Balance as of April 1, 2012
Contract termination costs	0.8	--	(0.3)	0.5
	<u>\$ 0.8</u>	<u>\$ --</u>	<u>\$ (0.3)</u>	<u>\$ 0.5</u>

Approximately \$0.3 million in payments were made in the first quarter of 2012. The remaining restructuring liability of \$0.5 million will be funded from cash flows from operations in 2012 and 2013.

2009 Restructuring Program

In the second quarter of 2009, the Company initiated a program to improve efficiencies through the consolidation of manufacturing operations and reduction of costs.

The restructuring program reduced the workforce by approximately 200 employees worldwide. This reduction in force relates to plant consolidations as well as a streamlining of the corporate and divisional management structures to operate more efficiently. This program has been completed.

A reconciliation of the restructuring liability for this program, as of April 1, 2012, is as follows:

(millions of dollars)	Balance as of December 31, 2011	Additional Provisions	Cash Expenditures	Balance as of April 1, 2012
Severance and other employee benefits	0.1	--	(0.1)	--
	<u>\$ 0.1</u>	<u>\$ --</u>	<u>\$ (0.1)</u>	<u>\$ --</u>

Other Restructuring

In the fourth quarter of 2011, the Company recorded restructuring charges related to the shutdown of its Anjalankoski, Finland satellite facility in connection with the announced closure of the paper mill at that location.

A reconciliation of other restructuring liabilities as of April 1, 2012, is as follows:

(millions of dollars)	Balance as of December 31, 2011	Additional Provisions	Cash Expenditures	Balance as of April 1, 2012
Severance and other employee benefits	\$ 0.5	\$	\$ (0.2)	\$ 0.3
	<u>\$ 0.5</u>	<u>\$</u>	<u>\$ (0.2)</u>	<u>\$ 0.3</u>

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Approximately \$0.2 million in payments were made in the first quarter of 2012. The remaining restructuring liability of \$0.3 million will be funded from cash flows from operations in 2012.

Note 8. Long-Term Debt and Commitments

The following is a summary of long-term debt:

(millions of dollars)	April 1, 2012	December 31, 2011
5.53% Series 2006A Senior Notes		
Due October 5, 2013	\$ 50.0	\$ 50.0
Floating Rate Series 2006A Senior Notes		
Due October 5, 2013	25.0	25.0
Variable/Fixed Rate Industrial		
Development Revenue Bonds Due August 1, 2012	8.0	8.0
Variable/Fixed Rate Industrial		
Development Revenue Bonds Series 1999 Due November 1, 2014	8.2	8.2
Installment obligations	1.4	1.4
Other borrowings	1.4	1.4
Total	<u>94.0</u>	<u>94.0</u>
Less: Current maturities	8.5	8.6
Long-term debt	<u>\$ 85.5</u>	<u>\$ 85.4</u>

As of April 1, 2012, the Company had \$191 million of uncommitted short-term bank credit lines, of which approximately \$5.5 million were in use.

Note 9. Pension Plans

The Company and its subsidiaries have pension plans covering substantially all eligible employees on a contributory or non-contributory basis. 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.

Components of Net Periodic Benefit Cost

(millions of dollars)	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>Three Months Ended</u>		<u>Three Months Ended</u>	
	<u>April 1, 2012</u>	<u>April 3, 2011</u>	<u>April 1, 2012</u>	<u>April 3, 2011</u>
Service cost	\$ 2.3	\$ 1.8	\$ 0.2	\$ 0.2
Interest cost	3.6	2.9	0.1	0.2
Expected return on plan assets	(4.2)	(3.4)	--	--
Amortization:				
Prior service cost	0.3	0.3	(0.8)	(0.8)
Recognized net actuarial loss	3.4	2.0	--	0.1
Net periodic benefit cost	<u>\$ 5.4</u>	<u>\$ 3.6</u>	<u>\$ (0.5)</u>	<u>\$ (0.3)</u>

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 \$16 million to its pension plans and \$1.2 million to its other post retirement benefit plans in 2012. As of April 1, 2012, \$0.9 million has been contributed to the pension plans and approximately \$0.2 million has been contributed to the other post retirement benefit plans.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES
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(Unaudited)

Note 10. Comprehensive Income

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

(millions of dollars)	April 1, 2012	December 31, 2011
Foreign currency translation adjustments	\$ 38.6	\$ 29.9
Unrecognized pension costs	(75.7)	(77.5)
Net gain on cash flow hedges	1.8	2.3
Accumulated other comprehensive income (loss)	\$ <u>(35.3)</u>	\$ <u>(45.3)</u>

Note 11. 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. These are primarily related to its PCC satellite facilities and mining operations. The Company has also recorded the provisions related to conditional asset retirement obligations at its facilities. The Company has recorded asset retirement obligations at all of its facilities except where there are no legal or contractual obligations. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset.

The following is a reconciliation of asset retirement obligations as of April 1, 2012:

(millions of dollars)	
Asset retirement liability, December 31, 2011	\$ 14.7
Accretion expense	0.2
Payments	(0.1)
Foreign currency translation and other	0.3
Asset retirement liability, April 1, 2012	\$ <u>15.1</u>

Approximately \$0.4 million is included in other current liabilities and \$14.7 million is included in other non-current liabilities in the Condensed Consolidated Balance Sheet as of April 1, 2012.

Note 12. Legal Proceedings

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 77 pending silica cases and 26 pending asbestos cases. To date, 1,389 silica cases and 9 asbestos cases have been dismissed. One asbestos case was dismissed in the first quarter of 2012. 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 not settled any silica or asbestos lawsuits to date. 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 was approximately \$0.2 million, the majority of which has been reimbursed by Pfizer Inc pursuant to the terms of certain agreements entered into in connection with the Company's initial public offering in 1992. 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

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

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. We are now conducting a site-specific risk assessment required by the regulators.

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. 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 April 1, 2012.

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 April 1, 2012.

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

Note 13. Non-Operating Deductions, Net

(millions of dollars)	<u>Three Months Ended</u>	
	<u>April 1, 2012</u>	<u>April 3, 2011</u>
Interest income	\$ 1.0	\$ 0.8
Interest expense	(0.8)	(0.8)
Foreign exchange gains(losses)	(0.4)	(0.5)
Other deductions	(0.4)	(0.3)
Non-operating deductions, net	<u>\$ (0.6)</u>	<u>\$ (0.8)</u>

Note 14 . Noncontrolling interests

The following is a reconciliation of beginning and ending total equity, equity attributable to MTL, and equity attributable to noncontrolling interests:

(millions of dollars)	<u>Equity Attributable to MTL</u>						<u>Total</u>
	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Treasury Stock</u>	<u>Non-controlling Interests</u>	
<i>Balance as of December 31, 2011</i>	\$ 2.9	335.1	963.1	(45.3)	(514.2)	26.4	768.0
Net income	--	--	18.0	--	--	0.6	18.6
Other comprehensive income	--	--	--	10.0	--	0.3	10.3
Dividends declared	--	--	(0.8)	--	--	--	(0.8)
Dividends to non-controlling interest	--	--	--	--	--	(0.2)	(0.2)
Employee benefit transactions	--	2.0	--	--	--	--	2.0
Income tax benefit arising from employee							
stock option plans	--	0.2	--	--	--	--	0.2
Stock based compensation	--	(0.3)	--	--	--	--	(0.3)
<i>Balance as of April 1, 2012</i>	<u>\$ 2.9</u>	<u>337.0</u>	<u>980.3</u>	<u>(35.3)</u>	<u>(514.2)</u>	<u>27.1</u>	<u>797.8</u>

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

The income attributable to noncontrolling interests for the three-month periods ended April 1, 2012 and April 3, 2011 was from continuing operations. The remainder of the income was attributable to MTI. There were no changes in MTI's ownership interest for the period ended April 1, 2012 as compared with December 31, 2011.

Note 15. Segment and Related Information

Segment information for the three-month periods ended April 1, 2012 and April 3, 2011 was as follows:

Net Sales (millions of dollars)	Three Months Ended	
	April 1, 2012	April 3, 2011
	Specialty Minerals	\$ 167.7
Refractories	89.4	89.2
Total	\$ 257.1	\$ 262.5

Income from Operations (millions of dollars)	Three Months Ended	
	April 1, 2012	April 3, 2011
	Specialty Minerals	\$ 19.9
Refractories	9.1	6.9
Total	\$ 29.0	\$ 26.2

Included in income from operations for the Specialty Minerals segment for the three-month period ended April 3, 2011 were restructuring costs of \$0.4 million.

Included in income from operations for the Refractories segment for the three-month period ended April 3, 2011 were restructuring cost reversals of \$0.2 million.

The carrying amount of goodwill by reportable segment as of April 1, 2012 and December 31, 2011 was as follows:

Goodwill (millions of dollars)	Three Months Ended	
	April 1, 2012	December 31, 2011
	Specialty Minerals	\$ 14.0
Refractories	51.8	50.9
Total	\$ 65.8	64.7

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: (millions of dollars)	Three Months Ended	
	April 1, 2012	April 3, 2011
	Income from operations for reportable segments	\$ 29.0
Unallocated corporate expenses	(2.0)	(1.5)
Consolidated income from operations	27.0	24.7
Non-operating deductions	(0.6)	(0.8)
Income from continuing operations		
before provision for taxes on income	\$ 26.4	\$ 23.9

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

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

(millions of dollars)	Three Months Ended	
	April 1, 2012	April 3, 2011
Paper PCC	\$ 121.7	\$ 129.2
Specialty PCC	16.4	15.6
Talc	12.1	11.4
Ground Calcium Carbonate	17.5	17.1
Refractory Products	69.1	69.6
Metallurgical Products	20.3	19.6
Net sales	\$ <u>257.1</u>	\$ <u>262.5</u>

REVIEW REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Minerals Technologies Inc.:

We have reviewed the condensed consolidated balance sheet of Minerals Technologies Inc. and subsidiary companies as of April 1, 2012, and the related condensed consolidated statements of income and comprehensive income for the three-month periods ended April 1, 2012 and April 3, 2011, and the related condensed consolidated statements of cash flows for the three-month periods ended April 1, 2012 and April 3, 2011. 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 subsidiary companies as of December 31, 2011, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2012, 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, 2011 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
April 27, 2012

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**Income and Expense Items
as a Percentage of Net Sales**

	Three Months Ended	
	April 1, 2012	April 3, 2011
Net sales	100.0 %	100.0 %
Cost of goods sold	78.6	79.8
Production margin	21.4	20.2
Marketing and administrative expenses	8.9	8.8
Research and development expenses	2.0	1.9
Restructuring and other costs	--	0.1
Income from operations	10.5	9.4
Net income attributable to MTI	7.0 %	6.0 %

Executive Summary

Consolidated sales for the first quarter of 2012 decreased 2% from the prior year to \$257.1 million from \$262.5 million. Income from operations grew 9% to \$27.0 million in the first quarter 2012 from \$24.7 million in the first quarter 2011. Net income increased 14% to \$18.0 million as compared to \$15.8 million in the prior year.

We continued to see progress in our major growth strategy of developing and commercializing new products as our FulFill™ platform of technologies of higher filler loading continues to gain momentum. We signed one new agreement for our FulFill™ E-325 technology at our first paper mill in North America. We also announced new product offerings from both the Refractories and Performance Minerals business units.

The Company's balance sheet as of April 1, 2012 continues to be very strong. Cash, cash equivalents and short-term investments were approximately \$435 million. We have available lines of credit of \$191 million, our debt to equity ratio was 11%, and our current ratio was 4.3. Our cash flows from operations were approximately \$25 million in the first quarter 2012.

We face some significant risks and challenges in the future:

- The industries we serve, primarily paper, steel, construction and automotive, have been adversely affected by the uncertain global economic climate. Although these markets have stabilized, our global business could be adversely affected by further decreases in economic activity. Our Refractories segment primarily serves the steel industry. Although North American steel production improved 7% in the first quarter 2012 as compared with the prior year, it remains well below 2008 levels. In Europe, we are starting to see softening in steel production as the EU27 declined 4% versus the first quarter of 2011. In the paper industry, which is served by our Paper PCC product line, production levels for printing and writing papers within North America and Europe, our two largest markets, for the first quarter 2012 were 3% and 6% below the prior year. In addition, our Processed Minerals and Specialty PCC product lines are affected by the domestic building and construction markets and the automotive market. Residential Fixed Investment in the U.S. for the first quarter of 2012 averaged approximately \$356 billion which was up 11% from first quarter 2011 levels. In the automotive industry, North American car and truck production was approximately 18% higher in the first quarter 2012 when compared to the first quarter 2011.
- Some of our customers may experience mill shutdowns due to further consolidations, or may 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.
- Consolidations and rationalizations in the paper and steel industries concentrate purchasing power in the hands of fewer customers, increasing pricing pressure on suppliers such as Minerals Technologies Inc.
- Most of our Paper PCC sales are subject to long-term contracts that may be terminated pursuant to their

terms, or may be renewed on terms less favorable to us.

- We are subject to volatility in pricing and supply availability of our key raw materials used in our Paper PCC product line and Refractory product line.
- We continue to rely on China for a portion of our supply of magnesium oxide in the Refractories segment, which may be subject to uncertainty in availability and cost.
- Fluctuations in energy costs have an impact on all of our businesses.
- Changes in the fair market value of our pension assets, rates of return on assets, and discount rates could continue to have a significant impact on our net periodic pension costs as well as our funding status.
- As we expand our operations abroad we face the inherent risks of doing business in many foreign countries, including foreign exchange risk, import and export restrictions, and security concerns.
- The Company's operations, particularly in the mining and environmental areas (discharges, emissions and greenhouse gases), are subject to regulation by federal, state and foreign authorities and may be subject to, and presumably will be required to comply with, additional laws, regulations and guidelines which may be adopted in the future.

During the second quarter of 2011, Metsa Board Corporation announced plans to divest its Alizay paper mill in France. Over the past several months, Metsa Board had been in discussions with a number of paper producers; however none of the candidates have fulfilled Metsa Board's conditions for sale. Although the paper mill is presently not operating, we believe discussions for the sale of the mill continue. If Metsa Board can not sell the facility, the Company would likely shut down its PCC satellite facility permanently and could incur an impairment of assets charge. Under that scenario, the Company could pursue options for mitigation or recovery of assets, including redeployment of assets to other locations to the extent feasible. The net book value of the facility as of April 1, 2012 was \$5.2 million. 2011 annual sales at Alizay were approximately \$7 million.

During the third quarter of 2011, NewPage Corporation filed for Chapter 11 bankruptcy protection. The Company does business with five NewPage mills, including operating three satellite PCC facilities at NewPage locations. At present, the Company continues to supply PCC to these mills. If NewPage is unable to emerge from the bankruptcy process or should these facilities cease operations, the Company could incur an impairment of assets charge of up to \$16 million and may incur additional provisions for bad debt. Annual sales to NewPage locations in 2011 were approximately \$20 million.

The Company has evaluated these facilities for impairment of assets and, based upon the information currently available and probability-weighted cash flows of various potential outcomes, has determined that no impairment charge is required in the first quarter.

The Company will continue to focus on innovation and new product development and other opportunities for continued growth 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.
- 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.
- 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 carbonates and talc products used in the manufacture of novel biopolymers, a new market opportunity.
- Deploy new talc, PCC 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.
- Deploy operational excellence principles into all aspects of the organization, including system infrastructure and lean principles.
- Explore selective 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.

Results of Operations

Three months ended April 1, 2012 as compared with three months ended April 3, 2011

Sales

(millions of dollars)		<u>First</u>	<u>% of</u>		<u>First</u>	<u>% of</u>
Net Sales		<u>Quarter</u>	<u>Total</u>	<u>Growth</u>	<u>Quarter</u>	<u>Total</u>
		<u>2012</u>	<u>Sales</u>		<u>2011</u>	<u>Sales</u>
U.S.	\$	145.8	56.7 %	5 %	\$ 139.4	53.1 %
International		<u>111.3</u>	<u>43.3 %</u>	<u>(10) %</u>	<u>123.1</u>	<u>46.9 %</u>
Net sales	\$	<u>257.1</u>	<u>100.0 %</u>	<u>(2) %</u>	\$ 262.5	100.0 %
Paper PCC	\$	121.7	47.3 %	(6) %	\$ 129.2	49.2 %
Specialty PCC		<u>16.4</u>	<u>6.4 %</u>	<u>5 %</u>	<u>15.6</u>	<u>5.9 %</u>
PCC Products	\$	<u>138.1</u>	<u>53.7 %</u>	<u>(5) %</u>	\$ 144.8	55.1 %
Talc	\$	12.1	4.7 %	6 %	\$ 11.4	4.4 %
Ground Calcium Carbonate		<u>17.5</u>	<u>6.8 %</u>	<u>2 %</u>	<u>17.1</u>	<u>6.5 %</u>
Processed Minerals Products	\$	<u>29.6</u>	<u>11.5 %</u>	<u>4 %</u>	\$ 28.5	10.9 %
Specialty Minerals Segment	\$	<u>167.7</u>	<u>65.2 %</u>	<u>(3) %</u>	\$ 173.3	66.0 %
Refractory Products	\$	69.1	26.9 %	(1) %	\$ 69.6	26.5 %
Metallurgical Products		<u>20.3</u>	<u>7.9 %</u>	<u>4 %</u>	<u>19.6</u>	<u>7.5 %</u>
Refractories Segment	\$	<u>89.4</u>	<u>34.8 %</u>	<u>0 %</u>	\$ 89.2	34.0 %
Net sales	\$	<u>257.1</u>	<u>100.0 %</u>	<u>(2) %</u>	\$ 262.5	100.0 %

Worldwide net sales in the first quarter 2012 decreased 2% from the previous year to \$257.1 million from \$262.5 million. Foreign exchange had an unfavorable impact on sales of approximately \$3.2 million or one percentage point. Sales in the Specialty Minerals segment, which includes the PCC and Processed Minerals product lines, decreased 3% to \$167.7 million as compared with \$173.3 million in the prior year. Sales in the Refractories segment grew slightly to \$89.4 million as compared with \$89.2 million in the prior year.

Worldwide net sales of PCC, which is primarily used in the manufacturing process of the paper industry, decreased 5% in the first quarter to \$138.1 million from \$144.8 million in the prior year. Foreign exchange had an unfavorable impact on sales of \$2.4 million or approximately two percentage points. Paper PCC sales decreased 6% to \$121.7 million in the first quarter 2012 from \$129.2 million in the prior year. Sales were affected by the closure of one satellite PCC facility in Finland, the shutdown of a satellite PCC facility in France, and volume reductions at other facilities due to lower paper production in North America and Europe, our largest markets. Sales of Specialty PCC increased 5% to \$16.4 million from \$15.6 million in the prior year. This increase was primarily due to slightly higher volumes and increased pricing.

Net sales of Processed Minerals products increased 4% in the first quarter 2012 to \$29.6 million from \$28.5 million in the prior year. This increase was due to favorable product mix in the talc product line and higher pricing.

Net sales in the Refractories segment in the first quarter 2012 increased slightly to \$89.4 million from \$89.2 million in the prior year. Foreign exchange had an unfavorable impact on sales of approximately 1 percentage point. Sales of refractory products and systems to steel and other industrial applications decreased 1% to \$69.1 million from \$69.6 million in the prior year primarily due to a 7 percent drop in sales in Europe due to lower volumes as steel production in the EU27 declined 4 percent, partially offset by increased sales in North America of 5 percent. Sales of metallurgical products within the Refractories segment increased 4% to \$20.3 million as compared with

\$19.6 million in the same period last year, primarily attributable to higher volumes in North America as steel production was higher by 7 percent.

Net sales in the United States increased 5% to \$145.8 million in the first quarter of 2012 from \$139.4 million in the prior year. International sales in the first quarter of 2012 decreased 10% to \$111.3 million from \$123.1 million, due to the effects of foreign exchange, to the permanent and temporary PCC satellite closures, to the deconsolidation of our entity in Korea and to lower steel production in Europe which negatively affected our volumes in Refractory products and Metallurgical wire.

Operating Costs and Expenses (millions of dollars)	<u>First Quarter 2012</u>	<u>First Quarter 2011</u>	<u>Growth</u>
Cost of goods sold	\$ 202.2	\$ 209.6	(4)%
Marketing and administrative	\$ 22.9	\$ 23.1	(1)%
Research and development	\$ 5.0	\$ 4.9	4%
Restructuring and other costs	\$ --	\$ 0.2	*%

Cost of goods sold was 78.6% of sales compared with 79.8% of sales in the prior year. Production margin increased \$2.0 million, or 4% as compared with a 2% decrease in sales. In the Specialty Minerals segment, production margin remained flat as sales decreased 3%. This was primarily attributable to the permanent and temporary PCC satellite closures. These closures were partially offset by favorable weather conditions in the Northeast, resulting in lower operating costs, increased pricing and to continued productivity improvements, all in our Processed Minerals product line. In the Refractories segment, production margin increased 10% on the same level of sales. The improved margin was due to price improvements, lower materials costs, and productivity gains from our Operational Excellence program.

Marketing and administrative costs decreased 1% to \$22.9 million from \$23.1 million in the prior year and represented 8.9% of net sales as compared with 8.8% of net sales in the prior year.

Research and development expenses increased 4% to \$5.0 million from \$4.9 million in the prior year and represented 2.0% of net sales as compared with 1.9% of net sales in the prior year. The increased costs were primarily due to Paper PCC trial activity.

Restructuring and other costs during the first quarter of 2011 were \$0.2 million and primarily related to additional \$0.9 million of restructuring costs associated with the 2007 restructuring our PCC merchant facility in Germany. This was partially offset by reversals of previously recorded liabilities.

Income from Operations (millions of dollars)	<u>First Quarter 2012</u>	<u>First Quarter 2011</u>	<u>Growth</u>
Income from operations	\$ 27.0	\$ 24.7	9%

The Company recorded income from operations of \$27.0 million in the first quarter 2012 as compared to \$24.7 million in the prior year. Income from operations represented 10.5% of sales in the first quarter 2012 as compared with 9.4% of sales in the prior year.

Income from operations for the Specialty Minerals segment increased 3% to \$19.9 million from \$19.3 million in the prior year and was 11.9% of net sales as compared with 11.1% in the first quarter of 2011. Operating income for the Refractories segment was \$9.1 million, as compared to income from operations of \$6.9 million in the prior year and represented 10.2% net of sales as compared with 7.7% in the prior year.

Non-Operating Deductions (millions of dollars)	<u>First Quarter 2012</u>	<u>First Quarter 2011</u>	<u>Growth</u>
Non-operating deductions, net	\$ 0.6	\$ 0.8	25%

In the first quarter of 2012, the Company recorded net non-operating deductions of \$0.6 million as compared to \$0.8 million in the prior year. This decrease was primarily attributable to higher interest income.

Provision for Taxes on Income	First Quarter 2012	First Quarter 2011	Growth
(millions of dollars)			
Provision for taxes on income	\$ 7.8	\$ 7.2	8%

Provision for taxes on income during the first quarter 2012 was \$7.8 million as compared to \$7.2 million during the first quarter 2011. The effective tax rate for the first quarter 2012 was 29.5% as compared to 30.0% for the first quarter 2011.

Consolidated Net Income, net of tax	First Quarter 2012	First Quarter 2011	Growth
(millions of dollars)			
Consolidated net income, net of tax	\$ 18.6	\$ 16.7	11%

The Company recorded consolidated net income, net of tax, of \$18.6 million as compared with \$16.7 million in the prior year.

Noncontrolling Interests	First Quarter 2012	First Quarter 2011	Growth
(millions of dollars)			
Noncontrolling interests	\$ 0.6	\$ 0.9	(33)%

The decrease in the income attributable to noncontrolling interests is due to lower profitability in our joint ventures.

Net Income attributable to MTI	First Quarter 2012	First Quarter 2011	Growth
(millions of dollars)			
Net income attributable to MTI	\$ 18.0	\$ 15.8	14%

Net income attributable to MTI was \$18.0 million in the first quarter of 2012 as compared with income of \$15.8 million in the prior year. Diluted earnings per common share were \$1.01 per share in the first quarter of 2012 as compared with \$0.86 per share in the prior year.

Liquidity and Capital Resources

Cash provided from operating activities in the first quarter 2012 was \$24.7 million as compared with \$19.1 million for the same period last year. Cash flows provided from operations in the first quarter of 2012 were principally used to fund capital expenditures and pay the Company's dividend to common shareholders.

Working capital is defined as trade accounts receivable, trade accounts payable and inventories. Working capital decreased approximately 2% from December 2011. Total average days of working capital increased to 57 days in the first quarter of 2012 from 55 days in the fourth quarter of 2011. This increase was primarily attributable to an increase in days sales outstanding.

In 2011, the Company's Board of Directors authorized the Company's management to repurchase, at its discretion, up to \$75 million of the Company's shares over a two-year period. As of April 1, 2012, 59,615 shares have been repurchased under this program at an average price of approximately \$50.25 per share.

The following table summarizes our contractual obligations as of April 1, 2012:

Contractual Obligations

(millions of dollars)	Total	Payments Due by Period			
		Less Than 1 Year	1-3 Years	3-5 Years	After 5 Years
Debt	\$ 94.0	\$ 8.5	\$ 85.5	\$ --	\$ --
Operating lease obligations	21.0	4.5	5.4	4.5	6.6
Total contractual obligations	\$ 115.0	\$ 13.0	\$ 90.9	\$ 4.5	\$ 6.6

The Company had \$191 million in uncommitted short-term bank credit lines, of which \$5.5 million were in use at April 1, 2012. The credit lines are primarily in the US, with approximately \$21 million or 11% outside the US. The credit lines 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 requirement or local capital spending needs. We anticipate that capital expenditures for 2012 should be between \$60 million and \$75 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, uncommitted bank credit lines and, where appropriate, project financing of certain satellite plants. The aggregate maturities of long-term debt are as follows: 2012 - \$8.5 million; 2013 - \$77.3 million; 2014 - \$8.2 million; 2015 - \$-- million; 2016 - \$-- million thereafter - \$-- million.

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, 2011, 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

We do not expect the adoption of any recent accounting pronouncements to have a material effect on the financial statements of the Company.

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, allowance for doubtful accounts, valuation of inventories, valuation of long-lived assets, pension plan assumptions, stock-based compensation assumptions, 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 can not 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. Approximately 48% of our bank debt bears interest at variable rates; therefore our results of operations would only be affected by interest rate changes to 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.

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.

We had open forward exchange contracts to purchase approximately \$1.9 million of foreign currencies as of April 1, 2012. The contracts mature between April 2012 and July 2012. The fair value of these instruments at April 1, 2012 was a liability of less than \$0.1 million.

In 2008 the Company entered into forward contracts to sell 30 million Euros as a hedge of its net investment in Europe. These contracts mature in October 2013. The fair value of these instruments at April 1, 2012 was an asset of \$2.7 million.

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 the Company's disclosure controls and procedures were effective as of April 1, 2012.

Changes in Internal Control Over Financial Reporting

There was no change in the Company's internal control over financial reporting during the quarter ended April 1, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

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 77 pending silica cases and 26 pending asbestos cases. To date, 1,389 silica cases and 9 asbestos cases have been dismissed. One asbestos case was dismissed in the first quarter of 2012. 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 not settled any silica or asbestos lawsuits to date. 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 was approximately \$0.2 million, the majority of which has been reimbursed by Pfizer Inc pursuant to the terms of certain agreements entered into in connection with the Company's initial public offering in 1992. 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. We are now conducting a site-specific risk assessment required by the regulators.

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. 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 April 1, 2012.

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 April 1, 2012.

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

ITEM 1A. Risk Factors

There have been no material changes to our risk factors from those disclosed in our 2011 Annual Report on Form 10-K. For a description of Risk Factors, see Exhibit 99 attached to this report.

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

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Program	Dollar Value of Shares that May Yet be Purchased Under the Program
January 1 - April 1	--	\$ --	59,615	\$ 72,004,201
Total	--	\$ --		

In 2011, the Company's Board of Directors authorized the Company's management to repurchase, at its discretion, up to \$75 million of the Company's shares over a two-year period. As of April 1, 2012, 59,615 shares have been repurchased under this program at an average price approximately of \$50.25 per share.

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
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

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
(principal financial officer)

April 27, 2012

EXHIBIT INDEX

The following documents are filed as part of this report:

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ACCOUNTANTS' ACKNOWLEDGEMENT

Board of Directors
Minerals Technologies Inc.:

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

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated April 27, 2012, 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
April 27, 2012

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: April 27, 2012

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

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: April 27, 2012

By: /s/Douglas T. Dietrich
Douglas T. Dietrich
Senior Vice President-Finance and Treasury,
Chief Financial Officer
(principal financial officer)

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 April 1, 2012 (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: April 27, 2012

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

Date: April 27, 2012

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

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. and Barretts Minerals Inc., operates six 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 January 1, 2012 to April 1, 2012 (number of occurrences, except for proposed assessment dollar values):

Mine	Section 104(a)	Section	Section	Section 110(b)	Section 107(a)	Proposed Assessments	Fatalities
	S&S	104(b)	104(d)	(2)			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Lucerne Valley, CA	0	0	0	0	0	\$0	0
Canaan, CT	1	0	0	0	0	\$0	0
Adams, MA	5	0	0	0	0	\$0	0
Barretts Mill, Dillon, MT	1	0	0	0	0	\$1737	0
Regal Mine, Dillon, MT	0	0	0	0	0	\$0	0
Treasure Mine, Dillon, MT	0	0	0	0	0	\$200	0

- (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 January 1, 2012 to April 1, 2012, 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 January 1, 2012 to April 1, 2012 (number of actions):

Mine	Legal Actions Pending As Of Last Day Of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Lucerne Valley, CA (1)	15	4	0
Canaan, CT	0	0	0
Adams, MA (1)	3	3	0
Barretts Mill, Dillon, MT	0	0	0
Regal Mine, Dillon, MT	0	0	0
Treasure Mine, Dillon, MT	0	0	0

(1) Each legal action pending as of the last day of the period is a contest of citations and orders, as referenced in Subpart B of 29 CFR Part 2700. For each such legal action, we have requested, in the alternative, a reduction of the proposed penalties, as referenced in Subpart C of 29 CFR Part 2700.

RISK FACTORS

Our business faces significant risks. These risks include those described below and may include additional risks and uncertainties not presently known to us. 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, 2011, 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. In particular, our operations in Europe continue to be impacted by the uncertain European economy. A currency or financial crisis in Europe could precipitate a significant decline in the European economy, which would likely result in a decrease in demand for our products in Europe. 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, primarily paper, steel, construction and automotive, have been particularly 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 impact future return on pension assets, thus resulting in greater future pension costs that impact the company's results. Global economic markets remains 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.

- ***The Company's operations are subject to the cyclical nature of its customers' businesses and we may not be able to mitigate that risk.***

The majority of the Company's sales are to customers in industries that have historically been cyclical: paper, steel, construction, and automotive. These industries have been particularly adversely affected by the uncertain global economic climate. Our Refractories segment primarily serves the steel industry. North American and European steel production has continued to improve from 2009, but in 2011 was still approximately 15% below 2008 levels. In the paper industry, which is served by our Paper PCC product line, production levels for printing and writing papers within North America and Europe, our two largest markets remain approximately 15% below 2008 levels. The reduced demand for paper industry products has also caused the paper industry to experience a number of recent bankruptcies and paper mill closures, including among our customers. In addition, our Processed Minerals and Specialty PCC product lines are affected by the domestic building and construction markets and the automotive market. Housing starts in 2011 averaged approximately 607 thousand units, a 4% improvement over 2010. Housing starts were at a peak rate of 2.1 million units in 2005. In the automotive industry, North American car and truck production was up 12% in 2011, but remains well below 2008 levels. Demand for our products is subject to these trends. 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 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 \$497.0 million in 2011, or approximately 47.5% 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 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. In 2011, the Company idled its satellite plant in Anjalankoski, Finland, due to the permanent closure of the paper mill, and the Company's satellite plant at Alizay, France, is temporarily closed while the mill's owner seeks to divest it. 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 steel industry. Such consolidations in the two major industries we serve concentrate purchasing power in the hands of a smaller number of papermakers and steel 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 policies, or further investigation or evaluation of the potential environmental impacts of operations or health hazards of certain products, may give rise to additional compliance and other costs that could have a material adverse effect on the Company. 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 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 47% of our sales in 2011 were derived from outside the United States and we have significant production facilities which are located outside of the United States. We are presently concerned about the possibility of recessionary conditions in Europe, from which we derived approximately 30% of our sales in 2011. 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, 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. 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 increases in costs of raw materials or energy 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 and on having adequate access to ore reserves of appropriate quality at its mining 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 a portion of its magnesia requirements from sources in China. 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, as well as increases in energy prices, have also affected our business. Our ability to recover increased costs is uncertain. The Company and its customers will typically negotiate reasonable price adjustments in order to recover a portion of these rapidly escalating costs. While the contracts pursuant to which we construct and operate our satellite PCC plants generally adjust pricing to reflect increases in costs resulting from inflation, there is a time lag before such price adjustments can be implemented. In 2011, increased raw materials affected our Specialty Minerals segment by \$13 million while raw material prices affected our Refractories segment by \$14 million. These increased raw material costs in both segments were partially offset by price increases.

We cannot predict whether, and how much, prices for our key raw materials will increase in the future. Changes in the costs or availability of such raw materials, to the extent we cannot recover them in price increases to our customers, could adversely affect the Company's results of operations.

- ***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 changes in conditions within the industries in which we operate and may have significantly greater operating and financial flexibility than we do. 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.

