

MINERALS TECHNOLOGIES INC  
Form 10-Q  
October 27, 2009

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

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

For the quarterly period ended September 27, 2009

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.)

405 Lexington Avenue, New York, New York 10174-0002  
(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 X 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

Edgar Filing: MINERALS TECHNOLOGIES INC - Form 10-Q

reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer  Non-accelerated Filer  Smaller Reporting Company

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

YES  NO

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

Class	Outstanding at October 13, 2009
Common Stock, \$0.10 par value	18,732,750

---

MINERALS TECHNOLOGIES INC.

INDEX TO FORM 10-Q

	Page No.	
<b>PART I. FINANCIAL INFORMATION</b>		
Item 1.	Financial Statements:	
	Condensed Consolidated Statements of Operations for the three-month and nine-month periods ended September 27, 2009 and September 28, 2008 (Unaudited)	3
	Condensed Consolidated Balance Sheets as of September 27, 2009 (Unaudited) and December 31, 2008	4
	Condensed Consolidated Statements of Cash Flows for the nine-month periods ended September 27, 2009 and September 28, 2008 (Unaudited)	5
	Notes to Condensed Consolidated Financial Statements (Unaudited)	6
	Review Report of Independent Registered Public Accounting Firm	19
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	35
Item 4.	Controls and Procedures	36
<b>PART II. OTHER INFORMATION</b>		
Item 1.	Legal Proceedings	36
Item 1A.	Risk Factors	37
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	38
Item 3.	Default Upon Senior Securities	38
		3

Edgar Filing: MINERALS TECHNOLOGIES INC - Form 10-Q

Item 4.	Submission of Matters to a Vote of Security Holders	38
Item 5.	Other Information	38
Item 6.	Exhibits	38
Signature		39

---

## PART 1. FINANCIAL INFORMATION

## ITEM 1. Financial Statements

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

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2009	Sept. 28, 2008	Sept. 27, 2009	Sept. 28, 2008
(in thousands, except per share data)				
Net sales	\$ 234,256	\$ 294,917	\$ 651,113	\$ 872,231
Cost of goods sold	190,266	235,482	541,473	689,779
Production margin	43,990	59,435	109,640	182,452
Marketing and administrative expenses	24,583	26,009	67,720	78,639
Research and development expenses	5,147	5,433	14,372	17,567
Impairment of assets	--	--	37,516	--
Restructuring and other costs	1,443	5,013	11,545	7,344
Income (loss) from operations	12,817	22,980	(21,513)	78,902
Non-operating income (deductions), net	(709)	285	(4,499)	(1,953)
Income (loss) from continuing operations before provision for taxes	12,108	23,265	(26,012)	76,949
Provision (benefit) for taxes on income (loss)	2,574	6,329	(4,106)	22,927
Income (loss) from continuing operations, net of tax	9,534	16,936	(21,906)	54,022
Income (loss) from discontinued operations, net of tax	279	2,951	(3,333)	7,973
Consolidated net income (loss)	9,813	19,887	(25,239)	61,995

Less:	Net income attributable to noncontrolling interests	(913)	(879)	(2,611)	(2,445)
-------	---	-------	-------	---------	---------

	Net income (loss) attributable to Minerals Technologies Inc. (MTI)	\$ 8,900	\$ 19,008	\$ (27,850)	\$ 59,550
--	--	----------	-----------	-------------	-----------

## Earnings (Loss) per share:

## Basic:

	Income (loss) from continuing operations attributable to MTI	\$ 0.46	\$ 0.85	\$ (1.31)	\$ 2.72
	Income (loss) from discontinued operations attributable to MTI	0.01	0.16	(0.18)	0.42
	Basic earnings (loss) per share attributable to MTI	\$ 0.47	\$ 1.01	\$ (1.49)	\$ 3.14

## Diluted:

	Income (loss) from continuing operations attributable to MTI	\$ 0.46	\$ 0.85	\$ (1.31)	\$ 2.71
	Income (loss) from discontinued operations attributable to MTI	0.01	0.15	(0.18)	0.41
	Diluted earnings (loss) per share attributable to MTI	\$ 0.47	\$ 1.00	\$ (1.49)	\$ 3.12

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

## Shares used in computation of earnings per share:

	Basic	18,730	18,859	18,720	18,957
	Diluted	18,786	18,962	18,720	19,064

See accompanying Notes to Condensed Consolidated Financial Statements.

MINERALS TECHNOLOGIES INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(thousands of dollars)	ASSETS	
	September 27, 2009*	December 31, 2008**
<b>Current assets:</b>		
Cash and cash equivalents	\$ 277,814	\$ 181,876
Short-term investments, at cost which approximates market	18,108	9,258
Accounts receivable, net	179,041	163,475
Inventories	88,005	133,983
Prepaid expenses and other current assets	26,106	23,281
Assets held for disposal	14,504	19,674
Total current assets	603,578	531,547
Property, plant and equipment, less accumulated depreciation and depletion - September 27, 2009 - \$865,948; December 31, 2008 - \$894,638	370,318	429,593
Goodwill	68,457	66,414
Prepaid pension costs	613	483
Other assets and deferred charges	24,889	39,583
Total assets	\$ 1,067,855	\$ 1,067,620
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Short-term debt	\$ 8,388	\$ 14,984
Current maturities of long-term debt	4,000	4,000
Accounts payable	73,363	67,393
Restructuring liabilities	10,610	6,840
Other current liabilities	55,720	56,902
Liabilities of assets held for disposal	1,026	734
Total current liabilities	153,107	150,853
Long-term debt	97,221	97,221
Other non-current liabilities	59,427	84,715

Edgar Filing: MINERALS TECHNOLOGIES INC - Form 10-Q

Total liabilities	309,755	332,789
Shareholders' equity:		
Common stock	2,887	2,883
Additional paid-in capital	316,361	312,972
Retained earnings	832,943	863,601
Accumulated other comprehensive income (loss)	15,072	(31,634)
Less common stock held in treasury	(436,238)	(436,238)
Total MTI shareholders' equity	731,025	711,584
Non-controlling interest	27,075	23,247
Total shareholders' equity	758,100	734,831
Total liabilities and shareholders' equity	\$ 1,067,855	\$ 1,067,620

\* 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)	Nine months Ended	
	Sept. 27, 2009	Sept. 28, 2008
<b>Operating Activities:</b>		
Consolidated net income (loss)	\$ (27,850)	\$ 59,550
Income (loss) from discontinued operations	(3,333)	7,973
Income (loss) from continuing operations	(24,517)	51,577
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	54,864	61,186
Impairment of assets	37,516	--
Payments relating to restructuring activities	(7,290)	(12,900)
Pension settlement loss	498	5,062
Tax benefits related to stock incentive programs	--	1,671
Other non-cash items	(1,972)	8,252
Net changes in operating assets and liabilities	54,628	(37,267)
Net cash provided by continuing operations	113,727	77,581
Net cash provided by discontinued operations	2,811	1,632
Net cash provided by operating activities	116,538	79,213
<b>Investing Activities:</b>		
Purchases of property, plant and equipment	(17,200)	(24,247)
Proceeds from sale of short-term investments	--	520
	(6,656)	(8,357)

Purchases of short-term  
investments