

| <u>Location</u> | <u>Facility</u> | <u>Product Line</u> |
|-----------------------------------|--|--|
| Holland, Hengelo | Plant/Sales Office | Probes/Monolithic Refractories |
| India, Mumbai | Sales Office ² /Administrative Office | Metallurgical Wire |
| | | PCC/Monolithic Refractories/ Metallurgical Wire |
| Ireland, Cork | Plant; Administrative Office ² / Research laboratories | Monolithic Refractories |
| Italy, Brescia | Sales Office | Monolithic Refractories/Shapes |
| Italy, Nave | Plant | Monolithic Refractories/Shapes |
| Japan, Gamagori | Plant/Research laboratories | Monolithic Refractories/Shapes, Calcium |
| Japan, Tokyo | Sales Office | Monolithic Refractories |
| Singapore | Sales Office ² /Administrative Office | PCC |
| Spain, Santander | Sales Office ² /Administrative Office | Monolithic Refractories |
| South Africa, Pietermaritzburg .. | Plant | Monolithic Refractories |
| South Africa, Johannesburg | Sales Office/Administrative Office ² | Monolithic Refractories |
| Turkey, Gebze | Plant/Research Laboratories | Monolithic Refractories/Shapes/ Application Equipment |
| Turkey, Istanbul | Sales Office/Administrative Office | Monolithic Refractories |
| Turkey, Kutahya | Plant | Monolithic Refractories/Shapes |
| United Kingdom, Lifford | Plant | PCC, Lime |
| United Kingdom, Rotherham | Plant/Sales Office | Monolithic Refractories/Shapes |

¹ This plant and quarry is leased to another company.

² Leased by the Company. The facilities in Cork, Ireland, are operated pursuant to a 99-year lease, the term of which commenced in 1963. The Company's headquarters in New York, New York, are held under a lease which expires in 2021.

The following sets forth, for each of the quarries or mines we own or operate, as set forth above, our current estimate as to the amount of reserves such quarry or mine holds, based on the most recent mine plan, and its usage rate in 2013.

Millions of tons

| <u>Location</u> | <u>Reserves</u> | <u>2013 Usage</u> |
|----------------------------------|-----------------|-------------------|
| Arizona, Pima County | 8.73 | 0.17 |
| California, Lucerne Valley | 47.07 | 0.87 |
| Connecticut, Canaan | 20.41 | 0.46 |
| Massachusetts, Adams | 25.59 | 0.58 |
| Montana, Dillon | 3.76 | 0.18 |

The Company believes that its facilities, which are of varying ages and are of different construction types, have been satisfactorily maintained, are in good condition, are suitable for the Company's operations and generally provide sufficient capacity to meet the Company's production requirements. Based on past loss experience, the Company believes it is adequately insured with respect to these assets and for liabilities likely to arise from its operations.

Item 3. 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 72 pending silica cases and 15 pending asbestos cases. To date, 1,394 silica cases and 34 asbestos cases have been dismissed. Two new asbestos cases were filed in the fourth quarter of 2013. 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 continues to be insignificant. The majority of the costs of defense are reimbursed by Pfizer Inc. pursuant to the terms of certain agreements entered into in connection with the Company's initial public offering in 1992. Of the 15 pending asbestos cases, all allege liability based on products sold largely or entirely prior to the initial public offering, and for which the Company is therefore entitled to indemnification pursuant to such agreements. 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.