

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended January 3, 1999

OR

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

For the transition period from _____ to _____

Commission file number 1-4347

ROGERS CORPORATION

[Exact name of Registrant as specified in its charter]

Massachusetts
(State or other jurisdiction of
incorporation or organization)

06-0513860
(I.R.S. Employer
Identification No.)

One Technology Drive
P.O. Box 188
Rogers, Connecticut
(Address of principal executive offices)

06263-0188
(Zip Code)

(860) 774-9605

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Capital Stock, \$1 Par Value

Rights to Purchase Capital Stock

Name of each exchange on
which registered

American Stock Exchange, Inc.
Pacific Exchange, Inc.
American Stock Exchange, Inc.
Pacific Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

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 periods 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the Capital Stock, \$1 par value, held by non-affiliates of the Registrant as of February 25, 1999 was \$194,740,286.

The number of shares of Capital Stock, \$1 par value, outstanding as of February 25, 1999 was 7,621,266.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's annual report to shareholders for the fiscal year ended January 3, 1999 are incorporated by reference into Parts I and II.

Portions of the proxy statement for the Registrant's 1999 annual meeting of stockholders to be held April 22, 1999, are incorporated by reference into Part III.

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PART I

Item 1. BUSINESS

GENERAL

Rogers Corporation (the Company), founded in 1832, is one of the oldest publicly traded U.S. companies in continuous operation. The Company has adapted its products over the years to meet changing market needs, moving from specialty paperboard to transformer boards for electrical insulation, and now predominantly to a range of specialty polymer composite materials for communications, imaging, computer, transportation, and consumer applications.

New leadership in 1992 restructured the Company to focus on these materials based businesses -- circuit materials, high performance elastomers, and moldable composites. The Company's management, operations, sales and marketing, and technology development activities were redirected to efforts intended to grow the materials based businesses. In so doing, the Company takes advantage of its core competencies in polymers, fillers, and adhesion, and applies its related materials technologies to identified market needs. Materials based businesses were the core businesses responsible for the Company's strong growth in the 1960's and 1970's, and provided most of the Company's profits in the 1980's. During that time, the profits from the materials based businesses were often offset by substantial losses in the Company's former electronic components businesses, which are now divested.

The materials based businesses are guided by clearly developed strategic business plans for profitable growth. The current focus is on worldwide markets for elastomeric materials and related components, high frequency and flexible circuit materials, moldable composite materials, and the electroluminescent lamp joint venture with 3M.

BUSINESS SEGMENT FINANCIAL AND GEOGRAPHIC INFORMATION

"Business Segment and Geographic Information" on pages 41-43 of the annual report to shareholders for the year ended January 3, 1999, is incorporated herein by reference.

PRODUCTS

Rogers Corporation manufactures and sells specialty polymer composite materials and components which it develops for growing markets and applications around the world. The Company has two business segments: Polymer Materials and Electronic Materials. The Company's products are based on its core technologies in polymers, fillers, and adhesion. Most products are proprietary, or incorporate proprietary technology in their development and processing, and are sold under the Company's valuable brand names.

POLYMER MATERIALS

Polymer Materials include high performance elastomer materials, elastomer components, and high performance thermoset moldable composites. The Company's Polymer Materials have characteristics that offer functional advantages in many market applications, and serve to differentiate the Company's products from competitors' materials and from other commonly available materials.

Polymer Materials are sold to fabricators, molders, printers and original equipment manufacturers for applications in imaging, communications, computer, transportation, consumer and other markets. Trade names for the Company's Polymer Materials include: PORON® urethane foams used for making high performance gaskets and seals in vehicles, communications devices, computers and peripherals; PORON cushion insole materials for footwear and related products;

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PORON healthcare and medical materials for body cushioning, orthotic appliances, and artificial limbs; PORON silicone foams and sponges, used for making flame retardant gaskets and seals in aircraft, trains, cars and trucks; PORON silicone solids for shielding extreme temperature or flame; R/bak® compressible printing plate backing and mounting products for cushioning flexographic printing on

packaging materials; NITROPHYL® floats for fill level sensing in fuel tanks, motors, and storage tanks; ENDUR® elastomer rollers and belts for document handling in copiers, computer printers, facsimile machines, mail sorting machines and automated teller machines; MPC® phenolic-based and RX® epoxy-based thermoset moldable composites for molding engine and transmission parts used in vehicles, and for molding commutator hubs, brush holders, and other high performance parts that insulate electrical activity in electric motors, appliances, and tools. In January 1999, the Company acquired portions of the moldable composite business of Cytec Fiberite, broadening the line of thermoset moldable phenolic and epoxy composites that it can offer customers for high performance applications. Acquired products include brake piston formulations for molding disk brakes, and toughened epoxy engineered composites for molding opto-electronics components.

The Company's two joint ventures extend and complement the Company's worldwide businesses in Polymer Materials. The Rogers Inoac Corporation (RIC), a 50% owned joint venture with Japan-based Inoac Corporation, manufactures high performance PORON elastomer materials and ENDUR components in Mie and Nagoya, Japan. The Durel Corporation, a 50% owned joint venture with 3M, manufactures DUREL electroluminescent lamps in Chandler, Arizona.

ELECTRONIC MATERIALS

Electronic Materials include printed circuit board laminates for high frequency circuits, flexible printed circuit board laminates for high performance flexible circuits, polyester based industrial laminates, composite materials, and power distribution bus bars. The Company's Electronic Materials have characteristics that offer performance and other advantages in many market applications, and serve to differentiate the Company's products from competitors' products and from commonly available materials.

Electronic Materials are sold principally to independent and captive printed circuit board manufacturers who convert the Company's laminates to custom printed circuits.

The polymer based dielectric layers of the Company's high frequency circuit board laminates are proprietary materials that provide highly specialized electrical and mechanical properties. Trade names for the Company's high frequency printed circuit board materials include RO3000™, RO4000®, DUROID®, RT/duroid®, ULTRALAM®, and TMM® laminates. All of these laminates are used for making circuitry that receives, transmits, and processes high frequency communications signals. Each laminate addresses specific needs and applications within the communications market. High frequency circuits are used throughout the equipment and devices that comprise all wireless communications systems, including for cellular communications, digital cellular communications, paging, direct broadcast television, global positioning, mobile radio communications, and radar.

The flexible circuit materials that the Company manufactures are called R/flex® materials. They are mainly used to make interconnections for hard disk drives, portable computers, and miniaturized electronic devices. The performance characteristics of R/flex materials differentiate these laminates from commonly available flexible circuit materials.

The adhesiveless flexible circuit materials that the Company sells to Hutchinson Technology Incorporated, for making TSA suspensions in magneto resistive hard disk drives, are called FLEX-I-MID® materials. FLEX-I-MID materials are manufactured by Mitsui Chemicals, Inc. of Japan, under a technology license from Rogers Corporation.

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Power distribution bus bars are manufactured by the Company under the MEKTRON® trade name. Bus bars are sold to manufacturers of high voltage electrical traction systems for use in mass transit and industrial applications, and to manufacturers of communication and computer equipment.

Industrial laminates are manufactured by the Company under the Induflex® trade name. These polyester based laminates, with thin aluminum and copper cladding, are sold to telecommunications and data communication cable manufacturers for shielding electromagnetic and radio frequency interference, and to automotive component manufacturers for making flat, etched-foil heaters.

The Company's nonwoven composite materials are manufactured for medical padding and bandaging, electrical and thermal insulation, and industrial pre-filtration applications. In October 1998, the Company

acquired the dampening sleeve business of Imation, a former 3M business. These nonwoven composite roller covers, and related pressroom products, are consumable supplies used by the lithographic printing industry.

BACKLOG

Excluding joint venture activity, the backlog of firm orders for Polymer Materials was \$15,092,000 at January 3, 1999 and \$13,173,000 at December 28, 1997. The backlog of firm orders for Electronic Materials was \$21,931,000 at January 3, 1999 and \$21,585,000 at December 28, 1997. The amount of unfilled orders is reasonably stable throughout the year.

RAW MATERIALS

The manufacture of both Polymer and Electronic Materials requires a wide variety of purchased raw materials. Some of these raw materials are available only from limited sources of supply that, if discontinued, could interrupt production. When this has occurred in the past, the Company has purchased sufficient quantities of the particular raw material to sustain production until alternative materials and production processes could be qualified with customers. Management believes that similar responses would mitigate any raw material availability issues in the future.

EMPLOYEES

The Company employed an average of 553 people in the Polymer Materials operations and 568 people in the Electronic Materials operations during 1998.

SEASONALITY

In the Company's opinion, neither the Polymer Materials business nor the Electronics Materials business is seasonal.

CUSTOMERS & MARKETING

The Company's products were sold to approximately 2,300 customers worldwide in 1998. Sales to Hutchinson Technology Incorporated accounted for 13% of sales during 1998. Although the loss of all the sales made to any one of the Company's major customers would require a period of adjustment during which the business of a segment would be adversely affected, the Company believes that such adjustment could be made over a period of time. The Company also believes that its business relationships with the major customers within both of its segments are generally favorable, and that it is in a good position to respond promptly to variations in customer requirements. However, the possibility exists of losing all the business of any major customer as to any product line. Likewise, the possibility exists of losing all the business of any single customer.

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The Company markets its full range of products throughout the United States and in most foreign markets. Over 85% of the Company's sales are sold through the Company's own domestic and foreign sales force, with the balance sold through independent agents and distributors.

COMPETITION

There are no firms that compete with the Company across its full range of product lines. However, each of the Company's products faces competition in each business segment in domestic and foreign markets. Competition comes from firms of all sizes and types, including those with substantially more resources than the Company. The Company's strategy is to offer technically advanced products that are price competitive in their markets, and to link the offerings with market knowledge and customer service. The Company believes this serves to differentiate the Company's products in many markets.

RESEARCH & DEVELOPMENT

The Company has many domestic and foreign patents and licenses and has additional patent applications on file related to both business segments. In some cases, the patents result in license royalties. The patents are of varying duration and provide some protection. Although the Company vigorously defends its patents, the Company believes that its patents have most value in combination with its equipment, technology, skills, and market position. The Company also owns a number of registered and unregistered trademarks that it believes to be of importance.

During its fiscal year 1998, the Company spent \$10,352,000 on research and development activities, compared with \$9,608,000 in 1997, and \$9,184,000 in 1996. These amounts include the cost of the corporate research and development effort in Rogers, Connecticut, which amounted to \$7,452,000, \$6,908,000, and \$6,484,000 in 1998, 1997, and 1996, respectively. The balance was comprised of expenditures for product development and new process development activities in its operating units.

ENVIRONMENTAL REGULATION

During fiscal year 1998, the Company spent \$930,000 on capital equipment necessary to comply with federal, state, and local environmental protection, health and safety regulations. Management estimates that 1999 expenditures needed for compliance with current environmental, health, and safety regulations will approximate \$2,900,000 of which \$1,600,000 has been accrued and \$1,200,000 is expected to be capitalized. These capital expenditures will generally be depreciated on a straight-line basis over a period of from 5 to 10 years.

EXECUTIVE OFFICERS OF THE REGISTRANT

All officers hold office until the first meeting of the Board of Directors following the annual meeting of stockholders or until successors are elected.

There are no family relationships between or among executive officers and directors of the Company.

| Name, Age and Present Position | Prior Business Experience in Past Five Years | Served in Present Position Since |
|--|---|---|
| Walter E. Boomer, 61 President and Chief Executive Officer | General in the U.S. Marine Corps from June 1986 to August 1994; Senior Vice President and Chief Project Management Officer of McDermott International, Inc. to February 1995; President of Babcock & Wilcox Power Generation Group and Executive Vice President of McDermott International, Inc. to October 1996. | March 1997 |
| Aarno A. Hassell, 59 Vice President, Market Development | Vice President, Circuit Materials Group from January 1988 to August 1994. | August 1994 |
| Bruce G. Kosa, 59 Vice President, Technology | Technical Director from August 1992 to October 1994. | October 1994 |
| Frank H. Roland, 63 Vice President, Finance; Chief Financial Officer; and Secretary | President of Halstead Industries, Inc. from June 1991 to January 1995; Vice President of RBX Corporation January 1995 to October 1996; President of Rubatex Corporation April 1995 to October 1996; President and Chief Executive Officer of RBX Corporation October 1996 to July 1998. | September 1998 |
| John A. Richie, 51 Vice President, Human Resources | Director of Human Resources from July 1992 to October 1994. | October 1994 |
| Robert D. Wachob, 51 Senior Vice President Sales and Marketing | Vice President, Sales and Marketing from October 1990 to May 1997. | May 1997 |
| Donald F. O'Leary, 55 Corporate Controller Executive Officer | Assistant Controller from April 1982 to April 1995. | April 1995 April 1996 |
| Robert M. Soffer, 51 Treasurer and Assistant Secretary Clerk | | March 1987 February 1992 |

Item 2. PROPERTIES

The Company owns its properties, except as noted below. The Company considers that its properties are well-maintained, in good operating condition, and suitable for its current and anticipated business. Manufacturing capacity was added to the facilities located in Chandler, Arizona, Ghent, Belgium, and Woodstock, Connecticut, during 1998. Operating capacity can be increased by additional worker hours at these and at several of the Company's other locations. Also, adequate land is available for foreseeable future requirements at each of the Company's owned plants.

| | Floor Space (Square Feet) | Type of Facility | Leased/Owned |
|------------------------------------|--------------------------------------|--|---------------------|
| <u>Polymer Materials</u> | | | |
| Manchester, Connecticut | 128,000 | Manufacturing | Owned |
| | 38,000 | Warehouse | Owned |
| South Windham, Connecticut | 88,000 | Manufacturing | Owned |
| Woodstock, Connecticut | 116,000 | Manufacturing | Owned |
| Elk Grove Village, Illinois | 93,000 | Manufacturing | Leased through 9/01 |
| <u>Electronic Materials</u> | | | |
| Chandler, Arizona | 112,000 | Manufacturing | Owned |
| | 11,000 | Warehouse | Owned |
| Chandler, Arizona* | 142,000 | Manufacturing Facility Held for Sale | Owned |
| Rogers, Connecticut | 290,000 | Manufacturing | Owned |
| Ghent, Belgium | | | |
| Rogers NV | 98,000 | Manufacturing | Owned |
| Rogers Induflex NV | 96,000 | Manufacturing | Owned |
| Tokyo, Japan | 2,000 | Sales Office | Leased through 8/99 |
| Wanchai, Hong Kong | 1,000 | Sales Office | Leased through 3/00 |
| Taipei, Taiwan, R.O.C. | 1,000 | Sales Office | Leased through 7/00 |
| <u>Corporate</u> | | | |
| Rogers, Connecticut | 116,000 | Corporate Headquarters/ Research & Development | Owned |

* The company is leasing this facility to the purchaser of the flexible interconnections business, which was sold in 1993.

Item 3. LEGAL PROCEEDINGS

The Company is subject to federal, state, and local laws and regulations concerning the environment and is currently engaged in proceedings involving a number of sites under these laws, as a participant in a group of potentially responsible parties (PRPs). The Company is currently involved as a PRP in five cases involving waste disposal sites, all of which are Superfund sites. Several of these proceedings are at a preliminary stage and it is impossible to estimate the cost of remediation, the timing and extent of remedial action which may be required by governmental authorities, and the amount of liability, if any, of the Company alone or in relation to that of any other PRPs. The Company also has been seeking to identify insurance coverage with respect to several of these matters. Where it has been possible to make a reasonable estimate of the Company's liability, a provision has been established. Insurance proceeds have only been taken into account when they have been confirmed by or received from the insurance company. Actual costs to be incurred in future periods may vary from these estimates. Based on facts presently known to it, the Company does not believe that the outcome of these proceedings will have a material adverse effect on its financial position.

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In addition to the above proceedings, the Company has been actively working with the Connecticut Department of Environmental Protection (CT DEP) related to certain polychlorinated biphenyl (PCB) contamination in the soil beneath a section of cement flooring at its Woodstock, Connecticut facility. The Company has developed a remediation plan that has been approved by the CT DEP, and it is expected

that removal of soil contamination will be completed in 1999. On the basis of estimates prepared by environmental engineers and consultants, the Company recorded a provision of approximately \$900,000 in 1994, and based on updated estimates provided an additional \$700,000 in 1997 and \$600,000 in 1998 for costs related to this matter. During 1995, \$300,000 was charged against this provision and \$200,000 per year was charged in 1996, 1997 and 1998. Management believes, based on facts currently available, that the implementation of the aforementioned remediation will not have a material additional adverse impact on earnings.

In this same matter the United States Environmental Protection Agency (EPA) has alleged that the Company improperly disposed of PCBs. An administrative law judge found the Company liable for this alleged disposal and assessed a penalty of approximately \$300,000. The Company has reflected this fine in expense in 1998 but vigorously disputes the EPA allegations and has appealed the administrative law judge's findings and penalty assessment.

The Company has not had any material recurring costs and capital expenditures relating to environmental matters, except as specifically described in the preceding statements.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information set forth under the caption "Capital Stock Market Prices" on page 45, under the caption "Restriction on Payment of Dividends" in Note G on page 33, and under the caption "Dividend Policy" in the "Management's Discussion and Analysis" on page 54 of the 1998 annual report to shareholders.

At February 25, 1999, there were 1,060 shareholders of record.

Item 6. SELECTED FINANCIAL DATA

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information set forth under the caption "Selected Financial Data" on page 19 of the 1998 annual report to shareholders, but specifically excluding from said incorporation by reference the information contained therein and set forth under the subcaption "Other Data."

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information set forth under the caption "Management's Discussion and Analysis" on pages 46 through 56 of the 1998 annual report to shareholders.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information set forth under the caption "Market Risk" in the "Management's Discussion and Analysis" on page 53 of the 1998 annual report to shareholders.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information set forth on pages 20 through 44 and under the caption "Quarterly Results of Operations (Unaudited)" on page 45 of the 1998 annual report to shareholders.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information with respect to the Directors of the Registrant set forth under the caption "Nominees for Director" on page 2 of the Registrant's definitive proxy statement dated March 17, 1999, for its 1998 annual meeting of stockholders filed pursuant to Section 14(a) of the Act. Information with respect to Executive Officers of the Registrant is presented in Part I.

Item 11. EXECUTIVE COMPENSATION

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information set forth under the captions "Directors' Compensation" on page 5 and "Executive Compensation" on pages 6 through 13 of the Registrant's definitive proxy statement, dated March 17, 1999, for its 1999 annual meeting of stockholders filed pursuant to Section 14(a) of the Act.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information with respect to Security Ownership of Certain Beneficial Owners and Management set forth under the captions "Stock Ownership of Management" on page 3 and "Beneficial Ownership of More Than Five Percent of the Corporation's Stock" on page 4 of the Registrant's definitive proxy statement, dated March 17, 1999, for its 1999 annual meeting of stockholders filed pursuant to Section 14(a) of the Act.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Pursuant to General Instruction G to Form 10-K, there is hereby incorporated by this reference the information with respect to certain relationships and related transactions included under the captions "Other Arrangements and Payments" and "Certain Relationships and Related Transactions" on page 14 of the Registrant's definitive proxy statement, dated March 17, 1999, for its 1999 annual meeting of stockholders filed pursuant to Section 14(a) of the Act.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) - The following consolidated financial statements of Rogers Corporation and Subsidiaries, included in the Annual Report of the Registrant to its shareholders for the fiscal year ended January 3, 1999, are incorporated by reference in Item 8:

Consolidated Balance Sheets—January 3, 1999 and December 28, 1997
Consolidated Statements of Income -- Fiscal Years Ended January 3, 1999,
December 28, 1997, and December 29, 1996
Consolidated Statement of Shareholders' Equity -- January 3, 1999, December 28,
1997, and December 29, 1996
Consolidated Statements of Cash Flows--Fiscal Years Ended
January 3, 1999, December 28, 1997, and December 29, 1996
Notes to Consolidated Financial Statements—January 3, 1999

(2) - The following consolidated financial statement schedule of Rogers Corporation and consolidated subsidiaries is included in Item 14(d):

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(3) Exhibits (numbered in accordance with Item 601 of Regulation S-K):

- 3a Restated Articles of Organization, filed with the Secretary of State of the Commonwealth of Massachusetts on April 6, 1966, were filed as Exhibit 3a to the Registrant's Annual Report on Form 10-K for the fiscal year ended January 1, 1989 (the 1988 Form 10-K)*.
- 3b Articles of Amendment, filed with the Secretary of State of the Commonwealth of Massachusetts on August 10, 1966, were filed as Exhibit 3b to the 1988 Form 10-K*.
- 3c Articles of Merger of Parent and Subsidiary Corporations, filed with the Secretary of State of the Commonwealth of Massachusetts on December 29, 1975, were filed as Exhibit 3c to the 1988 Form 10-K*.
- 3d Articles of Amendment, filed with the Secretary of State of the Commonwealth of Massachusetts on March 29, 1979, were filed as Exhibit 3d to the 1988 Form 10-K*.
- 3e Articles of Amendment, filed with the Secretary of State of the Commonwealth of Massachusetts on March 29, 1979, were filed as Exhibit 3e to the 1988 Form 10-K*.
- 3f Articles of Amendment, filed with the Secretary of State of the Commonwealth of Massachusetts on April 2, 1982, were filed as Exhibit 3f to the 1988 Form 10-K*.
- 3g Articles of Merger of Parent and Subsidiary Corporations, filed with the Secretary of State of the Commonwealth of Massachusetts on December 31, 1984, were filed as Exhibit 3g to the 1988 Form 10-K*.
- 3h Articles of Amendment, filed with the Secretary of State of the Commonwealth of Massachusetts on April 6, 1988, were filed as Exhibit 3h to the 1988 Form 10-K*.
- 3i By-Laws of the Company as amended on March 28, 1991, September 10, 1991, and June 22, 1995 were filed as Exhibit 3i to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (the 1995 Form 10-K)*.
- 3j Articles of Amendment, as filed with the Secretary of State of the Commonwealth of Massachusetts on May 24, 1994, were filed as Exhibit 3j to the 1995 Form 10-K*.
- 3k Articles of Amendment, as filed with the Secretary of State of the Commonwealth of Massachusetts on May 8, 1998 are filed herewith.
- 4a Certain Long-Term Debt Instruments, each representing indebtedness in an amount equal to less than 10 percent of the Registrant's total consolidated assets, have not been filed as exhibits to this Annual Report on Form 10-K. The Registrant hereby undertakes to file these instruments with the Commission upon request.
- 4b 1997 Shareholder Rights Plan was filed on Form 8-A dated March 24, 1997. The June 19, 1997 and July 7, 1997 amendments were filed on Form 8-A/A dated July 21, 1997*.
- 10a Rogers Corporation Incentive Stock Option Plan** (1979, as amended July 9, 1987 and October 23, 1996). The 1979 plan and the July 9, 1987 amendment were filed as Exhibit 10c to the Registrant's Annual Report on Form 10-K for the fiscal year ended January 3, 1988 (the 1987 Form 10-K). The October 23, 1996 amendment was filed as Exhibit 10a to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 29, 1996 (the 1996 Form 10-K)*.
- 10b Description of the Company's Life Insurance Program**, was filed as Exhibit K to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 28, 1980*.
- 10c Rogers Corporation Annual Incentive Compensation Plan** (as restated and amended on December 18, 1996) was filed as Exhibit 10c to the 1996 Form 10-K*.
- 10d Rogers Corporation 1988 Stock Option Plan** (as amended December 17, 1988, September 14, 1989, and October 23, 1996). The 1988 plan, the 1988 amendment, and the 1989 amendment were filed as Exhibit 10d to the Registrant's Annual Report on Form 10-K for the fiscal year ended January 1, 1995 (the 1994 Form 10-K)*. The 1996 amendment was filed as Exhibit 10d to the 1996 Form 10-K*.
- 10e Rogers Corporation 1990 Stock Option Plan** (as restated and amended on October 18, 1996), was filed as Registration Statement No. 333-14419 on Form S-8 dated October 18, 1996*.

- 10f Rogers Corporation Deferred Compensation Plan** (1983) was filed as Exhibit O to the Registrant's Annual Report on Form 10-K for the fiscal year ended January 1, 1984*.
- 10g Rogers Corporation Deferred Compensation Plan** (1986) was filed as Exhibit 10e to the 1987 Form 10-K*.
- 10h Rogers Corporation 1994 Stock Compensation Plan** (as restated and amended on December 6, 1996 and amended on December 18, 1997). The 1996 plan, as amended and restated on December 6, 1996, was filed as Exhibit 10h to the 1996 Form 10-K. The 1997 amendment was filed as Exhibit 10h to the 1997 Form 10-K*.
- 10i Rogers Corporation Voluntary Deferred Compensation Plan for Non-Employee Directors** (1994, as amended December 26, 1995 and December 27, 1996). The 1994 plan, the December 26, 1995 and December 27, 1996 amendments were filed as Exhibit 10i to the 1994 Form 10-K, 1995 Form 10-K, and 1996 Form 10-K, respectively*.
- 10j Rogers Corporation Voluntary Deferred Compensation Plan for Key Employees** (1993, as amended on October 18, 1994, December 22, 1994, December 21, 1995, December 22, 1995, and April 16, 1996). The 1993 plan and the 1994 amendments were filed as Exhibit 10j to the 1994 Form 10-K. The 1995 and 1996 amendments were filed as Exhibit 10j to the 1995 Form 10-K and 1996 Form 10-K, respectively*.
- 10k Rogers Corporation Long-Term Enhancement Plan for Senior Executives of Rogers Corporation** dated December 18, 1997.
- 10l Rogers Corporation 1998 Stock Incentive Plan** was filed as Registration Statement No. 333-50901 on April 24, 1998*.
- 13 Portions of the Rogers Corporation 1998 Annual Report to Shareholders which are specifically incorporated by reference in this Annual Report on Form 10-K.
- 21 Subsidiaries of the Registrant.
- 23 Consent of Independent Auditors.
- 27.1 Financial Data Schedule.

* In accordance with Rule 12b-23 and Rule 12b-32 under the Securities Exchange Act of 1934, as amended, reference is made to the documents previously filed with the Securities and Exchange Commission, which documents are hereby incorporated by reference.

** Management Contract.

(b) No reports on Form 8-K were filed during the three months ended January 3, 1999.

(c) Exhibits - The response to this portion of Item 14 is submitted as a separate section of this report.

(d) Financial Statement Schedule

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

ROGERS CORPORATION AND CONSOLIDATED SUBSIDIARIES

| (Dollars in Thousands) | | | | | |
|---|--------------------------------|---|---------------------------|------------------|--------------------------|
| Description | Balance at Beginning of Period | Additions Charged to Costs and Expenses | Charged to Other Accounts | Other Deductions | Balance at End of Period |
| Year ended Jan. 3, 1999: | | | | | |
| Deducted from asset accounts: | | | | | |
| Net realizable value allowance for assets held for sale | \$ 492 | \$ -- | \$ -- | \$ -- | \$ 492 |
| Year ended Dec. 28, 1997: | | | | | |
| Deducted from asset accounts: | | | | | |
| Net realizable value allowance for assets held for sale | \$ 492 | \$ -- | \$ -- | \$ -- | \$ 492 |
| Year ended Dec. 29, 1996: | | | | | |
| Deducted from asset accounts: | | | | | |
| Net realizable value allowance for assets held for sale | \$ 2,032 | \$ -- | \$ -- | \$ 1,540* | \$ 492 |

* Allowance applicable to assets sold during 1996 at approximate book value.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ROGERS CORPORATION
(Registrant)

Date: March 25, 1999

By /s/FRANK H. ROLAND
Frank H. Roland
Vice President, Finance; Chief Financial Officer; and
Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 23, 1999, by the following persons on behalf of the Registrant and in the capacities indicated.

| | |
|---|---|
| By <u>/s/WALTER E. BOOMER</u> Walter E. Boomer | <i>President (Principal Executive Officer) and Director</i> |
| By <u>/s/LEONID V. AZAROFF</u> Leonid V. Azaroff | <i>Director</i> |
| By <u>/s/LEONARD M. BAKER</u> Leonard M. Baker | <i>Director</i> |
| By <u>/s/HARRY H. BIRKENRUTH</u> Harry H. Birkenruth | <i>Director</i> |
| By <u>/s/EDWARD L. DIEFENTHAL</u> Edward L. Diefenthal | <i>Director</i> |
| By <u>/s/MILDRED S. DRESSELHAUS</u> Mildred S. Dresselhaus | <i>Director</i> |
| By <u>/s/DONALD J. HARPER</u> Donald J. Harper | <i>Director</i> |
| By <u>/s/GREGORY B. HOWEY</u> Gregory B. Howey | <i>Director</i> |
| By <u>/s/LEONARD R. JASKOL</u> Leonard R. Jaskol | <i>Director</i> |
| By <u>/s/WILLIAM E. MITCHELL</u> William E. Mitchell | <i>Director</i> |

EXHIBIT 21 - SUBSIDIARIES OF THE REGISTRANT

| <u>Company</u> | <u>Percentage of Voting Securities Owned</u> | <u>Jurisdiction of Incorporation or Organization</u> |
|---------------------------------|--|--|
| Rogers L-K Corp. | 100% | Delaware |
| Rogers Japan, Inc. | 100% | Delaware |
| Rogers Southeast Asia, Inc. | 100% | Delaware |
| Rogers Taiwan, Inc. | 100% | Delaware |
| TL Properties, Inc. | 100% | Arizona |
| World Properties, Inc. | 100% | Illinois |
| Rogers Export Sales Corporation | 100% | Barbados |
| Rogers Induflex N.V. | 100% | Belgium |
| Rogers N.V. | 100% | Belgium |
| Rogers GmbH | 100% | Germany |
| Rogers (UK) LTD. | 100% | England |
| Rogers S.A. | 100% | France |
| * Rogers Inoac Corporation | 50% | Japan |
| * Durel Corporation | 50% | Delaware |

* These entities are unconsolidated joint ventures and accordingly are not consolidated in the consolidated financial statements of Rogers Corporation.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Rogers Corporation of our report dated February 2, 1999, included in the 1998 Annual Report to Shareholders of Rogers Corporation.

Our audits also included the financial statement schedule of Rogers Corporation listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in Registration Statements (Form S-8 Nos. 2-84992, 33-15119, 33-21121, 33-38219, 33-64314, 33-44087, 33-53353, 333-14419, and 333-42545, 333-50901 and Form S-3 No. 33-53369) pertaining to various stock option and employee savings plans, and stock grants, of Rogers Corporation of our report dated February 2, 1999, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) of Rogers Corporation.

ERNST & YOUNG LLP

Providence, Rhode Island
March 23, 1999